KFINTECH

KFIN TECHNOLOGIES PRIVATE LIMITED
(Formerly Known as "KARVY FINTECH PRIVATE LIMITED.")
CIN: U72400TG2017PTC117649

Registered Office: Selenium, Tower B, Plot No – 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy– 500 032, Telangana, India
Website: https://www.kfintech.com/
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Board's Report

Dear Members,

Your Company's Directors hereby present the 3rd Annual Report on the business and operations of your Company, along with the audited financial statements and the auditors' report thereon, for the financial year ended March 31, 2020.

I. Financial Performance

The standalone and consolidated financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Summary of the financial performance of your Company and its subsidiaries for the financial year 2019-20 is as presented in the statement of Profit and Loss Account, including other comprehensive income, as part of audited financial statement. A summary is being presented here-in-below:

Particulars (Amount in Rs Lakh)	**Standalone**		**Consolidated**	
	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
Revenue from operations	15,869	44,058	16,242	44,987
Other Income	219	764	233	540
Total Income	**16,088**	**44,822**	**16,475**	**45,527**
Employee Expenses	6,310	18,740	6,524	19,398
Other Expenses	3,477	9,584	3,553	9,726
Depreciation and Amortisation	3,044	9,216	3,033	9,221
Finance Cost	1,908	5,324	1,908	5,330
Total Expenses	**14,738**	**42,824**	**15,018**	**43,676**
Profit Before Tax	**1,350**	**1,957**	**1,458**	**1,851**
Tax	502	1,370	516	1,398
Profit After Tax	**848**	**587**	**942**	**452**
Other Comprehensive Income	52	-127	25	-69
Total Comprehensive Income	**900**	**461**	**967**	**383**

- **Dividend:**

  During the year under review, the Board of Directors has not declared any dividend.

- **Transfer to Reserves:**

  During the financial year under review, the Directors do not propose to transfer any amount to reserves.

- **Subsidiary Companies**

  Your directors wish to inform you that as on March 31, 2020, the Company has three wholly owned subsidiaries, namely, (i) Karvy Fintech (Bahrain) WLL, Bahrain (ii) Karvy Fintech (Malaysia) Sendirian Berhad, Malaysia and (iii) KFin Services Private Limited. During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company were prepared and form part of the Annual Report of the Company. Further details of the subsidiaries and highlights of performance of subsidiary companies and their contribution to the overall performance of the Company are attached with this Report as **Annexure – I**.

  Karvy Fintech (Malaysia) Sendirian Berhad, subsidiary of the Company had applied for a change of name in Malaysia due to the change in the name of the Company being the holding company of the Malaysian company. The said approval of name change was received on 3rd June, 2020 by the Malaysian subsidiary and the Malaysian subsidiary is henceforth named as KFin Technologies (Malaysia) Sendirian Berhad.

- **Name of the Companies which have become or ceased to be its subsidiaries, joint ventures/ associate companies during the year.**

  During the financial year under review no companies have ceased to be subsidiaries of the Company. Further the Company does not have any Joint Venture or Associate Company.

- **Share Capital**

  Pursuant to the approval at the extraordinary general meeting of the Company held on September 30, 2019, the paid-up equity share capital of your Company decreased from INR 1,65,83,14,290 (Rupees One Hundred Sixty Five Crores Eighty Three Lakhs Fourteen Thousand Two Hundred and Ninety) to INR 150,84,35,830 /- (Rupees One Hundred Fifty Crore Eighty Four Lakhs Thirty Five Thousand Eight Hundred and Thirty), by way of buyback of 1,49,87,846 numbers of fully paid-up equity shares of the Company at a price of INR 74.25 each ("Maximum Buy-back Offer Price") including share premium of INR 64.25 per equity share over the face value of INR 10/- per equity share, for an amount of INR 111,28,47,566/- (Rupees One Hundred and Eleven Crore Twenty-Eight Lakh Forty-Seven Thousand Five Hundred Sixty-Six) in accordance with the provisions of Article 38 of the Articles of Association of the Company, provisions of Section 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"). Accordingly, the Company has extinguished 1,49,87,846 equity shares consequent upon the completion of buy-back. Consequently, the paid-up equity share capital of the Company as at March 31, 2020 stood at INR 150,84,35,830 (Rupees One Hundred Fifty Crore Eighty Four Lakhs Thirty Five Thousand Eight Hundred and Thirty) consisting of 15,08,43,583 full paid up equity shares of INR 10 each. During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

- **Listing of Debentures**

During the financial year 2019-20, your company has not made any fully or partly convertible or non-convertible debentures.

The outstanding amount of non-convertible debentures is INR 384 Crores

The details of the debenture trustee are as follows:

IDBI Trusteeship Services Limited Asian Building, Ground floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400001; Tel: +91 022 4080 7000 ; Fax: 022 6331 1776, Contact Person : Mr. Vaibhav Palande

- **Credit Rating**

Your Company has obtained credit rating from ICRA Limited for its Non-Convertible Debentures, which are as under:

Rated, Listed, Redeemable, Non-convertible Debentures–[ICRA] AA-

- **Particulars of Loans, Advances, Guarantees and Investments**

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

- **Deposits**

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

- **Risk Management Policy**

Your company had developed and implemented Enterprise Risk Management Policy including identification of key risk elements which may threaten the existence of the Company. The implementation is periodically reviewed by the Audit Committee of the Board.

- **Events Subsequent to the Date of the Financial Statements**

➢ **Amendment in the terms of the Shareholders' Agreement:** Amendment of certain provisions of the shareholders' agreement dated 3rd August, 2017 entered into between the Company and its shareholders. The said amendment to the shareholder's agreement was brought in by executing a supplemental shareholder's agreement on 3rd April, 2020.

➢ **Amendment in the Articles of Association of the Company:** The entire Articles of Association of the Company was restated due to the amendment of Shareholders' Agreement. The said alteration was approved by the members in its Extra-ordinary General Meeting held on 3rd April, 2020.

➢ **Alteration of the objects clause of the Memorandum of Association:** The objects clause of the Memorandum of Association was amended by inserting the clauses pertaining to the insurance repository business and other connected activities. The said amendment was approved by the members in its Extra-ordinary General Meeting held on 3rd April, 2020.

Apart from this there are no material changes and commitments to report that can be considered to affect the financial position of your Company after March 31, 2020, up to the date of signing of this Director's Report

- **Change in the nature of business**

During the Financial year 2019-2020 the company has not changed its nature of business.

II. Business

- **Overview of Operations - Particulars and Developments/ Outlook**

a) Your Company has been consistently delivering best in class service to its clients with SLA adherence of more than 99% across business units. New digital assets were launched to enhance investor experience backed by tech enabled initiatives to create delight in client servicing and reporting. Your Company continued to increase digital participation in the marketplace to handle large transaction volumes.

b) Your Company has been able to deliver on the operations as well as capitalize on the Mutual Fund AAUM growth of its portfolio AMCs. Average AUM per folio under equity witnessed a healthy growth year on year.

c) The AIF and Corporate Registry businesses continue to grow, and your Company is well placed in these businesses to leverage the benefits of growth.

d) New clients and subscribers were acquired in NPS corporate business.

e) Expansion and investments in Southeast Asian / ASEAN markets continue to do well and your Company is growing its engagement with clients for future business growth.

- **Acquisitions, Investments and Divestments**

Your company evaluated various potential acquisition to maximize service and product offering to the market, and hence your company has acquired MF and AIF RTA business from Sundaram BNP Paribas Fund Services Limited.

The board had consented to acquire and purchase the Mutual Fund Transfer Agency (MF TA) and Alternate Investment Fund Transfer Agency & Fund Accounting (AIF TA & FA) business, including all assets and liabilities pertaining to these business, from Sundaram BNP Paribas Fund Serviced Limited as a going concern on a slump sale basis under Business Transfer Agreement model for an aggregate purchase consideration of Rs 26,53,00,000 (Rupees Twenty Six Crore Fifty Three Lakhs Only), subject to adjustments on account of working capital, unfunded employee's gratuity liabilities, long term liabilities on software, finance lease, if any, etc. in its Board meeting held on July 22, 2019.

The board has consented to set up a Wholly Owned Subsidiary company in the name in the state of Telangana as a Private Limited Company with the name "Kfin Services Private Limited" in its Board meeting held on 4th December 2019. Accordingly, the Company has subscribed Rs 1,00,000/- as subscription to Memorandum of Association of Kfin Services Private Limited. As your Company is Foreign owned or controlled Company (FOCC), the investment in to Kfin Services Private Limited is treated as Downstream investment under Foreign Exchange Management Act, 1999 and regulations made thereunder. Your Company has complied with all necessary reporting requirements under Foreign Exchange Management Act, 1999 and regulations made thereunder.

- **Management Discussion and Analysis Report**

The Ministry of Corporate Affairs, Government of India, issued a set of Voluntary Guidelines on Corporate Governance in December 2009. The guidelines provide for good governance practices which may be adopted by the corporate on a voluntarily basis. Your company is making every endeavor to ensure compliance with the guidelines.

A report on Management Discussion & Analysis Statement is annexed to this report as **Annexure –II**.

III. Governance and Ethics

- **Corporate Governance**

Your Company believes in adopting 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 guidelines, charter of various sub-committees and disclosure policy

Board of Directors

- **Board's Composition and Independence**

Your Company recognizes and embraces the importance of a diverse Board for its success. As on March 31, 2020, the Board comprised of One Executive Director and six Non-Executive Directors including two Independent Directors one of whom is Woman Director.

- **Number of Meetings of the Board**

The Board met Eight times during the financial year 2019-20, namely, on 22nd May 2019, 22nd July 2019, 27th September 2019, 24th October 2019, 25th November 2019, 4th December 2019, 20th February 2020, 24th March, 2020. The maximum interval between any two meetings did not exceed 120 days.

At each of the Board meetings held during the financial year 2019-20, all the Directors as of that date were present at the meeting either in person or through video conference.

- **Appointment of Directors and Key Managerial Personnel**

Following appointments were made during the year under report:

- Mr. Vishesh Tayal was appointed as Non-Executive Director of the Board with effect from March 24, 2020.
- Mr. Vivek Narayan Mathur was appointed as the Chief Financial Officer and Compliance Officer of the Company with effect from February 21, 2020.

- **Retirements and Resignations**

- Mr. C Parthasarathy and Mr. Rajat Sood resigned from the Board with effect from 23rd November, 2019 and 16th March, 2020 respectively.
- Mr. Rakesh Kumar Santhalia resigned as Chief Financial Officer and Company Secretary with effect from February 20, 2020

- **Committees of the Board**

The Company's Board has, following committees:

1. **Audit Committee**- constituted on February 5, 2019. During the financial year 2019-20 the committee met eight times namely on 21st May, 2019, 22nd July 2019, 27th September 2019, 23rd October 2019, 25th November 2019, 4th December 2019, 20th February 2020 and 24th March 2020. All the committee members participated in the meeting.

2. **IT Strategy Committee** - constituted on February 5, 2019. During the financial year 2019-20 the committee met five times namely on 22nd May, 2019, 22nd July 2019, 23rd October 2019, 4th December 2019 and 20th February 2020.All the committee members participated in the meeting.

3. **Pricing and M&A Committee** - constituted on February 21, 2019. During the financial year 2019-20 the committee met four times namely on 22nd May, 2019, 22nd July 2019, 24th October 2019, and 20th February 2020. All the committee members participated in the meeting.

4. **Nomination and Remuneration Committee** - constituted on February 5, 2019. During the financial year 2019-20 the committee met six times namely on 22nd May, 2019, 22nd July 2019, 24th October 2019, 4th December 2019, 20th February 2020 and 24th March 2020. All the committee members participated in the meeting.

5. **Corporate Social Responsibility (CSR) Committee** - constituted on February 5, 2019. During the financial year 2019-20 the committee met four times namely on 21st May, 2019, 22nd July 2019, 24th October 2019, and 20th February 2020. All the committee members participated in the meeting.

Composition/members of these Committees is presented below:

#	Names of the Directors	Audit Committee (AC)	IT Strategy Committee (ITSC)	Pricing and M&A Committee (PMC)	Nomination and Remuneration Committee (NRC)	Corporate Social Responsibility Committee (CSRC)
1	Mr. M V Nair	-	-	Member	-	-
2	Mr. Sandeep A Naik	-	-	-	Member	Member
3	Mr. Shantanu Rastogi	-	-	Member	-	-
4	Mr. Vishesh Tayal	Member	Member	**Chairperson**	-	-
5	Mr. V Ganesh	*Invitee*	Member	-	-	Member
6	Mr. Kaushik Mazumdar	**Chairperson**	**Chairperson**	-	Member	-
7	Ms. Sonu H Bhasin	Member	-	-	**Chairperson**	**Chairperson**

- **Corporate Social Responsibility (CSR) Initiatives:**

  The Board of Directors had constituted a Corporate Social Responsibility (CSR) Committee of the Board with effect from February 05, 2019 in line with the provisions under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. The CSR Committee comprises of the following members:

1. Ms. Sonu H Bhasin, Chairperson
2. Mr. Sandeep A Naik, Member
3. Mr. V Ganesh, Member

As per approved CSR Policy, the Committee monitors the implementation of the framework of the CSR Policy and recommends the amount to be spent on CSR activities. The annual report on CSR initiatives, in the form prescribed under the Companies (Corporate Social Responsibility Policy) Rules 2014, is attached to this report, as **Annexure-III**

- **Policy on Director's appointment and remuneration**

  The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is in place. The remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company.

- **Declaration by Independent Directors**

  The Company has received necessary declaration from each of the independent directors under Section 149(7) of the Companies Act, 2013 and that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

- **Directors' responsibility statement**

  The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied.

  The Board hereby confirm that:

- In preparation of the annual accounts for the financial year ended March 31st2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- They 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 and loss of the Company for that period;

- They have taken proper and sufficient care towards 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;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls, which are adequate and are operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

- **Extract of annual return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return, in the prescribed format, is appended as **Annexure IV** to this Director's Report.

- **Particulars of Employees**

The particulars of employees pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial) Rules 2014 are given in the **Annexure V**.

