https://www.kfintech.com
+91 40 6716 2222, 7961 1000

August 01, 2024 CS&G/STX/SQ2024/19

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

Scrip Symbol: KFINTECH

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

Scrip Code: 543720

Sub. : Submission of Annual Report for the Financial Year 2023-24 including the Notice of the 7th Annual General Meeting of the Company

Ref. : Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")

Dear Sir / Madam,

This is further to our previous intimations bearing reference nos. CS&G/STX/JQ2024/19 dated May 24, 2024, regarding the 7th Annual General Meeting of the Company ("**AGM**"), and CS&G/STX/SQ2024/06 dated July 17, 2024 intimating the information regarding the AGM to be held through video conferencing / other audio-visual means, published in the newspapers. Pursuant to Regulation 34 and other applicable provisions of the LODR Regulations, please find enclosed herewith the Annual Report for the Financial Year 2023-24 including the Notice of the AGM.

The AGM of the Company will be held on Thursday, August 29, 2024, at 04:00 p.m. (IST) through Video Conferencing / Other Audio-Visual means.

In compliance with the General Circular No. 09/2023 issued by the Ministry of Corporate Affairs ("**MCA**") on September 25, 2023 and other circulars issued by MCA in this respect, and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 issued by the Securities and Exchange Board of India ("**SEBI**") on October 07, 2023 (hereinafter collectively referred to as "**the Circulars**"), the Annual Report for the Financial Year 2023-24 including the Notice of the AGM along with the instructions regarding e-voting is being sent by electronic mode only to those members whose names appear in the Register of Members / list of Beneficial Owners, maintained by the Depositories as on Friday, July 26, 2024, and whose e-mail ids are registered with the Registrar and Transfer Agent / Depository Participants.

The details such as manner of registering / updating e-mail ids, procedure for remote e-voting and joining the AGM through VC facility and e-voting thereat have been set out in the Notice of the AGM.

Members whose names appear in the Register of Members / list of Beneficial Owners, maintained by the Depositories as on Friday, August 23, 2024, being the cut-off date, are entitled to vote on the resolutions set out in the Notice of the AGM and attend the AGM.

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The Company has engaged the services of National Securities Depository Limited as the agency to provide the e-voting facility. The remote e-voting period will commence at 9:00 a.m. (IST) on Monday, August 26, 2024, and will end at 5:00 p.m. (IST) on Wednesday, August 28, 2024. In addition, the facility for voting through e-voting system shall also be made available during the AGM.

This is for your information and records.

Thanking you,

Yours faithfully,

For KFin Technologies Limited

Digitally signed by ALPANA UTTAM KUNDU
Date: 2024.08.01 21:34:26 +05'30'

Alpana Kundu
Company Secretary and Compliance Officer
ICSI Membership No.: F10191

Encl.: a/a

KFINTECH

EXPERIENCE TRANSFORMATION

OUR JOURNEY TOWARDS TOMORROW

from Innovation to Transformation to Value Creation.

ANNUAL REPORT

2023-24

www.kfintech.com

Contents

To get this report online and for any other information, log on to: **www.kfintech.com**

Forward-looking statements

This Report contains statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words like 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance, in connection with any discussion of future performance. These projections are based on prudent assumptions, and we cannot guarantee that they will be realized. Should any known or unknown risk or uncertainty materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Key operational highlights FY 2023-24

- KFintech continues to be the largest investor and issuer solutions provider in India

Domestic Mutual Fund Solutions

- Gained market share in the overall AAUM in domestic mutual fund segment; Equity AAUM market share stable; SIP market share strong and stable at 40%; Five of the top 10 fastest growing asset management companies are clients of KFintech
- Won maiden contract for Datalake product from a large domestic mutual fund company where KFintech is not the Registrar and Transfer Agent
- Proud to have developed and launched a SUPTECH platform – P.A.R.A.S – Portal for Alerts, Reports & Analytics for SEBI; Launched Guardian, a trade reporting and compliance management platform for organizations involved in capital market

Issuer Solutions

- Acquired 708 new corporate clients and added 14.30 million investor folios; Won marquee logos including Jio Financial Services, State Bank of India, and Vishal Mega Mart
- Stable and leading market share in NSE 500 companies in terms of number of clients, number of folios, and market capitalization; Managed 45.0% of the main board IPOs in India in terms of the issue size
- Launched services for listed clients for managing claims under Investor Education and Protection Fund

International and Other Investor Solutions

- Won 16 new clients in the international business; Won maiden fund administration contract from the fifth-largest bank in Thailand
- Won maiden multi-year fund administration contracts from LIC Pension Fund and one of the largest custodian banks in India; Won a multi-year deal from a large non-banking finance company in India for wealth technology platform
- Launched XAlt, an integrated fund administration platform for AIFs, digital onboarding platform for PWM/PMS clients, and front office order management platform for PMS clients
- Continue to gain market share in NPS; KFintech's NPS subscriber base growing at double the pace of the industry growth
- Acquired and fully integrated WebileApps India Private Limited

Key financial highlights FY 2023-24

₹ 8,375.3 million Revenue from Operations	**16.3%** Y-o-Y Growth		**20.3%** 3-Yr CAGR
₹ 2,510.4 million Non-MF Revenue	**12.7%** Y-o-Y Growth	**30.0%** Non-MF Share	**17.2%** 3-Yr CAGR
₹ 505.5 million VAS Revenue	**32.8%** Y-o-Y Growth	**6.0%** VAS Share	**22.4%** 3-Yr CAGR
₹ 3,665.9 million EBITDA	**23.0%** Y-o-Y Growth	**43.8%** Margin	**20.0%** 3-Yr CAGR
₹ 2,460.5 million PAT	**25.7%** Y-o-Y Growth	**29.4%** Margin	**29.1%** 3-Yr CAGR
0.0* Debt-to-Equity	**24.5%** Return on Equity	**54.1%** EBITDA to Free Cashflow	

**Debt as on March 31, 2024, represents lease liabilities and there are no outstanding borrowings.*

Key statistics FY 2023-24

Domestic mutual fund investor solutions

25* domestic mutual fund clients
Out of 47* Asset Management Companies in India with 53.2% market share

₹ 10.0 trillion
Equity AAUM serviced with 33.4% market share

138 million
Mutual Fund investor folios

₹ 17.4 trillion
Overall AAUM serviced with 32.1% market share

₹ 76.3 billion
Monthly SIP inflows in Mar-24 with 39.6% market share

Issuer solutions

6,071
Corporate clients

46.1% market share
Based on market capitalization of NSE 500 companies

124 million
Issuer Solution investor folios

International investor solutions

57 clients
No. of international clients

USD 7.2 billion
AUM

8 Geographies
Serviced with Fund Administration platform & services

AIF/PMS/PWM investor solutions

472 AIF funds
Serviced in India & GIFT City with 36.3% market share

265 AIF clients
Serviced in India & GIFT City

₹ 1.0 trillion
AUM serviced

National pension scheme

1.2 million subscribers
under National Pension Scheme with 8.3% market share

2,327
No. of corporate clients

₹ 409.4 billion
AUM serviced

Other statistics

5,818
Total employees including 940 IT engineers

1.8 million
Average daily transactions

800
BitSight Security Score

66.6
ESG Rating

**1 out of 25 is yet to start operations and 4 out of 47 are yet to start operations.*

Our Journey Towards Tomorrow: From Innovation to Transformation to Value Creation!

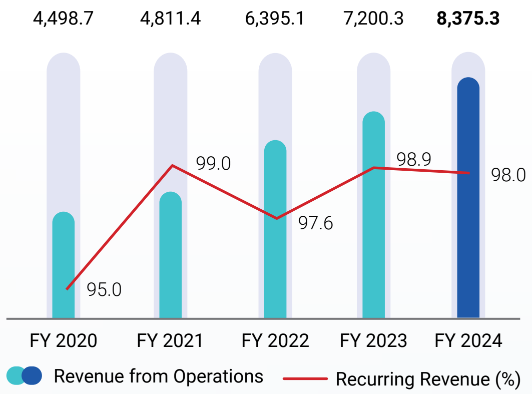
At KFintech, transformation is a way of life. It is the driving force that steers our futuristic journey of growth and value creation. It is the core around which we have developed our strategic charter, to ensure sustained customer delight. It is the cornerstone of our business philosophy, which is designed to empower our stakeholders, and propel their consistent progress.

A key lever of our transformational odyssey is our unwavering focus on innovation, which we are continually nurturing and strengthening. We have embraced technology, digitalization and automation as the building blocks of our innovation-led growth strategy. Our deep understanding of the evolving needs and aspirations of our customers and other stakeholders equip us to innovate the best-in-class offerings to boost their engagement and enhance their experience with KFintech.

Key Numbers that Define Us

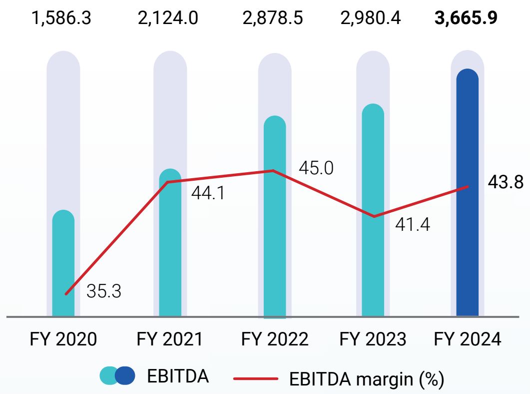
Revenue from Operations & Recurring Revenue
(₹ million)

16.3% YoY growth **13.7%** 5 years CAGR



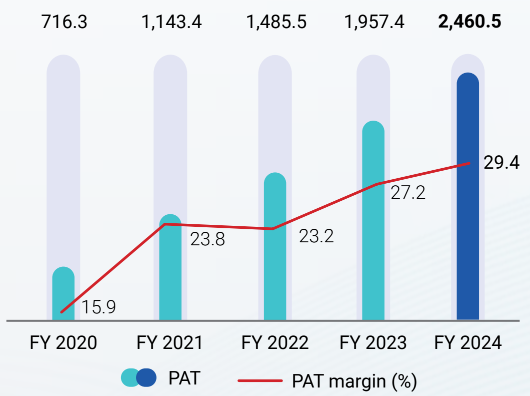
EBITDA & EBITDA margins
(₹ million)

23.0% YoY growth **20.4%** 5 years CAGR



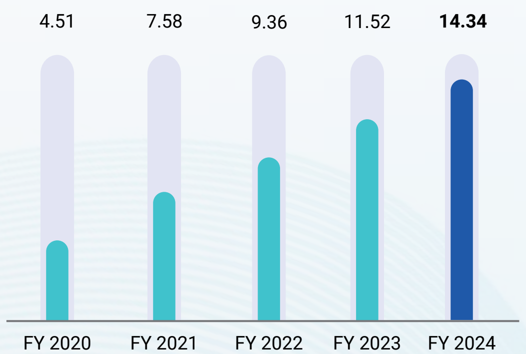
PAT & PAT margins*
(₹ million)

25.7% YoY growth **24.8%** 5 years CAGR



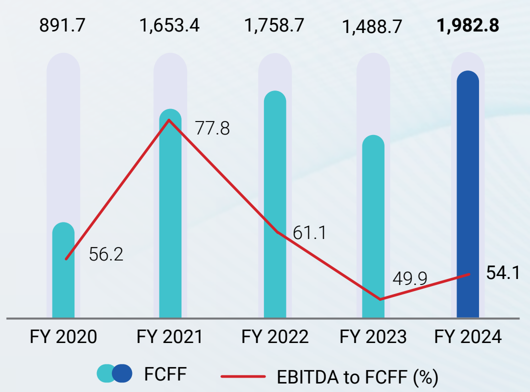
Diluted EPS*
(₹)

24.5% YoY growth **23.9%** 5 years CAGR



Free Cash Flow to Firm & EBITDA to FCFF
(₹ million)

33.2% YoY growth **20.7%** 5 years CAGR

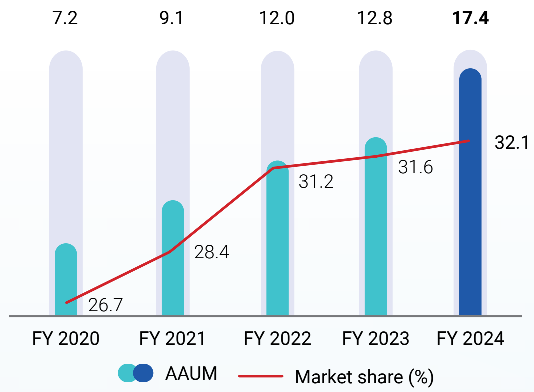


*PAT and EPS adjusted for the period FY 20 and FY 21 for goodwill amortization and impact of change in Finance Act, 2021.

Domestic mutual fund investor solutions

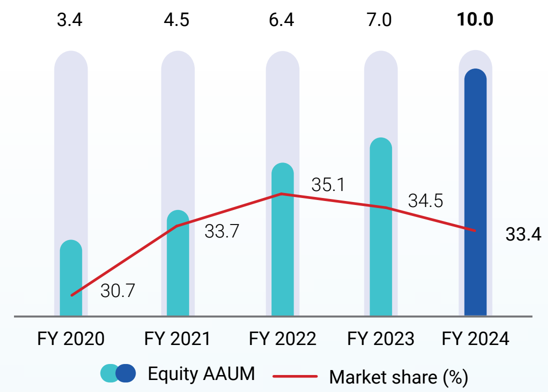
Overall AAUM
(₹ trillion)

35.5% YoY growth **21.8%** 5 years CAGR



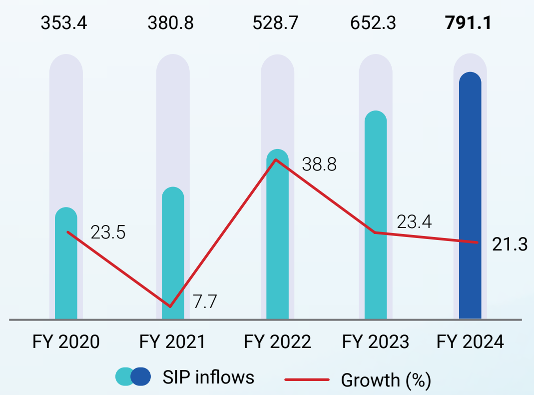
Equity AAUM
(₹ trillion)

43.2% YoY growth **29.7%** 5 years CAGR



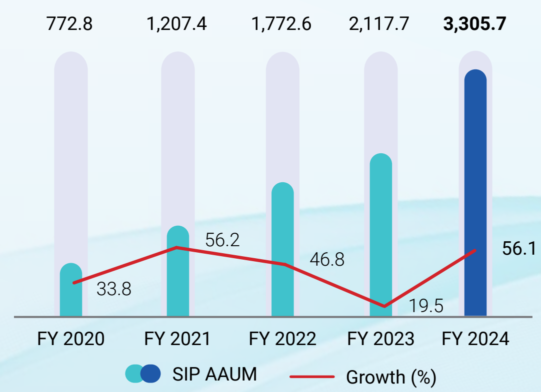
SIP inflows
(₹ billion)

21.3% YoY growth **22.6%** 5 years CAGR



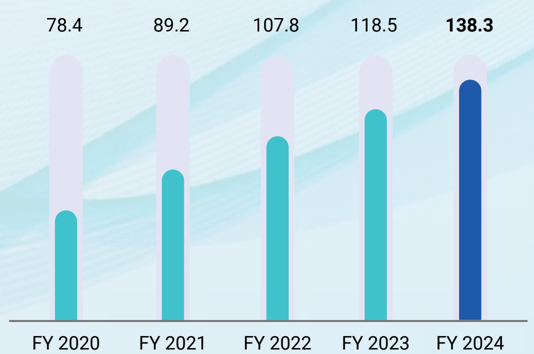
SIP AAUM
(₹ billion)

56.1% YoY growth **41.7%** 5 years CAGR



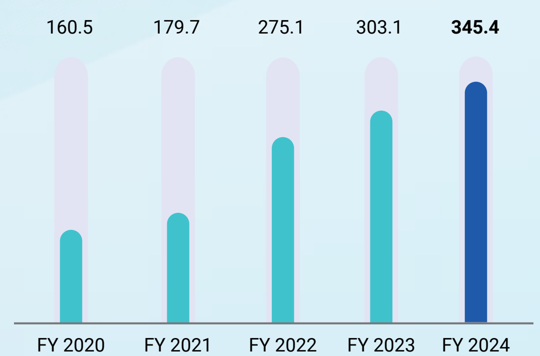
No. of folios
(in million)

16.7% YoY growth **13.9%** 5 years CAGR



No. of transactions
(in million)

14.0% YoY growth **20.9%** 5 years CAGR

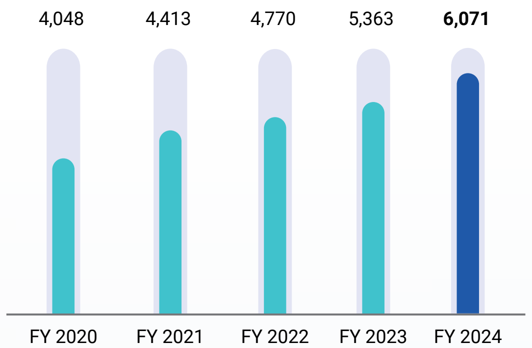


Issuer solutions

No. of clients

13.2% YoY growth

13.8% 5 years CAGR

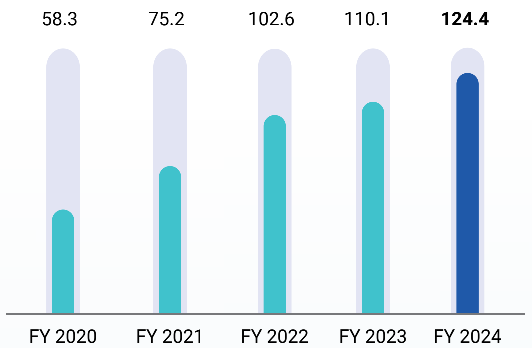


No. of folios

(in million)

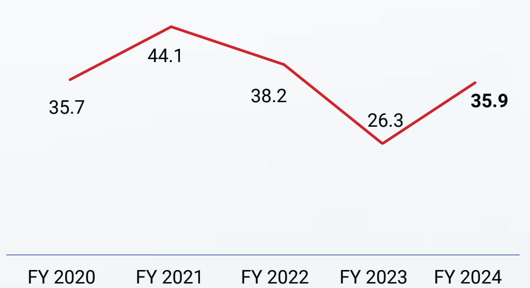
13.0% YoY growth

18.8% 5 years CAGR



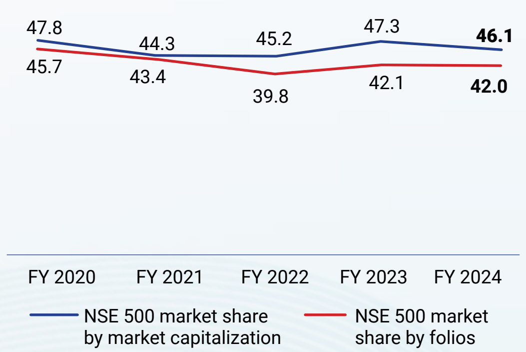
IPO market share by no. of clients

(Value in %)



NSE 500 market share by folios

(Value in %)

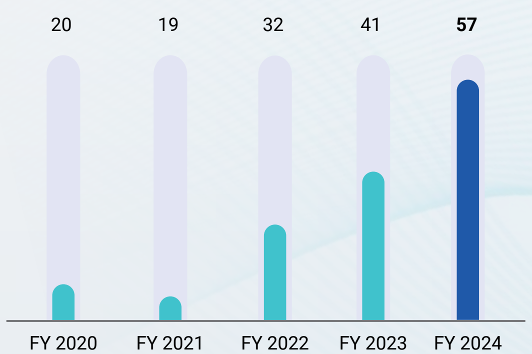


International investor solutions

No. of clients

39.0% YoY growth

27.4% 5 years CAGR

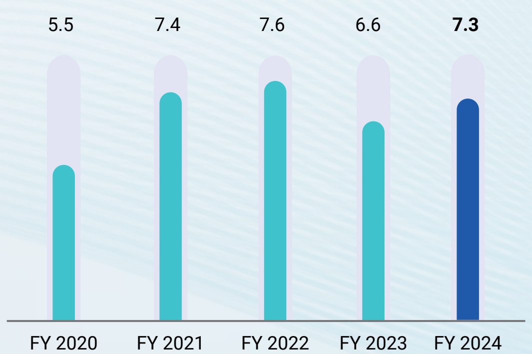


End of period AUM

(USD billion)

11.6% YoY growth

15.3% 5 years CAGR

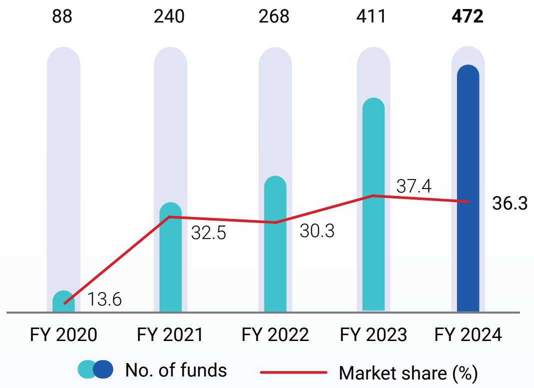


AIF/PMS/PWM investor solutions

No. of funds and market share

14.8% YoY growth

58.0% 5 years CAGR

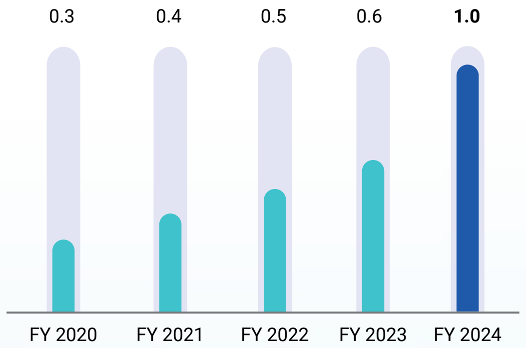


End of period AUM

(₹ trillion)

60.6% YoY growth

32.6% 5 years CAGR



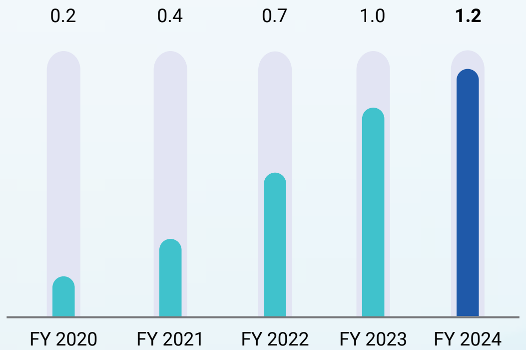
National Pension Scheme

No. of subscribers

(in million)

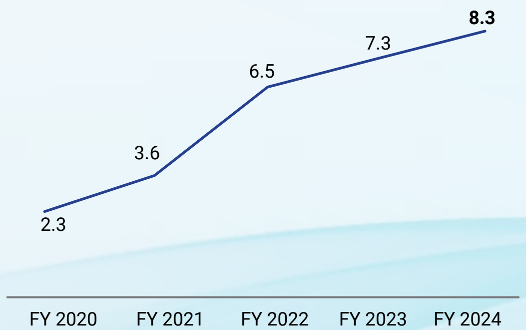
27.7% YoY growth

83.8% 5 years CAGR



Market share

(%)



Key Facts that Distinguish Us

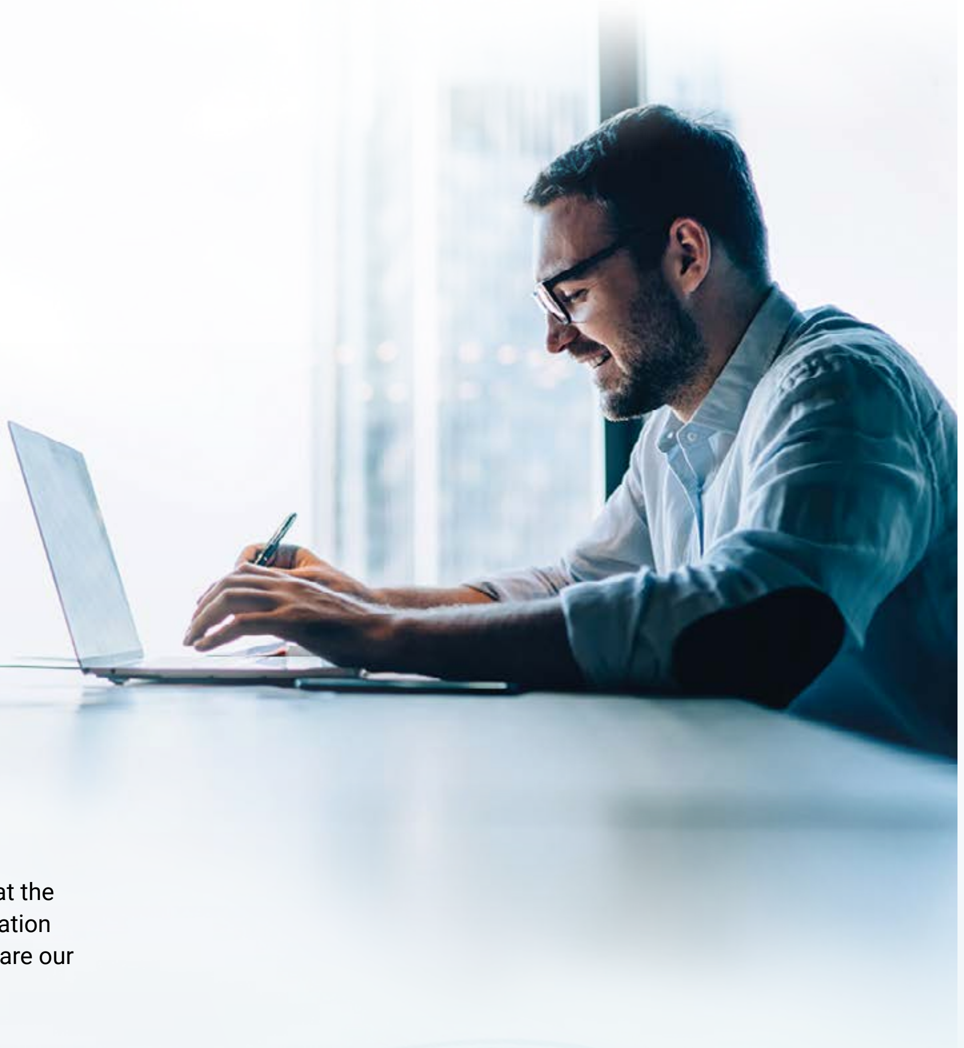
- Asset-light and diversified business model with strong lineage of growth, market leadership, recurring revenue model, high operating leverage, profitability, and cash generation
- Diverse multi-asset servicing platform benefiting from strong growth across large markets in India and globally
- Unique "platform-as-a-service" and "software-as-a-service" business model offering comprehensive end-to-end technology-led solutions, developed in-house
- Deeply entrenched, long-standing client relationships with a diversified and expanding clients base in India and overseas
- Experienced and professional management team, backed by a strong Board and marquee shareholders, along with strong culture of governance and compliance

ABOUT THE COMPANY

Delighting Clients with Technology-driven Solutions to Global Asset Managers

KFin Technologies Limited is a globally reputed, technology-driven financial services platform, providing comprehensive suite of products and solutions to the global capital markets ecosystem, led by customer delight with its innovation and transformative experience. We service the mission-critical needs of global asset managers, with clients spanning mutual funds, AIFs (alternative investments), unit trusts, pensions and private retirement schemes, insurance, wealth and portfolio management and corporates, in India and in multiple geographies around the globe.

We provide platform-as-a-service (PAAS) and software-as-a-service (SAAS) based end-to-end digital onboarding, transaction and order management, transfer agency, fund accounting, fund administration, channel management, compliance solutions, regulatory reporting, data analytics, mobility solutions, and various other digital services to global asset managers across segments.



Our Vision

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

Our Values

Transparency, integrity and an ethical culture lie at the core of our values, which define KFintech's dedication and commitment to its stakeholders. Our values are our North Star, guiding our decisions and actions.

Client Success: Deliver to Delight

Respect for People: Value and Celebrate individuality and togetherness

Innovate and be exceptional: Challenge the paradigm

Will and Skill to win: Foster the Culture to Win and Wanting to Win

Lead with integrity and live by compliance: Think and Act based on values

Unhinged Accountability: We are that passionate

Evolve, on demand: Nimble and fluid, stay ahead of the game

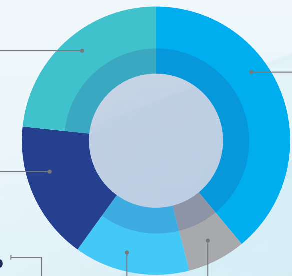
Corporate Structure

KFin Technologies Limited

- KFin Services Private Limited (India) (100% stake)
  - WebileApps (India) Private Limited (100% stake)
    - WebileApps Technology Services Private Limited (wholly-owned subsidiary)
- KFin Global Technologies (IFSC) Limited (SEZ - GIFT City) (100% stake)
  - *Fintech Products and Solutions (India) Private Limited (20.95% stake)
    - FinSec AA Solutions Private Limited (wholly-owned subsidiary)
- KFin Technologies (Bahrain) WLL (Bahrain) (100% stake)
  - Hexagram Fintech Private Limited (100% stake)
    - Hexagram FinTech SDN BHD (Malaysia) (wholly-owned subsidiary)
- KFin Technologies (Malaysia) SDN BHD (Malaysia) (100% stake)

The Company has disinvested its entire stake on July 03, 2024.

Shareholding pattern



Our innovative product & service suite

As industry leaders, with several industry-first platforms and features for all asset classes, we have blended our asset management expertise with transformative platform and big data solutioning. This has enabled us to build unique and customized digital solutions for our global clients. We have adopted a platform-driven product design and delivery approach to service the varied needs of our clients, treating them as a partner in their journey to digital transformation. This enables us to understand their requirements, develop suitable solutions, and cross sell and up sell value-added products and solutions (VAS) to the client.

Our strong edge in technology-led innovation has helped us create an eclectic mix of critical investor and issuer solution services across diverse asset classes at a global scale. Our technology offering enables transaction lifecycle management combined with highly secure data collection, processing, and storage. Our clients rely on our platform to service their customers and channel partners, and the performance of our platform has a direct bearing on the reputation of our clients. 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, while entrusting bulk of operational front office, middle office and back-office activities to our platform combined with a suite of VAS.

Our 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 platforms are therefore modular and adaptable for clients across geographies and enable them to launch their business with quick turnaround times.

Domestic Mutual Fund Investor Solutions

What we stand for

- Largest investor solutions provider to the Indian mutual funds, serving 25 of the 47 asset management companies in India
- Unique "platform-as-a-service" business model providing comprehensive end-to-end customized and be-spoke solutions enabled by technology solutions developed in-house
- Investor and distributor-first approach
- Complete suite of core registrar and transfer agency services to asset managers
- Fund administration, including fund accounting services, to asset managers
- Commitment to state-of-the-art technology stack, third-party rated 4 data center, disaster recovery center, near 100% uptime, strong cyber security and data privacy
- Complete support on regulatory and compliance monitoring and reporting

VAS offerings

- **Datalake:** A cloud-powered data processing platform performing data aggregation and customized reporting and analytics at scale, including data replication facilities to asset management companies (AMCs). This industry-first platform is empowering the AMCs with better insights on investors, distributors, sales, marketing, and operations (first in the industry and industry-agnostic).
- **Digix:** A robust and intelligent on-cloud automated reporting platform for providing certified data sets and reports for all the regulatory and compliance needs of asset management companies (first in the industry and industry-agnostic).
- **KBolt Go:** A virtual branch platform eliminating the need for physical branch infrastructure (first in the industry and industry-agnostic).
- **Distributor Empanelment:** A complete digital onboarding and e-contract signing solution for asset management companies for onboarding distributors.
- **Distributor Initiated Transaction (DIT):** A front-end application for asset management company sales channels.
- **INSTABrokerage:** A unique intelligent automated tool to compute daily brokerage of the distribution channel partner, leveraging the power of cloud computing, empowering the asset management company to pay on demand brokerage to their channel partners (first in the industry and industry-agnostic).
- **Guardian:** An innovative solution aimed at bolstering defenses against "Trade Reporting Failures" and "Non-Compliant" trading activities while establishing a robust tracking, reporting and communication channel among all key stakeholders, including employees, relatives, compliance bodies, and regulatory entities.
- **Others:** IT Infra, web hosting, mobility solutions, branch support etc.

FY 2023-24 highlights

- KFintech-serviced AAUM grew by 35.5% to ₹ 17.35 trillion. Our clients' growth in AAUM continues to outperform the industry AAUM growth which was at 33.6%
- The market share in overall AAUM expanded to 32.1% in FY 24 vs. 31.6% in FY 23
- Equity-mix in the overall AAUM improved to 57.8%; Equity market share stable at 33.4%
- SIP inflows during the year increased by 21.3% to ₹ 791.15 billion. Monthly SIP inflows touched a new lifetime high of ₹ 76.25 billion in March 2024. KFintech's market share in monthly SIP inflows in March 2024 was 39.6%
- New clients Bajaj Finserv AMC and Old Bridge Mutual Fund went live during the year. We are excited about their ability to scale up the AAUM
- Won maiden Datalake contract from a non-KFintech AMC client. Won contracts from AMCs for development of digital assets
- Five of the top 10 fastest-growing AMCs with AAUM more than ₹ 10,000 crore are clients of KFintech
- MF Central CAS API business continues to see strong momentum with 22.5 million hits during the year
- Number of transactions handled during the year increased by 14.0% to 345.41 million
- Launched Guardian and Distributor Empanelment as new products / solutions. Won mandates from Big Four audit firms for Guardian for monitoring compliance under SEBI's guidelines on prohibition of insider trading
- Developed SUPTECH (supervisory technology) platform – Portal for Alerts, Reports & Analytics for SEBI (P.A.R.A.S)

Issuer Solutions

What we stand for

- Largest and India's first issuer solution providers with nearly four decades of experience, serving 6,071 corporate clients including 649 listed corporate clients in India
- Offers technology-led solutions for new public issue and post public issue services to listed corporate clients. Also offers pre-issue services to unlisted corporate clients
- Comprehensive corporate solutions, including investor folio management, transaction processing for corporate actions like IPO, FPO, dividends, buybacks, rights issue, etc. and other various compliance-related reporting requirements
- Large in-house processing capabilities and in-house record management services
- Adopted first-to-market approach with respect to web-based allotment and refund status
- State-of-the-art technology stack, third-party rated 4 data center, disaster recovery center, near 100% uptime, strong cyber security and data privacy
- Complete support on regulatory and compliance monitoring and reporting

VAS offerings

- **e-AGM:** Electronic video conferencing platform for conducting annual general meeting of the Company, with integrated online voting page (Instapoll) for shareholders.
- **e-Voting:** An online e-voting software
- **Guardian:** An innovative solution aimed at bolstering defenses against "Trade Reporting Failures" and "Non-Compliant" trading activities while establishing a robust tracking, reporting and communication channel among all key stakeholders, including employees, relatives, compliance bodies, and regulatory entities.
- **KARISMA:** Online virtual registry, making KFintech the only RTA providing access to back-end data on real-time basis to secretarial team.
- **Pushpak:** An initial public offer bidding platform.
- **e-Vault:** An electronic repository of records for data security and reconciliation.
- **KPrism:** A mobile-based platform to enable shareholders to view their investments.
- **KOSMIC:** A web-based interface to process Initial Public Offers (IPOs).
- **Demat Account Opening Simplified! Integrated Platform:** To open Demat account with the country's leading security houses.
- **FINCLAIM:** A digital solution for the Nodal Officers of companies to maintain Investor Education and Protection Fund (IEPF) data in a convenient and organized manner; Integrated within the KARISMA application for ease of use.

FY 2023-24 highlights

- Total corporate clients increased to 6,071; added 708 new corporate clients during the year
- Number of investor folios being managed increased by 14.3 million or 13.0% y-o-y to 124.4 million
- Market share in NSE 500 companies at 46.1% by market capitalization, 42.0% by number of folios, and 36.8% by number of clients
- Managed 45.0% of the main board IPOs in terms of issue size and 35.9% in terms of the number of IPOs
- Won several marquee large mandates, including State Bank of India, Jio Financial Services Limited, Usha Martin Limited, Vishal Mega Mart Limited.
- Launched Guardian and IEPF claim management services
- Processed 3.17 million transactions during the year

International Investor Solutions

What we stand for

- Offers comprehensive suite of fund administration, including fund accounting and transfer agency technology platform and managed services for global asset managers
- Nimble, customized and be-spoke technology-led scalable solutions for global alternative funds, mutual funds, private retirement schemes, unit trusts, fund distributors, and employee provident funds
- Clients across Malaysia, Singapore, Hong Kong, Thailand, Philippines, Canada, Bahrain, Oman, and GIFT City (India)
- State-of-the-art technology stack, third-party rated 4 data center, disaster recovery center, near 100% uptime, strong cyber security and data privacy
- Complete support on regulatory and compliance monitoring and reporting

VAS offerings

- Digital onboarding
- IUTA / Channel partner platform
- KBolt Go: A virtual branch platform
- Data analytics and Datalake
- Performance and attribution analysis
- Regulatory and Compliance support
- Contact center
- Online transaction platforms
- Website design, development, and hosting
- Mobility solutions
- Other platform solutions

FY 2023-24 highlights

- No. of international clients increased to 57; added 16 new clients during the year
- End of period AUM grew by 11.6% to USD 7.3 billion
- Won five deals in Malaysia, one deal in Singapore, one in Hong Kong, and one in Middle East for fund administration and RTA services
- Won maiden contract in Thailand for fund administration from the fifth-largest bank
- Won 28 new funds from an existing client in Philippines for RTA services
- First client went live in Singapore

Alternative and Wealth Management Solutions

What we stand for

- India's largest end-to-end platform and service provider to alternate investment managers, wealth and portfolio managers
- KFintech is the only player from India to offer multi-asset, multi-currency, multi-geography, and multi-lingual fund accounting platform
- State-of-the-art technology platform for wealth managers and portfolio managers
- Comprehensive suite of customized and innovative solutions backed by proprietary technology

VAS offerings

- **Digital onboarding:** State-of-the-art digital onboarding solutions for all class of investors agnostic to their domicile, structure and jurisdiction.
- **Fund set-up:** Complete support for setting up new fund.
- **Order management system:** Fully compliant order management system for trade execution for alternate investment managers, portfolio managers, and wealth managers.
- **Datalake:** A cloud-powered data processing platform performing data aggregation and customized reporting and analytics at scale, including data replication facilities to large alternate investment manager or wealth or portfolio manager with better insights on investors, distributors, sales, marketing, and operations.
- **IWAAP:** Revenue assurance platform for wealth managers.
- **Inpro:** A big data driven platform used for investor background screening to comply with anti-money laundering (AML) and prevention of money laundering laws (PML).
- Other technology solutions

FY 2023-24 highlights

- Number of alternate funds managed by KFintech increased by 34.8% y-o-y to 472 funds
- The end of period AUM, serviced by KFintech, increased by 60.6% y-o-y to ₹ 1.0 trillion
- Eight asset management companies are using KFintech's mPower fund accounting platform, including five asset management companies where KFintech is not an RTA
- Six of the 10 pension fund managers in India are using KFintech's mPower fund accounting platform
- Won maiden multi-year fund administration deal from one of the largest custodians in India
- Won multi-year fund administration deal from LIC Pension Fund, including contracts for digital infrastructure
- Won multi-year wealth technology platform deal from a large non-banking finance company in India
- Launched XAlt, an integrated fund administration platform for alternate investment managers
- Launched front-office order management platform for portfolio managers
- Extended digital onboarding platform to private wealth and portfolio managers
- Won three advisory-led wealth management awards at Sahamati Samvaad 2023:
  - Easy Banking (One Money Account Aggregator - Money One TSP - Goal Teller)
  - Wealth - Balanced Portfolio HNI Investors (One Money AA - KFintech TSP - Dezerv)
  - Mid and Low - Income Investors (One Money AA - Money One TSP - Goal Teller)

National Pension Scheme (NPS)

What we stand for

- India's second-largest Central Recordkeeping Agency (CRA) for National Pension Scheme, a retirement benefit scheme introduced by the Government of India and governed by Pension Fund Regulatory and Development Authority (PFRDA)
- Digital platform providing end-to-end services for subscriber onboarding, permanent retirement account number issuance, record keeping, administration, transaction platform, and investor support
- Differentiated and technology integrated offerings for points of presence (POPs) to drive investor acquisitions
- Integration of pension ecosystem participants on a single operational interface
- Solutions for all-India citizen model, corporates, central government and state governments
- Specific and targeted solutions for corporate employees, state governments and POPs

FY 2023-24 highlights

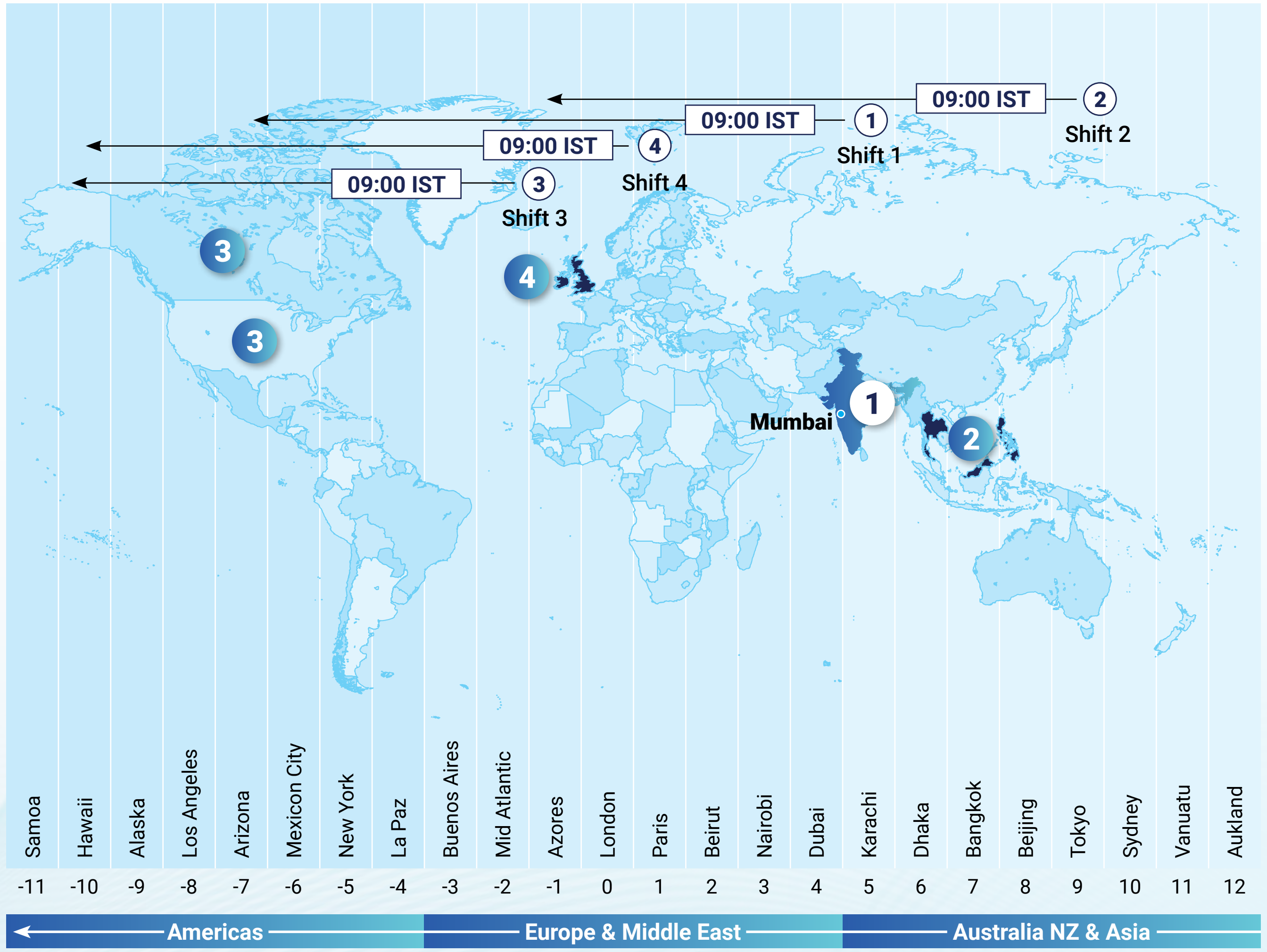
- KFintech is proud to have crossed a million-subscriber base mark to touch 1.2 million subscribers
- Our subscriber base grew at 27.7% y-o-y, double the pace of growth registered by the industry at 12.1%
- We gained market share in the overall subscriber base, from 7.3% in FY 23 to 8.3% in FY 24
- Within new subscriber addition, the market share was at 16.7%
- We work with 94 POPs and 2,327 corporate clients

Global Business Solutions

What we stand for

- Operating a center of excellence in India for a large global asset manager providing a range of outsourcing services including mortgages, transfer agency, legal services, finance and accounting, wealth management service solutions, etc.
- Expertise in the mortgage space led by domain experts.
- Preferred outsourcing partner on account of our technology excellence and execution skills, as well a low-cost advantage.

Our growing geographic presence



1) India:
- Hyderabad (Head Quarter)
- Mumbai (Front Office)
- Bhubaneswar (Analytics Center of Excellence)
- Chennai (Back Office)
- 194 branches

2) South East Asia:
- Malaysia (Front Office and Client Base)
- Thailand (Sales Team and Client Base)
- Philippines (Country Head and Client Base)
- Singapore (Client Base)
- Hong Kong (Client Base)

3) United States and Europe:
- Mortgage Servicing

4) Middle East:
- Front Office and Client Base

Canada:
- Client Base

GIFT City (India):
- Branch for servicing global asset managers

Map not to scale. For Illustrative purpose only.

Our competitive edge

At KFintech, our business strategy is driven by our focus on sustained growth and inclusive value creation. We are continually investing in the key enablers of this strategy, and nurturing the strengths that empower us to deliver on it.

As an industry leader, with several industry-first platforms and features for all asset classes, KFintech blends decades of asset management expertise with transformative and innovative platforms and big data solutioning.

CHAIRMAN'S REVIEW

Letter from the Chairman

From delivering on our promise of achieving consistent, profitable and sustainable growth, to progressing on operational excellence and ensuring sustained customer and stakeholder satisfaction, we notched many milestones of success in the past one year.

Dear Stakeholders

I am pleased to share with you KFintech's remarkable journey of FY 2023-24. The collective wisdom of the Management and the Board of Directors and the trust and confidence of our customers and shareholders played a vital role in steering our journey of excellence. I would like to take a moment here to thank each one of them, as well as our talented team and Board members, who efficiently executed our defined strategy to deliver an exceptional all-round performance.

FY 2023-24 proved to be an exciting year for the Indian economy and its market, which demonstrated remarkable resilience despite the headwinds from the global monetary tightening, particularly the US Fed rate hikes. Notwithstanding concerns about the recessionary pressures in other developed economies, India became the fifth-largest as well as the fastest-growing economy globally, giving a strong impetus to the capital markets.

Vishwanathan Mavila Nair
Chairperson and
Non-Executive Director

As the largest investor solutions provider to mutual funds and the largest issuer solutions provider in India, KFintech continued to be a catalyst in accelerating the country's economic growth and steering it towards achieving Honorable Prime Minister Narendra Modi's vision of 'Viksit Bharat'. Our commitment to accretive value creation for all our stakeholders remains unwavering, and we shall continue to work towards maintaining our industry-leading growth and profitability.

Building on our legacy

Our strong foundations are the core around which we are continually building our edifice of unique and differentiated strengths. While our values remain deep-rooted in our culture, the change strategy on which we had embarked about five years ago has enabled a positive transformation in our overall business approach. It has helped KFintech emerge as a stronger and more dynamic entity, with focus on sustained, long-term growth at a global scale. It has also enabled us to play an important role in partnering our clients, helping them to grow faster than the industry.

It is a matter of immense pride for us that we have the distinction today of being the only Indian entity in the capital market industry with diversified businesses, and innovative products and solutions across asset classes in India and overseas. These include products and solutions for equity and bond markets, mutual funds, alternate investment funds, portfolio and wealth management, national pension scheme and private retirement schemes. Our strong domain expertise, innovative solutions and presence across India as well as South-East Asia gives us a distinctive advantage in the global fund services market.

Our share of international and other investor solutions currently stands at 10.6% of our total revenue and is continuously growing faster than the matured businesses of domestic investor solutions and issuer solutions led by our differentiated fund administration offerings for the global asset managers and strong business development efforts across markets leading to new client wins in India and overseas. This year has also been an eventful year for KFintech as we won our first maiden fund administration contract in Thailand, first ever deal from one of the largest custodians in India for fund administration platform, and one of its kind deals from LIC Pension Fund for fund administration platform and digital infrastructure assets. We are continuously gaining market share as the second-largest central record keeping agency of the national pension scheme in India and continue to grow at more than double the rate of the industry growth.

Within the matured businesses too, we continue to grow faster than the industry and gained market share. Our domestic mutual fund investor solutions business has grown significantly on the back of strong growth in our clients' portfolio led by mark-to-market gains and positive net flows into the industry owing to strong participation of retail investors through the systematic investment plans (SIP) route. Within the issuer solutions business too, we have posted strong sustainable growth and continue to consolidate our leadership position with gain in market share led by increase in the number of our corporate clients to over 6,000. We also won marquee clients under Issuer Solutions, like State Bank of India, Union Bank of India, Castrol India, Varun Beverages, Devyani International Ltd and are confident of continuing our track record.

We have two-fold ambition to grow our revenue and profitability. While our focus is to scale up the younger businesses in India and overseas to gain market share, we will also continue to consolidate our leadership position in the domestic investor solutions and issuer solutions.

Pursuing transformational growth

As you would recall, KFintech had strategically embarked on a positive transformation journey in FY 2018-19, with a new and dynamic management team taking over the business under the guidance of highly experienced and independent Board. I am happy and excited to see the transformation yielding exceptional outcomes for the Company. It has led to accelerated measures toward operational excellence for driving business growth and better client experience, both in the domestic and international markets.

Our India businesses continue to see new client wins across our business segments. It gives me immense pride to share that five of the top 10 fastest-growing asset management companies in the country are clients of KFintech today. KFintech was appointed as a share registrar to three of the top five and five of the top 10 IPOs in India with 45.7% market share in terms of mainboard IPOs issue size. Five of the large asset management companies in India, where KFintech is not the Registrar and Transfer Agent (RTA), are using our fund accounting platform.

In the international market, we continue to win new clients across Malaysia, Hong Kong, Singapore, Thailand and GIFT City. These wins demonstrate KFintech as a credible technology-enabled service provider. Our investments in technology and cyber security, human capital, and expansion into new geographies over the last few years have laid a strong foundation for KFintech to become a formidable global player in servicing global asset managers in the near future.

Overall, the revenue of our international and other investor solutions businesses grew by 35.1% y-o-y during FY 2023-24. The share of non-mutual fund revenue stood at 30.0% in FY 24. This underscores the success of our focused efforts to drive diversified and inclusive growth, spanning diverse asset classes, geographies and customer profiles. Our diversification focus has enabled us to create multiple revenue streams and mitigates business concentration risks.

Investing in technology & innovation

As in the past, our investments in technological excellence and product innovation continued to be the key strategic engines driving our future growth. FY 2023-24 witnessed the implementation of several next-generation tech-led process improvements and security measures to delight the customers, who remain central to our value proposition.

A significant part of our efforts and investments during the year went into the creation of differentiated value-added solutions for our clients, especially in the form of Datalake, cloud computing, API infrastructure and advanced analytics, mobility solutions and the entire technology stack. Our team is constantly at the helm of designing innovative solutions as we launched industry-first fully integrated global fund administration platform 'XAlt', trade compliance and reporting platform 'Guardian' to comply with SEBI's insider trading regulations, comprehensive digital onboarding solutions for PMS / PWM clients and many more.

We are proud to have been honored with Bronze Award for 'Digix – KFintech's Robust Analytics and Reporting Platform' in the Big Data Trailblazers category at Internet and Mobile Association of India's 14th India Digital Awards. We also won three advisory-led wealth management awards at Sahamati Samvaad 2023 for building TSP solutions for easy banking, wealth-balanced portfolio for high-net-worth investors and for mid and low-income investors using the account aggregator framework. We also had the honor of winning our maiden contract from one of the largest private wealth players of India for developing and implementing the Datalake platform for big data analytics.

Our product innovations helped us outpace the industry in terms of new client additions and leveraging cross-selling and up-selling to drive faster growth through value-added offerings. While our technology finesse is helping us to implement process excellence, enable our customers to grow faster, it is also enabling us to empower the industry regulators to generate insightful information and monitor the compliance and regulations being adhered by the respective asset management companies.

I am glad to share that KFintech was honored by SEBI for developing and implementing the industry-first SEBI Analytics Platform (S.A.P) and Portal for Alerts, Reports, and Analytics for SEBI (P.A.R.A.S) platforms, designed to empower India's apex financial regulator.

Nurturing new acquisitions and deriving synergies

Our endeavors to transform the new acquisitions through continuous integration and extract synergistic value is helping us to add adjacencies, open new markets and fuel growth across our business segments. We continue to see fast-paced growth in global fund administration business on the back of successful integration of Hexagram Fintech Private Limited (Hexagram) with KFintech. Acquisition of WebileApps India Private Limited (WebileApps) in 2023 has further strengthened our capability in building mobility solutions and other UI / UX solutions for players in the BFSI sector and beyond. With India's alternate asset management industry at an inflection point and upsurging of the global alternate asset management industry, we find ourselves well-positioned to seize the burgeoning opportunity in this space through organic as well as inorganic routes.

Investing in sustainable development

While focussing on business growth, we have also made significant investments in promoting the ESG – Environment (E), Social (S) and Governance (G) aspects of our business in pursuance of our goal of 'growth with sustainability' for all the stakeholders. We have in place well-articulated policies to drive our performance across all the key metrics of E, S and G. These policies are aligned to our unequivocal commitment to ensuring holistic and inclusive sustainable development, as also the United Nations Sustainable Development Goals (UN SDGs).

Our rankings on the key sustainability indices endorse the successful execution of these policies. Our 12th industry position out of 29 issuers, 71st universe position out of 1,112 issuers, as per the ESG Risk Assessment & Insights Report for the fiscal period ended March 2023, bear testimony to our ESG commitment.

Our corporate social responsibility (CSR) initiatives are characterized by a steadfast commitment to effecting profound societal change. Such initiatives are intricately woven into the fabric of our organizational values. We extend vital support to several tribal welfare schools and colleges in India by empowering students in shaping their careers through enriching tours and visits, merit-based scholarships, and essential financial aid for infrastructure development. We are proud to have been honored with Bronze Steve Award in the Innovative Achievement in Corporate Social Responsibility category at 2024 Asia Pacific Steve Awards.

As a responsible corporate, we shall continue to work towards further scaling up our sustainability development ethos in the coming years.

Building upon strong governance

At KFintech, we continue to strengthen trust and credibility with our stakeholders by following the highest standards of corporate governance to deliver fairness, transparency, accountability, responsibility, and adequate disclosures of all material information. Our acts are governed by an independent, professional, and highly experienced board of directors. The respective committees of the Board met at regular intervals throughout the year to discuss various matters which are of critical importance to KFintech and its stakeholders. These committees have an independent oversight on the management's performance and empower the Board members to exercise strong governance and internal controls.

Poised for bigger and better growth

As we surge ahead, we believe that the growth odyssey on which we have steadily progressed over the past few years will continue to get stronger and bigger. Our focus shall remain on further strengthening our competitive edge through enhanced geographical diversification and targeted investments in talent and technology to enable profitable and sustainable growth. Creation of strong risk mitigation, investment in sustainable practices, compliance and surveillance, and strengthening our governance parameters will be our other key focus areas to deliver overall value creation for our stakeholders. We are confident that our track record of identifying value-accretive acquisition and integration will continue to help us capitalize on the growth opportunities across our business segments in India as well as in the international markets.

We aspire to make KFintech the first company from India to become globally relevant in the space of capital market infrastructure. We are extremely excited about the future and shall continue with our efforts to lead a sustainable growth. This, we believe, is important to ensure that our clients are best served in the industry, not just in India but across the world. Besides growing our footprints across South-East Asia, we have accelerated our efforts towards rapid international expansion. We continue to explore new markets like Middle East and the developed markets of the US and Europe in view of the strong growth opportunities they offer in the alternative asset management space for the global fund administrators.

In this onward journey, we shall continue to focus on reinforcing the foundations of good governance and compliance – the keystones of our internal and external operations and the enablers of our stakeholder approach. I am confident that this focus, together with our strategic investments, will propel the Company towards greater heights of inclusive growth.

Concluding remarks

On this positive note, I would like to thank all the shareholders, on behalf of the entire Board, for their sustained trust and confidence in the Company. I would also like to express my gratitude to our customers, employees and partners for supporting and partnering with us in our transformation journey. I would further like to thank the regulators, government, the capital market participants and industry peers, whose collaborative efforts are consistently powering the market growth. The board of directors and the management team of KFintech stand firm on its commitment to work closely with all the stakeholders to ensure continued long-term growth and value creation for all our stakeholders, including the communities around which we operate.

Warm regards,

Vishwanathan Mavila Nair
Chairperson and Non-Executive Director

Message from the MD & CEO

Our strong business focus held us in good stead as we continue to innovate and transform our differentiated offerings, and deliver a more compelling, efficient, and the most desirable proposition for our global clients.

Dear Stakeholders

It gives me immense pleasure to share with you the Company's first full year performance post its listing on the Indian stock exchanges on December 29, 2022. Over the last five years, our company's revenue has grown at a compounded annual growth rate of 14% and net profits have grown at a compounded annual growth rate of 25%. Our continued investments in talent, technology, and governance have consistently helped us to gain market share across our business segments in India, expand our international footprints, and deliver process excellence with customer delight.

FY 2023-24 has been a truly remarkable year marked by consistent growth and enhanced profitability across our diversified business segments. Our strong business focus held us in good stead as we continue to innovate and transform our differentiated offerings, and deliver a more compelling, efficient, and the most desirable proposition for our global clients. The year witnessed a significant uptick in our client engagement, new client wins, international market engagements, and product innovation, underpinned by a growing pipeline of deals.

Our journey of growth & value creation

During FY 2023-24, our consolidated revenue from operations stood at ₹ 8,375.33 million, up 16.3% y-o-y, earnings before interest, tax, depreciation, and amortization (EBITDA) stood at ₹ 3,665.94 million, up 23.0% y-o-y, and profit-after-tax (PAT) stood at ₹ 2,460.48 million, up 25.7% y-o-y. Revenue from the international and other investor solutions, which comprises our young and high growth businesses including the international investor solutions, alternative and wealth management solutions, and national pension scheme, went up by 35.1% y-o-y, testifying our commitment to grow our non-domestic mutual fund business at a faster pace. The share of non-domestic mutual fund business in the overall revenue from operations during the year stood at 30.0% and we are confident to increase it to 45%–50% over the next five years. Our EBITDA margins during the year improved by 238 basis points to 43.77% and PAT margins improved by 219 basis points to 29.38%. The diluted earnings per share (EPS) was ₹ 14.34, up 24.5% y-o-y. The Board of Directors has proposed and recommended the maiden dividend of ₹ 5.75 per share to be approved by our shareholders.

Among the business segments, revenue from the domestic mutual funds investor solutions, which stands out as the bedrock of our performance excellence, grew by 18.0% y-o-y to ₹ 5,864.97 million, constituting 70.0% of the overall revenue from operations. Our clients' market share in the overall AAUM continues to scale higher and reached 32.1% in the fourth quarter of FY 2023-24, improved by 45 basis points over the corresponding period of the last year. Equity market share for the quarter was at 33.4%. Our clients continue to see strong growth in their systematic investment plan (SIP) book, driven by strong performance delivered in their underlying portfolios attracting higher retail participation. Our clients' SIP AAUM increased by 56.1% y-o-y to ₹ 3,305.7 billion and market share improved by 20 basis points to 31.5%. The monthly SIP inflows in our clients' portfolio continue to breach previous life-time highs and touched ₹ 76.3 billion in March 2024. Monthly SIP inflows market share, a leading indicator for growth in the equity AAUM market share, was strong at 39.6% in March 2024. We are excited about the strong tailwinds supporting the domestic mutual fund sector. Rising affluency of the Indian middle-class households and growing financial literacy will drive faster financialization of savings and better return on investments will attract more retail participation to the equity mutual fund as an asset class. Our clients are more equity-focused with an equity mix of 57.8% in their overall AAUM, higher than the industry, which was at 55.5%, and well poised to grow faster and capture the market share.

Our revenue in the issuer solutions business, the second-largest and the oldest segment, grew by 12.5% y-o-y to ₹ 1,274.12 million, driven by growth in our folio-based fee income, increase in the number of corporate actions by our clients, and rise in the value-added services income. During the year, the number of investor folios managed by us has grown by 13.0% y-o-y to 124.4 million. Between the domestic mutual fund investor solutions and issuer solutions segments, our company services 262.7 million investor folios, the largest in India and probably the largest in the world. We have added 708 new corporate clients during the year and as on March 31, 2024, the overall clients in this segment have increased to 6,071, solidifying KFintech's position as the largest issuer solutions company in India. Our market share in NSE500 companies was at 42.0% and 46.1% based on the number of folios and market capitalization respectively as on March 31, 2024. The year also witnessed addition of marquee logos including Jio Financial Services, State Bank of India, and Vishal Mega Mart. We are growing through a very exciting time in India. Strong economic fundamentals, ease of investing led by growing fintech platforms, and rising income levels will continue to attract large number of retail participation towards direct equity investment leading to growth in demat accounts and investor folios. As a market leader, we are well positioned to capture major part of the industry growth and grow our market share.

The international and other investor solutions business is the third-largest and the fastest-growing business segment for KFintech. Our revenue in this segment grew by 35.1% y-o-y to ₹ 887.94 million driven by new client wins in the international markets as well as in India.

During the year, we have added 16 new clients besides sourcing additional businesses from the existing clients spread across Malaysia, Singapore, Hong Kong, Thailand, and GIFT City (India). The major benefits from these new wins will start accruing from FY 2024-25 onwards. As on March 31, 2024, we have 57 international clients. The year has also been instrumental as we made an entry into Thailand's asset management industry by winning our maiden fund administration contract from the fifth-largest bank of the country. We are in the process of securing requisite regulatory approvals to set up legal entities in Thailand and Singapore before pursuing aggressive sales efforts. Our investments over the last two years in building a strong deal pipeline have resulted in several new wins in FY 2023-24. We are very excited and confident of our growth in the coming years in terms of winning international clients backed by our strong fund administration platform, delivery capabilities and the underlying growth in the global alternative space, which will help us to expand our footprints in the global fund administration market.

Our AIF, PMS, and PWM business continue to deliver strong growth demonstrated by our ability to win new clients. KFintech is proud to have built one of the best and the most comprehensive platform solutions, which are investment strategy agnostic and successfully deployed for the global alternative, wealth and portfolio managers. As on March 31, 2024, we service 472 AIF funds in India, including 19 funds in the GIFT City and our market share is at 36.3%, based on the number of AIF funds registered with the SEBI, strengthening our leadership position in India. During the year, we have added 61 new funds. AUM serviced by us grew by 60.6% y-o-y to ₹ 1.0 trillion. We won our maiden multi-year fund administration contracts from the LIC Pension Fund and one of the largest private custodian banks in India. We feel proud that our flagship fund administration platform 'mPower' is being used by six of the ten pension fund managers in India. Eight AMCs in India are using 'mPower' for their fund accounting need including five AMCs for whom KFintech is not the RTA. As the demand for private capital is increasing, we will continue to see new AIF funds setting up their base in India. We expect this segment to continue to grow at a strong pace led by investors' growing' risk appetite for the private asset class and better ability of the fund managers to offer customized strategies and generate higher returns. As the industry evolves, the demand for sophisticated fund administration platform and services would gain prominence. KFintech will be at the forefront to monetize the evolving opportunity in this segment led by its strong domain expertise and the best-in-class technology platforms and solutions.

