

October 25, 2019

To

Corporate Relations Department,  
The BSE Limited,  
P J Towers, Dalal Street  
Mumbai – 400 001.

Dear Sir/Madam,

**Subject: Submission of Financial Results for half year ended September 30, 2019**

**Reference: Regulation 52 of SEBI (listing obligation and Disclosure Requirements), Regulations, 2015**

Scrip Code: 958387

With reference to the above mentioned subject, we hereby furnish the following documents for your information and records in compliance with Regulation 52 and other applicable regulations of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirement Regulations) 2015:

1. Half-yearly un-audited results as per IND AS format for the period ended September 30, 2019
2. Auditors Report for the Standalone Limited Review Financial Results for half year ended September 30, 2019
3. Auditors Report for the Consolidated Limited Review Financial Results for half year ended September 30, 2019
4. Declaration of unmodified opinion pursuant to Regulation 52(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015
5. Declaration on no material deviations in the use of proceeds of issue of non-convertible debt securities, pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

This is for your information and records. Kindly take the same on record

Thanking you

Yours faithfully

For Karvy Fintech Private Limited

  
Rakesh Santhalia  
Company Secretary



Karvy Fintech Private Limited

CIN: U72400TG2017PTC117649

Registered office address: Karvy Seleniam Tower B, Plot Nos. 31 & 32, Financial District  
Nanakraoguda, Serilingampally Mandal, Hyderabad - 500032, India

Statement of Unaudited Standalone and Consolidated financial results for the half year ended September 30, 2019

(All amounts in Rs. Lakhs, except per share data)

Sl. No.	Particulars	Standalone			Consolidated <sup>1</sup>	
		Six months ended		Year ended	Six month ended	Year ended
		September 30, 2019	September 30, 2018	March 31, 2019	September 30, 2019	March 31, 2019
		(unaudited)	(unaudited) Refer Note 8	(Audited)	(unaudited)	(Audited)
1.	Revenue					
	Revenue from operations	21,927.15	-	15,869.27	22,388.41	16,242.43
2.	Other income	345.18	-	219.10	355.25	232.90
	<b>Total revenue</b>	<b>22,272.33</b>	<b>-</b>	<b>16,088.37</b>	<b>22,743.66</b>	<b>16,475.33</b>
3.	Expenses					
	Employee benefits	9,056.21	-	6,309.69	9,380.72	6,524.11
	Finance costs	2,704.50	-	1,907.86	2,707.65	1,907.86
	Depreciation and amortisation	4,535.60	-	3,043.52	4,525.28	3,033.13
	Other expenses	4,741.15	10.97	3,477.19	4,820.22	3,552.57
	<b>Total expense</b>	<b>21,037.46</b>	<b>10.97</b>	<b>14,738.26</b>	<b>21,433.87</b>	<b>15,017.67</b>
4.	Profit before tax for the period/ year (1+2-3)	1,234.87	(10.97)	1,350.11	1,309.79	1,457.66
5.	Tax expense	518.53	-	501.81	527.79	515.67
6.	<b>Net profit/ (loss) after tax for the period/ year (4-5)</b>	<b>716.34</b>	<b>(10.97)</b>	<b>848.30</b>	<b>782.00</b>	<b>941.99</b>
7.	Other comprehensive income ("OCI")					
	A. Items that will not be reclassified subsequently to statement of profit or loss					
	Remeasurement of defined benefit plans	-	-	79.81	-	79.81
	Income tax relating to remeasurement of defined benefit plans	-	-	(27.89)	-	(27.89)
	B. Items that will be subsequently reclassified to profit or loss					
	Exchange differences on translation of foreign operations	-	-	-	12.56	(26.72)
8.	<b>Total comprehensive income/ (loss) for the period/ year (6+7)</b>	<b>716.34</b>	<b>(10.97)</b>	<b>900.22</b>	<b>794.56</b>	<b>967.19</b>
9.	Earnings per share (Face value of Rs. 10 per share) in Rs.					
	Basic <sup>2</sup>	0.43	(109.70)	1.38	0.47	1.54
	Diluted <sup>2</sup>	0.43	(109.70)	1.38	0.47	1.54
10.	Paid up equity share capital - Face value of Rs. 10 per share	16,583.14	1.00	16,583.14	16,583.14	16,583.14
11.	Paid-up debt capital [Refer Note 11(a)]	39,200.00	-	40,000.00	39,200.00	40,000.00
12.	Net worth [Refer Note 11(b)]	51,835.19	(9.97)	51,118.85	52,017.87	51,223.30
13.	Reserves excluding revaluation reserve	36,045.08	(10.97)	35,286.71	36,227.76	35,391.16
14.	Debt redemption reserve ("DRR")	750.00	-	750.00	750.00	750.00
15.	Debt equity ratio [Refer Note 11(c)]	0.76	-	0.78	0.75	0.78
16.	Debt service coverage ratio [Refer Note 11(d)]	2.37	-	3.30	2.39	3.35
17.	Interest service coverage ratio [Refer Note 11(e)]	3.12	-	3.30	3.14	3.35