- **Related Party Transactions**

The particulars of Contracts or Arrangements made with related parties, pursuant to Section 188 and Form No AOC-2, are furnished in **Annexure – VI** and attached with this report.

- **Payment of Remuneration to Directors**

The remuneration details of Mr. V. Ganesh, Managing Director and CEO, as required to be mentioned pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 , is mentioned below.

- **Managerial Remuneration**

Sr. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	During the year, remuneration is paid only to one director i.e. Mr. V. Ganesh, CEO and Managing Director. Ratio of his remuneration to the median remuneration of the employees is 1: 147. Ratio of his

Sr. No.	Requirements	Disclosure
		remuneration to the average remuneration of the employees is 92
II	The percentage increase in remuneration of each director, CEO, CFO and CS in the financial year	Managing Director & CEO- Nil
III	The percentage increase in the median remuneration of employees in the financial year	13%
IV	The number of permanent employees on the rolls of the Company.	There were 5,015 permanent employees as on March 31, 2020
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;	Not Applicable
VI	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms remuneration is as per the Remuneration Policy of the Company

- **Board Evaluation**

The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017.The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Detailed questionnaires drafted in accordance with the guidance note issued by SEBI were sent out to the Board members. The Board evaluation report was submitted to the Board Chairperson and the Chairperson of Nomination and Remuneration Committee. The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process. Based on this evaluation, the Board expresses its satisfaction on its overall performance.

iv. Internal Financial Controls and Audit

- **Internal financial control and its adequacy**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

a) Your Directors report that your Company has adequate internal controls commensurate with its size and nature of operations. There are suitable monitoring procedures in place to provide reasonable assurance for accuracy and timely reporting of the financial information and compliance with the statutory requirements. There are proper policies, guidelines and delegation of power issued for compliance across the Company.

b) For the purpose of ensuring accuracy in the preparation of the financials, your Company has implemented various checks and balances like periodic reconciliation of major accounts, review of accounts, obtaining confirmation of various balances and proper approval mechanism. There is proper reconciliation of the transactions captured to ensure the accuracy and completeness of the transaction posted in financial accounting. In order to ensure robust internal control systems, regular internal audits are conducted by the central internal audit division.

c) Your Company has documented all major processes in the area of revenue, expenses, bank transactions, payments, statutory compliances and period end financial accounting processes. Your company is continuously putting its efforts to align the processes and controls with the best practices in the industry.

   The Audit Committee of the Board and the Board of Directors, periodically review the important matters and finding of the internal audit division and monitor the compliance of the internal controls system.

- **Statutory Auditors**

  Your directors inform that M/s B S R & Associates LLP, Chartered Accountants, having ICAI firm registration no. 116231W/W-100024, were appointed as Statutory Auditors of the Company from financial year 2019-20 till financial year 2022-23 and that they shall hold office till the conclusion of the Annual General Meeting of the Company to be held for financial year 2022-23

- **Audit Reports**

  The Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

  Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

- **Secretarial Audit and Secretarial Auditor's Report**

  As required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s D V Rao and Associates, Practicing Company secretary, as Secretarial Auditor of the company for the financial year 2019-20. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2020 is enclosed as **Annexure VII** to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

- **Secretarial Standards**

  Your company has followed the secretarial standards with respect to General and Board meetings issued by the Institute of Company Secretaries of India and approved as such by the Central Government, pursuant to Section 118(10) of the Companies Act, 2013.

v. Other Disclosures

- **Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo:**

  Conservation of Energy and Technology Absorption

  The business operation of your Company is not energy intensive. However, sufficient measures have been taken to minimize the energy consumption. Being the business we are in, we have a high level of technology absorption through creation of pioneering software, business process automation etc.

  Foreign Exchange Earning and Outgo

  Your Company's foreign exchange earnings are Rs 4,224 Lakh (previous year 1716 Lakh) and outflow during the period was Rs 125.99 Lakh (previous year 62 Lakh).

- **Contribution to the 'Go-green' initiative:**

  In its commitment to help the environment, during the year, your company has taken all necessary steps to reduce the usage of paper in the office. Your company, in many areas, has made necessary changes in the existing processes to move further towards a paperless work environment.

- **Education, training and quality assessment:**

  Your directors wish to inform you that your Company has been continuing training programs for overall development of the employees. New schemes have been introduced to recognize and reward the best talent.

- **Details of significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

  No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

- **Vigil Mechanism:**

  Your Company has adopted a Whistleblower Policy (Vigil Mechanism) as a channel for receiving and redressing complaints from employees and Directors, as per the provisions of Section 177(9) and (10) of the Companies Act, 2013. Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Policy is appropriately communicated within the Company across all levels.

- **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

  Your directors wish to inform you that the Company has in place a Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

  During the year under review, no complaints with allegations of sexual harassment were filed.

- **Maintenance of cost accounts and records as specified by the Central Government**

  The Company does not fall under the category of Sec 148(1) of Companies Act, 2013 and hence such disclosure and maintenance of cost accounts/cost records is not applicable.

- **Acknowledgements:**

  Your Directors wish to express their immense gratitude to the Company's bankers, managers, vendors, clients and investors for their co-operation and for the confidence reposed in the Company and look forward to their continued support. Your Directors place on record their deep sense of appreciation and gratitude to the employees at all levels, and more specifically, to the senior management team of the Company for their unstinted support, during the year under review. Your Directors further express their gratitude to the Central, various State Governments and Government agencies for imposing faith in the Company and awarding various projects.

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN: 02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

ANNEXURE INDEX-

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V	Particulars of employees pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial) Rules 2014
VI	Particulars of Contracts or Arrangements made with related parties in Form AOC-2
VII	Secretarial Audit Report in Form No. MR-3

Annexure - I

ANNEXURE TO THE BOARD'S REPORT

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company

A. Karvy Fintech (Bahrain) WLL, Bahrain:

Karvy Fintech (Bahrain) WLL (KFBWLL) was incorporated in the Kingdom of Bahrain. Name of the subsidiary has been changed during the year from Karvy Computershare WLL to Karvy Fintech (Bahrain) WLL, on account of merger of Karvy Computershare Private Limited (earlier holding company of KFBWLL) with Karvy Fintech Private Limited with effect from November 17, 2018, KFBWLL became the wholly owned subsidiary of the Company with effect from November 17, 2018.

KFBWLL is registrar & share transfer agent and paying agent for several issuer companies in Bahrain and has been market leader in the country. KFBWLL also managed few Fund Accounting and Administration mandates.

Financial highlights of KFBWLL is given below:

Amount in Rs Lakh

Particulars	FY 2018-19	FY 2019-20
I. Revenue from operations	206.27	448.08
II. Other income	12.19	28.33
III. Total Income (I+II)	**218.45**	**476.40**
IV. Expenses		
Employee benefits expense	146.72	389.23
Depreciation and amortisation expense	0.87	4.26
Other expenses	28.90	75.23
Total expenses (IV)	**176.48**	**468.33**
V. Profit before tax (III-IV)	**41.97**	**8.07**
VI. Tax expense:	-	-
VII. Profit for the year / period (V-VI)	**41.97**	**8.07**

B. Karvy Fintech (Malaysia) Sdn. Bhd., Malaysia:

Karvy Fintech (Malaysia) Sdn. Bhd. (KFMSB) was incorporated in the Malaysia. Name of the subsidiary has been changed during the year from Karvy Computershare (Malaysia) Sdn. Bhd. to Karvy Fintech (Malaysia) Sdn. Bhd., on account of merger of Karvy Computershare Private Limited (earlier holding company of KFMSB) into Karvy Fintech Private Limited with effect from November 17, 2018, KFMSB became the wholly owned subsidiary of the Company with effect from November 17, 2018.

KFMSB is principally engaged in the business of carrying out transfer agency, back office services outsourced by market intermediaries and fund managers. There have been no significant changes in the nature of these activities during the financial year.

Karvy Fintech (Malaysia) Sendirian Berhad, subsidiary of the Company had applied for a change of name in Malaysia due to the change in the name of the Company being the holding company of the Malaysian company. The said approval of name change was received on 3rd June, 2020 by the Malaysian subsidiary and the Malaysian subsidiary is henceforth named as KFin Technologies (Malaysia) Sendirian Berhad.
Financial highlights of KFMSB is given below:

Amount in Rs Lakh

Particulars	**FY 2018-19**	**FY 2019-20**
I. Revenue from operations	596.86	1121.55
II. Other income	1.61	2.18
III. Total Income (I+II)	**598.47**	**1,123.73**
IV. Expenses		
Employee benefits expense	67.70	272.67
Depreciation and amortisation expense	7.57	4.57
Other expenses	476.44	756.39
Total expenses (IV)	**551.71**	**1033.64**
V. Profit before tax (III-IV)	**46.77**	**91.77**
VI. Tax expense:	13.87	28.42
VII. Profit for the year / period (V-VI)	**32.89**	**63.34**

C. KFin Services Private Limited:

KFin Services Private Limited was incorporated to provide various services including services of KYC registration agency and other consultancy and advisory related services. The Company was incorporated on 6th January 2020. The first financial year of the company shall be ending 31st March 2021.

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN: 02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

KFin Technologies Private Limited

Annexure - II

ANNEXURE TO THE BOARD'S REPORT

Management Discussion & Analysis Statement

A. Overview

Kfin Technologies Private Limited ("KFintech" or "Company") is the largest registrar and transfer agency and a market leader in the financial sector providing investor servicing. Our operations are spread across 400+ branches in India and 2 countries globally, namely Malaysia and Bahrain. With 90 million key investor accounts, we reach out to 1300 issuers including banks, PSUs and mutual funds. All this is possible with a diverse and robust workforce of 5,300+ experienced professionals who hail from various disciplines.

KFintech has set new benchmarks in Investor Servicing by establishing higher performance standards and enhanced its Service Delivery through structured and custom-built training and development initiatives. KFintech has created leadership positions in the areas of Issuer & Corporate Services, Investment Management Services (Mutual Funds, Corporate Registry, AIFs, ReITs, InvITs, Global Mutual Funds for overseas clients, Distributor back-office Services, Global Business Services along with offering CRA services to NPS investors).

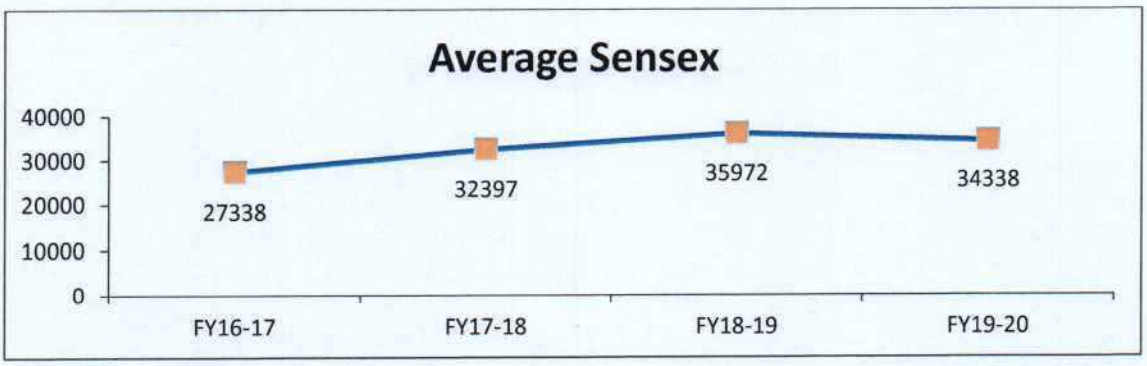
Our mission is to be a leading, preferred service provider to our customers and we aim to achieve this leadership position by building an innovative, enterprising and technology driven organization which will set the highest standards of service and business ethics.

Our Vision is to create an Operations Center of Excellence (CoE) by being a global leader in wealth administration across asset classes, leveraging Kfintech to deliver optimal value to the stakeholders.

B. The year that went:

India joined a near-worldwide lockdown in March, while the equity markets joined in a global sell-off. The S&P BSE SENSEX posted its worst-ever quarterly decline, and its worst month since 2008, declining 23% and 28% over the month and quarter, respectively.

A 5% de-growth in Sensex in a single financial year 2019-20 clearly explains the performance of Equity markets. This de-growth is largely attributable to Covid-19 and its impacts on various businesses

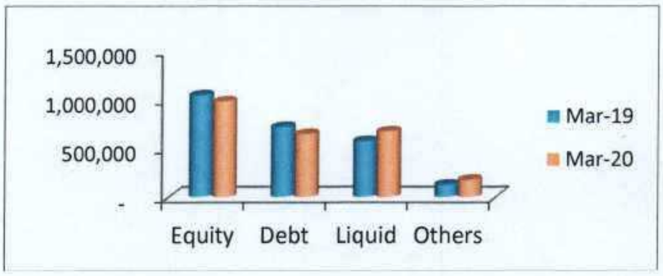


C. Indian Mutual fund Industry trends

The financial year 2019-20 witnessed a growth of 1% in average assets under management and 9% in folio base over the previous financial year. Against a monthly average AUM of Rs 24,58,372 Crore in March 2019, the Mutual Fund assets in India stood at Rs 24,70,882 Crore in March 2020. Over the year, while assets classes like Liquid and other have witnessed a growth, Debt & equity asset classes witnessed de-growth of 10%& 6% respectively.