In the national pension services, KFintech is the second-largest Central Recordkeeping Agency in India. Our growth in terms of new subscriber addition is more than double the industry's growth, leading us to gain market share consistently. During the year, our platform has seen an addition of 0.27 million new subscribers. As on March 31, 2024, our subscriber base grew to 1.22 million, up 27.7% y-o-y, compared to the industry growth at 12.1% y-o-y. Our market share gained by 100 basis points to 8.3%. We continue to foster our relationships with the corporate clients and PoPs. As on March 31, 2024, we have relationships with 2,327 corporate clients and 94 PoPs. Our subscriber-first approach and digital focus supported by the industry tailwinds will continue to drive our growth in terms of subscriber addition as well as market share gain.

Technology-led innovation

Building a technology-first organization and keeping the customer in mind continue to be key focus areas for KFintech. KFintech was recognized this year by the Ministry of Electronics and Information Technology as a Critical Infrastructure Intermediary (CII). We have consistently strengthened our focus on technology-led innovation, with many industry-first products and solutions designed to enhance client experience and transform the market environment. Our investments in building contextual knowledge, domain expertise, engineering DNA and intellectual capital continue to help us in developing and launching innovative products and solutions, besides strengthening our internal processes and efficiency. Our value-added portfolio comprises 31 products and solutions which we have developed over the last five years. During the year, revenue from value-added services went up by 32.8% y-o-y to ₹ 505.49 million, demonstrating the growing demand for these innovative and transformative solutions. The share of value-added services in the overall revenue from operations during the year stood at 6.0% and we are aiming to increase this proportion to 12%-15%over the next five years.

I take immense pride to inform you that KFintech has been honored by SEBI for developing and launching the first SUPTECH (supervisory technology platform) platform P.A.R.A.S - Portal for Alerts, Reports & Analytics for SEBI, designed to empower the regulator. We also launched Guardian, an industry-first insider trading enterprise platform, leveraging the account aggregator ecosystem, to empower companies to comply with SEBI's prohibition of insider trading regulations. Guardian has been subscribed by the Big Four audit firms, underlining our robust credentials and growing trust for our solutions in the market.

Quest platform is another innovative and industry-first initiative for the asset management companies as a one-stop solution for surveillance, fraud detection, quality control & audit reporting resulting in real-time monitoring and process efficiency.

Our Datalake solution continues to gain prominence as we onboarded a new non-KFintech AMC client during the year.

Our pioneering technology-enabled initiatives have created a key lever of growth in the relatively young but the fastest growing AIF, PMS, and PWM businesses. During the year, we further strengthened our capability by launching XAlt, a full-stack integrated fund administration platform to be able to service the global AIF clients and an order management platform for the PMS clients. We are in the process of reengineering our wealth technology platform to make it globally relevant. We are among the very few companies in India to have developed a full-stack digital solutions for the global AIF, PMS, and PWM managers which is empowering the growth in this segment.

We have a history of acquiring synergistic businesses and this year we successfully completed the integration of our newly acquired business of WebileApps (India) Private Limited and turned it into a profitable business on a standalone basis. WebileApps continue to accelerate our UI/UX (User Interface and User Experience) technology and product development pursuit besides sourcing new businesses from clients across sectors. Acquiring strategic businesses is one of our core strategies to drive faster growth. We continue to assess inorganic opportunities in the international markets to scale up our market outreach and become the first company from India to be relevant in the global fund administration space.

Fostering intellectual capital for an inclusive growth

Our people are our key stakeholders to deliver excellence and drive growth, and our approach to talent is strategic. Our ability to glide through continuous regulatory changes, ever-evolving technology and business models, and embracing innovation, differentiate us as a team. We instill the culture of strong engineering and deep learning among our people to build strong expertise in the future technologies including cloud, generative artificial intelligence (GenAI), machine learning, cyber security, and many more. As we operate in a highly regulated and compliance-centric industry dealing with multiple regulators across different geographies, fortifying our efforts on audit, surveillance, and risk management is of paramount importance. Several initiatives that we have launched during the year are the results of our investments in a highly specialized and engaged team and nurturing their skills and growth through our well-crafted learning and development modules. The year also witnessed KFintech starting its Analytics Centre of Excellence (CoE) in Bhubaneswar, Odisha, by entering a strategic partnership with the Kalina Institute of Technology (KIIT) to hire fresh engineering graduates as interns and train them on a tailor-made program to foster innovative solutions. This marks a significant step towards advanced analytics that will influence the future of the investment landscape. As we grow our diversified businesses and expand into the international markets, our employees will continue to be the key enabler for our long-term success and sustainability. As we continue to transform ourselves into a technology first company, we are committed to investing in the best talent and provide an inclusive work environment with focus on diversity, transparency, collaboration, result-oriented, and open culture.

The road ahead

The initiatives, interventions and investments that marked KFintech's success during FY 2023-24 have further solidified our foundations to pursue bigger and sustainable growth ahead. We remain committed to driving innovation, forge strategic partnerships, and deliver sustainable value to our stakeholders. A good sales organization is of vital importance to a company's operational efficiency and effectiveness. In the last three years, KFintech has transformed itself from a pure delivery-based organization to a comprehensive sales and delivery-focused organization with a customer-first approach fueling our growth across business segments. Our investments in augmenting our technology infrastructure and nurturing intellectual capital will empower us in building an agile, nimble and responsive organization to address the evolving customer needs and the transforming industry environment. Our continued deal flow and strong pipeline velocity instills confidence in our business momentum. KFintech is well positioned to steer itself to service the burgeoning landscape of global asset management industry and emerge as the global fund administrator with focus on growth, profitability and sustainability.

At KFintech, our governance standards embrace ethical and transparent business practices by alleviating the sustainability risks and capturing the opportunities with very strong disclosure requirements under the aegis of an independent and professional board. Our employees are guided by our code of conduct and business ethics policy. We follow a holistic and robust framework of compliance and risk management practices that encompasses integrated governance standards and commitment to Environmental, Social, and Governance (ESG) disclosure requirements. Our sustained focus on ESG will ensure that the organization we are building for the future creates a favorable environment for sustainable growth and inclusive value creation.

On a concluding note

I thank all our stakeholders including our shareholders, regulators, customers, and employees, for your sustained trust and continued support, which has empowered KFintech to seize the multitude of opportunities that we see emerging ahead for us, in India as well as globally, and create the maximum value for our stakeholders.

Warm regards,

Sreekanth Nadella
Managing Director and CEO

HOW WE CREATE VALUE

Transforming to Drive Future Growth

At KFintech, the transformational journey towards a more empowering future is driven by its strong innovation focus. We have prioritized sustained value creation as a key priority in our journey towards a better and brighter future. Our decades of expertise and experience have equipped us with the tools needed to create and deliver value to all our stakeholders. Our growth strategy is driven by our legacy of technological excellence, innovation, as well as scalability and diversification. It is further powered by our deep stakeholder relationships. Our initiatives and innovations are continually helping us boost our financial and intellectual capital. They are propelling long-term, holistic and sustainable growth for the organization and all its stakeholders.

Scalable Platform and Infrastructure with Proven Track Record

We continue to invest in strengthening our technology infrastructure to make it more agile and responsive to the evolving customer needs. During FY 2023-24, we scaled up our focus on strengthening our core infrastructure through targeted initiatives across product categories and segments. Our investments in innovation, boosting efficiencies and augmentation of our operative leverage are the pillars of our scalable platform. Our integrated platform of services is designed to drive growth and value creation for our stakeholders across the business value chain.

1
Data Center - Rated 4 third-party

1
Disaster Recovery Center – Third-party BCP hotsite

940
IT employees

604
Total applications

1,705
Total number of servers

1.58 million
Average daily transactions processed

800
BitSite score

490
N/W Devices

3.7 PB
Storage

294
#N/W Links

72 GB
Network Bandwidth

7 GBPS
Internet Bandwidth

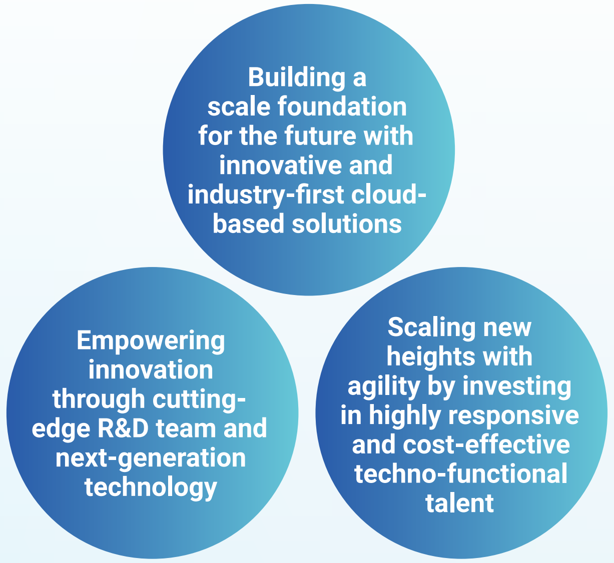
400+ million
Emails per year

80+ million
SMS per year

Technology that drives growth, excellence and transformation

Growth enabler

Our focus is on building a scalable and future-proof foundation through various enterprise-wide libraries and applications. This empowers us to deliver new products and services efficiently, while the R&D team ensures we stay ahead of the curve with cutting-edge technologies. Furthermore, our development program at our Analytics Centre of Excellence at Bhubaneswar, India, cultivates a highly skilled and adaptable team to support our growth initiatives.



Our approach to building adjacencies, leveraging technology, and partnering our clients in their growth by investing in customized products and solutions has also helped us in shaping our VAS as a natural stream of business. This, along with our push on the business development front, has resulted in sustained engagement and collaboration with our clients to generate continuous cross-sell and up-sell opportunities for VAS, and to increase our wallet share. Besides, VAS is also helping KFintech to source new clients.

FY 24:
Revenue ₹ **505.49** million
Y-o-Y growth: 32.78%, 3-Yr CAGR: 22.40%

Delivering excellence

We strive for delivery excellence by revolving around optimizing processes for efficiency and cost savings. Our endeavor to invest in cutting-edge technology and best talent exemplifies this approach, minimizing infrastructure costs and streamlining operations, thus adding value to our clients by reducing their total cost of operations and driving profitability at KFintech. Our operating cost as % of revenue from operations declined from 59% in FY 23 to 56% in FY 24.

₹ **1,746** million
Technology spend incl. capex and IT manpower

20.9%
% of revenue from operations

Driving transformation

Our transformation strategy centers on revolutionizing the BFSI landscape through innovative platforms and applications. In line with this focus, we strive to enhance our pioneering edge with the launch of new, breakthrough products every year. We make sustained investments in our Research & Development (R&D) capabilities to strengthen our innovation-led value proposition. Our ground-breaking products are designed to enhance customer experience and ensure ease of engagement with the Company. Most of our products are not only industry-first initiatives but are also sector-agnostic, thereby creating wider set of opportunities for KFintech. These, coupled with the enterprise-wide libraries, empower business agility and position KFintech at the forefront of innovation, driving growth and exceeding customer expectations in the ever-evolving fintech world.

- 31 new products and solutions
- Datalake (Big Data Analytics Platform)
- Digix (Reporting and Analytics platform)
- Distributor Empanelment (Digital Platform for BFSI Players for Onboarding Distributors)
- Guardian (Trade Compliance and Reporting)
- Kbolt Go (Virtual Branch for Global Asset Managers)
- InstaBrokerage (Real-Time Brokerage Platform for Channel Partners)
- mPower (Fund Accounting Platform)
- XAlt (Integrated Fund Administration Platform)
- IWAAP (Wealth Technology Platform)
- Order Management System (Trade Order Execution Platform)
- Digital Onboarding Platform (Investor Onboarding Platform)

KFintech received a Bronze Award for its "Digix - KFintech's Robust Analytics and Reporting Platform" in the Big Data Trailblazers Award subcategory of the Best Digital Awards - Technology category, from the Internet and Mobile Association of India (IAMAI) at the 14th India Digital Awards in January 2024.

Shaping the industry

Our thrust on technology-led innovation is not only helping our clients to grow their business but also aiding in shaping the future of the asset management industry. These are industry-first initiatives, and our team is proud to have built such platforms that empower the asset managers as well as the regulator to drive analytics, audit and surveillance.

KFintech was honored by apex financial regulator Securities and Exchange Board of India (SEBI) Chairperson for developing **P.A.R.A.S – Portal for Alerts, Reports, and Analytics for SEBI and S.A.P – SEBI Analytics Portal.**

P.A.R.A.S is a supervisory technology (SUP-TECH) platform that has been developed for the regulator and is used by SEBI to monitor all types of alerts, compliance reports and trustee reports. It provides the ability to take necessary actions in the user interface itself, thereby enhancing the user experience and empowering SEBI officers to audit the alerts in a comprehensive way.

SEBI Analytics Portal : This platform stands out as a pioneering solution and solves several challenges using big data analytics. By enabling SEBI officers to effortlessly track monthly changes in the mutual fund market across various parameters, it significantly reduces manual effort from days to minutes. The platform provides comprehensive insights into market movements and trends, revolutionizing regulatory oversight and empowering officers to efficiently monitor investment breaches in the new fund offers (NFOs) and ongoing mutual fund schemes.

We developed Quest, a one-stop solution for surveillance, fraud detection, quality control & audit reporting, resulting in real-time monitoring and process efficiency, leveraging cloud computing and machine learning technologies. Quest has led to near 90% reduction in the transaction processing turnaround time, demonstrating our commitment to excellence and efficiency in managing the operations of the asset management companies.

Diversifying and De-risking the Business Model

We have strategically adopted a diversified approach to business to maximize growth while minimizing the risk arising from singularity by creating multiple strong business moats. Our diversified strategy spans asset class, geographic presence and multiple sustainable and scalable revenue sources.

- We are continuously growing our customer base through new acquisitions as well as increasing the wallet share through cross-sell and up-sell
- By diversifying across asset classes and geographies, we have reduced dependence on any single source of revenue as well as customer concentration risk
- Our foray into geographies outside India have equipped us to harness the growth opportunities across regions and markets
- VAS revenue grew at a 3-Yr CAGR of 22.4% led by investments in the development of innovative products and solutions
- Business diversification has enabled us to progressively reduce our dependence on the domestic mutual fund segment. As we continue to invest in these fast-growing businesses, the proportion of non-domestic-mutual-fund segments in the overall revenue from operations will continue to increase

Heterogeneity of the customer base

25
Asset Management Companies in India

6,071
Listed and Unlisted Corporates in India

472
Alternate Investment Funds

1.2 million
Pension Subscribers

57
Global Asset Managers

30.0%
Revenue from Non-Domestic Mutual Fund Segments

10.6%
Revenue from the International and Other Investor Solutions

6.0%
Revenue from VAS

Running Asset-Light Operations

Our attractive asset-light business model ensures consistent profitability and stakeholder returns while facilitating strong free cash flows for the Company due to deep client entrenchment.

- This provides us with adequate headroom for investing in growth initiatives
- It contributes to making our operations more resilient and predictable

3.25x
Asset turnover

24.5%
Return on Equity

HOW WE CREATE VALUE

Our Value Creation Model

External Drivers: Economic Factors, Government and Regulatory Factors, Capital Market Performance, Data Privacy and Security in Financial Services, Technological Changes

Internal Resources

Financial Capital
- Shareholders' Funds **₹ 11,409.90 million**

Human Capital
- Employee base: **5,818**
- Learning & Development
- Employee Engagement Initiatives
- Inclusivity and Diversity Drive
- Professional and Experienced Management and Board
- ESOPs and Long-term incentive plans for top performers

Intellectual Capital
- **940** engineers
- Inhouse product development
- World-class on-cloud solutions in partnership with Amazon Web Services (AWS)
- Expertise to service global asset managers with multi-asset, multi-geography, multi-currency and multi-lingual platform and solutions
- Strong business development team in India and overseas

Manufactured Capital
- Front offices to drive business development
- Back office for transaction processing and managed services
- Service centers for processing physical applications and support
- Center of excellence to drive digital transformation and operational efficiency
- Data centers and disaster recovery centers

Social and Relationship Capital
- **25** domestic mutual fund clients
- **6,071** issuer solutions clients
- **265** alternate investment managers
- **57** international clients
- **1.22 million** subscribers under National Pension Scheme
- **262 million** investor folios
- **100,000+** Distributors / Channel Partners
- CSR Spent: **₹ 35.70 million**

Natural Capital
- Digital transformation to reduce travel, paper consumption, and energy usage
- Adopted GHG policy
- Adopted waste management policy
- Adopted e-waste management policy
- Sustained measures to reduce water consumption

PRINCIPLE BUSINESS ACTIVITIES
- Domestic Mutual Fund Investor Solutions
- Issuer Solutions
- Alternative Investment Fund, Private Wealth, Portfolio Management Fund Administration and Transfer Agency Solutions
- Global Fund Administration and Transfer Agency Solutions
- National Pension Scheme (Central Recordkeeping Agency)
- Global Business Solutions
- Digital Value-Added Solutions

STRATEGY
- Expand client base and market share through enhanced sales and marketing
- Investing in technology solutions and product innovation
- Focused, selective international expansion
- Pursue strategic acquisitions
- Attract and retain talent

ENABLERS
- People & Culture
- Technology
- Infrastructure
- Robust Risk Management Framework
- Strong Governance Beyond Compliance
- ESG Commitment for Sustainability
- Service Centers and Back Office Infrastructure

LONG-TERM OBJECTIVES
- Sustaining market leadership position across existing businesses
- Business diversification to alleviate concentration risk
- Expansion into global markets - Organically and Inorganically
- Digital transformation and operational efficiency
- Focus on strong governance and compliance

RISKS
- Strategic Risk
- Market Risk
- Operational Risk
- Regulatory and Compliance Risk
- Technology Risk
- Cyber Security and Data Privacy
- People Risk

Outcomes

Financial Capital
- Revenue from operations: **₹ 8,375.33 million**
- Revenue from non-domestic mutual fund solutions: **30.0%**
- Revenue from international and other investor solutions: **10.6%**
- Revenue from value-added services: **6.0%**
- EBITDA: **₹ 3,665.94 million**
- PAT: **₹ 2,460.48 million**
- Diluted earnings per share: **₹ 14.34**
- Cash and cash equivalents: **₹ 4,011.58 million***
- Free Cash Flow to Firm: **₹ 1,982.76 million**
- Dividend per share: **₹ 5.75**
- Market Capitalization: **₹ 104.86 billion**
- Gross Debt: **Nil**

**includes Fixed Deposits & Mutual fund investments*

Human Capital
- Employee benefit expense: **₹ 3,196.64 million**
- Women in workforce: **31%**
- Learning & Development training: **92,406.8** man hours, **1,968** programs conducted
- ESOP Pool: **1.4%**
- Net profit per employee: **₹ 445,327** (on average headcount)

Intellectual Capital
- Technology spend: **₹ 1,746 million, 20.9%** of revenue from operations
- Revenue from value-added services (VAS): **₹ 505.49 million, 6.0%** of revenue from operations
- **31 VAS** products and solutions
- BitSight score: **800**

Manufactured Capital
- **97.6 million** physical transactions processed
- **194** investor service centers across India
- Technology Center of Excellence at Bhubaneswar, Odisha, India
- Operation Center of Excellence at Hyderabad, Telangana, India
- Back-office in Chennai
- Front-office in Malaysia, Mumbai, Bahrain
- Business development team in Thailand and Philippines
- Third-party rated 4 data center and disaster recovery in separate cities

Social and Relationship Capital
- Average daily transactions processed: **1.6 million**
- Asia-Pacific Stevie Bronze Award for Innovative Achievement in Crporate Social Responsibility
- More than **65,129** numbers of distributor engagement
- CSR Beneficiaries: **8,661**
- Payment to exchequer: **₹ 2,196.98 million**
- ESG Score: **66.6**

Natural Capital
- Digital transactions handled: **71.7%** of the total domestic mutual fund transactions
- Installed electric vehicle (EV) chargers for employees at the headquarter in Hyderabad to encourage use of EV cars
- Adopted energy-efficient air conditioning systems within the workspace
- Total waste generated: **44.09** metric tons, **62.2%** lower than previous year. **100%** waste generated is recyclable
- Managing waste with vendors having environment certification and recycling capability
- We engaged with only such vendors who have capability for proper disposal of e-waste
- Water consumption **6,444.2 kilo liters,** reduced by **13.6%** over previous year

Empowering Stakeholders for a Better Tomorrow

At KFintech, our collaborative approach to engagement with our stakeholders is pivotal to our success. We continuously engage with our internal and external stakeholder groups, which are identified basis the nature of their association with the Company and the influence they have on its value creation process.

How we identify our Stakeholders

Dependence

Our activities, products and solutions make our stakeholders dependent on us and vice versa.

Responsibility

As an organization, we have legal, commercial and moral responsibilities to our stakeholders.

Influence

Our stakeholders have the ability to impact our decision-making capability.

Our Engagement Model

Our Engagement Model	Stakeholders' Expectation	Engagement
Employees	Safe, Secured, Diverse, and Inclusive Workplace. Career Growth and Prospects. Rewards and Recognition. Transparent and Fair Policies. Learning and Development. Work-Life Balance.	Well-defined people policy with focus on safety, health, and wellness. Active engagement and support for promoting diversity and inclusivity. Offering competitive, simplified and tax-friendly compenzation structure. Diversified business and global operation ensures better career opportunities and growth. Comprehensive learning and development with focus on structured as well as unstructured trainings to drive growth and leadership. Option of flexible and hybrid working hours with focus on maximum productivity. 360-degree feedback culture, structured and unstructured reviews, townhalls, skip level meetings, engagement through HRMS. **Interface:** HRMS, website, email, L&D program, appraisal process, townhall, survey, open dialogs.
Clients (Mutual Funds, Listed and Unlisted Corporates, AIFs, PWMs, PMS, BFSI players, Global Asset Managers)	Seamless and error-free operations. Transparent and trustworthy relationships. Next-generation technology, new products and solutions. Scalable and reliable infrastructure to address business volume growth. Business continuity plan. Adherence to regulatory and other compliances, data protection, data privacy, and cyber security. Fair trade practices and responsible behavior to environment sustainability. Excellent customer services and quick turnaround times.	Recruiting and retaining best-in-class human talent. Investing in learning and development to adapt evolving market trends. Investing in Next-generation technology to develop innovative products and solutions, practise first-time right culture and alleviate human errors. Investing in large-scale infrastructure including nation-wide investor service centers, call centers, rated-4 data center, separate disaster recovery site to ensure business continuity. Promoting a strong culture of compliance and governance. **Interface:** Continuous business engagement to drive operational excellence and business development.

Our Engagement Model	Stakeholders' Expectation	Engagement
Clients, Customers (Investors, Pension Subscribers and others)	Ease and convenience of investing. Faster turnaround time. Best-in-class digital interface. Effective grievance and redressal process. Data protection and data privacy.	Investor service centers to handle physical applications and provide investor support. Call centers for handling customer queries. Omnichannel support for investors (website, chatbot, email, postal communication, mobile application, telephone). Effective grievances and redressal mechanism to handle customer complaints. Special desk for senior citizens investors. Use of technology to reduce data-entry errors and faster turnaround times, resulting in fewer customer complaints and ensuring customer delight. **Interface:** MFCentral, AMCs website, KFintech website, KFINKart Investor application (individual investors), Korp Connect application (non-individual investors), eAGM, eVoting, RWAP (Right Issue platform), eVault (Data storage for corporates), Pushpak (IPO allotment platform), Group SIP (Corporate employees).
Client's channel partners (Distributors / IUTAs)	Widespread point of presence. Technology platforms for ease of investment. Quick turnaround time.	Continuous distributor engagement program. Investor service center as physical point of interface. Digital point of interface for ease of investment and convenience, and quick turnaround time. **Interface:** DIT, KBolt Go, POP Online, NPS Agent Platform, INSTABrokerage, Distributor Empanelment.
Shareholders / Investors	Sustainability and consistency in growth, profitability and free cash flows. Highest standards of governance. Robust internal financial control. Strong enterprise risk management. Transparency and fairness in disclosures. Symmetry in dissemination of price sensitive information.	Gaining and sustaining market leadership position. Self-sustenance with profitable growth and positive free cash flows. Building strong future moat by diversifying and increasing the share of non-domestic mutual fund investor solutions businesses. Reinvesting free cash flows in high growth opportunities and pursuing synergistic inorganic opportunities. Engaging big four for internal and statutory audits. Running an independent board to drive highest standards of governance. Implementing robust internal controls and processes to drive transparency and mitigate enterprise risks. Timely closure of financial accounts and audits to declare quarterly financial results. Maintaining parity in investor communication and following best practices with adequate disclosures. **Interface:** Investors and analysts meet, quarterly earnings conference call, annual shareholder general meeting, annual report, investor presentation, financial results, postal ballots, press releases, media interactions, website and social media.

Our Engagement Model	Stakeholders' Expectation	Engagement
Government Authorities, Regulatory Authorities, Stock Exchanges	Adherence to government, regulatory and stock exchange listing compliance. Fair computation and payments of periodical taxes, regulatory fee, exchange filing fee and other statutory payouts.	Stringent measures and internal controls for strict adherence to applicable laws and compliances. **Interface:** Timely payment of taxes, exchange filing fees, other statutory dues, and statutory and regulatory reporting.
Community	Employment generation. Community development. Responsible and sustainable business practices to protect environment.	Employment walk-in drive, tie-up with colleges for campus placements, engaging recruitment consultants for sourcing talent. Program for interns and trainees. CSR program. Implementation of environment-friendly business practices towards waste management and disposal, energy and water conservation, reduction of GHG emissions. **Interface:** CSR program, awareness program.

Our Approach to Effective Risk Management

At KFintech, effective risk management (ERM) is an integral part of our strategic planning and operational processes to manage and mitigate business risks, which is overseen by the Risk Management Committee. By identifying, assessing and mitigating risks, we ensure the stability and growth of our organization.

We leverage our technology prowess to help us mitigate risks through early detection. Across our risk governance framework, we use preventive and detective controls to help us manage all forms of risks more efficiently, e.g. operational, regulatory, compliance, financial, strategic, technology, and cybersecurity. Our in-house tools, including Inpro, Quest, KOMRISK etc., empower our people to manage risks in a comprehensive manner.

Our risk management team is responsible for managing and updating all the risk registers for various business verticals, and through risk audit, by an external agency, we ensure that our risk management framework is in line with the global standard.

Effective Risk Management Framework

Our ERM framework details the principles it uses to support enterprise-wide effective risk management practices across end-to-end risk management lifecycle. The framework covers the risk management roles and responsibilities of the Board of Directors, Executive Management Team and employees across all lines of defense. The underlying pillars of the framework embrace:

Risk Culture:
The core principles and values that reinforce a strong culture of risk awareness, in line with KFintech's Mission and Value Proposition, and Core Principles.

Governance:
The committee structure and reporting arrangements that support the appropriate oversight of risk management activities at the Board and Executive Management Team levels, and establishes the lines of defense model.

Risk Management:
The end-to-end risk management cycle, including identification, measurement, monitoring, controlling, and reporting of all risks including top, material, growing, distinctive and emerging risks, and aggregated at an enterprise-wide level.

Enterprise program:
The key risk management program performed across the risk management lifecycle for all risk categories.

Each pillar is strengthened by supporting factors like resources, infrastructure, and tools to enable impactful execution of the ERM Framework.

Our Lines of Defense Model to Risk Management

At KFintech, we use lines of defense model as a key component of our ERM Framework to manage all our risks. It brings together risk-taking, risk oversight and risk assurance under one umbrella, and provides an approach for risk accountability by the first line of defense (respective operating segments and support functions), builds a platform for effective management by the second line of defense (independent risk management team), and empowers independent risk assurance by the third line of defense (internal audit team). In addition, the model includes organizational units tasked with supporting a strong control environment ("enterprise sub risk councils"). The first, second and third lines of defense, along with enterprise sub risk councils, have distinct roles and responsibilities and are empowered to perform relevant risk management processes and responsibilities to manage enterprise-wide risks in a consistent and effective manner.

1

Our First Line of Defense owns the risks and associated controls inherent in, or arising from, the execution of respective business activities and is responsible for identifying, measuring, monitoring, controlling and reporting those risks, consistent with KFintech's Mission, Values, Leadership Principles, Strategy and Risk Appetite. Front line units are responsible and held accountable for managing the risks associated with their activities within the boundaries set by our independent risk management team. They are also responsible for designing and implementing the effective internal controls, and maintaining processes for managing their risk profile as well as risk mitigation measures, so that it remains consistent with our established risk appetite. Front line unit activities are considered part of the first line of defense and are subject to oversight and challenge of the independent risk management team.

2

Our Second Line of Defense comprises the risk management team independent of the first line of defense. It is responsible for overseeing and challenging the risk-taking activities of the first line of defense to ensure smooth execution of its risk management responsibilities. This team is also responsible for independently identifying, measuring, monitoring, controlling, and reporting aggregate risks, and for defining standards for the management and oversight of enterprise-wide risks. It is led by the Chief Risk Officer (CRO), who has unrestricted access to the Board of Directors and the Risk Management Committee to facilitate proper execution of the ERM framework.

3

The Third Line of Defense rests with our internal audit team, whose role is to provide an independent, objective, reliable, valued, and timely assurance to the Board of Directors, Audit Committee, Senior Management and Regulators over the effectiveness of governance, risk management, and controls that mitigate the current and evolving risks, and enhance the control culture within KFintech.

Strong culture of Compliance fostered through focus on systems, processes, and technology

Influence

Several regulatory entities (including international) have oversight over our business

Regulated by SEBI, PFRDA, IFSCA, RBI, and International regulators, Also being monitored/ governed by other market infrastructure intermediaries including stock exchanges

Periodic regulatory Inspections and audits

Stringent and Round-the-clock Compliance Assessment

Cyber security and cyber resilience policy

ISO 27001:2013 certified
SOC1 Type 2 certified
BitSight Score: 800 (Best)

3,306	**11**	**7**	**403**	**10**
Compliances	Operating Units	Task Owner & Reviewers	Unique compliance IDs	Departments Covered

Key Risks and Mitigation Strategies

Strategic Risks: Failure to adapt to change in market forces and evolving customer preferences, leading to loss of market share and leadership position.

Mitigation: Investing in market research, maintaining a diversified and flexible business model, continuous engagement with customers and stakeholders to gauge evolving changes and needs, and fostering a culture of innovation and transformation.

Market Risk: Protracted downtrend within the domestic mutual fund and resultant impact on revenue and profitability.

Mitigation: Pursuing a diversified business model by investing in high growth and scalable businesses which are not linked to domestic mutual fund performance. Investing in development of new and innovative products and solutions, most of which are industry-first initiatives and find application across the wide spectrum of banking and financial services sector.

Operational Risk: Financial and reputational losses due to failure of internal control systems and processes, external events, frauds perpetrated by internal people or third-parties.

Mitigation: Implementation of robust internal control systems and processes, investment in employee training programs, regular maintenance and upgrade of critical systems, having adequate insurance coverage, maintaining a disaster recovery site at a location separate from primary data center to ensure business continuity.

Regulatory & Compliance Risk: As an entity regulated by SEBI, RBI, MCA, PFRDA, IFSCA, international regulators, and being governed by other market infrastructure intermediaries including stock exchanges, regulatory non-compliances may lead to far-reaching business implications, including cancelation of licenses.

Mitigation: Maintaining strict vigilance to monitor and adhere to regulatory compliances by investing in best talent, partnering the best advisors and counsels for guidance and support, and leveraging technology and in-house state-of-the-art tools like InPro, Quest and KOMRISK.

Technology Risk: Technology obsolescence, leading to loss of business, customers and market share, resulting in financial losses.

Mitigation: Investing in new technology and development of new products and solutions to address the evolving market needs and to drive innovation.

Cyber Security and Data Privacy Risk: We deal with a very high volume of sensitive data and are susceptible to cyber-attacks as well as breach of data privacy protection, leading to data theft or loss which may result in reputational loss as well as financial losses due to loss of business, customers, and heavy penalties.

Mitigation: Investment in advanced cyber security and data protection measures, regular security audits, running employee awareness and training programs, and establishing a multi-layered governance process with the Executive and the Board of Directors oversight.

People Risk: Disengaged and non-motivated staff leading to high rate of attrition and non-achievement of goals, resulting in financial losses.

Mitigation: Providing a safe and secured workplace environment, promoting employee-friendly policies, transparent and open work culture, ensuring proper rewards and recognition for employees, providing clarity over roles and responsibilities through continuous engagement programs.

Our Environmental, Social & Governance (ESG) Journey

At KFintech, we are cognisant of our responsibility towards sustainability as an imperative for sustained and long-term growth and value creation.

- As part of our environmental focus, we are committed to reducing the carbon footprint of our business operations through focused initiatives. Our interventions are aimed at reducing energy and water consumption, minimizing greenhouse emissions, and effectively managing the waste
- Our social responsibility is steered by our commitment to providing the best-in-class services to our customers and ensuring the welfare and well-being of our people. We also have in place a robust Corporate Social Responsibility (CSR) framework for the upliftment of the communities around which we operate
- Driving responsible governance is also a key propeller of our ESG journey, and we follow the highest codes of conduct and principles of transparent and ethical governance at all times

ENVIRONMENT
Driving Sustainability by Reducing Carbon Footprints

At the heart of our environmental conservation focus is our unwavering commitment to the reduction of the carbon footprint of our business operations. Though, as a service organization, this footprint is not high, we are dedicated to reducing it even further, as part of our responsible journey towards tomorrow. Our efforts in FY 24 were directed towards transforming ourselves into a more eco-friendly organization.

SDGs Impacts

We understand the criticality and impact of global warming. KFintech is trying to reduce the impact on the environment within its operating ecosystem.

We are focused towards three directions as below:

Internal Operations:

- Policy creation and adoption on greenhouse gas (GHG) emission, energy efficiency, water efficiency and waste management to reduce the impact on environment
- Installing energy-efficient controls like LED lighting and occupancy sensors to ensure optimum energy utilization
- Installation of energy-efficient air conditioning systems across the workspace
- Limiting the use of plastic by replacing it with eco-friendly products
- Installing electric vehicle (EV) chargers to encourage adoption of electric vehicle usage within our organization
- As part of our travel requirement, we are leveraging travel partners providing EV fleets
- Initiated activities fostering environment awareness and responsibility among our employees through Sustainability Awareness Month program

Social Responsibility:

- As part of our responsibility towards upliftment of our social structure, we have committed ourselves towards the welfare of the tribal community and have supported them with solar systems to substantially lower their consumption from the power grid
- In addition, we have identified educational institutions and helped them reduce their energy consumption by up to 75% through solar installation
- We are working in collaboration with NGO partners to preserve forest ecosystem

Procurement:

- We have initiated supporting our vendor partners with focus on sustainability as criteria for their operations
- We have adopted a waste management policy to manage proper disposal of wastes with vendors having environment certification and recycling capability

62.2% Decline
Annual waste generation

13.6% Decline
Water consumption

100%
Recyclable waste

SOCIAL – CUSTOMERS

Enhancing Consumer Experience

Customers are central to our value proposition, and we continue to work towards enhancing their experience with KFintech at every step of their engagement with the Company. During FY 2023-24, we took several initiatives to augment consumer delight and value creation.

Our innovative solutions bring customer delight

Customer experience is at the heart of everything we do at KFintech. Our thrust is to provide a future-ready scalable platforms with tech-enabled infrastructure to meet clients' requirements. Our team is constantly evaluating technology solutions to increase the level of digitization, create innovative products, and improve operational efficiency and level of automation to help our clients grow faster and reduce their total cost of operations.

- Quest platform has been provided to nine of our domestic mutual fund customers and helped reduce the transaction processing turnaround time by near 90% and deliver investor delight
- KBoltGo platform is empowering four asset management companies, serviced by KFintech, to mobilize funds from remote locations, driving financial inclusion and wider reach
- e-AGM is empowering more than 200 listed companies to conduct their annual general meeting in an efficient and cost-effective manner
- Guardian is simplifying the compliance of SEBI's prohibition of insider trading (PIT) regulations for more than 170 companies
- Digital onboarding solutions is making the investor onboarding process simpler and faster for more than 60 clients under AIF, PMS and PWM, providing a complete digital journey irrespective of the class of investor
- Digix platform has fully automated the compliance and regulatory reporting for all our domestic mutual fund customers
- Datalake is providing the single moment of truth for all data and analytics need for two AMC clients and one private wealth client
- InPro platform empowers more than 25 clients to keep a check on AML / PML before onboarding investors
- Through mPower, we are providing one of the best fund accounting platforms with multi-asset, multi-currency, multi-geography and multi-lingual ability to more than 100 clients in India, South-East Asia and Canada

Mutual fund distributors (MFDs) engagement program

At KFintech, we value our relationship with MFDs and have established strong engagement with them to provide regular training and knowledge sessions on digitalization, industry updates, regulatory and compliance-related changes, and other guidance. Our thrust on empowering MFDs is enabling them to follow industry best practices and use technology to drive growth and increase their market reach.

During the year, we conducted region-wise in-person exclusive training programs for MFDs, as well as joint training sessions along with MFD associations and AMCs. We also had regular webinar sessions in association with AMCs to provide regular industry updates, regulatory changes, and requisite guidance.

15,000+ MFDs engaged

Training Programs and Webinars during FY 2023-24

We participated in 26 major MFD events held across major cities. Our leaders were guest speakers in many of these knowledge sessions to share industry updates, and also discuss how use of technology is shaping the industry. Such events also give us the opportunity to engage with MFDs and demonstrate how our product stack can benefit them in their growth and enable them to stay ahead of the competition. To support MFDs, we have designated identified resources as Digital Champions across all our regions, and will further extend this to all our major investor service centers. MFDs can also reach out to our team for any support through an exclusive email account (mfdcare@kfintech.com) as well as exclusive toll-free number (1800 571 6677).

10,000+ MFDs engaged

Distributor events participated during FY 2023-24

KFinkart Distributor Mobile and Web Application: This is a distributor-initiated transaction (DIT) platform exclusively for MFDs to make it convenient for them to monitor clients' investments and grow their business simultaneously. It provides a complete mobile or web-based paperless and hassle-free journey for executing financial and non-financial transactions and service fulfillment by the MFDs. It embodies transaction processing in a superfast manner, and fully-secured and compliant environment, empowering MFDs to focus on business growth and investor convenience.

45,000+
MFDs on DIT platform

100,000+ **transactions per month**
via DIT platform

Delivering excellence to investors with innovation, speed and security

At KFintech, we strive for excellence to deliver best experience to our end users, including global investors, MFDs, IUTAs, and pension subscribers through our innovative products and solutions and use of transformative and secured technology stack. We always attempt to design digital-first solutions, which are also industry-first initiatives, to deliver investor delight. At the helm of our technology infrastructure is our core delivery team, which comprises industry best talents to provide best service delivery experience to our customers and investors. We are also strengthening our physical network by opening 12 new investor service centers at strategic locations. Our processes and technologies also facilitate digital transactions as well as digital-first investors to drive seamless onboarding and investment experience.

194
Investor service centers

1.5+ **million downloads**
KFinkart Investor Portal and Mobile Application

0.5+ **million downloads**
MF Central (India's first all-in-one investment management platform for mutual fund investors)

71.7%
of our domestic mutual fund transactions are digitally processed

Our Pushpak platform enables an investor to check their IPO allotment status in less than 10 milliseconds

800
BitSite Score

Deploying multiple channels to manage investor, customer and channel partner queries and grievances

Our processes are designed to deliver first-time right and error-free outputs. Quest platform is designed to reduce transaction processing time and drive faster turnaround time in domestic mutual fund industry. The platform has already been rolled out to nine of our major AMC clients and led to reduction in turnaround time by near 90%.

We use multiple channels to address customer and investor grievances across our lines of business. We have assigned a dedicated team across each business line to handle grievances in a time-bound manner. Every customer is mapped to an experienced account relationship manager to manage the operation efficiently.

Under issuer solutions, we have also established a dedicated desk for senior citizen investors to handle queries and grievances. Distributors and investors can also reach out to us with their queries through our investor service centers, call centers, toll-free numbers, chatbots and WhatsApp. Each request is assigned a unique reference number and can be tracked online. Unsatisfactory responses can also be escalated by the aggrieved user to our Chief Compliance Officer or Managing Director, and if it continues to remain unresolved, it can be lodged with SEBI through SCORES (SEBI Complaints Redress System).

SOCIAL – EMPLOYEES

Fostering an Inclusive Work Environment

At KFintech, we are continually striving to promote an inclusive work environment, designed to promote holistic development and value creation for our employees. Our investments in our human capital are centerd around ensuring employee welfare, well-being and development. As a technology company, attracting and retaining the right talent with requisite skills is key to our success. We took several steps during FY 24 to create a more enabling and empowering organization for our employees.

Attracting new talent

We adopted a more streamlined process flow for hiring and onboarding new employees, including interns, to strengthen our people foundations. We use our talent acquisition team as well as our hiring partners to scout for the best talent with relevant technology-led experience in the financial services industry to drive growth, innovation, new product development, and delivery excellence. Our strategy is to align the new hires with the transforming needs of our growing and diverse customer network and expanding geographic footprints. We are also diversifying our talent mix and opening centers of excellence by collaborating with the best engineering colleges in tier 2 locations to add fresh talent to foster the culture to win and wanting to win. Taking employment to the home location of talent is solving multi-fold purposes in terms of lowering costs and attrition rates.

592 employees

Net additions during FY 2023-24

200+ seater

Analytics Center of Excellence Bring it in the next line in Bhubaneswar, Orissa, India

We use one of the best human resource management systems (HRMS), which is well integrated to ensure seamless onboarding of new hires besides allocating a dedicated human resource business partner for all people-related issues. The HRMS platform empowers our employees to manage their complete employment journey, including the goal setting and performance appraisal process, in a fully automated manner. The platform also equips our people to avail discretionary as well as non-discretionary training and learning needs, creates a 360-degree feedback loop, and fosters an open and transparent culture.

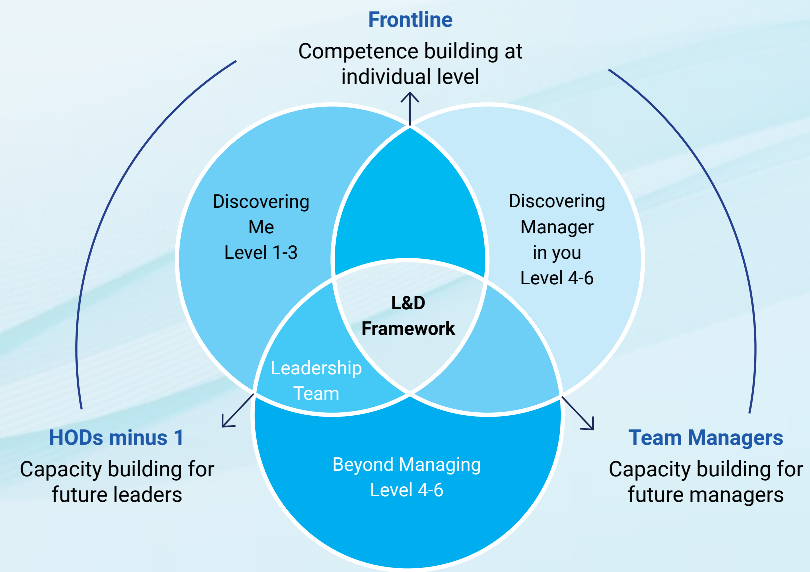
At KFintech, we have established a collaborative and open work culture across our regions. We are investing in employee-friendly policies to promote result-driven, rewarding, and transparent work environment. Given our diverse nature of business, our employees have opportunity to work across regions and roles, including overseas assignments, as part of our job-rotation policy. Our payout structures are aligned with industry benchmarks and comprise fixed pay and performance-linked variable pay. In addition, we follow a scientific methodology to identify and retain high performers and future leaders by including them as part of our long-term incentives plan as well as employee stock options plan.

Ensuring sustained learning & training to create future leaders

As an employer of choice, KFintech provides its employees a work environment which is safe, secured, and future-ready. We strive to provide an opportunity to work on best-in-class technology stack to drive innovation, transformation and thought leadership across our product stack and processes while adhering to regulatory compliance. Continuous learning and development (L&D) of our employees ensures the alignment of their goals and performance with the organizational goals.

Our 360-degree L&D approach is a mix of structured and unstructured training programs spread across in-person, online, and 3rd-party training schedules. Our programs are well curated, to have maximum impact and achieve desired objectives, and are run round-the-year to empower people with enhanced technical prowess and best skills. Our in-house e-learning management system (LMS) is fully integrated with our HRMS and is designed on 3C model (Competency, Capability, Capacity) ensuring flexibility to the L&D team, functional managers and business heads to choose and assign relevant trainings for their respective team members.

Our robust 3C L&D framework



During FY 24, we continued with our existing programs and also launched several new training programs for our people.

- **TRM crafted for GRMs:** This is a leadership development workshop for group relationship managers, focusing on building their capacity to drive efficiency, team management, agility, and change management. Through this program, the endeavor is to develop future leaders, some of whom become the torchbearers of KFintech's transformation journey. 5 workshops were conducted during the year for 65 employees.

- **Leadership Development Programme:** We launched a highly integrated program leveraging Harrison Assessments for developing the leadership team at KFintech. This program ensures employee's growth as a leader, and provides a solid foundation for their current and future roles. The focus is on:

46 leaders
have been enrolled in the program during FY 2023-24

- **Experiential Outbound Training:** A program to impart experiential learning for our entry-level employees through gamification of learnings with focus on:

- **KFintech's Toast Masters Club:** Establishing a toast masters club for our employees is a valuable investment in the professional development and growth of our employees. By promoting communication excellence, leadership development, and a collaborative corporate culture, the club will contribute to our continued success. Our aim is to empower our employees to excel as effective communicators and influential leaders.

- **Annual Proficiency Test:** Though we have been conducting APT tests to assess process knowledge across our operation team to determine domain experts as well as master trainers, our central L&D team launched APT for the very first time for our technology talent cohort. The idea was to help them uncover their potential strengths and weaknesses, and plan corrective measures to enhance agility and performance. Our central L&D team engaged with external experts to ensure maximum impact.

492 IT employees
participated during FY 24 across 30 different IT topics

- **IVY league courses on general management and leadership:** Our high performers and potential future leaders can choose structured blended learning courses from IVY league colleges of their choice, which can enhance their roles and performance. We have also partnered with engineering colleges to curate curriculum for fresh IT graduates to make them future-ready for KFintech.

200+ seat campus
Set up an Analytics center of Excellence in Bhubaneswar to hire and train fresh IT graduates

- **Micro-learning programs:** These are bite-sized programs for specific learning outcomes. MLPs are hour-long programs with self-assessment module towards the end, based on real-life use cases designed for entry to early middle layer staffs across the organization. We covered wide range of topics through this program, including design thinking, empathy, self-awareness, team cohesiveness, emotional intelligence and others.

24 programs
were conducted during the year, benefiting over 2,347 participants.

- **Skill development program:** We have made NISM (National Institute of Securities Markets) certification examination mandatory for all our employees who are in client-facing roles, to ensure smooth operation. We conduct multiple refresher sessions and mock tests to support our employees in preparation. Mandatory trainings are allocated and conducted through LMS to ensure convenience and full compliance. These include trainings on code of conduct, business ethics, insider trading regulations, anti-money laundering, prevention of sexual harassment, information security, and others. LMS has also been curated to facilitate 48 self-paced training modules across core functions, including branch operations, global operations SOPs, HR operations, mutual fund processes etc. to drive process excellence.

92,407 man hours
Learning and Development trainings

1,968
Training programs conducted during FY 24

Engagement and motivation to drive performance, accountability and ownership

A champion is as good as his last performance. Excellence is a continuous journey for KFintech, and our people strive for it. It is our endeavor to provide conducive work environment and employee-friendly policies to make our employees feel motivated and engaged to continue to deliver their next best performance.

Our people policy promotes inclusivity, diversity, hybrid work culture, and flexible work timings. These policies also help us to make our workplace work for women willing to come back to work. We also support them through our tie-up with safe and high-quality childcare facility, near to workplace, to drive best productivity when they are at job.

1,809 female employees
As on March 31, 2024

20 female employees
In leadership role as on March 31, 2024

We have a well-defined leave policy that promotes work-life balance for our employees to strike a balance between their personal and professional commitments and supports their well-being. Benefits like bereavement leave, paternity leave, adoption leave, happy day leave, and others are in place to support our people.

Our mandatory orientation program for new joiners across hierarchy familiarizes them with our organizational structure, vision, values, people policies, culture, and work ethics.

Our Synergy program facilitates interaction between reporting managers and employees to promote healthy converzations on achievement, challenges and other organizational updates, including business updates as well as people-related issues. Through this program, we also recognize our star performers with SPOT Award.

166 SPOT
awards awarded during FY 24

Our RISE program is a quarterly rewards and recognition program to identify, nominate and award best performing talent across all levels through a top-down approach, and also recognize leaders using bottom-up approach. The categories include innovator award (process improvement, client satisfaction, cost optimization, automation), spark award, value champs (for living KFintech's core values), and standing ovation (for leaders leading by example, inspiring, futuristic, or solution-oriented).

690 employees
awarded under RISE program during FY 24

Our Skip Level discussion allows functional heads to assess employee sentiments, drive engagement and motivation by alleviating concerns or challenges around people, work or culture-related issues. This drives strong bonding among the team members

1,354
Skip level meetings during FY 24

We recognize our employee loyalty with Rubaroo Award, felicitating employees who have completed 35 years, and Longevity award felicitating employees who have completed 25 years with us.

2
Rubaroo awards during FY 24

Our KFIT programs are e-sessions designed for our people to drive fitness, nutrition, positivity, health, financial independence, and confidence through yoga, music, and other equivalent sessions.

Our monthly fun-filled events, celebrations, and other occasional events are targeted to drop workload and foster employee bonding, drive higher engagement, and create a better workplace for our people. We held 'Gratitude Week' to extend our appreciation to the teams for their dedication and commitment to the organization. 'Utsav', our annual event, is a platform for employees to showcase their talent and engage in revelry. 'KFin Day' was celebrated with our people on December 29, 2023, to mark the first year of successful listing of KFin Technologies Limited on the Indian national stock exchanges. Townhall events are targeted to interact with CEOs and leadership team to discuss on KFintech's vision, values, mission, and the path ahead.

At KFintech, protection of human rights is our fundamental duty. We are committed to protecting the human rights of our employees and abide by the guiding principles set forth by the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), Universal Declaration of Human Rights (UDHR) and the International Labour Organization's Declaration on Fundamental Principles and Rights to Work (ILO Declaration), besides complying with all the applicable local and national laws and regulations.

SOCIAL – COMMUNITY

Empowering Youth to Drive Sustainable Development

We have aligned our Corporate Social Responsibility (CSR) charter with the 17 Sustainable Development Goals of the United Nations, with focus on social, economic and environmental progress. We are committed to bringing profound societal change and catalyze meaningful transformations within communities through our CSR initiatives. During FY 24, we continued our community outreach programs which are focused on empowerment of youth, with the aim of equipping them to drive sustainable development. Education, innovation, skill development, financial literacy and participation in clean energy projects are the areas in which we engage with youth.

Industrial exposure visits for students

As part of our efforts to promote practical skill development, we organized exposure visits for various groups of students during the year.

- We organized a visit for 40 students of Telangana Tribal Welfare Residential Fine Arts Academy (TTWRFAA) students from Siricilla to GAR-Kokapet SEZ. GAR team members provided detailed explanations on safety and evacuation guidelines, followed by a tour of various functional sections of the building
- To provide them the opportunity to engage with industry professionals and experience aircraft interior design first hand, we arranged a visit for students of TTWRFAA (Women's), Siricilla, to GMR Aero Tech (GAT)
- A visit was arranged to National Institute of Nutrition (NIN), Hyderabad, for 91 undergraduates food sciences students from Telangana Tribal Welfare Residential Degree Colleges, Women (TTWRDCW), Mahabubabad. The program included a compelling video presentation on the Institute's role in shaping nutrition research in India, followed by an engaging and informative session
- A group of 83 students from TTWRDCW college in Mahabubabad was taken on a visit to CSIR-IICT Hyderabad, to open their horizons to the exploration of pioneering research and development activities
- In another exposure visit, TTWRDCW college students were taken to Hyderabad-based T-Hub - India's largest start-up incubator and a leading innovation ecosystem builder to give them first hand exposure about the start-up ecosystem

Solar plants at educational institutions

To promote transition to clean energy, we installed solar power plants of 35 KW and 45 KW respectively at Jinnaram for Telangana Tribal Welfare Residential Junior Colleges, Boys (TTWURJCB) and Sainik School Boys in Ashok Nagar, Ghanpur, during the year. Inverters were also installed in conjunction with the solar plants in strategic areas of the buildings, ensuring uninterrupted power supply to facilitate academic excellence. In addition, 100 street lights were installed at the campus in Jinnaram and 55 street lights in Ashok Nagar.

Laptops for academic achievers

Our CSR Committee honored academic achievers from TTWURJC (B), Jinnaram, by presenting them with 21 laptops during the year. The additional secretary from Tribal Welfare Gurukulam, Smt. Madhavi Devi, along with the Chief People Officer of KFintech presented the laptops. The event was also attended by the students' parents, along with the deputy secretary and officer on special duty (OSD) of tribal welfare.

Workshops by renowned artist

Lucknow-based renowned artist, Mr. Imran Beg, conducted workshops for interior and fashion designing students of TTWRFAA, Siricilla, with the aim of enhancing their skills and competence. The workshops were also oriented towards fostering creativity and proficiency. The focus was on topics related to rendering techniques in interior design and the role of fashion illustrations in conveying design ideas.

Scholarships for degree and junior college students

During FY 24, we spent ₹ 10.06 million on scholarships to 59 degree and 19 junior college students across Telangana Tribal Welfare Students.

KFintech won the 2024 Asia-Pacific Stevie Bronze Award for Innovative Achievement in Corporate Social Responsibility.

GOVERNANCE

Transforming Responsibly and Ethically

At KFintech, we believe in responsible and ethical transformation to propel long-term growth and value creation for our stakeholders. We pursue the best practices in corporate governance and remain committed to stringent adherence to the law. We also have in place various policies and codes which serve as the guiding principles of our governance framework. The Board Committees follow these principles and ensure the implementation of the various codes and policies.

Our governance systems are crafted to ensure the highest level of risk mitigation. (Refer to page 47 for details.) They are structured to deliver customer delight and stakeholder empowerment through unwavering commitment to securing and safeguarding their interests. Data and cyber security are high priorities for the Company, and we are committed to protecting customer privacy at all costs.

Directors' familiarization program

At KFintech, we are continuously familiarizing our directors through various structured programs to empower them to gain better understanding about our diversified portfolio of businesses, statutory and industry changes, and various other strategic initiatives that we would like to pursue for our growth and sustenance. These programs are also in line with Regulation 25(7) of the SEBI Listing Obligations and Disclosure Requirement (LODR) Regulations, 2015. During FY 24, we have conducted several such programs at KFintech.

Program	Mode
Business and Operational Performance	Board / Committee Meetings
Financial Results and Performance	Board / Committee Meetings
Business Units Walkthrough	Site Visits
Business Outlook and Strategy	Board Strategy Meeting
"FINTRAK" Walkthrough	Board Meeting
Statutory Environment	Board Meeting

Board of Directors

Mr. Viswanathan Mavila Nair
Non-Executive Director and Chairman

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 is also a non-executive Chairperson on the board of directors of BQ Digital Learning Private Limited. He is also a non-executive Director on the board of Propelld (Bluebear Technologies Private Limited). He is also a member of Performance Review Committee on Transparency and Best Practices of Governance of the International Financial Services Authority. He is also an advisor to WestBridge Advisors LLP ("WestBridge") and an advisor to Mountain Managers Pvt Ltd ("WestBridge") and an advisor to GROWX VENTURES FUND LLP and a senior advisor to New Street Technologies Private Limited and Progcap (Desiderata Impact Ventures Private Limited) and board advisor to Credgenics (Analog Legalhub Technology Solutions Pvt Ltd) and is also engaged as a consultant by Trans Union LLC, USA and Perfios Software Solutions Private Limited. 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, an independent director on the board of GIFT City Limited, an independent director on the board of GIFT SEZ Limited, an independent director on the board of L&T AMC Limited, an independent director on the board of GIFT City Limited...

Mr. Venkata Satya Naga Sreekanth Nadella
Managing Director and Chief Executive Officer

Venkata Satya Naga Sreekanth Nadella is the 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 22 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.

Mr. Prashant Saran
Independent Director

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 (honors) 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.

Mr. Kaushik Bishnu Mazumdar
Independent Director

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 (B.Com) from Narsee Monjee College of Commerce and Economics, University of Bombay and a post-graduate diploma in management (PGDM) 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 and its wholly-owned subsidiary, TeamRed Management Solutions Pvt Ltd.

Ms. Radha Rajappa
Independent Director

Radha Rajappa is an Independent Director of our Company. She has been associated with our Company since October 11, 2023. Radha is an entrepreneurial business leader with over three decades in executive leadership roles in the technology industry. She has successfully incubated, passionately led and hyper-scaled several Digital and Technology businesses during her 16-year stint at Mindtree. She has worked with global technology giants IBM and Microsoft, both in their respective transformative years helping customers navigate their landscapes amidst the constantly evolving technological waves.

Currently, she is deeply involved in early-stage Tech startups helping them navigate the constantly changing paradigms of business. As the Executive chairperson of the Industrial AI startup Flutura, catalyzed a prestigious and deeply valued exit to Accenture. Also, currently at Vunet Systems, she gives hands-on-guidance to create a new business category of Business Journey observability in the AI ops domain. Radha is also a passionate Executive Coach helping professionals sharpen their innate potential to deal with change and realize their true potential. Radha also serves as an independent director on the boards of Zensar Technologies and Bata India.

Radha holds a degree in Electronics and Communications Engineering and a management degree from the Indian Institute of Management (IIM) Bangalore.

Mr. Chengalath Jayaram
Independent Director

Chengalath Jayaram, B. A. (Economics), PGDM-Indian Institute of Management, Kolkata, has varied experience of over 39 years in many areas of finance and business and was earlier the Managing Director of Kotak Securities Limited. Mr. Jayaram headed the Private Banking business, Alternative Investments business, including Private Equity funds and Real Estate funds and international operations for Kotak Group till his retirement, as Joint Managing Director of the Bank, in April 2016. He was with the Kotak Group for 26 years and was instrumental in building a number of new businesses for the Kotak Group. Prior to joining the Kotak Group, he was with Overseas Sanmar Financial Limited.

Mr. Alok Chandra Misra
Non-Executive Nominee Director

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

Mr. Shantanu Rastogi
Non-Executive Nominee Director

Shantanu Rastogi is a Non-executive Nominee Director of our Company and has been associated with us since November 16, 2018. He has over 19 years of experience and serves on the board of several fintech, software, healthcare, and consumer businesses in India.

He is designated as, the Managing Director and Head of India at General Atlantic Private Limited. He rejoined General Atlantic in 2013 after working at the firm between 2005 and 2007. Previously, Shantanu was a Principal at Apax Partners and a management consultant with McKinsey prior to that.

Shantanu graduated from IIT Bombay with B.Tech & M.Tech (Electrical Engineering) degrees and earned an MBA from The Wharton School, University of Pennsylvania.

Mr. Srinivas Peddada
Non-Executive Director

Srinivas Peddada is a Non-executive Director of our Company. He has been associated with our Company since July 7, 2020. He holds 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 has over 25 years of experience in the field of information and technology. He was previously associated as a chief information officer with Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited), Chief Information Officer with Dun & Bradstreet South Asia Middle East Ltd, as a Chief Technology Officer at AIG Systems Solutions (Pvt) Ltd., USA, as a Chief Technology Officer (information technology) at GE Countrywide Consumer Financial Services Ltd and as an Information Technology Specialist at IBM Corporation He is also a member of board of governors of Indian Institute of Information Technology Sri City, Chittoor.

Mr. Jaideep Hansraj
Non-Executive Nominee Director

Jaideep Hansraj is a Non-executive Nominee Director of our Company. He has been associated with our Company since November 10, 2021. Jaideep Hansraj, Group President – One Kotak at Kotak Mahindra Bank Limited is responsible for harnessing the diversified conglomerate model of the Group to drive outcomes around meeting the holistic needs of groupwide customers in India and abroad.

In a career spanning over three decades, Jaideep has been tasked with building various businesses at Kotak Group, which he joined in 1993. In his last stint, he was the Managing Director & CEO of Kotak Securities Limited (KSec) till March 2024. At KSec, Jaideep worked towards building a cutting-edge broking and investments platform to assist clients in their wealth creation, preservation and growth. His strong belief in building digital capabilities has significantly contributed in positioning KSec as a leading broker across digital and physical mediums.

In September 2004 Jaideep was elevated to head Kotak's wealth management business. Under his leadership Kotak Wealth Management grew to become India's premier private banking outfits and a trusted advisor to top Indian families winning several domestic and international accolades. Jaideep also led the growth and expansion of Priority banking as well as Non-Resident Indian (NRI) Banking at Kotak Mahindra Bank Ltd.

From October 1999 to September 2004, Jaideep headed Kotak Securities' Private Client Group (PCG) and advised some of the most elite families on their investments. From 1997 to 1999, Jaideep oversaw Kotak Mahindra International Ltd. (a subsidiary of Kotak Mahindra Finance Limited) in Dubai as its CEO. A career banker and financial services veteran, Jaideep brings a strong domain expertise in investments and capital markets along with a proven track record of building and scaling large businesses. Besides maintaining a very active lifestyle, Jaideep is an avid cyclist. He also enjoys Indian & Classical music and loves traveling.

(C) Chairman	Audit Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
(M) Member	Risk Management Committee	Investment Committee	Business Development and Strategy Committee
	IT Strategy Committee	Committee of Independent Directors	Nomination and Remuneration Committee

LEADERSHIP TEAM

Vivek Narayan Mathur
Chief Financial Officer

Venkata Giri Vonkayala
Chief Technology Officer

Senthil Gunasekaran
Chief Business Development Officer

Rajesh Khandagale
Principal Officer – PFRDA

Quah Meng Kee
Regional Head – South East Asia

Rajeev Hanmantrao Mane
Chief Operating Officer – International and Other Businesses

Gopala Krishnan Giridhar
Chief Business Officer

Mario Sylvester Roche
Chief Operating Officer – Alternatives & Wealth Solutions

Praveen Shankaran
Chief Operating Officer – Domestic Fund Services

Manju Anand
Chief Compliance Officer and Legal Head

Ms. Hanisha Vadalmani
Chief Brand Officer

Mr. Sujay Puthran
Chief People Officer

Srinivas Yadav Karri
Chief Information Security Officer

Alpana Uttam Kundu
Company Secretary and Compliance Officer

M. S. Chandrasekhar
Chief of Fund Accounting Platform

Amit Murarka
Head – Investor Relations, Mergers & Acquisitions, and Global Business Finance

Saijo Menachery
Head – Fund Accounting Solutions

Anish Kumar
Chief Risk Officer

Sourav Mukherjee
Head – FMS and PMO

Vignesh Kumaran
Head of Products

Management Discussion & Analysis

Global Economy Overview

The world economy over last year remained buoyant with steadily growing economic activity and descending inflation from its peak of mid-2022, defying the warnings of stagflation and global recession. It was an eventful year as the world recovered from the aftermath of the pandemic but also suffered supply-side disruption led by geopolitical conflicts triggering global energy and food crisis, and a surge in inflation leading to monetary tightening by the global central banks. The economic resilience amidst significant interest rate hikes with steady growth in employment and income reflected surge in consumption demand including rise in government spending and household consumption. Despite several gloomy predictions, the world avoided recession, the global banking system showed robust performance, and most of the emerging economies too had decent growth. According to the International Monetary Fund (IMF) April 2024 report, global economic growth, which dropped to 2.3% by the end of 2022, is estimated to have rebounded to 3.2% in 2023. The IMF has forecasted that this growth rate will remain stable at 3.2% for both 2024 and 2025. With expectation of soft landing of the global headline inflation, global capital markets too reacted positively to the prospect of central banks exiting from tight monetary policies. Reversal of interest rate hike cycle shall ease the financial conditions, drive consumption, and capital flows to most of the emerging economies shall continue to remain buoyant providing boost to the overall capital market.