1. The Company did not have any subsidiary prior to September 30, 2018. Accordingly, there are no consolidated financial results to be presented for the six months ended September 30, 2018.

2. Not annualised for the year.



for and on behalf of the Board of Directors

Karvy Fintech Private Limited  
CIN: U72400TG2017PTC117649

V Ganesh  
Managing Director

DIN: 02282487

Place: Hyderabad

Date: October 24, 2019



Karvy Fintech Private Limited  
CIN: U72400TG2017PTC117649

Registered office address: Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District  
Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India

Statement of Standalone and Consolidated Balance Sheet

(All amounts in Rs. Lakhs, except per share data)

Particulars	Standalone		Consolidated	
	As at September 30, 2019 (unaudited)	As at March 31, 2019 (Audited)	As at September 30, 2019 (unaudited)	As at March 31, 2019 (Audited)
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
Property, plant and equipment	3,597.99	3,810.82	3,615.82	3,825.63
Capital work in progress	23.50	36.56	23.50	36.56
Right-of-use asset	3,003.50	-	3,068.60	-
Goodwill	61,620.71	64,995.29	62,375.14	65,722.19
Other intangible assets	725.45	801.31	727.59	802.68
Investments in subsidiaries	1,521.96	1,521.96	-	-
Financial assets				
(i) Loans	380.68	372.58	380.68	372.58
(ii) Other non-current financial assets	87.15	80.19	87.34	80.19
Deferred tax assets (net)	1,476.21	1,808.84	1,476.21	1,808.84
Non-current tax assets	1,923.00	333.32	1,923.19	333.32
Other non-current assets	71.54	70.99	71.54	70.99
<b>Total non-current assets</b>	<b>74,431.69</b>	<b>73,831.86</b>	<b>73,749.61</b>	<b>73,052.98</b>
<b>(2) Current assets</b>				
Current assets				
Financial assets				
(i) Investments	11,919.28	11,050.66	11,954.22	11,154.13
(ii) Trade receivables	8,885.72	7,924.80	9,076.73	7,962.02
(iii) Cash and cash equivalents	1,573.41	1,372.80	2,061.12	2,267.78
(iv) Bank balances other than cash and cash equivalent	270.17	3,094.66	575.55	3,094.66
(v) Loans	112.55	22.11	122.30	32.85
(vi) Other current financial assets	1,690.35	1,606.88	1,761.77	1,625.06
Other current assets	794.78	389.30	806.18	398.97
<b>Total current assets</b>	<b>25,246.26</b>	<b>25,460.41</b>	<b>26,361.67</b>	<b>26,535.47</b>
<b>Total assets</b>	<b>99,677.95</b>	<b>99,292.27</b>	<b>100,111.28</b>	<b>99,588.45</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
Equity share capital	16,583.14	16,583.14	16,583.14	16,583.14
Other equity	36,045.08	35,286.71	36,227.76	35,391.16
<b>Total equity</b>	<b>52,628.22</b>	<b>51,869.85</b>	<b>52,810.90</b>	<b>51,974.30</b>
<b>(2) Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	35,806.93	37,286.71	35,806.93	37,286.71
(ii) Lease liabilities	2,287.37	-	2,354.91	-
Provisions	400.10	340.10	487.31	445.59
<b>Total non-current liabilities</b>	<b>38,494.40</b>	<b>37,626.81</b>	<b>38,649.15</b>	<b>37,732.30</b>
<b>(3) Current liabilities</b>				
Financial liabilities				
(i) Trade payables		3.41		3.41
- Total outstanding due to micro and small enterprises		3.41		3.41
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,855.37	2,153.48	1,882.82	2,202.40
(ii) Lease liabilities	826.12	-	826.12	-
(iii) Other current financial liabilities	4,279.64	6,115.85	4,294.59	6,127.81
Other current liabilities	1,255.81	1,199.22	1,276.01	1,216.27
Provisions	252.16	237.42	279.15	237.42
Current tax liabilities (net)	86.23	86.23	94.54	94.54
<b>Total current liabilities</b>	<b>8,555.33</b>	<b>9,795.61</b>	<b>8,653.23</b>	<b>9,881.85</b>
<b>Total equity and liabilities</b>	<b>99,677.95</b>	<b>99,292.27</b>	<b>100,111.28</b>	<b>99,588.45</b>