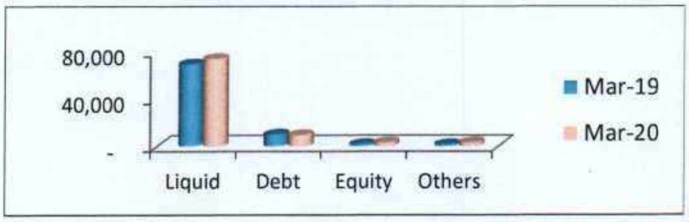
Inflows show de-growth in comparison to previous year. Overall inflows during the year has been Rs.1,88,13,458 Crore against overall annual net flows of Rs. 2,43,94,362 crore in the FY 2018-19. Positive Net flows of Rs. Rs 87,301 during the year was significantly lowered by single month negative netflows worth Rs.2,12,737 Crore in March 2020. Following is the summary of asset growth in MF industry:

Asset Class	*Average AUM(Cr.)*		*Growth*
	Mar-19	Mar-20	
Equity	1,044,708	980,875	-6%
Debt	714,921	644,799	-10%
Liquid	571,466	670,503	17%
Others	127,277	174,705	37%
Total	2,458,372	2,470,882	1%

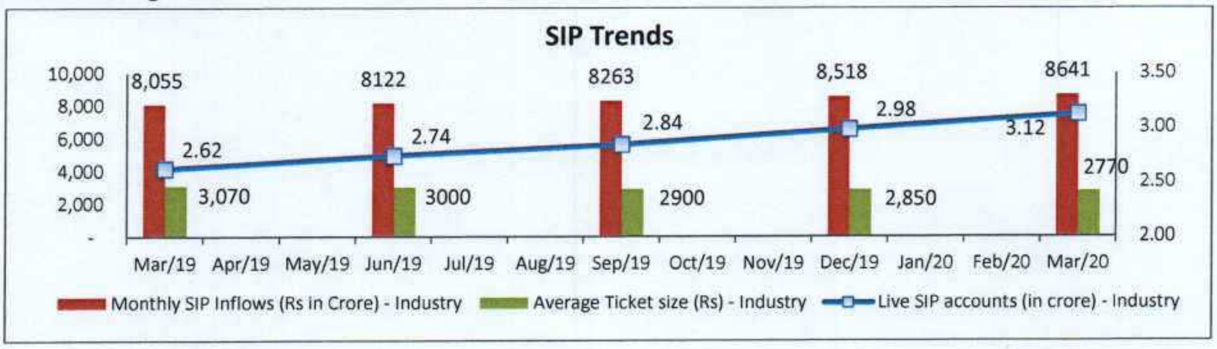


Equity schemes, continued attracting more investors to the industry. While the overall Industry has been netflow negative, Equity asset class has been netflow positive and accumulating to support a future growth. The financial year 2019 witnessed addition of approx 98.5 lakh folios under this category of schemes. In spite of a de-growth in assets, the folio base under debt asset class improved by approx 4%.

Asset Class	*Average Folio('000)*		*Growth*
	Mar-19	Mar-20	
Equity	69,270	73,967	7%
Debt	10,001	9,554	-4%
Liquid	1,669	3,064	84%
Others	1,517	3,160	108%
Total	82,456	89,746	9%



In spite of all the negativity around the performance of secondary markets, the Indsutry has remained strong with small investors continuing to take the SIP route. The industry added another 50 lakh fresh SIPs during the year to take the total live SIP accounts beyond the 3 crore mark to approx 3.12 Crore by March 2020, with a further 19% growth.



On the regulatory front, similar to a past few years, even the financial year 2019-20 your company has taken various steps to introduce new regulatory introductions either introduced by SEBI or as outcome of Union budget announcements. Few of such introductions were:

1. Creation of separate scheme for segregated portfolio towards non-performing portfolio of the scheme
2. TDS charged on Dividend transactions
3. Introduction of Stamp duty against various transactions, etc.

Apart from the above, your company has also quickly supported various changes brought down during the lockdown phase towards the end of the financial year and beginning of the current financial year, be it around change of cut-off timings across asset class' or around quick reduction of the TDS rates on dividend. Your company also takes pride in the fact that in spite of various compliance submission relaxations announced by the regulators, your company was never required to avail any such relaxation and has been making all submissions as per the actual timelines

With a digital push across the industry, from regulators, AMCs as well as distributors and also backed by the limited ability of the investor to visit a branch, due to Covid-19 lockdown, various transacting platforms of your Companylike the mobile app, KfinKart,DIT platform and the online transacting platform (Kfin website) have shown a significant improvement in the transaction volumes towards the end of this financial year.

During the year, your Company has further initaited various process automation, risk mitigation and cost control measures that are currently in various stages of implementation. A few such initiatives to name are:

Sl No	This initiative	Process Efficiency	Cost Optimization	Risk mitigation
1	Introduction of penny drop process for investor name validation	✓	✓	✓
2	Name matching with help of 'Fuzzy logic'	✓	✓	✓
3	OCR - cheque reader for capture of bank details	✓	✓	✓
4	Automation of Banking reconciliations	✓	✓	✓
5	Introduction of Chatbots	✓	✓	×
6	API based interfaces between various stakeholders	✓	×	✓
7	Email and mobile validation	✓	×	×
8	Integration of online payment gateway to Korp Connect	✓	×	×
9	Introduction of GRC farmework	✓	×	✓
10	Consolidation of similar functions across board	✓	✓	✓

Apart from Mutual funds, there were good Like any other year, even the year gone by has witnessed many new developments, roll-out of new product and features, a few of these invlove:

a. Record number of migrations under the Global Fund services (GFS) umbrella towards all, AMC TA, distributor TA and white labelled services

b. Good progress around onboarding of unlisted companies after regulatory changes called for mandatory dematerialization of shares for new registrations since October 2019. Further, one of the largest special purpose project for track, trace and proceeds dissemination for Golden Forests has been successfully implemented

c. Good traction in Pension services with no of subscriers are more than 2 Lakhs &Market share in March 2020 for 'Corporate employees' and 'All India Citizens' was 49.4% and 45.7% respectively

d. A record growth in Mortgage business (~32%) has increased GBS revenue and margins to clock highest growth in the past 5 years

For the Financial year 2020-21, your Company has set targetsfor improvement in marketshare as one of the key drivers apart from constant monitoring and improving customer service scores, briniging in further efficiencies across board, driving cost optimizations and continuously working towards risk mitigation.

D. Diversification plan and vision:

The Company has been working with clients to provide newer products & services, based on new digital platform / products. During the year, several new digital assets / products has been lauched as mentioned below:

(a) Distributor Initiated Transactions (DIT) – Platform for Distributors to transact on behalf of Investor
(b) K-Bolt Go – Scan and Ship platform for physical applications
(c) White labelled Service – Digital stack for AMCs
(d) Kfinkart – Investor App
(e) KFinPro - IFANXT – Transactioning and reporting platform for IFAs
(f) Loan Against Mutual Funds (LAMF) – APIs offered to Lenders to enable investor to place pledge / unpledge requests electronically
(g) Korp Connect – A digital platform for Corporate Investors to transact electronically involving intiation and approval of transactions across multiple parties
(h) e-Nach – A paperless NACH mandate registration through RazorPay reducing TAT from 10 days to 2 days
(i) ChatBots (KBuddy) – A conversational platform for investors on KFinkart for 8 general queries
(j) World Check (InPro) – Module to Clients for AML / PMLA screening through Elastic search on Investor database with negative list as per World Check database of Thomson Rueters
(k) Bank Validation APIs – Penny drop and Fuzzy name matching APIs on digital platforms to perform bank account / third party validations on the fly.
(l) Live Streaming of Shareholders meetings
(m) E-Vault - Maintenance soft data of shareholders, dividend and related transactions, both by RTA & Issuer companies
(n) Fintrack – to monitor compliance with insider trading regulations

With all the efforts highlighted above and a hope that the Industry will be resillient in fighting the health crisis induced potential downstream financial impact, we are hopeful that your Companycould witness improved performanceon a series of critical metrics during the financial year 2020-21.

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN: 02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

ANNEXURE - IV

FORM- MGT- 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2020

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	**CIN** :	U72400TG2017PTC117649
2.	**Registration Date** :	8th June 2017
3.	**Name of the Company**:	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited)
4.	**Category / Sub-Category of the Company:**	Company Limited by shares/ Non-Government Company
5.	**Address of the Registered office and contact details**:	Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telephone- 040 7691 5567 Fax No. 040- 2344 0674 E-mail: Compliance.corp@kfintech.com
6.	**Whether listed company** :	No (Debt securities listed on private placement basis)
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**:	Managed In House

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Database, data management activities, distribution on electronic media (Registrar to Issue and Share Transfer Agent and Record keeper)	72400	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1	General Atlantic Singapore Fund Pte. Ltd. Regd Off- 80 Robinson Road #02-00Singapore 068898	Singapore Company Reg No. 201106196Z	Holding	83.25%	**2(46)**

2	Karvy Fintech (Bahrain) WLL Flat No. 74, Building-31, Road No. 383, Block305, Manama Centre, Kingdom of Bahrain	Bahrain Company Reg. No. 39984	Subsidiary	100%	**2(87)**
3	Karvy Fintech (Malaysia) Sendirian Berhad Level 25, Menara Hong Leong, No. 6, Jalan Damanlela Bukit Damansara, 50490 Kuala Lumpur, Malaysia	Malaysian Company Reg. No.1178655-U	Subsidiary	100%	**2(87)**
4	KFin Services Private Limited Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032	Indian Company U72200TG2020PTC138221	Subsidiary	100%	**2(87)**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	7,529,393	-	7,529,393	4.54%	-	-	-	-	-4.54%
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	20,243,944	-	20,243,944	12.21%	-	-	-	-	-12.21%
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**27,773,337**	**-**	**27,773,337**	**16.75%**	**-**	**-**	**-**	**-**	**-16.75%**
(2) Foreign									
(a) NRIs -Individuals									
(b) Other-Individuals									
(c) Bodies Corp.	138,058,092	-	138,058,092	83.25%	125,580,400	-	125,580,400	83.25%	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	**13,80,58,092**	**-**	**13,80,58,092**	**83.25%**	**125,580,400**	**-**	**125,580,400**	**83.25%**	**-**
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**165,831,429**	**-**	**165,831,429**	**100%**	**125,580,400**	**-**	**125,580,400**	**83.25%**	**-16.75%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-

(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify) **HUF**									
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian					18,414,296	-	18,414,296	12.21%	12.21%
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh					4,861,913	-	4,861,913	3.22%	3.22%
(C) Others (Specify) - HUF					1,986,974	-	1,986,974	1.32%	1.32%
Sub-Total (B)(2)	-	-	-	-	**25,263,183**		**25,263,183**	**16.75%**	**16.75%**
Total Public Shareholding (B) = (B) (1) + (B) (2)					**25,263,183**		**25,263,183**	**16.75%**	**16.75%**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,58,31,429**	-	**16,58,31,429**	**100%**	**150,843,583**	-	**150,843,583**	**100%**	-

(ii) Shareholding of Promoters:

Sl.No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	General Atlantic Singapore Fund Pte Ltd.	138,058,092	83.25%	-	125,580,400	83.25%	125,580,400	-
2.	Mr. Adhiraj Parthasarathy	1,768,324	1.07%	-	-	-	-	-1.07%
3.	Mr. Rajat Parthasarathy	1,768,324	1.07%	-	-	-	-	-1.07%
4.	C. Parthasarathy – HUF	2,184,400	1.32%	-	-	-	-	-1.32%
5.	Compar Estates and Agencies Pvt. Ltd.	20,243,944	12.21%	-	-	-	-	-12.21%
6.	C Parthasarathy	1,808,345	1.09%	-	-	-	-	-1.09%
	Total	**165,831,429**	**100%**	-	**125,580,400**	**83.25%**	**125,580,400**	**-16.75%**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**General Atlantic Singapore Fund Pte Ltd.**				
	At the beginning of the year	138,058,092	83.25%	138,058,092	83.25%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat 99 equity etc): **Buyback of Shares on 14th October, 2019**	(12,477,692)	(8.27)%	125,580,400	83.25%
	At the End of the year	125,580,400	83.25%	125,580,400	83.25%
2	**Compar Estates and Agencies Pvt Ltd.**				
	At the beginning of the year	20,243,944	12.21%	20,243,944	12.21%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc.): **Buyback of Shares on 14th October, 2019**	(1,829,648)	(1.21)%	18,414,296	12.21%
	Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	(18,414,296)	(12.21)%	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-
3	**C Parthasarathy – HUF**				
	At the beginning of the year	2,184,400	1.32%	2,184,400	1.32%

	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc.): **Buyback of Shares on 14th October, 2019**	(197,426)	(0.13)%	1,986,974	1.32%
	Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	(1,986,974)	(1.32)%	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-
4	**C Parthasarathy**				
	At the beginning of the year	1,808,345	1.09%	1,808,345	1.09%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc.): **Buyback of Shares on 14th October, 2019**	(163,438)	(0.11)%	1,644,907	1.09%
	Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	(1,644,907)	(1.09)%	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-
5	**Rajat Parthasarathy**				
	At the beginning of the year	1,768,324	1.07%	1,768,324	1.07%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /	(159,821)	(0.11)%	1,608,503	1.07%

	bonus/ sweat equity etc.): **Buyback of Shares on 14th October, 2019**				
	Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	(1,608,503)	(1.07)%	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-
6	**Adhiraj Parthasarathy**				
	At the beginning of the year	1,768,324	1.07%	1,768,324	1.07%
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc.): **Buyback of Shares on 14th October, 2019**	(159,821)	(0.11)%	1,608,503	1.07%
	Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	(1,608,503)	(1.07)%	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Compar Estates and Agencies Pvt Ltd.**				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for	18,414,296	12.21%	18,414,296	12.21%

	increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc.): Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019				
	At the End of the year (or on the date of separation, if Separated during the year)	**18,414,296**	**12.21%**	**18,414,296**	**12.21%**
2.	**C Parthasarathy – HUF**				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	1,986,974	1.32%	1,986,974	1.32%
	At the End of the year (or on the date of separation, if Separated during the year)	**1,986,974**	**1.32%**	**1,986,974**	**1.32%**
3.	**C Parthasarathy**				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	1,644,907	1.09%	1,644,907	1.09%
	At the End of the year (or on the date of separation, if Separated during the year)	**1,644,907**	**1.09%**	**1,644,907**	**1.09%**
4.	**Rajat Parthasarathy**				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters				

	Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	1,608,503	1.07%	1,608,503	1.07%
	At the End of the year (or on the date of separation, if Separated during the year)	**1,608,503**	**1.07%**	**1,608,503**	**1.07%**
5.	Adhiraj Parthasarathy				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Re-classification to non-promoter vide resolution passed in circulation dated 30th December 2019	1,608,503	1.07%	1,608,503	1.07%
	At the End of the year (or on the date of separation, if Separated during the year)	**1,608,503**	**1.07%**	**1,608,503**	**1.07%**