Indian Economy Overview

India continues to remain as the fastest-growing economy in the world with robust 8.2% GDP growth in FY 2023-24. It has been a key growth engine, contributing 16% to global growth in 2023 and is expected to rise to 18% by 2027. Strong domestic demand for consumption and investment, combined with government's continued emphasis on capital expenditure are seen as the strong driver of growth in FY 2023-24. This has been further supported by significant growth in crucial sectors, including the financial, real estate, and professional services industry, which has been estimated to have grown by 8.4% in FY 2023-24. Despite a challenging global environment and protracted geopolitical tensions, India showed resilience and solidified its position to become the fifth-largest economy in the world. The IMF has raised its growth forecast for FY 2024-25 to 6.8% from 6.5% led by strong domestic demand and rising working age population. As per CRISIL estimates, the next seven fiscals (2025-2031) will see Indian economy crossing five trillion dollars mark and then inching closer to seven trillion dollars economy. A projected average growth of 6.7% per annum during this period will make India the third-largest economy in the world and lift the per capita income of the upper middle-income category by 2031 boosting demand for consumption of goods and services including financial services.

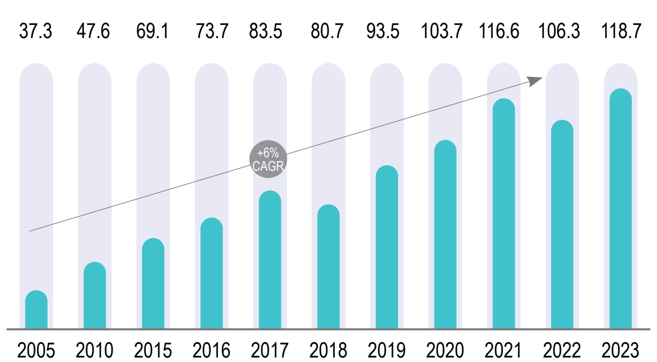
Industry Overview

Global Asset Management Outlook

The global total assets under management showed an impressive growth in 2023, rising by 11.67% y-o-y to USD 118.7 trillion, reverting from a decline of 8.83% the year before, as per the research done by a leading global consulting firm. However, in contrast, the growth in assets masks the underlying vulnerability being faced by the global asset managers. Industry revenue grew by a modest 0.2% y-o-y in 2023, while costs increased by 4.3%, resulting in an 8.1% decline in profitability.

Asset managers continue to face revenue and profitability pressures, as fee compression is accelerating, and costs are rising. The industry is on the brink of a transformative shift in competitive dynamics due to five major changing trends: digitization, diminishing investment returns, heightened regulations, intense pressure on growth and margins of the active fund managers, and as a result increasing demand for alternative assets as well as demand for fund services providers to manage cost and service delivery. The most viable way forward to manage this would be to focus on three key areas: productivity, personalization, and expansion into private or alternative markets.

Global AUM (USD trillion)



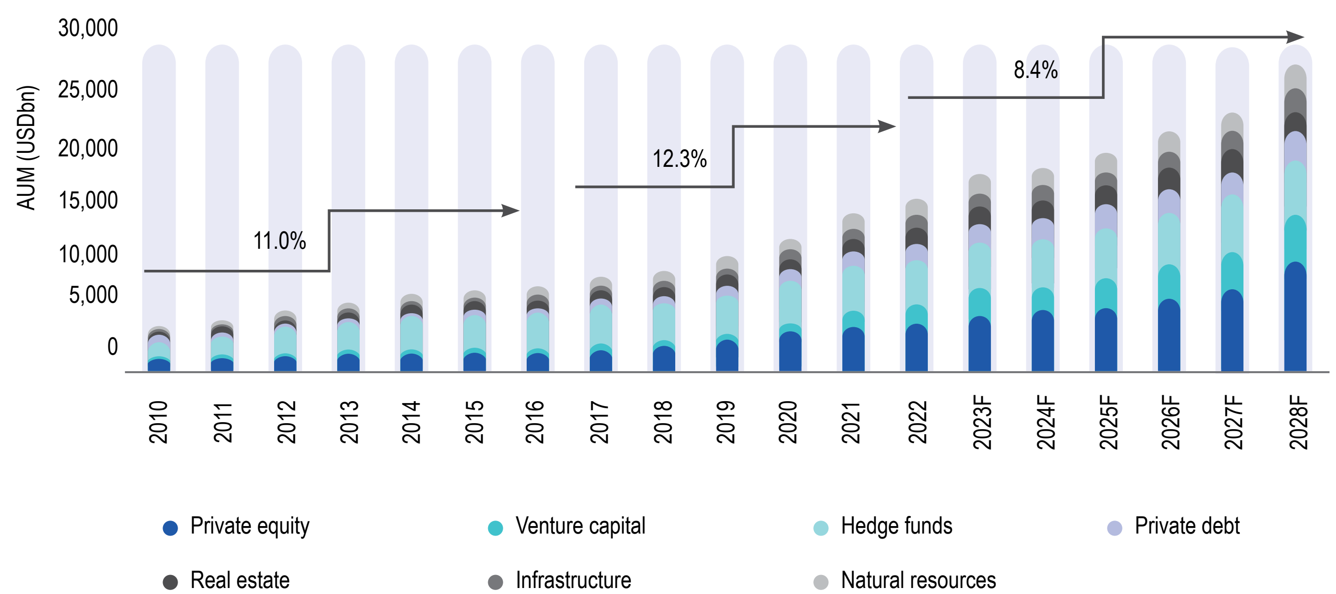
Source: Industry Research

Growth in Global AIF (Alternate Investment Funds) segment

The alternative assets (AIF) industry has continued to grow and become the mainstay of the global asset management landscape. The industry AUM was at record high at over USD 17.69 trillion by the end of 2023 and expected to reach to USD 26.00 trillion by 2028, registering a CAGR of 8.0% as per Preqin estimates. The share of AIFs in the total asset universe stands at nearly 15% by the end of 2023. Fund raising for AIF in 2023 was very much in line with pre-pandemic levels and remained elevated by historical standards, indicating a continuous resilient demand for AIF as an asset class. Amid challenging market conditions in recent times, including high inflation, rising interest rates, and increased geopolitical instability, interest in AIFs have grown substantially. AIFs have long been a key portfolio allocation for institutional investors as well as ultra-high-net-worth individuals. However, retail investors have had limited access due to strict regulatory qualifications and high minimum criteria. Individual investors control over half of global wealth but allocated merely 5% of their wealth to AIFs as of 2023. Currently more than 85% of the US companies with USD 100+ million in revenue are privately owned with access to capital only through AIFs for equity financing. Besides, number of public companies in the US has declined by about one-third over the last two and half decade triggering the demand for new asset classes in the form of AIFs. Given rising demand in the current macroeconomic landscape, the global policy makers and asset managers are working to ease out the accessibility criteria to attract a wide range of investors. Institutional investors have historically held high average allocations to AIFs at ~23% in comparison to the retail HNIs at 5%. AIF managers are increasingly targeting individual investors given many institutional investors are fully allocated or reaching their target allocations. A greater number of individual investors are seeking access to AIFs as an alternative to insulate their portfolios from wide market swings while enhancing return on their investments. Easing criteria of qualifications and minimum, limited opportunity in the public market, rise of fintech platforms and better return on investments could fuel the growth for global AIFs led by more retail participation.

AIFs AUM growth

Alternate AUM by assets class



Source: Preqin

Opportunities for Global Fund Administrators

Global AIF fund administration market is as large as over USD 10 billion in terms of revenue pool with significant room for growth, given lower level of outsourcing and fund operations becoming increasingly complex and costly for the asset managers. The current outsourcing level in large markets like the US and Europe are just 40% and 55% respectively. The role of fund administrators will play a pivotal role in shaping the global asset management industry with their innovative solutions, cutting-edge technology, and economies of scale for the asset managers. Heightened level of scrutiny with a plethora of complex regulations (UCITS IV, SEC Custody Rule, AIFMD, FATCA, MIFIDII, etc.) are expected to increase the complexity and cost of compliance demanding robust systems and processes to avoid failure and support transparency. Pressure on margins and control over costs could restrict the flexibility of asset managers to invest in automation, new technologies, and product innovation, seeking real-time information. Use of artificial intelligence (AI) technological revolution is gathering momentum and generative AI (GenAI) could offer opportunities for global asset managers and fund administrators to work in an integrated manner for innovative use cases and cost-effective solutions. As fund managers look to grow through diversified asset classes across global markets, the choice of right service providers to manage their operations (investor onboarding, order management, transfer agency, fund accounting, compliance, analytics etc.) would be crucial for their ability to deliver desired return on the investment to their investors. Outsourcing may become instrumental in offering around-the-clock services with scalable and innovative technology at a much lower costs, particularly if asset management fees come under pressure.

Key trends in the global fund administration market

- Increase in product complexity and globalization
- Regulatory pressure and political uncertainty Increasing automation and outsourcing processes
- Emergence for technology-focused service provider
- Role of specialists
- M&A led consolidation in the industry
- Demand for data and analytics

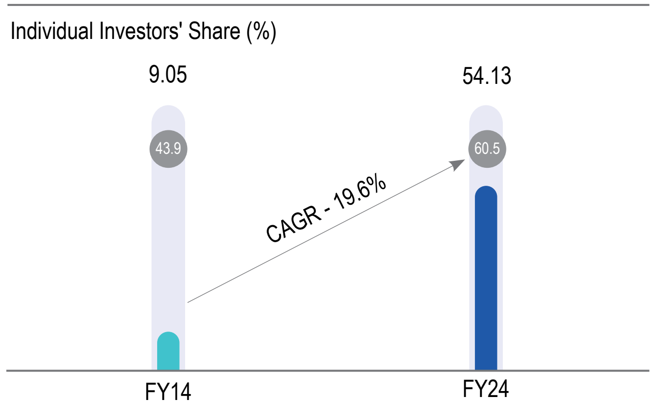
India Investment Management Industry Overview

Indians style of investment has evolved significantly over the last decade as digitization of economy has enabled ease of investment and increased the allocation of savings to financial assets led by rise in financial literacy, evolution of innovative financial products, better equity returns, and financial services disintermediation. This has attracted larger number of Indians into the fold of savings and investments. As per the recent research done on asset returns in India (SSRN-id4641106), in 5-and-10 year rolling periods, Indian equities have delivered nominal returns of 12.5-13.5% per annum compared to 7.8% per annum returns by the bank deposits. Moreover, in the last decade, there has been a distinctive shift in households' savings with higher allocation to equity which has doubled from 2.2% in FY 2012-13 to 4.7% in FY 2022-23, albeit against 35% in the USA. The number of demat accounts increased by over seven folds to 151 million by the end of March 31, 2024. Equity mutual fund inflows touched a near two-year high in January 2024. The investors' confidence in mutual fund continues, which was reflected by the monthly systematic investment plan (SIP) account hitting a record high of ₹ 192.71 billion in March 2024. The National Stock Exchange of India (NSE) recently overtook Hong Kong as the fourth-largest exchange in the world and has doubled in value in four years, surpassing a market capitalization of USD 4 trillion in 2023. India is also witnessing buoyancy in the primary equity capital market and has surpassed China in terms of the initial public offers (IPOs). This trend will further pick up pace as Indians monetize on the long-term benefits of equity investing while becoming more active about risk mitigation. As per the recent research done by one of the largest asset management companies of India, over the next decade, equity as a percentage of total household assets in India could potentially increase to 10% which could trigger higher domestic flows into the Indian capital market via direct equity as well as through mutual funds.

Mutual Fund Industry Overview

In FY 2023-24, the mutual fund industry surpassed ₹ 50 trillion in assets under management, with net assets totaling ₹ 54.13 trillion, reflecting a substantial 35.5% increase from the previous year. The sector's growth was promoted by the strong performance of the equity market. Individual investors played a key role in this growth, especially in equity, hybrid, and solution-oriented schemes.

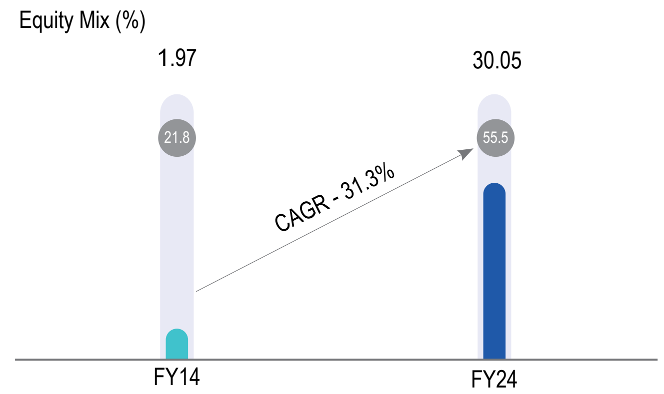
Total Mutual Fund AAUM (₹ trillion)



Source: AMFI

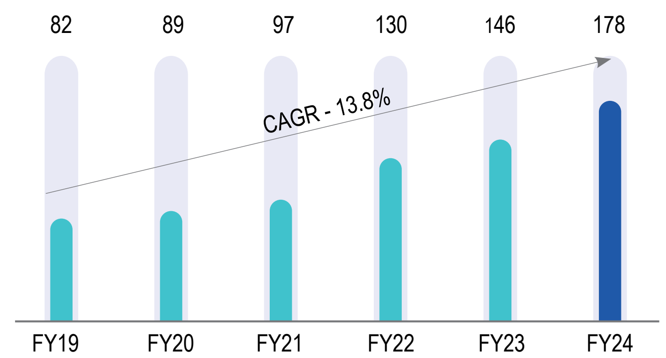
- Mutual Fund to GDP ratio in India at 18.3% in FY 24 is still lower than the world's average at over 70%
- Rising affluency and financial literacy will drive financialization of savings in India
- Better return on investment will increase allocation to equity mutual funds in India
- As per AMFI, overall MF AAUM to touch ₹ 100 trillion by 2030
- Equity AAUM to take lion's share
- Monthly SIP inflows making new highs led by large retail participation leading to rise in number of investor accounts
- Cost of operations on the rise for the asset management companies amidst higher spend on people, technology, and compliance
- Pressing need for digitization of workflows, advance analytics, and service innovation within the mutual fund industry to drive better investor experience, adhere to changing compliance, control costs, and drive faster growth
- Fund administrators and RTAs to play bigger role in driving digital transformation, innovation, better control over operations and support faster growth for the asset management companies

Equity AAUM (₹ trillion)



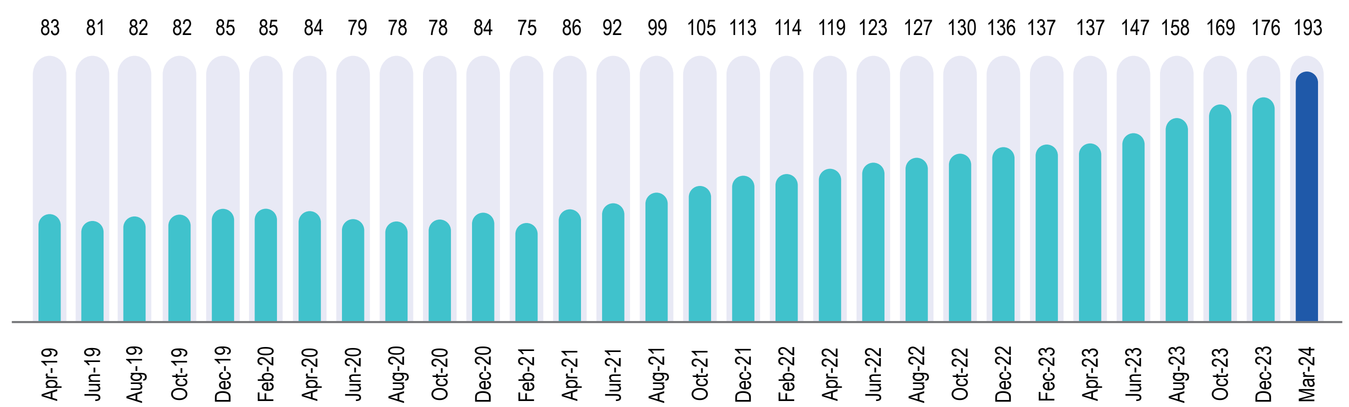
Source: AMFI, AAUM (average assets under management) of the last quarter of the respective financial year

Trend in Individual Investor Folios (million units)



Source: AMFI

Monthly SIP Inflows (₹ in billion)

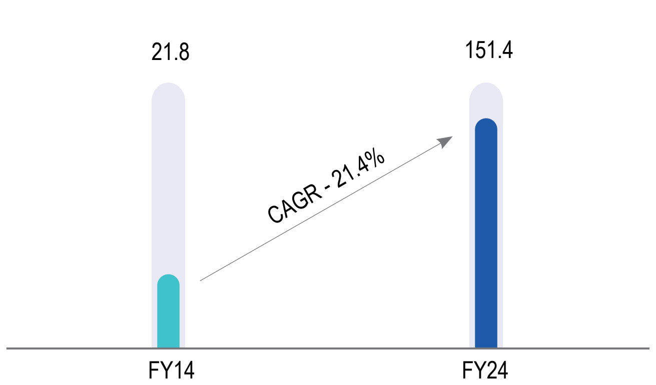


Source: AMFI (https://www.amfiindia.com/mutual-fund)

Capital Market Industry Overview

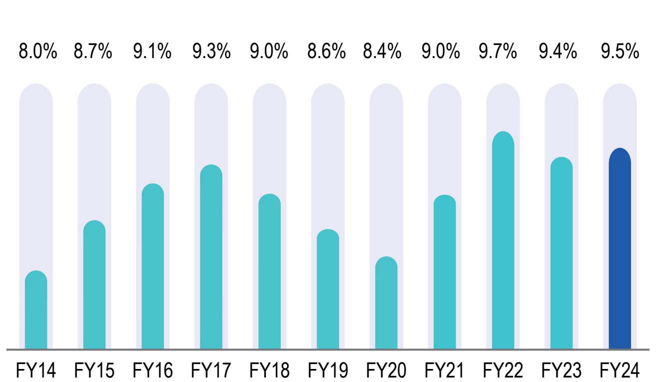
The market capitalization of the Indian stock market has risen by 151.1% between January 1, 2020 (just before the COVID led disruption) and March 31, 2024. During the same period, participation of retail investors in the Indian equity market has also risen considerably. The number of demat accounts has gone up by nearly 4x times from 40.9 million, as on March 31, 2020, to 151.4 million, as on March 31, 2024, and by nearly 7x times since March 31, 2014. The net flow of household savings into shares has seen a large increase in the last one decade, notably since FY 2016-17 onwards, implying continued rising participation by the retail investors, in a period of strong market returns. Equity ownership by retail investors has increased from 8.0% in FY 2013-14 to 9.5% in FY 2023-24. Better return on investments and ease of investing led by rise in number of fintech platforms could continue to drive large number of retail participants to direct equity investment leading to rise in number of demat accounts and shareholder folios.

Demat Accounts (in million)



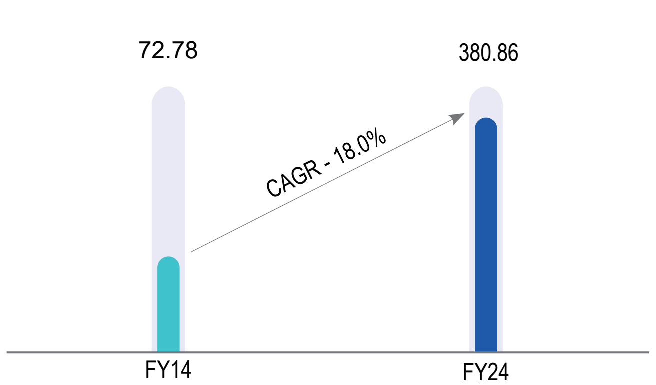
Source: SEBI

Retail ownership of Indian equities (%)



Source: CMIE, NSE

Market Capitalization of NSE Listed Companies (₹ trillion)



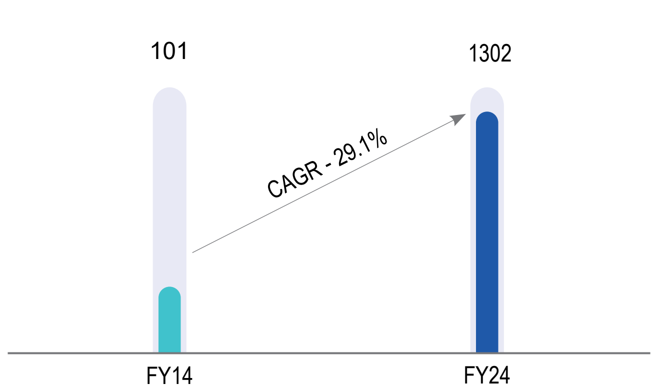
Source: NSE

Alternative Investment Funds (AIF), Portfolio Management Funds (PMF), and Wealth Management (PWM) Industry Overview

India's affluent consumer class is growing at a rapid pace which could fuel the demand for AIFs, PMF, and broader wealth management services. According to recent research by Goldman Sachs in its report "Rise of Affluent in India", the consumer cohort of affluent Indians (with per capita of more than USD10,000) has grown at CAGR of 12.6% compared to 1.4% CAGR in India's population between 2019-2023. At current pace, the affluent class consumers would grow to 100 million in 2027, up from 60 million in 2023 and 24 million in 2015. A big part of this trend is attributed to the strong wealth effect in India led by rise in the value of equity and gold as an asset class, over the last four years. The ability of asset managers to offer customized strategies, generate higher returns and investors growing risk appetite continue to attract private capital in this segment from wealthy Indians as well as global investors. As a result, AIFs and PMS continue to grow at a very strong pace in India.

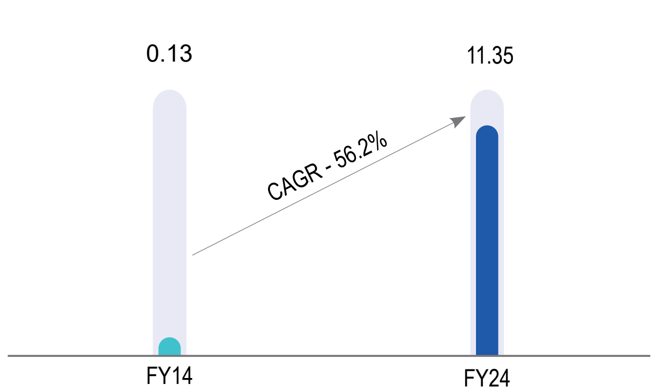
As of March 31, 2024, the number of AIFs, registered with SEBI, has increased to 1,302, registering 19.7% growth over the last year, overseeing over ₹ 11.35 trillion in investor commitments, grew by 36.1% y-o-y. As per CRISIL MI&A estimates, the industry is expected to grow at a CAGR of 27%–29% till FY 2026-27. The AUM of PMS in India grew by 19.4% y-o-y in FY 2023-24 to ₹ 33.20 trillion. The underlying growth in the AIF and PMS sectors would continue to drive demand for the allied fund administration and investor services to empower these asset managers to focus on their core job of fund mobilization and investment management.

No. of AIF's In India (in Units)



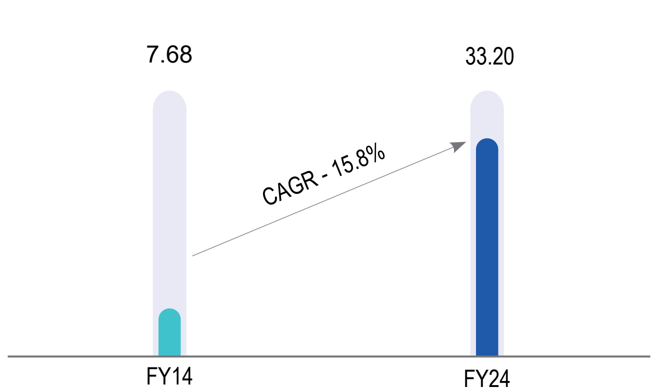
Source: SEBI

AIF Commitments (₹ trillion)



Source: SEBI

PMS AUM (₹ trillion)



Source: SEBI

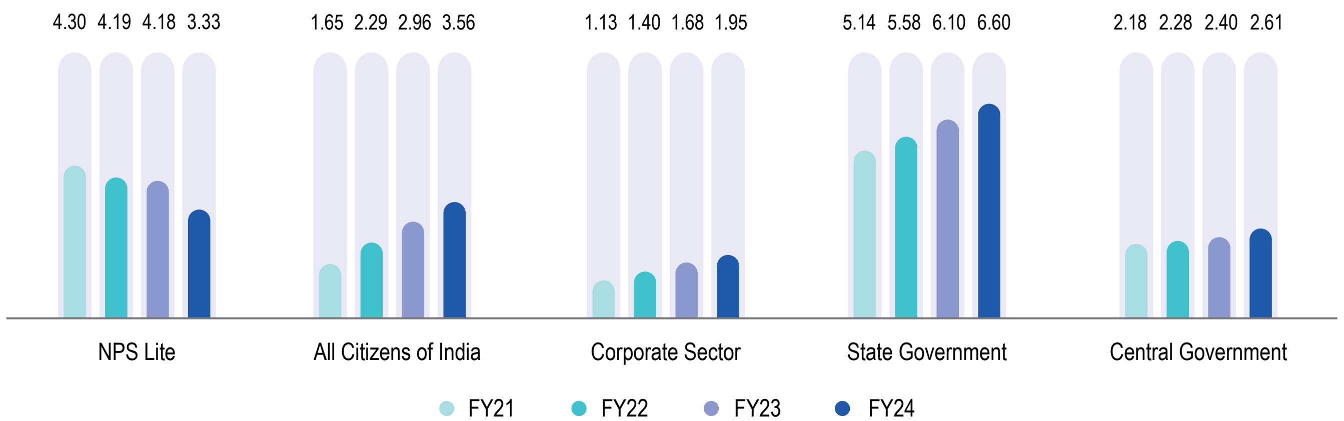
India's wealth management industry is heavily underpenetrated in comparison to the other developed economies and thus offers significant room for growth. The growing affluent class population and financialization of savings would drive the demand for wealth managers in India who can offer customized financial planning solutions as per the investor need.

India's current wealth management industry AUM stands at ₹ 34.5 trillion as on March 31, 2024, grew by 15.0% y-o-y. As per CRISIL MI&A estimates, India's wealth management industry AUM is expected to grow at a CAGR of 12-14% upto FY 2026-27. As the industry grows, the wealth managers would need a scalable and state-of-the-art technology platform to offer differentiated and customized offerings amidst increasing complexity of financial products, rising competition, and demanding investors.

National Pension Scheme (NPS) Industry Overview

The formalization of Indian economy and underlying tax benefits under the NPS continue to be the significant growth drivers for the NPS industry. The total number of subscribers' base increased to 18.04 million, registering a y-o-y growth of 4.25% and the industry AUM grew by 30.4% y-o-y to ₹ 11.37 trillion, as on March 31, 2024. The industry AUM is expected to grow at a CAGR of 18%-19% until FY 2026-27, driven by large number of subscribers opting for the scheme. The role of CRAs will continue to act as catalyst to offer seamless and affordable technology platform and best-in-class subscribers' experience.

NPS Subscribers – Sector-Wise (in million)



Source: NPS

Company Overview

Company Background

KFin Technologies Limited (hereafter referred to as 'Our Company' or 'KFintech') is a globally reputed and an industry-leading technology-driven financial services platform that offers comprehensive solutions and services to the capital markets ecosystem in India as well as abroad. KFintech is the largest investor solutions provider to asset management firms and issuer solutions provider to both listed and unlisted corporations in India, in terms of the number of clients served. Our Company also offers various investor solutions and fund administration to asset managers in GIFT City (India), Malaysia, the Philippines, Singapore, Hong Kong, Thailand, and Canada. We are the largest investor solutions provider as well as fund administrators to alternate investment funds in India, based on the number of funds registered with SEBI. We are also the second-largest central record keeping agency for the national pension scheme in India. Our clientele consists of corporate issuers and asset managers, spanning various asset classes across the world. Over the past few years, we have consistently progressed and excelled in acquiring new clients and gaining market share across our business segments in a profitable manner. Our reach has extended across various asset classes, encompassing mutual funds, insurance, pensions, banks, private equity, hedge funds, and other alternate assets. KFintech has been promoted by General Atlantic Singapore Fund Pte. Ltd. ("GASF"), a well-known worldwide private equity investment firm.

Our company offers Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) based comprehensive solutions which comprise digital onboarding for investors, transfer agency, fund accounting, fund administration, transaction management, order management, channel management, compliance solutions, data analytics, mobility solutions, and other diverse digital services to global asset managers spanning across various segments. KFintech stands out as a unique digital platform, demonstrating excellence in hyperscale transaction management, big data solutioning, transformative platform development, and specialized financial and technical services. This is all underpinned by a strong foundation of nearly four decades of proven technological expertise in the asset management industry.

We aspire to become the trusted technology partner for global financial service providers. With our business expanding into new geographies and asset classes, our goal is to offer comprehensive end-to-end technology services to diverse financial institutions. Most of our offerings are pioneering within the industry and are designed to be versatile across sectors, enhancing customer experiences and optimizing operational efficiency and costs, thereby facilitating our clients' growth.

Products and Services

Our Company functions under the following segments:

- **Domestic Mutual Fund Investor Solutions:** We are the largest investor solutions provider to domestic mutual funds companies in India. We operate as a registrar and transfer agent to the mutual fund companies in India. In addition, we also offer several value-added services to our clients using our state-of-the-art technology stack. We serve 25 of the 47 asset management companies in India. We have the best winning track record in the industry, winning 15 of the last 25 new asset management companies in India. Our clients are focused on equity and are among the fastest growing asset management companies in India. In terms of the assets under management, our clients capture 32.1% market share of the overall AAUM and 33.4% market share of the equity AAUM for the quarter ended March 2024. The equity mix in the overall AAUM for our clients was at 57.8% during the quarter ended March 2024. In terms of monthly SIP inflows, our clients' market share was at 39.6% in March 2024.

- **Issuer Solutions:** We are the largest issuer solutions provider to listed and unlisted corporates in India. Our services include registrar to issue of new securities, post-issue services like folio creation and maintenance, and processing of corporate actions. Besides, we also offer platform-based value-added-services like e-AGM, e-Voting, e-Vault, AML / PML screening, insider trading compliance, services for unclaimed shares, and others. As on March 31, 2024, we have 6,071 corporate clients including 649 listed companies in India. In terms of folios, we are managing 124 million investor folios as on March 31, 2024. We continue to maintain our leadership position within the NSE 500 companies based on the number of investor folios, market capitalization, and number of clients.

- **International and Other Investor Solutions:** This is the youngest and fastest growing segment for KFintech. This segment represents our services to global asset managers, domestic alternate asset managers, pension subscribers, and UI/UX solutions for broader financial services players.

  a. **International Investor Solutions:** KFintech operate as a fund administrator (FA) and registrar and transfer agent (RTA) to global asset managers including mutual funds, alternate investment funds, private retirement schemes, institutional unit trust advisors (IUTAs), insurance, banks, and others. Our fund accounting platform is the only platform from India to offer multi-asset, multi-currency, multi-geography, and multi-currency service capability. As on March 31, 2024, we service 57 clients spanning across Malaysia, Hong Kong, Singapore, Thailand, Canada, the Philippines, and GIFT City (India), of which 43 clients are availing RTA services and 27 clients are availing FA services.

  b. **Domestic AIF Investor Solutions:** KFintech is the largest investor solutions provider to alternate investment funds in India, based on the number of funds registered with SEBI. We also provide services to portfolio managers and wealth managers through our technology platform. We are among the very few companies in India to offer the complete suite of solutions for the alternate asset managers ranging from digital onboarding, transaction and order management platform, channel management, transfer agency, fund accounting, compliance and regulatory reporting, attribution analysis, data analytics, and others. As on March 31, 2024, we have 472 AIFs clients representing a market share of 36.3% and managing ₹ 987 billion AUM. In addition, we also have 24 clients in India to whom we have licensed our fund accounting platform including six of the ten pension fund managers and eight asset management companies in India, including five AMCs where KFintech is not the RTA.

  c. **National Pension Scheme:** KFintech is one of the three and the second-largest CRAs of India. We deliver end-to-end services for permanent retirement account number issuance, record keeping, administration, and investor support. We also offer differentiated, and technologically integrated offerings to points of presence (POPs) to drive subscribers' acquisition. Our technology platform integrates the pension ecosystem participants on a single operational interface. We provide solutions for the all-India citizen model, corporates, the central government, and the state governments. We have specific and targeted solutions for corporate employees, state governments, and POPs. We are continuously gaining market share through the acquisition of new subscribers. As on March 31, 2024, we manage 1.22 million pension subscribers on our platform which represents 8.3% market share based on the overall subscribers' base.

- **Global Business Services:** We operate a center of excellence in India for a large global asset manager offering outsourcing services such as mortgages, transfer agency, legal services, finance and accounting, and wealth management solutions. Our expertise lies in the mortgage space led by domain experts. We are the preferred outsourcing partner for our clients due to our technology excellence, execution expertise, and affordable costs.

Our Products and Services

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

Our Revenue Model

Business	Revenue Model
Domestic Mutual Fund Investor Solutions and International Investor Solutions	• % of AUM • Fee for value-added services
Issuer Solutions	• No. of folios • Fee for processing corporate actions • Fee for value-added services
AIF, PMS, and PWM	• % of AUM for TA and FA • Platform fee for licensed sales • Fee for value-added services
Pension Services	• Fixed account opening charges • Annual maintenance fees • Fee per transaction
Global business services	• Per full-time employee (FTE)

Financial Performance

The financial year 2023-24 has been a pivotal year in KFintech's journey towards growth, excellence and transformation. Most of our strategies, laid down at the beginning of the year, have been put into motion and we are observing very encouraging results. We continue to consolidate our position across our diversified business segments, early signs of operating leverage are contributing to profitability growth and there were several maiden moments of success in each of the segments during the year which have potential to change our growth trajectory.

Revenue Highlights

(₹ in million)

Consolidated Revenue Break-up	FY 2023-24	FY 2022-23	% Y-o-Y
Domestic Mutual Fund Investor Solutions	5,864.97	4,972.25	17.95%
Issuer Solutions	1,274.12	1,132.96	12.46%
International & Other Investor Solutions	887.94	657.35	35.08%
International Investor Solutions	362.15	332.55	8.90%
AIF, PMS, PWM Solutions	394.15	257.88	52.84%
NPS Solutions	81.90	66.92	22.40%
WebileApp	49.74	-	Na
Global Business Solutions	348.30	437.71	-20.43%
Total	**8,375.33**	**7,200.27**	**16.32%**

During FY 2023-24, our revenue from operations grew by 16.32% y-o-y to ₹ 8,375.33 million, in comparison to ₹ 7,200.27 million in the previous year led by strong growth across all our business segments.

Domestic mutual fund investor solutions revenue grew by 17.95% y-o-y to ₹ 5,864.97 million, led by growth in AAUM and value-added-services. This is the largest business segment for KFintech. Within this, pure AAUM-linked fee was 63.63% of the total revenue from operations, grew by 18.26% y-o-y to ₹ 5,392.40 million, and revenue from mutual fund value-added-services was 3.38% of the total revenue from operations, grew by 26.96% y-o-y to ₹ 283.20 million. Given the expectation of structural growth in economic drivers, rising retail participation through SIP route, and growing risk appetite for equity as an asset-class led by rising income levels and financial literacy, we expect the investors' buoyancy for the domestic mutual funds would continue to drive the industry AAUM growth followed by growth in the RTA industry.

Issuer solutions revenue grew by 12.46% y-o-y to ₹ 1,274.12 million led by growth in the folio-based fee which grew by 5.79% y-o-y to ₹ 535.10 million, increase in the corporate actions fee by 19.29% y-o-y to ₹ 443.40 million, and increase in the revenue from issuers' value-added-services by 20.27% y-o-y to ₹ 126.40 million. The overall buoyancy in the Indian capital market led by financialization of savings, better returns from equity against the other asset classes, and ease of investing owing to digitization would continue to attract large number of retail investors which would add the number of folios. Also, we expect the primary market to continue to remain strong in the long run as more private companies access the capital market for fundraising or an offer-for-sale and add to the folio growth.

International & other investor solutions revenue grew by 35.08% y-o-y to ₹ 887.94 million, led by strong growth in our AIF, PMS, PWM solutions business, whose revenue grew by 52.84% y-o-y to ₹ 394.15 million on account of new client acquisitions. Our sales efforts, comprehensive products and solutions, and strong growth in the AIF sector would continue to drive robust growth for this segment. Our International investor solutions revenue grew by 8.90% y-o-y to ₹ 362.15 million driven by contribution from the new clients added during the early part of FY 2023-24. We are very excited about the growth in our international business. During the year, we won 16 new clients across Malaysia, Singapore, Thailand, and GIFT City (India) which will start contributing to the revenue from FY 2024-25 onwards. In addition, currently we are pursuing a very strong pipeline of large deals across geographies and the conversion of such deals would continue to add to our current run-rate over the next 3 - 5 years. We are in the process of securing approvals from the RBI to setup wholly-owned subsidiaries in Thailand and Singapore followed by the UAE and obtain regulatory licenses to pursue fund administration business which would allow us to strengthen our market presence in these geographies. Also, we are actively scouting for inorganic opportunities in the global fund administration space to grow our international footprints. The NPS solutions revenue grew by 22.40% y-o-y to ₹ 81.90 million, led by new subscribers' addition, added 0.26 million subscribers in FY 2023-24. We continue to gain market share in the overall subscribers' base, grew to 8.3% as on March 31, 2024, from 7.3% as on March 31, 2023.

In April 2023, we strengthened our customer experience capability with 100% acquisition of WebileApp India Private Limited. During the year, we have successfully completed the integration of WebileApp with KFintech and turned it into a profitable business on a standalone basis. WebileApp has contributed ₹ 49.74 million to our revenue from operation by serving clients across different industries.

Global business services revenue declined by 20.43% y-o-y to ₹ 348.30 million impacted by slowdown in the US mortgage market. It is a single client business for KFintech and requires limited management bandwidth. Going forward, we expect to maintain the current run-rate in this segment.

Operating Expenses Highlights

(₹ in million)

Consolidated Operating Expenses	Year Ended March 31, 2024	Year Ended March 31, 2023	Y-o-Y
	Audited	Audited	%
Employee Benefit Expenses	3,196.64	2,894.27	10.45%
Other Operating Expenses	1,512.75	1,325.64	14.11%
Total Operating Expenses	4,709.39	4,219.91	11.60%

During the year, the operating expenses grew by 11.60% y-o-y to ₹ 4,709.38 million. The increase in the employee benefit expenses was mainly attributed to the annual pay hike given by the Company, the increase in headcount primarily in IT and audit & surveillance team, and the addition of Webile team. Our end of period headcount increased to 5,818 staff as on March 31, 2024, in comparison to 5,529 staff as on March 31, 2023. The average headcount for FY 2023-24 was 5,494 staff vs. 5,268 staff for the corresponding period of last year. The other operating expenses grew on account of increase in the professional charges led by higher IT spends towards cloud charges and other IT ancillary costs owing to increase in the transaction volumes across our business segments, increase in ECL (expected credit loss) provisions owing to increase in revenue, increase in travel and promotional spends led by sales efforts, and rise in occupancy costs primarily led by addition of six new branches. During the year, we also saw the benefits of optimization efforts we took in FY 2022-23 to remove the external IT consultants and insource the entire development work.

EBITDA Margins and PAT Margins Highlights

(₹ in million)

Consolidated Profitability and Margins	FY 2023-24	FY 2022-23	% Y-o-Y
EBITDA	3,665.94	2,980.36	23.00%
EBITDA margins	43.77%	41.39%	238 bps
PAT	2,460.48	1,957.36	25.70%
PAT margins	29.38%	27.18%	219 bps

Our EBITDA grew by 23.00% y-o-y and margins expanded by 238 basis points during FY 2023-24 led by revenue growth outpacing growth in the operating expenses. The depreciation expenses increased by 13.61% to ₹ 530.20 million during the year, led by full year impact of capital expenditure incurred during FY 2022-23 as well as impact of new capital expenditure worth ₹ 850.92 million incurred during the current financial year. The finance costs declined by 20.75% y-o-y to ₹ 84.35 million on account of a 100% buyback of redeemable preference shares worth ₹ 1,340.20 million. The other income grew by 40.91% in FY 2023-24 to ₹ 246.51 million led by increase in treasury income. The tax expenses increased by 30.17% y-o-y to ₹ 813.34 million driven by 27.72% y-o-y growth in profit before tax. Our standard taxation rate is 25.17%. However, the conclusion of previous periods income tax assessment has reduced the effective tax rate to 24.84% for FY 2023-24 and 24.20% for FY 2022-23.

Significant Standalone Financial Ratios that registered more than 25% change during FY 2023-24

Ratios*	FY 2023-24	FY 2022-23	YoY Change	Reason
Debt service coverage ratio (x)	2.00	11.97	-83.28%	There are no borrowings in the Company as on March 31, 2024. We completed the buyback of all redeemable preference shares on November 30, 2023.
Current Ratio (x)	4.90	1.98	146.73%	The increase in current ratio was on account of reduction in current liabilities owing to buyback of the redeemable preference shares during the year.
Debt Equity Ratio (x)	0.04	0.18	-77.03%	Debt as on March 31, 2024, represents lease liabilities and there are no outstanding borrowings.

*For additional ratios, please refer schedule 47 of the standalone financial statements.

Business Outlook

KFintech is committed to running a scalable and profitable globally diversified business in a sustainable manner. We will continue to consolidate our leadership position under the domestic mutual fund investor solutions and issuer solutions segments driven by strong industry tailwinds, our innovative offerings for clients, focus on delivery excellence, and strong sales efforts to win new clients. Our international and other investor solutions segment comprises young and sunrise businesses which are growing at a much faster pace and will continue to outpace the growth we see in our mature businesses. Our aspiration to become a global fund administrator will help us to reduce our dependency on the domestic capital market. Over the next five years, the non-domestic mutual fund businesses would account for 45%–50% of our overall revenue from operation led by faster growth in the International investor solutions and AIF, PMS, and PWM solutions businesses. Our VAS revenue would grow at a faster pace and is likely to increase from the current 6.0% of the overall revenue from operation to 12%–15% over the next five years. This will be driven by the growing demand for our unique and wide range of products and solutions for the broader financial services industry and our ability to cross-sell and up-sell to increase our wallet share from the existing clients. We will continue to invest in people, technology, process excellence, and sales efforts to foster existing client relationships, acquire new clients, drive strong governance and user experience, and strengthen our risk management skill to improve contractual and regulatory compliance. KFintech is uniquely placed to leverage the growing opportunity within the Indian financial asset market as well as well poised to establish its global footprints, which will lead to a sustainable trajectory of growth and profitability.

Risk and Mitigation

KFintech believes that risk is inherent in all business activities, and that good risk management is critical to its immediate and long-term success. Our Company has identified important responsibilities for identifying, assessing, managing, monitoring, and reporting on major risk areas across the organization. We have implemented a thorough risk management policy to ensure that we have procedures and systems in place to effectively identify, monitor, control, and respond to risks. However, if our risk management efforts are inadequate, we may suffer losses that have an adverse effect on our operational and financial performance. Continuous development of our risk management policy and internal controls will be required for any future expansion and diversification of our services. Please refer to page no 42-45 on our risk management and mitigation practices at KFintech.

Human Resources

KFintech has implemented a variety of benefits, policies, and practices that prioritize the well-being and concerns of our employees to foster and sustain a collaborative environment. These include Equal Employment Opportunity; Long-Term Incentive Plan; Employee Stock Ownership Plan (ESOPs); and Grievance Redress Policy. Moreover, we have implemented a hybrid working model and an annual appraisal system; health and well-being initiatives such as PoSH (Prevention of Sexual Harassment); and crèche facilities; In addition to offering benefits and incentives that are contingent on employee performance, we also implement regular employee engagement initiatives. Our workforce exhibits diversity and inclusivity through the inclusion of individuals across all age groups and with a wide range of professional experiences gained from industry experts as well as multinational corporations. As of March 31, 2024, our Company has 5,818 full time employees. Please refer to page no 52-56 on our people policy at KFintech.

Internal Controls

KFintech implements and maintains appropriate internal control measures that are adequate given the size and complexity of our activities. Our internal audit operations continually evaluate the adequacy and performance of internal systems to verify that business units follow our policies, compliance standards, and internal guidelines. Our Company has developed an effective internal financial reporting and control system that records financial and operational data in line with all applicable internal controls and regulatory compliance requirements. Our Company's internal and statutory auditors conduct periodic assessments to make sure that day-to-day activities are carried out with the least risk of fraud or other irregularities. The Audit Committee oversees assessing the findings of both the Internal Auditor and the Statutory Auditor. It ensures that internal controls remain adequate and effective throughout time. Furthermore, the Board monitors the Audit Committee's investigation and ensures that timely and aggressive steps are taken to reduce risk while solving the issue at hand.

Cautionary Statement

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

Board's Report

To
The Members,
KFin Technologies Limited

Your Directors have immense pleasure in presenting the 7th Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS

The Company's financial performance (Standalone and Consolidated) for the financial year 2023-24 is summarised below:

(₹ Millions)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	8,108.27	6,964.50	8,375.33	7,200.27
Other Income	239.21	170.40	246.51	174.94
Profit for the year before Finance cost, Depreciation, exceptional items, share of loss of associate and tax expenses	3,820.88	3,134.70	3,912.45	3,155.30
Less: Finance Costs	83.25	106.12	84.35	106.44
Less: Depreciation and Amortization Expenses	486.21	434.48	530.20	466.68
Profit before Exceptional Items and loss of associate	3,251.42	2,594.10	3,297.90	2,582.18
Less: Exceptional Item	-	-	-	-
Profit before loss of associate	3,251.42	2,594.10	3,297.90	2,582.18
Less: Share of loss of associate (net of tax)	-	-	(24.08)	-
Profit Before Tax	3,251.42	2,594.10	3,273.82	2,582.18
Less: Tax expenses	797.18	631.57	813.34	624.82
Profit for the year	2,454.24	1,962.53	2,460.48	1,957.36
Other Comprehensive Income	(5.97)	(4.78)	(4.43)	0.02
Total Comprehensive Income for the year	2,448.27	1,957.75	2,456.05	1,957.38

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

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

DIVIDEND

The Board of Directors of the Company have approved a Dividend Distribution Policy in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). The policy is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_Dividend-Distribution-Policy.pdf.

Considering the strong performance of the Company, the Board of Directors have recommended a final dividend of ₹ 5.75/- per equity share of face value ₹ 10/- each, for the financial year ended March 31, 2024. The payment of dividend is subject to the approval of members at the ensuing Annual General Meeting and deduction of income tax at source.

RESERVES

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

SHARE CAPITAL

The paid-up equity share capital of the Company at the beginning of the financial year was ₹ 1,692,286,990/-. During the year, the Company issued 1,759,974 new equity shares to the employees of the Company under KFin Employee Stock Option Plan 2020. As a result, the paid-up equity share capital of the Company increased to ₹ 1,709,886,730/-.

The Non-Convertible Redeemable Preference Shares of the Company ("RPS") at the beginning of the financial year was ₹ 200,000/-. During the year, in accordance with the approvals of the Board on September 27, 2023, and the members on October 23, 2023, the Company completed the buyback of the RPS on November 30, 2023. During the year, no new Preference Shares were issued by the Company.

STATE OF AFFAIRS / REVIEW OF OPERATIONS (STANDALONE)

During FY 24, the Company achieved Revenue from Operations of ₹ 8,108.27 Million as against ₹ 6,964.50 Million in FY 23, a growth of 16.42%.

The Profit for the year before Finance cost, Depreciation, exceptional items and tax expenses items during the year stood at ₹ 3,820.88 Million, representing margin to sales of 47.12%. The Company's Profit before tax was ₹ 3,251.42 Million in FY 24 as compared to ₹ 2,594.10 Million in FY 23. The Company earned other income of ₹ 239.21 Million during FY 24 as compared to ₹ 170.40 Million in FY 23 (mainly from dividend income from its investment, interest income on Fixed deposits and interest income on income tax refund). Profit after tax during FY 24 was ₹ 2,454.24 Million as against ₹ 1,962.53 Million in the previous year, a growth of 25.05%. The effective tax rate for FY 24, including provisions for deferred tax was 24.52 %, as compared to an effective tax rate of 24.35% during FY 23.

The Board of Directors of the Company have, subject to the requisite approvals as may be required, approved the shifting of the Registered Office of the Company and consequential amendment to the Memorandum of Association of the Company, on December 08, 2023. Thereafter, the members of the Company have approved the shifting of Registered Office of the Company from Hyderabad in the State of Telangana to Mumbai in the State of Maharashtra, through postal ballot on January 13, 2024. The Company is awaiting necessary statutory approvals for the same.

STATE OF AFFAIRS / REVIEW OF OPERATIONS (CONSOLIDATED)

During FY 24, the Company achieved Revenue from Operations of ₹ 8,375.33 Million as against ₹ 7,200.27 Million in FY 23, a growth of 16.32%.

The Profit for the year before Finance cost, Depreciation, exceptional items, share of loss of associate and tax expenses during the year stood at ₹ 3,912.45 Million, representing margin to sales of 46.71%. The Company's Profit before tax was ₹ 3,273.82 Million in FY 24 as compared to ₹ 2,582.18 Million in FY 23. The Company earned other income of ₹ 246.51 Million during FY 24 as compared to ₹ 174.94 Million in FY 23 (mainly from dividend income from its investment, interest income on Fixed deposits and interest income on income tax refund). Profit after tax during FY 24 was ₹ 2,460.48 Million as against ₹ 1,957.36 Million in the previous year, a growth of 25.70%. The effective tax rate for FY 24, including provisions for deferred tax was 24.84%, as compared to an effective tax rate of 24.20 % during FY 23.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Regulation 34 of the LODR Regulations, the Management Discussion and Analysis Report for the year under review, forms part as a separate section of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with Regulation 34 of the LODR Regulations, the Business Responsibility and Sustainability Report for the year under review, forms part as a separate section of the Annual Report.

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 read with Schedule V of the LODR Regulations, a Report on Corporate Governance for the year under review, forms part as a separate section of the Annual Report.

A certificate from M/s. D V Rao & Associates, Company Secretaries, confirming compliance with corporate governance requirements under the LODR Regulations, is annexed as an Annexure to the Corporate Governance Report.

The Board of Directors of the Company have approved a Code of Conduct for Directors and Senior Management and the same is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Code-of-Conduct-for-Directors-and-Senior-Management.pdf.

The Directors and senior management personnel have affirmed their compliance with the said Code for the year ended March 31, 2024.

KFIN EMPLOYEE STOCK OPTION PLAN

The KFin Employee Stock Option Plan 2020 ("ESOP 2020") was originally approved by the members on July 31, 2019, and subsequently amended on October 20, 2020. Post the initial public offer ("IPO") of the Company, the said Plan and respective Schemes were ratified and amended by the members on September 09, 2023.

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

The details as required to be disclosed as per Regulation 14 of the SEBI SBEB Regulations are placed on the Company's website at https://investor.kfintech.com/esop/.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

As on March 31, 2024, the Company has 08 subsidiaries as under:

KFin Services Private Limited ("KSPL")

KSPL was incorporated on January 6, 2020, as a private limited Company with the Registrar of Companies, Telangana at Hyderabad. KSPL is engaged in the business of supply of manpower services, as authorised by its Memorandum of Association.

Hexagram Fintech Private Limited ("Hexagram")

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

KFin Global Technologies (IFSC) Limited ("KGTL")

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

WebileApps (India) Private Limited ("WAI")

WAI was incorporated on November 30, 2011, as a private limited Company with the Registrar of Companies, Telangana at Hyderabad. WAI is engaged in the business of enterprise product development and design services, specializing in artificial intelligence, machine learning, mobility solutions, UI / UX, and other products development for banking and financial services industry, as authorised by its Memorandum of Association.

WebileApps Technology Services Private Limited ("WTS")

WTS was incorporated on March 09, 2015 as a private limited Company with the Registrar of Companies, Vijayawada at Andhra Pradesh. WTS engaged in the business of designing, developing, maintaining, sale of web pages, web sites, web applications, mobile applications, internet applications and software, network integration, technology security solution *etc.*, as authorised by its Memorandum of Association.

KFin Technologies (Bahrain) W.L.L. ("KFin Bahrain")

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

KFin Technologies (Malaysia) SDN. BHD. ("KFin Malaysia")

KFin Malaysia was incorporated as a private Company under the laws of Malaysia on March 8, 2016. KFin Malaysia is engaged in the business of Registrar & Transfer Agency Services and Portfolio Services for market intermediaries; services as Application Service Provider (ASP), Software as a Service (SaaS) and / or with Business Process Outsourcing (BPO) and the business of Front-end, Back-end, White-Labelled Platforms and Mobile Application Development Supporting Registry Services, as authorised by its memorandum of association.

Hexagram Fintech SDN. BHD. ("Hexagram Malaysia")

Hexagram Malaysia was incorporated as a private Company under the laws of Malaysia on October 19, 2016. Hexagram Malaysia is engaged in the business of information technology products and consultancy services, as authorised by its constitution.

The Company has formulated a Policy on material subsidiaries of the Company. The said policy is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Material-Subsidiaries-Policy.pdf.

As on March 31, 2024, the Company has 01 associate as under:

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

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

PERFORMANCE OF SUBSIDIARY COMPANIES

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

CONSOLIDATED FINANCIAL STATEMENTS

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

In accordance with Section 136 of the Act, the Audited Financial Statements including the Consolidated Financial Statements of the Company are available on the Company’s website at https://investor.kfintech.com/annual-reports/.

The individual Standalone Financial Statement of all Subsidiaries are available on the Company’s website at https://investor.kfintech.com/subsidiaries/.

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

BOARD OF DIRECTORS, ITS MEETINGS, EVALUATION ETC.

Board Meetings

The Board of Directors of the Company met ten times during the year on May 05, 2023, May 19, 2023, June 23, 2023, July 28, 2023, August 11, 2023, September 27, 2023, October 11, 2023, October 20, 2023, November 20, 2023, and January 25, 2024 respectively.

Formal Annual Evaluation

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

Manner of effective evaluation

The Company has laid down evaluation criteria separately for the Board, its Committees, and the Directors in the form of questionnaire in line with the Evaluation Framework for the Board of Directors, as approved by the Board.

Evaluation of Directors

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

Evaluation of Board and its Committees

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

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

Based on such criteria, the evaluation was completed for each Director, Committees and the Board of Directors and the observations of the Directors were discussed and presented to the Chairperson of the Board. The performance evaluation of Non-Independent Directors *i.e.*, Mr. Vishwanathan Mavila Nair, Mr. Venkata Satya Naga Sreekanth Nadella, Mr. Shantanu Rastogi, Mr. Alok C Misra, Mr. Srinivas Peddada, Mr. Jaideep Hansraj, and the entire Board was carried out.

The performance evaluation of the Independent Directors *i.e.*, Mr. Prashant Saran, Mr. Kaushik Mazumdar and Ms. Radha Rajappa was also carried out.

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

Board of Directors

Mr. Sandeep Naik (DIN: 02057989), Non-Executive Nominee Director of the Company had *vide* his letter dated July 25, 2023, resigned from the Board of Directors as well as from the membership of the Committees of the Board of Directors, citing other pressing commitments, with effect from July 25, 2023.

Mr. Alok Chandra Misra (DIN: 01542028) was appointed as an Additional Director (Non-Executive, Nominee) by the Board of Directors with effect from July 28, 2023, and was appointed as a Director (Non-Executive, Nominee) by the members of the Company, with effect from September 25, 2023, liable to retire by rotation.

Ms. Radha Rajappa (DIN: 08530439) was appointed as an Additional Director (Non-Executive, Independent) by the Board of Directors with effect from October 11, 2023, for a period of 5 (five) consecutive years *i.e.*, up to October 10, 2028 (both days inclusive), and was appointed as an Independent Director by the members of the Company with effect from October 11, 2023 for a period of 5 (five) consecutive years *i.e.*, up to October 10, 2028 (both days inclusive), not liable to retire by rotation.

Mr. Kaushik Mazumdar (DIN: 00397815), Independent Director, was re-appointed as an Independent Director by the Board of Directors, for a second term of 5 (five) consecutive years with effect from November 16, 2023, up to November 15, 2028 (both days inclusive), and was re-appointed as an Independent Director by the members of the Company for a second term of 5 (five) consecutive years with effect from November 16, 2023 up to November 15, 2028 (both days inclusive), not liable to retire by rotation.

Ms. Sonu Bhasin (DIN: 02872234), who was appointed as an Independent Director of the Company for a term of five consecutive years with effect from November 16, 2018, retired as an Independent Director of the Company and ceased to be a member of the Committees of the Board of Directors, with effect from November 15, 2023, consequent to completion of her term of appointment as an Independent Director of the Company.

Except the aforesaid, there were no changes in the composition of the Board of Directors during the year. Subsequent to the close of the year under review, Mr. Chengalath Jayaram was appointed as an Additional Director (Non-Executive, Independent) by the Board of Directors with effect from May 24, 2024, for a period of 5 (five) consecutive years *i.e.*, up to May 23, 2029 (both days inclusive), not liable to retire by rotation.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Shantanu Rastogi and Mr. Alok C Misra retire by rotation at the ensuing annual general meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, have recommended their re-appointment to the members for their approval.

Independent Directors

As on March 31, 2024, the Company has 3 Independent Directors, namely, Mr. Prashant Saran, Mr. Kaushik Mazumdar, and Ms. Radha Rajappa. During the year, Ms. Sonu Bhasin retired as an Independent Director of the Company and ceased to be a member of the Committees of the Board of Directors, with effect from November 15, 2023 consequent to completion of her term of appointment as an Independent Director of the Company, and Ms. Radha Rajappa was appointed as an Independent Director with effect from October 11, 2023.

Declaration by Independent Directors

The Company has received declaration of independence in terms of Section 149 (6) and (7) of the Act and as per the LODR Regulations, from the Independent Directors of the Company.

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

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

There has been no change in the policy during the year under review. The policy is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Remuneration-Policy.pdf.

Familiarization Programme for Independent Directors

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

During the year under review, the Company has conducted Familiarization Programmes on Business and Operational Performance, Financial Results and Performance, Business Units Walkthrough, Business Outlook and Strategy, "FINTRAK" Walkthrough, and Statutory Environment for Independent Directors.

The details of Familiarization Programme are available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2024/04/KFintech_Familiarization-Programme-for-Independent-Directors.pdf

Key Managerial Personnel

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

AUDIT COMMITTEE

As on March 31, 2024, the composition of the Audit Committee is as under:

Sr. No.	Full Name	Designation	Category
01	Mr. Kaushik Bishnu Mazumdar	Independent Director	Chairperson
02	Mr. Prashant Saran	Independent Director	Member
03	Ms. Radha Rajappa	Independent Director	Member
04	Mr. Alok C Misra	Non-Executive Nominee Director	Member

Mr. Shantanu Rastogi ceased to be a member of Audit Committee w.e.f. July 25, 2023, and Mr. Alok C Misra was inducted as a member of Audit Committee w.e.f. July 28, 2023.

Ms. Sonu Bhasin ceased to be a member of Audit Committee w.e.f. November 15,2023, and Ms. Radha Rajappa was inducted as a member of Audit Committee w.e.f. November 16, 2023.

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT PLAN

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

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to Note 39 to the Financial Statements which sets out related party disclosures pursuant to IND AS-24.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Sr. No.	CSR Project / Activity	Amount Spent (₹ Millions)
01	School Transformation Program (Boys)	3.20
02	College Transformation Program (Women)	4.78
03	Hygiene and Sanitation	0.06
04	TNC - The Nature Conservancy Centre - Satpura Tiger Reserve	12.63
05	Environment or Underprivileged	15.03

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

As on March 31, 2024, the composition of the Corporate Social Responsibility Committee is as under:

Sr. No.	Full Name	Designation	Category
01	Ms. Radha Rajappa	Independent Director	Chairperson
02	Mr. Prashant Saran	Independent Director	Member
03	Mr. Alok C Misra	Non-Executive Nominee Director	Member

Ms. Sonu Bhasin ceased to be the member of the Corporate Social Responsibility Committee w.e.f. November 15, 2023 and Ms. Radha Rajappa was inducted as a member of the Corporate Social Responsibility w.e.f. November 16, 2023.

CORPORATE SOCIAL RESPONSIBILITY POLICY

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

The Corporate Social Responsibility policy formulated by the CSR Committee and approved by the Board remains unchanged. The policy is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf.

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

ANNUAL RETURN

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has established a Whistle Blower (Vigil) Mechanism and formulated a Whistle Blower and Vigil Mechanism Policy. The details of the Policy are included in the Corporate Governance Report, which forms part of this Annual Report. The policy is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year, there were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

STATUTORY AUDITORS

M/s. B S R and Co, Chartered Accountants (ICAI Firm Registration No. 128510W) were appointed as the Statutory Auditors of the Company, for a term of five (5) consecutive years, by the members of the Company on September 25, 2023, *i.e.*, from the conclusion of the 6th Annual General Meeting until the conclusion of the 11th Annual General Meeting.

STATUTORY AUDITOR'S REPORT

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditor's Report for the Financial Year 2023-24 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Audit Committee or the Board, under sub-section (12) of Section 143 of the Act.

COST RECORDS AND AUDIT

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

INTERNAL AUDIT

Ernst & Young LLP were appointed as the Internal Auditors of the Company for the Financial Year 2023-24. The Internal Audit plan is approved by the Audit Committee at the beginning of the year and the audit is oriented towards the review of internal controls in the Company's business operations including Infosec / Cyber review and review of related party / shared services transactions. The Audit Committee is presented with quarterly updates on the audit along with a summary of audit observations, if any and follow-up actions thereon.

SECRETARIAL AUDIT

Secretarial Audit Report dated May 17, 2024, issued by M/s. D V Rao & Associates, Company Secretaries, Secretarial Auditors, is attached hereto as 'Annexure 2' to this Report. The Secretarial Audit Report does not contain any qualification, reservations, adverse remark, or disclaimer by the Secretarial Auditor.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2023-24 for all applicable compliances as per Securities and Exchange Board of India's regulations and circulars / guidelines issued thereunder. The Annual Secretarial Compliance Report pursuant to Regulation 24A of the LODR

Regulations has been issued by M/s. D V Rao & Associates, Company Secretaries, Secretarial Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;

b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) we have prepared the annual accounts on a going concern basis;

e) we have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and

f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

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

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

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

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA laws with respect to the downstream investment during the Financial Year under review.