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

*(Signature)*

V Ganesh  
Managing Director and CEO  
DIN: 02282487  
Place: Hyderabad  
Date: October 24, 2019



**Notes:**

1. The above results were reviewed and recommended by the Audit Committee at its meeting held on October 23, 2019. The Board of Directors at its meeting held on October 24, 2019 approved the above results and its release.
2. The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards (Amendment) Rules 2016 and in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
3. During the previous year ended March 31, 2019, the Company had issued 4,000 rated, listed, redeemable Non-convertible Debentures (NCDs) Series 1 of face value Rs. 1,000,000 each for a total amount of Rs. 40,000 lakhs on a private placement basis. These NCDs have been listed on the Bombay Stock Exchange with effect from November 29, 2018. The NCDs are repayable in 10 half yearly instalments commencing from September 30, 2019 to November 16, 2023 and carry an interest rate of 11.5% per annum due on 31 March and 30 September of every year.
4. The Board of Directors and shareholders of the Company, vide their meetings held on September 27, 2019 and September 30, 2019 respectively, have approved the buy back of 14,987,847 equity shares of the Company at a price of Rs. 74.25 per equity share (including share premium of Rs. 64.25 per equity share). The letter of offer in this regard was issued to the shareholders with a start date of October 4, 2019 and end date of October 10, 2019. The buy back process has been completed by the Company during the month of October 2019.
5. The shareholders of the Company vide their meeting held on July 31, 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Company and its subsidiaries under KPPL Employee Stock Option Plan 2019 ('ESOP Plan 2019'). Subsequently, the Board and Nomination and Remuneration Committee (NRC) of the Company have notified three schemes under the ESOP Plan 2019. The maximum number of shares that the Company can issue under the ESOP Plan 2019 plan are 9,593,839 equity shares. The options under these schemes vest to the employees based on various performance and other parameters. During the period ended September 30, 2019, the Company has granted 2,605,751 options to eligible employees as identified by the NRC. These options vest between a minimum of 1 to 4.65 years from the date of grant. During the period ended September 30, 2019, an amount of Rs. 42.03 lakhs has been recorded as an employee cost towards these options granted with a corresponding credit to other equity.
6. Effective April 1, 2019, the Company has adopted Ind AS 116 and has applied the standard to its leases under modified retrospective approach. Accordingly, the Company has not restated its comparative information. This has resulted in recognising a right-of-use assets and an equal corresponding lease liability of Rs. 3,441.61 lakhs as at April 1, 2019. In the statement of profit and loss account for the current periods, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
7. The Board of Directors of the Company in their meeting held on August 2, 2017 had approved a Composite Scheme of Arrangement and Amalgamation between Karvy Consultants Limited (KCL), Karvy Computershare Private Limited (KCPL), the Company and their respective shareholders under the relevant provisions of the Companies Act, 2013 ('the Scheme'). The Scheme has been approved by the National Company Law Tribunal vide their order dated 23 October 2018 which has been filed with the Registrar of Companies on November 17, 2018. Therefore, the Scheme has become effective on November 17, 2018. As per the Scheme, the 'RTA undertaking' of KCL and KCPL were amalgamated into the Company with effect from November 17, 2018 and the amalgamation was accounted for during the year ended March 31, 2019.  
As specified in the Scheme, the amalgamation had been accounted for in accordance with the Purchase method of accounting as per Accounting Standard 14 on 'Accounting for Amalgamations'. All the assets and liabilities of the RTA Undertaking of KCL and KCPL had been recorded at their existing book values. The difference between the book values of the net assets so recorded and the consideration (being the face value of equity shares issued by the Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to Rs. 67,491.54 lakhs (Rs. 66,940.98 lakhs in the consolidated financial statements) had been recorded as goodwill which is being amortised over a period of 10 years.  
The above accounting treatment as specified in the Scheme relating to amalgamation of the 'RTA Undertaking' of KCL and of KCPL into the Company and the subsequent measurement of Goodwill is different from the accounting as per Ind AS 103 on 'Business Combinations'.
8. The figures for the corresponding period ended September 30, 2018 as included in Statement of unaudited standalone and consolidated financial results for the half year ended September 30, 2019 are being presented by the Company for the first time since the Non-convertible debentures of Company got listed only in November 2018. The figures for period ended September 30, 2018 have been approved by the Company's Board of Directors but have not been subject to review or audit by the statutory auditors.
9. The Company has entered into a Business Transfer Agreement ('BTA') dated August 7, 2019 with Sundaram BNP Paribas Fund Services Limited, to acquire its business relating to registrar to an issue and share transfer agent for securities (including mutual fund units), back office functions in relation thereto, back office and fund accounting services to alternative investment funds or private equity clients on a slump sale basis. The closing of this transaction is dependent on certain conditions precedent which the management expects to be completed subsequent to September 30, 2019. The accounting for this acquisition will be carried out once the closing conditions are met and control over the business is acquired by the Company.