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	**For each of the Directors and KMP**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	-	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (*in Lakhs*)

	Secured Loans Excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	**40,000**	**0**	**0**	**40,000**

ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)		0	0	0
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	(1,600)	0	0	(1,600)
Net Change	(1,600)	0	0	(1,600)
Indebtedness at the end of the financial year				
i) Principal Amount	38,400	0	0	38,400
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due				
Total (i+ii+iii)	38,400	0	0	38,400

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Mr. V Ganesh Managing Director & CEO	Total Amount (in Lakhs)
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	359.59	**359.59**
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	 11.52 3.9	 **11.52** **3.9**
Total (A)		**375.01**	**375.01**
Ceiling as per the Act		-	

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of Directors		Total Amount (in INR)
		Mr. Kaushik Mazumdar	Ms. Sonu H Bhasin	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- 3,500,000 -	- 3,088,000 -	- **6,588,000** -
Total (1)		**3,500,000**	**3,088,000**	**6,588,000**

	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-
Total (2)		-	-	-
Total (B) = (1)+(2)		**3,500,000**	**3,088,000**	**6,588,000**
Total Managerial Remuneration		**0**	**0**	**0**
Overall Ceiling as per the Act		-	-	-

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD:

Sl.No	**Particulars of Remuneration**	**Key Managerial Personnel**		
		Mr. Rakesh Kumar Santhalia CFO & Company Secretary* (In Lakhs)	**Vivek Mathur CFO* (In Lakhs)**	**Total (In Lakhs)**
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.29	19.59	82.88
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify...	-	-	
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	 3.29 3.57	 1.02 0.68	 4.31 4.25
Total (C)		**70.15**	**21.29**	**91.44**

****Mr. Rakesh Kumar Santhalia resigned from the office of CFO and Company Secretary on 20th February 2020 and Mr. Vivek Narayan Mathur was appointed as a CFO with effect from 21st February 2020. Their remuneration has been accordingly computed and disclosed.***

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL

Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN: 02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

Annexure to the Report of Board of Directors for the year ended 31st March 2020
Statement of Employees pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.No	Name	Age	Designation	Remuneration Received (FY 2019-20)	Nature of employment, (contractual or otherwise)	Qualifications	Experience	Date of commencement of employment	Last employment held	% of equity shares held in the company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Mr. V Ganesh	52	Managing Director & CEO	96,831,238	Permanent	ACA, CMA	28	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
2	Mr. Rakesh Santhalia	45	CFO & Company Secretary	24,689,041	Permanent	CA, CS	24	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
3	Mr. Sreekanth Nadella Venkata Satya Naga	41	Chief Operating Officer	14,563,025	Permanent	CA	19	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
4	Mr. Bhushan Maideo	49	Vice President (NPS CRA)	8,382,765	Permanent	CMA	27	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
5	Mr. Giridhar G	56	Chief Business Development Officer	7,623,697	Permanent	BA Economics	31	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
6	Mr. Narayannan Muthuswamy	54	Vice President	7,156,697	Permanent	PGP	22	17/Nov/2018	Tata Consultancy Services	Nil	No
7	Mr. Pradipta Sahoo	53	Chief Human Resource Officer	5,316,970	Permanent	BSc, MA, LLB	28	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
8	Mr. T Mallikarjunaiah	54	General Manager	5,170,180	Permanent	AMIE	30	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
9	Mr. Ravikumar Somasi	53	General Manager	4,970,093	Permanent	Bcom,,ca	25	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No
10	Mr. Mario Sylvester Roche	43	Vice President	4,954,419	Permanent	B.Com	20	17/Nov/2018	Karvy Computershare Pvt Ltd	Nil	No

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN:02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

Annexure-VI

FORM NO. AOC 2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

(a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts/arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any
(e) Justification for entering into such contracts or arrangements or transactions
(f) Date of approval by the Board
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship

S. No.	Name(s) of the related party	Nature of relationship
1.	Karvy Stock Broking Limited	Enterprises where key management personnel exercise significant influence
2.	Karvy Data Management Services Limited	Enterprises where key management personnel exercise significant influence
3.	Karvy Forde Search Private Limited	Enterprises where key management personnel exercise significant influence
4.	Karvy Global Services Inc. USA	Enterprises where key management personnel exercise significant influence
5.	Karvy Innotech Limited	Enterprises where key management personnel exercise significant influence
6.	Karvy Realty (India) Limited	Enterprises where key management personnel exercise significant influence
7.	Karvy Capital Limited	Enterprises where key management personnel exercise significant influence
8.	Karvy Insights Limited	Enterprises where key management personnel exercise significant influence
9.	Karvy Insurance Repository Limited	Enterprises where key management personnel exercise significant influence
10.	Karvy Renewable Energy Projects Limited	Enterprises where key management personnel exercise significant influence

* these are only upto 23rd November 2019, until the cessation of Mr. C Parthasarathy as Chairman of the Board

(b) Nature of contracts/ arrangements/ transactions and Justification for entering into contracts/ arrangements/ transactions

S. No	Name(s) of the related party	Nature of contracts/ arrangements/ transactions	Justification for the contract/ arrangement/ transactions
1.	Karvy Stock Broking Limited	1. Rent paid 2. Internet bandwidth charges 3. Depository charges 4. Fee from investor services 5. Reimbursement of expenses	To occupy and use premises - payment of monthly rent To use their data bandwidth in the normal course of business To avail their securities broking and DP services
2.	Karvy Data Management Services Limited	1. Rent paid 2. Processing charges 3. Fee from investor services	Storage facility of official records. Data processing charges for the e-Governance projects
3.	Karvy Forde Search Private Limited	Manpower consultancy charges	Specific corporate services through deputation of skilled/ semi skilled employees/personnel
4.	Karvy Global Services Inc. USA	Consultancy Charges	KGS Inc to provide expertise info on US capital market
5.	Karvy Innotech Limited	Professional Charges	Maintenance of Datacentre
6.	Karvy Realty (India) Limited	Rental Charges	To occupy and use premises - payment of monthly rent
7.	Karvy Capital Limited	Fee from investor services	Fund Accounting services
8.	Karvy Insights Limited	Fee from investor services	Registrar – Share Transfer Agents
9.	Karvy Insurance Repository Limited	Fee from front office investor services Reimbursement of expenses	Availing company's front office facilities and services to their clients
10.	Karvy Renewable Energy Projects Limited	Fee from investor services	Registrar – Share Transfer Agents

(c) Duration of the contracts/arrangements/transactions

S. No	Name(s) of the related party	Duration of the contracts/ arrangements/ transactions
1.	Karvy Stock Broking Limited	Rent Agreement-Perpetual Data Link sharing Agreement- Perpetual other contracts are in normal course of business
2.	Karvy Data Management Services Limited	Perpetual
3.	Karvy Forde Search Private Limited	Perpetual
4.	Karvy Global Services Inc. USA	Perpetual
5.	Karvy Innotech Limited	Perpetual

6.	Karvy Realty (India) Limited	Perpetual
7.	Karvy Capital Limited	Perpetual
8.	Karvy Insights Limited	Perpetual
9.	Karvy Insurance Repository Limited	Perpetual
10.	Karvy Renewable Energy Projects Limited	Perpetual

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

S. No	Name(s) of the related party	Salient terms of the contracts or arrangements or transactions including the value
1.	Karvy Stock Broking Limited	To occupy and use premises - payment of monthly rent To use their data bandwidth in the normal course of business To avail their securities broking and DP services
2.	Karvy Data Management Services Limited	Storage facility of official records. Data processing charges for the e-Governance projects
3.	Karvy Forde Search Private Limited	Availing the specific corporate services through deputation of skilled/ semi skilled employees/ personnel
4.	Karvy Global Services Inc. USA	KGS Inc will provide all the necessary expertise and the information on capital market of US by undertaking market study, research etc
5.	Karvy Innotech Limited	Professional Charges
6.	Karvy Realty (India) Limited	Rental Charges
7.	Karvy Capital Limited	Fund Accounting services
8.	Karvy Insights Limited	Share transfer Agency Services
9.	Karvy Insurance Repository Limited	Availing front office facilities and services to their clients
10.	Karvy Renewable Energy Projects Limited	Share transfer Agency Services

(e) Date(s) of approval by the Board, if any:

S. No.	Name(s) of the related party	Date(s) of approval by the Board (pl refer note)
1.	Karvy Stock Broking Limited	17th Nov 2018
2.	Karvy Data Management Services Limited	17th Nov 2018
3.	Karvy Forde Search Private Limited	17th Nov 2018
4.	Karvy Global Services Inc. USA	17th Nov 2018
5.	Karvy Innotech Limited	17th Nov 2018
6.	Karvy Realty (India) Limited	17th Nov 2018
7.	Karvy Capital Limited	17th Nov 2018
8.	Karvy Insights Limited	17th Nov 2018
9.	Karvy Insurance Repository Limited	17th Nov 2018
10.	Karvy Renewable Energy Projects Limited	17th Nov 2018

Note: Either directly by the Board or based on the authorization by the Board.

(f) Amount paid as advances, if any:

S. No	Name(s) of the related party	Amount paid as advances
1.	Karvy Stock Broking Limited	Nil
2.	Karvy Data Management Services Limited	Nil
3.	Karvy Forde Search Private Limited	Nil
4.	Karvy Global Services Inc. USA	Nil
5.	Karvy Innotech Limited	Nil
6.	Karvy Realty (India) Limited	Nil
7.	Karvy Capital Limited	Nil
8.	Karvy Insights Limited	Nil
9.	Karvy Insurance Repository Limited	Nil
10.	Karvy Renewable Energy Projects Limited	Nil

For and on behalf of the Board of Directors

Vishwanathan Mavila Nair
Director and Chairman of the Board
DIN: 02284165

Place: Mumbai
Date: 12 June 2020

V. Ganesh
Managing Director & CEO
DIN: 02282487

Place: Hyderabad
Date: 12 June 2020

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, 2020

To
The Members
M/s. **KFIN TECHNOLOGIES PRIVATE LIMITED**
(formerly Karvy Fintech Private Limited)
Hyderabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. KFIN TECHNOLOGIES PRIVATE LIMITED (formerly known as **Karvy Fintech Private Limited KFPL)**[CIN: U72400TG2017PTC117649] (hereinafter called 'the Company') for the year ended 31st March, 2020 . Secretarial Audit was conducted in a manner that provided me 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 authorised 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, 2020, 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, 2020 according to the provisions/clauses of:

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

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

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

5) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

6) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable to the extent of issue of Debt Securities);

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – Not applicable to the Company;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable to the Company;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the Company;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company; and

   g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the applicable laws, rules, regulations and guidelines mentioned above.

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

(i) Secretarial Standards issued and amended by The Institute of Company Secretaries of India;

(ii) Listing Agreement entered into by the Company with Bombay Stock Exchange as per The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with respect to Debentures Listing);

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

I further report that

a) The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

b) The changes 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.

c) 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.

d) All decisions of the board were unanimous and captured and recorded as part of the minutes.

e) 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.

We 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 period there were no major specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

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

Date:
Place: Hyderabad

CS Vasudeva Rao Devaki
Practicing Company Secretary
FCS # 8888 | COP # 12123

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

'Annexure-A'

To
The Members,
M/s. **KFIN TECHNOLOGIES PRIVATE LIMITED**
(formerly Karvy Fintech Private Limited)
Hyderabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The review was done to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our 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.
6. 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

Date:
Place: Hyderabad

CS Vasudeva Rao Devaki
Practicing Company Secretary
FCS # 8888; COP # 12123

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Standalone Balance Sheet
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3	3,432.24	3,810.82
Capital work in progress		8.30	36.56
Right-of-use assets	46	3,547.32	-
Goodwill	4	58,369.21	64,995.29
Other intangible assets	5	2,892.51	801.31
Financial assets			
(i) Investments in subsidiaries	6	1,522.96	1,521.96
(ii) Loans	7	450.68	372.58
(iii) Other non-current financial assets	8	88.31	80.19
Deferred tax assets (net)	9	481.44	1,808.84
Non-current tax assets	10	3,309.67	333.32
Other non-current assets	11	36.43	70.99
Total non-current assets		74,139.07	73,831.86
(2) Current assets			
Financial assets			
(i) Investments	12	1,354.38	11,050.66
(ii) Trade receivables	13	7,668.06	7,924.80
(iii) Cash and cash equivalents	14	833.09	1,372.80
(iv) Bank balances other than cash and cash equivalents	15	283.48	3,094.66
(v) Loans	16	34.46	22.11
(vi) Other current financial assets	17	1,667.47	1,606.08
Other current assets	18	785.75	389.30
Total current assets		12,626.69	25,460.41
Total assets		86,765.76	99,292.27
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	19	15,084.36	16,583.14
Other equity	20	25,846.28	35,286.71
Total equity		40,930.64	51,869.85
(2) Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	34,331.17	37,286.71
(ii) Lease liabilities	46	2,761.82	-
Provisions	22	517.19	340.10
Total non-current liabilities		37,610.18	37,626.81
(3) Current liabilities			
Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	23	1.99	3.41
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	2,030.78	2,153.48
(ii) Lease liabilities	46	911.99	-
(iii) Other current financial liabilities	24	3,746.58	6,052.06
Other current liabilities	25	1,115.45	1,263.01
Provisions	26	331.92	237.42
Current tax liabilities	27	86.23	86.23
Total current liabilities		8,224.94	9,795.61
Total liabilities		45,835.12	47,422.42
Total equity and liabilities		86,765.76	99,292.27
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of these standalone financial statements

As per our Report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024

Akhil Kapadiya
Partner
Membership no : 212991

Place : Hyderabad
Date : 02 June 2020

for and on behalf of Board of Directors of
KFin Technologies Private Limited
CIN : U72400TG2017PTC117649