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

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at workplace which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder ("POSH"). All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has constituted an Internal Committee for its Head Office and branches under Section 4 of the captioned Act. No complaint was received by these committees during the year under review. The Company has filed an Annual Report with the concerned Authority.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

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

A. Conservation of Energy

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

Sr. No.	Particulars	Details
(i)	The steps taken or impact on conservation of energy	The Company operates in low intensity energy environment. The Company has implemented several measures towards effective energy conservation within the organization.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Not applicable, in view of comments in clause (i)
(iii)	The capital investment in energy conservation equipment	Not applicable, in view of comments in clause (i)

B. Technology Absorption, Adaptation, and Innovation

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

C. Foreign Exchange Earnings and Outgo (₹ Millions)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Inflow	513.74	635.76
Outflow	21.65	124.01

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

OTHER DISCLOSURES

a) There has been no change in the nature of business of the Company during the year under review.

b) No Director of the Company is in receipt of any remuneration or commission from any of its subsidiaries.

c) The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

d) The Company has not accepted any public deposit. Accordingly, details related to deposits covered under Chapter V of the Act are not required to be given.

e) There has been no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.

f) There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

g) There was no instance of one-time settlement with any Bank or Financial Institution.

h) During the financial year, there has been no revision in the Financial Statements or Board's Report.

i) The Company has not issued any shares with differential right as to dividend, voting or otherwise.

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

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation for the employees of the Company for their contribution towards the Company's performance. Your Directors also wish to thank the Members, Customers, Governments, Regulatory authorities, Vendors, Bankers and other business associates for their continuous support during the year under review.

On Behalf of the Board of Directors of
KFin Technologies Limited

Vishwanathan Mavila Nair
Chairperson | DIN: 02284165
May 24, 2024 | Mumbai

Venkata Satya Naga Sreekanth Nadella
Managing Director and CEO
DIN: 08659728
May 24, 2024 | Hyderabad

ANNEXURE 1 TO THE REPORT OF THE BOARD OF DIRECTORS

Statement of Disclosure of Remuneration

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

i. Ratio of remuneration of each Director to the median remuneration of the employees for the Financial Year 2023-24 and the percentage increase in remuneration of each Director, if any, during the Financial Year 2023-24

Sr. No.	Name	Ratio of remuneration to median remuneration of employees	Percentage increase in remuneration
01	**Mr. Vishwanathan Mavila Nair** Chairperson of the Board and Non-Executive Director	1 : 48	–
02	**Mr. Venkata Satya Naga Sreekanth Nadella** Managing Director and Chief Executive Officer	1 : 137	7.00%
03	**Mr. Prashant Saran** Non-Executive Independent Director	1 : 7.2	–
04	**Mr. Kaushik Mazumdar** Non-Executive Independent Director	1 : 8.2	–
06	**Ms. Sonu Bhasin*** Non-Executive Independent Director	1 : 7.2	–
05	**Ms. Radha Rajappa#** Non-Executive Independent Director	1 : 3.4	–

** Retired as an Independent Director of the Company with effect from November 15, 2023, consequent to completion of her term of appointment as an Independent Director of the Company.*

 # Appointed as an Independent Director of the Company with effect from October 11, 2023.

ii. The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year 2023-24

Sr. No.	Name	Percentage increase in remuneration
01	Mr. Vivek Mathur Chief Financial Officer	8.00%
02	Ms. Alpana Kundu Company Secretary	47.4%

iii. The percentage increase in the median remuneration of employees during the Financial Year 2023-24

The median remuneration of employees during the Financial Year 2023-24 increased by 4.18%.

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

There were 5,599 permanent employees on the rolls of the Company as on March 31, 2024.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

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

Average percentile increase in salaries of employees other than managerial personnel in FY 2023-24	Percentile increase in managerial remuneration in FY 2023-24	Justification
3.97%	10.98%	The increment given to each individual employee including managerial personnel is based on employees' performance and the Company's overall performance.

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

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

On Behalf of the Board of Directors of
KFin Technologies Limited

Vishwanathan Mavila Nair
Chairperson | DIN: 02284165
May 24, 2024 | Mumbai

Venkata Satya Naga Sreekanth Nadella
Managing Director and CEO | DIN: 08659728
May 24, 2024 | Hyderabad

ANNEXURE 2 TO THE REPORT OF THE BOARD OF DIRECTORS

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To
The Members,
KFIN TECHNOLOGIES LIMITED
Selenium, Tower B, Plot No - 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi – 500032, Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KFIN TECHNOLOGIES LIMITED [CIN: L72400TG2017PLC117649]** (hereinafter called "the Company") for the year ended **31st March, 2024**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

i) The Companies Act, 2013 ('the Act') and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable for the period**;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable for the period;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable for the period**;

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **Not Applicable for the period**;

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

The following other laws, rules and regulations as may be specifically applicable to the company:

a. Pension Fund Regulatory and Development Authority Act, 2013 and Pension Fund Regulatory and Development Authority (Central Recordkeeping Agency) Regulations, 2015.

b. The International Financial Services Centres Authority Act, 2019 including Rules, Regulations and Guidelines made thereunder.

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India;

b. Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

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

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

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

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

1. The Company has allotted 17,59,974 (Seventeen Lakh Fifty-Nine Thousand Nine Hundred and Seventy Four) Equity shares pursuant to exercise of options by the eligible grantees under KFin Employee Stock Option Plan 2020 during the year.

2. Mr. Sandeep Achyut Naik (DIN: 02057989) has resigned from the Board with effect from 25th July 2023.

3. Mr. Alok Chandra Misra (DIN: 01542028) has been appointed as an Additional Director (Non-Executive, Nominee) by the Board with effect from 28th July 2023 and as a Nominee Director of the Company by the members at their Annual General Meeting held on 25th September 2023.

4. The Company has amended its Articles of Association through Postal Ballot on 09th September 2023.

5. Ms. Rajappa Radha (DIN: 08530439) has been appointed as an Additional Director (Non-Executive, Independent) by the Board with effect from 11th October 2023 and as an Independent Director of the Company by the members through Postal Ballot on 11th November 2023, for a period of 5 (five) consecutive years i.e., from 11th October 2023 up to 10th October 2028.

6. Ms. Sonu Halan Bhasin (DIN: 02872234) has retired from the Board as Independent Director with effect from 15th November 2023, consequent to completion of her term of appointment as an Independent Director of the Company.

7. The Company bought back 1,000 non-convertible redeemable preference shares on 30th November 2023.

8. The members have approved the shifting of Registered Office of the Company from the State of Telangana to the State of Maharashtra and consequential amendment in Memorandum of Association, through Postal Ballot on 13th January 2024 and the necessary approvals are under process.

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

CS Vasudeva Rao Devaki
Practicing Company Secretary
FCS # 8888 | COP # 12123
Peer Review No:2132/2022 UDIN: F008888F000384736

Date: 17.05.2024
Place: Hyderabad

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

'Annexure-A'

To
The Members
KFIN TECHNOLOGIES LIMITED
Hyderabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

CS Vasudeva Rao Devaki
Practicing Company Secretary
FCS # 8888 | COP # 12123
Peer Review No:2132/2022 UDIN: F008888F000384736

Date: 17.05.2024
Place: Hyderabad

ANNEXURE 3 TO THE REPORT OF THE BOARD OF DIRECTORS

Annual Report on CSR Activities
For the Financial Year Ended March 31, 2024

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

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

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

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

2. COMPOSITION OF THE CSR COMMITTEE

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
01	Ms. Radha Rajappa	Independent Director	04	01
02	Mr. Prashant Saran	Independent Director	04	04
03	Mr. Alok C Misra	Nominee Director	04	02

Ms. Sonu Bhasin ceased to be the member of the Corporate Social Responsibility Committee w.e.f. November 15, 2023 and Ms. Radha Rajappa was inducted as a member of the Corporate Social Responsibility w.e.f. November 16, 2023.

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

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

The CSR Policy approved by the Board is available at https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf

The CSR projects approved by the Board are available at https://investor.kfintech.com/wp-content/uploads/2023/06/KFintech_CSR-Projects_2023-24.pdf

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

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

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
01	2022-23	114,059.54	NIL
02	2021-22	NIL	NIL
03	2020-21	32,000	NIL
Total		**146,059.54**	**NIL**

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

Average net profit of the Company for the previous three financial years is ₹ 1,775.03 Million.

7.

Sr. No.	Particulars	Details
01	Two percent of average net profit of the Company as per Section 135(5)	₹ 35,500,000
02	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
03	Amount required to be set off for the financial year, if any	NIL
04	Total CSR obligation for the financial year (7a+7b-7c)	₹ 35,500,000

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
35,696,022.00	N/A	N/A	N/A	N/A	N/A

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (₹ Millions)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
01	School Transformation Program (Boys)	Promoting education	Yes	Telangana	Medak	3.2	Yes	N/A	N/A
02	College Transformation Program (Women)	Promoting education	Yes	Telangana	Rajanna Sircilla	4.779	Yes	N/A	N/A
03	Hygiene and Sanitation	Preventive health care and sanitation	Yes	Telangana	Rajanna Sircilla	0.058	Yes	N/A	N/A
04	TNC - The Nature Conservancy Centre - Satpura Tiger Reserve	Ecological balance and animal welfare	No	Madhya Pradesh	Hoshangabad	12.631	No	TNC - The Nature Conservancy Centre	CSR00001862
05	Environment or Underprivileged	Healthcare and Underprivileged Children Education	Yes	Telangana	Sangareddy	15.028	Yes	N/A	N/A
Total						**35.696**			

(d) Amount spent in Administrative Overheads

NIL

(e) Amount spent on Impact Assessment, if applicable

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

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

₹ 35,696,022.00 (Rupees Three Crore Fifty Six Lakh Ninety Six Thousand and Twenty Two only).

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	35,500,000.00
(ii)	Total amount spent for the Financial Year	35,696,022.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	196,022.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	196,022.00

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
01	2022-23			NIL			
02	2021-22			NIL			
03	2020-21			NIL			
Total				**NIL**			

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

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

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

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

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

Not Applicable

On Behalf of the Corporate Social Responsibility Committee of
the Board of Directors of KFin Technologies Limited

Radha Rajappa
Chairperson of the CSR Committee
DIN: 08530439

May 24, 2024 | Bengaluru

Venkata Satya Naga Sreekanth Nadella
Managing Director and CEO
DIN: 08659728

May 24, 2024 | Hyderabad

Corporate Governance Report

KFINTECH'S PHILOSOPHY ON CODE OF GOVERNANCE

KFin Technologies Limited ("KFintech" or "Company") believes in adopting the best practices of Corporate Governance, which form the core values of your Company. These guiding principles are also articulated through the Company's Code of Business Conduct, Corporate Governance Policy, and the charter of various Committees. The Company's core values are designed and internalized to shape the culture and define the character of our organization. Our converging set of core values is our North Star guiding how we act and how we make decisions. We are, forever, committed to the cause and always act with integrity and in compliance with the law. The values that signify the Company's unwavering commitment to all its stakeholders.

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

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

This report highlights the Company's practices for the financial year 2023-24.

BOARD OF DIRECTORS

The Board of Directors of the Company is responsible for overseeing the Corporate Governance framework. The Board adopts strategic plans and policies, monitoring the operational performance, establishing policies and processes that ensure integrity of the Company's internal controls and risk management. The Board establishes clear roles and responsibilities in discharging its fiduciary and leadership functions and also ensures that the management actively cultivates a culture of ethical conduct and sets the values to which the organization will adhere.

Composition of the Board

The Company recognizes and embraces the importance of a diverse Board for its success. As on March 31, 2024, the Board consists of nine Directors comprising of an Executive Director, a Non-Executive Non-Independent Director, three Independent Directors, one of whom is a woman Director, and four Non-Executive Nominee Directors. The Chairperson of the Board is a Non-Executive Non-Independent Director who is neither related to any promoter or person occupying management positions at the level of the Board of Directors or at one level below the Board of Directors. There is no relationship between Directors' *inter-se*.

Subsequent to the close of the year under review, Mr. Chengalath Jayaram was appointed as an Additional Director (Non-Executive, Independent) by the Board of Directors with effect from May 24, 2024, for a period of 5 (five) consecutive years i.e., up to May 23, 2029 (both days inclusive), not liable to retire by rotation.

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

The composition of the Board, category of Directors, attendance of Directors at the meetings of Board and the last Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson, shares held by Directors, as on March 31, 2024, are as under:

Name of Director	Board Meetings during the year		Attendance at the last AGM	Directorships in other Companies		Membership(s) of other Board Committees		Shareholding in KFintech
	Held and Entitled	Attended		Chairperson	Member	Chairperson	Member	
Non-Executive Director (Chairperson)								
Mr. Viswanathan Mavila Nair	10	10	Yes	0	0	0	0	2,11,721 Equity Shares
Executive Director (Managing Director and CEO)								
Mr. Venkata Satya Naga Sreekanth Nadella	10	10	Yes	0	0	0	0	3,25,449 Equity Shares

Name of Director	Board Meetings during the year		Attendance at the last AGM	Directorships in other Companies		Membership(s) of other Board Committees		Shareholding in KFintech
	Held and Entitled	Attended		Chairperson	Member	Chairperson	Member	
Independent Directors								
Mr. Prashant Saran	10	10	Yes	0	0	0	0	NIL
Mr. Kaushik Mazumdar	10	9	Yes	0	0	0	0	NIL
Ms. Sonu Bhasin *(ceased w.e.f. November 15, 2023)*	8	7	Yes	-	-	-	-	NIL
Ms. Radha Rajappa *(appointed w.e.f. October 11, 2023)*	3	3	NA	0	2	0	2	NIL
Non-Executive Nominee Directors representing General Atlantic Singapore Fund Pte. Ltd., Equity Investor								
Mr. Sandeep Naik *(ceased w.e.f. July 25, 2023)*	3	1	NA	-	-	-	-	NIL
Mr. Shantanu Rastogi	10	7	No	0	0	0	0	NIL
Mr. Srinivas Peddada	10	9	Yes	0	0	0	0	1,517 Equity Shares
Mr. Alok Chandra Misra *(appointed w.e.f July 28, 2023)*	6	6	Yes	0	0	0	0	NIL
Non-Executive Nominee Director representing Kotak Mahindra Bank Limited, Equity Investor								
Mr. Jaideep Hansraj	10	6	Yes	0	1	0	1	NIL

Notes:

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

Names of other listed entities where a Director of the Company is a Director and the category of Directorship as on March 31, 2024, is as under:

Name of Director	Name of other Listed Entity	Category of Directorship
Mr. Viswanathan Mavila Nair	None	–
Mr. Venkata Satya Naga Sreekanth Nadella	None	–
Mr. Prashant Saran	None	–
Mr. Kaushik Mazumdar	None	–
Ms. Radha Rajappa	Bata India Ltd.	Non-Executive Independent Director
	Zensar Technologies Limited	Non-Executive Independent Director
Mr. Alok Chandra Misra	None	–
Mr. Shantanu Rastogi	None	–
Mr. Srinivas Peddada	None	–
Mr. Jaideep Hansraj	None	–

Board Meetings

The Board meets at least once a quarter to review the quarterly financial results and discuss other business and statutory items on the agenda. Additional meetings are held, as and when necessary. The agenda and detailed notes on agenda along with the relevant annexure for the Board and Committee meetings are disseminated electronically on a real-time basis, by also uploading them on a secured online application. Committees of the Board also meet at least once a quarter before the Board meeting or whenever the need arises for transacting the business. The recommendations of the Committees are placed before the Board for necessary approval and / or noting, as the case may be. The Board periodically reviews updates on IT projects, proposed acquisitions, business plans and performance, risk management, and other key areas related to the business, as well as the HR initiatives for attracting and retaining talent, employee well-being, and succession planning for senior management *etc*.

During the financial year under review, ten meetings of the Board were duly convened and held on May 05, 2023, May 19, 2023, June 23, 2023, July 28, 2023, August 11, 2023, September 27, 2023, October 11, 2023, October 20, 2023, November 20, 2023, January 25, 2024, respectively.

Independent Directors and Familiarization Programmes

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

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

In compliance with the provisions of the Act and LODR Regulations, a separate meeting of the Independent Directors was held on March 22, 2024, without the presence of non-Independent Directors and members of the management to evaluate the performance of non-Independent Directors, the Chairperson of the Board and the Board as a whole, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

Skills / Expertise / Competence Matrix

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

Skills / Expertise / Competencies	Mr. Viswanathan Mavila Nair	Mr. Sreekanth Nadella	Mr. Prashant Saran	Mr. Kaushik Mazumdar	Ms. Radha Rajappa	Mr. C Jayaram	Mr. Alok Misra	Mr. Shantanu Rastogi	Mr. Srinivas Peddada	Mr. Jaideep Hansraj
Business and Strategic Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Strategies and Mergers and Amalgamations	✓	✓		✓		✓	✓	✓	✓	✓
Information Technology		✓		✓	✓	✓		✓	✓	
Global Business Exposure	✓	✓			✓	✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓	✓	✓	✓	✓		✓
Risk Management	✓	✓	✓	✓	✓	✓				
Financial Expertise	✓	✓	✓	✓	✓	✓	✓	✓		✓
Human Resource	✓	✓		✓	✓	✓	✓	✓		
Board Governance and Regulatory Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMMITTEES OF THE BOARD

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

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

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

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

Business Development and Strategy Committee	Investment Committee

Audit Committee

Brief description of terms of reference

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

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

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of four members (including three Independent Directors), all of whom are financially literate and have experience in financial matters. The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met seven times on May, 05, 2023, June 23, 2023, July 28, 2023, August 04, 2023, October 20, 2023, November 20, 2023, and January 25, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held and Entitled	Attended
Mr. Kaushik Mazumdar Independent Director	Chairperson	07	07
Mr. Prashant Saran Independent Director	Member	07	07
Ms. Sonu Bhasin Independent Director *(ceased w.e.f. November 15, 2023)*	Member	05	04
Mr. Shantanu Rastogi Non-Executive Nominee Director *(ceased w.e.f. July 25, 2023)*	Member	02	01
Ms. Radha Rajappa Independent Director *(inducted w.e.f. November 16, 2023)*	Member	02	02
Mr. Alok Chandra Misra Non-Executive Nominee Director *(inducted w.e.f. July 28, 2023)*	Member	04	04

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

Nomination and Remuneration Committee

Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of the Act and LODR Regulations and *inter-alia* includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director; evaluating the balance of skills, knowledge and experience on the Board; formulation of criteria for evaluation of performance of independent Directors and the Board; devising a policy on Board diversity; reviewing performance, compensation and development related matters for MD & CEO, KMP and senior management team; performing such functions as are required to be performed by the Compensation Committee as per the SEBI (Share Based

Employee Benefits and Sweat Equity) Regulations, 2021, *etc*. The Committee reviews the tracker on compliance calendar of the terms of reference of the Committee periodically.

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met six times on May 16, 2023, June 19, 2023, July 20, 2023, October 04, 2023, October 11, 2023, and January 16, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held and Entitled	Attended
Ms. Sonu Bhasin Independent Director *(ceased w.e.f. November 15, 2023)*	Chairperson	05	04
Mr. Kaushik Mazumdar Independent Director	Member	06	06
Mr. Sandeep Naik Non-Executive Nominee Director *(ceased w.e.f. July 25, 2023)*	Member	03	02
Mr. Shantanu Rastogi Non-Executive Nominee Director *(inducted w.e.f. July 25, 2023)*	Member	03	03
Ms. Radha Rajappa Independent Director *(inducted w.e.f. November 16, 2023)*	Chairperson	01	01

The previous Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

Performance Evaluation Framework

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

The Nomination and Remuneration Committee is primarily responsible for framing the criteria of evaluation (including for evaluation of the Board, and the Independent Directors). Such criteria may vary for different categories of individuals / groups depending on the functions, responsibilities, competencies required *etc.* The evaluation criteria for the Board as a whole include aspects such as the structure of the Board, management and functions of the Board *etc*. The evaluation criteria for the Committees of the Board includes aspects such as composition of the Committee, effectiveness of the Committee, contributions to decisions of the Board *etc*. The evaluation criteria for Directors and chairperson includes aspects such as fulfilment of functions, knowledge and competency, effectiveness of leadership and ability to steer meetings *etc*. The evaluation criteria for Independent Directors includes aspects such as participation at Board / Committee meetings, managing relationship, knowledge and skill, personal attributes, *etc*.

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

Corporate Social Responsibility Committee

Brief description of terms of reference

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

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met four times on June 19, 2023, July 26, 2023, October 09, 2023 and January 16, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held and Entitled	Attended
Ms. Sonu Bhasin Independent Director *(ceased w.e.f. November 15, 2023)*	Chairperson	03	03
Mr. Prashant Saran Independent Director	Member	04	04
Mr. Sandeep Naik Non-Executive Nominee Director *(ceased w.e.f. July 25, 2023)*	Member	01	00
Ms. Radha Rajappa Independent Director *(inducted w.e.f. November 16, 2023)*	Chairperson	01	01
Mr. Alok Chandra Misra Non-Executive Nominee Director *(inducted w.e.f. July 28, 2023)*	Member	02	02

The previous Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

Risk Management Committee

Brief description of terms of reference

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

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of three members (including two Independent Directors). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met four times on June 20, 2023, July 21, 2023, October 13, 2023, and January 22, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held and Entitled	Attended
Mr. Prashant Saran Independent Director	Chairperson	04	04
Mr. Kaushik Mazumdar Independent Director	Member	04	04
Mr. Venkata Satya Naga Sreekanth Nadella Managing Director and CEO	Member	04	04

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

Stakeholders' Relationship Committee

Brief description of terms of reference

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

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is an Independent Director. During the financial year under review, the Committee met twice on July 14, 2023 and January 18, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meeting of the Committee held during the financial year under review is as under:

Name of Director	Category	Meetings	
		Held and Entitled	Attended
Mr. Prashant Saran Independent Director	Chairperson	02	02
Mr. Viswanathan Mavila Nair Non-Executive Director	Member	02	02
Mr. Venkata Satya Naga Sreekanth Nadella Managing Director and CEO	Member	02	02

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

Compliance Officer and Shareholders' Complaints

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

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

IT Strategy Committee

Brief description of terms of reference

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

Composition and Attendance of members at the meetings of the Committee

As on March 31, 2024, the Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is a Non-Executive Director. During the financial year under review, the Committee met four times on June 21, 2023, July 14, 2023, October 17, 2023 and January 17, 2024.

The members of the Committee as on March 31, 2024, and the attendance of the members at the meetings of the Committee held during the financial year under review is as under:

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

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

Business Development and Strategy Committee

The Business Development and Strategy Committee has been constituted by the Board to review and oversee the business development and implementation of the Company's growth strategies and make recommendations to the Board with respect to potential acquisition, joint venture, or divestment opportunities for which the Board's approval is required. The terms of reference of the Business Development and Strategy Committee *inter-alia* includes reviewing and overseeing the business development and implementation of the Company's organic and inorganic growth strategies; analyzing the principal trends in relation to the Company's activities and communicating relevant information to the Board; develop and update the Company's customer pricing framework; ensuring that the pricing framework adequately contributes to the long-term financial viability and profitability of the Company *etc*.

SENIOR MANAGEMENT

The particulars of the Senior Management Personnel of the Company including changes therein during the financial year 2023-24 and up to the date of this Report are as under:

Sr. No.	Name	Designation
01	Mr. Vivek Narayan Mathur	Chief Financial Officer
02	Mr. A K Sridhar	Chief Business Officer – Fund Accounting Platform
03	Ms. Alpana Uttam Kundu	Company Secretary and Compliance Officer
04	Mr. Amit Murarka	Head – Investor Relations, Mergers & Acquisitions, and Global Business Finance
05	Mr. Anish Kumar	Chief Risk Officer
06	Mr. Giridhar G	Chief Business Officer
07	Ms. Hanisha Vadlamani	Chief Branding Officer

Sr. No.	Name	Designation
08	Ms. Manju Anand	Chief Compliance Officer and Legal Head
09	Mr. Mario S Roche	Chief Operating Officer – Alternatives & Wealth Solutions
10	Mr. Marudheri Shankaran Chandrasekhar	Chief of Fund Accounting Platform
11	Mr. Praveen Shankaran	Chief Operating Officer – Domestic Fund Services
12	Mr. Rajeev Mane	Chief Operating Officer – International and other Businesses
13	Mr. Rajesh Khandagale	Principal Officer – PFRDA
14	Mr. Ravi Seshadri	Chief Operating Officer – Fund Accounting Platform
15	Mr. Saijo Menachery	Head – Fund Accounting Solutions
16	Mr. Santosh Kalavagunta	Head of Procurement and Vendor Management
17	Mr. Senthil Gunasekaran	Chief Business Development Officer
18	Mr. Sourav Mukherjee	Head – FMS and PMO
19	Mr. Srinivas Yadav Karri	Chief Information Security Officer
20	Mr. Sujay Puthran	Chief People Officer
21	Mr. Venkata Giri Vonkayala	Chief Technology Officer
22	Mr. Vignesh Kumaran	Head of Products

Changes during the financial year and up to the date of this Report

Sr. No.	Name	Description of Change
01	Mr. Anshul Kumar Jain	Ceased to be the Chief Compliance Officer and Head – Legal with effect from August 04, 2023
02	Ms. Meena Pednekar	Ceased to be the Chief Operating Officer – Issuer Services with effect from November 04, 2023
03	Ms. Manju Anand	Appointed as the Chief Compliance Officer and Legal Head with effect from November 21, 2023
04	Mr. Marudheri Shankaran Chandrasekhar	Appointed as the Chief of Fund Accounting Platform with effect from December 21, 2023
05	Mr. Ravi Seshadri	Appointed as the Chief Operating Officer – Fund Accounting Platform with effect from December 21, 2023
06	Mr. A K Sridhar	Appointed as the Chief Business Officer – Fund Accounting Platform with effect from December 21, 2023
07	Ms. Kiran Aidhi	Ceased to be the Chief People Officer with effect from February 10, 2024
08	Mr. Sujay Puthran	Appointed as the Chief People Officer with effect from April 29, 2024
09	Mr. Saijo Menachery	Appointed as the Head – Fund Accounting Solutions with effect from April 29, 2024
10	Mr. Mario S Roche	Change in Role and Designation from Chief Operating Officer – Domestic Fund Services to Chief Operating Officer – Alternatives & Wealth Solutions with effect from April 29, 2024
11	Mr. Praveen Shankaran	Change in Role and Designation from Chief Risk Officer to Chief Operating Officer – Domestic Fund Services with effect from May 24, 2024
12	Mr. Anish Kumar	Appointed as the Chief Risk Officer with effect from May 24, 2024

REMUNERATION OF DIRECTORS

The Remuneration Policy has been approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee with the objective that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; that the remuneration of Directors, Key Managerial Personnel, and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies, in the industry; to ensure there is a principle of proportionality while determining the remuneration; to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create a competitive advantage.

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

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

Amounts in INR Millions

Name of Director	Salary and Allowances	Share based payment	Commission / Bonus / Performance-based Incentive	Sitting Fees	Total
Non-Executive Director (Chairperson)					
Mr. Viswanathan Mavila Nair	NIL	1.83	15.00	NIL	16.83
Executive Director (Managing Director and CEO)					
Mr. Venkata Satya Naga Sreekanth Nadella	31.83	5.17	12.60	NIL	49.60
Independent Directors					
Mr. Prashant Saran	NIL	NIL	2.25	NIL	2.25
Mr. Kaushik Mazumdar	NIL	NIL	2.55	NIL	2.55
Ms. Sonu Bhasin*	NIL	NIL	1.41	NIL	1.41
Ms. Radha Rajappa#	NIL	NIL	1.06	NIL	1.06
Non-Executive Nominee Directors					
Mr. Sandeep Naik^	NIL	NIL	NIL	NIL	NIL
Mr. Shantanu Rastogi	NIL	NIL	NIL	NIL	NIL
Mr. Srinivas Peddada	NIL	1.08	NIL	NIL	1.08
Mr. Jaideep Hansraj	NIL	NIL	NIL	NIL	NIL
Mr. Alok C Misra$	NIL	NIL	NIL	NIL	NIL

**Ceased w.e.f. November 15, 2023, #Appointed w.e.f. October 11, 2023, ^Ceased w.e.f. July 25, 2023, $Appointed w.e.f. July 28, 2023.*

During the financial year under review, no options were granted to the Directors under the KFin Employee Stock Option Plan 2020. The details of options previously granted to Directors, as on March 31, 2024, are as under:

Name of Director	Scheme	Options granted	Options vested and exercised	Options vested and not yet exercised	Options unvested
Non-Executive Director (Chairperson)					
Mr. Viswanathan Mavila Nair	Scheme A	51,715	51,715	NIL	NIL
	Scheme B	38,786	38,786	NIL	NIL
	Scheme C	38,786	38,786	NIL	NIL
	Scheme D	54,053	21,622	NIL	32,431
	Scheme E	40,541	20,271	NIL	20,270
	Scheme F	40,541	40,541	NIL	NIL
	Scheme G	NIL	N/A	N/A	N/A
Executive Director (Managing Director and CEO)					
Mr. Venkata Satya Naga Sreekanth Nadella	Scheme A	4,47,457	3,69,152	NIL	78,305
	Scheme B	3,35,592	3,35,592	NIL	NIL
	Scheme C	3,35,592	3,35,592	NIL	NIL
	Scheme D	1,20,000	48,000	NIL	72,000
	Scheme E	90,000	45,000	NIL	45,000
	Scheme F	90,000	90,000	NIL	NIL
	Scheme G	NIL	N/A	N/A	N/A
Independent Directors					
Mr. Prashant Saran	N/A	N/A	N/A	N/A	N/A
Mr. Kaushik Mazumdar	N/A	N/A	N/A	N/A	N/A
Ms. Sonu Bhasin*	N/A	N/A	N/A	N/A	N/A
Ms. Radha Rajappa#	N/A	N/A	N/A	N/A	N/A

Name of Director	Scheme	Options granted	Options vested and exercised	Options vested and not yet exercised	Options unvested
Non-Executive Nominee Directors					
Mr. Sandeep Naik^	N/A	NIL	N/A	N/A	N/A
Mr. Shantanu Rastogi	N/A	NIL	N/A	N/A	N/A
Mr. Srinivas Peddada	Scheme A	1,38,879	NIL	90,272	48,607
	Scheme B	1,04,159	67,358	36,801	NIL
	Scheme C	1,04,159	1,04,159	NIL	NIL
	Scheme D	20,000	NIL	8,000	12,000
	Scheme E	15,000	NIL	7,500	7,500
	Scheme F	15,000	NIL	15,000	NIL
	Scheme G	NIL	N/A	N/A	N/A
Mr. Jaideep Hansraj	N/A	NIL	N/A	N/A	N/A
Mr. Alok C Misra$	N/A	N/A	N/A	N/A	N/A

**Ceased w.e.f. November 15, 2023, #Appointed w.e.f. October 11, 2023, ^Ceased w.e.f. July 25, 2023, $Appointed w.e.f. July 28, 2023.*

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

GENERAL BODY MEETINGS

Annual General Meeting

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

Financial Year ended	Date and Time	Venue / Mode	Special Resolution(s) passed
March 31, 2023	September 25, 2023 at 03:00 p.m.	Through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office of the Company situated at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032	Approval of the payment of remuneration to Mr. Vishwanathan Mavila Nair (DIN: 02284165), Non-Executive Director and Chairperson, in excess of the limits prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
March 31, 2022	August 04, 2022 at 02:30 p.m.		Appointment of Mr. Venkata Satya Naga Sreekanth Nadella (DIN: 08659728) as the Managing Director of the Company
March 31, 2021	September 30, 2021 at 10:00 a.m.		Alteration of the Articles of Association of the Company

Postal Ballot

During the financial year under review, following special resolutions were passed by the Company through Postal Ballot:

Date of Passing of Resolution	Special Resolution(s) passed	Voting Pattern	
		% of Votes in Favour	% of Votes Against
September 09, 2023	a. Ratification of KFin Employee Stock Option Plan 2020 and approval of the amendments thereto	91.5922%	8.4078%
	b. Extension of the KFin Employee Stock Option Plan 2020 to employees of the present and future Group Companies including Subsidiary / Associate Companies and the Holding Company	77.6357%	22.3643%
	c. Approval of Article No. 136 of Part B of the Articles of Association of the Company and deletion of Part A and the heading 'Part B' of the Articles of Association of the Company	84.3656%	15.6344%
November 11, 2023	a. Appointment of Ms. Radha Rajappa (DIN: 08530439) as an Independent Director of the Company	99.6734%	0.3266%
	b. Re-appointment of Mr. Kaushik Mazumdar (DIN: 00397815) as an Independent Director of the Company	95.1461%	4.8539%
	c. Approval of remuneration of Mr. Venkata Satya Naga Sreekanth Nadella (DIN: 08659728), Managing Director and CEO of the Company	94.2363%	5.7637%
January 13, 2024	Relocation of the Registered Office of the Company and consequential amendment to the Memorandum of Association of the Company	99.9994%	0.0006%

As on the date of this Report, the Board of Directors has approved conducting a postal ballot seeking approval of the members on the following Special Resolutions:

a. To appoint Mr. Chengalath Jayaram (DIN: 00012214) as an Independent Director of the Company;

b. To approve the payment of remuneration to Mr. Vishwanathan Mavila Nair (DIN: 02284165), Non-Executive Director and Chairperson, in excess of the limits prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c. To approve the remuneration of Mr. Venkata Satya Naga Sreekanth Nadella (DIN: 08659728), Managing Director and CEO of the Company.

Procedure for Postal Ballot

In accordance with the provisions of Sections 108 and 110 of the Companies Act, 2013 (**"Act"**) read with the Companies (Management and Administration) Rules, 2014 (**"Rules"**), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"LODR Regulations"**), and Circulars issued by the Ministry of Corporate Affairs (**"MCA Circulars"**) and other applicable provisions, if any, of the Act, Rules, Circulars and Notifications issued thereunder (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), the Postal Ballot Notice dated August 10, 2023, October 12, 2023, and December 14, 2023, were issued respectively to the members.

In compliance with the applicable provisions of the Act, Rules, LODR Regulations read with the MCA Circulars, the Company provided e-voting facility only to its members to enable them to cast their votes electronically. For this purpose, the Company had engaged the services of National Securities Depository Limited (**"NSDL"**) as the agency to provide e-voting facility. The instructions for e-voting were appended to the respective Notice. The Board of Directors of the Company (**"Board"**) appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary (FCS: 4206, COP No. 1774), or failing him Mr. S. N. Viswanathan, Practising Company Secretary (ACS: 61955, COP No. 24335), or failing him, Ms. Malati Kumar, Practising Company Secretary (ACS: 15508, COP No. 10980), respectively, partners of M/s. S. N. Ananthasubramanian & Co., Company Secretaries, as the Scrutinizer, for conducting the Postal Ballot through e-voting process in a fair and transparent manner and in accordance with the provisions of the Act and the rules made thereunder. The e-voting period was open for thirty days.

Based on the Scrutinizer's Report, the outcome of the Postal Ballot was declared, and the voting results along with the Scrutinizer's Report was submitted to the stock exchanges as well as uploaded on the website of the Company at https://investor.kfintech.com/general-meetings-postal-ballot/ and the website of NSDL at www.evoting.nsdl.com.

MEANS OF COMMUNICATION

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

Financial Results

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

Investor Calendar and Presentation

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

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

Press Release

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

Website

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

GENERAL SHAREHOLDER INFORMATION

7th Annual General Meeting

Day, Date and Time	Thursday, August 29, 2024, at 04:00 pm IST
Venue / Mode	Annual General Meeting through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office of the Company situated at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032
Book Closure Dates	None

Financial Year

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

Dividend

The Board of Directors has at their meeting held on April 29, 2024, recommended a Final Dividend of INR 5.75 per equity share of face value INR 10/- each for the financial year ended March 31, 2024. The payment of dividend is subject to the approval of members at the 7th Annual General Meeting and deduction of income tax at source. Upon approval, the dividend will be paid on or after September 05, 2024.

Listing on Stock Exchanges and Stock Code

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

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

The ISIN of the Equity Shares of the Company is INE138Y01010. The Company has paid the annual listing fee for the financial year under review and the financial year 2024-25 to both the stock exchanges.

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

Market Price Data

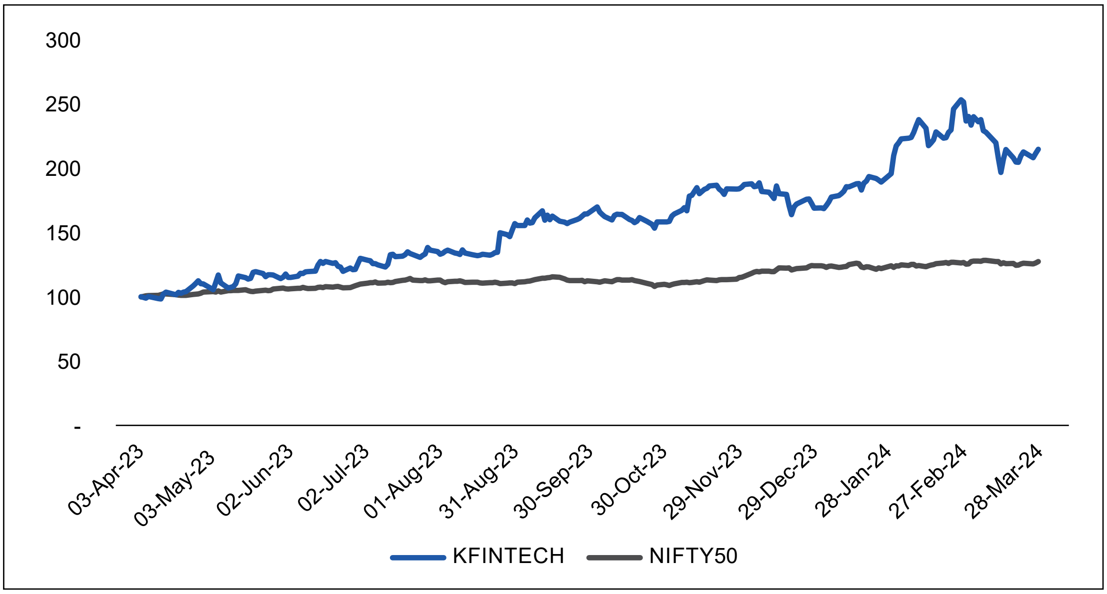
Market price data for the period April 01, 2023, to March 31, 2024, is as under:

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2023	320.30	278.90	320.90	280.65
May, 2023	341.60	300.80	341.55	301.20
June, 2023	371.20	328.85	370.75	328.35
July, 2023	396.30	352.10	394.85	351.60
August, 2023	449.35	376.20	448.15	377.00
September, 2023	477.75	443.25	476.85	443.65
October, 2023	486.75	437.20	485.45	437.95
November, 2023	532.35	452.55	533.60	452.75
December, 2023	539.10	468.25	539.05	468.00
January, 2024	622.70	481.65	620.70	481.50
February, 2024	723.95	620.70	723.45	621.25
March, 2024	685.80	562.50	685.60	561.90

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

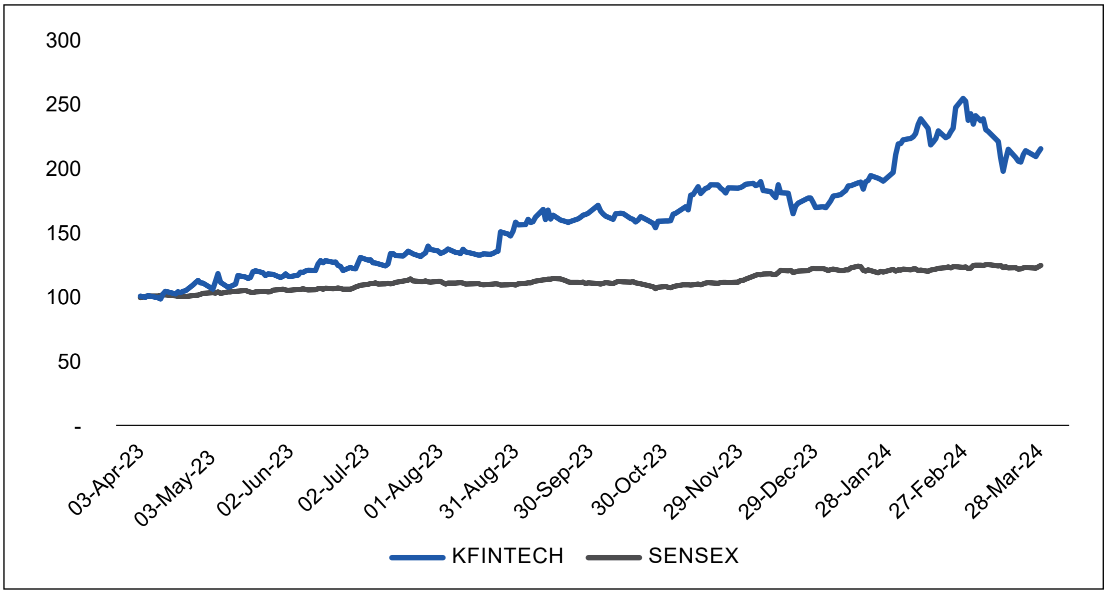
KFINTECH vs NIFTY50

Price (₹)



KFINTECH vs SENSEX

Price (₹)



Registrar and Share Transfer Agents

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

Share Transfer System

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

Distribution of Shareholding

Distribution of shareholding by size as on March 31, 2024, is as under:

Categories (Shares)	No. of shareholders	No. of shares	Percentage of total shares
1 to 500	88,013	56,20,546	3.2871
501 to 1,000	2,311	16,51,140	0.9656
1,001 to 2,000	1,030	14,66,945	0.8579
2,001 to 3,000	341	84,94,35	0.4968
3,001 to 4,000	163	5,77,910	0.3380
4,001 to 5,000	99	4,49,527	0.2629
5,001 to 10,000	174	11,60,001	0.6784
10,001 and above	286	15,92,13,169	93.1133

Distribution of shareholding by category as on March 31, 2024, is as under:

Categories	No. of shareholders	No. of shares	Percentage of total shares
Promoter/Promoter Group	02	6,66,34,603	38.97
Mutual Funds	38	1,20,44,074	7.04
Banks, Insurance & Other DIIs	20	2,38,27,709	13.94
Foreign Portfolio Investors	109	2,86,13,558	16.73
Others	92,248	3,98,68,729	23.31
Total	**92,417**	**17,09,88,673**	**100.00**

Dematerialization of shares and liquidity

As on March 31, 2024, 99.99% equity shares of the Company are in dematerialized form. The equity shares of the Company are liquid and traded on BSE Limited and National Stock Exchange of India Limited.

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

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

Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. As the Company is not into trading any commodity, there's no commodity price risk and there's no hedging activities undertaken by the Company during financial year 2023-24.

Plant locations

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

Address for Correspondence

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

Credit Ratings

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

OTHER DISCLOSURES

Related party transactions

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

The Company has formulated a policy on dealing with Related Party Transactions. The same is available on the Company's website at https://investor.kfintech.com/wp-content/uploads/2023/08/KFintech_Policy-on-determining-materiality-of-events-and-information.pdf

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to Note 39 to the Financial Statements which sets out related party disclosures pursuant to IND AS-24.

Penalties / Strictures

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

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

Vigil Mechanism / Whistle Blower Policy

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

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

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

Certificate from Company Secretary in Practice

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

Recommendation by Committees

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

Consolidated Fees to Auditors

The total fees for all services (including out of pocket expenses) availed by the Company and its subsidiaries from M/s. B S R and Co. Chartered Accountants, Statutory Auditors for the Financial Year 2023-24 is ₹ 8.33 Million.

Prevention of Sexual Harassment

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder (“POSH”). All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company has constituted an Internal Committee for its Head Office and branches under Section 4 of the captioned Act. There was no complaint received by these committees during the year under review. The Company has filed an Annual Report with the concerned Authority.

Loans and Advances

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

Material Subsidiaries

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

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

DISCRETIONARY REQUIREMENTS

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

The Board

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

Shareholder Rights

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

Modified opinion(s) in audit report

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

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

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

Reporting of Internal Auditor

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

CORPORATE GOVERNANCE REQUIREMENTS

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

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

A declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management and the Policy on Code of Conduct and Business Ethics, respectively, as on March 31, 2024, is enclosed as Annexure – 2 to this Report.

CERTIFICATE ON CORPORATE GOVERNANCE

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

DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2024, the Company does not have any share in the demat suspense account or unclaimed suspense account.

ANNEXURE 1 TO THE CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Vishwanathan Mavila Nair	02284165	22/11/2018
2.	Mr. Venkata Satya Naga Sreekanth Nadella (Managing Director w.e.f. 06/06/2022)	08659728	12/06/2020
3.	Mr. Prashant Saran	08747512	26/05/2020
4.	Mr. Kaushik Mazumdar	00397815	16/11/2018
5.	Ms. Rajappa Radha	08530439	11/10/2023
6.	Mr. Shantanu Rastogi	06732021	16/11/2018
7.	Mr. Alok Chandra Misra	01542028	28/07/2023
8.	Mr. Srinivas Peddada	08755240	02/07/2020
9.	Mr. Jaideep Hansraj	02234625	10/11/2021

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

For D V Rao & Associates
Company Secretaries

CS Devaki Vasudeva Rao
Practicing Company Secretary
CS # 8888 | COP # 12123
Peer Review No:2132/2022
UDIN: F008888F000373076

Place: Hyderabad
Date: 15.05.2024

ANNEXURE 2 TO THE CORPORATE GOVERNANCE REPORT

Declaration by the Chief Executive Officer

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

I, Venkata Satya Naga Sreekanth Nadella, Managing Director & Chief Executive Officer of the Company hereby confirm that all members of Board of Directors and Senior Management Personnel have affirmed their compliance with the Code of Conduct for Directors and Senior Management and the Policy on Code of Conduct and Business Ethics, respectively, for the financial year ended March 31, 2024.

Venkata Satya Naga Sreekanth Nadella
Managing Director and CEO
DIN: 08659728

Date: May 24, 2024
Place: Hyderabad

ANNEXURE 3 TO THE CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

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

1. I have examined the compliance of the conditions of Corporate Governance by **KFin Technologies Limited** ('the Company') for the year ended March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. I conducted my examination of the compliance of the conditions of Corporate Governance in accordance with the established systems and procedures selected by me depending on my judgment, including assessment of the risks associated in compliance of the conditions of Corporate Governance with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as I deem necessary to arrive at an opinion.

4. Based on the procedures performed by me as mentioned above and according to the information and explanations provided to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of SEBI Listing Regulations as applicable for the year ended March 31, 2024.

5. I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D V Rao & Associates
Company Secretaries

CS Devaki Vasudeva Rao
Practicing Company Secretary
CS # 8888 | COP # 12123
Peer Review No:2132/2022
UDIN: F008888F000373186

Place: Hyderabad
Date: 15.05.2024

Business Responsibility Sustainability Report FY 2024

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L72400TG2017PLC117649
2.	**Name of the Listed Entity**	KFin Technologies Limited
3.	**Year of incorporation**	2017
4.	**Registered office address**	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India
5.	**Corporate address**	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500032, Telangana, India
6.	**E-mail**	compliance.corp@kfintech.com
7.	**Telephone**	+91 40 7961 5565
8.	**Website**	www.kfintech.com
9.	**Financial year for which reporting is being done**	2023-24
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (BSE) & National Stock Exchange of India Limited (NSE)
11.	**Paid-up Capital**	₹ 1,709,886,730
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Ms. Manju Anand Chief Compliance Officer and Legal Head +91 40 7961 5565 compliance.corp@kfintech.com
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	The disclosures made in this report are made on a Standalone basis and pertain only to KFin Technologies Limited.
14.	**Name of assurance provider**	Not Applicable
15.	**Type of assurance obtained**	Not Applicable

II. Product/Services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Fund Administrator and Qualified Registrar and Transfer Agent	Technology driven financial services platform providing comprehensive services and solutions to the capital markets ecosystem including asset managers and corporate issuers across asset classes in India and other global locations. We are also a Central Recordkeeping Agency for the National Pension Scheme in India	95.70%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Service (Fund Administrator and Qualified Registrar and Transfer Agent)	62099	95.70%

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	NA	193 front offices, 2 middle office, 2 back office	197
International	NA	2	2

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	27
International (No. of Countries)	13

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

Exports contribute a total of 6.65% of the total turnover

c. A brief on types of customers

KFin Technologies offers a wide range of registrar and transfer agent services, along with other value-added digital solutions, to various financial sectors, ensuring seamless operations and enhanced investor experiences.

Mutual Funds: KFin Technologies provides robust registrar and transfer agent services to mutual fund companies. By outsourcing their investor servicing activities to KFin, mutual fund companies benefit from efficient record-keeping, transaction processing, and customer support, thereby enhancing their operational efficiency and investor satisfaction.

Corporates: KFin Technologies collaborates with corporate clients to offer end-to-end shareholder services. This includes managing the entire lifecycle of shareholders, such as share transfers, dividend payments, and executing corporate actions like buy-backs, open offers, and bonus issues. Additionally, KFin provides platform-based value-added services, including the conduct of electronic Annual General Meetings (e-AGMs) and electronic voting (e-Voting), ensuring seamless corporate governance and shareholder engagement.

Alternative Investment Funds (AIFs): KFin Technologies delivers extensive investor servicing solutions to AIFs. These services encompass investor onboarding, addressing investor inquiries, managing fund distribution, maintaining accurate investor records, administering funds, and facilitating various transactions. This comprehensive suite of services ensures streamlined operations and superior investor management for AIFs.

Pension Subscribers: KFin Technologies is registered as a Central Recordkeeping Agency (CRA) with the Pension Fund Regulatory and Development Authority. The CRA's key activities include issuing and dispatching unique Permanent Retirement Account Numbers, receiving instructions from subscribers through the CRA System/NPSCAN, monitoring subscribers' contributions and instructions, transmitting information to the relevant Pension Fund Managers, and providing various subscriber maintenance services. Furthermore, KFin interacts and coordinates with other National Pension System (NPS) stakeholders, ensuring efficient management and administration of pension accounts.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
			EMPLOYEES			
1.	Permanent(D)	5,599	4,135	74%	1,464	26%
2.	Other than Permanent (E)	658	406	62%	252	38%
3.	Total employees (D+E)	6,257	4,541	73%	1,716	27%

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

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent(D)	3	3	100%	0	0
2.	Other than Permanent (E)	4	2	50%	2	50%
3.	**Total differently abled employees (D+E)**	7	5	71.4%	2	28.57%

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

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	Number and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23%	29%	25%	33%	42%	35%	39%	48%	41%

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

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

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	KFin Services Private Limited	Wholly-owned subsidiary	100%	No
2	Hexagram Fintech Private Limited	Wholly-owned subsidiary	100%	No
3	KFin Global Technologies (IFSC) Limited	Wholly-owned subsidiary	100%	No
4	KFin Technologies (Bahrain) W.L.L	Wholly-owned subsidiary	100%	No
5	KFin Technologies (Malaysia) SDN. BHD.	Wholly-owned subsidiary	100%	No
6	Hexagram FinTech SDN. BHD.	Wholly-owned stepdown subsidiary	100%	No
7	WebileApps (India) Private Limited	Wholly-owned subsidiary	100%	No
8	WebileApps Technology Services Private Limited	Wholly-owned stepdown subsidiary	100%	No
9	Fintech Products and Solutions (India) Private Limited	Associate	20.95%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹) 8,108.27 million

(iii) Net worth (in ₹) 11,416.42 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Considering the nature of the business done by the company we do not have any direct or indirect impacts on the communities as such. But as an added responsibility we do undertake CSR projects which brings value to the communities at large.						
Investors (other than shareholders)	Yes; the company's investors can reach out through email at investorrelations@kfintech.com.						
Shareholders	Yes; the Company's shareholders can reach out through email at investorrelations@kfintech.com. For concerns related to registry and share transfers, the shareholders can write to the dedicated agency at investor@bigshareonline.com. Also, name, address and contact numbers of the agent has been provided on the Company's website.						
Employees and workers	Yes	2	0	NA	3	0	NA
Customers	Yes; the Company holds regular meetings with customers to gather insights, feedback, and suggestions at predetermined intervals.						
Value Chain Partners	Yes; the Company regularly interacts with key stakeholders via dedicated digital platforms to understand grievances, gather feedback, and address concerns.						
Other (please specify)	Not Applicable						

**Other than complaints from employees and workers, there were no complaints received during the year from the remaining stakeholder groups as mentioned above.*

26. **Overview of the entity's material responsible business conduct issues.** Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon Footprint and Climate Change	Risk and Opportunity	The Company could face risks from stricter regulations, reputational damage, higher costs, and operational disruptions due to climate change and energy price volatility. As an opportunity, the Company can benefit from market differentiation, cost savings, innovation, attracting ESG investments, and appealing to environmentally conscious customers and employees by embracing sustainable practices and reducing its carbon footprint.	The Company can shift to renewable energy sources for powering data centres and other facilities, reducing carbon emissions and energy consumption. Also, implementing energy-efficient technologies, such as efficient cooling systems and server virtualization, could lead to reduced energy usage.	Negative implications of risk could include potential fines, increased operational and insurance costs, revenue loss from reputational damage, and higher expenses due to supply chain disruptions. Positive implications can include cost savings due to lower energy bills and operational efficiency, increased revenue due to market differentiation, and attracting ESG investments.
2	Electronic Waste	Risk	Stricter disposal and recycling regulations, reporting requirements, reputational damage and increased stakeholder expectations demanding responsible E-waste management practices.	The Company has endorsed a robust and established Waste Management Policy specifically focused on E-waste. Under this policy, we have partnered with approved vendors who specialise in the appropriate disposal of electronic waste.	Non-compliance with E-waste handling rules can result in financial penalties.
3	Data Privacy and Security	Risk and opportunity	As a QRTA, the Company handles sensitive customer data. Ensuring robust data privacy and security measures is crucial to maintaining customer trust and compliance with relevant regulations.	The Company has implemented strong data protection controls including encryption, access control mechanisms, and employee training programs, to mitigate the risk of data breaches and compromise of data privacy.	Increased investment in robust controls can build and maintain trust with customers, leading to increased loyalty and long-term relationships. The identified risk, if not resolved could lead to fines or penalties, loss of customers, reputational damage, etc.
4	Workforce Diversity & Inclusion	Opportunity	A diverse and inclusive workforce can lead to enhanced creativity and innovation, better decision making, increased employee engagement and retention, attracting top talent, positive organisational culture and a socially responsible organisation.	The Company is an equal opportunity employer and does not discriminate its workforce on any grounds.	Improved financial performance on account of broader market reach, improved reputation and brand loyalty.
5	Employee Well-being	Opportunity	A safe and healthy work environment, work-life balance, and employee development opportunities are essential for employee satisfaction, productivity, and overall organizational success.	Prioritise employee well-being through initiatives like flexible work arrangements, mental health support, employee benefits/ facilities and professional development opportunities.	Improving employee well-being and creating an inclusive work environment can enhance productivity, reduce employee turnover, attract top talent leading to increased revenues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1.	**a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available.	P1: Code of Conduct for Directors and Senior Management - https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Code-of-Conduct-for-Directors-and-Senior-Management.pdf Corporate Social Responsibility (CSR) Policy - https://investor.kfintech.com/wp-content/uploads/2022/11/KFintech_CSR-Policy.pdf Policy on Board Diversity - https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Policy-on-Board-Diversity.pdf Whistle Blower and Vigil Mechanism Policy - https://investor.kfintech.com/wp-content/uploads/2022/07/KFintech_Whistle-Blower-and-Vigil-Mechanism-Policy.pdf Information Security Policy - https://investor.kfintech.com/wp-content/uploads/2022/11/Information-Security-Policy.pdf								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners?**	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
4.	**Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	The name of the national and international codes/certifications/labels/ standards are as follows: ISO/IEC 27001:2013 - Information security management systems ISO 9001:2015 : Quality management systems SOC 1 Type 2 and SOC 2 Type 2 - System and Organization Controls CMMI Level 3 - Capability Maturity Model Integration GPTW - Workplace Culture								
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	While the Company is yet to formally set its sustainability commitments, goals and targets, it will be taking conscious efforts to promote sustainability in business in the coming years. The Company is committed to be regulatorily compliant and ensure optimum utilisation of the available resources.								
6.	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	As target setting requires elaborate inputs from various stakeholders, the Company shall be setting and actively monitoring the performance against the commitments once the formal targets are set and disclosed in the future years.								
	Governance, leadership and oversight									
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)** Please refer to the message of Mr. Sreekanth Nadella, MD and CEO in the Annual Report Pg 25.									

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. Sreekanth Nadella, MD and CEO								
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Company endeavour's to further sustainable development goals in its CSR projects in line with the Corporate Social Responsibility Policy of the Company. The Corporate Social Responsibility Committee inter-alia monitors the implementation of the CSR Policy of the Company, including monitoring the progress of CSR projects / programmes.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other-please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Company's approved policies are reviewed by the Board and its committees annually or on need basis.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Board through its committees ensures that the Company complies with all applicable laws and statutory requirements on an annual basis.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide the name of the agency.

The Company conducts external audits periodically to comply with regulatory and statutory requirements. However, it has not yet conducted a specific independent audit on the National Guidelines on Responsible Business Conduct (NGRBC) principles.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPAL WISE PERFORMANCE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact *	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	6*	Business and Operational Performance Financial Results and Performance Business Units Walkthrough (Site Visits) Business Outlook and Strategy "FINTRAK" Walkthrough Statutory Environment Impact – Helped in taking more informed decisions.	100%
Employees other than BoD and KMPs	1780	Sensitization and Inclusion, Client success series, TRM crafted for GRMs, Project Management Impact – enhanced employee productivity	65.9%
Workers	NA	NA	NA

**Both for BoD's and KMPs*

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

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding fee		Reserve Bank of India	1,88,438	The KFin Technologies Limited incorporated in June 2017 and engaged in providing RTA services (deemed as financial sector services). In November 2018, NCLT, Hyderabad ratified a Composite Scheme of Amalgamation between Karvy Consultants Ltd. (KCL), Karvy Computershare Pvt. Ltd. (KCPL) and KFintech, for demerger of the RTA business vertical of KCL (including the equity investment of KCL in KCPL) and amalgamation of KCPL into	No

				KFintech. Consequently, KCPL's existing equity investment in a foreign entity viz. KFin Technologies (Malaysia) Sdn. Bhd., amounting to MYR 400,000 and USD 149,500 (totalling approx. MYR 1,000,000), was transferred to the applicant. However, since KFintech was a newly incorporated entity, it was unable to fulfil the criterion of having posted net profits for three financial years prior to such ODI (acquisition of stake in the foreign entity), under the extant framework governing ODI by Indian Parties in financial services sector. The lapse was taken on record by RBI, subject to compounding and compounding fee was imposed. The compounding fees were duly paid and the matter stands regularized.	

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	No fines/penalties as per SEBI regulations			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   None

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   KFin Technologies upholds a robust Code of Conduct and Business Ethics, ensuring employees refrain from bribery and corruption. Monitoring mechanisms are in place to oversee compliance. The policy also mandates transparent gift exchanges, requiring approval from HR for internal gifts and meticulous documentation of client gifts. This commitment to integrity aligns with the company's emphasis on professionalism, fairness, and legal compliance. The code addresses various aspects of ethical behavior, including confidentiality, records management, and prohibition of conflicts of interest and harassment.

   The policy can be accessed here: https://investor.kfintech.com/wp-content/uploads/2023/10/Code-of-Conduct-and-Business-Ethics.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   None

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not applicable as there were no issues related to fines/penalties.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	8	14

9. **Open-ness of business**

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	8.07%	0%
	b. Sales (Sales to related parties/ Total Sales)	1.30%	1.51%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	7.10%
	d. Investments (Investments in related parties/ Total Investments made)	18.24%	22.26%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.**

   Yes; KFintech has a "Code of Conduct for Directors and Senior Management" that emphasizes integrity, objectivity, and responsibility in decision-making processes, ensuring the company's interests are utmost important. Directors and senior management are expected to uphold ethical standards, exercise independent judgment, and disclose relevant information. The code delineates roles, functions, and duties, including responsibilities for performance evaluation and financial integrity. It prohibits conflicts of interest and unethical behavior and mandates an annual affirmation of compliance.

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Parameter	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	None		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

10%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste and (d) other waste

This is not relevant to the company's operations as it primarily focuses on IT services rather than manufacturing physical products. As the company delivers services through its office-based operations, it procures off-the-shelf items or products, which are disposed of following sustainable waste management practices once they reach the end of their lifecycle.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
No Life Cycle Assessments were conducted during the financial year.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2023-24	FY 2022-23
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste		3.62			13.52	
Hazardous waste	Not Applicable					
Other waste-paper		40.47			68.13	

Note: *As KFin Technologies does not manufacture physical products, the above waste is generated as part of its normal operations.*

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	4,135	4,135	100%	4,135	100%	NA	-	4,135	100%	4,135	100%
Female	1,464	1,464	100%	1,464	100%	1,464	100%	NA	-	1,464	100%
Total	**5,599**	**5,599**	**100%**	**5,599**	**100%**	**1,464**	**26.14%**	**4,135**	**73.85%**	**5,599**	**100%**
Other than Permanent employees											
Male	406	406	100%	406	100%	-	-	0	0%	0	0%
Female	252	252	100%	252	100%	252	100%	0	0%	0	0%
Total	**658**	**658**	**100%**	**658**	**100%**	**252**	**38.29%**	**0**	**0%**	**0**	**0%**

b. Details of measures for the well-being of workers:

The Company does not employ any workers

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.57%**	0.51%**

**Group personal accident policy, Group life Insurance plan, Group Mediclaim policy, day care facilities, employee wellness are considered for well-being of our employees.*

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	40%	NA	Yes	52%	NA	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company adheres to a comprehensive Code of Conduct policy that upholds principles of professional ethics, fairness, and transparency among all employees. The organization remains committed to compliance with the Rights of Persons with Disabilities Act, 2016, ensuring equal opportunities for individuals with disabilities. This policy aims to provide fair and equitable opportunities for all employees, regardless of any disabilities they may have. The aforesaid policy can be accessed here: https://investor.kfintech.com/wp-content/uploads/2023/08/Kfintech_Human-Rights-Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	98%
Female	99%	95%
Total	100%	97%

**The Company does not have any permanent workers.*

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent Employees	Yes, employees can raise their grievances through email on grievance@kfintech.com. The grievances are addressed by the concerned stakeholders within the stipulated timelines.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company does not have any employee's association. However, the Company acknowledges and respects the right to freedom of association, and it does not discourage or impede collective bargaining.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4,135	737	17.8%	3,714	89.8%	3,879	990	25.5%	2,625	67.70%
Female	1,464	492	33.6%	1,336	91.3%	1,248	350	28%	922	73.90%
Total	**5,599**	**1,229**	**21.95%**	**5,050**	**90.19%**	**5,127**	**1,340**	**26.1%**	**3547**	**69.20%**

**The company does not employ any workers.*

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,135	3,019	73%	3,879	3,542	91.31%
Female	1,464	908	62%	1,248	1,120	89.74%
Total	**5,599**	**3,927**	**70.1%**	**5,127**	**4,662**	**90.9%**

**The company does not employ any workers.*

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes; the Company has implemented a comprehensive occupational health and safety management system to ensure workplace safety for its employees. Due to the nature of business, there are no significant occupation related health risks within the office premises. Nevertheless, the Company periodically reviews the effectiveness of its internal safety systems.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company encourages employee feedback on safety and health matters, fostering a collaborative effort to uphold a secure and healthy workplace environment. Fire drills are conducted periodically at the premises to assess and minimize risks. Additionally, employees receive comprehensive first aid training to manage critical situations.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business operations the company is into, no workers are employed and the employees are typically not exposed to work related hazards.