10. Segment information

For the six months ended September 30, 2019

(All amounts in Rs. Lakhs, except per share data)

Particulars	Registry services	Data processing services	Pension fund solutions	Total reportable segments	Unallocable	Total
Segment revenue						
- External Revenues	20,702.29	1,642.68	43.44	22,388.41	-	22,388.41
- Intersegment revenues						
Total Segment revenue	20,702.29	1,642.68	43.44	22,388.41	-	22,388.41
Segment results	8,252.72	641.96	(241.66)	8,654.62	-	8,654.62
Unallocated						
(a) Unallocable expenses					(4,092.43)	(4,092.43)
(b) Finance cost					(2,707.65)	(2,707.65)
(c) Other income					355.25	355.25
Profit before tax						1,309.79
Less: Taxes						527.79
Profit after tax						782.00

As at September 30, 2019

Particulars	Registry services	Data processing services	Pension fund solutions	Total reportable segments	Unallocable	Total
Segment assets	14,610.22	3,093.86	163.87	17,895.95	82,217.33	100,113.28
Segment liabilities	3,504.34	1,005.56	23.30	4,533.20	42,769.18	47,302.38

For the year ended March 31, 2019

(All amounts in Rs. Lakhs, except per share data)

Particulars	Registry services	Data processing services	Pension fund solutions	Total reportable segments	Unallocable	Total
Segment revenue						
- External Revenues	15,032.66	1,171.94	35.81	16,242.43	-	16,242.43
- Intersegment revenues						
Total Segment revenue	15,032.66	1,173.94	35.83	16,342.43	-	16,342.43
Segment results	6,632.33	437.25	(151.83)	6,937.75	-	6,937.75
Unallocated						
(a) Unallocable expenses					(3,805.13)	(3,805.13)
(b) Finance cost					(1,907.86)	(1,907.86)
(c) Other income					232.90	232.90
Profit before tax						1,457.66
Less: Taxes						515.67
Profit after tax						941.99

As at March 31, 2019

Particulars	Registry services	Data processing services	Pension fund solutions	Total reportable segments	Unallocable	Total
Segment assets	11,801.21	2,823.15	143.81	14,768.17	84,820.28	99,588.45
Segment liabilities	1,934.19	874.06	-	2,808.25	44,805.90	47,614.15

(a) The Company is engaged in three business segments: Registry services, data processing services and pension fund solutions. Based on the "management approach" as defined in Ind AS 108 - "Operating Segments", the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in individual segments.