Vishwanathan M Nair
Director & Chairman of the Board
DIN: 02284165

Place : Mumbai
Date : 02 June 2020

V Ganesh
Managing director & Chief Executive officer
DIN:02282487

Place : Hyderabad
Date : 02 June 2020

Vivek Narayan Mathur
Chief financial officer

Place : Mumbai
Date : 02 June 2020

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Standalone Statement of Profit and Loss
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
I Revenue from operations	28	44,057.60	15,869.27
II. Other income	29	764.13	219.10
III. Total Income (I+II)		44,821.73	16,088.37
IV. Expenses			
Employee benefits expense	30	18,740.48	6,309.69
Finance cost	31	5,324.18	1,907.86
Depreciation and amortisation expense	32	9,215.86	3,043.52
Other expenses	33	9,583.88	3,477.19
Total expenses (IV)		42,864.40	14,738.26
V. Profit before tax (III-IV)		1,957.33	1,350.11
VI. Tax expense:			
Current tax	35	-	271.55
Deferred tax expenses	35	1,369.95	230.26
		1,369.95	501.81
VII. Profit for the year (V-VI)		587.38	848.30
VIII. Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(169.05)	79.81
Income tax relating to remeasurement of defined benefit plans	35	42.55	(27.89)
B. Items that will be subsequently reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax (VIII)		(126.50)	51.92
IX. Total Comprehensive Income for the year (VII+VIII)		460.88	900.22
X. Earnings per equity share (face value of INR 10 each, fully paid-up)			
Basic	34	0.37	1.38
Diluted		0.37	1.38
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of these standalone financial statements

As per our Report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024

Akhil Kapadiya
Partner
Membership no : 212991

Place : Hyderabad
Date : 02 June 2020

for and on behalf of Board of Directors of
KFin Technologies Private Limited
CIN : U72400TG2017PTC117649

Vishwanathan M Nair
Director & Chairman of the Board
DIN: 02284165

Place : Mumbai
Date : 02 June 2020

V Ganesh
Managing director & Chief Executive officer
DIN:02282487

Place : Hyderabad
Date : 02 June 2020

Vivek Narayan Mathur
Chief financial officer

Place : Mumbai
Date : 02 June 2020

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Standalone Statement of changes in equity
(All amounts are in INR lakhs, unless otherwise stated)

Equity share capital and other equity

Particulars	Equity share capital	Other equity							Total other equity
		Securities premium	Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Share based payment reserve	Other comprehensive income	
Opening Balance as at 1 April 2018	1.00	-	-	-	-	(7.03)	-	-	(7.03)
Issue of equity shares	16,583.14	35,765.60	1.00	-	-	-	-	-	35,766.60
Commission paid on issue of shares, (net of tax)	-	(1,373.08)	-	-	-	-	-	-	(1,373.08)
Profit for the year	-	-	-	-	-	848.30	-	-	848.30
Transfer to DRR	-	-	-	-	750.00	(750.00)	-	-	-
Cancellation of equity shares	(1.00)	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	-	51.92	51.92
Balance as at 31 March 2019	16,583.14	34,392.52	1.00	-	750.00	91.27	-	51.92	35,286.71
Created during the year (Refer Note 19 and 20)	-	-	-	1,498.78	-	-	-	-	1,498.78
Utilised towards buy back of equity shares and creation of Capital redemption reserve (Refer Note 19 and 20)	-	(11,128.47)	-	-	-	-	-	-	(11,128.47)
Taxes paid on buy back of equity shares	-	(439.72)	-	-	-	-	-	-	(439.72)
Share based payments (Refer Note 49)	-	-	-	-	-	-	168.10	-	168.10
Profit for the year	-	-	-	-	-	587.38	-	-	587.38
Buy-back of equity shares (Refer Note 19)	(1,498.78)	-	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	-	-	(126.50)	(126.50)
Balance as at 31 March 2020	15,084.36	22,824.33	1.00	1,498.78	750.00	678.65	168.10	(74.58)	25,846.28

The accompanying notes are an integral part of these standalone financial statements
As per our Report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024

Akhil Kapadiya
Partner

Membership no : 212991

Place : Hyderabad
Date : 02 June 2020

for and on behalf of Board of Directors of
KFin Technologies Private Limited
CIN : U72400TG2017PTC117649

Vishwanathan M Nair
Director & Chairman of the Board
DIN: 02284165
Place : Mumbai
Date : 02 June 2020

V Gaesh
Managing director & Chief Executive officer
DIN:02282487
Place : Hyderabad
Date : 02 June 2020

Vivek Narayan Mathur
Chief financial officer
Place : Mumbai
Date : 02 June 2020

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Standalone Statement of Cash Flows
(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Cash flows from operating activities**		
	Net profit before tax	1,957.33	1,350.11
	Adjustment for:		
	Depreciation and amortisation expense	8,421.24	3,043.52
	Amortisation expense on right of use asset	794.62	-
	Profit on sale of property plant & equipment	(13.01)	-
	Interest income on deposits	(94.17)	(117.37)
	Dividend income from current investments and subsidiary	(575.81)	(89.93)
	Unwinding of discount on deposits	(15.85)	-
	Liabilities no longer required written back	(29.85)	(6.50)
	Foreign exchange (gain)/ loss (net)	(35.44)	26.79
	Interest expense	5,318.66	1,907.85
	Provision for doubtful debts	486.60	22.40
	Share based payment	168.10	-
	Operating profit before working capital changes	16,382.42	6,136.88
	Working capital adjustments		
	(Increase)/ decrease in trade receivables	(194.42)	452.73
	(Increase)/ decrease in other current financial assets	(61.39)	1,739.69
	(Increase)/ decrease in loans	(135.49)	815.64
	(Increase)/ decrease in other non- current financial assets	(0.09)	33.47
	(Increase)/ decrease in other assets	(351.89)	70.63
	Decrease in trade payables	(94.27)	(851.70)
	Decrease in other current financial liabilities	(2,277.21)	(983.64)
	(Decrease)/ increase in other current liabilities	(147.56)	232.58
	Increase in current provisions	102.54	59.55
	Cash generated from operations	13,212.64	7,705.83
	Income taxes paid (including tax deducted at source)	(2,976.35)	(1,824.14)
	Net cash generated from operating activities (A)	10,236.29	5,881.69
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, goodwill and intangible assets (including capital work-in-progress)	(740.06)	(520.05)
	Acquisition of business (Refer Note 45)	(2,653.35)	-
	Investment in subsidiaries	(1.00)	(81,319.60)
	Fixed deposits redeemed/ (placed) with banks (other than cash and cash equivalents)	2,803.15	(893.81)
	Proceeds from redemption of mutual funds	9,696.28	7,541.32
	Purchase of mutual funds	-	(11,400.00)
	Interest income	94.17	117.37
	Dividend income from mutual funds and subsidiary	575.81	89.93
	Net cash generated from/ (used in) investing activities (B)	9,775.00	(86,384.84)
C.	**Cash flows from financing activities**		
	Proceeds from issue on non-convertible debentures	-	40,000.00
	Proceeds from issue of equity shares at premium	-	41,348.74
	Commission paid on issue of shares	-	(2,110.61)
	Lease liabilities	(857.77)	-
	Buy-back of equity shares including taxes paid	(11,568.19)	-
	Processing fees paid on issue of non-convertible debentures	-	(1,198.69)
	Repayment of installments of debentures	(1,600.00)	-
	Interest paid on debentures	(6,525.04)	(108.48)
	Net cash (used in)/ generated from financing activities (C)	(20,551.00)	77,930.96
D.	**Net decrease in cash and cash equivalents (A+B+C)**	(539.71)	(2,572.19)
	Cash and cash equivalents at the beginning of the year	1,372.80	1.00
	Cash and cash equivalents transferred pursuant to scheme of amalgamation (Refer Note 44)	-	3,943.99
	Cash and cash equivalents at the end of the year	833.09	1,372.80
E.	**Reconciliation of Cash and Cash equivalents with the Balance Sheet (Refer Note 14)**		
	Cash on hand	0.84	0.81
	Balance with banks		
	(i) in current accounts	832.25	1,371.99
		833.09	1,372.80

Notes

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2) Refer Note 21 for reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

3) As indicated in Note 44, the RTA undertaking of KCL and KCPL were amalgamated into the Company with effect from 17 November 2018. The above cash flow statement for the previous year has been adjusted for the effect of the amalgamation.

As per our Report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231W/W-100024

Akhil Kapadiya
Partner

Membership no : 212991

Place : Hyderabad
Date : 02 June 2020

for and on behalf of Board of Directors of
KFin Technologies Private Limited
CIN : U72400TG2017PTC117649

Vishwanathan M Nair
Director & Chairman of the Board
DIN: 02284165

Place : Mumbai
Date : 02 June 2020

V Ganesh
Managing director & Chief Executive officer
DIN: 02282487

Place : Hyderabad
Date : 02 June 2020

Vivek Narayan Mathur
Chief financial officer

Place : Mumbai
Date : 02 June 2020

1. Reporting entity

KFin Technologies Private Limited ("the Company") was incorporated on 08 June 2017 at Hyderabad, India. The Company's registered office is at Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi 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.

2. Significant Accounting Policies

A. Basis of preparation

The standalone financial statements the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Board of Directors on 2 June 2020.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise stated.

C. Basis of measurement

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

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 statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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D. 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.

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 M - revenue recognition
- Note Q - 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.

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 the every period ended is included below:

- *Employee benefit plans*

  The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rates However, any changes in these assumptions may have impact on the reported amount of obligation and expenses. (Refer note L)

- *Taxes*

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities of the jurisdiction in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

  Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Refer note R)

- *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 G)

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D. Use of judgments and estimates

- *Impairment of financial assets*

  Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. (Refer note Q)

- *Provisions and contingencies*

  Assessments undertaken in recognizing the provisions and contingencies have been made as per the best judgment of the management based on the current available information. (Refer note P)

- *Fair value measurement of financial instruments*

  When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer note Q)

- *Impairment of non-financial assets: Key assumptions for discount rate, growth rate, etc.*

  The determination of recoverable amounts of the CGUs assessed in the annual impairment test requires the Company to estimate their fair value net of disposal costs as well as their value-in-use. The assessment of value-in-use requires assumptions to be made with respect to the operating cash flows of the CGUs as well as the discount rates. (Refer note J).

E. Classification of assets and liabilities as current and non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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F. Change in significant accounting policies

The Company applied Ind AS 116 Leases from 1 April 2019 using the modified retrospective approach and has measured the Right of Use Asset at an amount equal to the Lease Liability adjusted for accruals and prepayments recognised in the balance sheet immediately before the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset equal to the lease liability. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our standalone financial statements for year ended 31 March 2019.

i. Definition of lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3.1(i). On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

ii. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases. At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. 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 used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The cash payments for the principal portion of the lease liability and its related interest is classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

G. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

The Company provides depreciation on Property, Plant and Equipment, other than vehicles and leasehold improvements based on the useful life specified in Schedule II to the Companies Act, 2013.

The depreciation is provided under straight-line method. The management based on the actual usage of vehicles has provided depreciation at the estimated useful life of 5 years as against the useful life of 8 years as specified under Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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Asset category	Estimated useful life (Years)
Computer software	3-6
Plant and machinery	5-15
Electrical installations	10
Furniture and fixtures	10
Computers	3
Office equipment	5
Vehicles	5

H. Intangible assets

Intangible Assets acquired separately are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised in the 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 are amortised on straight line basis. The estimated useful lives are as follows:

Asset category	Estimated useful life (Years)
Computer software	3-6
Customer relationships	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

I. Goodwill

Goodwill on acquisitions of businesses is reported separately from intangible assets.

i) As stated in the approved scheme of amalgamation and arrangement approved by National Company Law Tribunal, Hyderabad goodwill is being amortised over period of 10 years (Refer Note 44). Further this Goodwill is also tested for impairment at each reporting period and is carried at cost less accumulated amortization and accumulated impairment losses, if any.

ii) Goodwill generated through Business Transfer Agreement (Refer Note 45) is tested for annual impairment at each reporting period and is carried at cost less accumulated impairment, if any.

J. Impairment of non–financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are 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 CGUs.

The recoverable amount of a Cash generating unit (CGU) (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Where it is not possible to estimate the recoverable amount of individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit and Loss.

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K. Foreign currency transactions

Transactions in foreign currencies are recorded by the company at the exchange rates prevailing at the date when the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency gains and losses are reported on a net basis in the statement of profit and loss.

L. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contribution towards employee provident fund to Government administered provident fund scheme is considered as a defined contribution plan and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the 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.

L. Employee benefits (continued)

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

M. Revenue

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The effect on adoption of Ind AS 115 was insignificant.

Revenue from registry and related services and communication services is recognised on the basis of services rendered to customers, in accordance with the terms and conditions of the contracts entered into by the Company with each customer provided, the revenue is reliably determinable and no significant uncertainty exist regarding the collection.

Income from pension fund solutions represents services which are recognised as per the terms of the contract with customers, when such related services are rendered.

Revenue from data processing services is recognised based on the services rendered, in accordance with the terms of the contract, either on a time cost basis.

Recoverable expenses represents expenses incurred in relation to service performed and are recognised on the basis of billing to customers, in accordance with the terms and conditions of the agreements entered into by the Company with each customer.

Work-in-progress (unbilled revenue) represents revenue from services rendered, recognised based on services performed in advance of billing based on the terms and conditions mentioned in the agreements with the customers.

M. Revenue (continued)

Income from interest on deposits and interest bearing securities is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

Dividends are recognised in 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.

N. Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost, less provision for expected credit loss.

O. Investment in Subsidiaries

Investments in subsidiaries are carried at amortised cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

P. Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the standalone financial statements but disclosed, where an inflow of economic benefit is probable.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

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Q. 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 recognise financial assets on the date on which they are originated. The company recognises the financial assets on the trade date, which is the date on which the company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

Classifications and subsequent measurement

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value 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 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 income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Q. Financial instruments (continued)

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from ECL impairment are recognised in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Q. Financial instruments (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the standalone balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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Q. Financial instruments (continued)

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the 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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains and losses attributable to changes in own credit risk are 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 statement of profit or loss.

Derecognition of financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

R. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

R. Income taxes (continued)

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the 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 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.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of credit to the standalone statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

S. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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.