Nevertheless, as a proactive measure, the company conducts regular fire drills and offers training sessions to empower our employees with the necessary skills to safely mitigate any potential risks.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, KFintech has implemented the following measures:

1. **Safety Policies and Procedures:**
   The company has established comprehensive EHS policies and SOPs covering areas like security, access control, and emergency response.

2. **Risk Assessments:**
   Regular assessments are conducted to identify potential threats to employee health and safety, as outlined in our crises management and business continuity program.

3. **Safety Equipment and Facilities:**
   Necessary safety equipment and facilities, including personal protective gear and firefighting equipment, are provided to employees.

4. **Incident Reporting and Investigation:**
   Clear procedures, such as root cause analysis (RCA), are in place for employees to report incidents. This proactive approach enables us to investigate root causes, identify trends, and take corrective actions.

   Through these measures, KFintech demonstrates its commitment to fostering a safe and healthy workplace environment, prioritizing employee well-being and risk mitigation.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

There were no significant risks or concerns that were reported from the above assessments. However, any concerns on the above parameters are addressed by the concerned departments in a time bound manner.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers(Y/N).

Yes; the entity extends life insurance or compensatory package in case of death of employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company diligently ensures that all pertinent statutory payments related to its partners are accurately deducted and deposited in compliance with regulatory standards. This process is subject to rigorous examination through both internal and statutory audits. Furthermore, the company expects its partners across the value chain to adhere to principles of business responsibility, maintaining the highest levels of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil

**The company does not employ any workers.*

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No assessments were conducted during the financial year.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable.

PRINCIPLE 4: Business should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholder groups within the entity involves recognizing individuals, groups, or institutions that significantly contribute to the business chain of the Company. This includes employees, shareholders, investors, customers, channel partners and key collaborators, regulatory bodies, financial institutions, research analysts, local communities, and suppliers, among others.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Newspaper advertisements, Meetings	Annually / Half Yearly / Quarterly / Need Basis	Financial and Business performance
Clients	No	Email, Mobile Apps, Surveys, Websites, Face to face meetings	Annually / Half Yearly / Quarterly / Monthly/ Weekly/ Need basis	Products / Service delivery
Employees	No	Internal communications	Frequently	Team building, Town Halls, career growth, skill development trainings, safe workplace
Society	No	Meeting, Newspaper, Notices	As and when required	Implementation of CSR activities promoting education, preventive health care and sanitation, and Ecological balance and animal welfare
Government and regulatory authorities	No	Meeting, Newspaper, Notices	As and when required	Industry representations, and meetings

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Our Company strongly values maintaining ongoing engagement with its primary stakeholders to enhance communication regarding its performance and strategy. As part of this commitment, our Company actively seeks opportunities to interact with key stakeholders to gain insights into their perspectives, concerns, grievances, and suggestions regarding the environmental, social, and governance (ESG) material issues. The exchange of ideas and information between stakeholders, company management, and board members, as well as interactions with officials, occurs through a diverse range of engagement channels.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company identifies the environmental and social activities in active engagement with the key stakeholder groups.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Project 1: The company actively engages with the communities through its CSR committee and understands the concerns of the vulnerable or marginalized groups. The CSR committee through its CSR initiatives has been instrumental in providing the needed encouragement to students belonging to the tribal communities. With this endeavour, the company distributed 21 laptops to deserving students of Jinnaram Tribal Welfare Boys' School and honored their achievements.

   Project 2: To foster a sense of inclusion and the required exposure, a group of 91 food science students from TTWRDC Women's college were taken to the National Institute of Nutrition at Hyderabad. The participants were provided with an enthralling session on the significance of maintaining optimal hemoglobin levels in adults, shedding light on critical aspects of nutrition and health.

   Project 3: With a view to narrowing down the gap between theoretical knowledge and real world application, visit to CSIR-IICT, Hyderabad was arranged by the CSR committee. With these interactions, the company played a pivotal role by providing the needed exposure to 83 students from the marginalised communities and encouraged them to be successful in their professional careers.

   Project 4: A visit to T – Hub - India's largest start up incubator and a leading innovation ecosystem builder headquartered in Hyderabad, was arranged for 63 students from Mahabubabad Degree college for Women along with 04 faculty and 06 volunteers. T Hub serves as a catalyst for entrepreneurship and technological innovation, providing start-ups with access to resources, mentorship, and networking opportunities.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	5,599	5,599	100%	5,127	5,127	100%
Other than permanent	658	0	0%	513	0	0%
Total Employees	**6,257**	**5,599**	**89.48%**	**5,640**	**5,127**	**91%**

**The company does not employ any workers.*

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	4,135	197	4.76%	3,938	95.24%	3,879	164	4.23%	3,715	95.74%
Female	1,464	123	8.40%	1,341	91.60%	1,248	81	6.49%	1,167	93.39%
Other than Permanent										
Male	406	156	38.42%	250	61.58%	339	209	61.65%	130	38.35%
Female	252	132	52.38%	120	47.62%	174	116	66.67%	58	33.33%

**The company does not employ any workers.*

3. Details of remuneration/ salary/ wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	2,550,000	1	1,410,000
Key Managerial Personnel	1	21,690,000	1	3,100,000
Employees other than BoD and KMP	4,133	330,000	1,463	275,004
Workers	NA	NA	NA	NA

***Non-executive directors not drawing any remuneration and directors who left during the financial year have been excluded from the edian calculation.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	26.38%	23.50%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes; the Human Resource department is responsible for addressing human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can report human rights grievances directly to the grievance committee at grievance@kfintech.com. Other stakeholders can report their grievances under the Company's Whistle Blower policy. The committee reviews the grievances and appropriate action is taken within stipulated timelines.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	NA	-	1	Nil	-
Discrimination at workplace	Nil	NA	-	Nil	NA	-
Child Labour	Nil	NA	-	Nil	NA	-
Forced Labour/ Involuntary Labour	Nil	NA	-	Nil	NA	-
Wages	Nil	NA	-	Nil	NA	-
Other Human Rights related issues	Nil	NA	-	Nil	NA	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	1
Complaints on POSH as a % of female employees / workers	0%	0.07%
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases.

The company has a reporting mechanism in place where employees can report any incidents regarding discrimination and harassment at grievance@kfintech.com

There is a robust POSH policy in place to prevent cases of sexual harassment.

The policy stands by the company's commitment to providing a safe, secure, and compatible work environment free from sexual harassment. The policy is framed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, and the rules framed thereunder.

The policy emphasizes confidentiality, fair inquiry procedures, and disciplinary actions against perpetrators while providing support to aggrieved persons. Aggrieved employee may file a written complaint of harassment to an Internal committee to address the issues of harassment. The policy can be accessed here https://investor.kfintech.com/wp-content/uploads/2023/10/Kfintech_Policy-on-Prevention-of-Sexual-Harassment-at-workplace.pdf

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others-please specify	Nil

11. Provide details of any corrective actions taken or underway to address significant risks/ concerning arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company has not received any complaints or grievances pertaining to human rights violations during the financial year.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

KFintech maintains a zero-tolerance policy towards human rights issues. The company adheres to all government regulations and regulatory policies, ensuring compliance with applicable local and national laws, including collective bargaining agreements, through its established policies and standards

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others-please specify	Nil

**The Company has not formally assessed its value chain partners on the above parameters, however it internally monitors compliance with relevant policy requirements.*

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption **(A)**	GJ	Nil	Nil
Total fuel consumption **(B)**	GJ	Nil	Nil
Energy consumption through other sources **(C)**	GJ	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**GJ**	**Nil**	**Nil**
From non-renewable sources			
Total electricity consumption **(D)**	GJ	14,416.34	12,577.39
Total fuel consumption **(E)**	GJ	64.27	100.35
Energy consumption through other sources **(F)**	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	14,480.61	12,677.74
Total energy consumed (A+B+C+D+E+F)	**GJ**	**14,480.61**	**12,677.74**
Energy intensity per million rupee of turnover (Total energy consumption/ turnover in rupees)	**GJ/ million INR**	1.78	1.79
Energy intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)*	**GJ/ million INR**	40.8	41.65
Energy intensity in terms of physical output		NA	NA
Energy intensity *(In terms of full time employees)* - the relevant metric may be selected by the entity		2.31	2.25

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Ground Water	5,815.57	4,475.8
(iii) Third Party Water	628.67	2,983.8
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6,444.24	7,459.60
Total volume of water consumption (in kilolitres)	**6,444.24**	**7,459.60**

Parameter	FY 2023-24	FY 2022-23
Water intensity per million rupee of turnover (Total Water consumption / Revenue from operations) (KL per Million INR)	0.79	1.03
Water intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)*	18.18	24.51
Water intensity in terms of physical output	NA	
Water intensity (In terms of full time employees) – the relevant metric may be selected by the entity	1.02	1.32

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.*

4. Provide the following details related to water discharged:

Not Applicable

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment-please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment-please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment-please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment-please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment-please specify level of treatment	Nil	Nil
Total water discharge (in kilolitres)	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Considering the nature of business and the sector, the Company does not release any untreated effluents.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm3	177	-
SOx	mg/Nm3	32.2	-
Particulate matter (PM)	mg/Nm3	42.1	-
Persistent organic compounds (POP)	mg/Nm3	-	-
Volatile organic compounds (VOC)	mg/Nm3	1.2	-
Hazardous air pollutants (HAP)	mg/Nm3	-	-
Others-please specify-CO	mg/Nm3	21	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, by Startech Labs Pvt. Ltd from FY 2024 onwards.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	15.88	24.80
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,867.25	2,829.80
Total Scope 1 and Scope 2 emission intensity per million rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Mt/million INR	0.35	0.40
Total Scope 1 and Scope 2 emission intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*	Mt/million INR	8.13	9.37
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (in terms of full time employees) – the relevant metric may be selected by the entity		0.46	0.50

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.*

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

None

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	3.62	10.8
Bio-medical waste (C)		
Construction and demolition waste (D)	NA	35.16
Battery waste (E)	NA	2.72
Radioactive waste (F)	NA	NA

Parameter	FY 2023-24	FY 2022-23
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) Paper	40.47	68.13
Total (A+B + C + D + E + F + G + H)	**44.09**	**116.81**
Waste intensity per million rupee of turnover (Total waste generated / Revenue from operations)	**0.005**	**0.018**
Waste intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	**0.12**	**0.42**
Waste intensity in terms of physical output	NA	NA
Waste intensity (in terms of full time employees) – the relevant metric may be selected by the entity	**0.007**	**0.02**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i)Recycled	44.09	81.65
(ii)Re-used	NA	NA
(iii)Other recovery operations	NA	NA
Total	**44.09**	**81.65**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i)Incineration	NA	NA
(ii)Landfilling	NA	NA
(iii)Other disposal operations	NA	35.16
Total	**NA**	**35.16**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.*

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Due to the nature of our business, no hazardous or toxic chemicals are produced. However, the Company has efficient systems in place to ensure the proper and effective disposal of waste.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)
None of the offices/premises are located in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable, as no impact assessments were undertaken in FY 2024.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress, provide the following information:

i) Name of the area

ii) Nature of operations

iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable, as none of the facilities/premises are located in water stress/intensive areas.

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
i) Surface Water	NA	NA
ii) Ground Water	NA	NA
iii) Third Party Water	NA	NA
iv) Seawater / desalinated water	NA	NA
v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**NA**	**NA**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

No

2. Pl.ease provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	222.67**	Not Available
Total Scope 3 emissions per million rupee of turnover	Mt/million INR	0.027**	Not Available
Total Scope 3 emission intensity (in terms of full time employees) – the relevant metric may be selected by the entity	-	0.035	Not Available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

***KFintech started undertaking the assessment on Scope 3 GHG inventory from FY 2024 onwards.*

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable; as none of the premises/offices are located in/ around ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Usage of Electric Vehicles (EVs) for official visits.	As part of this sustainability initiative, KFin is effectively incorporating EVs into their potential official visits, averaging 20 bookings per month.	Helps in reducing the company's Scope 3 Emissions. 5,965.163 miles have been covered so far through this initiative.
2	Sustainability Program for Employees	This is a 30 days program, wherein all employees get engaged in creative task and are provided educational materials fostering knowledge on sustainability.	Motivated by this program, employees have begun adopting sustainable practices in both their personal and work spaces.
3	STP functional initiative	The initiative focuses on treating and reducing the generated used water within the premises itself.	This has led to the accomplishment of zero liquid discharge outside the building.
4	Implementation of Sun control films	Energy efficiency initiative	This initiative has proven effective in reducing heat from the sun, thereby enhancing energy efficiency and comfort levels within the premises.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the company has a business continuity and disaster management plan in place. The Company has a disaster recovery site at Bengaluru, Karnataka, built to ensure business continuity across all the entity's critical functions in the event of a disaster. This site is connected on a real time basis, ensuring continuous availability, data replication and redundancy.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact to the environment were identified arising from the value chain of the entity.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   One affiliation

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Registrar Association of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	None	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
KFintech collaborates with industry associations such as the Registrar Association of India to advocate for policies relevant to its sector. Designated representatives within the company are tasked with engaging with these associations and managing governmental relations. Through these partnerships, the company actively works to promote equitable and beneficial policies that support the advancement of the entire industry.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

   None

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company does not create any direct impacts on the communities owing to its nature of business. However, it actively monitors the CSR projects through which the concerns of the communities are heard and considered.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	40%	40%
Directly from within India (Sourced directly from within the district and neighbouring districts)	20%	20%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Parameter	FY 2023-24	FY 2022-23
Rural	-	-
Semi-urban	-	-
Urban	7.3%	4.9%
Metropolitan	92.7%	95.1%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
Nil			

***The company has not engaged in CSR activities in the designated aspirational districts endorsed by Niti Ayog, particularly in the Telangana Region.*

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/ No)

No, we do not have a preferential procurement policy that prioritizes suppliers from marginalized or vulnerable groups. As a publicly listed company, our main goal is to provide top-notch services to our clients and investors without compromising on quality to maintain the trust and confidence of all stakeholders.

While we do not offer preferential treatment based on social criteria, we are dedicated to supporting MSMEs in accordance with all legal obligations. Ensuring compliance with legal requirements, we strive to foster an inclusive and fair procurement environment that benefits all vendors.

b. From which marginalized /vulnerable groups do you procure?

We maintain an inclusive approach in our procurement practices, collaborating with vendors who demonstrate a commitment to delivering best in class services and products.

c. What percentage of total procurement (by value) does it constitute?

Not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Solar farm, Skill Development, KFintech Scholarships	3,127	100%
2	Skill Development, KFintech Scholarships	1,950	62.36%
3	Hygiene needs (Sanitary dispensing and disposal machines)	1,177	37.63%
4	Satpura Tiger Reserve	819	100%
5	Healthcare and Underprivileged Children Education	78	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The company provides services to its clients' investors and has implemented mechanisms to address consumer complaints and feedback. Dedicated resources monitor investor complaints to prevent delays in ATR posting. A Quality & Surveillance Audit ensures proper resolution, and an internal TAT for complaint redressal is established. Daily Inflow/Outflow MIS Reports are sent to unit managers, with internal governance calls held twice daily to monitor TAT.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, Safe and responsible usage and Recycling and/or safe disposal.**

Not Applicable

3. **Number of consumer complaints in respect of the following:**

Category	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	NA	-	Nil	NA	-
Advertising	Nil	NA	-	Nil	NA	-
Cyber-security	Nil	NA	-	Nil	NA	-
Delivery of essential services	13	0	-	16	0	-
Restrictive Trade Practices	Nil	NA	-	Nil	NA	-
Unfair Trade Practices	Nil	NA	-	Nil	NA	-
Other -	11,061	151	Refer Note	11,170	67	Refer Note

***Note:** The complaints are primarily related to the service requests received from end users of the Companies or Mutual Funds serviced by the Company.*

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, KFintech has implemented a comprehensive security framework for Information & Cyber Security, adhering to industry standards such as ISO 27001:2013 for Information Security Management Systems. The framework includes well-defined Policies and Procedures, which are regularly reviewed and updated to ensure alignment with evolving standards and best practices. The management approves these documents, and version is maintained to track any changes made. Additionally, KFintech has successfully completed SOC 1 Type 2 and SOC 2 type 2 assessment. This significant milestone demonstrates unwavering commitment to data security, privacy, and transparency. The evaluation was performed by Deloitte for FY 23-24.

SOC 2 Type 2 certification comprises a detailed evaluation, conducted by an independent auditor, of our internal control policies and practices over a defined time frame of one year. This rigorous review confirms that we comply with the strict requirements outlined by the American Institute of Certified Public Accountants (AICPA).

Beyond mere compliance, SOC 2 Type 2 certification serves as a symbol of trust and transparency in our constantly changing digital landscape. The resulting report demonstrates that our security and confidentiality controls meet or exceed AICPA-established requirements.

Our commitment to safeguarding sensitive data is now backed by an independent assessment by Deloitte. Customers and prospects can trust that we have the necessary security controls in place to protect their information and we can quickly detect and respond to anomalies, security incidents, and potential risks if any. The aforesaid policy on information security can be accessed here:

https://investor.kfintech.com/wp-content/uploads/2022/11/Information-Security-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

0%

c. Impact, if any, of the data breaches

Not Applicable

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information on products and services can be accessed at https://www.kfintech.com/

   Additionally, the company utilizes various social media and digital platforms to raise awareness of its services.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

   Regular reminders are sent to investors for updating KYC information in compliance with the SEBI Circular, as well as for completing the dematerialization process.

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

   The company informs the customers in event of any disruption/discontinuation of essential services via Emails and SMS.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   The company provides information about services as mandated by legal requirements. Distributors and Investors are encouraged to rate the Company's services on satisfaction levels.

Independent Auditor's Report

To the Members of KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 35 of the standalone financial statements, where 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 Third Party's demat account through an off-market transaction without any authorisation from the Client. The Board of Directors of the Company after considering legal advice transferred 1,294,489 shares to the escrow account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares issued in October 2021, by ₹ 300 million (refer Note 19 to the standalone financial statements), pursuant to an indemnity clause mentioned in the agreement for the issuance of such Redeembale Preference Shares. The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred to the Client.

The Company has recognised an amount of ₹ 78.41 million as a provision as of 31 March 2024 in the standalone financial statements related to potential claims by the Client (including dividends on such shares for the earlier periods). Pending the final settlement of terms to be agreed with the Client, the Company has measured the said provision at its best estimate. The Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company in connection with this matter upon completion of final settlement with the Client.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key audit matter

See Note 2(K) to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is a key performance measure for the Company. Revenue is generated from two key services namely registry services and data processing services. Revenue is recognised as per the terms of the contract with the respective customers and when it meets the recognition criteria as per Ind AS 115 on "Revenue from contracts with customers". There exists a risk of revenue not being recognised in proportion to the service performed by the Company. Further, revenue may also be recorded in an incorrect period or on a basis which is inconsistent with the contractual terms agreed with the customers.	Our audit procedures included the following: 1. Assessed the Company's revenue recognition policies for compliance with Ind AS. 2. Evaluated the design and implementation and tested the operating effectiveness of the relevant key internal controls with respect to revenue recognition 3. Performed substantive testing on samples selected using statistical sampling method for revenue transactions recorded during the year by testing the underlying documentation/ records; 4. Involved our information technology specialists to test the general information technology controls and key application controls surrounding revenue recognition; 5. Tested on a sample basis using statistical sampling method, specific revenue transactions recorded before and after the financial year end date to check revenue recognition in the correct financial period; and 6. Carried out year on year variance analysis on revenue recognised during the year to identify unusual variances.

OTHER INFORMATION

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of one accounting software which forms part of the 'books of account and other relevant books and papers in electronic mode' has not been kept for certain days during the year on the servers physically located in India.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. As stated in Note 61 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

(a) The feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for the accounting software used for financial reporting (SAP HANA).

(b) In the absence of Type 1 or Type 2 reports (for the period from 1 January 2024 to 31 March 2024) in relation to the controls at the service organization for accounting software used for maintaining the books of account relating to payroll process, which are operated by a third-party service provider, we are unable to comment whether the audit trail feature for the said software was enabled and operated for the period from 1 January 2024 to 31 March 2024 for all transactions recorded in the software.

Further, for the accounting softwares for which audit trail (edit log) feature was enabled and operated, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R and Co
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:24218685BKGPOH2019

Place: Mumbai
Date: 29 April 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering registrar and transfer agency services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. However, based on the e-mail confirmations received from the banks, the Company is not required to file any quarterly returns or statements since the Company has not availed the working capital limits so sanctioned at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security or granted any loans, or any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. The Company has made investments in companies and other parties during the year. The Company has not made any investments in firms and limited liability partnerships.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of deposit of professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income taxes	4.75	AY 2008-09 FY 2007-08	High Court of Telangana
Income-tax Act, 1961	Income taxes	0.91	AY 2016-17 FY 2015-16	The Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income taxes	1.09	AY 2017-18 FY 2016-17	The Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income taxes	3.11	AY 2018-19 FY 2017-18	Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi
Income-tax Act, 1961	Income taxes	0.73	AY 2022-23 FY 2021-22	The Deputy Commissioner of Income Tax, Hyderabad
Goods and Services Tax Act, 2017	Goods and Services Tax	122.44	FY 2017-18	The Commissioner (Appeals) of GST, Hyderabad

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate as defined under the Act. The Company did not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2024.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company (as defined under the Act). The Company did not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2024.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) There is no Core Investment Company (CIC) as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R and Co
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:24218685BKGPOH2019

Place: Mumbai
Date: 29 April 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the year ended 31 March 2024

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

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For B S R and Co
Chartered Accountants
Firm’s Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:24218685BKGPOH2019

Place: Mumbai
Date: 29 April 2024

Standalone Balance Sheet

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3	476.63	392.81
Capital work in progress	3	-	0.21
Right-of-use assets	6	439.29	260.11
Goodwill	4	5,162.56	5,162.56
Other intangible assets	5	1,063.79	693.74
Intangible assets under development	5	357.45	397.50
Financial assets			
(i) Investments	7	829.16	679.16
(ii) Other financial assets	8	67.53	50.98
Non-current tax assets (net)	9	74.49	305.21
Other non-current assets	10	56.09	7.24
Total non-current assets		**8,526.99**	**7,949.52**
(2) Current assets			
Financial assets			
(i) Investments	11	1,418.82	2,220.66
(ii) Trade receivables	12	1,435.01	1,176.43
(iii) Cash and cash equivalents	13	466.35	570.00
(iv) Bank balances other than cash and cash equivalents	14	1,912.23	150.10
(v) Other financial assets	15	179.17	196.85
Other current assets	16	235.48	174.46
Total current assets		**5,647.06**	**4,488.50**
TOTAL ASSETS		**14,174.05**	**12,438.02**
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	17	1,709.89	1,692.29
Other equity	18	9,706.63	7,024.33
Total equity		**11,416.52**	**8,716.62**
LIABILITIES			
(2) Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	6	377.56	248.05
Provisions	20	0.08	-
Deferred tax liabilities (net)	33	1,226.85	1,212.11
Total non-current liabilities		**1,604.49**	**1,460.16**
(3) Current liabilities			
Financial liabilities			
(i) Borrowings	19	-	1,300.69
(ii) Lease liabilities	6	100.70	40.75
(iii) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		1.92	0.13
- Total outstanding dues of creditors other than micro enterprises and small enterprises		399.69	246.79
(iv) Other financial liabilities	22	382.41	351.61
Other current liabilities	23	140.19	120.82
Provisions	24	78.49	51.85
Current tax liabilities (net)	25	49.64	148.60
Total current liabilities		**1,153.04**	**2,261.24**
Total liabilities		**2,757.53**	**3,721.40**
TOTAL EQUITY AND LIABILITIES		**14,174.05**	**12,438.02**
Summary of material accounting policies	2		

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

As per our Report of even date attached

***for* B S R and Co**
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685
Place: Mumbai
Date: 29 April 2024

Vishwanathan M Nair
Chairman
DIN: 02284165
Place: Mumbai
Date: 29 April 2024

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728
Place: Florence, Italy
Date: 29 April 2024

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454
Place: Mumbai
Date: 29 April 2024

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191
Place: Mumbai
Date: 29 April 2024

Standalone Statement of Profit and Loss

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
I. Revenue from operations	26	8,108.27	6,964.50
II. Other income	27	239.21	170.40
III. Total Income (I+II)		**8,347.48**	**7,134.90**
IV. Expenses			
Employee benefits expense	28	2,971.62	2,723.09
Finance costs	29	83.25	106.12
Depreciation, impairment and amortisation expense	30	486.21	434.48
Other expenses	31	1,554.98	1,277.11
Total Expenses (IV)		**5,096.06**	**4,540.80**
V. Profit before tax (III-IV)		**3,251.42**	**2,594.10**
VI. Tax expense:			
Current tax	33	780.42	636.41
Deferred tax	33	16.76	(4.84)
		797.18	**631.57**
VII. Profit for the year (V-VI)		**2,454.24**	**1,962.53**
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(7.98)	(6.39)
Income tax on above		2.01	1.61
Total other comprehensive income for the year, net of tax		**(5.97)**	**(4.78)**
IX. Total comprehensive income for the year (VII+VIII)		**2,448.27**	**1,957.75**
X. Earnings per equity share (face value of ₹ 10 each, fully paid-up)	32		
- Basic		14.42	11.69
- Diluted		14.30	11.55
Summary of material accounting policies	2		

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

As per our Report of even date attached

***for* B S R and Co**
Chartered Accountants
ICAI Firm Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685

Place: Mumbai
Date: 29 April 2024

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Vishwanathan M Nair
Chairman
DIN: 02284165

Place: Mumbai
Date: 29 April 2024

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728

Place: Florence, Italy
Date: 29 April 2024

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454

Place: Mumbai
Date: 29 April 2024

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Standalone Statement of Changes in Equity

(All amounts are in ₹ millions, unless otherwise stated)

(i) For the year ended 31 March 2024

Particulars	Equity share capital	Other equity							Total other equity
		Share application money pending allotment	Reserves and surplus						
			Securities premium	Capital reserve	Capital redemption reserve	Retained earnings	General reserve	Share based payment reserve	
Opening balance as at 1 April 2023	**1,692.29**	**6.80**	**5,264.73**	**0.10**	**149.88**	**1,388.10**	**75.00**	**139.72**	**7,024.33**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2023	**1,692.29**	**6.80**	**5,264.73**	**0.10**	**149.88**	**1,388.10**	**75.00**	**139.72**	**7,024.33**
Profit for the year	-	-	-	-	-	2,454.24	-	-	2,454.24
Other comprehensive income for the year	-	-	-	-	-	(5.97)	-	-	(5.97)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,448.27**	**-**	**-**	**2,448.27**
Premium received on exercise of employee stock options	-	-	205.12	-	-	-	-	-	205.12
Exercise of employee stock options [Refer Note 44]	17.60	(1.82)	74.41	-	-	-	-	(74.41)	(1.82)
Share based payments - Equity settled [Refer Note 44]	-	-	-	-	-	-	-	30.73	30.73
Transfer on account of buy back of redeemable preference shares (RPS)	-	-	-	-	0.20	(0.20)	-	-	-
Balance as at 31 March 2024	**1,709.89**	**4.98**	**5,544.26**	**0.10**	**150.08**	**3,836.17**	**75.00**	**96.04**	**9,706.63**

Standalone Statement of Changes in Equity (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

(ii) For the year ended 31 March 2023

Particulars	Equity share capital	Other equity							Total other equity
		Share application money pending allotment	Reserves and surplus						
			Securities premium	Capital reserve	Capital redemption reserve	Retained earnings	General reserve	Share based payment reserve	
Opening balance as at 1 April 2022	**1,675.69**	**-**	**5,005.94**	**0.10**	**149.88**	**(569.65)**	**75.00**	**120.50**	**4,781.77**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	**1,675.69**	**-**	**5,005.94**	**0.10**	**149.88**	**(569.65)**	**75.00**	**120.50**	**4,781.77**
Profit for the year	-	-	-	-	-	1,962.53	-	-	1,962.53
Other comprehensive income for the year	-	-	-	-	-	(4.78)			(4.78)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,957.75**	**-**	**-**	**1,957.75**
Premium received on exercise of employee stock options	-	-	189.06	-	-	-	-	-	189.06
Exercise of employee stock options [Refer Note 44]	16.60	6.80	69.73	-	-	-	-	(69.73)	6.80
Share based payments - Equity settled [Refer Note 44]	-	-	-	-	-	-	-	88.95	88.95
Balance as at 31 March 2023	**1,692.29**	**6.80**	**5,264.73**	**0.10**	**149.88**	**1,388.10**	**75.00**	**139.72**	**7,024.33**

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

As per our Report of even date attached

***for* B S R and Co**
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685
Place: Mumbai
Date: 29 April 2024

Vishwanathan M Nair
Chairman
DIN: 02284165
Place: Mumbai
Date: 29 April 2024

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728
Place: Florence, Italy
Date: 29 April 2024

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454
Place: Mumbai
Date: 29 April 2024

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191
Place: Mumbai
Date: 29 April 2024

Standalone Statement of Cash Flows

(All amounts are in ₹ millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A.	Cash flows from operating activities		
	Profit before tax	**3,251.42**	**2,594.10**
	Adjustments for:		
	Depreciation, impairment and amortisation expense	486.21	434.48
	Loss/ (profit) on sale of property, plant and equipment, net	(0.10)	1.04
	Interest income	(65.58)	(3.16)
	Dividend income from mutual funds	(166.36)	(88.29)
	Interest income from unwinding of discount on deposits	(2.71)	(3.51)
	Liabilities no longer required written back	(1.15)	(0.01)
	Income on derecognition of Right-of-use assets and lease liability	(0.40)	(12.88)
	Foreign exchange loss (net)	2.70	1.85
	Finance costs	83.25	106.12
	Reversal towards credit loss allowance on trade receivables and other financial assets	(53.23)	(32.27)
	Credit impaired receivables written-off	87.61	15.65
	Advances/ deposits written-off	1.78	1.17
	Share based payment expenses	14.99	79.93
	Operating profit before working capital changes	**3,638.43**	**3,094.22**
	Working capital adjustments:		
	Increase in trade receivables	(295.69)	(93.98)
	Decrease/ (increase) in other current financial assets	55.88	(1.58)
	Decrease in loans	-	1.41
	(Increase)/ decrease in other non-current financial assets	(17.38)	8.36
	Increase in other assets	(112.62)	(84.80)
	Increase in trade payables	155.84	7.56
	Increase in other current financial liabilities	40.37	44.06
	Increase/ (decrease) in other current liabilities	19.37	(35.86)
	Increase/ (decrease) in provisions	18.74	(66.96)
	Cash generated from operations	**3,502.94**	**2,872.43**
	Income taxes paid, net of refund received	(639.58)	(552.27)
	Net cash generated from operating activities (A)	**2,863.36**	**2,320.16**
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment (including movement in capital work-in-progress, capital advances and capital creditors)	(274.74)	(227.31)
	Proceeds from sale of property, plant and equipment	2.66	6.94
	Purchase of intangible assets (including intangible assets under development)	(522.00)	(428.60)
	Investment in subsidiaries	(150.00)	(75.00)
	Investment in associate	-	(65.00)
	Fixed deposits placed with banks, net	(1,753.96)	(150.97)
	Redemption/ (investment) in mutual funds, net	801.84	(1,289.83)
	Interest income	12.79	3.16
	Dividend income from mutual funds	166.36	88.29
	Net cash used in investing activities (B)	**(1,717.05)**	**(2,138.32)**
C.	Cash flows from financing activities		
	Payment of principal portion on lease liabilities	(92.09)	(106.64)
	Interest on lease liabilities	(38.57)	(26.88)
	Buyback of redeemable preference shares (including taxes on buyback)	(1,340.20)	-
	Proceeds from exercise of employee stock options	220.90	212.46
	Net cash (used in)/ generated from financing activities (C)	**(1,249.96)**	**78.94**
D.	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(103.65)**	**260.78**
	Cash and cash equivalents at the beginning of the year	570.00	309.22
	Cash and cash equivalents at the end of the year	**466.35**	**570.00**

Standalone Statement of Cash Flows (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
E.	**Reconciliation of Cash and Cash equivalents with the Balance Sheet (Refer Note 13)**		
	Cash on hand	-	-
	Balance with banks:		
	(i) in current accounts	116.23	570.00
	(ii) in deposits	350.12	-
		466.35	**570.00**
F.	**Reconciliation of liabilities arising from financing activities**		
	Opening balance		
	Lease liabilities	288.81	356.58
	Redeemable preference shares	0.20	0.20
	Premium on Redeemable preference shares	1,300.49	1,224.94
	Cash movement		
	Lease liabilities	(130.66)	(133.52)
	Redeemable preference shares	(0.20)	-
	Premium on Redeemable preference shares	(1,340.00)	-
	Non-cash movement		
	Lease liabilities	320.11	65.75
	Redeemable preference shares	-	-
	Premium on Redeemable preference shares	39.51	75.55
	Closing balance		
	Lease liabilities	478.26	288.81
	Redeemable preference shares	-	0.20
	Premium on Redeemable preference shares	-	1,300.49

Non-cash movement represents:

- with respect to lease liabilities, addition of new leases, deletion of existing leases and accrual of interest on lease liabilities. Refer Note 6(B) for details.
- with respect to redeemable preference shares, premium payable on redemption. Refer Note 19 for details.

Notes:

1) The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flows".
2) Cash comprises cash on hand, balances with banks in current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

As per our Report of even date attached

***for* B S R and Co**
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685

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Managing Director & Chief Executive Officer
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Chief Financial Officer
Membership no.: A089454

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Florence, Italy
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

1. Reporting entity

KFin Technologies Limited ("the Parent Company") (formerly known as KFin Technologies Private Limited) was incorporated on 08 June 2017 at Hyderabad, India. The Company's registered office is at Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, "Rangareddy", Telangana 500032. The Company is engaged in providing service of Registrar to the Public Issue of Securities, Registrar to the Securities Transfers, and back office operations to mutual fund houses and data processing activities.

The Company was converted into a public limited company under the Companies Act, 2013 on 24 February 2022 and consequently, the name was changed to "KFin Technologies Limited".

2. Summary of Material Accounting Policies

A. Basis of preparation and measurement of Standalone Financial Statements

The Standalone Balance Sheet of the Company as at 31 March 2024, the related Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash Flows for the year ended 31 March 2024 and the Significant accounting policies and Other Financial Information (together referred to as ' Standalone Financial Statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

The Standalone Financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statements.

The Standalone Financial Statements have been prepared under the historical cost convention on accrual basis except for the following items:

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

The Standalone Financial Statements were authorised for issue by the Board of Directors on 29 April 2024.

Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees ('₹'), which is the Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise stated.

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

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

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

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

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

Notes to Standalone Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

A) Basis of preparation and measurement of Standalone Financial Statements (Contd.)

Fair value measurement (Contd.)

The Company's CFO determines the appropriate valuation techniques and inputs for fair value measurements. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For changes that have occurred between levels in the hierarchy during the year the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Use of judgments and estimates

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

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

Changes in estimates are reflected in the financial estimates in the period in which changes are made and if material, their effects are disclosed in the notes to the Standalone Financial Statements.

a) Judgements

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

- Note O - Classification of financial assets: assessment of business model within which the assets the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

- Note C - Lease classification and identification of lease component

- Note F – Identification and recognition of intangible assets under development

b) Assumptions and estimation uncertainties

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

- *Employee benefit plans*

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

- *Taxes*

  Uncertainties exist with respect to the interpretation of complex tax regulations,

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

A) Basis of preparation and measurement of Standalone Financial Statements (Contd.)

Use of judgments and estimates (Contd.)

b) Assumptions and estimation uncertainties (Contd.)

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

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

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

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

- *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 O)

- *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 N)

- *Fair value measurement of financial instruments*

  When the fair value of financial assets and financial liabilities recorded in the Standalone 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 O)

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

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

B) Classification of assets and liabilities as current and non-current

The Company presents assets and liabilities in the Standalone 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 and liabilities are classified as non-current assets and liabilities.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Operating Cycle

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

C) Leases

The lease standard Ind AS 116 was notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Standalone Financial Statements, the Management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Standalone Financial Statement, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at initial application date and right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application).

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

i. As a lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

C) Leases (Contd.)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate at lease commencement date. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. 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 and

d. The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Company recognises the lease payments

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

C) Leases (Contd.)

associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

The Company presents right-of-use assets as a separate line in the Standalone Balance Sheet and lease liabilities in 'Financial liabilities' in the Standalone Balance Sheet.

ii. As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

D) Property, plant and equipment

Recognition and measurement

Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to 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 Standalone Statement of Profit and Loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as other non-current assets.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation

The Company provides depreciation on Property, Plant and Equipment based on the useful life as determined by the Management.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

D) Property, plant and equipment (Contd.)

The depreciation is provided under straight-line method.

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

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

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 below best represent the period over which management expects to use these assets.

Asset category	Estimated useful life (years)	Useful life as per Schedule II of the Companies Act (years)
Plant and machinery	5-15	15
Furniture and fixtures	3-10	10
Computers and other related assets	3-6	3-6
Office equipment	5-10	5
Vehicles	5	6-10

E) Intangible assets

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

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

Asset category	Estimated useful life (Years)
Computer software (including internally generated software)	3-10
Customer relationships	5-10

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the Standalone Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year-end 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 Standalone Statement of Profit and Loss when the asset is derecognised.

F) Intangible assets under development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of software purchased, direct salary and overhead costs that are directly attributable to preparing the asset for its intended use.

These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the Standalone Statement of Profit and Loss.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

Intangible assets under development (Contd.)

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 Standalone Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

G) Goodwill

Goodwill on acquisition 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 was being amortised over period of 10 years up to 31 March 2021 (Refer Note 42 and Note 43). Further, this Goodwill is also tested for impairment annually and is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The Company has obtained approval from its Board, shareholders, creditors, National Company Law Tribunal ("NCLT") or any other appropriate authority to modify the accounting treatment for Goodwill mentioned (i) above with effect from 1 April 2021. As per the scheme filed and NCLT order received, the treatment of Goodwill with effect from 1 April 2021 shall be done as per applicable accounting standards and / or other applicable accounting policy. Accordingly, as per Ind AS 36 – Impairment of Assets, the Company is required to periodically test the impairment on Goodwill.

Goodwill generated through Business Transfer Agreement (Refer Note 42 and Note 43) is tested for impairment annually, and is carried at cost less accumulated impairment, if any.

H) Impairment of non–financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of 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, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently revered. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

I) Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at the exchange rates prevailing at the date when the transaction first qualifies for recognition.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

I) Foreign currency transactions (Contd.)

Monetary assets and liabilities denominated in foreign currency are translated into 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 Standalone Statement of Profit and Loss.

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

Foreign currency gains and losses are reported on a net basis in the Standalone Statement of Profit and Loss.

J) Employee benefits

Short-term employee benefits

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

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

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 valuation being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Standalone Balance Sheet. Re-measurements are recognised in the other comprehensive income, net of tax in the year in which they arise.

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

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense/ (income) on the net defined liability/ (assets) is computed by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined liability/ (asset), to the net defined liability/ (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Standalone Statement of Profit and Loss.

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

J) Employee benefits (Contd.)

Share-based payment arrangements

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. For share-based payment arrangements with non-vesting conditions, grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Other long-term employee benefits

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

K) Revenue

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and claims accepted by the Company as part of the contract.

Revenue from registrar and transfer agency services provided to domestic mutual funds, corporates, alternative and wealth management businesses and revenue from pension fund solutions are recognized as the related services are performed over time in accordance with the terms and conditions of the respective contracts entered into by the Company with its customers.

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 in relation to services performed. that are recovered from the customers based on the agreed terms and conditions.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

Revenue from the sale of distinct internally developed software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a percentage of completion method.

Contract fulfilment costs are generally expensed as incurred except for certain service costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

K) Revenue (Contd.)

Trade receivables

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

L) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Standalone Statement of Profit and Loss.

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

M) Borrowings and related cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

N) 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 an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation.

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the Standalone Financial Statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognised.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

N) Provisions, contingent liabilities and contingent assets (Contd.)

a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

O) Financial instruments

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

Financial assets

Initial recognition and measurement

The Company initially recognises trade receivables and debt securities issued on the date on which they are originated. The Company recognises the other financial assets on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets are recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables which do not contain a significant financial component are measured at transaction value.

Classifications and subsequent measurement

Classifications

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

Business model assessment

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

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

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

Financial asset 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 though 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.

Financial asset at fair value through Other Comprehensive Income (FVOCI)

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

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.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

O) Financial instruments (Contd.)

Financial assets (Contd.)

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

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVOCI as described above, is classified as at FVTPL.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in Standalone Statement of Profit and Loss.

Reclassification of financial assets

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

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

Impairment of financial assets

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

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

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

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

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

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

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

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

O) Financial instruments (Contd.)

Financial assets (Contd.)

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the Standalone Balance Sheet

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

Write-off

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

Financial liabilities

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Financial liabilities at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and 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 recognised in OCI. These gains and losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Standalone Statement of Profit and Loss.

Derecognition of financial liabilities

Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

O) Financial instruments (Contd.) (Contd.)

Financial liabilities (Contd.)

carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone 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').

P) Income taxes

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

Current tax

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the Standalone 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 is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

Q) 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.

R) Earnings per share

Basic earnings per share ("EPS") is computed by dividing the net profit or loss 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 or loss 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.

S) Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition. Transaction cost that the Company incurs in connection with business combination such as finders fees, legal fees, due diligence and other professional fees are charged to equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, 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.

T) Recent Pronouncements

The 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

3 Property, plant and equipment and Capital work-in-progress

Particulars	Leasehold improvements	Computers and other related assets	Furniture and fixtures	Office equipment	Plant and machinery	Vehicles	Total Property, plant and equipment	Capital work-in-progress
Cost								
Balance as at 1 April 2022	177.57	486.27	21.53	47.88	7.14	15.44	755.83	6.33
Additions	35.17	176.57	0.45	12.96	1.69	9.31	236.15	10.57
Disposals^	(3.22)	(22.76)	(2.98)	(7.95)	(0.60)	(4.30)	(41.81)	(16.69)
Balance as at 31 March 2023	**209.52**	**640.08**	**19.00**	**52.89**	**8.23**	**20.45**	**950.17**	**0.21**
Additions	32.19	193.86	4.39	12.73	1.41	18.38	262.96	27.41
Disposals^	-	(8.58)	-	(0.04)	-	(4.50)	(13.12)	(27.62)
Balance as at 31 March 2024	**241.71**	**825.36**	**23.39**	**65.58**	**9.64**	**34.33**	**1,200.01**	**-**
^ Disposals with respect to capital work-in-progress represent transfers to leasehold improvements by way of capitalisation.								
Accumulated depreciation								
Balance as at 1 April 2022	125.10	246.47	11.63	31.09	2.31	2.93	419.53	-
Depreciation for the year	43.01	115.31	2.86	7.24	0.69	2.55	171.66	-
Disposals	(2.42)	(22.73)	(1.62)	(6.18)	(0.20)	(0.68)	(33.83)	-
Balance as at 31 March 2023	**165.69**	**339.05**	**12.87**	**32.15**	**2.80**	**4.80**	**557.36**	**-**
Depreciation for the year	12.69	148.28	2.94	6.91	0.77	4.99	176.58	-
Disposals	-	(8.52)	-	(0.04)	-	(2.00)	(10.56)	-
Balance as at 31 March 2024	**178.38**	**478.81**	**15.81**	**39.02**	**3.57**	**7.79**	**723.38**	**-**
Carrying amounts (net)								
Balance as at 31 March 2024	**63.33**	**346.55**	**7.58**	**26.56**	**6.07**	**26.54**	**476.63**	**-**
Balance as at 31 March 2023	43.83	301.03	6.13	20.74	5.43	15.65	392.81	0.21

Ageing of Capital work in progress:

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023					
Projects in progress	0.21	-	-	-	0.21
Projects temporarily suspended	-	-	-	-	-

Notes: (a) The Company has not carried out any revaluation of its property, plant and equipment.

(b) The Company does not hold any immovable property in its own name.

(c) There are no capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

4 Goodwill

Particulars	Amount
Cost	
Balance as at 1 April 2022	6,762.76
Additions	-
Deletions	-
Balance as at 31 March 2023	**6,762.76**
Additions	-
Deletions	-
Balance as at 31 March 2024	**6,762.76**
Accumulated amortisation	
Balance as at 1 April 2022	1,600.20
Amortisation for the year	-
Balance as at 31 March 2023	**1,600.20**
Amortisation for the year	-
Balance as at 31 March 2024	**1,600.20**
Carrying amounts (net)	
Balance as at 31 March 2024	**5,162.56**
Balance as at 31 March 2023	5,162.56

Note: (i) Refer Note 42 for the impairment assessment carried out by the Management.

(ii) Refer Note 43 for details of NCLT order received by the Company in respect of amortisation of goodwill.

5 Other intangible assets

Particulars	Computer Software	Internally generated Softwares	Customer relationships	Total other intangible assets	Internally generated intangibles under development*	Intangible assets under development*	Total
Cost							
Balance as at 1 April 2022	280.86	207.26	218.98	707.10	301.96	37.48	339.44
Additions	68.62	307.41	-	376.03	363.42	30.61	394.03
Disposal^	(3.21)	-	-	(3.21)	(307.41)	(28.56)	(335.97)
Balance as at 31 March 2023	**346.27**	**514.67**	**218.98**	**1,079.92**	**357.97**	**39.53**	**397.50**
Additions	114.22	447.53	-	561.75	397.36	34.44	431.80
Deletions/ adjustments^	(29.77)	29.77	-	-	(452.52)	(14.53)	(467.05)
Impairment#	-	-	-	-	(4.80)	-	(4.80)
Balance as at 31 March 2024	**430.72**	**991.97**	**218.98**	**1,641.67**	**298.01**	**59.44**	**357.45**
Accumulated amortisation							
Balance as at 1 April 2022	109.87	26.21	104.52	240.60	-	-	-
Amortisation for the year	80.52	24.44	43.83	148.79	-	-	-
Disposal^	(3.21)	-	-	(3.21)	-	-	-
Balance as at 31 March 2023	**187.18**	**50.65**	**148.35**	**386.18**	**-**	**-**	**-**
Amortisation for the year	62.52	85.34	43.84	191.70	-	-	-
Deletions/ adjustments^	(44.95)	44.95	-	-	-	-	-
Balance as at 31 March 2024	**204.75**	**180.94**	**192.19**	**577.88**	**-**	**-**	**-**
Carrying amounts (net)							
Balance as at 31 March 2024	**225.97**	**811.03**	**26.79**	**1,063.79**	**298.01**	**59.44**	**357.45**
Balance as at 31 March 2023	159.09	464.02	70.63	693.74	357.97	39.53	397.50

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

5 Other intangible assets (Contd.)

Note:

*Intangible assets under development represent internally generated as well as purchased softwares for business operations and licensing.

^ Disposals with respect to internally generated intangibles/ intangible assets under development represent transfers to internally generated softwares/ computer software respectively, by way of capitalisation.

Due to change in market conditions and their use, the carrying amount of certain intangibles under development has been reduced to its recoverable amount by recognition of an impairment loss in profit or loss.

Ageing of Intangible assets under development

Particular	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Balance as at 31 March 2024					
- Projects in progress	54.98	217.33	85.14	-	357.45
- Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023					
- Projects in progress	296.75	100.75	-	-	397.50
- Projects temporarily suspended	-	-	-	-	-

Projects whose completion is overdue/ has exceeded its cost compared to its original plan :

Particular	To be Completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31 March 2024					
Project 1	62.31	-	-	-	62.31
Project 2	45.99	-	-	-	45.99
Project 3	43.91	-	-	-	43.91
Project 4	33.44	-	-	-	33.44
Project 5	20.34	-	-	-	20.34
Project 6	18.34	-	-	-	18.34
Project 7	16.38	-	-	-	16.38
Project 8	13.89	-	-	-	13.89
Project 9	11.27	-	-	-	11.27
Project 10	-	48.76	-	-	48.76
Project 11	2.96	-	-	-	2.96
Project 12	1.04	-	-	-	1.04
Project 13	0.70	-	-	-	0.70
Project 14	0.58	-	-	-	0.58
Project 15	0.24	-	-	-	0.24
As at 31 March 2023					
Project 1	3.60	-	-	-	3.60
Project 2	5.67	-	-	-	5.67
Project 3	14.71	-	-	-	14.71
Project 4	12.30	-	-	-	12.30
Project 5	8.39	-	-	-	8.39
Project 6	3.13	-	-	-	3.13

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

5 Other intangible assets (Contd.)

Particular	To be Completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Project 7	29.62	-	-	-	29.62
Project 8	2.04	-	-	-	2.04
Project 9	1.20	-	-	-	1.20
Project 10	52.44	-	-	-	52.44
Project 11	4.05	-	-	-	4.05

Note:

(a) The Company has not carried out any revaluation of its other intangible assets.

(b) There are no projects where completion is overdue or has exceeded its cost compared to its original plan, other than those disclosed above.

6 Leases

A Following are the movements in the carrying values of right of use assets:

Particular	Category of ROU Assets
	Premises
Balance as at 01 April 2022	604.01
Prepayments	4.30
Additions	124.44
Deletions	(155.05)
Balance as at 31 March 2023	**577.70**
Balance as at 01 April 2023	577.70
Prepayments	10.36
Additions	283.52
Deletions	(3.88)
Balance as at 31 March 2024	**867.70**
Accumulated depreciation	
Balance as at 01 April 2022	**281.31**
Depreciation for the year	114.03
Deletions	(77.75)
Balance as at 31 March 2023	**317.59**
Balance as at 01 April 2023	317.59
Depreciation for the year	113.13
Deletions	(2.31)
Balance as at 31 March 2024	**428.41**
Carrying amounts (net)	
Balance as at 31 March 2024	**439.29**
Balance as at 31 March 2023	**260.11**

The aggregate depreciation expense for the year on right-of-use assets is included under depreciation, impairment and amortisation expense in the standalone statement of profit and loss (Refer Note 30).

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

6 Leases (Contd.)

B Following are the movements in the lease liabilities:

Particulars	31 March 2024	31 March 2023
Opening Balance	**288.80**	**356.88**
Additions	283.52	128.74
Finance cost accrued during the year	38.57	26.88
Deletions	(1.97)	(90.18)
Payment of lease liabilities	(130.66)	(133.52)
Closing balance	**478.26**	**288.80**
Current lease liabilities	100.70	40.75
Non-current lease liabilities	377.56	248.05

C The following are the amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on Right-of-use assets	113.13	114.03
Interest expenses	38.57	26.88
Short-term lease expense	41.77	32.71
Low value lease expense	-	-
Variable lease expense	-	-
	193.47	**173.62**

D The following is the cash outflow on leases:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment of principal portion on lease liabilities	92.09	106.64
Interest on lease liabilities	38.57	26.88
Total cash outflow on leases	**130.66**	**133.52**

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	133.76	77.93
1 to 5 years	400.67	234.12
Over 5 years	30.27	59.53

F Extension options

Some property leases contain extension options exercisable by the Company up to five years before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of ₹ 219.45 million.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

7 Investments

(a) Investment in subsidiaries

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
800 (31 March 2023: 800) equity shares of KFin Technologies (Bahrain) W.L.L, face value of BHD 50 each, fully paid-up	135.46	135.46
100,000 (31 March 2023: 100,000) equity shares of KFin Technologies (Malaysia) SDN.BHD, face value of MYR 1 each fully paid-up	16.74	16.74
5,510,000 (31 March 2023: 5,510,000) equity shares of KFin Services Private Limited, face value of ₹ 10 each fully paid-up	55.10	55.10
169,900,000 (31 March 2023: 149,900,000) equity shares of Hexagram Fintech Private Limited, face value of ₹ 1 each fully paid-up	421.86	401.86
500,000 (31 March 2023: 500,000) equity shares of KFin Global Technologies (IFSC) Limited, face value of ₹ 10 each fully paid-up	5.00	5.00
189,090 (31 March 2023: Nil) equity shares of WebileApps (India) Private Limited, face value of ₹ 10 each fully paid-up	130.00	-
	764.16	**614.16**

(b) Investment in equity instruments of associate company, carried at cost and unquoted

Particulars	As at 31 March 2024	As at 31 March 2023
10,41,525 (31 March 2023: 10,41,525) equity shares of Fintech Products and Solutions India Private Limited (FPSIPL), face value of ₹ 10 each, fully paid-up	65.00	65.00
	65.00	**65.00**
Total	**829.16**	**679.16**
Aggregate amount of un-quoted investments	829.16	679.16
Aggregate amount of impairment in value of investments	-	-

8 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Rental deposits	52.90	45.83
Electricity deposits	3.83	3.89
Telephone deposits	0.08	0.07
Bank deposits (due to mature after 12 months from balance sheet date)*	10.72	1.19
	67.53	**50.98**

*represents fixed deposits amounting to ₹ 0.68 million (31 March 2023: ₹ 0.77 million) which is not freely remissible because of contractual restrictions.

The Company's exposure to credit risks is disclosed in Note 40.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

9 Non-current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income-tax including tax deducted at source*	74.49	305.21
(Net of provision for tax ₹ 1,085.28 million (31 March 2023: ₹ 443.60 million))	**74.49**	**305.21**

10 Other non-current assets

(Unsecured considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	0.41	3.16
Prepayments	42.49	4.08
Contract fulfillment costs	13.19	-
	56.09	**7.24**

11 Current investments

Particulars	As at 31 March 2024	As at 31 March 2023
Investments in mutual funds - quoted - at FVTPL		
Nil (31 March 2023: 68,849) units of DSP Blackrock Liquidity Fund - Direct Plan - Daily Dividend	-	68.91
40,070 (31 March 2023: 356,087) units of HSBC Liquid Fund - Direct Plan - Daily Dividend Reinvestment	40.14	356.42
38,266 (31 March 2023: 384,304) units of TATA Liquid Fund - Direct Plan - Daily Dividend	38.32	384.89
Nil (31 March 2023: 317,270) units of Kotak Liquid Fund - Direct Plan - Daily Dividend	-	387.96
Nil (31 March 2023: 350,128) units of HDFC Liquid Fund - Direct Plan - Daily Dividend Reinvestment	-	357.07
Nil (31 March 2023: 2,754,858) units of ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend	-	275.78
4,590,026 (31 March 2023: Nil) units of Aditya Birla Liquid Fund - Direct Plan - Daily Dividend	460.18	-
92,751 (31 March 2023: Nil) units of Franklin templeton Liquid Fund - Direct Plan - Daily Dividend	92.96	-
482,810 (31 March 2023: Nil) units of Bandhan Liquid Fund - Direct Plan - Daily Dividend	483.90	-
265,129 (31 March 2023: 342,705) units of SBI Liquid Fund - Direct Plan - Daily Dividend	303.32	389.63
	1,418.82	**2,220.66**
Aggregate amount of quoted investments and market value thereof	1,418.82	2,220.66
Aggregate amount of impairment in value of investments	-	-

Note: The Company holds certain shares of its customers as a trustee. The Company is in the process of transferring those shares to the relevant account based on instructions to be received from respective customers.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

12 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Trade receivables considered good - secured	-	-
(b) Trade receivables considered good - unsecured*	1,546.08	1,335.60
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	-	-
Gross trade receivables	**1,546.08**	**1,335.60**
Less: Loss allowance	(111.07)	(159.17)
Net trade receivables	**1,435.01**	**1,176.43**
Movements in the provision for trade receivables are as follows:		
Opening balance	159.17	201.40
Add: Provision for loss allowance	33.70	(35.73)
Less: Provision utilised during the year	(81.80)	(6.50)
Closing balance	**111.07**	**159.17**

Trade receivables are unsecured and are derived from revenue from operations i.e. fee revenue and recoverable expenses revenue. No interest is charged on the outstanding balance, regardless of the age of the balance. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Management of the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

Ageing of gross trade receivables as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	87.14	1,064.35	270.75	32.89	25.02	38.23	27.70	1,546.08
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

12 Trade receivables (Contd.)

Ageing of gross trade receivables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	82.42	792.20	255.52	45.11	43.01	58.36	58.98	1,335.60
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

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

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 40.

*Includes receivables from related parties. Refer Note 39.

13 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
(i) in current accounts*	116.23	570.00
(ii) in deposits#	350.12	-
	466.35	**570.00**

* Includes stamp duty amount received from customers amounting to ₹ 42.28 million as at 31 March 2024 (31 March 2023: ₹ 55.09 million) for the purpose of onward remittance of the same to the Registration & Stamps Department (Refer Note 22).

The Company's exposure to credit risks are disclosed in Note 40.

14 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months)*	1,912.23	150.10
	1,912.23	**150.10**

* Includes fixed deposits amounting to ₹ 27.02 million (31 March 2023: ₹ 71.36 million) which is not freely remissible because of contractual restrictions.

The Company's exposure to credit risks are disclosed in Note 40.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

15 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Stamp duty receivables (Refer Note 13)	119.44	131.72
Rental deposits	3.04	3.08
Insurance claims receivable	-	14.12
Other receivables#	13.48	3.75
IPO related expenses (Refer Note 46)	-	11.99
Bank deposits (due to mature within 12 months from balance sheet date)*	26.01	-
Other deposits	17.20	32.19
	179.17	**196.85**
Unsecured, considered doubtful		
Other receivables	3.95	9.07
	3.95	**9.07**
Less: Allowance for credit loss		
Other receivables	(3.95)	(9.07)
	(3.95)	**(9.07)**
	179.17	**196.85**
Movements in allowance for credit loss of other financial assets are as follows:		
Opening balance	9.07	5.61
Allowance for credit loss created during the year	0.69	3.46
Less: Provision utilised during the year	(5.81)	-
Closing balance	**3.95**	**9.07**

* Includes fixed deposits amounting to ₹ 0.55 million (31 March 2023: ₹ Nil) which is not freely remissible because of contractual restrictions.

Includes receivables from related parties. Refer Note 39.

The Company's exposure to credit risks are disclosed in Note 40.

16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to vendors for supply of goods/ services	13.97	24.88
Prepayments	191.28	141.37
Contract fulfillment costs	17.59	-
Advances to employees	12.64	3.29
Others, representing asset arising from defined benefit plan - Gratuity	-	4.92
	235.48	**174.46**

17 Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
(a) 175,980,000 (31 March 2023: 175,980,000) equity shares of ₹ 10 each	1,759.80	1,759.80
(b) 1,000 (31 March 2023: 1,000) non-convertible redeemable preference shares (RPS) of ₹ 200 each	0.20	0.20
	1,760.00	**1,760.00**
Issued, subscribed and paid-up		
(a) 170,988,673 (31 March 2023: 169,228,699) equity shares of ₹ 10 each, fully paid-up	1,709.89	1,692.29
(b) 1,000 (31 March 2023: 1,000) RPS of ₹ 200 each (Refer Note 19(i))	-	-
	1,709.89	**1,692.29**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

17 Share capital (Contd.)

a. Terms and rights attached to equity shares

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

Under the shareholders agreement dated 3 August 2017 executed between the Company and its shareholders, and as amended subsequently ("SHA 2017"), one of the shareholders of the Company had been granted a right to subscribe to additional equity shares of the Company upon fulfillment of various performance related and other milestones as defined in the SHA 2017. During the year ended 31 March 2022, the Company and its shareholders have entered into 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.

b. For terms and rights attached to RPS, please refer Note 19.

c. Employee stock options:

The Company has granted certain stock options to its employe es and the employees of its subsidiary. For details of shares reserved for issue under the Employee Stock Options Plan of the Company, refer Note 44.

d. Reconciliation of number of equity shares of ₹ 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Opening balance	169,228,699	1,692.29	167,568,883	1,675.69
Shares issued upon exercise of employee stock options (Refer Note 44)	1,759,974	17.60	1,659,816	16.60
Shares outstanding at the end of the year	**170,988,673**	**1,709.89**	**169,228,699**	**1,692.29**

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of total shares	No. of shares	% of total shares
Equity shares of ₹ 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	65,026,100	38.03%	82,026,100	48.47%
Compar Estates and Agencies Private Limited	18,414,296	10.77%	18,414,296	10.88%
Kotak Mahindra Bank Limited	13,255,100	7.75%	16,725,100	9.88%
Total	**96,695,496**	**56.55%**	**117,165,496**	**69.24%**

f. Disclosure of shareholding of promoters:

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	As at 31 March 2024		As at 31 March 2023		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Equity shares of ₹ 10 each fully paid up, held by:					
General Atlantic Singapore Fund Pte Ltd and its subsidiary	66,634,603	38.97%	83,634,603	49.42%	-21.15%
Total	**66,634,603**	**38.97%**	**83,634,603**	**49.42%**	**-21.15%**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

17 Share capital (Contd.)

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	As at 31 March 2023		As at 31 March 2022		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Equity shares of ₹ 10 each fully paid up, held by:					
General Atlantic Singapore Fund Pte Ltd and its subsidiary	83,634,603	49.42%	127,188,903	75.90%	-34.89%
Total	**83,634,603**	**49.42%**	**127,188,903**	**75.90%**	**-34.89%**

g. During the period of five years immediately preceding the balance sheet date, no shares were allotted as fully paid up pursuant to a contract without payment being received in cash.

h. The Company has not allotted any shares as fully paid by way of bonus shares during the five year period immediately preceding the respective balance sheet date.

i. During the period of previous five years immediately preceding the respective balance sheet date, the Company has bought back 14,987,846 equity shares under Buy-back Plan 2019.

j. Enforcement Directorate (ED) vide its order dated 24 September 2021, has instructed the Company not to facilitate the alienation/ sale/ creation of any lien or liability in respect of shares held by certain shareholders. On 11 March 2022, the Company has received Provisional Attachment Order No. 06/2022 dated 8 March 2022 issued by the Deputy Director, Directorate of Enforcement, Hyderabad Zonal Office, whereby the ED has provisionally attached the equity shares held by those shareholders.Additionally, to the Company's knowledge, these shares are subjected to an encumbrance in favour of certain lenders of those shareholders. The Company has received a letter dated 09 December 2022, from the Office of Additional Director, Directorate of Enforcement, Hyderabad Zonal Office on 13 December 2022 ("Authority", and such letter "ED Letter"). Pursuant to the ED Letter, the Authority has communicated that the attachment made pursuant to the provisional attachment order dated March 08, 2022, issued by the Attachment Order has been confirmed by the Adjudicating Authority (PMLA), New Delhi vide its order dated 1 December 2022.

k. Please refer to Note 61 of these Standalone financial statements for the details of subsequent events relating to the proposed dividend.

18 Other equity

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Capital reserve	a		
Balance at the beginning of the year		0.10	0.10
Addition during the year		-	-
Balance at the end of the year		**0.10**	**0.10**
Share application money pending allotment	b		
Balance at the beginning of the year		6.80	-
Add: Movement during the year		(1.82)	6.80
Balance at the end of the year		**4.98**	**6.80**
Securities premium	c		
Balance at the beginning of the year		5,264.73	5,005.94
Add: Premium received on exercise of employee stock options		205.12	189.06
Add: Transfer from share based payment reserves on exercise of employee stock options		74.41	69.73
Balance at the end of the year		**5,544.26**	**5,264.73**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

18 Other equity (Contd.)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Retained earnings	**d**		
Balance at the beginning of the year		1,388.10	(569.65)
Add: Profit for the year		2,454.24	1,962.53
Less: Transfer on account of buy back of RPS (Refer Note 19)		(0.20)	-
Add/ (less): Re-measurement gains/ (losses) on defined benefit plans for the year		(5.97)	(4.78)
Balance at the end of the year		**3,836.17**	**1,388.10**
Share based payment reserve	**e**		
Balance at the beginning of the year		139.72	120.50
Add: Charge for the year, gross		19.48	85.42
Add: Charge for the options issued to the employees of subsidiaries		11.25	3.53
Less: Transferred to securities premium on exercise of stock options		(74.41)	(69.73)
Balance at the end of the year		**96.04**	**139.72**
Capital redemption reserve	**f**		
Balance at the beginning of the year		149.88	149.88
Add: Transferred during the year (Refer Note 17)		0.20	-
Balance at the end of the year		**150.08**	**149.88**
General reserve	**g**		
Balance at the beginning of the year		75.00	75.00
Add: Movement during the year		-	-
Balance at the end of the year		**75.00**	**75.00**
Total other equity	(a+b+c+d+e+f+g)	**9,706.63**	**7,024.33**

Nature and purpose of other reserves

(a) Capital reserve

Reserve created was on cancellation of equity shares pursuant to Scheme of amalgamation approved by National Company Law Tribunal during year ended 31 March 2019.