(b) Segment result represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income.

(c) As allowed under Ind AS 108 - "Operating Segments", the segment information disclosed above is based on the consolidated financial statements.

(d) The Company had not commenced any business operations up to the six months period ended September 30, 2018 and hence the segment information for the corresponding previous period has not been disclosed.

*Parul*



11. Formulas used for computations of ratios:

- (a) Paid-up debt capital represents NCDs outstanding as at reporting date including current maturities of long term debt. For the purpose of this disclosure, transaction costs that are netted off in debt have not been considered.
- (b) Net worth: Equity share capital + Free reserves (i.e. other equity excluding capital reserves, revaluation reserve, ESOP reserve and DRR\*)
- (c) Debt/Equity ratio: Debt/Equity. Equity represents paid-up equity share capital and free reserves (i.e. other equity excluding capital reserves, revaluation reserves, ESOP reserve and DRR\*). Debt is as per paragraph 11(a) above.
- (d) Debt service coverage ratio: Earnings before interest, depreciation and amortisation, and tax (EBITDA) / (Interest + Principal repayments during the year) period (excluding lease payments under IndAS 116)
- (e) Interest service coverage ratio: EBITDA / Interest
- EBITDA: Profit before interest, tax and exceptional items + Depreciation and Amortisation
- (f) Assets cover available = Total Assets - Intangible assets other than goodwill - Right-of-use Assets - Non-current liabilities (excluding NCDs) - Current liabilities - Short-term portion of long term debts. For the purpose of computing this ratio, goodwill arising out of the amalgamation has been included in total assets. (Refer Note 12(b) below).

For the purpose of ratios (d) and (e) above, interest expenses (Standalone - Rs 144.79 lakhs, Consolidated - Rs 147.94 lakhs) and depreciation charge (Standalone - Rs 462.97 lakhs, Consolidated - Rs 476.05 lakhs) relating to Ind AS 116 have not been included in computing EBITDA and interest expenses.

\* The Central Government on August 16, 2019 has amended the Companies (Share Capital and Debentures) Rules 2014 to exclude listed companies having privately placed debentures from the requirement of maintaining DRR. Accordingly, the Company has not transferred any amount to DRR during the half year ended September 30, 2019.

12. Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the Management:

(a) Credit rating and change in credit rating:

Particulars	Name of the rating agency	Current rating	Remarks
Rated, Listed, Redeemable, Non-convertible Debentures	ICRA Limited	ICRA AA -	There is no change in the credit rating during the period.

(b) Asset cover available: The entity has maintained hundred percent asset cover sufficient to discharge the principal amount at all times for the NCDs issued. For the purpose of arriving at asset cover, the management has considered asset cover being equal to total assets (excluding intangible assets and right-of-use assets other than goodwill) minus current and non-current liabilities other than NCDs. As indicated in note 11(f) above, goodwill arising out of the amalgamation referred to in Note 7 above has been included in total assets.

(c) The previous due date for the payment of interest/ principal amount for debenture and the actual date of payment for the half year ended September 30, 2019 are as under:

Sr. No	ISIN	Series	BSE scrip Code	From 01 April 2019 to 30 September 2019	
				Interest	Principal
1	INE138Y07017	11.50% Karvy Fintech Private Limited 2023	958387	-	-
				- Due date: 30 September 2019	
				- Date of payment: 30 September 2019	

(d) Next due date for the payment of interest / principal:

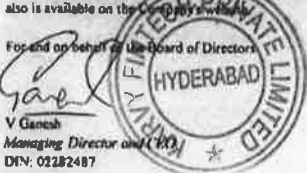
Sr. No	ISIN	Series	BSE scrip Code	From 01 October 2019 to 31 March 2020	
				Interest	Principal
1	INE138Y07017	11.50% Karvy Fintech Private Limited 2023	958387	2,184.18	800.00
				Next due date: 31 March 2020	

13. The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and Cess. As of September 30, 2019, the Company has not adopted this new Ordinance and accordingly has not considered such reduced tax rates for the purpose of computing the tax expense for the period and the period end deferred tax balances.