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S. Leases (continued)

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The entity has adopted Ind AS 116, Leases in the current year. Accordingly, entity has recognised a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company has recognised a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Company has adopted the standard on 01 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ended 31 March 2019 will not be retrospectively adjusted. The Company applied the practical expedient to grandfather the definition of a lease on transition.

T. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the company have been identified as being the Chief operating decision maker by the management of the company.

In accordance with Ind AS 108- "Operating Segment", segment information has been furnished in the standalone financial statements. Hence, no disclosure is included in this regard in these standalone financial statements

U. Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist primarily of cash and deposits with banks and interest accrued on deposits.

V. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

W. Earnings per share

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued later.

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X. Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued/ consideration paid 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. Acquisition related costs are expensed as incurred.

In case of business combinations taking place under a scheme of amalgamation approved by the Hon'ble Courts in India or the National Company Law Tribunal (NCLT), the accounting treatment as specified in the Court order or NCLT order is followed for recording such business combination.

Y. Employee Stock option plan (ESOP)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share based payment' reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Z. Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
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3 Property, plant and equipment

	Leasehold improvements	Computers and other related assets	Furniture and fixtures	Office equipment	Plant and Machinery	Vehicles	Total
Gross carrying amount							
Balance as at 1 April 2018	-	-	-	-	-	-	-
Acquisition through business combinations (Refer Note 44)	1,592.44	1,941.55	196.17	363.27	70.82	98.90	4,263.15
Additions	-	3.01	-	11.32	-	20.00	34.33
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2019	1,592.44	1,944.56	196.17	374.59	70.82	118.90	4,297.48
Balance as at 1 April 2019	1,592.44	1,944.56	196.17	374.59	70.82	118.90	4,297.48
Acquisitions through business combinations (Refer Note 45)	-	298.38	3.24	9.17	0.26	-	311.05
Additions	23.31	544.55	1.50	27.04	1.61	15.00	613.01
Reclassifications*	(0.31)	(82.33)	13.69	(31.16)	0.34	-	(99.77)
Disposals	-	(1.54)	-	(0.21)	-	(20.19)	(21.94)
Balance as at 31 March 2020	1,615.44	2,703.62	214.60	379.43	73.03	113.71	5,099.83
Accumulated depreciation							
Balance as at 1 April 2018	-	-	-	-	-	-	-
Depreciation for the year	129.45	261.48	12.10	71.05	2.38	10.20	486.66
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2019	129.45	261.48	12.10	71.05	2.38	10.20	486.66
Balance as at 1 April 2019	129.45	261.48	12.10	71.05	2.38	10.20	486.66
Depreciation for the year	352.06	678.98	36.04	127.40	7.64	31.59	1,233.71
Reclassifications*	-	(21.60)	0.10	(26.47)	0.33	-	(47.64)
Disposals	-	(0.29)	-	(0.02)	-	(4.83)	(5.14)
Balance as at 31 March 2020	481.51	918.57	48.24	171.96	10.35	36.96	1,667.59
As at 31 March 2020	1,133.93	1,785.05	166.36	207.47	62.68	76.75	3,432.24
As at 31 March 2019	1,462.99	1,683.08	184.07	303.54	68.44	108.70	3,810.82

*During the year, the management has reclassified certain assets between various asset categories to ensure consistent classification

Note:
Refer note 21 for the details of property, plant and equipment that has been pledged as security

(All amounts are in INR lakhs, unless otherwise stated)

4 Goodwill

Gross carrying amount	
Balance as at 1 April 2018	-
Acquisitions through business combinations (Refer Note 44)	67,491.55
Deletions	-
Balance as at 31 March 2019	**67,491.55**
Balance as at 1 April 2019	67,491.55
Acquisitions through business combinations (Refer Note 45)	136.01
Deletions	-
Balance as at 31 March 2020	**67,627.56**
Accumulated amortisation	
Balance as at 1 April 2018	-
Amortisation for the year (Refer Note 44)	2,496.26
Deletions	-
Balance as at 31 March 2019	**2,496.26**
Balance as at 1 April 2019	2,496.26
Amortisation for the year (Refer Note 44)	6,762.09
Deletions	-
Balance as at 31 March 2020	**9,258.35**
Carrying amounts (net)	
At 31 March 2020	**58,369.21**
At 31 March 2019	64,995.29

5 Other intangible assets

	Computer Software	Customer relationships	Total
Gross carrying amount			
Balance as at 1 April 2018	-	-	-
Acquisitions through business combinations (Refer Note 44)	482.23	-	482.23
Additions	379.68	-	379.68
Balance as at 31 March 2019	**861.91**	-	**861.91**
Balance as at 1 April 2019	861.91	-	861.91
Acquisitions through business combinations (Refer Note 45)	16.51	2,189.78	2,206.29
Reclassifications*	99.77	-	99.77
Additions	258.22	-	258.22
Balance as at 31 March 2020	**1,236.41**	**2,189.78**	**3,426.19**
Accumulated amortisation			
Balance as at 1 April 2018	-	-	-
Amortisation for the year	60.60	-	60.60
Balance as at 31 March 2019	**60.60**	-	**60.60**
Balance as at 1 April 2019	60.60	-	60.60
Amortisation for the year	255.24	170.20	425.44
Reclassifications*	47.64	-	47.64
Balance as at 31 March 2020	**363.48**	**170.20**	**533.68**
Carrying amounts (net)			
At 31 March 2020	**872.93**	**2,019.58**	**2,892.51**
At 31 March 2019	801.31	-	801.31

*During the year, the management has reclassified certain assets between various asset categories to ensure consistent classification.

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KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
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	Particulars	As at 31 March 2020	As at 31 March 2019
6	**Investments in subsidiaries**		
	Unquoted equity shares at amortised cost		
	800 (31 March 2019: 800) equity shares of Karvy Fintech (Bahrain) W.L.L (formerly known as Karvy Computershare (Bahrain) W.L.L), of BHD 50 each fully paid-up	1,354.61	1,354.61
	100,000 (31 March 2019: 100,000) equity shares of Karvy Fintech (Malaysia) SDN.BHD. (formerly known as Karvy Computershare (Malaysia) SDN. BHD), MYR 1 each fully paid-up	167.35	167.35
	10,000 (31 March 2019: Nil) equity shares of KFin Services Private Limited, INR 10 each fully paid-up	1.00	-
		1,522.96	1,521.96
	Aggregate amount of un-quoted non-current investments	1,522.96	1,521.96
	Aggregate amount of impairment in value of investments	-	-
7	**Non-current loans**		
	Rental deposits	450.68	372.58
		450.68	372.58
	The Company's exposure to credit risks are disclosed in Note 41		
	Break up of security details		
	(a) Loans considered good - Secured	-	-
	(b) Loans considered good - Unsecured	450.68	372.58
	(c) Loans which have significant increase in Credit Risk	-	-
	(d) Loans - credit impaired	-	-
	Total	450.68	372.58
	Loss allowance	-	-
	Total Loans	450.68	372.58
8	**Other non-current financial assets**		
	Electricity deposits	52.43	52.43
	Telephone deposits	1.04	0.95
	Bank deposits (due to mature after 12 months from balance sheet date)*	34.84	26.81
		88.31	80.19

* represents fixed deposits amounting to INR 34.84 (31 March 2019: INR 25.55) which is not freely remissible because of contractual restrictions.
The Company's exposure to credit risks are disclosed in Note 41.

There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member.

	Particulars	As at 31 March 2020	As at 31 March 2019
9	**Deferred tax assets (net)**		
	Deferred tax assets		
	Provision for employee benefits and certain other liabilities	276.65	594.27
	Provision for expected credit loss on trade receivables and certain other financial assets	354.75	322.46
	Carry forward losses	3,114.07	2,338.45
	Minimum Alternate Tax credit entitlement	-	271.55
	Others	415.77	208.60
	Total deferred tax assets	4,161.24	3,735.33
	Deferred tax liabilities		
	Property, plant and equipment, Goodwill and other intangible assets	(3,463.88)	(1,926.49)
	Others	(215.92)	-
	Total deferred tax liabilities	(3,679.80)	(1,926.49)
	Deferred tax assets, net	481.44	1,808.84
10	**Non-current tax assets**		
	Advance income-tax including tax deducted at source (net of provision for tax INR 782.58; 31 March 2019: INR 782.58)	3,309.67	333.32
		3,309.67	333.32
11	**Other non-current assets**		
	Prepayments	36.43	70.99
		36.43	70.99

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(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	As at 31 March 2020	As at 31 March 2019
12	**Investments**		
	Investments in mutual funds		
	(Quoted at Fair value through Profit or Loss)		
	Nil (31 March 2019: 89,470) units of UTI Liquid Cash Plan- Regular- Daily Dividend Reinvestment Plan	-	912.10
	Nil (31 March 2019: 59,711) units of Reliance Liquid Fund- Daily Dividend Option-Liquid Plan	-	913.19
	12,128 (31 March 2019: 89,974) units of DSP Blackrock Liquidity Fund - Regular Plan -Daily Dividend	121.39	900.58
	22,310 (31 March 2019: 79,105) units of L&T Liquid Fund - Regular Liquid Daily Dividend Reinvestment Plan	227.15	800.69
	8,387 (31 March 2019: 89,910) units of TATA Liquid Fund Regular Plan - Daily Dividend	84.00	900.46
	8,193 (31 March 2019: 73,634) units of Kotak Liquid Regular Plan Daily Dividend	100.18	900.75
	11,603 (31 March 2019: 88,786) units of HDFC Liquid Fund-Regular Plan Daily Dividend Reinvestment	118.33	905.46
	Nil (31 March 2019: 902,680) units of Aditya Birla Sun life Liquid Fund-Daily Dividend-Regular Plan	-	904.86
	193,041 (31 March 2019: 707,762) units of ICICI Prudential Liquid Fund - Daily Dividend	193.33	708.09
	Nil (31 March 2019: 89,995) units of Axis Liquid Fund-Daily Dividend-Reinvestment	-	901.21
	23,957 (31 March 2019: 49,997) units of Franklin India Liquid Fund - Super Institutional Plan, Daily Dividend Plan	239.57	500.54
	Nil (31 March 2019: 89,945) units of IDFC Cash Fund - Daily Dividend	-	900.77
	Nil (31 March 2019: 20,004) units of Religare Invesco India Liquid Fund-Daily Dividend	-	200.39
	27,097(31 March 2019: 69,930) units of SBI Liquid Fund - Regular Daily Dividend	270.43	701.57
		1,354.38	11,050.66
	Aggregate amount of quoted current investments and market value thereof	1,354.38	11,050.66
	Aggregate amount of impairment in value of investments	-	-
	The Company's exposure to credit risk is given in Note 41		
13	**Trade receivables**		
	(Unsecured, considered good)		
	Trade receivables	8,794.13	8,402.40
	Receivables from related parties (Refer Note 40)	165.25	327.12
	Less: Loss allowance	(1,291.32)	(804.72)
		7,668.06	7,924.80
	Break up of security details		
	(a) Trade receivables considered good - Secured	-	-
	(b) Trade receivables considered good - Unsecured	7,668.06	7,924.80
	(c) Trade receivables which have significant increase in Credit Risk	-	-
	(d) Trade receivables - credit impaired	1,291.32	804.72
	Total	8,959.38	8,729.52
	Loss allowance	(1,291.32)	(804.72)
	Total trade receivables	7,668.06	7,924.80
	Movements in the provision for loss allowance of trade receivables are as follows:		
	Opening balance	804.72	-
	Balance transferred pursuant to business combination (Refer Note 44)	-	782.32
	Provision for loss allowance	486.60	22.40
	Closing balance	1,291.32	804.72

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 41

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(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	As at 31 March 2020	As at 31 March 2019
14	**Cash and cash equivalents**		
	Cash on hand	0.84	0.81
	Balance with banks:		
	(i) in current accounts	832.25	1,371.99
		833.09	1,372.80
	The Company's exposure to credit risk are disclosed in Note 41.		
15	**Bank balances other than cash and cash equivalents**		
	Bank balance in deposit accounts (having original maturity of more than 3 months but less than 12 months from reporting date)*	283.48	3,094.66
		283.48	3,094.66
	* Includes fixed deposits amounting to INR 271.64 (31 March 2019: INR 1,028.23) which is not freely remissible because of contractual restrictions.		
	The Company's exposure to credit risks are disclosed in Note 41		
	Details of bank balances and deposits		
	Bank balances available on demand/deposits with maturity of 3 months or less included under 'Cash and cash equivalents'	832.25	1,371.99
	Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	283.48	-
	Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (Refer Note 8)	34.84	26.81
	The Company's exposure to credit risks are disclosed in Note 41		
16	**Current loans**		
	Loans to employees	34.46	22.11
		34.46	22.11
	Break up of security details		
	(a) Loans considered good - Secured	-	-
	(b) loans considered good - Unsecured	34.46	22.11
	(c) Loans which have significant increase in Credit Risk	-	-
	(d) Loans - credit impaired	-	-
	Total	34.46	22.11
	Loss allowance	-	
	Total current loans	34.46	22.11
	The Company's exposure to credit risk are disclosed in Note 41.		
	There are no debts due to Company by Directors either individually, severally or jointly with another person, by firms or private companies in which any director is a partner or director or member .		
17	**Other current financial assets**		
	Retention money receivable	842.17	842.17
	Less: Loss allowance	(118.08)	(118.08)
		724.09	724.09
	Contract assets - unbilled revenue	886.79	819.82
	Others	56.59	62.17
		1,667.47	1,606.08
	The Company's exposure to credit risks are disclosed in Note 41.		
	Movements in the provision for loss allowance of trade receivables are as follows:		
	Opening balance	118.08	-
	Balance transferred pursuant to business combination (Refer Note 44)	-	118.08
	Provision for loss allowance	-	-
	Closing balance	118.08	118.08
18	**Other current assets**		
	Advances to vendors for supply of goods / services	157.49	47.68
	Balance with government authorities	268.92	250.19
	Prepaid expenses	298.87	77.47
	Advances to employees	60.47	13.96
		785.75	389.30

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Notes to standalone financial statements
(All amounts are in INR lakhs, unless otherwise stated)

19 Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
176,000,000 (previous year : 176,000,000) equity shares of Rs.10 each	17,600.00	17,600.00
Issued, subscribed and paid-up		
150,843,583 (previous year : 165,831,429) equity shares of Rs.10 each, fully paid-up	15,084.36	16,583.14
	15,084.36	16,583.14

a. Terms and rights attached to equity shares

The Company has a single class equity shares having a par value of Rs. 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.