(b) Share application money pending allotment

Amount received in respect of exercise of stock options, pending allotment as of year-end. This will subsequently be adjusted at the time of allotment of shares.

(c) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The fair value of employee stock options is recognised in securities premium once the shares have been alloted on exercise of the options. It can be utilised in accordance with the provisions of the Companies Act, 2013.

(d) Retained earnings

Retained earnings represents the net profits after all distributions and transfers to other reserves. It can be utilised or distributed in accordance with the provisions of the Companies Act, 2013.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

18 Other equity (Contd.)

(e) Share-based payment reserve

The Company has established various equity-settled share based payments plans for certain categories of employees of the Company and its subsidiaries. Refer Note 44 for further details on these plans.

(f) Capital redemption reserve

The balance as of April 1, 2023 represents the reserve created for cancellation of 14,987,846 equity shares bought back under buy back plan in financial year 2019-20 (Refer Note 17). The current year movement represents addition on account of buyback of redeemable preference shares.

(g) General reserve

The general reserve is used time to time to transfer profits/ reserve from retained earning/ other component of equity such as Debenture Redemption Reserve (DRR) for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Standalone statement of profit and loss.

19 Borrowings

Current

Particulars	As at 31 March 2024	As at 31 March 2023
Redeemable preference share ('Rps') (Unsecured) (Refer Note i(a) and i(b) below)	-	0.20
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	-	1,300.49
	-	**1,300.69**

(i) Redeemable preference share (unsecured)

(a) Terms and rights attached to RPS:-

On 25 October 2021, the Company issued 1,000 non-convertible redeemable preference shares having face value of ₹ 200 each share (“RPS”) at par on a private placement basis for a maximum period of 20 years from the date of issue. These RPS shall not carry any voting rights. The RPS shall be subordinated to the existing indebtedness of the Company and any future senior debt that the Company may take.

The RPS shall be redeemed by the Company in accordance with the provisions of the Companies Act, 2013 and the Share Subscription Agreement (“SSA”) dated 28 May 2021 on or after 25 October 2023 (“the Target Redemption Date"") and a redemption premium of ₹ 1,340.00 million shall be payable by the Company subject to satisfaction of the conditions prescribed under the SSA. These RPS carry preferential non-cumulative dividend rate of 0.0001% per annum (“Preferential Dividend”), which shall be applicable until 25 October 2023. The dividend shall be due only when declared by the Board. In the event that the RPS are not redeemed on the Target Redemption Date or within 60 (sixty) days therefrom, in accordance with the SSA, then the dividend rate applicable on the RPS for the period after the Target Redemption Date, shall stand revised to a preferential cumulative dividend rate of 7% per annum, which shall further increase by 200 bps per annum at every anniversary of the Target Redemption Date, subject to a maximum of 13% per annum. The payment of such dividend shall be subject to deduction and withholding of taxes by the Company as per applicable law. The RPS shall be non-participating in the surplus funds and surplus assets. The RPS are transferable subject to the conditions mentioned under SSA.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

19 Borrowings (Contd.)

(b) Pursuant to a subscription agreement dated 28 May 2021 between the Company and certain individuals, who were minority shareholders of the Company at such time, with regard to termination of rights of such shareholders and Permitted Assignees (other than such shareholders), in terms of the said agreement, who were also shareholders of the Company, under the then existing Shareholders Agreement dated 3 August 2017 (as amended pursuant to a supplemental agreement dated 3 April 2020), the Company was obligated for an amount of ₹ 1,640.00 million. The net amount payable after recovering, in terms of the said agreement, an indemnity of ₹ 300.00 million is ₹ 1,340.00 million payable after a period of two years i.e. on or after 25 October 2023. The Company issued RPS carrying maturity amount of ₹ 1,340.00 million (₹ 1,640.00 million offset by ₹ 300.00 million) through agreement dated 28 May 2021. Accordingly, an amount of ₹ 1,482.94 million (amortised cost of ₹ 1,640.00 million) has been debited to other equity representing the obligations to the shareholders with a corresponding credit of ₹ 1,182.91 million and ₹ 300.00 million to non-current borrowings (representing amount payable to the said shareholders under RPS net of indemnity of ₹ 300.00 million) and current financial liability (representing amount payable to the past Client (Refer Note 35), respectively. The current financial liability has been settled by transfer of investments as mentioned in Refer Note 35. The balance of ₹ 157.09 million (₹ 1,340.00 million less ₹ 1,182.91 million) will be charged to Standalone statement of Profit and Loss over the period of borrowing as interest cost under effective interest rate method as prescribed under Ind AS 109 – Financial Instruments.

(c) The Board of Directors of the Company approved a proposal for buy-back of 1,000 Non-convertible Redeemable Preference Shares (RPS) of the Company having face value of ₹ 200 each fully paid up at a buy back price of ₹ 1,340,200.001 per RPS, which is inclusive of all taxes including buyback tax required to be paid by the Company aggregating to ₹ 1,340.20 million (Buyback Consideration). This was approved by Company's shareholders at the Extra-ordinary General Meeting ('EGM') held on 23 October 2023. The Company has completed the buy-back process on 30 November 2023.

20 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Gratuity	0.08	-
	0.08	**-**

Refer Note 38 for disclosure related to employee benefits.

21 Trade payables

Total outstanding dues of micro enterprises and small enterprises*	1.92	0.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	399.69	246.79
	401.61	**246.92**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

21 Trade payables (Contd.)

Ageing of trade payables as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	1.92	-	-	-	1.92
Other than micro enterprises and small enterprises	368.69	-	31.00	-	-	-	399.69
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	0.13	-	-	-	0.13
Other than micro enterprises and small enterprises	196.28	-	47.11	3.19	-	0.21	246.79
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

* Refer Note 36 for disclosure relating to Micro, Small and Medium Enterprises.

For details regarding trade payables due to related parties, Refer Note 39.

22 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits payable	2.39	3.56
Employee payables	135.45	95.29
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	0.20	8.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.21	6.31
Stamp duty payable	145.70	155.41
Other liabilities^	98.46	82.20
	382.41	**351.61**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

22 Other current financial liabilities (Contd.)

Ageing of capital creditors as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	0.20	-	-	-	0.20
Other than micro enterprises and small enterprises	-	-	0.21	-	-	-	0.21
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-		8.84	-	-	-	8.84
Other than micro enterprises and small enterprises	-		6.31	-	-	-	6.31
Disputed dues - micro enterprises and small enterprises	-		-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-		-	-	-	-	-

* Refer Note 36 for disclosure relating to Micro, Small and Medium Enterprises.

^ Balance as at 31 March 2024, includes an amount of ₹ 78.41 million towards claim from a past client. Refer Note 35 for further details.

For details regarding other payables due to related parties, Refer Note 39.

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in Note 40.

23 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
- Unearned income*	15.11	7.27
- Advance from customers	22.44	15.25
Statutory dues payable	102.64	98.30
	140.19	**120.82**

* Refer Note 45

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

24 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits:		
- Gratuity	7.46	-
- Compensated absences	71.03	51.85
	78.49	**51.85**

Refer Note 38 for disclosure related to employee benefits.

25 Current tax liability (net)

Particulars	As at 31 March 2024	As at 31 March 2023
(Net of provision for tax ₹ 1,101.77 million (31 March 2023: ₹ 2,007.46 million))	49.64	148.60
	49.64	**148.60**

26 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of services	7,839.10	6,698.42
Total (A)	**7,839.10**	**6,698.42**
Other operating revenues		
Recoverable expenses	269.17	266.08
Total (B)	**269.17**	**266.08**
Total (A+B)*	**8,108.27**	**6,964.50**

*Also refer Note 45

27 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from:		
- Bank deposits (calculated using effective interest method on financial assets at amortised cost)	55.27	3.16
- Unwinding of discount on deposits (calculated using effective interest method on financial assets at amortised cost)	2.71	3.51
- Income-tax refund	10.31	58.81
Dividend income from:		
- Investments in mutual funds (at Fair Value through profit or loss)	166.36	88.29
Profit on sale of property, plant and equipment (net)	0.10	-
Liabilities no longer required written back	1.15	0.01
Foreign exchange gain (net)	-	1.85
Income on derecognition of ROU assets and lease liability	0.40	12.88
Miscellaneous income	2.91	1.89
	239.21	**170.40**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

28 Employee benefits expense*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	2,670.73	2,399.89
Contribution to provident and other funds (Refer Note 38(i))	206.26	183.04
Share based payment expenses (Refer Note 44)	14.99	79.93
Staff welfare expenses	79.64	60.23
	2,971.62	**2,723.09**

*The Company has capitalised employee benefits expense of ₹ 273.79 million (31 March 2023: ₹ 259.24 million) to the other intangible assets/ intangible assets under development/ internally developed intangibles under development.

29 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost on financial liabilities measured at amortised cost		
- on redeemable preference shares ('RPS') (Refer Note 19(i)(b))	39.51	75.55
Unwinding of interest on lease liabilities (Refer Note 6)	38.57	26.88
Other interest costs	5.17	3.69
	83.25	**106.12**

30 Depreciation, impairment and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (Refer Note 3)	176.58	171.66
Depreciation on right of use asset (Refer Note 6)	113.13	114.03
Amortisation of internally generated intangible assets (Refer Note 5)	85.34	24.44
Amortisation of other intangible assets (Refer Note 5)	106.36	124.35
Impairment on internally developed intangibles under development (Refer Note 5)	4.80	-
	486.21	**434.48**

31 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	42.05	38.84
Rent	41.77	32.71
Repairs and maintenance - Others	12.21	10.88
Rates and taxes	5.10	6.41
Legal and professional fee*	583.69	478.28
Consultancy charges^	228.46	244.80
Office maintenance	41.61	37.17
Security services	23.08	18.78
Computer and software maintenance	36.94	32.79
Corporate social responsibility**	35.70	20.26

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

31 Other expenses (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Allowance for credit loss on trade receivables and other financial assets	(53.23)	(32.27)
Credit impaired receivables written-off	87.61	15.65
Advances/ deposits written-off	1.78	1.17
Processing charges	68.78	-
Printing and stationery	275.37	272.73
Travelling and conveyance	66.78	46.60
Insurance	12.26	9.19
Staff recruitment	12.53	8.83
Sales promotion and advertisement	24.85	13.95
Depository charges	0.24	0.34
Claims	0.15	13.27
Water charges	2.54	2.09
Bank charges	0.63	0.65
Foreign exchange loss (net)	2.70	-
Loss on disposal of property, plant and equipment	-	1.04
Miscellaneous expenses	1.38	2.95
	1,554.98	**1,277.11**

* Payment to auditors (included in legal and professional expenses above)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor		
Statutory audit	5.08	3.40
Limited review	2.10	0.60
Certification	0.63	0.50
Others ^^	-	28.70
Out of pocket expenses	0.52	1.93
	8.33	**35.13**

^^ Others represent audit fee towards IPO related expenses (Refer Note 46).

****Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education of underprivileged children which are specified in Schedule VII of the Companies Act, 2013.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

31 Other expenses (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year	35.50	20.15
b) Amount approved by the Board to be spent during the year	35.50	20.15
c) Amount spent during the year:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	35.70	20.26
d) (Shortfall) / Excess at the end of the period/year	Nil	Nil
e) Total of previous years shortfall	Nil	Nil
f) Reason for shortfall	No shortfall	No shortfall
g) Details of related party transactions	Nil	Nil

32 Earnings per share (EPS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (A)	2,454.24	1,962.53
Shares		
Number of shares at the beginning of the year	169,228,699	167,568,883
Add: Equity shares issued during the year	17,59,974	16,59,816
Number of shares at the end of the year	**170,988,673**	**169,228,699**
Weighted average number of equity shares for Basic EPS (B)	170,178,766	167,809,897
Effect of potential equity shares on employee stock options outstanding	13,90,069	21,03,791
Weighted average number of equity shares for diluted EPS (C)	171,568,835	169,913,689
Basic EPS - par value of ₹ 10 per share (A/B) (in ₹)	14.42	11.69
Diluted EPS - par value of ₹ 10 per share (A/C) (in ₹)	14.30	11.55

33 Income tax

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Amounts recognised in the Standalone statement of profit and loss		
Current tax expense		
Current tax	824.20	640.13
Tax of earlier years	(43.78)	(3.72)
	780.42	**636.41**
Deferred tax expense/ (benefit)		
Origination and reversal of temporary differences	16.76	(4.84)
	16.76	**(4.84)**
Total tax expense	**797.18**	**631.57**
B. Amounts recognised in Other comprehensive income (OCI)		
Remeasurement gain/ (loss) on defined benefit plans	2.01	1.61

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

33 Income tax (Contd.)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C.	**Reconciliation of effective tax rate**		
	Profit before tax	3,251.42	2,594.10
	Enacted tax rate in India	25.17%	25.17%
	Tax using the Company's domestic tax rate	818.32	652.88
	Tax effect of:		
	Permanent differences	18.93	(7.76)
	Tax of earlier years	(43.78)	(3.72)
	Others	3.71	(9.83)
		797.18	**631.57**

D. Movement in deferred tax balances

Particulars	As at 1 April 2023	Recognised in Statement of profit and loss	Recognised in OCI	As at 31 March 2024
Property, plant and equipment, goodwill and other intangible assets	(1,293.95)	(13.86)	-	(1,307.81)
Provision for expected credit loss on trade receivables and other financial assets	42.35	(13.40)	-	28.95
Provision for employee benefits	31.28	11.52	2.01	44.81
Right of use assets	(64.47)	(48.70)	-	(113.17)
Lease liabilities	72.68	47.69	-	120.37
Deferred tax liabilities, net	**(1,212.11)**	**(16.75)**	**2.01**	**(1,226.85)**

Particulars	As at 1 April 2022	Recognised in Statement of profit and loss	Recognised in OCI	As at 1 April 2023
Property, plant and equipment, goodwill and other intangible assets	(1,287.86)	(6.09)	-	(1,293.95)
Provision for expected credit loss on trade receivables and other financial assets	52.10	(9.75)	-	42.35
Provision for employee benefits	40.45	(10.78)	1.61	31.28
Right of use assets	(81.22)	16.75	-	(64.47)
Lease liabilities	89.82	(17.14)	-	72.68
Others	(31.85)	31.85	-	-
Deferred tax liabilities, net	**(1,218.56)**	**4.84**	**1.61**	**(1,212.11)**

E. Uncertain tax positions

The uncertain tax treatment usually relates to the interpretation of how the tax legislation applies to the Company. Due to uncertainty involved, there is a possibility that the outcome of the tax review is significantly different from the amounts currently recognised. Management has used a single best estimate of the tax amount expected to be paid and it believes that the Company's accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

34 Commitments, contingent liabilities and contingent assets

Particulars	As at 31 March 2024	As at 31 March 2023
A. Commitments		
(i) Capital commitments	323.70	122.28

Particulars	As at 31 March 2024	As at 31 March 2023
B. Contingent liabilities		
(a) Customer claims not acknowledged as debts	45.78	60.79
(b) Income-tax matters	7.86	17.54
(c) Goods and services tax matters	139.08	17.31

The Company periodically receives notices and inquiries from tax authorities related to Company's operations and returns filed.

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

D. The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the contingent liability section in the Standalone Financial Statements. The impact of the same is not ascertainable.

E. The Company is party to certain cases relating to customer complaints which are at various levels of resolution and litigations. The management is confident of resolution of these cases in its favour and does not expect any material impact on the standalone financial statements. Further, the Company is proforma party to certain cases relating to succession matters, partition suits etc. which are at various levels of resolution and litigations. There is no direct involvement of the company in these matters and accordingly having no material impact on the standalone financial statements.

The Company is contesting the above mentioned demands and the Management believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the Company's standalone financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the standalone financial statements. Further, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/ decisions pending with various forums/ authorities.

35 The pre-amalgamated Company (Refer Note 43(A)) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until 5 April 2021. The Client had a demat account ("Escrow Account") with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering. The Company identified in the financial year 2020-21 that 794,489 shares were transferred by the DP (500,000 shares in 2011 (which translated into 1,000,000 shares pursuant to a bonus issue undertaken by the Client in 2017) and 294,489 shares in 2020) from the Escrow Account to the DP's own demat account and to a third party's demat account through an off-market transaction without any authorisation from the Client and without knowledge of the Company. The Board of Directors of the Company after considering legal advice purchased 1,294,489 shares and transferred these shares to the Escrow Account of the Client on a 'good faith

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (Refer Note 19) issued in October 2021, by ₹ 300.00 million (Refer Note 19(i)(b)). The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client. Intimation letters were sent to the Client and SEBI on 15 November 2021 informing them of transfer of shares to the Client's Escrow Account and refund of dividend to the Client.

Further, the Board of Directors of the Company after considering legal advice, approved payment of up to ₹ 70.00 million (based on an estimation of potential losses that may be suffered by the Client) by the Company to the Client, for the purpose of settlement of any potential claims by the Client (including dividends on such shares for earlier periods). The Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company to the Client in connection with this matter upon completion of final settlement with the Client. Considering the assessment of recoverability, the Company has made a provision of ₹ 78.41 million as at 31 March 2024. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate."

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

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under the MSMED Act. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the standalone financial statements based on information received and available with the Company. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount remaining unpaid to any supplier as at the end of the year	2.12	8.97
Interest due thereon remaining outstanding as at the end of the year	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

37 Operating Segments

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits

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

(i) Defined contribution plans:

Employees' State Insurance

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

Provident fund:

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

During the year, the Company has recognised following amounts in the standalone statement of profit and loss (included in Note 28 - Employee benefits expense):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund	164.43	149.71
Contribution to employee state insurance	13.62	14.34

(ii) Defined benefit plan:

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

The defined benefit plan exposes the Company to actuarial risks such as longevity risk, interest rate risk and market/ investment risk.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Net defined benefit liability	**7.54**	**-**
- Current (Refer Note 24)	7.46	-
- Non-current (Refer Note 20)	0.08	-
Net defined benefit Asset (Grouped under other current assets)		
- Current (Refer Note 16)	-	4.92

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

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

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

(i) Defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	159.36	147.16
Included in Standalone statement of profit or loss		
Current service cost	26.01	23.39
Interest cost	11.54	9.67
	37.55	**33.06**
Included in Other comprehensive income		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	6.88	(4.89)
- demographic assumptions	-	-
- experience adjustment	0.59	8.79
- return on plan assets excluding interest income	-	-
	7.47	**3.90**
Others		
Benefits paid	(11.11)	(24.76)
	(11.11)	**(24.76)**
Balance as at end of the year	**193.27**	**159.36**

(ii) Fair value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	(164.28)	(80.38)
Included in Standalone statement of profit or loss		
Interest income	(12.67)	(8.56)
	(12.67)	**(8.56)**
Included in Other comprehensive income		
Remeasurement loss/ (gain)	-	-
Actuarial loss/ (gain) arising from:		
- financial assumptions	-	-
- demographic assumptions	-	-
- experience adjustment	-	-
- return on plan assets excluding interest income	0.51	2.49
	0.51	**2.49**
Others		
Contributions paid by the employer	(20.41)	(102.59)
Benefits paid	11.11	24.76
	(9.30)	**(77.83)**
Balance as at end of the year	**(185.74)**	**(164.28)**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

(iii) Net defined benefit liability/ (asset)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	(4.92)	66.78
Included in Standalone statement of profit or loss		
Current service cost	26.01	23.39
Interest cost	(1.13)	1.11
	24.88	**24.50**
Included in Other comprehensive income		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	6.88	(4.89)
- demographic assumptions	-	-
- experience adjustment	0.59	8.79
- on plan assets	0.51	2.49
	7.98	**6.39**
Others		
Contributions paid by the employer	(20.41)	(102.59)
	(20.41)	**(102.59)**
Balance as at end of the year	**7.54**	**(4.92)**

C. Plan assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

D. Actuarial assumptions

The principal assumptions are the discount rate, employee attrition rate and salary growth rate. Financial and demographic valuation assumptions are as follows:

a) Financial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (p.a.)	7.20%	7.50%
Salary increase (p.a.)	4.00%	4.00%

b) Demographic assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rates (p.a.)	1.00%	1.00%

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

E. These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

F. Sensitivity analysis

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

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (1% movement)		
- Increase	(21.60)	(18.77)
- Decrease	25.76	11.18
Future salary growth (1% movement)		
- Increase	21.99	12.25
- Decrease	(20.15)	(19.89)
Mortality rate (10% movement)		
- Increase	0.48	(4.77)
- Decrease	(0.49)	(5.07)
Attrition rate (1% movement)		
- Increase	0.09	(1.10)
- Decrease	(0.09)	(9.32)

For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation presented under net defined asset/(liability). There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Duration of defined benefit payments		
Less than 1 year	4.49	11.60
Between 2 - 5 years	37.42	38.68
Over 5 years	84.98	109.08
Total	**126.89**	**159.36**

The weighted average duration of the defined benefit plan obligation as at 31 March 2024: 13.41 years (31 March 2023: 13.00 years)

Expected contribution to the post employee benefit plan during the next financial year is expected to be ₹ 7.53 million (31 March 2023: ₹ 30.00 million).

H. 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.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

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

Other long-term employee benefits:

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2024, the Company has incurred an expense on compensated absences amounting to ₹ 30.79 million (31 March 2023: ₹ 21.56 million). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

I. The proportionate amount of gratuity and leave encashment expense pertaining to key managerial personnel is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gratuity	0.39	0.25
Compensated absences	0.77	0.12

The proportionate amount of gratuity and leave encashment liability pertaining to key managerial personnel is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity liability	1.77	1.39
Leave encashment liability	2.23	1.46

39 Related parties

A. Names of related party and nature of relationship

i. Ultimate holding company :

GASC MGP, LLC, Delaware (Upto 28 December 2022)

ii. Holding Company :

General Atlantic Singapore Fund Pte Ltd (Upto 28 December 2022)

iii. Wholly owned subsidiaries:

a) KFin Technologies (Bahrain) W.L.L.
b) KFin Technologies (Malaysia) SDN.BHD
c) KFin Services Private Limited
d) Hexagram Fintech Private Limited
e) KFin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)*
f) WebileApps (India) Private Limited (w.e.f 19 April 2023)

* The subsidiary company was incorporated on 28 June 2022 under the Companies Act 2013. The transfer of consideration is yet to be done.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

39 Related parties (Contd.)

iv. Step down subsidiaries

a) Hexagram Fintech SDN. BHD

b) WebileApps Technology Services Private Limited (w.e.f 19 April 2023)

v. Associate

a) Fintech Products and Solutions (India) Private Limited (w.e.f 22 March 2023)

vi. Step-down subsidiary of Associate

a) FinSec AA Solutions Private Limited (w.e.f 22 March 2023)

vii. Entity where a member of the key management personnel is a key management personnel of the Company

a) Nextbillion Technology Private Limited

viii. Key Management personnel (KMP)

a) Venkata Satya Naga Sreekanth Nadella, Managing Director & Chief Executive Officer

b) Kaushik Mazumdar, Independent Director

c) Sonu Halan Bhasin, Independent Director (Upto 15 November 2023)

d) Prashant Saran, Independent Director

e) Rajappa Radha, Independent Director (w.e.f 11 October 2023)

f) Vishwanathan Mavila Nair, Non-Executive Director

g) Sandeep Achyut Naik, Non-Executive Nominee Director (Upto 25 July 2023)

h) Shantanu Rastogi, Non-Executive Nominee Director

i) Srinivas Peddada, Non-Executive Nominee Director

j) Jaideep Hansraj, Non-Executive Nominee Director

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

l) Vivek Narayan Mathur, Chief Financial Officer

m) Alpana Uttam Kundu, Company Secretary

ix. Post-employment benefit plan

a) KFintech Employees Group Gratuity Assurance scheme

B. Transactions with the related parties

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i)	**Holding Company**		
	General Atlantic Singapore Fund Pte Ltd		
	Reimbursement of IPO related Expenses (Refer Note 46)	-	592.82
ii)	**Wholly owned subsidiaries**		
a)	**KFin Technologies (Malaysia) SDN.BHD**		
	Fee from investor service	86.07	104.89
	Share based payment expenses	8.82	-
	Expenses incurred by the related party on behalf of the Company	52.49	39.76
	Expenses incurred by the Company on behalf of the related party	0.05	-
b)	**KFin Services Private Limited**		
	Consultancy Charges	14.36	-
	Expenses incurred by the Company on behalf of the related party	0.28	0.22

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

39 Related parties (Contd.)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
c)	**Hexagram Fintech Private Limited**		
	Investment in equity shares^	20.00	70.00
	Share based payment expenses	0.86	3.51
	Software licensing and implementation expenses	68.78	-
	Fee from service	4.76	-
	Consultancy Charges	7.29	-
	Advance to vendors	-	2.00
	Expenses incurred by the Company on behalf of the related party	3.96	0.62
	Expenses incurred by the related party on behalf of the Company	0.51	-
d)	**KFin Global Services Technologies (IFSC) Limited**		
	Investment in equity shares	-	5.00
	Expenses incurred by the Company on behalf of the related party	2.90	0.42
e)	**WebileApps (India) Private Limited**		
	Investment in equity shares^	20.00	-
	Share based payment expenses	1.58	-
	Legal and Professional fee	35.81	-
	Procurement of Intangible assets	62.84	-
	Expenses incurred by the Company on behalf of the related party	7.43	-
f)	**WebileApps Technology Services Private Limited**		
	Expenses incurred by the Company on behalf of the related party	2.67	-
iii)	**Associate**		
a)	**Fintech Products and Solutions (India) Private Limited**		
	Investment in equity shares	-	65.00
	Expenses incurred by the Company on behalf of the related party	0.20	-
iv)	**Entity where a member of the key management personnel is a key management personnel of the Company**		
a)	**Nextbillion Technology Private Limited**		
	Fee from service	14.32	-
v)	**Key Management Personnel***		
(a)	Short-term employee benefits		
	- Remuneration paid	45.30	45.71
	- Incentives/ Bonus paid	39.74	38.65
(b)	Share-based payment	9.85	32.01
(c)	Issue of equity shares (including premium)	121.26	89.58
(d)	Advance given	-	4.70
(e)	Advance repaid	-	4.70
(f)	Reimbursement of expenses	5.43	3.45

* Refer Note 38 for the details of proportionate amount of gratuity and leave encashment pertaining to key managerial personnel.

^ Excludes the initial investment made i.e. purchase consideration paid towards acquisition.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

39 Related parties (Contd.)

C. Related party balances

	Particulars	As at 31 March 2024	As at 31 March 2023
i)	**Holding Company**		
	General Atlantic Singapore Fund Pte Ltd		
	Reimbursement of IPO related Expenses (Refer Note 46)	-	11.99
ii)	**Wholly owned subsidiaries**		
a)	**KFin Technologies (Malaysia) SDN.BHD**		
	Trade receivables	15.37	16.75
	Other payables	6.69	-
b)	**KFin Services Private Limited**		
	Trade payables	6.16	-
c)	**Hexagram Fintech Private Limited**		
	Trade payables	39.13	
	Other Receivables	2.79	4.13
	Advance to vendors	-	2.00
d)	**KFin Global Services Technologies (IFSC) Limited**		
	Other payables	1.68	4.58
e)	**WebileApps (India) Private Limited**		
	Other receivables	7.10	-
	Trade payables	23.58	-
f)	**WebileApps Technology Services Private Limited**		
	Other receivables	2.13	-
iii)	**Associate**		
a)	**Fintech Products and Solutions (India) Private Limited**		
	Other Receivables	0.20	-
iv)	**Entities where a member of the key management personnel is a key management personnel of the Company**		
a)	**Nextbillion Technology Private Limited**		
	Trade receivables	7.57	-
v)	**Key Management Personnel**		
	Incentives/ Bonus payable	17.47	16.60

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

Terms and conditions:

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date except as disclosed in Note 46 for reimbursement of IPO related expenses. None of the balances are secured.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ 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 31 March 2024	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Other non-current financial assets	-	-	67.53	67.53	-	-	-	-
Current assets								
Current investments	1,418.82	-	-	1,418.82	1,418.82	-	-	1,418.82
Trade receivables	-	-	1,435.01	1,435.01	-	-	-	-
Cash and cash equivalents	-	-	466.35	466.35	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,912.23	1,912.23	-	-	-	-
Other current financial assets	-	-	179.17	179.17	-	-	-	-
	1,418.82	**-**	**4060.29**	**5,479.11**	**1,418.82**	**-**	**-**	**1,418.82**
Financial liabilities								
Non-current Liabilities								
Lease liabilities	-	-	377.56	377.56	-	-	-	-
Current Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	100.70	100.70	-	-	-	-
Trade payables	-	-	401.61	401.61	-	-	-	-
Other current financial liabilities	-	-	382.41	382.41	-	-	-	-
	-	**-**	**1,262.28**	**1,262.28**	**-**	**-**	**-**	**-**

As at 31 March 2023	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Other non-current financial assets	-	-	50.98	50.98	-	-	-	-
Current assets								
Current investments	2,220.66	-	-	2,220.66	2,220.66	-	-	2,220.66
Trade receivables	-	-	1,176.43	1,176.43	-	-	-	-
Cash and cash equivalents	-	-	570.00	570.00	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	150.10	150.10	-	-	-	-
Other current financial assets	-	-	196.85	196.85	-	-	-	-
	2,220.66	**-**	**2,144.36**	**4,365.02**	**2,220.66**	**-**	**-**	**2,220.66**

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

As at 31 March 2023	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-current Liabilities								
Lease liabilities	-	-	248.05	248.05	-	-	-	-
Current Liabilities								
Borrowings	-	-	1,300.69	1,300.69	-	-	-	-
Lease liabilities	-	-	40.75	40.75	-	-	-	-
Trade payables	-	-	246.92	246.92	-	-	-	-
Other current financial liabilities	-	-	351.61	351.61	-	-	-	-
	-	**-**	**2,188.02**	**2,188.02**	**-**	**-**	**-**	-

B. Fair value hierarchy

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

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

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

Valuation process

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

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

Carrying amount and Fair value	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Other non current financial assets	67.53	67.53	50.98	50.98
Trade receivables	1,435.01	1,435.01	1,176.43	1,176.43
Cash and cash equivalents	466.35	466.35	570.00	570.00
Bank balances other than cash and cash equivalents	1,912.23	1,912.23	150.10	150.10
Other current financial assets	179.17	179.17	196.85	196.85
	4,060.29	**4,060.29**	**2,144.36**	**2,144.36**
Financial liabilities				
Borrowings	-	-	1,300.69	1,300.69
Trade payables	401.61	401.61	246.92	246.92
Lease liabilities	478.26	478.26	288.80	288.80
Other financial liabilities	382.41	382.41	351.61	351.61
	1,262.28	**1,262.28**	**2,188.02**	**2,188.02**

The carrying amounts of the financial assets and liabilities measured at amortised cost are considered to be their fair values as these carrying amounts are a reasonable approximation of their corresponding fair values.

II. Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has constituted a risk management committee which is responsible for monitoring the Company's risk Management policies. The risk management committee reports regularly to the board of directors on its activities. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk and

c) Market risk

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Credit risk arises principally from trade receivables, advances, security deposits, cash and cash equivalents and deposits with banks. The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,060.29 million and ₹ 2,144.36 million as at March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of Other non current financial assets, Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents and Other current financial assets.

The Company neither holds any collateral as security nor has obtained letters of credit or other forms of credit insurance. Also, the Company has not obtained any credit derivatives or instruments for its financial assets outstanding at the reporting period.

a. Staff advances

It consists of employee receivables. The Company does not expect any financial loss as the said advances are only given to confirmed employees of the organisation.

b. Trade receivables

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

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

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payments and delivery terms and conditions are offered. The average credit period provided to customers is around 40 days. The Company review includes external ratings, customer's credit worthiness, if they are available, and in some cases bank references.

The customer base of the Company comprises of various corporates, state governments and mutual fund houses all having sound financial condition. An impairment analysis is performed at each reporting date on invoice-wise receivable balances.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable and contract assets as at March 31, 2024 and March 31, 2023.

Geographical concentration of credit risk: Geographical concentration of trade receivables (gross) is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Outside India	54.79	55.90
Within India	1,491.29	1,279.70
Total	**1,546.08**	**1,335.60**

Geographical concentration of trade receivables (gross) is based on the location of the customers.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

c. Cash and cash equivalents and deposits with banks

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

d. Investments in equity instrument of other companies and mutual funds

The credit risk for the investments in equity instrument of other companies and mutual funds is considered as negligible as the counter parties are reputable Companies and mutual fund agencies with high external credit ratings.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables (Gross)	1,546.08	1,335.60

During the year, the Company has made write-offs of trade receivables as disclosed in Note 31 as it does not expect to receive future cash flows or recoveries from collection of receivables previously written off. The Company's management also pursue all legal options for recovery of dues, wherever necessary, based on its internal assessment.

Refer Note 12 for Reconciliation of loss allowance provision for Trade receivables.

ii. Liquidity risk

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

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

Management monitors rolling forecasts of the Company's liquidity position comprising cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company has a net current assets of ₹ 4,494.02 million as at 31 March 2024 (31 March 2023: ₹ 2,227.26 million).

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

Maturities of financial liabilities

The following are the remaining contractual maturities of

Particulars	Carrying amount as at 31 March 2024	Contractual cash flows				
		Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	401.61	401.61	401.61	-	-	-
Borrowings*	-	-	-	-	-	-
Lease liabilities	478.26	564.70	133.76	135.18	265.49	30.27
Other financial liabilities	382.41	382.41	382.41	-	-	-
Total	**1,262.28**	**1,348.72**	**917.78**	**135.18**	**265.49**	**30.27**

* The contractual Cash flows includes interest obligation on borrowings.

Particulars	Carrying amount as at 31 March 2023	Contractual cash flows				
		Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	246.92	246.92	246.92	-	-	-
Borrowings*	1,300.69	1,340.00	1,340.00	-	-	-
Lease liabilities	288.80	371.58	77.93	71.21	162.91	59.53
Other financial liabilities	351.61	351.61	351.61	-	-	-
Total	**2,188.02**	**2,310.11**	**2,016.46**	**71.21**	**162.91**	**59.53**

* The contractual Cash flows includes interest obligation on borrowings.

iii. Market risk

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

Interest rate risk

The Company does not have any borrowings with variable rates. The borrowings of the Company consisted only of redeemable preference shares issued during FY 21-22, carrying a preferential dividend and the same has been redeemed/ bought back during the current year.

Exposure to interest rate risk

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

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed-rate instruments		
Financial assets	2,299.08	151.29
Financial liabilities	-	0.20

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

Cash flow sensitivity analysis for variable-rate instruments

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

Fair value sensitivity analysis for fixed-rate instruments

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

Currency risk

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

Exposure to currency risk

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Receivables:				
USD	0.47	39.19	0.43	35.40
CAD	0.01	0.59	-	0.14
AUD	0.08	4.46	0.09	4.90
MYR	0.87	15.37	-	-
GBP	-	-	0.01	0.82
Payables:				
USD	(0.02)	(1.88)	-	-
AUD	-	-	0.00	(0.01)
THB	(0.25)	(0.56)	-	-

Sensitivity analysis

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

Particulars	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
For the year ended 31 March 2024				
USD (1% movement)	(0.37)	0.37	(0.28)	0.28
CAD (5% movement)	(0.03)	0.03	(0.02)	0.02
AUD (1% movement)	(0.04)	0.04	(0.03)	0.03
MYR (1% movement)	(0.15)	0.15	(0.12)	0.12
GBP (10% movement)	-	-	-	-
THB (10% movement)	(0.06)	0.06	(0.04)	0.04
For the year ended 31 March 2023				
USD (1% movement)	(0.35)	0.35	(0.26)	0.26
CAD (5% movement)	(0.01)	0.01	(0.01)	0.01
AUD (1% movement)	(0.05)	0.05	(0.04)	0.04
MYR (1% movement)	-	-	-	-
GBP (10% movement)	(0.08)	0.08	(0.06)	0.06
THB (10% movement)	-	-	-	-

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

41 Capital management

The Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and current equity instrument of other companies and investment in mutual funds) divided by total 'equity' (as shown in the balance sheet, excluding Capital reserve, Capital redemption reserve, Debenture redemption reserve, Share based payment reserve and Statutory reserve).

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt*	-	-
Total equity	11,170.30	8,426.92
Net debt to equity ratio	**0.00%**	**0.00%**

* Net debt is computed as Borrowings less sum of Cash and cash equivalents, Bank balances and Current Investments. As at 31 March 2024 and as at 31 March 2023, Net debt position is negative and hence represented as Nil.

42 Impairment test of goodwill

The Company is carrying goodwill aggregating to ₹ 5,162.56 million as at 31 March 2024 and 31 March 2023 referred to in Note 4 and 43. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs.

Particulars	As at 31 March 2024	As at 31 March 2023
Domestic mutual fund investor solutions	4,245.54	4,245.54
Issuer Solutions	511.71	511.71
International and other investor solutions	309.45	309.45
Global business services	95.85	95.85

For the year ended 31 March 2024, the goodwill impairment has been assessed at the CGU level. The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

The projections cover a reasonable period that the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. The Company has performed sensitivity analysis around the base assumptions and have concluded that no

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

42 Impairment test of goodwill (Contd.)

reasonable changes in key assumptions would cause the recoverable amount of the CGUs to be less than their respective carrying values.

The Company performs an annual impairment test of goodwill. The latest impairment test was performed for the year ended 31 March 2024 and the actual performance of the CGUs has been monitored against the budgets for the year ended 31 March 2024.

The following key assumptions have been considered for the purpose of the impairment testing:

For the year ended 31 March 2024

CGU Name	Revenue growth	Terminal rate	Discount rate
Domestic Mutual Fund investor solutions	14% to 15%	5%	14.87%
Issuer solutions	14 to 16%	5%	14.87%
International and other investor solutions	32% to 48%	5%	14.87%
Global business services	5% to 10%	5%	12.91%

For the year ended 31 March 2023

CGU Name	Revenue growth	Terminal rate	Discount rate
Domestic Mutual Fund investor solutions	20% to 21%	5%	15.32%
Issuer solutions	14%	5%	15.32%
International and other investor solutions	29% to 35%	5%	15.32%
Global business services	5%	5%	15.32%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual growth rate, consistent with the assumptions that a market participant would make.

- Budgeted revenue has been estimated taking into account past experience and expected growth in the next five years.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash generating units.

43 Business combination

A) Amalgamation of the 'RTA undertaking' of KCL into the Company and Amalgamation of KCPL into the Company

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

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

43 Business combination (Contd.)

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

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

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

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

a) all assets and liabilities of the RTA Undertaking of KCL including the investment held by KCL in KCPL were recorded at their existing book values as at November 16, 2018 (as certified by the independent auditors of KCL);

b) the consideration, being the face value of the said equity shares issued by the Company to the shareholders of KCL was recorded at par value; and

c) the difference between a) and b) above amounting to ₹ 1,093.75 million was recorded as Goodwill.

Amalgamation of KCPL into the Company

On 17 November 2018, the Company acquired a 50% stake in KCPL from an existing shareholder. Further, on 17 November 2018, the 'RTA Undertaking' of KCL was amalgamated into the Company, thus vesting the remaining 50% stake of KCPL to the Company. Accordingly, on 17 November 2018, KCPL became a wholly owned subsidiary of the Company. However, the amalgamation of KCPL into the Company also became effective on the same day, and hence, KCPL was merged into KFPL on 17 November 2018.

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

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

b) the difference between the cost of investment in KCPL as appearing in the books of KFPL and the net book value of assets as per a) above amounting to ₹ 5,655.41 million was recorded as Goodwill.

As per the Scheme, the cumulative goodwill arising on the transaction amounting to ₹ 6,749.15 million was being amortised over a period of 10 years. Goodwill generated on this transaction largely represents the value of the businesses acquired by the Company as reduced by the book values of the assets and liabilities of the acquired businesses.

The accounting treatment as specified in the Scheme relating to amalgamation of the 'RTA Undertaking' of KCL and of KCPL into the Company and the subsequent measurement of Goodwill is in accordance with Accounting Standard 14 on 'Accounting for amalgamations' which is different from the accounting as per Ind AS 103 on 'Business Combinations'.

Under Ind AS 103, the Company would have been required to record the entire business combination (the assets, liabilities acquired, and consideration paid) at fair value.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

43 Business combination (Contd.)

The excess of fair value of the equity shares issued as consideration over face value of such shares is ₹ 7,046.60 million with a consequential impact of Goodwill/ Intangible assets. While the fair values of assets and liabilities recognized in the separate financial statements of KCL and KCPL were similar to their respective carrying values, the goodwill recognized in accordance with the Scheme and such additional goodwill arising on account of fair value of the consideration would have been required to be allocated to the fair value of the intangible assets, as applicable first and the balance would have been reflected in goodwill if the Scheme had been accounted in accordance with the provisions of Ind AS 103."

(B) The Board of Directors of the Company at its meeting held on 01 September 2021, 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 was discontinued with effect from 1 April 2021 and the carrying value of goodwill was ₹ 5,148.96 million on that date. As per Ind AS 36 – Impairment of Assets, the Company continues to annually test the impairment on goodwill. Also, Refer Note 42 for further details of Impairment testing of goodwill.

44 Share Based Payments

The shareholders of the Company vide their meeting held on 31 July 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Group under KFPL Employee Stock Option Plan 2019 ('ESOP Plan 2019'). The maximum number of shares that the Company can issue under the ESOP plan 2019 were 9,593,839 equity shares. Subsequently, the members of the Company have approved renaming the plan as Employee Stock Option Plan 2020 ('ESOP Plan 2020') and cancellation of 2,500,000 options in EGM held on 20 October 2020. The Board and Nomination and Remuneration Committee (NRC) of the Company have notified seven schemes under the ESOP Plan 2020 up to 31 March 2024. The revised number of options available under the ESOP plan 2020 pool are 7,093,839 equity shares as at 31 March 2024 (31 March 2023: 7,093,839). The options under these schemes vest to the employees based on various performance and other parameters. As at 31 March 2024, the Company has granted 5,811,800 (net) (31 March 2023: 5,981,830) options to eligible employees as identified by the NRC. These options vests between a minimum of 1 to 4 years from the date of grant.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

44 Share Based Payments (Contd.)

A Description of share based payment arrangements

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of Grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22 24-Feb-24	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Number of options in pool							70,93,839
Total number of options granted as at							
As at 31 March 2024	957,884	1,329,603	1,148,260	1,685,566	341,370	263,117	86,000
As at 31 March 2023	962,304	1,329,603	1,148,260	1,677,761	362,183	303,380	198,339
Exercise period	7 years from the date of listing of shares on the stock exchange for continuing employee or deceased employee and a period of 3 years from the date of listing of shares on the stock exchange for ex-employees						
Vesting condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Achievement of performance condition
Vesting period	15% - end of year 1 15% - end of year 2 35%- end of year 3 35% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% 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 70.36 91.98 110.00	70.36 70.36 91.98 110.00 185.00	70.36 70.36 91.98 110.00 185.00	185.00 185.00 703.05	185.00 185.00	185.00	185.00

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

B Measurement of fair values

The fair value of the options granted during the period and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22 24-Feb-24	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Fair Value of option (In ₹)	33.57 33.52 35.78 35.78	33.57 33.52 35.78 35.78 52.56	33.57 33.52 35.78 35.78 52.56	52.56 51.92 249.33 to 303.40	52.56 51.92	52.56	51.92
Exercise price	70.36 70.36 91.98 110.00	70.36 70.36 91.98 110.00 185.00	70.36 70.36 91.98 110.00 185.00	185.00 185.00 703.05	185.00 185.00	185.00	185.00
Risk free interest rate	6.47% 6.88% 6.40% 6.40%	6.47% 6.88% 6.40% 6.40% 6.79%	6.47% 6.88% 6.40% 6.40% 6.79%	6.79% 7.12% 7.19%-7.21%	6.79% 7.12%"	6.79%	7.12%
Expected life of share options (years)	8.15 7.72 7.06 6.75	8.15 7.72 7.06 6.75 4.16	8.15 7.72 7.06 6.75 4.16	4.16 3.77 3.42 to 4.92	4.16 3.77	4.16	3.77
Expected volatility (weighted average volatility %)	14.61% 13.96% 16.16% 16.16%	14.61% 13.96% 16.16% 16.16% 17.62%	14.61% 13.96% 16.16% 16.16% 17.62%	17.62% 19.34% 40%-41%	17.62% 19.34%	17.62%	17.62%
Expected dividend yields (%)	-	-	-	0.86%	-	-	-

- > The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur.
- > For the options granted prior to the Company getting listed, 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 options outstanding at 31 March 2024 had an exercise price in the range of ₹ 91.98 to ₹ 703.05 (31 March 2023: ₹ 70.36 to ₹ 185.00) and a weighted-average remaining contractual life of 6.4 years (31 March 2023: 5.2 years).
- > The weighted-average share price at the date of exercise for share options exercised during year ended 31 March 2024 was ₹ 443.56 (31 March 2023: ₹ 363.96).

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

44 Share Based Payments (Contd.)

C Reconciliation of share options

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	4,282,812	152.39	6,502,563	146.58
Granted during the year	122,103	703.05	-	-
Forfeited during the year	(292,133)	183.73	(520,933)	176.97
Exercised during the year	(1,751,354)	127.17	(1,698,818)	123.91
Outstanding at end of the year	**2,361,428**	**195.32**	**4,282,812**	**152.39**
Exercised but not allotted	30,382		39,002	
Exercisable at the end of the year	9,71,308		1,647,941	

During the year ended 31 March 2024, the Company has granted 122,103 options (31 March 2023: Nil) under ESOP Plan 2020 to eligible employees as identified by the Nomination and Remuneration Committee (NRC).

D Effect of the Employee option plan on the standalone statement of profits and loss and on its financial position

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Total employee compensation cost pertaining to stock option plan (Refer Note 28)	14.99	79.93
Reserves - Employee stock option plan outstanding as at the year end (Refer Note 18)	96.04	139.72

45 Revenue from contract with customers

(a)

Type of Service	Timing of recognition	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee from domestic mutual fund investor solutions	Over the period	5,864.97	4,972.25
Fee from issuer solutions	Over the period	1,274.12	1,132.96
Fee from international and other investor solutions	Over the period	620.88	421.58
Fee from global business services	Over the period	348.30	437.71
Total		**8,108.27**	**6,964.50**

(b) Contract balances:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables, net*	1,435.01	1,176.43
Contract liabilities (unearned income and advance from customers)	37.55	22.52

*Trade receivables are non-interest bearing and generally on terms of payment of 40 days.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

45 Revenue from contract with customers (Contd.)

(c) Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	8,284.63	6,983.28
Less : Adjustments for price concessions/ credits	(176.36)	(18.78)
Revenue from operations	**8,108.27**	**6,964.50**

(d) Movement in contract liabilities (Unearned income)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	7.27	7.50
Movement during the year, net	7.84	(0.23)
Closing balance	**15.11**	**7.27**

During the current year, an amount of ₹ 6.15 million has been recognised as revenue out of the opening balance.

(e) Information about geographical areas

Revenue from operations attributable to external customers	For the year ended 31 March 2024	For the year ended 31 March 2023
Within India	7,568.67	6,194.17
Outside India		
USA	300.13	346.76
Canada	6.68	6.16
Rest of World	232.79	417.41
Total	**8,108.27**	**6,964.50**

Performance obligation :- The Company enters into contracts with customers for rendering domestic mutual fund investor solutions, issuer solutions, international and other investor solutions and global business services. The performance obligation for all of these services is satisfied over the period.

Transaction price :- Contract price is determined as per terms agreed with the customer adjusted for discounts and other price concessions, if any.

Payment terms :- The amounts receivable from customers become due after expiry of credit period which on an average is less than 40 days. The contracts entered with customers do not have significant financing component.

Transaction price allocated to remaining performance obligations :- The Company has applied the practical expedient in Ind AS 115 for disclosing information about its remaining performance obligations as the Company has a right to invoice and right to consideration from its customers with respect to the Company performance completed till the reporting date. The Company does not incur any cost to attain or fulfil a contract with a customer. Accordingly, the related disclosures are not made.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

46 During the years ended 31 March 2022 and 31 March 2023, the Company had incurred expenses for various services in connection with its proposed intital public offering ('IPO') of equity shares aggregating to ₹ 677.27 million. In accordance with the Offer Agreement entered between the Company and the selling shareholder, the selling shareholder shall reimburse such offer related expenses. Accordingly, as of 31 March 2023, the Company had recovered partial amount and the balance amount receivable was disclosed under the head "IPO related expenses" under "other current financial assets". During the current year, the Company has recovered the remaining expenses incurred in connection with the IPO.

47 Ratios as per Schedule III requirements

Ratio	Numerator	Denominator	Current year	Previous year	% Variance	Reason for variance
Current ratio (in times)	Current assets	Current liabilities	4.90	1.98	147%	Variance due to increase in bank deposits and repayment of borrowings in the current year
Debt-equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.04	0.18	-77%	Variance due to repayment of borrowings in the current year
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other non-cash adjustments	Debt service = Interest & Lease Payments + Principal Repayments	2.00	11.97	-83%	Variance due to repayment of borrowings in the current year
Return on equity ratio (in %)	Profit for the year	Average total equity	24.38%	25.87%	-6%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	6.21	6.20	0%	
Trade payables turnover ratio (in times)	Other expenses	Average trade payables	4.80	5.17	-7%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.41	3.63	-33%	Variance due to repayment of borrowings in the current year
Net profit ratio (in %)	Profit for the year	Revenue from operations	30.27%	28.18%	7%	
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = tangible net worth (Net worth - Other intangible assets - Intangible assets under development) + debt (borrowings plus lease liabilities) + deferred tax liability	28.50%	29.59%	-4%	
Return on investment (in %) - Fixed deposits	Interest income from bank deposits	Average investment in fixed deposits	4.51%	4.06%	11%	
Return on investment (in %) - Mutual funds	Dividend income from investment in mutual funds	Average investment in mutual funds	9.14%	5.60%	63%	Variance due to better performance of funds compared to the previous year

The Company is into the business of rendering services and therefore, inventory turnover ratio is not applicable and accordingly, not presented.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

48 During the current year, the Company has acquired 100% stake in WebileApps (India) Private Limited by investing ₹ 110 million. The acquisition will integrate Company's deep domain knowledge with WebileApps's technical expertise, offering clients with world-class products and platforms with the potential to unlock new revenue streams and markets. The acquisition offers several advantages, including accelerated product development in SaaS and PaaS models, brings in additional cloud, artificial intelligence and design expertise that will differentiate KFintech and help explore untapped segments and geographies besides adding significant value to its clients.

49 As at 31 March 2024 and 31 March 2023, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

50 The Company has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent do not apply to the Company.

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

51 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any 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.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

52 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

53 To the best of our knowledge, the Company does not have any transactions with companies struck off.

54 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

55 The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

56 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

57 The Company does not have borrowings from banks and financial institutions on the basis of security of current assets. Hence, no quarterly returns or statements of current assets are being filed by the Company with banks and financial institutions.

58 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

59 The Company has complied with the number of layers prescribed under the Companies Act, 2013. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes to Standalone Financial Statements (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

60 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

61 Events after reporting period:

At the Company's Board of Directors' meeting held on 29 April 2024, the Board proposed a dividend of ₹ 5.75 per share which is subject to the approval of the Company's shareholders.

Subsequent to year ended 31 March 2024, on 26 April 2024, the Company's Nomination and Remuneration Committee has granted 1,281,583 number to employee stock options under KFin Employee Stock Option Plan 2020.

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj	**Vishwanathan M Nair**	**Venkata Satya Naga Sreekanth Nadella**	**Vivek Narayan Mathur**	**Alpana Uttam Kundu**
Partner	*Chairman*	*Managing Director & Chief Executive Officer*	*Chief Financial Officer*	Company Secretary
Membership No.: 218685	DIN: 02284165	DIN: 08659728	Membership no.: A089454	Membership no.: F10191
Place: Mumbai	Place: Mumbai	Place: Florence, Italy	Place: Mumbai	Place: Mumbai
Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024

Independent Auditor's Report

To the Members of KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/ consolidated financial statements of such subsidiaries, as applicable and as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTER

We draw attention to Note 35 of the consolidated financial statements, where pre-amalgamated Company was the Registrar and Transfer Agent ('RTA') of a past client ("the Client") until 5 April 2021. The Client had a demat account with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering ("IPO"). The Holding Company identified that 1,294,489 shares were transferred by the DP (in 2011 and 2020) from the said escrow account of the Client to the DP's own demat account and to Third Party's demat account through an off-market transaction without any authorisation from the Client. The Board of Directors of the Holding Company after considering legal advice transferred 1,294,489 shares to the escrow account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares issued in October 2021, by ₹ 300 million (refer Note 19 to the standalone financial statements), pursuant to an indemnity clause mentioned in the agreement for the issuance of such Redeembale Preference Shares. The dividend received on such shares by the Holding Company in the financial year 2021-22 of ₹ 4.08 million was also transferred to the Client.

The Holding Company has recognised an amount of ₹ 78.41 million as a provision as of 31 March 2024 in the consolidated financial statements related to potential claims by the Client (including dividends on such shares for the earlier periods). Pending the final settlement of terms to be agreed with the Client, the Holding Company has measured the said provision at its best estimate. The Holding Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Holding Company in connection with this matter upon completion of final settlement with the Client.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key audit matter

See Note 2(L) to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is a key performance measure for the Group. Revenue is generated from two key services namely registry services and data processing services. Revenue is recognised as per the terms of the contract with the respective customers and when it meets the recognition criteria as per Ind AS 115 on “Revenue from contracts with customers”. There exists a risk of revenue not being recognised in proportion to the service performed by the Group. Further, revenue may also be recorded in an incorrect period or on a basis which is inconsistent with the contractual terms agreed with the customers.	Our audit procedures included the following: 1. Assessed the Group’s revenue recognition policies for compliance with Ind AS. 2. Evaluated the design and implementation and tested the operating effectiveness of the relevant key internal controls with respect to revenue recognition 3. Performed substantive testing on samples selected using statistical sampling method for revenue transactions recorded during the year by testing the underlying documentation/ records; 4. Involved our information technology specialists to test the general information technology controls and key application controls surrounding revenue recognition; 5. Tested on a sample basis using statistical sampling method, specific revenue transactions recorded before and after the financial year end date to check revenue recognition in the correct financial period; and 6. Carried out year on year variance analysis on revenue recognised during the year to identify unusual variances.

OTHER INFORMATION

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and and of its associate are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled “Other Matters” in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

a. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 455.01 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 532.81 million and net cash inflows (before consolidation adjustments) amounting to ₹ 25.83 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The consolidated financial statements include the Group’s share of net loss (and other comprehensive income) of ₹ 19.30 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements/ financial information have/has not been audited by us or by other auditor. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

c. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of one accounting software which forms part of the 'books of account and other relevant books and papers in electronic mode' of the Holding Company have not been kept for certain days during the year on the servers physically located in India. Further, with respect to 4 subsidiaries incorporated in India, back-up of accounting softwares which form part of the 'books of account and other relevant books and papers in electronic mode' has not been maintained on a daily basis on the servers physically located in India.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its associate. Refer Note 34 to the consolidated financial statements.

   b. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.

   d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 50 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. As stated in Note 60 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks and such procedures performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of such subsidiary companies did not come across any instance of audit trail feature being tampered with.

Nature of exception	Details of exception	
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software	(a)	In respect of Holding company:
	(i)	the accounting software used for financial reporting (SAP HANA) audit trail (edit log) facility was not enabled at the database layer to log any direct changes.
	(ii)	In the absence of Type 1 or Type 2 reports (for the period from 1 January 2024 to 31 March 2024) in relation to the controls at the service organization for accounting software used for maintaining the books of account relating to payroll process, which are operated by a third-party service provider, we are unable to comment whether the audit trail feature for the said software was enabled and operated for the period from 1 January 2024 to 31 March 2024 for all transactions recorded in the software.

Nature of exception	Details of exception
	(b) In respect of 4 subsidiary companies, the accounting software used for maintaining its books of account did not have a feature of recording audit trail (edit log) facility at the database layer to log any direct changes.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R and Co

Chartered Accountants

Firm's Registration No.:128510W

Amit Kumar Bajaj

Partner

Place: Mumbai
Membership No.: 218685

Date: 29 April 2024
ICAI UDIN:24218685BKGPOK9635

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the year ended 31 March 2024

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	KFin Technologies Limited	L72400TG2017PLC117649	Holding	Clause 3(vii)
2	KFin Global Technologies (IFSC) Limited	U67100GJ2022PLC133312	Subsidiary	Clause 3(xvii)
3	Hexagram Fintech Private Limited	U72900KA2020PTC135994	Subsidiary	Clause 3(vii) and 3(xvii)
4	WebileApps (India) Private Limited	U72300TG2011PTC077730	Subsidiary	Clause 3(vii)
5	WebileApps Technology Services Private Limited	U72200AP2015PTC103672	Subsidiary	Clause 3(vii) and 3(xvii)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entity	CIN	Subsidiary/ JV/ Associate
Fintech Products and Solutions (India) Private Limited	U72900TG2016PTC109756	Associate

For B S R and Co
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 24218685BKGPOK9635

Place: Mumbai
Date: 29 April 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to one associate company, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate company is not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For B S R and Co
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:24218685BKGPOK9635

Place: Mumbai
Date: 29 April 2024

Consolidated Balance Sheet

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3	488.61	402.72
Capital work-in-progress	3	-	0.21
Right-of-use assets	6	447.43	268.66
Goodwill	4	5,525.66	5,434.31
Other intangible assets	5	1,179.89	807.55
Intangible assets under development	5	368.83	397.50
Investments accounted for using the equity method	7	40.92	65.00
Financial assets			
(i) Other financial assets	8	69.19	52.63
Deferred tax assets (net)	33	3.83	8.81
Non-current tax assets (net)	9	95.33	319.25
Other non-current assets	10	56.09	7.24
Total non-current assets		**8,275.78**	**7,763.88**
(2) Current assets			
Financial assets			
(i) Investments	11	1,457.57	2,220.66
(ii) Trade receivables	12	1,519.00	1,265.45
(iii) Cash and cash equivalents	13	564.01	717.83
(iv) Bank balances other than cash and cash equivalents above	14	1,953.27	152.40
(v) Other financial assets	15	171.44	214.58
Other current assets	16	245.85	178.27
Total current assets		**5,911.14**	**4,749.19**
TOTAL ASSETS		**14,186.92**	**12,513.07**
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	17	1,709.89	1,692.29
Other equity	18	9,700.01	7,009.93
Total equity		**11,409.90**	**8,702.22**
LIABILITIES			
(2) Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	6	379.76	251.53
Provisions	20	9.05	5.90
Deferred tax liabilities (net)	33	1,238.85	1,227.72
Total non-current liabilities		**1,627.66**	**1,485.15**
(3) Current liabilities			
Financial liabilities			
(i) Borrowings	19	-	1,300.69
(ii) Lease liabilities	6	106.85	46.17
(iii) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		0.59	1.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises		354.00	260.07
(iv) Other financial liabilities	22	387.35	361.99
Other current liabilities	23	165.34	144.47
Provisions	24	80.80	56.95
Current tax liabilities (net)	25	54.43	153.94
Total current liabilities		**1,149.36**	**2,325.70**
Total liabilities		**2,777.02**	**3,810.85**
TOTAL EQUITY AND LIABILITIES		**14,186.92**	**12,513.07**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

for B S R and Co
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685

Vishwanathan M Nair
Chairman
DIN: 02284165

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Florence, Italy
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Consolidated Statement of Profit and Loss

(All amounts are in ₹ millions, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
I. Revenue from operations	26	8,375.33	7,200.27
II. Other income	27	246.51	174.94
III. Total income (I+II)		**8,621.84**	**7,375.21**
IV. Expenses			
Employee benefits expense	28	3,196.64	2,894.27
Finance costs	29	84.35	106.44
Depreciation, impairment and amortisation expense	30	530.20	466.68
Other expenses	31	1,512.75	1,325.64
Total Expenses (IV)		**5,323.94**	**4,793.03**
V. Profit before share of loss of associate and tax (III - IV)		**3,297.90**	**2,582.18**
VI. Share of loss of associate, net of tax		(24.08)	-
VII. Profit before tax (V+VI)		**3,273.82**	**2,582.18**
VIII. Tax expense	33		
Current tax		794.10	642.00
Deferred tax		19.24	(17.18)
		813.34	**624.82**
IX. Profit for the year (VII-VIII)		**2,460.48**	**1,957.36**
X. Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(1.54)	(6.64)
Income tax on above	33	0.39	1.67
B. Items that will be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		(3.28)	4.99
Total other comprehensive income for the year, net of tax		**(4.43)**	**0.02**
XI. Total comprehensive income for the year (IX+X)		**2,456.05**	**1,957.38**
XII. Earnings per equity share (face value of ₹ 10 each, fully paid-up)	32		
- Basic		14.46	11.66
- Diluted		14.34	11.52
Summary of material accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

for B S R and Co
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685

Vishwanathan M Nair
Chairman
DIN: 02284165

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Florence, Italy
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Place: Mumbai
Date: 29 April 2024

Consolidated Statement of Changes in Equity

(All amounts are in ₹ millions, unless otherwise stated)

(i) For the year ended 31 March 2024

Particulars	Equity share capital	Other equity									Total other equity
		Share application money pending allotment	Reserves and surplus							Items of OCI	
			Securities premium	Statutory reserve	Capital reserve	Capital redemption reserve	Retained earnings	General reserve	Share based payment reserve	Exchange differences on translating financial statements of foreign operations	
Balance as at 1 April 2023	**1,692.29**	**6.80**	**5,264.73**	**3.68**	**0.10**	**149.88**	**1,361.72**	**75.00**	**139.73**	**8.29**	**7,009.93**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2023	**1,692.29**	**6.80**	**5,264.73**	**3.68**	**0.10**	**149.88**	**1,361.72**	**75.00**	**139.73**	**8.29**	**7,009.93**
Profit for the year	-	-	-	-	-	-	2,460.48	-	-	-	2,460.48
Other comprehensive income for the year	-	-	-	-	-	-	(1.15)	-	-	(3.28)	(4.43)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,459.33**	**-**	**-**	**(3.28)**	**2,456.05**
Exercise of employee stock options (Refer Note 44)	17.60	(1.82)	74.41	-	-	-	-	-	(74.41)	-	(1.82)
Premium received on exercise of employee stock options	-	-	205.12	-	-	-	-	-	-	-	205.12
Share based payments - Equity settled (Refer Note 44)	-	-	-	-	-	-	-	-	30.73	-	30.73
Transfer on account of buy back of redeemable preference shares (RPS)	-	-	-	-	-	0.20	(0.20)	-	-	-	-
Balance as at 31 March 2024	**1,709.89**	**4.98**	**5,544.26**	**3.68**	**0.10**	**150.08**	**3,820.85**	**75.00**	**96.05**	**5.01**	**9,700.01**

Consolidated Statement of Changes in Equity (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

(ii) For the year ended 31 March 2023

Particulars	Equity share capital	Other equity									Total other equity
		Share application money pending allotment	Reserves and surplus							Items of OCI	
			Securities premium	Statutory reserve	Capital reserve	Capital redemption reserve	Retained earnings	General reserve	Share based payment reserve	Exchange differences on translating financial statements of foreign operations	
Opening balance as at 1 April 2022	**1,675.69**	**-**	**5,005.94**	**3.68**	**0.10**	**149.88**	**(590.67)**	**75.00**	**120.51**	**3.30**	**4,767.74**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	**1,675.69**	**-**	**5,005.94**	**3.68**	**0.10**	**149.88**	**(590.67)**	**75.00**	**120.51**	**3.30**	**4,767.74**
Profit for the year	-	-	-	-	-	-	1,957.36	-	-	-	1,957.36
Other comprehensive income for the year	-	-	-	-	-	-	(4.97)	-	-	4.99	0.02
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,952.39**	**-**	**-**	**4.99**	**1,957.38**
Exercise of employee stock options (Refer Note 44)	16.60	6.80	69.73	-	-	-	-	-	(69.73)	-	6.80
Premium received on exercise of employee stock options	-	-	189.06	-	-	-	-	-	-	-	189.06
Share based payments - Equity settled (Refer Note 44)	-	-	-	-	-	-	-	-	88.95	-	88.95
Balance as at 31 March 2023	**1,692.29**	**6.80**	**5,264.73**	**3.68**	**0.10**	**149.88**	**1,361.72**	**75.00**	**139.73**	**8.29**	**7,009.93**

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

for B S R and Co
Chartered Accountants
ICAI Firm Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685

Place: Mumbai
Date: 29 April 2024

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Vishwanathan M Nair
Chairman
DIN: 02284165

Place: Mumbai
Date: 29 April 2024

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728

Place: Florence, Italy
Date: 29 April 2024

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454

Place: Mumbai
Date: 29 April 2024

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Consolidated Statement of Cash Flows

(All amounts are in ₹ millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A.	**Cash flows from operating activities**		
	Profit before tax	**3,273.82**	**2,582.18**
	Adjustments for:		
	Depreciation, impairment and amortisation expense	530.20	466.68
	Loss/ (profit) on sale of property, plant and equipment, net	(0.10)	1.04
	Interest income	(71.20)	(65.10)
	Dividend income from mutual funds	(167.28)	(88.29)
	Interest income from unwinding of discount on deposits	(2.71)	(3.51)
	Liabilities no longer required written back	(1.69)	(0.94)
	Income on derecognition of right-of-use asset and lease liabilities	(0.40)	(12.88)
	Foreign exchange gain (net)	3.74	(2.01)
	Finance costs	84.35	106.44
	Reversal towards credit loss allowance on trade receivables and other financial assets	(47.09)	(31.29)
	Credit impaired receivables written-off	90.70	15.65
	Advances/ deposits written-off	1.89	1.17
	Share of loss of associate, net of tax	24.08	-
	Share based payment expenses	26.22	82.90
	Operating profit before working capital changes	**3,744.53**	**3,052.04**
	Working capital adjustments:		
	Increase in trade receivables	(280.35)	(121.84)
	Decrease/ (increase) in other current financial assets	55.21	(19.42)
	Decrease in loans	-	1.41
	(Increase)/ decrease in other non-current financial assets	(17.39)	6.75
	Increase in other assets	(118.75)	(81.31)
	Increase in trade payables	93.99	7.14
	Increase in other current financial liabilities	33.98	46.44
	Increase/ (decrease) in other current liabilities	19.24	(25.74)
	Increase/ (decrease) in provisions	19.51	(69.80)
	Cash generated from operations	**3,549.97**	**2,795.67**
	Income taxes paid, net of refund received	(657.43)	(561.95)
	Net cash generated from operating activities (A)	**2,892.54**	**2,233.72**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including movement in capital work-in-progress, capital advances and capital creditors)	(278.85)	(237.69)
	Proceeds from sale of property, plant and equipment	2.66	6.94
	Purchase of intangible assets (including intangible assets under development)	(572.07)	(462.78)
	Investment in associate	-	(65.00)
	Fixed deposits placed with banks, net	(1,766.47)	(148.77)
	Redemption/ (investment) in mutual funds, net	763.09	(1,289.83)
	Acquisition of subsidiary, net of cash	(109.74)	-
	Interest income	18.41	65.10
	Dividend income from mutual funds	167.28	88.29
	Net cash used in investing activities (B)	**(1,775.69)**	**(2,043.74)**
C.	**Cash flows from financing activities**		
	Payment of principal portion on lease liabilities	(98.68)	(112.74)
	Interest on lease liabilities	(38.79)	(27.19)
	Buyback of redeemable preference shares (including taxes on buyback)	(1,340.20)	-
	Repayment of borrowings	(10.62)	-
	Proceeds from exercise of employee stock options	220.90	212.46
	Net cash (used in)/ generated from financing activities (C)	**(1,267.39)**	**72.53**
D.	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	**(150.54)**	**262.51**
	Cash and cash equivalents at the beginning of the year	717.83	450.33
	Effects of movements in exchange rates on cash and cash equivalents	(3.28)	4.99
	Cash and cash equivalents at the end of the year	**564.01**	**717.83**

Consolidated Statement of Cash Flows (Contd.)