14. In terms of SEBI Circular CIR/CFD/CMD/50/2016 dated May 27, 2016, the statutory auditors of the Company have carried out a limited review of the above unaudited financial results for the six months period ended September 30, 2019 and have issued an unmodified review report. The review report of the Statutory auditors is being filed with the Bombay Stock Exchange of India (BSE) and also is available on the Company's website.

For and on behalf of the Board of Directors

V Ganesh  
Managing Director and CEO  
DIN: 02282487  
Place: Mumbai  
Date: October 24, 2019



*Ganesh*



# B S R & Associates LLP

Chartered Accountants

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

Telephone : +91 40 7182 2000  
Fax : +91 40 7182 2399

## Limited review report on the unaudited consolidated financial results for the half year ended 30 September 2019 of Karvy Fintech Private Limited under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulations”)

To

The Board of Directors of Karvy Fintech Private Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Karvy Fintech Private Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the half year ended and year to date results for the period from 01 April 2019 to 30 September 2019 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 52 of the Listing Regulations. Attention is drawn to the fact that the Company did not have any subsidiaries before 30 September 2018 and accordingly, there are no consolidated financial results and consolidated balance sheet to be reported upon for the half year ended 30 September 2018.
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities:
  - a) Karvy Fintech Private Limited, Parent
  - b) Karvy Fintech (Bahrain) W.L.L, subsidiary
  - c) Karvy Fintech (Malaysia) SDN. BHD., subsidiary
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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**6. Emphasis of Matter**

We draw attention to Note 7 of the Statement of unaudited consolidated financial results for the half year ended 30 September 2019 regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company with effect from 17 November 2018 and its consequential impact as detailed in the said note. This amalgamation was accounted for during the year ended 31 March 2019. As specified in the Scheme of Amalgamation, the amalgamation has been accounted for as per the Purchase Method of accounting specified in Accounting Standard 14 - on 'Accounting for Amalgamations'. All assets and liabilities of KCPL and of the RTA Undertaking of KCL have been recorded at their respective existing book values. The difference between the book values of the net assets so recorded and the consideration (being the face value of equity shares issued by the Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to Rs 66,940.98 lakhs has been debited to Goodwill. This Goodwill is being amortised in the Statement of Profit and Loss over a period of ten years as per the terms of the Scheme. The accounting treatment of this transaction is different from that prescribed under Ind AS 103 - 'Business Combinations'.

Our conclusion on the Statement is not modified in respect this matter.

7. We did not review the interim financial results of the two subsidiaries included in the Statement, whose interim financial results reflect total assets of Rs. 1,338.42 lakhs as at 30 September 2019 and total revenues of Rs 738.58 lakhs, total net profit after tax of Rs 38.11 lakhs and total comprehensive income of Rs 38.11 lakhs, for the period from 01 April 2019 to 30 September 2019, respectively as considered in the consolidated unaudited financial results. These interim financial results of the subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect this matter.