One of the shareholders of the Company has been granted call options which can be exercised upon meeting various performance and other parameters as defined in the Shareholders Agreement. Considering that these are derivatives on the Company's own equity, there is no accounting necessary in respect of these call options.

Employee Stock options:
The Company has granted certain stock options to their employees, the details of which are included in Note 49.

b. Reconciliation of shares outstanding at the beginning and end of the period:

Particulars	No. of shares	Amount
As at 1 April 2018	10,000	1.00
Shares issued during the year	165,831,429	16,583.14
Shares cancelled during the period *	(10,000)	(1.00)
As at 31 March 2019	165,831,429	16,583.14
Shares issued during the year	-	-
Buy back of equity shares during the year** (Refer Note 20)	14,987,846	1,498.78
As at 31 March 2020	150,843,583	15,084.36

* Pursuant to the scheme of amalgamation, the Company has cancelled 10,000 shares held by the erstwhile shareholders. During the previous year, the Company had issued 55,831,414 equity shares of INR 10 per share to General Atlantic Singapore Fund Pte Ltd ('General Atlantic") and General Atlantic had further acquired shares from certain existing shareholders, consequent to which it has become the Holding Company of KFin Technologies Private Limited. Further pursuant to scheme of amalgamation (Refer note 44) the Company had issued 110,000,015 equity shares of INR 10 each at par value to the shareholders of Karvy Consultants Limited ('KCL') in exchange of receipt of the assets and liabilities of the 'RTA undertaking of KCL.

** The Board of Directors and shareholders of the Company, vide their meetings held on 27 September 2019 and 30 September 2019 respectively, have approved the buy back of 14,987,846 equity shares of the Company at a price of INR 74.25 per equity share (including share premium of INR. 64.25 per equity share). The buy back process was completed by the Company in October 2019. Accordingly, the Company has extinguished 14,987,846 equity shares for an aggregate purchase price of INR 11,128.48. The aggregate face value of the equity shares bought back was INR 1,498.78. Accordingly, the Company has reduced share capital by INR 1,498.78 and the balance amount of INR 9,629.70 has been debited to Securities Premium Account. As per the requirements of the Companies Act, 2013, the Company has created a Capital Redemption Reserve (CRR) equal to INR 1,498.78. The CRR has been created out of the balance in the Securities Premium. The buy back tax amounting to Rs. 439.72 paid by the Company has also been debited to Securities Premium.

c. Details of shares held by holding company

Particulars	As at 31 March 2020 Number of Shares	As at 31 March 2020 Percentage	As at 31 March 2019 Number of Shares	As at 31 March 2019 Percentage
Equity shares of INR 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	125,580,400	83.25%	138,058,092	83.25%
Total	125,580,400	83.25%	138,058,092	83.25%

d. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2020 Number of Shares	As at 31 March 2020 Percentage	As at 31 March 2019 Number of Shares	As at 31 March 2019 Percentage
Equity shares of INR 10 each fully paid up, held by:				
General Atlantic Singapore Fund Pte Ltd	125,580,400	83.25%	138,058,092 #	83.25%
Compar Estates and Agencies Pvt Ltd	18,414,296	12.21%	20,243,944	12.21%
Total	143,994,696	95.46%	158,302,036	95.46%

e. During the five year ended on 31 March 2020, no shares were allotted as fully paid up pursuant to a contract without payment being received in cash.

f. The Company has not allotted any shares as fully paid by way of bonus shares during the five year period ended 31 March 2020 (31 March 2019 Nil).

Shares reserved for issue under Option: For details of shares reserved for issue under Employee Stock Option Scheme of the Company, Refer Note 49.

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(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	Note	As at 31 March 2020	As at 31 March 2019
20	**Other equity**			
	Capital reserve	a		
	Balance at the beginning of the year		1.00	-
	Addition during the period		-	1.00
	Balance at the end of the year		1.00	1.00
	Securities premium	b		
	Balance at the beginning of the year		34,392.52	-
	Issue of shares		-	35,765.60
	Less: Commission paid on issue of shares, (net of related deferred tax)		-	(1,373.08)
	Less: Utilised towards buy back of equity shares and creation of Capital redemption reserve (Refer Note 19)		(11,128.47)	-
	Less: Taxes paid on buy back of shares (Refer Note 19)		(439.72)	-
	Balance at the end of the year		22,824.33	34,392.52
	Debenture redemption reserve (DRR)	c		
	Balance at the beginning of the year		750.00	-
	Add: Transfer from surplus in profit and loss		-	750.00
	Balance at the end of the year		750.00	750.00
	Retained earnings	d		
	At the commencement of the year		91.27	(7.03)
	Add: Profit for the year		587.38	848.30
	Less: Transfer to debenture redemption reserve		-	(750.00)
	Balance at the end of the year		678.65	91.27
	Remeasurement of defined benefit plans (Other comprehensive income)	e		
	At the commencement of the year		51.92	-
	Add: (Loss)/ profit for the year		(126.50)	51.92
			(74.58)	51.92
	Share based payment reserve	f		
	At the commencement of the year		-	
	Add: Charge for the year		168.10	
			168.10	-
	Capital redemption reserve	g		
	At the commencement of the year		-	-
	Add: Transferred during the year (Refer Note 19)		1,498.78	-
			1,498.78	-
	Total other equity		25,846.28	35,286.71

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 (Refer Note 40).

(b) **Securities premium account**
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 Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc. During the year, the Company has utilised a portion of amount for buy back of shares (including taxes paid) and creation of capital redemption reserve..

(c) **Debenture redemption reserve**
According to Section 71 of the Companies Act 2013, where a company issues debentures, it is required to create a debenture redemption reserve for the redemption of such debentures.
The Central Government on 16 August 2019 has amended the Companies (Share Capital and Debentures) Rules 2014 to exclude listed companies having privately placed debentures from the requirement of maintaining DRR. Accordingly, the Company has not transferred any amount to DRR for the year ended 31 March 2020.

(d) **Retained earnings**
Retained earnings represents the net profits after all distributions and transfers to other reserves.

(e) **Remeasurement of defined benefit plans**
Remeasurement of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

(f) **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 49 for further details on these plans.

(g) **Capital redemption reserve**
Reserve created during the year on cancellation of 14,987,847 equity shares bought back under buy back plan (Refer Note 19).

(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	As at 31 March 2020	As at 31 March 2019
21	**Non-current borrowings**		
	Non-convertible Debentures (secured)	37,531.17	38,886.71
	Less: Current maturities of long term debt (Refer note 24)	(3,200.00)	(1,600.00)
		34,331.17	37,286.71

During the previous year, the Company had issued 4,000 non-convertible debentures (NCDs) of INR 1,000,000 each to Nomura Singapore Limited and Standard Chartered Bank., Singapore for an amount of INR 40,000. Transaction costs amounting to INR 1,198.69 had been netted off against the amount of Debentures. The NCDs are listed on the Bombay Stock Exchange, India with effect from 29 November 2018. The NCDs are repayable in 10 half yearly installments commencing from 30 September 2019 to 16 November 2023 and carry an interest rate of 11.5% per annum due half yearly beginning from 31 March 2019.

Particulars	Non-current borrowings	Current borrowings	Accrued interest (Refer Note 24)	Total
Net debt as at 1 April 2018	-	-	-	-
Loan drawls (in cash)/ interest accrued during the year	40,000.00	-	1,898.37	41,898.37
Loan repayments/ interest payment during the year (in cash)	-	-	-	-
Processing fees paid	(1,198.69)	-	-	(1,198.69)
Amortisation as per effective interest rate	85.40	-	(85.40)	-
Others	-	-	(99.00)	(99.00)
Net debt as at 31 March 2019	**38,886.71**	-	**1,713.97**	**40,600.68**
Loan drawls (in cash)/ interest accrued during the year	-	-	5,061.04	5,061.04
Loan repayments/ interest payment during the year (in cash)	(1,600.00)	-	(6,517.95)	(8,117.95)
Processing fees paid	-	-	-	-
Amortisation as per effective interest rate	244.46	-	(244.46)	(0.00)
Others	-	-	-	-
Net debt as at 31 March 2020	**37,531.17**	-	**12.60**	**37,543.77**

Security
The debentures are secured by :
(i) a first ranking exclusive charge by way of hypothecation on the Account Assets under the IPA Deed of Hypothecation;
(ii) a first ranking charge by way of hypothecation on all the Company Assets under the Company Deed of Hypothecation

		As at 31 March 2020	As at 31 March 2019
22	**Non-current provisions**		
	Provision for employee benefits		
	Gratuity	391.12	166.34
	Compensated absences	126.07	173.76
		517.19	340.10

Refer Note 39 for disclosure related to employee benefits.

		As at 31 March 2020	As at 31 March 2019
23	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises *	1.99	3.41
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,030.78	2,153.48
		2,032.77	2,156.89

* Refer Note 38 for disclosure relating to Micro and Small Enterprises
For details regarding trade payables due to related parties, Refer Note 40.

		As at 31 March 2020	As at 31 March 2019
24	**Other current financial liabilities**		
	Current maturities of long term debt (Refer Note 21)	3,200.00	1,600.00
	Security deposit payable	32.01	1,405.45
	Employee payables	167.65	194.58
	Interest accrued and not due on non-convertible debentures (Refer Note 21)	12.60	1,713.97
	Capital creditors	85.25	12.15
	Other liabilities	249.07	1,125.91
		3,746.58	6,052.06

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in Note 41.

		As at 31 March 2020	As at 31 March 2019
25	**Other current liabilities**		
	Contract liabilities (Advance from customers)	261.05	337.01
	Statutory dues payable	772.58	862.21
	Contract liabilities (Unearned income)	81.82	63.79
		1,115.45	1,263.01
26	**Current provisions**		
	Provision for employee benefits:		
	Gratuity	112.29	105.21
	Compensated absences	219.63	132.21
		331.92	237.42

Refer Note 39 for disclosure related to provisions for employee benefits.

		As at 31 March 2020	As at 31 March 2019
27	**Current tax liability (net)**		
	Provision for taxation (Net of advance tax INR 5,937.32. 31 March 2019: 5,937.32)	86.23	86.23
		86.23	86.23

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(All amounts are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
28	**Revenue from operations**		
	Sale of services	41,171.89	14,514.91
	Total (A)	41,171.89	14,514.91
	Other operating revenues		
	Recoverable expenses	2,885.71	1,354.36
	Total (B)	2,885.71	1,354.36
	Total (A+B)*	44,057.60	15,869.27
	*Refer Note 50		
29	**Other income**		
	Interest income from :		
	- bank deposits (carried at amortised cost)	94.17	117.37
	- unwinding of discount on deposits	15.85	5.30
	Dividend income from :		
	- current investments	320.97	89.93
	- subsidiary	254.84	-
	Profit on sale of property, plant and equipment (net)	13.01	-
	Liabilities no longer required written back	29.85	6.50
	Foreign exchange gain (net)	35.44	-
		764.13	219.10

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Notes to standalone financial statements
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	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
30	**Employee benefits expense**		
	Salaries and wages	16,790.32	5,698.50
	Contribution to provident and other funds (Refer Note 39)	1,267.56	432.88
	Share based payment expenses (Refer Note 49)	168.10	-
	Staff welfare expenses	514.50	178.31
		18,740.48	6,309.69
31	**Finance cost**		
	Interest on debentures (at amortised cost)	5,068.13	1,898.37
	Unwinding of interest on lease liabilities (Refer Note 46)	250.53	-
	Other interest costs	5.52	9.49
		5,324.18	1,907.86
32	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	1,233.71	486.66
	Amortisation of goodwill	6,762.09	2,496.26
	Amortisation of other intangible assets	425.44	60.60
	Amortisation of right of use asset (Refer Note 46)	794.62	-
		9,215.86	3,043.52
33	**Other expenses**		
	Power and fuel	594.78	154.91
	Rent	499.24	445.03
	Repairs and maintenance:		
	- others	145.68	39.60
	Rates and taxes	40.21	145.41
	Legal and professional fee *	1,390.61	286.43
	Office maintenance	446.18	107.55
	Donations	-	5.95
	Corporate social responsibility**	27.19	-
	Loss allowance on trade receivables and other financial assets	486.60	22.40
	Printing and stationery	999.22	406.74
	Postage, courier and communication	2,673.24	942.75
	Shared services cost	221.14	143.59
	Consultancy charges	857.55	335.62
	Travelling and conveyance	662.57	232.34
	Miscellaneous expenses		
	Computer maintenance charges	17.36	4.03
	Depository charges	169.50	43.29
	Claims paid	7.11	3.05
	Insurance	6.84	25.96
	Staff recruitment	31.68	4.86
	Sales promotion and advertisement	81.32	18.54
	Security services	78.20	27.29
	Bank charges	124.10	43.22
	Foreign exchange loss (net)	3.92	7.07
	Water charges	-	26.79
		19.64	3.77
		9,583.88	3,477.19
	* Payment to auditors (included in legal and professional expenses above)		
	As auditor		
	Statutory audit	27.50	17.00
	Certification	7.50	0.65
	Others	3.00	-
	Out of pocket expenses	2.89	1.75
		40.89	19.40
	**Corporate social responsibility		
	a) Gross amount required to be spent by the Company during the year	24.61	-
	b) Amount spent during the year (in cash) :		
	i) Construction/ acquisition of any asset	-	-
	ii) On purposes other than (i) above	27.19	-
34	**Earning per share (EPS)**		
	Profit attributable to equity shareholders (A)	587.38	848.30
	Shares		
	Number of shares at the beginning of the year	165,831,429	10,000
	Add: Equity shares issued during the year	-	165,831,429
	Shares cancelled during the year	(14,987,846)	(10,000)
	Number of shares at the end of the year	150,843,583	165,831,429
	Weighted average number of equity shares for Basic EPS (B)	158,768,663	61,341,213
	Effect of potential equity shares on employee stock options outstanding	80,375	-
	Weighted average number of equity shares for diluted EPS (C)	158,849,038	61,341,213
	Basic EPS - par value of INR 10 per share (A/B) (in INR)	0.37	1.38
	Diluted EPS - par value of INR 10 per share (A/C) (in INR)	0.37	1.38

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(All amounts are in INR lakhs, unless otherwise stated)

35 Income tax

A. Amounts recognised in the Statement of Profit and Loss

	For the year ended 31 March 2020	For the period ended 31 March 2019
Current tax expense		
Current year	-	271.55
	-	271.55
Deferred tax charge/ (credit)		
Change in recognised temporary differences	1,369.95	230.26
	1,369.95	230.26
Total tax expense	1,369.95	501.81

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2020			For the period ended 31 March 2019		
	Before tax	Tax (expense)/ Income	Net of tax	Before tax	Tax (expense)/ Income	Net of tax
Remeasurement of defined benefit liability	(169.05)	42.55	(126.50)	79.81	(27.89)	51.92
	(169.05)	42.55	(126.50)	79.81	(27.89)	51.92

C. Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the period ended 31 March 2019
Profit before tax from continuing operations	1,957.33	1,350.11
Enacted tax rate in India*	25.17%	34.94%
Tax using the Company's domestic tax rate	492.62	471.73
Tax effect of:		
Impact of tax exempt income	(80.78)	(31.43)
Impact of change in tax rate*	429.95	-
Permanent differences	132.58	51.56
Reversal of Minimum alternative credit entitlement*	271.55	-
Others	124.03	9.94
	1,369.95	501.80

* The Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") was promulgated on 20 September 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Company has opted for this amendment and tax rate is calculated @ 22 plus applicable surcharge and cess. Accordingly, the unused MAT credit entitlement of INR 271.55 as at 31 March 2019 has been charged to the statement of profit and loss account as the Company is no longer entitled to it.