(All amounts are in ₹ millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
E.	**Reconciliation of cash and cash equivalents with the Consolidated balance sheet (Refer Note 13)**		
	Cash on hand	0.07	0.12
	Balance with banks:		
	(i) in current accounts	177.64	608.80
	(ii) in deposits	386.30	108.91
		564.01	**717.83**
F.	**Reconciliation of liabilities arising from financing activities**		
	Opening balance		
	Lease liabilities	297.70	371.50
	Redeemable preference shares	0.20	0.20
	Premium on redeemable preference shares	1,300.49	1,224.94
	Cash movement		
	Lease liabilities	(137.47)	(139.93)
	Redeemable preference shares	(0.20)	-
	Premium on redeemable preference shares	(1,340.00)	-
	Non-cash movement		
	Lease liabilities	326.38	66.13
	Redeemable preference shares	-	-
	Premium on redeemable preference shares	39.51	75.55
	Closing balance		
	Lease liabilities	486.61	297.70
	Redeemable preference shares	-	0.20
	Premium on redeemable preference shares	-	1,300.49

Non-cash movement represents:

- with respect to lease liabilities, addition of new leases, deletion of existing leases and accrual of interest on lease liabilities. Refer Note 6(B) for details.
- with respect to redeemable preference shares, premium payable on redemption. Refer Note 19 for details.

Notes:

1) The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flows".
2) Cash comprises cash on hand, balances with banks in current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The accompanying notes are an integral part of these consolidated financial statements

As per our Report of even date attached

for B S R and Co
Chartered Accountants
ICAI Firm Registration No.: 128510W

for and on behalf of Board of Directors of
KFin Technologies Limited
CIN: L72400TG2017PLC117649

Amit Kumar Bajaj
Partner
Membership No.: 218685

Place: Mumbai
Date: 29 April 2024

Vishwanathan M Nair
Chairman
DIN: 02284165

Place: Mumbai
Date: 29 April 2024

Venkata Satya Naga Sreekanth Nadella
Managing Director & Chief Executive Officer
DIN: 08659728

Place: Florence, Italy
Date: 29 April 2024

Vivek Narayan Mathur
Chief Financial Officer
Membership no.: A089454

Place: Mumbai
Date: 29 April 2024

Alpana Uttam Kundu
Company Secretary
Membership no.: F10191

Place: Mumbai
Date: 29 April 2024

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

1. Reporting entity

KFin Technologies Limited ("the Parent Company") (formerly known as KFin Technologies Private Limited) was incorporated on 08 June 2017 at Hyderabad, India. The Holding Company's registered office is at Selenium, Tower B, Plot No-31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, "Rangareddy" Telangana 500032. The Holding Company together with its subsidiaries as set out below are collectively referred to as "the Group". The Group is engaged in providing service of Registrar to the Public Issue of Securities, Registrar to the Securities Transfers, and back office operations to mutual fund houses and data processing activities.

The Holding Company was converted into a public limited company under the Companies Act, 2013 on 24 February 2022 and consequently, the name was changed to "KFin Technologies Limited".

2. Summary of Material Accounting Policies

A. Basis of preparation and measurement of Consolidated Financial Statements

The Consolidated Balance Sheet of the Group as at 31 March 2024, the related Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended 31 March 2024 and the Significant accounting policies and Other Financial Information (together referred to as 'Consolidated Financial Statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

The Consolidated Financial Statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's standalone financial statements.

The Consolidated Financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements.

The Consolidated Financial Statements 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

The Consolidated Financial Statements have been compiled by the Group from:

- Audited Consolidated financial statements of the Group as at and for the year ended 31 March 2024 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

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

A) Basis of preparation and measurement of Consolidated Financial Statement (Contd.)

Subsidiaries considered in the Consolidated Financial Statements:

Entity	Country of incorporation	% holding as at 31 March 2024	% holding as at 31 March 2023
KFin Technologies (Bahrain) W.L.L. (formerly known as Karvy Fintech (Bahrain) W.L.L)	Bahrain	100%	100%
KFin Technologies (Malaysia) SDN.BHD (formerly known as Karvy Fintech (Malaysia) SDN.BHD)	Malaysia	100%	100%
KFin Services Private Limited	India	100%	100%
Hexagram Fintech Private Limited (w.e.f 7 February 2022)	India	100%	100%
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%	100%
KFin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)	India	100%	100%
WebileApps (India) Private Limited (w.e.f 19 April 2023)	India	100%	100%
WebileApps Technology Services Private Limited (w.e.f 19 April 2023)	India	100%	100%

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 29 April 2024.

Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees ('₹'), which is the Holding Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise stated.

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

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

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

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

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

The 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

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

A) Basis of preparation and measurement of Consolidated Financial Statement (Contd.)

Fair value measurement (Contd.)

significant to the fair value measurement as a whole) at the end of each reporting period.

Use of judgments and estimates

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

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

Changes in estimates are reflected in the financial estimates in the period in which changes are made and if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

a) Judgements

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

- Note P - Classification of financial assets: assessment of business model within which the assets 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
- Note G – Identification and recognition of intangible assets under development

b) Assumptions and estimation uncertainties

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

- *Employee benefit plans*

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

- *Taxes*

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

  Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

A) Basis of preparation and measurement of Consolidated Financial Statement (Contd.)

Use of judgments and estimates (Contd.)

b) Assumptions and estimation uncertainties (Contd.)

that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Refer note Q)

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

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

- *Impairment of financial assets*

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

- *Provisions and contingencies*

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

- *Fair value measurement of financial instruments*

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

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

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

B) Principles of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

B) Principles of consolidation (Contd.)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The group combines the financial information of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests, if any in the results are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet, respectively.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial information in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March 2024.

Equity accounted investees

The Group's interest in equity-accounted investees comprises of interest in associate.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

C) Classification of assets and liabilities as current and non-current

The Group presents assets and liabilities in the Consolidated 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 and liabilities are classified as non-current assets and liabilities.

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

The lease standard Ind AS 116 was notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Consolidated Financial Statements, the Management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Consolidated Financial Statement, 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.

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,

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

D) Leases (Contd.)

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, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. 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 and

d. The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

The Group presents right-of-use assets as a separate line in the Consolidated Balance Sheet and lease liabilities in 'Financial liabilities' in the Consolidated Balance Sheet.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

D) Leases (Contd.)

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

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain or loss on disposal of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as other non-current assets.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

E) Property, plant and equipment (Contd.)

Depreciation

The Group provides depreciation on Property, Plant and Equipment 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/ (upto) the date on which asset is ready for use/ (disposed-off).

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 below best represent the period over which management expects to use these assets.

Asset category	Estimated useful life (years)	Useful life as per Schedule II of the Companies Act (years)
Plant and machinery	5-15	15
Furniture and fixtures	3-10	10
Computers and other related assets	3-6	3-6
Office equipments	5-10	5
Vehicles	5	6-10

F) Intangible assets

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

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

Asset category	Estimated useful life (Years)
Computer software (including internally generated software)	3-10
Customer relationships	5-10

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the Consolidated Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year-end 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

G) Intangible assets under development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the 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 Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

G) Intangible assets under development (Contd.)

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 Consolidated 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 acquisition of businesses is reported separately from intangible assets.

As stated in the approved scheme of amalgamation and arrangement approved by National Company Law Tribunal, Hyderabad, goodwill was being amortised over period of 10 years up to 31 March 2021 (Refer Note 42 and Note 43). Further, this Goodwill is also tested for impairment annually 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) 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 of 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, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

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 into the functional currency at the exchange rates prevailing at the reporting date.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

Foreign currency transactions (Contd.)

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

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

Foreign currency gains and losses are reported on a net basis in the Consolidated Statement of Profit and Loss.

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

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

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 valuation being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Consolidated Balance Sheet. Re-measurements are recognised in the other comprehensive income, net of tax in the year in which they arise.

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

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense/ (income) on the net defined liability/ (asset) is computed by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined liability/ (asset), to the net defined liability/ (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and 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.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

K) Employee benefits (Contd.)

Share-based payment arrangements

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. For share-based payment arrangements with non-vesting conditions, grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Other long-term employee benefits

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

L) Revenue

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and claims accepted by the Group as part of the contract.

Revenue from registrar and transfer agency services provided to domestic mutual funds, corporates, alternative and wealth management businesses and revenue from pension fund solutions are recognized as the related services are performed over time in accordance with the terms and conditions of the respective contracts entered into by the Group with its customers. as the related services are performed over time provided, the revenue is reliably determinable, and no significant uncertainty exist regarding the collection.

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 in relation to services performed that are recovered from the customers based on the agreed terms and conditions..

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

Revenue from the sale of distinct internally developed software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a percentage of completion method.

Contract fulfilment costs are generally expensed as incurred except for certain service costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at transaction price unless they contain significant financing component. 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.

M) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Dividends are recognised in Consolidated Statement of Profit or Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

N) Borrowings and related cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

O) Provisions, contingent liabilities and contingent assets

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

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, The Group does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the Consolidated Financial Statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

P) Financial instruments

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

Financial assets

Initial recognition and measurement

The 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 provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets are recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables which do not contain a significant financial component are measured at transaction value.

Classifications and subsequent measurement

Classifications

The 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.

Financial asset 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 though 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.

Financial asset at fair value through Other Comprehensive Income (FVOCI)

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

a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

P) Financial instruments (Contd.)

Financial assets (Contd.)

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVOCI as described above, is classified as at FVTPL.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in Consolidated Statement of Profit and 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 Consolidated 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.

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.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

P) Financial instruments (Contd.)

Financial assets (Contd.)

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the Consolidated Balance Sheet

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

Write-off

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

Financial liabilities

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Financial liabilities at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and 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 recognised in OCI. These gains and losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Derecognition of financial liabilities

Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

P) Financial instruments (Contd.)

Financial liabilities (Contd.)

Offsetting of financial instruments

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

Q) Income taxes

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

Current tax

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the Consolidated 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 is 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 Consolidated 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.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

2. Material Accounting Policies (Contd.)

S) Earnings per share (Contd.)

R) 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.

S) Earnings per share

Basic earnings per share ("EPS") is computed by dividing the net profit or loss 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 or loss 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.

T) 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 initially 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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.

U) Recent Pronouncements

The 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

3 Property, plant and equipment and Capital work-in-progress

Particulars	Leasehold improvements	Computers and other related assets	Furniture and fixtures	Office equipment	Plant and machinery	Vehicles	Total Property, plant and equipment	Capital work-in-progress
Cost								
Balance as at 1 April 2022	178.41	488.90	21.61	49.37	7.14	15.44	760.87	6.33
Additions	43.74	175.49	1.71	3.83	1.69	9.31	235.77	10.58
Disposals	(3.22)	(12.69)	(2.98)	(7.22)	(0.60)	(4.30)	(31.01)	(16.70)
Exchange differences on translation of foreign operations	0.15	0.01	0.04	0.10	-	-	0.30	-
Balance as at 31 March 2023	**219.08**	**651.71**	**20.38**	**46.08**	**8.23**	**20.45**	**965.93**	**0.21**
Acquired through business combination	-	8.63	0.89	0.20	-	-	9.72	-
Additions	32.19	197.64	4.39	13.17	1.41	18.38	267.18	27.41
Disposals	-	(10.67)	-	(0.04)	-	(4.50)	(15.21)	(27.62)
Exchange differences on translation of foreign operations	(9.01)	(1.68)	(0.69)	6.98	-	-	(4.40)	-
Balance as at 31 March 2024	**242.26**	**845.63**	**24.97**	**66.39**	**9.64**	**34.33**	**1,223.22**	**-**
^ Disposals with respect to capital work-in-progress represent transfers to leasehold improvements by way of capitalisation.								
Accumulated depreciation								
Balance as at 1 April 2022	126.01	247.87	11.73	32.43	2.31	2.90	423.25	-
Depreciation for the year	43.44	115.42	2.99	7.41	0.69	2.97	172.92	-
Disposals	(2.42)	(22.01)	(1.62)	(6.18)	(0.20)	(1.10)	(33.53)	-
Exchange differences on translation of foreign operations	0.43	-	0.04	0.10	-	-	0.57	-
Balance as at 31 March 2023	**167.46**	**341.28**	**13.14**	**33.76**	**2.80**	**4.77**	**563.21**	**-**
Acquired through business combination	-	5.26	0.41	0.09	-	-	5.76	-
Depreciation for the year	12.87	153.69	3.23	7.02	0.77	4.99	182.57	-
Disposals	-	(10.61)	-	(0.04)	-	(2.00)	(12.65)	-
Exchange differences on translation of foreign operations	(1.53)	(1.24)	(0.05)	(1.49)	-	0.03	(4.28)	-
Balance as at 31 March 2024	**178.80**	**488.38**	**16.73**	**39.34**	**3.57**	**7.79**	**734.61**	**-**
Carrying amounts (net)								
Balance as at 31 March 2024	**63.46**	**357.25**	**8.24**	**27.05**	**6.07**	**26.54**	**488.61**	**-**
Balance as at 31 March 2023	51.62	310.43	7.24	12.32	5.43	15.68	402.72	0.21

Ageing of Capital work in progress:

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023					
Projects in progress	0.21	-	-	-	0.21
Projects temporarily suspended	-	-	-	-	

Notes: (a) The Group has not carried out any revaluation of its property, plant and equipment.

(b) The Group does not hold any immovable property in its own name.

(c) There are no capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

4 Goodwill

Particulars	On Business Combination	Others*	Total
Cost			
Balance as at 1 April 2022	6,896.47	125.85	7,022.32
Additions	-	-	-
Balance as at 31 March 2023	**6,896.47**	**125.85**	**7,022.32**
Additions	91.35	-	91.35
Balance as at 31 March 2024	**6,987.82**	**125.85**	**7,113.67**
Accumulated amortisation			
Balance as at 1 April 2022	1,588.01	-	1,588.01
Amortisation for the year	-	-	-
Balance as at 31 March 2023	**1,588.01**	**-**	**1,588.01**
Amortisation for the year	-	-	-
Balance as at 31 March 2024	**1,588.01**	**-**	**1,588.01**
Carrying amounts (net)			
Balance as at 31 March 2024	**5,399.81**	**125.85**	**5,525.66**
Balance as at 31 March 2023	5,308.46	125.85	5,434.31

Note:

(i) Refer Note 42 for the impairment assessment carried out by the Management.

(ii) Refer Note 43(B) for details of NCLT order received by the Group in respect of amortisation of goodwill.

*Represents carrying value of goodwill appearing in the consolidated financial statements of the transferor company as on the date of amalgamation described in Note 43(B).

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

5 Other intangible assets

Particulars	Computer Software	Internally generated Softwares	Customer relationships	Trademarks	Non-compete agreement	Total	Internally generated intangibles under development*	Intangible assets under development*	Total
Cost									
Balance as at 1 April 2022	296.48	207.26	232.89	43.49	39.33	819.45	301.96	37.48	339.44
Additions	100.43	307.41	-	-	-	407.84	363.42	30.61	394.03
Disposals/ Capitalisation^	(3.21)	-	-	-	-	(3.21)	(307.41)	(28.56)	(335.97)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	**393.70**	**514.67**	**232.89**	**43.49**	**39.33**	**1,224.08**	**357.97**	**39.53**	**397.50**
Additions	111.94	483.69	-	-	-	595.63	440.97	34.44	475.41
Disposals/ Capitalisation^	(0.23)	-	-	-	-	(0.23)	(484.75)	(14.53)	(499.28)
Impairment#	-	-	-	-	-	-	(4.80)	-	(4.80)
Exchange differences on translation of foreign operations	0.01	-	-	-	-	0.01	-	-	-
Balance as at 31 March 2024	**505.42**	**998.36**	**232.89**	**43.49**	**39.33**	**1,819.49**	**309.39**	**59.44**	**368.83**
Accumulated amortisation									
Balance as at 1 April 2022	112.87	23.39	104.72	1.22	1.14	243.34	-	-	-
Amortisation for the year	91.21	24.44	45.22	4.54	7.87	173.28	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	(0.09)	-	-	-	-	(0.09)	-	-	-
Balance as at 31 March 2023	**203.99**	**47.83**	**149.94**	**5.76**	**9.01**	**416.53**	**-**	**-**	**-**
Amortisation for the year	26.03	131.25	45.23	12.85	7.89	223.25	-	-	-
Disposals	(0.23)	-	-	-	-	(0.23)	-	-	-
Exchange differences on translation of foreign operations	0.05	-	-	-	-	0.05	-	-	-
Balance as at 31 March 2024	**229.84**	**179.08**	**195.17**	**18.61**	**16.90**	**639.60**	**-**	**-**	**-**
Carrying amounts (net)									
Balance as at 31 March 2024	**275.58**	**819.28**	**37.72**	**24.88**	**22.43**	**1,179.89**	**309.39**	**59.44**	**368.83**
Balance as at 31 March 2023	189.71	466.84	82.95	37.73	30.32	807.55	357.97	39.53	397.50

Note:

*Intangible assets under development represent internally generated as well as purchased softwares for business operations and licensing.

^ Disposals with respect to internally generated intangibles/ intangible assets under development represent transfers to internally generated softwares/ computer software respectively, by way of capitalisation.

Due to change in market conditions and their use, the carrying amount of certain intangibles under development has been reduced to its recoverable amount by recognition of an impairment loss in profit or loss.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

5 Other intangible assets (Contd.)

Ageing of Intangible assets under development

Particulars	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Balance as at 31 March 2024					
- Projects in progress	66.36	217.33	85.14	-	368.83
- Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023					
- Projects in progress	296.75	100.75	-	-	397.50
- Projects temporarily suspended	-	-	-	-	-

Projects whose completion is overdue/ has exceeded its cost compared to its original plan :

Particulars	To be Completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Balance As at 31 March 2024					
Project 1	62.31	-	-	-	62.31
Project 2	45.99	-	-	-	45.99
Project 3	43.91	-	-	-	43.91
Project 4	33.44	-	-	-	33.44
Project 5	20.34	-	-	-	20.34
Project 6	18.34	-	-	-	18.34
Project 7	16.38	-	-	-	16.38
Project 8	13.89	-	-	-	13.89
Project 9	11.27	-	-	-	11.27
Project 10	-	48.76	-	-	48.76
Project 11	2.96	-	-	-	2.96
Project 12	1.04	-	-	-	1.04
Project 13	0.70	-	-	-	0.70
Project 14	0.58	-	-	-	0.58
Project 15	0.24	-	-	-	0.24
Balance As at 31 March 2023					
Project 1	3.60	-	-	-	3.60
Project 2	5.67	-	-	-	5.67
Project 3	14.71	-	-	-	14.71
Project 4	12.30	-	-	-	12.30
Project 5	8.39	-	-	-	8.39
Project 6	3.13	-	-	-	3.13
Project 7	29.62	-	-	-	29.62
Project 8	2.04	-	-	-	2.04
Project 9	1.20	-	-	-	1.20
Project 10	52.44	-	-	-	52.44
Project 11	4.05	-	-	-	4.05

Note:

(a) The Group has not carried out any revaluation of its other intangible assets.

(b) There are no projects where completion is overdue or has exceeded its cost compared to its original plan, other than those disclosed above.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

6 Leases

A Following are the movements in the carrying values of right of use assets:

Particulars	Category of ROU Assets
	Premises
Balance as at 01 April 2022	633.11
Additions	124.44
Prepayments	4.29
Deletions	(155.06)
Exchange difference on translation of foreign operations	0.13
Balance as at 31 March 2023	**606.91**
Additions	289.97
Prepayments	10.36
Deletions	(3.88)
Exchange difference on translation of foreign operations	(0.63)
Balance as at 31 March 2024	**902.73**
Accumulated depreciation	
Balance as at 01 April 2022	**295.80**
Depreciation for the year	120.48
Exchange difference on translation of foreign operations	(0.27)
Disposal	(77.76)
Balance as at 31 March 2023	**338.25**
Depreciation for the year	119.58
Exchange difference on translation of foreign operations	(0.22)
Disposal	(2.31)
Balance as at 31 March 2024	**455.30**
Carrying amounts (net)	
Balance as at 31 March 2024	**447.43**
Balance as at 31 March 2023	**268.66**

The aggregate depreciation expense for the year on right-of-use assets is included under depreciation, impairment and amortisation expense in the consolidated statement of profit and loss (Refer Note 30).

B Following are the movements in the lease liabilities:

Particulars	31 March 2024	31 March 2023
Opening balance	**297.70**	**371.50**
Additions	289.97	128.73
Exchange differences on translation of foreign operations	(0.41)	0.38
Finance cost accrued during the year	38.79	27.19
Deletions	(1.97)	(90.17)
Payment of lease liabilities	(137.47)	(139.93)
Closing balance	**486.61**	**297.70**
Non-current lease liabilities	379.76	251.53
Current lease liabilities	106.85	46.17

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

C The following are the amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on right-of-use assets	119.58	120.48
Interest expenses	38.79	27.19
Short-term lease expense	46.24	34.71
Low value lease expense	-	-
Variable lease expense	-	-
	204.61	**182.38**

D The following is the cash outflow on leases:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment of principal portion on lease liabilities	98.68	112.74
Interest on lease liabilities	38.79	27.19
Total cash outflow on leases	**137.47**	**139.93**

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	140.15	82.68
1 to 5 years	402.94	238.48
Over 5 years	30.27	59.53

F Extension options

Some property leases contain extension options exercisable by the Group up to five years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of ₹ 219.45 million.

7 Investments accounted for using the equity method

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments of associate company, carried at cost and unquoted		
10,41,525 (31 March 2023: 10,41,525) equity shares of Fintech Products and Solutions India Private Limited (FPSIPL), face value of ₹ 10 each, fully paid-up representing 20.95% (31 March 2023: 25.63%) as percentage ownership interest	40.92	65.00
	40.92	**65.00**
Aggregate amount of un-quoted investments	40.92	65.00
Aggregate amount of impairment in value of investments	-	-

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

7 Investments accounted for using the equity method (Contd.)

On 22 March 2023, the Parent Company acquired 25.63% stake in Fintech Products and Solutions India Private Limited (FPSIPL or Investee), a Technology Service Provider (TSP) having a wholly owned subsidiary, FinSec AA Solutions Private Limited, India's first Account Aggregator ('AA'), licensed by Reserve Bank of India (RBI) by investing ₹ 65.00 million. This Investment will help the Company to venture into TSP and AA business as it looks to diversify beyond its current offerings across asset classes in the financial services ecosystem. OneMoney, the brand of FPSIPL's wholly owned subsidiary, is India's first Account Aggregator (AA), with a Non-Banking Financial Corporation ('NBFC') AA license from the RBI. The Company's share of the net fair value of investee's identifiable assets and liabilities have been computed by a third party valuer. This exercise resulted in identification of goodwill of ₹ 30.05 million, which is embedded in the value of the investment of ₹ 65.00 million accounted for under the equity method.

8 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Rental deposits	54.49	47.41
Electricity deposits	3.90	3.96
Telephone deposits	0.08	0.07
Bank deposits (due to mature after 12 months from balance sheet date)*	10.72	1.19
	69.19	**52.63**

* represents fixed deposits amounting to ₹ 0.68 million (31 March 2023: ₹ 0.77 million) which is not freely remissible because of contractual restrictions.

The Group's exposure to credit risks is disclosed in Note 41.

9 Non-current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income-tax including tax deducted at source*	95.33	319.25
	95.33	**319.25**

*Net of provision for tax 31 March 2024: ₹ 1,094.52 million (31 March 2023: ₹ 443.60 million)

10 Other non-current assets

(Unsecured, considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	0.41	3.16
Prepayments	42.49	4.08
Contract fulfillment costs	13.19	-
	56.09	**7.24**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

11 Current investments

Particulars	As at 31 March 2024	As at 31 March 2023
Investments in mutual funds - quoted - at FVTPL		
Nil (31 March 2023: 68,849) units of DSP Blackrock Liquidity Fund - Direct Plan - Daily Dividend	-	68.91
46,605 (31 March 2023: 356,087) units of HSBC Liquid Fund - Direct Plan - Daily Dividend Reinvestment	46.69	356.42
38,266 (31 March 2023: 384,304) units of TATA Liquid Fund - Direct Plan - Daily Dividend	38.32	384.89
Nil (31 March 2023: 317,270) units of Kotak Liquid Fund - Direct Plan - Daily Dividend	-	387.96
Nil (31 March 2023: 350,128) units of HDFC Liquid Fund - Direct Plan - Daily Dividend Reinvestment	-	357.07
Nil (31 March 2023: 2,754,858) units of ICICI Prudential Liquid Fund - Direct Plan - Daily Dividend	-	275.78
4,706,743 (31 March 2023: Nil) units of Aditya Birla Liquid Fund - Direct Plan - Daily Dividend	471.88	-
102,943 (31 March 2023: Nil) units of Franklin templeton Liquid Fund - Direct Plan - Daily Dividend	103.17	-
482,810 (31 March 2023: Nil) units of Bandhan Liquid Fund - Direct Plan - Daily Dividend	483.90	-
274,125 (31 March 2023: 342,705) units of SBI Liquid Fund - Direct Plan - Daily Dividend	313.61	389.63
	1,457.57	**2,220.66**
Aggregate amount of quoted current investments and market value thereof	1,457.57	2,220.66
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 the process of transferring those shares to the relevant account based on the instructions to be received from respective customers.

12 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Break up of security details		
(a) Trade receivables considered good - secured	-	-
(b) Trade receivables considered good - unsecured	1,637.14	1,425.60
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	-	-
Gross trade receivables	**1,637.14**	**1,425.60**
Less: Loss allowance	(118.14)	(160.15)
Net trade receivables	**1,519.00**	**1,265.45**
Movements in the provision for credit impaired trade receivables are as follows:		
Opening balance	160.15	201.40
Allowance for credit loss	39.79	(34.75)
Less: Allowance utilised during the year	(81.80)	(6.50)
Closing balance	**118.14**	**160.15**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

12 Trade receivables (Contd.)

Trade receivables are unsecured and are derived from revenue from operations i.e. fee revenue and recoverable expenses revenue. No interest is charged on the outstanding balance, regardless of the age of the balance. The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

Ageing of gross trade receivables as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	118.19	1,048.98	332.74	36.71	29.80	38.23	32.49	1,637.14
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

Ageing of gross trade receivables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months - 1 year	1 to 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	113.28	774.74	320.54	54.41	45.14	58.36	59.13	1,425.60
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-

There are no trade receivables due to the 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.

*Includes receivable from related parties. Refer Note 39.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

13 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.07	0.12
Balances with banks:		
(i) in current accounts*	177.64	608.80
(ii) in deposits#	386.30	108.91
	564.01	**717.83**

* Includes stamp duty amount received from customers amounting to ₹ 42.28 million as at 31 March 2024 (31 March 2023: ₹ 55.09 million) for the purpose of onward remittance of the same to the Registration & Stamps Department (Refer Note 22).

The Group's exposure to credit risk are disclosed in Note 40.

14 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months)*	1,953.27	152.40
	1,953.27	**152.40**

* Includes fixed deposits amounting to ₹ 27.02 million (31 March 2023: ₹ 71.36 million) which is not freely remissible because of contractual restrictions.

The Group's exposure to credit risks are disclosed in Note 40.

15 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, Considered good		
Rental deposits	3.35	3.24
Stamp duty receivables (Refer Note 13)	119.44	131.72
Insurance claims receivable	-	14.12
Other receivables	5.01	20.83
IPO related expenses (Refer Note 46)	-	11.99
Bank deposits (due to mature within 12 months from balance sheet date)*	26.01	-
Other deposits	17.63	32.68
	171.44	**214.58**
Unsecured, considered doubtful		
Other receivables	3.95	9.07
	3.95	**9.07**
Less: Allowance for credit loss		
Other receivables	(3.95)	(9.07)
	(3.95)	**(9.07)**
	171.44	**214.58**
Movements in allowance for credit loss of other financial assets are as follows:		
Opening balance	9.07	5.61
Allowance for credit loss created during the year	0.69	3.46
Less: Provision utilised during the year	(5.81)	-
Closing balance	**3.95**	**9.07**

The Group's exposure to credit risks are disclosed in Note 40.

* Includes fixed deposits amounting to ₹ 0.55 million (31 March 2023: ₹ Nil) which is not freely remissible because of contractual restrictions.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to vendors for supply of goods/ services	14.73	22.88
Balance with government authorities	2.47	1.79
Prepayments	196.78	144.56
Contract fulfillment costs	17.59	-
Advances to employees	14.28	4.12
Others, representing asset arising from defined benefit plan - Gratuity	-	4.92
	245.85	**178.27**

17 Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
(a) 175,980,000 (31 March 2023: 175,980,000) equity shares of ₹ 10 each	1,759.80	1,759.80
(b) 1,000 (31 March 2023: 1,000) non-convertible Redeemable Preference Shares (RPS) of ₹ 200 each	0.20	0.20
	1,760.00	**1,760.00**
Issued, subscribed and paid-up		
(a) 170,988,673 (31 March 2023: 169,228,699) equity shares of ₹ 10 each, fully paid-up	1,709.89	1,692.29
(b) 1,000 (31 March 2023: 1,000) RPS of ₹ 200 each (Refer Note 19)	-	-
	1,709.89	**1,692.29**

a. Terms and rights attached to equity shares

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

Under the shareholders agreement dated 3 August 2017 executed between the Parent Company and its shareholders, and as amended subsequently ("SHA 2017"), one of the shareholders of the Parent Company had been granted a right to subscribe to additional equity shares of the Parent Company upon fulfillment of various performance related and other milestones as defined in the SHA 2017. During the year ended 31 March 2022, the Parent Company and its shareholders have entered into 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.

b. For terms and rights attached to RPS, please refer Note 19.

c. Employee stock options:

The Parent Company has granted certain stock options to its employees and the employees of its subsidiaries. For details of shares reserved for issue under the Employee Stock Options Plan, Refer Note 44.

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Opening balance	169,228,699	1,692.29	167,568,883	1,675.69
Shares issued upon exercise of employee stock options (Refer Note 44)	1,759,974	17.60	1,659,816	16.60
Shares outstanding at the end of the year	**170,988,673**	**1,709.89**	**169,228,699**	**1,692.29**

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(All amounts are in ₹ millions, unless otherwise stated)

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of total shares	No. of shares	% of total shares
Equity shares of ₹ 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	65,026,100	38.03%	82,026,100	48.47%
Compar Estates and Agencies Private Limited	18,414,296	10.77%	18,414,296	10.88%
Kotak Mahindra Bank Limited	13,255,100	7.75%	16,725,100	9.88%
Total	**96,695,496**	**56.55%**	**117,165,496**	**69.24%**

f. Disclosure of shareholding of promoters:

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	As at 31 March 2024		As at 31 March 2023		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Equity shares of ₹ 10 each fully paid up, held by:					
General Atlantic Singapore Fund Pte Ltd and its subsidiary	66,634,603	38.97%	83,634,603	49.42%	-21.15%
Total	**66,634,603**	**38.97%**	**83,634,603**	**49.42%**	**-21.15%**

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	As at 31 March 2023		As at 31 March 2022		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Equity shares of ₹ 10 each fully paid up, held by:					
General Atlantic Singapore Fund Pte Ltd and its subsidiary	83,634,603	49.42%	127,188,903	75.90%	-34.89%
Total	**83,634,603**	**49.42%**	**127,188,903**	**75.90%**	**-34.89%**

g. During the period of five years immediately preceding the balance sheet date, no shares were allotted as fully paid up pursuant to a contract without payment being received in cash.

h. 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.

i. 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.

j. Enforcement Directorate (ED) vide its order dated 24 September 2021, has instructed the Parent Company not to facilitate the alienation/ sale/ creation of any lien or liability in respect of shares held by certain shareholders. On 11 March 2022, the Parent Company has received Provisional Attachment Order No. 06/2022 dated 8 March 2022 issued by the Deputy Director, Directorate of Enforcement, Hyderabad Zonal Office, whereby the ED has provisionally attached the equity shares held by those shareholders. Additionally, to the Parent Company's knowledge, these shares are subjected to an encumbrance in favour of certain lenders of those shareholders. The Parent Company has received a letter dated 09 December 2022, from the Office of Additional Director, Directorate of Enforcement, Hyderabad Zonal Office on 13 December 2022 ("Authority", and such letter "ED Letter"). Pursuant to the ED Letter, the Authority has communicated that the attachment made pursuant to the provisional attachment order dated March 08, 2022, issued by the Attachment Order has been confirmed by the Adjudicating Authority (PMLA), New Delhi vide its order dated 1 December 2022.

k. Please refer to Note 60 of these Consolidated financial statements for the details of subsequent events relating to the proposed dividend.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

18 Other equity

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Capital reserve	a		
Balance at the beginning of the year		0.10	0.10
Addition during the year		-	-
Balance at the end of the year		**0.10**	**0.10**
Share application money pending allotment	b		
Balance at the beginning of the year		6.80	-
Add: Movement during the year		(1.82)	6.80
Balance at the end of the year		**4.98**	**6.80**
Securities premium	c		
Balance at the beginning of the year		5,264.73	5,005.94
Add: Premium received on exercise of employee stock options		205.12	189.06
Add: Transfer from share based payment reserves on exercise of employee stock options		74.41	69.73
Balance at the end of the year		**5,544.26**	**5,264.73**
Retained earnings	d		
Balance at the beginning of the year		1,361.72	(590.67)
Add: Profit for the year		2,460.48	1,957.36
Less: Transfer on account of buy back of RPS (Refer Note 19)		(0.20)	-
Add/ (less): Re-measurement gains/ (losses) on defined benefit plans for the year		(1.15)	(4.97)
Balance at the end of the year		**3,820.85**	**1,361.72**
Statutory reserve	e		
Balance at the beginning of the year		3.68	3.68
Add: Transfer during the year		-	-
Balance at the end of the year		**3.68**	**3.68**
Foreign currency translation reserve	f		
Balance at the beginning of the year		8.29	3.30
Add: Movement during the year		(3.28)	4.99
Balance at the end of the year		**5.01**	**8.29**
Share based payment reserve	g		
Balance at the beginning of the year		139.73	120.51
Add: Charge for the year, gross		19.48	85.42
Add: Charge for the options issued to the employees of subsidiaries		11.25	3.53
Less: Transferred to securities premium on exercise of stock options for the year		(74.41)	(69.73)
Balance at the end of the year		**96.05**	**139.73**
Capital redemption reserve	h		
Balance at the beginning of the year		149.88	149.88
Add: Movement during the year		0.20	-
Balance at the end of the year		**150.08**	**149.88**
General reserve	i		
Balance at the beginning of the year		75.00	75.00
Add: Movement during the year		-	-
Balance at the end of the year		**75.00**	**75.00**
Total other equity	**(a+b+c+d+e+f+g+h+i)**	**9,700.01**	**7,009.93**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

18 Other equity (Contd.)

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) Share application money pending allotment

Amount received in respect of exercise of stock options, pending allotment as of year-end. This will subsequently be adjusted at the time of allotment of shares.

(c) 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.

(d) Retained earnings

Retained earnings represents the net profits after all distributions and transfers to other reserves. It can be utilised or distributed in accordance with the provisions of the Companies Act, 2013.

(e) Statutory reserve

Under the provision of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the subsidiary's profit for the year before appropriation is required to be transferred to a non distributable reserve account up to a minimum of 50% of the issued share capital. The Group decided to discontinue such transfer since the reserve has already reached 50% of the paid up share capital.

(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. Refer Note 44 for further details on these plans.

(h) Capital redemption reserve

The balance as of April 1, 2023 represents the reserve created for cancellation of 14,987,846 equity shares bought back under buy back plan in financial year 2019-20 (Refer Note 17). The current year movement represents addition on account of buyback of redeemable preference shares.

(i) General reserve

The general reserve is used time to time to transfer profits/ reserve from retained earning/other component of equity such as Debenture Redemption Reserve (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.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

19 Borrowings

Current

Particulars	As at 31 March 2024	As at 31 March 2023
RPS, unsecured (Refer Note i(a) and i(b) below)	-	0.20
Premium payable on redemption of RPS (Refer Note i(a) and i(b) below)	-	1,300.49
	-	**1,300.69**

(i) Redeemable preference share (unsecured)

(a) Terms and rights attached to RPS

On 25 October 2021, the Parent Company has issued 1,000 non-convertible redeemable preference shares having face value of ₹ 200 each share at par on a private placement basis for a maximum period of 20 years from the date of issue. These RPS shall not carry any voting rights. The RPS shall be subordinated to the existing indebtedness of the Parent Company and any future senior debt that the Parent Company may take.

The RPS shall be redeemed by the Parent Company in accordance with the provisions of the Companies Act, 2013 and the Share Subscription Agreement ("SSA") dated 28 May 2021 on or after 25 October 2023 ("the Target Redemption Date"") and a redemption premium of ₹ 1,340.00 million shall be payable by the Parent Company subject to satisfaction of the conditions prescribed under the SSA. These RPS carry preferential non-cumulative dividend rate of 0.0001% per annum ("Preferential Dividend"), which shall be applicable until 25 October 2023. The dividend shall be due only when declared by the Board. In the event that the RPS are not redeemed on the Target Redemption Date or within 60 (sixty) days therefrom, in accordance with the SSA, then the dividend rate applicable on the RPS for the period after the Target Redemption Date, shall stand revised to a preferential cumulative dividend rate of 7% per annum, which shall further increase by 200 bps per annum at every anniversary of the Target Redemption Date, subject to a maximum of 13% per annum. The payment of such dividend shall be subject to deduction and withholding of taxes by the Parent Company as per applicable law. The RPS shall be non-participating in the surplus funds and surplus assets. The RPS are transferable subject to the conditions mentioned under SSA.

(b) Pursuant to a subscription agreement dated 28 May 2021 between the Parent Company and certain individuals, who were minority shareholders of the Parent Company at such time, with regard to termination of rights of such shareholders and Permitted Assignees (other than such shareholders), in terms of the said agreement, who were also shareholders of the Company, under the existing Shareholders Agreement dated 3 August 2017 (as amended pursuant to a supplemental agreement dated 3 April 2020), the Company was obligated for an amount of ₹ 1,640.00 million. The net amount payable after recovering, in terms of the said agreement, an indemnity of ₹ 300.00 million is ₹ 1,340.00 million payable after a period of two years i.e. on or after 25 October 2023. The Company issued RPS carrying maturity amount of ₹ 1,340.00 million (₹ 1,640.00 million offset by ₹ 300.00 million) through agreement dated 28 May 2021. Accordingly, an amount of ₹ 1,482.94 million (amortised cost of ₹ 1,640.00 million) has been debited to other equity representing the obligations to the shareholders with a corresponding credit of ₹ 1,182.94 million and ₹ 300.00 million to non-current borrowings (representing amount payable to the said shareholders under Redeemable Preference Shares net of indemnity of ₹ 300.00 million) and current financial liability (representing amount payable to the past Client (Refer Note 35)), respectively. The current financial liability has been settled by transfer of investments as mentioned in Note 35. The balance of ₹ 157.06 million (₹ 1,340.00 million less ₹ 1,182.94 million) will be charged to consolidated statement of profit and loss over the period of borrowing as interest cost under effective interest rate method as prescribed under Ind AS 109 – Financial Instruments.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

19 Borrowings (Contd.)

(c) The Board of Directors of the Parent Company approved a proposal for buy-back of 1,000 Non-convertible Redeemable Preference Shares (RPS) of the Parent Company having face value of ₹ 200 each fully paid up at a buy back price of ₹ 1,340,200.001 per RPS, which is inclusive of all taxes including buyback tax required to be paid by the Parent Company aggregating to ₹ 1,340.20 million (Buyback Consideration). This was approved by Parent Company's shareholders at the Extra-ordinary General Meeting ('EGM') held on 23 October 2023. The Parent Company has completed the buy-back process on 30 November 2023.

20 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity	5.27	2.71
Provision for indemnity	3.78	3.19
	9.05	**5.90**

Refer Note 38 for disclosure related to employee benefits.

21 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises*	0.59	1.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	354.00	260.07
	354.59	**261.49**

Ageing of trade payables as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	0.59	-	-	-	0.59
Other than micro enterprises and small enterprises	327.74	-	26.26	-	-	-	354.00
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	1.42	-	-	-	1.42
Other than micro enterprises and small enterprises	196.28	-	60.39	3.19	-	0.21	260.07
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

*Refer Note 36 for disclosure relating to Micro enterprises and small enterprises.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

For details regarding trade payables due to related parties, Refer Note 39.

22 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposit payable	2.39	3.56
Employee payables	144.77	102.91
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	0.20	0.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.21	14.52
Stamp duty payable	145.70	155.41
Other liabilities^	94.08	84.96
	387.35	**361.99**

Ageing of capital creditors as at 31 March 2024 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	0.20	-	-	-	0.20
Other than micro enterprises and small enterprises	-	-	0.21	-	-	-	0.21
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Ageing of trade payables as at 31 March 2023 is as under:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1 to 2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	-	-	0.63	-	-	-	0.63
Other than micro enterprises and small enterprises	-	-	14.52	-	-	-	14.52
Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues - other than micro enterprises and small enterprises	-	-	-	-	-	-	-

* Refer Note 36 for disclosure relating to Micro enterprises and small enterprises.

^ Balance as at 31 March 2024, includes an amount of ₹ 78.41 million towards claim from a past client. Refer Note 35 for further details.

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 40.

Notes to Consolidated Financial Statements
(All amounts are in ₹ millions, unless otherwise stated)

23 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
- Unearned income*	27.53	23.61
- Advance from customers	22.71	15.25
Statutory dues payable	115.10	105.61
	165.34	**144.47**

* Refer Note 45

24 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits:		
Gratuity	7.55	2.18
Compensated absences	73.25	54.77
	80.80	**56.95**

Refer Note 38 for disclosure related to employee benefits.

25 Current tax liability (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for taxation*	54.43	153.94
	54.43	**153.94**

*Net of advance tax ₹ 1,112.25 million (31 March 2023: ₹ 2007.46 million)

26 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of services	8,106.16	6,934.19
	8,106.16	**6,934.19**
Other operating revenues		
Recoverable expenses	269.17	266.08
	269.17	**266.08**
Total	**8,375.33**	**7,200.27**

*Refer Note 45

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

27 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from :		
- Bank deposits (calculated using effective interest method on financial assets at amortised cost)	60.63	6.29
- Unwinding of discount on deposits (calculated using effective interest method on financial assets at amortised cost)	2.71	3.51
- Income-tax refund	10.57	58.81
Dividend income from investment in mutual funds (at Fair Value through profit or loss)	167.28	88.29
Profit on sale of property, plant and equipment (net)	0.10	-
Liabilities no longer required written back	1.69	0.94
Foreign exchange gain (net)	-	2.01
Income on derecognition of ROU assets and lease liability	0.40	12.88
Miscellaneous income	3.13	2.21
	246.51	**174.94**

28 Employee benefits expense*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	2,867.05	2,552.17
Contribution to provident and other funds	220.49	196.11
Share based payment expenses (Refer Note 44)	26.22	82.90
Staff welfare expenses	82.88	63.09
	3,196.64	**2,894.27**

* The Group has capitalised salary cost of ₹ 289.50 million (31 March 2023: ₹ 275.92 million) to the other intangible assets/ intangible assets under development/ internally developed intangibles under development.

29 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost on financial liabilities measured at amortised cost		
- on redeemable preference shares ('RPS') (Refer Note 19(i)(b))	39.51	75.55
Unwinding of interest on lease liabilities (Refer Note 6)	38.79	27.19
Other interest costs	6.05	3.70
	84.35	**106.44**

Notes to Consolidated Financial Statements
(All amounts are in ₹ millions, unless otherwise stated)

30 Depreciation, impairment and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (Refer Note 3)	182.57	172.92
Amortisation of internally generated intangible assets (Refer Note 5)	131.25	24.44
Amortisation of other intangible assets (Refer Note 5)	92.00	148.84
Depreciation on right of use asset (Refer Note 6)	119.58	120.48
Impairment on internally developed intangibles under development (Refer Note 5)	4.80	-
	530.20	**466.68**

31 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	42.62	39.26
Rent	46.24	34.71
Repairs and maintenance - Others	12.23	10.91
Rates and taxes	6.81	6.86
Legal and professional fee*	616.23	502.13
Consultancy charges^	173.70	245.95
Office maintenance	42.39	38.45
Security services	23.09	18.78
Computer and software maintenance	37.90	33.32
Corporate social responsibility**	35.70	20.26
Allowance for credit loss on trade receivables and other financial assets	(47.09)	(31.29)
Advances/ deposits written-off	1.89	1.17
Credit impaired receivables written-off	90.70	15.65
Courier, printing and stationery	277.60	275.29
Travelling and conveyance	76.03	54.30
Shared services cost	0.77	0.88
Insurance	15.47	10.30
Staff recruitment	12.76	9.06
Sales promotion and advertisement	28.57	18.32
Depository charges	0.24	0.34
Claims	10.13	13.48
Water charges	2.61	2.15
Bank charges	0.79	0.76
Foreign exchange loss (net)	3.74	0.50
Loss on disposal of property, plant and equipment, net	-	1.04
Miscellaneous expenses	1.63	3.06
	1,512.75	**1,325.64**

*** Payment to auditors** (included in legal and professional expenses above)

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

31 Other expenses (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor		
Statutory audit	5.08	3.40
Limited review	2.10	0.60
Certification	0.63	0.50
Others^^	-	28.70
Out of pocket expenses	0.52	1.93
	8.33	**35.13**

^^ Others represent audit fee towards IPO related expenses (Refer Note 46).

**** 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.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Parent Company during the year	35.50	20.06
b) Amount approved by the Board to be spent during the year	35.50	20.06
c) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	35.70	20.26
d) (Shortfall) / Excess at the end of the year	Nil	Nil
e) Total of previous years shortfall	Nil	Nil
f) Reason for shortfall	No shortfall	No shortfall
g) Details of related party transactions.	Nil	Nil

32 Earnings per share (EPS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (A)	2,460.48	1,957.36
Shares		
Number of shares at the beginning of the year	169,228,699	167,568,883
Add: Equity shares issued during the year	1,759,974	16,59,816
Number of shares at the end of the year	**170,988,673**	**169,228,699**
Weighted average number of equity shares for Basic EPS (B)	170,178,766	167,809,897
Effect of potential equity shares on employee stock options outstanding	1,390,069	2,103,791
Weighted average number of equity shares for diluted EPS (C)	171,568,835	169,913,689
Basic EPS - par value of ₹ 10 per share (A/B) (in ₹)	14.46	11.66
Diluted EPS - par value of ₹ 10 per share (A/C) (in ₹)	14.34	11.52

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

33 Income tax

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A.	**Amounts recognised in the consolidated statement of profit and loss**		
	Current tax expense	835.86	645.72
	Tax of earlier years	(41.76)	(3.72)
		794.10	**642.00**
	Deferred tax expense/ (benefit)		
	Origination and reversal of temporary differences	19.24	(17.18)
		19.24	**(17.18)**
	Total tax expense	**813.34**	**624.82**
B.	**Amounts recognised in other comprehensive income**		
	Remeasurement gain/ (loss) on defined benefit plans	(0.39)	(1.67)
C.	**Reconciliation of effective tax rate**		
	Profit before tax from continuing operations	3,297.90	2,582.18
	Enacted statutory tax rate in India	25.17%	25.17%
	Tax using the Holding Company's domestic tax rate	830.02	649.88
	Tax effect of:		
	Permanent differences	22.84	0.29
	Non recognition of deferred tax in subsidiaries	-	(0.34)
	Impact of differential tax rate	(3.23)	(0.86)
	Tax of earlier years	(41.76)	(3.72)
	Others	5.47	(20.43)
		813.34	**624.82**

D. Movement in deferred tax balances

(i) For the year ended 31 March 2024

Particulars	As at 1 April 2023	Acquisition through business combinations	Recognised in Statement of profit and loss account	Recognised in OCI	As at 31 March 2024
Property, plant and equipment, goodwill and other intangible assets	2.56	1.32	(4.99)	-	(1.11)
Provision for employee benefits	1.60	0.39	4.03	(1.62)	4.40
Others	4.65	1.03	(5.14)	-	0.54
Deferred tax assets, net	**8.81**	**2.74**	**(6.10)**	**(1.62)**	**3.83**
Property, plant and equipment, goodwill and other intangible assets	(1,310.08)		(9.75)	-	(1,319.83)
Provision for expected credit loss on trade receivables and other financial assets	50.94		(21.99)	-	28.95
Provision for employee benefits	31.28		11.51	2.01	44.80
Right of use assets	(64.47)		(48.70)	-	(113.17)
Lease liabilities	72.68		47.69	-	120.37
Others	(8.07)		8.10	-	0.03
Deferred tax liabilities, net	**(1,227.72)**	**-**	**(13.14)**	**2.01**	**(1,238.85)**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

33 Income tax (Contd.)

D. Movement in deferred tax balances

(ii) For the year ended 31 March 2023

Particulars	As at 1 April 2023	Acquisition through business combinations	Recognised in Statement of profit and loss account	Recognised in OCI	As at 31 March 2023
Property, plant and equipment, goodwill and other intangible assets	-		2.56	-	2.56
Provision for employee benefits	-		1.54	0.06	1.60
Others	-		4.65	-	4.65
Deferred tax assets, net	**-**	**-**	**8.75**	**0.06**	**8.81**
Property, plant and equipment, goodwill and other intangible assets	(1,307.06)		(3.02)	-	(1,310.08)
Provision for expected credit loss on trade receivables and other financial assets	52.10		(1.16)	-	50.94
Provision for employee benefits	40.45		(10.78)	1.61	31.28
Right of use assets	(81.22)		16.75	-	(64.47)
Lease liabilities	89.82		(17.14)	-	72.68
Others	(31.85)		23.78	-	(8.07)
Deferred tax liabilities, net	**(1,237.76)**	**-**	**8.43**	**1.61**	**(1,227.72)**

E. Deferred tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred tax assets in respect of the unabsorbed losses amounting to ₹ 7.34 million (31 March 2023: ₹ 9.02 million) due to lack of reasonable certainty of future taxable profits as at balance sheet date. These losses can be carried-forward against future taxable income as below:

Particular	As at 31 March 2024	As at 31 March 2023
Losses with expiration (8 years)	7.34	9.02
Losses without expiration date	-	-
Amount of Deferred tax that has not been recorded at the year end		
Tax rate	25.17%	25.17%
Deferred tax asset not recorded as at year end	1.85	2.27

F. Uncertain tax positions

The uncertain tax treatment usually relates to the interpretation of how the tax legislation applies to the Company. Due to uncertainty involved, there is a possibility that the outcome of the tax review is significantly different from the amounts currently recognised. Management has used a single best estimate of the tax amount expected to be paid and it believes that the Company's accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

34 Commitments, contingent liabilities and contingent assets

Particulars	As at 31 March 2024	As at 31 March 2023
A. Commitments		
Capital commitments as on balance sheet date	323.70	122.28
B. Contingent liabilities		
(a) Customer claims not acknowledged as debts	45.78	60.79
(b) Income-tax matters	7.86	17.54
(c) Goods and services tax matters	139.08	17.31

The Group periodically receives notices and inquiries from tax authorities related to Group operations and returns filed.

C. The Group is a party to certain pending cases with regulatory authorities relating to the initial public offerings of its customers that have taken place in earlier years. These cases are pending at various levels of legal disposition. In the assessment of the Management and as legally advised, these matters are unlikely to have a material impact on the consolidated financial statements of the Group.

D. The Hon'ble Supreme Court of India ('SC') by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Parent Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the Management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the contingent liability section in the consolidated financial statements. The impact of the same is not ascertainable.

E. The Group is party to certain cases relating to customer complaints which are at various levels of resolution and litigations. The Management is confident of resolution of these cases in its favour and does not expect any material impact on the consolidated financial statements Further, the Group is proforma party to certain cases relating to succession matters, partition suits etc. which are at various levels of resolution and litigations. There is no direct involvement of the Group in these matters and accordingly having no material impact on the consolidated financial statements.

The Group is contesting the above mentioned demands and the Management believes that its position will likely be upheld in the appellate process and accordingly, no expense has been accrued in the Group financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the consolidated financial statements. Further, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/ decisions pending with various forums/ authorities.

35 The pre-amalgamated Company (Refer Note 43(B)) was the Registrar and Transfer Agent (RTA) of a past Client ("the Client") until 5 April 2021. The Client had a demat account ("Escrow Account") with one of the Depository Participants ("DP") for depositing its shares in escrow for the purposes of its initial public offering. The Company identified in the financial year 2020-21 that 794,489 shares were transferred by the DP (500,000 shares in 2011 (which translated into 1,000,000 shares pursuant to a bonus issue undertaken by the Client in 2017) and 294,489 shares in 2020) from the Escrow Account to the DP's own demat account and to a third party's demat account through an off-market transaction without any authorisation from the Client and without knowledge of the Company. The Board of Directors of the Company after considering legal advice purchased 1,294,489 shares and transferred these shares to the Escrow Account of the Client on a 'good faith and no fault' basis, after reducing the amount payable upon redemption, in future, of the Redeemable Preference Shares (Refer Note 19) issued in October 2021, by ₹ 300.00 million (Refer Note 19(i)(b)). The dividend received on such shares by the Company in the financial year 2021-22 of ₹ 4.08 million was also transferred back to the Client. Intimation letters were sent to the Client and SEBI on 15 November 2021 informing them of transfer of shares to the Client's Escrow Account and refund of dividend to the Client.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

Further, the Board of Directors of the Company after considering legal advice, approved payment of up to ₹ 70.00 million (based on an estimation of potential losses that may be suffered by the Client) by the Company to the Client, for the purpose of settlement of any potential claims by the Client (including dividends on such shares for earlier periods). The Company will initiate proceedings against the concerned parties, including certain minority shareholders, for recovery of the amount paid and payable by the Company to the Client in connection with this matter upon completion of final settlement with the Client. Considering the assessment of recoverability, the Company has made a provision of ₹ 78.41 million as at 31 March 2024. Pending the final settlement of terms to be agreed with the Client, the Management has measured the provision at its best estimate.

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

The Management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under the MSMED Act. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the Consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount remaining unpaid to any supplier as at the end of the year	0.79	2.05
Interest due thereon remaining outstanding as at the end of the year	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

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(All amounts are in ₹ millions, unless otherwise stated)

37 Operating Segments

Sl. No	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1	**Segment revenue**		
	Domestic mutual fund investor solutions	5,864.97	4,972.25
	Issuer solutions	1,274.12	1,132.96
	International and other investor solutions	887.94	657.35
	Global business services	348.30	437.71
	Total revenue	**8,375.33**	**7,200.27**
2	**Segment results**		
	Domestic mutual fund investor solutions	3,370.29	2,613.10
	Issuer solutions	608.27	485.91
	International and other investor solutions	42.60	(7.67)
	Global business services	209.96	277.23
	Total	**4,231.12**	**3,368.57**
	Unallocated (expenses)/ income		
	(a) Unallocable expenses	(1,119.46)	(854.89)
	(b) Finance cost	(84.35)	(106.44)
	(c) Other income	246.51	174.94
	Profit before tax	**3,273.82**	**2,582.18**
	Tax expense	813.34	624.82
	Net profit after tax	**2,460.48**	**1,957.36**

Sl. No	Particulars	As at 31 March 2024	As at 31 March 2023
3	**Segment assets**		
	Domestic mutual fund investor solutions	6,743.11	5,848.72
	Issuer solutions	916.18	872.92
	International and other investor solutions	1,607.53	989.41
	Global business services	152.05	155.76
	Total	**9,418.87**	**7,866.81**
	Unallocated	4,768.05	4,646.26
	Total	**14,186.92**	**12,513.07**
4	**Segment liabilities**		
	Domestic mutual fund investor solutions	476.95	351.59
	Issuer solutions	87.40	72.83
	International and other investor solutions	59.98	31.35
	Global business services	22.09	17.81
	Total	**646.42**	**473.58**
	Unallocated	2,130.60	3,337.27
	Total	**2,777.02**	**3,810.85**
5	**Investment accounted under equity method**		
	International and other investor solutions	40.92	65.00

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

37 Operating Segments (Contd.)

6 Information about geographical areas

Revenue from operations attributable to external customers	For the year ended 31 March 2024	For the year ended 31 March 2023
Within India	7,667.39	6,429.94
Outside India		
USA	300.13	346.76
Canada	6.68	6.16
Rest of World	401.13	417.41
Total	**8,375.33**	**7,200.27**

Non-current assets	As at 31 March 2024	As at 31 March 2023
Within India	8,255.86	7,744.59
Outside India	19.92	19.29
Total	**8,275.78**	**7,763.88**

7 Information about major customers (from external customers)

The Group derives revenues from the following customers which amount to 10 per cent or more of the entity's revenues in the respective year:

Customer	For the year ended 31 March 2024	For the year ended 31 March 2023
Customer A	1,010.53	963.92
Customer B	-	814.73
Customer C	1,004.13	854.89
Total	**2,014.66**	**2,633.54**

(a) Managing Director & Chief Executive Officer is the Chief Operating Decision Maker (CODM) of the Group, who is responsible for allocation of resources to respective operating segments and assessing their performance. Group's reportable operating segments include: Domestic Mutual Fund Investor Solutions, Issuer solutions, International and Other Investor Solutions and Global Business Services. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

(b) During the year, additions to capital expenditure attributable to domestic mutual fund investor solutions amounts to ₹ 484.90 million, issuer solutions is ₹ 18.46 million, international and other investor solutions is ₹ 175.08 million.

(c) Segment result represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income.

(d) As allowed under Ind AS 108 - "Operating Segments", the segment information disclosed above is based on the consolidated financial statements.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits

The Group contributes to the following post-employment defined benefit/ contribution plans in India.

(i) Defined contribution plans:

Employees' state insurance ('ESI')

The Group makes contribution towards ESI for its employees. The Group's contribution to the ESI is deposited with the government authorities.

Provident fund:

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

During the year, the Group has recognised following amounts in the consolidated statement of profit and loss (included in Note 28 - Employee benefits expense):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund	177.14	158.91
Contribution to employee state insurance	13.70	14.43
Defined Contribution Plan - foreign subsidiaries	1.23	2.62

(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.