*for* **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Akhil Kapadiya**

*Partner*

Membership Number: 212991

UDIN: 19212991AAAAAY3335

Place: Hyderabad

Date: 24 October 2019



# B S R & Associates LLP

Chartered Accountants

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

Telephone : +91 40 7182 2000  
Fax : +91 40 7182 2399

## Limited review report on the unaudited standalone financial results for the half year ended 30 September 2019 of Karvy Fintech Private Limited under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

To  
The Board of Directors of Karvy Fintech Private Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Karvy Fintech Private Limited (“the Company”) for the half year ended and year to date results for the period from 01 April 2019 to 30 September 2019 (“the Statement”). Attention is drawn to the fact that the figures for the corresponding six months period ended 30 September 2018 have been approved by the Company’s Board of Directors but have not been subject to our review or audit.
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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**5. Emphasis of Matter**

We draw attention to Note 7 of the Statement of unaudited standalone financial results for the half year ended 30 September 2019 regarding the amalgamation of Karvy Computershare Private Limited (KCPL) and the 'RTA Undertaking' of Karvy Consultants Limited (KCL) into the Company with effect from 17 November 2018 and its consequential impact as detailed in the said note. This amalgamation was accounted for during the year ended 31 March 2019. As specified in the Scheme of Amalgamation, the amalgamation has been accounted for as per the Purchase Method of accounting specified in Accounting Standard 14 - on 'Accounting for Amalgamations'. All assets and liabilities of KCPL and of the RTA Undertaking of KCL have been recorded at their respective existing book values. The difference between the book values of the net assets so recorded and the consideration (being the face value of equity shares issued by the Company to the shareholders of KCL and cost of investment in equity shares of KCPL) amounting to Rs 67,491.55 lakhs has been debited to Goodwill. This Goodwill is being amortised in the Statement of Profit and Loss over a period of ten years as per the terms of the Scheme. The accounting treatment of this transaction is different from that prescribed under Ind AS 103 - 'Business Combinations'.

Our conclusion on the Statement is not modified in respect this matter.

*for* **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Akhil Kapadiya**

*Partner*

Membership Number: 212991

UDIN: 19212991AAAAAX4213

Place : Hyderabad

Date: 24 October 2019

October 25, 2019

To

Corporate Relations Department,  
The BSE Limited,  
P J Towers, Dalal Street  
Mumbai – 400 001

Dear Sir,

**Subject: Declaration Pursuant to Regulation 52(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.**

**Reference: Scrip Code: 958387**

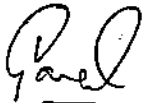
**DECLARATION FOR UNMODIFIED OPINION**

I, V Ganesh, Managing Director & CEO of Karvy Fintech Private Limited, having its registered office at Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India, hereby declare that the Statutory Auditors of the Company, namely, M/s B S R & Associates LLP, Chartered Accountants, have issued audit reports with Unmodified Opinion on limited review financial statements (Standalone and Consolidated) for half year ended September 30, 2019

This declaration is issued pursuant to Regulation 52(3) of the SEBI (LODR) Regulations 2015 as amended from time to time.

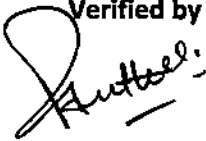
Thanking You,  
Yours Faithfully,

**For Karvy Fintech Private Limited**

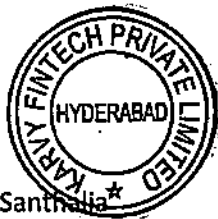


V Ganesh  
Managing Director & CEO  
DIN-02282487

Verified by



Rakesh Kumar Santhalia  
CFO & Company Secretary



October 25, 2019

To

Corporate Relations Department,  
The BSE Limited,  
P J Towers, Dalal Street  
Mumbai – 400 001

Dear Sir,

**Subject: Declaration Pursuant to Regulation 52(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Reference: Scrip Code: 958387**

**DECLARATION ON NO DEVIATION IN USE OF DEBT PROCEEDS**

I, V Ganesh, Managing Director & CEO of Karvy Fintech Private Limited, having its registered office at Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India, hereby declare that there are no material deviations in the use of proceeds of issue of non-convertible debt securities from the objects stated in the offer document.

This declaration is issued pursuant to Regulation 52(7) of the SEBI (LODR) Regulations 2015 as amended from time to time.

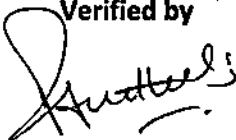
Thanking You,  
Yours Faithfully,

**For Karvy Fintech Private Limited**



V Ganesh  
Managing Director & CEO  
DIN-02282487

Verified by



Rakesh Santhalia  
CFO & Company Secretary