The defined benefit plan exposes the Group to actuarial risks such as longevity risk, interest rate risk and market / investment risk.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Net defined benefit liability	**12.82**	**4.89**
Current (Refer Note 24)	7.55	2.18
Non-current (Refer Note 20)	5.27	2.71
Net defined benefit Asset (Grouped under other current assets)		
Current (Refer Note 16)	-	4.92

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

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

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

(i) Defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	164.25	151.17
Add: Adjustment due to Business combination	5.33	-
Included in Consolidated statement of profit or loss	**169.58**	**151.17**
Current service cost	27.42	23.66
Interest cost	12.28	10.55
	39.70	**34.21**
Included in Other comprehensive income		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	1.98	(5.00)
- demographic assumptions	(1.92)	(0.13)
- experience adjustment	0.97	8.78
- return on plan assets excluding interest income	-	0.49
	1.03	**4.14**
Others		
Benefits paid	(11.74)	(25.27)
	(11.74)	**(25.27)**
Balance as at end of the year	**198.57**	**164.25**

(ii) Fair value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	(164.28)	(80.38)
Add: Transfer on account of amalgamation	-	-
Included in Consolidated statement of profit or loss	**(164.28)**	**(80.38)**
Interest income	(12.67)	(8.56)
	(12.67)	**(8.56)**
Included in Other comprehensive income		
Remeasurement loss/ (gain)	-	-
Actuarial loss/ (gain) arising from:		
- return on plan assets excluding interest income	0.51	2.49
	0.51	**2.49**
Others		
Contributions paid by the employer	(20.40)	(102.59)
Benefits paid	11.10	24.76
	(9.30)	**(77.83)**
Balance as at end of the year	**(185.74)**	**(164.28)**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

(iii) Net defined benefit liability/ (asset)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	(0.03)	70.79
Add: Transfer on account of amalgamation	5.33	-
Included in Consolidated statement of profit or loss		
Current service cost	27.42	23.66
Interest cost	(0.39)	1.99
	27.03	**25.65**
Included in Other comprehensive income		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
- financial assumptions	1.98	(5.00)
- demographic assumptions	(1.92)	(0.13)
- experience adjustment	0.97	8.78
- return on plan assets excluding interest income	0.51	2.98
	1.54	**6.63**
Others		
Contributions paid by the employer	(21.04)	(103.10)
	(21.04)	**(103.10)**
Balance as at end of the year	**12.83**	**(0.03)**

C. Plan assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

D. Actuarial assumptions

The principal assumptions are the discount rate, employee attrition rate and salary growth rate. Financial and demographic valuation assumptions are as follows:

a) Financial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (p.a.)	7.61%	7.61%
Salary increase (p.a.)	4.00%	4.00%

b) Demographic assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rates (p.a.)	1.00%	1.00%

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

E. These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

F. Sensitivity analysis

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

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (1% movement)		
- Increase	(22.45)	(19.08)
- Decrease	26.88	11.55
Future salary growth (1% movement)		
- Increase	23.08	12.67
- Decrease	(21.00)	(20.24)
Mortality rate (1% movement)		
- Increase	0.47	(4.77)
- Decrease	(0.49)	(5.07)
Attrition rate (1% movement)		
- Increase	0.57	(0.97)
- Decrease	(0.65)	(9.47)

For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation presented under net defined asset / (liability). There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Duration of defined benefit payments		
Less than 1 year	4.52	13.86
Between 2 - 5 years	38.17	39.23
Over 5 years	91.82	111.16
Total	**134.51**	**164.25**

The weighted average duration of the defined benefit plan obligation as at 31 March 2024: 13.41 years (31 March 2023: 13.00 years)

Expected contribution to the post employee benefit plan during the next financial year is expected to be ₹ 32.00 million (31 March 2023: ₹ 32.00 million).

H. 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.

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(All amounts are in ₹ millions, unless otherwise stated)

38 Employee benefits (Contd.)

Other long-term employee benefits:

The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future years. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the period ended 31 March 2024, the Group has incurred an expense on compensated absences amounting to ₹ 30.44 million (31 March 2023: ₹ 10.45 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.

I. The proportionate amount of gratuity and leave encashment expense pertaining to key managerial personnel is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gratuity	0.39	0.25
Compensated absences	0.77	0.12

The proportionate amount of gratuity and leave encashment liability pertaining to key managerial personnel is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity liability	1.77	1.39
Leave encashment liability	2.23	1.46

39 Related parties

A. Names of related party and nature of relationship

i. Ultimate holding company :

GASC MGP, LLC, Delaware (Upto 28 December 2022)

ii. Holding Company :

General Atlantic Singapore Fund Pte Ltd (Upto 28 December 2022)

iii. Wholly owned subsidiaries:

a) KFin Technologies (Bahrain) W.L.L.
b) KFin Technologies (Malaysia) SDN.BHD
c) KFin Services Private Limited
d) Hexagram Fintech Private Limited
e) KFin Global Technologies (IFSC) Limited (w.e.f 28 June 2022)
f) WebileApps (India) Private Limited (w.e.f 19 April 2023)

iv. Step down subsidiaries

a) Hexagram Fintech SDN. BHD
b) WebileApps Technology Services Private Limited (w.e.f 19 April 2023)

v. Associate

a) Fintech Products and Solutions (India) Private Limited (w.e.f 22 March 2023)

vi. Step-down subsidiary of Associate

a) FinSec AA Solutions Private Limited (w.e.f 22 March 2023)

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

39 Related parties (Contd.)

vii. Key Management personnel (KMP)

a) Venkata Satya Naga Sreekanth Nadella, Managing Director & Chief Executive Officer
b) Kaushik Mazumdar, Independent Director
c) Sonu Halan Bhasin, Independent Director (Upto 15 November 2023)
d) Prashant Saran, Independent Director
e) Rajappa Radha, Independent Director (w.e.f 11 October 2023)
f) Vishwanathan Mavila Nair, Non-Executive Director
g) Sandeep Achyut Naik, Non-Executive Nominee Director (Upto 25 July 2023)
h) Shantanu Rastogi, Non-Executive Nominee Director
i) Srinivas Peddada, Non-Executive Nominee Director
j) Jaideep Hansraj, Non-Executive Nominee Director
k) Alok Chandra Misra, Non-Executive Nominee Director (w.e.f 28 July 2023)
l) Vivek Narayan Mathur, Chief Financial Officer
m) Alpana Uttam Kundu, Company Secretary

viii. Entity where a member of the key management personnel is a key management personnel of the Company

a) Nextbillion Technologies Private Limited

ix. Post-employment benefit plan

a) KFintech Employees Group Gratuity Assurance scheme

B. Transactions with the related parties

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i)	**Holding Company**		
	General Atlantic Singapore Fund Pte Ltd		
	Reimbursement of IPO related expenses	-	592.55
ii)	**Associate**		
a)	**Fintech Products and Solutions (India) Private Limited**		
	Investment in equity shares	-	65.00
	Revenue from operations	0.24	-
	Expenses incurred by the Group on behalf of the related party	0.20	-
iii)	**Entity where a member of the key management personnel is a key management personnel of the Company**		
a)	**Nextbillion Technology Private Limited**		
	Fee from service	14.32	-
iv)	**Key Management Personnel***		
(a)	Short-term employee benefits		
	- Remuneration paid	45.30	45.71
	- Incentives/ Bonus paid	39.74	38.65
(b)	Share-based payment	9.85	32.01
(c)	Issue of equity shares (including premium)	121.26	89.58
(d)	Salary advance given	-	4.70
(e)	Salary advance repaid	-	(4.70)
(f)	Reimbursement of expenses	5.43	3.45

* Refer Note 38 for the details of proportionate amount of gratuity and leave encashment pertaining to key managerial personnel.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

39 Related parties (Contd.)

C. Related party balances

Particulars		As at 31 March 2024	As at 31 March 2023
i)	**Holding Company**		
	General Atlantic Singapore Fund Pte Ltd		
	Reimbursement of IPO related expenses (Refer Note 46)	-	11.99
ii)	**Associate**		
a)	**Fintech Products and Solutions (India) Private Limited**		
	Trade receivables	1.23	-
	Other Receivables	0.20	-
iii)	**Entities where a member of the key management personnel is a key management personnel of the Company**		
a)	**Nextbillion Technology Private Limited**		
	Trade receivables	7.57	-
iv)	**Key Management Personnel**		
	Incentives/ Bonus payable	17.47	16.60

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

Terms and conditions:

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date except as disclosed in Note 46 for reimbursement of IPO related expenses. None of the balances are secured.

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 31 March 2024	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Other non-current financial assets	-	-	69.19	69.19	-	-	-	-
Current assets								
Current investments	1,457.57	-	-	1,457.57	1,457.57	-	-	1,457.57
Trade receivables	-	-	1,519.00	1,519.00	-	-	-	-
Cash and cash equivalents	-	-	564.01	564.01	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,953.27	1,953.27	-	-	-	-
Other current financial assets	-	-	171.44	171.44	-	-	-	-
	1,457.57	**-**	**4,276.91**	**5,734.48**	**1,457.57**	**-**	**-**	**1,457.57**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

As at 31 March 2024	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Non-current Liabilities								
Lease liabilities	-	-	379.76	379.76	-	-	-	-
Current Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	354.59	354.59	-	-	-	-
Lease liabilities	-	-	106.85	106.85	-	-	-	-
Other financial liabilities	-	-	387.35	387.35	-	-	-	-
	-	**-**	**1,228.55**	**1,228.55**	**-**	**-**	**-**	**-**

As at 31 March 2023	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Other non-current financial assets	-	-	52.63	52.63	-	-	-	-
Current assets								
Current investments	2,220.66	-	-	2,220.66	2,220.66	-	-	2,220.66
Trade receivables	-	-	1,265.45	1,265.45	-	-	-	-
Cash and cash equivalents	-	-	717.83	717.83	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	152.40	152.40	-	-	-	-
Other current financial assets	-	-	214.58	214.58	-	-	-	-
	2,220.66	**-**	**2,402.89**	**4,623.55**	**2,220.66**	**-**	**-**	**2,220.66**
Financial liabilities								
Non-current Liabilities								
Lease liabilities	-	-	251.53	251.53	-	-	-	-
Current Liabilities								
Borrowings	-	-	1,300.69	1,300.69	-	-	-	-
Trade payables	-	-	261.49	261.49	-	-	-	-
Lease liabilities	-	-	46.17	46.17	-	-	-	-
Other financial liabilities	-	-	361.99	361.99	-	-	-	-
	-	**-**	**2,221.87**	**2,221.87**	**-**	**-**	**-**	-

B. Fair value hierarchy

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

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

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

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

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

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

Valuation process

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

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

Carrying amount and Fair value	As at 31 March 2024	As at 31 March 2023
Financial assets		
Other non current financial assets	69.19	52.63
Trade receivables	1,519.00	1,265.45
Cash and cash equivalents	564.01	717.83
Bank balances other than cash and cash equivalents	1,953.27	152.40
Other current financial assets	171.44	214.58
	4,276.91	**2,402.89**
Financial liabilities		
Borrowings	-	1,300.69
Trade payables	354.59	261.49
Lease liabilities	486.61	297.70
Other current financial liabilities	387.35	361.99
	1,228.55	**2,221.87**

The carrying amounts of the financial assets and liabilities measured at amortised cost are considered to be their fair values as these carrying amounts are a reasonable approximation of their corresponding fair values.

II. Financial risk management

Risk management framework

The Holding Company'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 a risk management committee which is responsible for monitoring the Group's risk Management policies. The risk management committee reports regularly to the board of directors on its activities. The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

to the audit committee. 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. The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,276.91 million and ₹ 2,402.89 million as at March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of Other non current financial assets, Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents and Other current financial assets.

The Group neither holds any collateral as security nor has obtained letters of credit or other forms of credit insurance. Also, the Group has not obtained any credit derivatives or instruments for its financial assets outstanding at the reporting period.

a. Staff advances

It consists of employee receivables. The Group does not expect any financial loss as the said advances 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 corporates, state governments and mutual fund houses all having sound financial condition. An impairment analysis is performed at each reporting date on invoice-wise receivable balances.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable and contract assets as at March 31, 2024 and March 31, 2023.

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(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

Geographical concentration of credit risk: Geographical concentration of trade receivables (gross) is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Outside India	97.83	55.90
Within India	1,539.31	1,369.70
Total	**1,637.14**	**1,425.60**

Geographical concentration of trade receivables (gross) is based on the location of the customers.

c. 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.

d. Investments in equity instrument of other companies and mutual funds

The credit risk for the investments in equity instrument of other companies and mutual funds is considered as negligible as the counter parties are reputable Companies and mutual fund agencies with high external credit ratings.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	1,519.00	1,265.45

During the year, the Group has made no write-offs of trade receivables as disclosed in Note 31 as it does not expect to receive future cash flows or recoveries from collection of receivables previously written off. The Group's Management also pursue all legal options for recovery of dues, wherever necessary, based on its internal assessment.

Refer Note 12 for Reconciliation of loss allowance provision for Trade receivables.

ii. Liquidity risk

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

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

Management monitors rolling forecasts of the Group’s liquidity position comprising cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Group. In addition, the Group’s liquidity Management policy involves projecting cash flows in major currencies and

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(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

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 ₹ 4,761.78 million as at 31 March 2024 (31 March 2023: ₹ 2,423.49 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 contractual interest payments the impact of netting agreements.

Particulars	Carrying amount as at 31 March 2024	Contractual total cash flows	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	354.59	354.59	354.59	-	-	-
Borrowings*	-	-	-	-	-	-
Lease liabilities	486.61	573.36	140.15	137.45	265.49	30.27
Other financial liabilities	387.35	387.35	387.35	-	-	-
Total	**1,228.55**	**1,315.30**	**882.09**	**137.45**	**265.49**	**30.27**

Particulars	Carrying amount as at 31 March 2023	Contractual total cash flows	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	261.49	261.49	261.49	-	-	-
Borrowings*	1,300.49	1,340.00	1,340.00	-	-	-
Lease liabilities	297.70	380.69	82.68	75.56	162.92	59.53
Other financial liabilities	361.99	361.99	361.99	-	-	-
Total	**2,221.67**	**2,344.17**	**2,046.16**	**75.56**	**162.92**	**59.53**

* The contractual Cash flows includes interest obligation on borrowings.

iii. Market risk

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

Interest rate risk

The Group does not have any borrowings with variable rates. The borrowings of the Group consisted only of redeemable preference shares issued during FY 21-22, carrying a preferential dividend and the same has been redeemed/ bought back during the current year.

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:

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(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed-rate instruments		
Financial assets	2,376.30	153.59
Financial liabilities	-	0.20

Cash flow sensitivity analysis for variable-rate instruments

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

Fair value sensitivity analysis for fixed-rate instruments

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

Currency risk

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

Exposure to currency risk

The summary quantitative data about the Group's unhedged exposure to significant currency risk in foreign currency and domestic currency as reported to the Management of the Group is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Receivables:				
USD	0.43	35.40	0.43	35.40
CAD	-	0.14	-	0.14
AUD	0.09	4.90	0.09	4.90
GBP	0.01	0.82	0.01	0.82
Payables:				
USD	(0.02)	(1.88)	-	-
AUD	-	-	0.00	(0.01)
THB	(0.25)	(0.56)	-	-

Sensitivity analysis

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

Particulars	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
For the year ended 31 March 2024				
USD (1% movement)	(0.34)	0.34	(0.25)	0.25
CAD (5% movement)	(0.01)	0.01	(0.01)	0.01
AUD (1% movement)	(0.05)	0.05	(0.04)	0.04
GBP (10% movement)	(0.08)	0.08	(0.06)	0.06
THB (10% movement)	(0.06)	0.06	(0.04)	0.04

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(All amounts are in ₹ millions, unless otherwise stated)

40 Financial instruments – Fair values and risk management (Contd.)

Particulars	Profit or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
For the year ended 31 March 2023				
USD (1% movement)	(0.35)	0.35	(0.26)	0.26
CAD (5% movement)	(0.01)	0.01	(0.01)	0.01
AUD (1% movement)	(0.05)	0.05	(0.04)	0.04
GBP (10% movement)	(0.08)	0.08	(0.06)	0.06
THB (10% movement)	-	-	-	-

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).

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt	-	-
Total equity	11,159.99	8,408.83
Net debt to equity ratio	**0.00%**	**0.00%**

* Net debt is computed as Borrowings less sum of Cash and cash equivalents, Bank balances and Current Investments. As at 31 March 2024 and as at 31 March 2023, Net debt position is negative and hence represented as Nil.

42 Impairment test of goodwill

The Group is carrying goodwill aggregating to ₹ 5,525.66 million as at 31 March 2024 and 31 March 2023 referred to in Note 4 and 43. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs.

Particulars	As at 31 March 2024	As at 31 March 2023
Domestic mutual fund investor solutions	4,213.36	4,213.36
Issuer solutions	507.82	507.82
International and other investor solutions	709.36	618.01
Global business services	95.12	95.12

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(All amounts are in ₹ millions, unless otherwise stated)

42 Impairment test of goodwill (Contd.)

For the year ended 31 March 2024, the goodwill impairment has been assessed at the CGU level. The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGUs to be less than their respective carrying values.

The Group performs an annual impairment test of goodwill. The latest impairment test was performed for the year ended 31 March 2024 and the actual performance of the CGUs has been monitored against the budgets for the year ended 31 March 2024.

The following key assumptions have been considered for the purpose of the impairment testing:

For the year ended 31 March 2024

CGU Name	Revenue growth	Terminal rate	Discount rate
Domestic Mutual Fund investor solutions	14% to 15%	5%	14.87%
Issuer solutions	14 to 16%	5%	14.87%
International and other investor solutions	32% to 48%	5%	14.87%
Global business services	5% to 10%	5%	12.91%

For the year ended 31 March 2023

CGU Name	Revenue growth	Terminal rate	Discount rate
Domestic Mutual Fund investor solutions	20% to 21%	5%	15.32%
Issuer solutions	14%	5%	15.32%
International and other investor solutions	29% to 35%	5%	15.32%
Global business services	5%	5%	15.32%

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

  The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash generating units.

  Also Refer Note 43(B) in respect of approval received from NCLT towards testing the goodwill for impairment w.e.f. 1 April 2021.

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(All amounts are in ₹ millions, unless otherwise stated)

43 Business combination

A) Acquisition of the WebileApps (India) Private Limited by the Group

During the current year, the Parent Company has entered into a Share Purchase Agreement (SPA) to acquire 100% of the voting rights in WebileApps (India) Private Limited with effect from 19 April 2023 for a net purchase consideration of ₹ 110.00 million. The fair value of assets and liabilities have been computed by a third party valuer vide their report dated 1 March 2024.

The acquisition will integrate Company's deep domain knowledge with WebileApps's technical expertise, offering clients with world-class products and platforms with the potential to unlock new revenue streams and markets. The acquisition offers several advantages, including accelerated product development in SaaS and PaaS models, brings in additional cloud, artificial intelligence and design expertise that will differentiate KFintech and help explore untapped segments and geographies besides adding significant value to its clients.

The fair value of assets and liabilities acquired and the purchase consideration paid is determined as under:

Particulars	Amount
Purchase consideration (A)	**110.00**
Fair value of identifiable assets and liabilities acquired	
Assets	
a) Property, Plant and Equipment	3.95
b) Intangible assets under development	6.39
c) Deferred tax assets	2.73
d) Non-current tax assets	3.19
e) Other non-current financial assets	0.02
f) Trade receivables	20.55
g) Cash and cash equivalents	0.26
h) Bank balances other than cash and cash equivalents	0.22
i) Other current assets	0.41
Total assets (B)	**37.72**
Liabilities	
a) Long-term provisions	4.82
b) Short-term borrowings	10.62
c) Trade payables	0.80
d) Other current financial liabilities	0.07
e) Other current liabilities	1.63
f) Short term provisions	1.13
Total liabilities (C)	**19.07**
Net assets (D=B-C)	**18.65**
Goodwill (A-D)	**91.35**

The goodwill is attributable mainly to the skills and technical talent of Webile's workforce and the synergies expected to be achieved from integrating Webile into the Group's existing IT enabled services.

Net cash flow on acquisition :

Particulars	Cash flow on acquisition
Net cash acquired with subsidiary	0.26
Cash paid	(110.00)

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43 Business combination (Contd.)

For acquired receivables:

Particulars	As on date of acquisition
The gross contractual amounts receivable	20.55
The best estimate at the acquisition date of contractual cash flows not expected to be collected (provision)	-
	20.55

The acquired business contributed revenues of ₹ 172.88 million and profit before tax of ₹ 13.54 million to the Group for the period 19 April 2023 to 31 March 2024. If the acquisition had occurred on 1 April 2023, there would not have been any material impact to the FY 23-24 numbers as the duration between the financial year beginning (1 April 2023) and the date of acquisition (19 April 2023) is too short.

B) Amalgamation of the 'RTA undertaking' of KCL into the Group and Amalgamation of KCPL into the Group

The Board of Directors of the Parent Company in their meeting held on 2 August 2017 approved a Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited (KCL), Karvy Computershare Private Limited (KCPL), the Parent Company and their respective shareholders under the relevant provisions of the Companies Act, 2013 ('the Scheme'). The Scheme has been approved by the National Group Law Tribunal vide their order dated 23 October 2018 which has been filed with the Registrar of Companies on 17 November 2018. Therefore, the Scheme became 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 was amalgamated into the Group with effect from 17 November 2018 in consideration of issue of 110,000,015 equity shares of ₹ 10 each of the Group to the shareholders of KCL (as per the share swap ratio approved in the Scheme).

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

a) all assets and liabilities of the RTA Undertaking of KCL including the investment held by KCL in KCPL were recorded at their existing book values as at November 16, 2018 (as certified by the independent auditors of KCL);

b) the consideration, being the face value of the said equity shares issued by the Group to the shareholders of KCL was recorded at par value; and

c) the difference between a) and b) above amounting to ₹ 1,093.75 million was recorded as Goodwill.

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 was 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.

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43 Business combination (Contd.)

However, the amalgamation of KCPL into the Group also became effective on the same day, and hence, KCPL was merged into KFPL on 17 November 2018.

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

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

b) the difference between the cost of investment in KCPL as appearing in the books of KFPL and the net book value of assets as per a) above amounting to ₹ 5,600.35 million was recorded as Goodwill.

As per the Scheme, the cumulative goodwill arising on the transaction amounting to ₹ 6,694.01 million was 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 excess of fair value of the equity shares issued as consideration over face value of such shares is ₹ 7,046.60 million with a consequential impact of Goodwill/ Intangible assets. While the fair values of assets and liabilities recognized in the separate financial statements of KCL and KCPL were similar to their respective carrying values, the goodwill recognized in accordance with the Scheme and such additional goodwill arising on account of fair value of the consideration would have been required to be allocated to the fair value of the intangible assets, as applicable first and the balance would have been reflected in goodwill if the Scheme had been accounted in accordance with the provisions of Ind AS 103.

The Board of Directors of the Group at its meeting held on 01 September 2021, 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 was discontinued with effect from 1 April 2021 and the carrying value of goodwill was ₹ 5,231.94 million on that date. As per Ind AS 36 – Impairment of Assets, the Group continues to annually test the impairment on goodwill. Also, Refer Note 42 for further details of Impairment testing of goodwill.

44 Share Based Payments

The shareholders of the Parent Company vide their meeting held on 31 July 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Group under KFPL Employee Stock Option Plan 2019 ('ESOP Plan 2019'). The maximum number of shares that the Parent Company can issue under the ESOP plan 2019 were 9,593,839 equity shares. Subsequently, the members of the Parent Company have approved renaming the plan as Employee Stock Option Plan 2020 ('ESOP Plan 2020') and cancellation of 2,500,000 options in EGM held on 20 October 2020. The Board and Nomination and Remuneration Committee (NRC) of the Parent Company have notified seven schemes under the ESOP Plan 2020 up to 31 March 2024. The revised number of options available under the ESOP plan 2020 pool are 7,093,839 equity shares as at 31 March 2024 (31 March 2023: 7,093,839). The options under these schemes vest to the employees based on various performance and other parameters. As at 31 March 2024, the Parent Company has granted 5,811,800 (net) (31 March 2023: 5,981,830) options to eligible employees as identified by the NRC. These options vests between a minimum of 1 to 4 years from the date of grant.

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A Description of share based payment arrangements

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of Grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22 24-Feb-24	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Number of options in pool							**7,093,839**
Total number of options granted as at							
As at 31 March 2024	**957,884**	**1,329,603**	**1,148,260**	**1,685,566**	**341,370**	**263,117**	**86,000**
As at 31 March 2023	**962,304**	**1,329,603**	**1,148,260**	**1,677,761**	**362,183**	**303,380**	**198,339**
Exercise period	7 years from the date of listing of shares on the stock exchange for continuing employee or deceased employee and a period of 3 years from the date of listing of shares on the stock exchange for ex-employees						
Vesting condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition	Achievement of performance condition
Vesting period	15% - end of year 1 15% - end of year 2 35%- end of year 3 35% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% 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 70.36 91.98 110.00	70.36 70.36 91.98 110.00 185.00	70.36 70.36 91.98 110.00 185.00	185.00 185.00 703.05	185.00 185.00	185.00	185.00

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B Measurement of fair values

The fair value of the options granted during the period and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
Date of grant	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22 24-Feb-24	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
Fair Value of option (In ₹)	33.57 33.52 35.78 35.78	33.57 33.52 35.78 35.78 52.56	33.57 33.52 35.78 35.78 52.56	52.56 51.92 249.33 to 303.40	52.56 51.92	52.56	51.92
Exercise price	70.36 70.36 91.98 110.00	70.36 70.36 91.98 110.00 185.00	70.36 70.36 91.98 110.00 185.00	185.00 185.00 703.05	185.00 185.00	185.00	185.00
Risk free interest rate	6.47% 6.88% 6.40% 6.40%	6.47% 6.88% 6.40% 6.40% 6.79%	6.47% 6.88% 6.40% 6.40% 6.79%	6.79% 7.12% 7.19%-7.21%	6.79% 7.12%	6.79%	7.12%
Expected life of share options (years)	8.15 7.72 7.06 6.75	8.15 7.72 7.06 6.75 4.16	8.15 7.72 7.06 6.75 4.16	4.16 3.77 3.42 to 4.92	4.16 3.77	4.16	3.77
Expected volatility (weighted average volatility %)	14.61% 13.96% 16.16% 16.16%	14.61% 13.96% 16.16% 16.16% 17.62%	14.61% 13.96% 16.16% 16.16% 17.62%	17.62% 19.34% 40%-41%	17.62% 19.34%	17.62%	17.62%
Expected dividend yields (%)	-	-	-	0.86%	-	-	-

> The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur.

> For the options granted prior to the Company getting listed, 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 options outstanding at 31 March 2024 had an exercise price in the range of ₹ 91.98 to ₹ 703.05 (31 March 2023: ₹ 70.36 to ₹ 185.00) and a weighted-average remaining contractual life of 6.4 years (31 March 2023: 5.2 years).

> The weighted-average share price at the date of exercise for share options exercised during year ended 31 March 2024 was ₹ 443.56 (31 March 2023: ₹ 363.96).

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

44 Share Based Payments (Contd.)

C Reconciliation of share options

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of the year	4,282,812	152.39	6,502,563	146.58
Granted during the year	122,103	703.05	-	-
Forfeited during the year	(292,133)	183.73	(520,933)	176.97
Exercised during the year	(1,751,354)	127.17	(1,698,818)	123.91
Outstanding at end of the year	**2,361,428**	**195.32**	**4,282,812**	**152.39**
Exercised but not allotted	30,382		39,002	
Exercisable at the end of the year	971,308		1,647,941	

During the year ended 31 March 2024, the Parent Company has granted 122,103 options (31 March 2023: Nil) under ESOP Plan 2020 to eligible employees as identified by the Nomination and Remuneration Committee (NRC).

D Effect of the Employee option plan on the consolidated statement of profits and loss and on its financial position

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Total employee compensation cost pertaining to stock option plan (Refer Note 28)	26.22	82.90
Reserves - Employee stock option plan outstanding as at the year end (Refer Note 18)	96.05	139.73

45 Revenue from contract with customers

(a)

Type of Service	Timing of recognition	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee from domestic mutual fund investor solutions	Over the period	5,864.97	4,972.25
Fee from issuer solutions	Over the period	1,274.12	1,132.96
Fee from international and other investor solutions	Over the period	887.94	657.35
Fee from global business services	Over the period	348.30	437.71
Total		**8,375.33**	**7,200.27**

The above segment-wise disaggregation of revenue reconciles with the "Operating segments" note (Note 37).

(b) Contract balances:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables, net	1,519.00	1,265.45
Contract liabilities (unearned income and advance from customers)	50.24	38.86

Trade receivables are non-interest bearing and generally on terms of payment of 40 days.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

45 Revenue from contract with customers (Contd.)

(c) Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	8,551.69	7,219.05
Less : Adjustments for price concessions	(176.36)	(18.78)
Revenue from operations	**8,375.33**	**7,200.27**

Performance obligation :- The Group enters into contracts with customers for rendering domestic mutual fund investor solutions, issuer solutions, international and other investor solutions and global business services. The performance obligation for all of these services is satisfied over the period.

Transaction price :- Contract price is determined as per terms agreed with the customer adjusted for discounts and other price concessions, if any.

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. The Group does not incur any cost to attain or fulfil a contract with a customer. Accordingly, the related disclosures are not made.

(d) Movement in contract liabilities (Unearned income)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	23.61	14.50
Movement during the year, net	3.92	9.11
Closing balance	**27.53**	**23.61**

During the current year, an amount of ₹ 22.46 million has been recognised as revenue out of the opening balance.

(e) Information about geographical areas

Revenue from operations attributable to external customers	For the year ended 31 March 2024	For the year ended 31 March 2023
Within India	7,667.39	6,429.94
Outside India		
USA	300.13	346.76
Canada	6.68	6.16
Rest of World	401.13	417.41
Total	**8,375.33**	**7,200.27**

46 During the years ended 31 March 2022 and 31 March 2023, the Parent Company had incurred expenses for various services in connection with its proposed intital public offering ('IPO') of equity shares aggregating to ₹ 677.27 million. In accordance with the Offer Agreement entered between the Parent Company and the selling shareholder, the selling shareholder shall reimburse such offer related expenses. Accordingly, as of 31 March 2023, the Parent Company had recovered partial amount and the balance amount receivable was disclosed under the head "IPO related expenses" under "other current financial assets". During the current year, the Parent Company has recovered the remaining expenses incurred in connection with the IPO.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

47 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of Consolidated financial statements:-

As at 31 March 2024

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
KFin Technologies Limited	100.06%	11,416.52	99.75%	2,454.24	158.69%	(7.03)	99.64%	2,447.21
Subsidiaries in India								
KFin Services Private Limited	0.44%	50.00	0.17%	4.23	-	-	0.17%	4.23
Hexagram Fintech Private Limited	1.55%	176.85	1.07%	26.39	-58.69%	2.60	1.18%	28.99
KFin Global Technologies (IFSC) Limited	0.03%	3.71	-0.03%	(0.74)	-	-	-0.03%	(0.74)
WebileApps (India) Private Limited	0.46%	52.36	0.26%	6.32	-	-	0.26%	6.32
WebileApps Technology Services Private Limited	0.06%	7.08	0.21%	5.25	-	-	0.21%	5.25
Foreign subsidiaries								
KFin Technologies (Bahrain) W.L.L.	0.37%	42.66	0.07%	1.65	-	-	0.07%	1.65
KFin Technologies (Malaysia) SDN. BHD	0.52%	59.80	0.34%	8.31	-	-	0.34%	8.31
Hexagram Fintech (Malaysia) SDN. BHD	0.15%	16.95	0.00%	0.10	-	-	0.00%	0.10
Associates in India								
Fintech Products and Solutions (India) Private Limited	-	-	-0.98%	(24.08)	-	-	-0.98%	(24.08)
FinSec AA Solutions Private Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-3.65%	(416.03)	-0.86%	(21.19)	-	-	-0.86%	(21.19)
Total	**100.00%**	**11,409.90**	**100.00%**	**2,460.48**	**100.00%**	**(4.43)**	**100.00 %**	**2,456.05**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

As at 31 March 2023

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
KFin Technologies Limited	100.17%	8,716.62	100.26%	1,962.53	1050.00%	0.21	100.27%	1,962.74
Subsidiaries in India								
KFin Services Private Limited	0.53%	45.77	0.07%	1.34	-	-	0.07%	1.34
Hexagram Fintech Private Limited	1.47%	127.86	-0.77%	(15.11)	-950.00%	(0.19)	-0.78%	(15.30)
KFin Global Technologies (IFSC) Limited	0.05%	4.38	-0.03%	(0.62)	-	-	-0.03%	(0.62)
Foreign subsidiaries								
KFin Technologies (Bahrain) W.L.L.	0.46%	40.41	0.11%	2.11	-	-	0.11%	2.11
KFin Technologies (Malaysia) SDN. BHD	0.63%	54.49	0.55%	10.81	-	-	0.55%	10.81
Hexagram Fintech (Malaysia) SDN. BHD	0.20%	17.81	0.36%	7.00	-	-	0.36%	7.00
Associates in India								
Fintech Products and Solutions (India) Private Limited	-	-	-	-	-	-	-	-
FinSec AA Solutions Private Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-3.51%	(305.12)	-0.55%	(10.70)	-	-	-0.55%	(10.70)
Total	**100.00%**	**8,702.22**	**100.00%**	**1,957.36**	**100.00%**	**0.02**	**100.00%**	**1,957.38**

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

48 As at 31 March 2024 and 31 March 2023, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

49 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 do not apply to the Group.

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

50 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

51 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

52 To the best of our knowledge, the Group does not have any transactions with companies struck off.

53 The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

54 The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

55 The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

56 The Group does not have borrowings from banks and financial institutions on the basis of security of current assets. Hence, no quarterly returns or statements of current assets are being filed by the Group with banks and financial institutions.

57 None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

58 The Group has complied with the number of layers prescribed under the Companies Act, 2013. The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

59 The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes to Consolidated Financial Statements

(All amounts are in ₹ millions, unless otherwise stated)

60 Events after reporting period:

At the Parent Company's Board of Directors' meeting held on 29 April 2024, the Board proposed a dividend of ₹ 5.75 per share which is subject to the approval of the Parent Company's shareholders.

Subsequent to year ended 31 March 2024, on 26 April 2024, the Parent Company's Nomination and Remuneration Committee has granted 1,281,583 number to employee stock options under KFin Employee Stock Option Plan 2020.

As per our Report of even date attached

for **B S R and Co**	*for and on behalf of Board of Directors of*			
Chartered Accountants	**KFin Technologies Limited**			
ICAI Firm Registration No.: 128510W	CIN: L72400TG2017PLC117649			
Amit Kumar Bajaj	**Vishwanathan M Nair**	**Venkata Satya Naga Sreekanth Nadella**	**Vivek Narayan Mathur**	**Alpana Uttam Kundu**
Partner	*Chairman*	*Managing Director & Chief Executive Officer*	*Chief Financial Officer*	Company Secretary
Membership No.: 218685	DIN: 02284165	DIN: 08659728	Membership no.: A089454	Membership no.: F10191
Place: Mumbai	Place: Mumbai	Place: Florence, Italy	Place: Mumbai	Place: Mumbai
Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024	Date: 29 April 2024

Form No. AOC – 1

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014]

Part A: Subsidiaries

(₹ Millions)

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	KFin Services Private Limited	KFin Global Technologies (IFSC) Limited
02	Date since when Subsidiary was acquired	January 06, 2020	June 28, 2022
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (Indian Rupees)	USD (United States Dollar) Exchange Rate: Closing rate: 1 USD = 83.3600 INR Average rate: 1 USD = 83.0633 INR
05	Share capital	55.10	5.00
06	Reserves and surplus	(5.07)	(1.36)
07	Total assets	56.12	7.61
08	Total liabilities	6.09	3.90
09	Investments	-	-
10	Turnover	14.36	-
11	Profit before taxation	5.14	(0.74)
12	Provision for taxation	0.88	-
13	Profit after taxation	4.26	(0.74)
14	Proposed dividend	-	-
15	% of shareholding	100%	100%

(₹ Millions)

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	KFin Technologies (Bahrain) W.L.L.	Hexagram Fintech Private Limited
02	Date since when Subsidiary was acquired	November 17, 2018	February 07, 2022
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	BHD (Bahraini Dinar) Exchange rate Closing rate: 1 BHD = 221.125 INR Average rate: 1 BHD = 219.545 INR	INR (Indian Rupees)
05	Share capital	7.70	169.90
06	Reserves and surplus	33.83	6.94
07	Total assets	56.31	205.91
08	Total liabilities	13.65	29.07
09	Investments	-	9.11
10	Turnover	27.66	131.06
11	Profit before taxation	1.65	36.27

Sr. No.	Particulars	Details	
12	Provision for taxation	-	9.87
13	Profit after taxation	1.65	26.40
14	Proposed dividend	-	-
15	% of shareholding	100%	100%

(₹ Millions)

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	Hexagram Fintech SDN. BHD.	KFin Technologies (Malaysia) SDN. BHD.
02	Date since when Subsidiary was acquired	February 07, 2022	November 17, 2018
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	MYR (Malaysian Ringgit)	MYR (Malaysian Ringgit)
		Exchange Rate:	Exchange Rate:
		Closing rate: 1 MYR = 17.6192 INR	Closing rate: 1 MYR = 17.6192 INR
		Average rate: 1 MYR = 17.8025 INR	Average rate: 1 MYR = 17.8025 INR
05	Share capital	9.74	16.61
06	Reserves and surplus	7.21	43.19
07	Total assets	23.69	93.73
08	Total liabilities	6.74	33.93
09	Investments	–	-
10	Turnover	22.94	202.57
11	Profit before taxation	0.27	15.18
12	Provision for taxation	0.17	6.87
13	Profit after taxation	0.10	8.31
14	Proposed dividend	–	-
15	% of shareholding	100%	100%

(₹ Millions)

Sr. No.	Particulars	Details	
01	Name of the Subsidiary	WebileApps (India) Private Limited	WebileApps Technology Services Private Limited
02	Date since when Subsidiary was acquired	April 19, 2023	April 19, 2023
03	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March
04	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (Indian Rupees)	INR (Indian Rupees)
05	Share capital	1.89	0.11
06	Reserves and surplus	50.45	6.81
07	Total assets	74.43	18.25
08	Total liabilities	22.09	11.33
09	Investments	7.00	-
10	Turnover	140.98	31.90

Sr. No.	Particulars	Details	
11	Profit before taxation	8.08	5.48
12	Provision for taxation	1.75	0.20
13	Profit after taxation	6.33	5.28
14	Proposed dividend	-	-
15	% of shareholding	100%	100%

Sr. No.	Company	Country of Incorporation
A] Subsidiaries which are yet to commence operations		
	KFin Global Technologies (IFSC) Limited	India
B] Subsidiaries which have been liquidated or sold during the year		
	None	

Part B: Associates

(₹ Millions)

Sr. No.	Particulars	Details
01	Name of the Associate	Fintech Products and Solutions (India) Private Limited
02	Date since when Associates was acquired	March 22, 2023
03	Latest Audited Balance sheet	March 31, 2023
04	Shares of Associate / Joint Ventures held by the Company on the year end	
	No.	10,41,525
	Amount of Investment in Associate	65.00
	Extend of Holding %	20.95%
05	Description of how there is significant influence	Holds more than 20% of the equity of the associate.
06	Reason why the associate is not consolidated	Doesn't meet the consolidation criteria as per Ind AS 110
07	Net worth attributable to Shareholding as per latest audited Balance Sheet	15.54
08	Profit / Loss for the year*	
	i. Considered in Consolidation	(i) (24.08) - Share of loss of associate, net of tax
	ii. Not Considered in Consolidation	(ii) Nil.

** Subject to completion of audit of Associate.*

Sr. No.	Company	Country of Incorporation
A] Associates which are yet to commence operations		
	None	
B] Associates which have been liquidated or sold during the year		
	None	

Part C: Joint Ventures – NIL

On Behalf of the Board of Directors of
KFin Technologies Limited

Vishwanathan Mavila Nair
Chairperson | DIN: 02284165
May 24, 2024 | Mumbai

Venkata Satya Naga Sreekanth Nadella
Managing Director and CEO | DIN: 08659728
May 24, 2024 | Hyderabad

Information at a Glance – 7th Annual General Meeting

Particulars	Details
Day, Date and Time of the AGM	Thursday, August 29, 2024, at 04:00 p.m. (IST)
Mode	Video Conferencing / Other Audio-Visual Means
Cut-off date for entitlement for remote e-voting and attending the AGM	Friday, August 23, 2024
Remote e-voting start date and time	Monday, August 26, 2024 at 9:00 a.m. (IST)
Remote e-voting end date and time	Wednesday, August 28, 2024 at 5:00 p.m. (IST)
E-voting website	https://www.evoting.nsdl.com/
Details of E-voting agency	Ms. Prajakta Pawle, Officer, National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel. No.: +91 22 48867000 Email ID: evoting@nsdl.com
Record date for dividend	Friday, August 23, 2024
Dividend payment date	Within 30 days from the date of the AGM
Details of Registrar and Share Transfer Agent	Bigshare Services Private Limited No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400093 Tel. No.: +91 22 62638200 Email ID: investor@bigshareonline.com
Details of Company's Investor Relations	KFin Technologies Limited 301, The Centrium, 3rd Floor, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400070 Email ID: investorrelations@kfintech.com

Notice of Annual General Meeting

Notice is hereby given that the 7th Annual General Meeting of members of KFin Technologies Limited will be held on Thursday, August 29, 2024, at 04:00 p.m. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following businesses:

ORDINARY BUSINESS

Item No. 1: To consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2024, and the Reports of the Board of Directors and Auditors thereon, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2024, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

Item No. 2: To declare final dividend on the equity shares for the financial year ended March 31, 2024, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED FURTHER THAT final dividend of INR 5.75 (Rupees Five and Paise Seventy-Five only) per equity share of INR 10/- (Rupees Ten only) each fully paid-up of the Company, as recommended by the Board of Directors of the Company for the financial year ended March 31, 2024, be and is hereby declared, and the same be paid out of the profits of the Company."

Item No. 3: To re-appoint Mr. Shantanu Rastogi (DIN: 06732021), who retires by rotation as a Nominee Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Shantanu Rastogi (DIN: 06732021), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation."

Item No. 4: To re-appoint Mr. Alok C Misra (DIN: 01542028), who retires by rotation as a Nominee Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Alok C Misra (DIN: 01542028), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby appointed as a Nominee Director of the Company, liable to retire by rotation."

By Order of the Board of Directors of
KFin Technologies Limited

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

Alpana Kundu
Company Secretary and
Compliance Officer
ICSI M. No.: F10191

CIN: L72400TG2017PLC117649
www.kfintech.com |
investorrelations@kfintech.com
+91 40 7961 5565

August 01, 2024 | Mumbai

NOTES:

1. Pursuant to the General Circular No. 09/2023 issued by the Ministry of Corporate Affairs (**"MCA"**) on September 25, 2023 and other circulars issued by MCA in this respect, and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 issued by the Securities and Exchange Board of India (**"SEBI"**) on October 07, 2023

(hereinafter collectively referred to as **"the Circulars"**), Companies are allowed to hold the AGM through VC / OAVM, without the physical presence of members at a common venue. In accordance with the Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The details of Directors seeking re-appointment at the AGM per the LODR Regulations, the Act and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, forms part of this Notice.

3. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum for the AGM as per Section 103 of the Act.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID AND OBTAINING COPY OF ANNUAL REPORT

6. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2023-24 is being sent only through electronic mode to those members (as on July 26, 2024) whose e-mail ids are registered with the Registrar and Transfer Agent (**"RTA"**) / Depository Participants (**"DPs"**).

7. Members may note that the Notice of the AGM and Annual Report will also be available on the Company's website at www.kfintech.com, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited (**"NSDL"**) at www.evoting.nsdl.com. Any member desirous of receiving a physical copy of the Annual Report may send a request to the Company at investorrelations@kfintech.com.

8. Members holding shares in physical form and who have not updated their E-mail ids / bank account details with the Company are requested to register / update their e-mail ids by sending either physical copy of duly filled in Form ISR-1 to the RTA Bigshare Services Private Limited at No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai 400093 or by sending the same by email at investor@bigshareonline.com.

9. Members holding shares in dematerialized (demat) mode are requested to register / update their E-mail ids with the relevant DPs. In case of any queries / difficulties in registering the e-mail id, members may write to investorrelations@kfintech.com.

PROCEDURE FOR REMOTE E-VOTING, JOINING THE AGM AND VOTING AT THE AGM

10. In accordance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular on evoting the Company has provided a facility to its members to exercise their votes electronically through electronic voting (e-voting) facility provided by the National Securities Depository Limited (**"NSDL"**). The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided hereunder.

11. The members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, August 23, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only.

12. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9:00 a.m. (IST) on Monday, August 26, 2024, and will end at 5:00 p.m. (IST) on Wednesday, August 28, 2024. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be eligible to cast their votes again.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of two steps as mentioned below.

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email id in their demat accounts in order to access e-voting facility.

Login methods for individual shareholders holding securities in demat mode are given below.

Type of shareholders	Login method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on **"Access to e-Voting"** under e-voting services and you will be able to see e-voting page. Click on Company name or **e-voting service provider i.e., NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining the virtual meeting and voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click on the link https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or **e-voting service provider i.e., NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then use your existing myeasi username and password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email id as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider *i.e.*, NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve their User ID / Password are advised to use Forget User ID and Forget Password options available at above-mentioned websites.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL, are as under:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How do I login to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices *i.e.*, IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 for casting your vote electronically.

4. Your User ID details are given below:

Manner of holding shares - Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:

   a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your Email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your Email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your Email id is not registered, please follow steps mentioned below **in process for those shareholders whose Email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details / Password"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number / folio number, your PAN, your name and your registered address *etc*.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join Meeting on NSDL e-voting system

How do I cast my vote electronically and join Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options *i.e.*, assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

1. Institutional shareholders (*i.e.*, other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@snaco.net with a copy marked to evoting@nsdl.com. Institutional shareholders (*i.e.*, other than individuals, HUF, NRI *etc.*) can also upload their Board Resolution / Power of Attorney / Authority Letter *etc.*, by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on 022-48867000 or send a request to Ms. Prajakta Pawle, Officer, National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India at evoting@nsdl.com.

4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., August 23, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer / RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 48867000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., August 23, 2024, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

Process for procuring user id and password for e-voting for those shareholders whose E-mail ids are not registered with the depositories

1. In case shares are held in physical mode please provide folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to investorrelations@kfintech.com.

2. In case shares are held in demat mode, please provide DP ID and Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), name of shareholder, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to investorrelations@kfintech.com.

3. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

4. Alternatively, shareholder / members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

5. In terms of SEBI's circular, on e-voting facility provided by listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and E-mail id correctly in their demat account in order to access e-voting facility.

Instructions for members for joining the AGM through VC / OAVM

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following

the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM" placed under "Join meeting" menu against Company name. You are requested to click on VC / OAVM link placed under Join meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. For convenience and proper conduct of the AGM, members will be allowed to login and join 15 minutes before and anytime thereafter till conclusion of AGM. The login facility will remain open throughout the AGM.

   Members who need technical assistance before or during the AGM may send a request at evoting@nsdl.com or call at 022-48867000 or contact Ms. Prajakta Pawle, Officer, National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India at the designated E-mail id evoting@nsdl.com.

4. Please note that members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connections to avoid any kind of glitches.

5. Members may note that the VC / OAVM facility provided by NSDL allows participation of at least one thousand members on a first-come-first-served basis. The large members (*i.e.*, members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, *etc.*, can attend the AGM without any restriction on account of first-come-first-served basis.

Instructions for members for e-voting on the day of the AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members / shareholders, who will be present at the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

PROCEDURE TO ASK QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO THE ANNUAL REPORT

13. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending a request from their registered E-mail id mentioning their name, DP ID and Client ID / folio number, PAN and mobile number at investorrelations@kfintech.com by Thursday, August 22, 2024, up to 5:00 p.m. IST The members may send their questions in advance within the stipulated period to enable the management to respond to these queries objectively at the AGM. Only those members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM.

14. When a pre-registered speaker is invited to speak at the meeting, but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to be connected to a device with a video / camera along with good internet speed.

15. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

PROCEDURE FOR INSPECTION OF DOCUMENTS

16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained as per Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained as per Section 189 of the Act and Certificate from the Secretarial Auditor of the Company as per Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and other documents referred to in the Notice will be available for inspection electronically by the members during the AGM. Members seeking to inspect such documents may send a request on the E-mail id investorrelations@kfintech.com.

17. The documents referred to in the Notice will also be available for inspection during business hours (9:00 a.m. IST to 5:00 p.m. IST) on all working days except Saturday, without any fee by the members from the

date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send a request on the E-mail id investorrelations@kfintech.com at least one working day before the date on which they intend to inspect the document.

DIVIDEND RELATED INFORMATION

18. The Company will endeavor to pay the dividend, if approved by the members, as early as possible after the date of AGM, however not later than 30 days therefrom. The same is subject to deduction of tax at source ("TDS") as applicable.

19. The dividend will be paid to the members whose names appear in the Register of Members / list of Beneficial Owners as on close of business hours on Friday, August 23, 2024, being the record date.

20. Payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details.

21. Members are requested to register / update their complete bank account details with their Depository Participant(s), if shares are held in dematerialized mode. Members holding shares in physical mode are requested to follow the process set out in Note No. 8 in this Notice.

22. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their DPs only, as the Company or its Registrar cannot act on any request received directly on the same.

23. Members may note that the Income Tax Act, 1961, (**"IT Act"**), mandates that dividends paid or distributed by a Company after April 01, 2020, shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (**"TDS"**) at the time of making the payment of dividend, at the rates prescribed in the IT Act.

24. In order to enable the Company to determine the appropriate TDS rate as applicable, members are requested to submit the documents in accordance with the provisions of the IT Act:

For Resident Members

Tax is required to be deducted at source under Section 194 of the IT Act at 10% on the amount of dividend declared and paid by the Company during Financial Year 2024-25, subject to Permanent Account Number (**"PAN"**) details being registered / updated by the member. If PAN is not registered / updated in the demat account / folio, or declared to be in-operative on non-linking of PAN with Aadhaar, tax would be deducted at 20% as per Section 206AA of the IT Act. The Company will rely on the reports downloaded from the reporting portal of the income tax department for checking validity of PANs / inoperative PANs / Specified Persons under Section 206AB of the IT Act.

Specified Person, as defined in Section 206AB of the IT Act briefly means 'a person who has not filed the return of income for the immediately preceding financial year on or before the time limit prescribed under sub-section (1) of Section 139 of the IT Act; and the aggregate of tax deducted at source and tax collected at source in his case is ₹50,000/- (Rupees Fifty Thousand only) or more in that immediately preceding financial year.'

a. **Resident Individual Members:** No tax at source is required to be deducted, if

   i. the aggregate dividend received or likely to be received by them during the Financial Year 2024-25 does not exceed ₹5,000/- (Rupees Five Thousand only), subject to member not being a 'Specified Person' and the status of the PAN of the member not being 'in-operative' on record date as per provisions of the IT Act; or

   ii. the member submits Form 15G (applicable to resident individual below the age of 60 years), **Annexure – 1** / Form 15H (applicable to resident individual aged 60 years and above), **Annexure – 2** provided that the eligibility conditions are met, subject to the PAN of the member not being in-operative as per provisions of section 139AA of the IT Act; or

   iii. the member submits exemption certificate, if any, issued by the Income Tax Department.

b. **Resident Non-Individual Members:** No tax at source is required to be deducted on the dividend payable to the following resident non-individual members if they submit the information and documents as per the format **Annexure – 3**.

   i. **Insurance Companies:** Self declaration that it qualifies as an "Insurer" as per Section

2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the equity shares held by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority of India (**"IRDAI"**);

ii. **Mutual Funds:** Self-declaration that it is registered with the Securities and Exchange Board of India (**"SEBI"**) and is notified under Section 10(23D) of the IT Act along with self-attested copy of PAN card and certificate of registration with SEBI;

iii. **Alternative Investment Fund:** Self-declaration that its income is exempt under Section 10(23FBA) of the IT Act, and they are registered with SEBI as Category I or Category II Alternative Investment Fund (**"AIF"**) along with self-attested copy of PAN card and certificate of registration with SEBI;

iv. **National Pension System Trust:** Self-declaration that it qualifies as National Pension System Trust and its income is eligible for exemption under Section 10(44) of the IT Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card;

v. **Other Resident Non-Individual Members:** A copy of exemption certificate or documentary evidence supporting the exemption, if any, issued by the Income Tax Department along with self-attested copy of PAN card.

In case resident member submits self-attested certificate obtained under Section 197 of the IT Act from the income tax authorities, for lower / NIL withholding of taxes, the rate specified in the said certificate will be considered.

For Non-Resident Members

Tax at source shall be deducted under Section 195 of the IT Act at the applicable rates. As per the relevant provisions of the IT Act, the withholding tax shall be at 20% (plus applicable surcharge and cess) on the amount of dividend payable to non-resident members. Further, in case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source at 20% (plus applicable surcharge and cess) under Section 196D of the IT Act.

In case non-resident member submits self-attested certificate obtained under Section 197 of the IT Act from the income tax authorities, for lower / NIL withholding of taxes, the rate specified in the said certificate will be considered.

As per Section 90 of the IT Act, a non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (**"DTAA"**) between India and the country of tax residence of the member. To avail the DTAA benefits, the non-resident member is required to submit the following:

a. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities, if any;

b. Self-attested copy of Tax Residency Certificate (**"TRC"**) (for the period April 01, 2024 to March 31, 2025) obtained from the tax authorities of the country of which the member is resident;

c. Self-declaration in Form 10F, **Annexure – 4**, if all the details required in this form are not mentioned in the TRC. In case the member has PAN, copy of Form 10F filed electronically (valid for the period April 01, 2024 to March 31, 2025) through income-tax portal is required;

d. Self-declaration, **Annexure – 5**, certifying the following:

   i. Member is and will continue to remain a tax resident of the country of its residence during the Financial Year 2024-25;

   ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

   iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

   iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company;

   v. Member does not have and will not have a taxable presence, fixed base or a permanent establishment in India during the Financial Year 2024-25; and

   vi. Article 24 / 24A under India-Singapore DTAA is not applicable to the member (for tax resident of Singapore and claiming treaty benefits).

e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of certificate of registration with SEBI;

It is recommended that members should independently satisfy their eligibility to claim DTAA benefits including fulfilling of all the conditions laid down by DTAA.

Payment of Dividend

25. The dividend, if approved by the members, will be paid after deducting the tax at source as mentioned aforesaid. The following provisions under the IT Act will also be considered to determine the applicable TDS rate:

    a. Tax to be deducted at higher rate in case of non-filers of Return of Income

    The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from the amount paid / credited to specified person:

    i. At twice the rate specified in the relevant provision of the IT Act; or

    ii. At twice the rates or rates in force; or

    iii. At the rate of 5%.

    Non-resident members who do not have permanent establishment in India and the resident members who are not required to file a return under Section 139 of the IT Act, are excluded from the scope of specified persons.

    However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the income tax department for determination of specified person for the purpose of Section 206AB of the IT Act.

    b. Tax to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

    As per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the IT Act, as mentioned aforesaid. The Company will be using functionality of the income tax department for the above purpose.

    c. Declaration under Rule 37BA

    In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file a declaration with Company in the manner prescribed in the Rules. The format of declaration under Rule 37BA is as per **Annexure – 6**.

    d. Members having multiple accounts under different status / category

    Members holding Equity Shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

For all Members

26. All annexures as referred to above are available on the website of the Company at https://investor.kfintech.com/investor-information-resources/ The documents such as Form 15G / 15H, documents under Section 196, 197A, etc. can be submitted on tds@bigshareonline.com.

27. All the documents submitted by the member will be verified by the Company / its Authorized Representative and the Company will consider the same while deducting appropriate taxes, if they are in accordance with the provisions of the IT Act. In case of any discrepancy in documents submitted by the member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

28. In case of joint members, the member named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

29. For resident members, the rate of TDS would not be increased by surcharge and cess. For non-resident members, the rate of TDS would be increased by applicable surcharge and cess.

30. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any proceedings.

31. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory

review by the Company, of the documents submitted by the non-resident member and meeting requirement of the IT Act read with applicable tax treaty.

32. In order to enable the Company to determine the appropriate TDS / withholding tax rate applicable, members are requested to provide the aforesaid details and documents on or before Tuesday, August 20, 2024, at 05:00 p.m. IST. No communication on the tax determination / deduction shall be accepted post Tuesday, August 20, 2024, at 05:00 p.m. IST.

33. Members may note that in case the tax on said dividend is deducted at a higher rate due to non-receipt of the aforementioned details / documents, there would still be an option available to the member to file the return of income and claim an appropriate refund, if eligible.

34. In accordance with the provisions of the IT Act, TDS certificates can be made available to the members at their registered Email id after filing of the quarterly TDS returns of the Company, post payment of the said dividend. The members will also be able to see the credit of TDS in their Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

35. An Email communication informing the members regarding the change in the IT Act as well as the relevant procedure to be adopted by them to avail the applicable tax rate was sent by the Company at the registered Email ids of the members.

36. The aforesaid information is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

GENERAL

37. The Board of Directors has appointed, Mr. S. N. Viswanathan, Practising Company Secretary (ACS: 61955, COP No. 24335), or failing him Ms. Malati Kumar, Practising Company Secretary (ACS: 15508, COP No. 10980), partners of M/s. S. N. Ananthasubramanian & Co., Company Secretaries, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.

38. The Chairperson or the authorized person shall declare the e-voting results, along with the consolidated Scrutinizer's report within the timeframe prescribed in the Act and the LODR Regulations. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

39. The results declared along with the Scrutinizer's report will be placed on the website of the Company at www.kfintech.com and shall also be communicated to the stock exchanges as per the LODR Regulations.

40. Mr. Shantanu Rastogi (DIN: 06732021) and Mr. Alok C Misra (DIN: 01542028) are interested in ordinary resolutions set out in Item Nos. 3 and 4 respectively of the Notice. The relatives of Mr. Shantanu Rastogi and Mr. Alok C Misra and may be deemed to be interested in the said resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above none of the other Directors / Key Managerial Personnel of the Company / their relatives are interested, in any way, financially or otherwise, in the ordinary resolutions set out in Item Nos. 3 and 4 of the Notice.

By Order of the Board of Directors of
KFin Technologies Limited

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

Alpana Kundu
Company Secretary and
Compliance Officer
ICSI M. No.: F10191

CIN: L72400TG2017PLC117649
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investorrelations@kfintech.com
+91 40 7961 5565

August 01, 2024 | Mumbai

Information as per Regulation 36 of the LODR Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, on Directors retiring by rotation and recommended for re-appointment

Mr. Shantanu Rastogi

Brief Resume, Qualifications and Experience

Mr. Shantanu Rastogi is a Non-executive Nominee Director of our Company and has been associated with us since November 16, 2018. He has over 19 years of experience and serves on the board of several fintech, software, healthcare, and consumer businesses in India. He is designated as, the Managing Director and Head of India at General Atlantic Private Limited. He rejoined General Atlantic in 2013 after working at the firm between 2005 to 2007. Previously, Shantanu was a Principal at Apax Partners and a management consultant with McKinsey prior to that. Shantanu graduated from IIT Bombay with B.Tech & M.Tech (Electrical Engineering) degrees and earned an MBA from The Wharton School, University of Pennsylvania.

Age: 45 years

Nature of expertise in specific functional areas: Business and Strategic Leadership, Business Strategies and Mergers & Amalgamations, Information Technology, Global Business Exposure, Industry Expertise, Financial Expertise, Human Resource, Board Governance and Regulatory Compliance

Date of first appointment on the Board, No. of meetings of the Board attended during the year, remuneration last drawn and shareholding in the Company: Mr. Shantanu Rastogi was first appointed on the Board on November 16, 2018. The details pertaining to the number of meetings attended during the year, his remuneration, and shareholding in the Company, are provided in the Corporate Governance Report.

Terms and conditions of appointment and remuneration sought to be paid: As per the resolution in Item No. 3 of this Notice. No remuneration is sought to be paid.

Disclosure of relationships between other Directors and Key Managerial Personnel: None

Listed entities (other than the KFintech) in which the Director holds directorship and Committee membership: None

Listed entities from which the Director has resigned in the past three years: 360 One WAM Limited, Krishna Institute of Medical Sciences Limited.

Mr. Alok C Misra

Brief Resume, Qualifications and Experience

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

Age: 57 years

Nature of expertise in specific functional areas: Business and Strategic Leadership, Business Strategies and Mergers & Amalgamations, Global Business Exposure, Industry expertise, Financial expertise, Human Resource, Board Governance and Regulatory Compliance.

Date of first appointment on the Board, No. of meetings of the Board attended during the year, remuneration last drawn and shareholding in the Company: Mr. Alok C Misra was first appointed on the Board on July 28, 2023. The details pertaining to the number of meetings attended during the year, his remuneration, and shareholding in the Company, are provided in the Corporate Governance Report.

Terms and conditions of appointment and remuneration sought to be paid: As per the resolution in Item No. 4 of this Notice. No remuneration is sought to be paid.

Disclosure of relationships between other Directors and Key Managerial Personnel: None

Listed entities (other than the KFintech) in which the Director holds directorship and Committee membership: None

Listed entities from which the Director has resigned in the past three years: None

Abbreviations

Sr. No.	Abbreviation	Acronym
1	AUM	Assets under management
2	AAUM	Average assets under management
3	AIF	Alternative investment fund
4	AMC	Asset management company
5	ATR	Action taken report
1	AUM	Assets under management
2	CAGR	Compound annual growth rate
3	CRA	Centralized record keeping agency
4	CSR	Corporate social responsibility
5	EBITDA	Earnings before interest, tax, depreciation & amortization
6	EPS	Earning per share
7	FCFF	Free cash flow to firm
8	GIFT city	Gujarat International Finance Tec-City
9	HRMS	Human resource management system
10	IFSC	International Financial Services Centre
11	L&D	Learning & development
12	LMS	Learning management system'
13	MF	Mutual fund
14	MIS	Management information system
15	NFO	New fund offer
16	NPS	National Pension scheme
17	PAAS	Platform as a service
18	PAT	Profit after tax
19	PMS	Portfolio management services
20	PWM	Private wealth management
21	QRTA	Qualified Registrar & Transfer Agency
22	SAAS	Software as a service
23	SCORES	SEBI complaints redress system
24	SEZ	Special Economic Zone
25	SIP	Systematic investment plan
26	SUPTECH	Supervisory technology
27	TAT	Turn around time
28	VAS	Value added service
29	Y-o-Y	Year-on-Year

Corporate Information

Corporate Identity Number
L72400TG2017PLC117649

Registered and Corporate Office
Selenium, Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Telangana – 500032, India
Email id : investorrelations@kfintech.com
Telephone no.: +91 40 7961 5565

Chairperson
Mr. Vishwanathan Mavila Nair

Managing Director and Chief Executive Officer
Mr. Venkata Satya Naga Sreekanth Nadella

Independent Directors
Mr. Prashant Saran
Ms. Radha Rajappa
Mr. Kaushik Mazumdar
Mr. Chengalath Jayaram

Non-Executive Nominee Directors
Mr. Alok Chandra Misra
Mr. Shantanu Rastogi
Mr. Srinivas Peddada
Mr. Jaideep Hansraj

Chief Financial Officer
Mr. Vivek Narayan Mathur

Company Secretary and Compliance Officer
Ms. Alpana Kundu

Statutory Auditor
B S R and Co

Secretarial Auditor
D V Rao & Associates

Internal Auditor
Ernst & Young LLP

Bankers
The Hongkong and Shanghai Banking Corporation Limited
ICICI Bank Limited
IDBI Bank Limited
State Bank of India
UCO Bank
Kotak Mahindra Bank Limited
Axis Bank Limited
Yes Bank Limited
IDFC First Bank Limited

Website
www.kfintech.com

Registrar and Share Transfer Agent
Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road, Andheri (East),
Mumbai – 400093, Maharashtra, India
Email id : investor@bigshareonline.com
Website : www.bigshareonline.com

Selenium, Tower-B, Plot No. 31 & 32,
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