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Notes to standalone financial statements
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35 Income tax (Continued)

D. Movement in deferred tax balances

	As at 1 April 2019	Arising on account of business combination*	Recognised in Statement of profit and loss account	Recognised in Other Comprehensive Income	Recognised in Other equity	As at 31 March 2020
Property, plant and equipment, Goodwill and other intangible assets	(1,926.49)	-	(1,537.39)	-	-	(3,463.88)
Provision for expected credit loss on trade receivables and certain other financial assets	322.46	-	32.29	-	-	354.75
Provision for employee benefits and certain other liabilities	594.27	-	(360.17)	42.55	-	276.65
Carry forward losses	2,538.45	-	775.62	-	-	3,314.07
Minimum Alternate Tax credit entitlement	271.55	-	(271.55)	-	-	-
Others	208.60	-	(8.75)	-	-	199.85
Net deferred tax assets	**1,808.84**	-	**(1,369.95)**	**42.55**	-	**481.44**

	As at 1 April 2018	Arising on account of business combination*	Recognised in Statement of profit and loss account	Recognised in Other Comprehensive Income	Recognised in Other equity	As at 31 March 2019
Property, plant and equipment, Goodwill and other intangible assets	-	122.19	(2,048.68)	-	-	(1,926.49)
Provision for expected credit loss on trade receivables and certain other financial assets	-	314.63	7.83	-	-	322.46
Provision for employee benefits and certain other liabilities	-	885.05	(262.89)	(27.89)	-	594.27
Carry forward losses	-	-	2,338.45	-	-	2,338.45
Minimum Alternate Tax credit entitlement	-	-	271.55	-	-	271.55
Others	3.78	3.79	(536.52)	-	737.55	208.60
Net deferred tax assets	**3.78**	**1,325.65**	**(230.26)**	**(27.89)**	**737.55**	**1,808.84**

*Refer Note 44 on business combination during the previous year

(All amounts are in INR lakhs, unless otherwise stated)

36 Commitments, contingent liabilities and contingent assets

A. Commitments
There are no capital commitments as on balance sheet date

B. Contingent liabilities	**As at 31 March 2020**	**As at 31 March 2019**
(a) Claims against the Company not acknowledged as debts.	-	44.69
(b) Income-tax matters	67.50	47.51
(c) Service tax matters*	929.46	929.46

* During the financial year 2011-12, the Transferor Company had received an order from the Commissioner of the Customs, Central Excise and Service Tax under Section 73(1) of the Finance Act, 1994 demanding service tax of Rs 114,611,071 on reimbursement of expenses and penalty and interest thereon, pertaining to period from 10 September 2004 to 31 January 2007. The Service tax on Registrar to an Issue and Share Transfer Agent services was introduced vide Finance Act 2006 and the notification 15/2006 dated 25 April 2006 with effect from 1 May 2006. The rules for determination of value of taxable service was notified vide Notification No 12/2006 dated 19 April 2006, wherein Rule 5 prescribes for the inclusion of expenditure or cost incurred in the course of providing "taxable service", hence such inclusion was prescribed only for the "taxable service" which in this case, is applicable with effect from 1 May 2006. The Transferor Company, by way of abundant caution, had deposited an amount of INR 216.65 and interest thereon, pertaining to period from 1 May 2006 to 31 January 2007. The Transferor Company preferred an appeal to the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore and obtained stay order on the above order and the matter is pending disposal. The Company has evaluated the claim and based on its evaluation, the Management is confident that the demand is not tenable and the possibility of any future financial impact is remote. As per the above mentioned notification, the Service Tax on Registrar to an Issue and Share Transfer Agent was made applicable only with effect from 1 May 2006.

(d) In addition to the above, the Company is a party to certain pending cases with regulatory authorities relating to the initial public offerings 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.

(e) 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 financial statements. The impact of the same is not ascertainable.

(f) 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 financial statements.

The Company is contesting the above mentioned demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the 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 Company's standalone financial statements.

37 Segment information

In accordance with Ind AS 108 - Operating Segments, segment information is disclosed in the consolidated financial statements of the Company and accordingly no separate segment disclosures have been furnished in these standalone financial statements of the Company.

38 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 Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 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 Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	**For the year ended 31 March 2020**	**For the period ended 31 March 2019**
Principal amount remaining unpaid to any supplier as at the end of the year.	1.99	3.41
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, 2006.	-	-
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 year of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
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 of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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39 Employee benefits

The Company contributes to the following post-employment defined benefit contribution in India.

(i) Defined contribution plans:
Employee 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 Statement of Profit and Loss (included in note 30 Employee benefits expense):

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution to provident fund	1,002.40	217.72
Contribution to employee state insurance	178.81	84.85

(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 inline with the Payment of Gratuity Act 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net defined benefit liability	503.41	271.55
Current (Refer Note 25)	112.29	105.21
Non Current (Refer Note 22)	391.12	166.34

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:

Particulars	As at 31 March 2020			As at 31 March 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability/ (asset)
Balance as at beginning of the year	1,091.77	(820.22)	271.55	-	-	-
Add: Transfer on account of amalgamation (Refer Note 44)	-	-	-	1,080.18	(811.79)	268.39
Included in Standalone statement of profit or loss						
Current service cost	154.61	-	154.61	80.45	-	80.45
Interest cost	70.05	(66.87)	3.18	35.11	(26.38)	8.73
	224.66	**(66.87)**	**157.79**	**115.56**	**(26.38)**	**89.18**
Included in Other comprehensive income						
Remeasurement loss/ (gain)						
Actuarial loss/ (gain) arising from:						
- financial assumptions	176.25	-	176.26	(82.38)	-	(82.38)
- on plan assets	-	(7.21)	(7.21)	-	2.57	2.57
	176.26	**(7.21)**	**169.05**	**(82.38)**	**2.57**	**(79.81)**
Others						
Contributions paid by the employer	-	-	-	-	(6.21)	(6.21)
Amount transferred pursuant to business combination (Refer Note 45)		(94.98)	(94.98)	-	-	-
Benefits paid	(86.93)	86.93	-	(21.59)	21.59	-
	(86.93)	**(8.05)**	**(94.98)**	**(21.59)**	**15.38**	**(6.21)**
Balance as at end of the year	**1,405.76**	**(902.35)**	**503.41**	**1,091.77**	**(820.22)**	**271.55**

(All amounts are in INR lakhs, unless otherwise stated)

39 **Employee benefits (continued)**

C. Plan assets

	As at 31 March 2020	As at 31 March 2019
Investment with Life Insurance Corporation of India	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate, expected rate of return on plan assets and salary growth rate. The discount rate is based upon the market yields available on government

	As at 31 March 2020	As at 31 March 2019
Discount rate (p.a.)	6.90%	7.70%
Salary increase (p.a.)	4.00%	4.00%
Expected rate of return on plan assets	8.00%	8.00%

b) Demographic assumptions

	As at 31 March 2020	As at 31 March 2019
i) Retirement age (years)	58 years	58 years
ii) Mortality table	IALM (2006-08)	IALM (2006-08)
iii) Withdrawal rates (p.a.)	1.00%	4.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(116.34)	134.62	(68.56)	77.05
Future salary growth (1% movement)	167.60	(144.27)	138.39	(118.59)
Mortality Rate (1% movement)	(98.42)	(2.65)	1.56	(1.57)
Attrition Rate (1% movement)	92.59	(102.60)	46.84	(51.09)

F. Expected maturity analysis of the undiscounted gratuity benefit is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Duration of defined benefit payments		
Less than 1 year	94.02	61.90
Between 2 - 5 years	210.06	136.09
Between 5 - 10 years	341.72	256.29
Over 10 years	759.95	637.49
Total	1,405.75	1,091.77

The weighted average duration of the defined benefit plan obligation as at 31 March 2020: 11.70 years.

Expected contribution to the post employee benefit plan during the next financial year is expected to be INR 170.35

G. Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

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 2020, the Company has incurred an expense on compensated absences amounting to INR 188.35 (31 March 2019 INR 108.90). 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.

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(All amounts are in INR lakhs, unless otherwise stated)

40 Related parties

A. Names of related party and nature of relationship

i. Holding company :
General Atlantic Singapore Fund Pte Ltd (w.e.f 16 November 2018)

ii. Key Management personnel (KMP)
a) V Ganesh , Chief executive officer and Managing Director
b) C Parthasarathy, Director (up to 23 November 2019)
c) Kaushik Mazumdar, Director
d) Sandeep Achyut Naik, Director
e) Vishwanathan Mavila Nair, Director
f) Sonu Halan Bhasin, Director
g) Shantanu Rastogi, Director
h) Rajath Sood, Director (up to 16 March 2020)
i) Vishesh Tayal, Director (w.e.f 24 March 2020)

iii. KMP and their relatives (upto 23 November 2019)
a) Rajat Parthasarathy
b) Adhiraj Parthasarathy

iv. Enterprises where KMP exercise significant influence (Upto 23 November 2019)
a) Karvy Stock Broking Limited
b) Karvy Data Management Services Limited
c) Comput Estates and Agencies Private Limited
d) Parthasarathy Comandur HUF

v. Wholly owned subsidiaries
a) Karvy Fintech (Bahrain) W.L.L
b) Karvy Fintech (Malaysia) SDN.BHD
c) Kfin Services Private Limited (w.e.f. 22 January 2020)

vi. Post-employment benefit plan
a) Karvy Fintech Private Limited Employees Group Gratuity Assurance scheme

B. Transactions with the related parties

Particulars	For the year ended 31 March 2020	For the period ended 31 March 2019
i) Holding company		
General Atlantic Singapore Fund Pte Ltd		
Issue of equity shares including premium	-	41,348.74
Buy back of equity shares (including taxes)	9,270.21	-
ii) Enterprises controlled or jointly controlled by KMP		
Karvy Stock Broking Limited		
Internet bandwidth	41.94	8.93
Shared service charges	163.79	190.00
Fee from investor services	(7.98)	(6.06)
Reimbursement of expenses	10.66	14.01
Karvy Data Management Services Limited		
Rent expenses	168.53	112.21
Professional charges	17.32	51.19
Fee from investor services	(5.87)	(4.13)
Reimbursement of expenses	(12.81)	-
Comput Estates and Agencies Private Limited		
Buy back of equity shares (including taxes)	1,674.99	-
Parthasarathy Comandur HUF		
Buy back of equity shares (including taxes)	180.74	-
iii) Wholly owned subsidiaries		
Karvy Computershare (Malaysia) SDN. BHD		
Fee from investor services	(642.25)	(429.98)
Karvy Fintech (Bahrain) W.L.L		
Dividend income received	(254.84)	-
KFin Services Private Limited		
Investment in equity shares	1.00	-
Reimbursement of expenses	0.92	-
iv) Key Management Personnel		
Remuneration paid	250.01	54.90
Professional fee	161.01	-
Incentives	100.00	181.32
Bonus paid	585.32	-
Share-based payment	121.15	-
Buy back of equity shares (including taxes)	149.62	-
v) Relatives of KMP		
Buy back of equity shares (including taxes)	292.62	-

The managerial personnel are covered by the Company's gratuity policy and are eligible for leave encashment along with other employees of the Company. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Company as a whole.

(All amounts are in INR lakhs, unless otherwise stated)

40 Related parties (continued)

C. Related party balances

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
i) Enterprises controlled or jointly controlled by KMP		
Karvy Stock Broking Limited*		
Trade payables	9.92	-
Karvy Data Management Services Limited*		
Trade payables	629.28	874.06
*These parties are considered as related parties upto 23 November 2019.		
ii) Wholly owned subsidiaries		
Karvy Computershare (Malaysia) SDN. BHD		
Trade receivables	165.25	327.12
KFin Services Private Limited		
Other current assets	0.92	-
iv) Key Management Personnel		
Remuneration payable	100.00	175.00
Other liabilities	16.14	16.14

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CHARTERED ACCOUNTANTS

(All amounts are in INR lakhs, unless otherwise stated)

41 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

	Carrying amount				Fair value			
As at 31 March 2020	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non-current assets								
Loans	-	-	450.68	450.68	-	-	-	-
Other non current financial assets	-	-	88.31	88.31	-	-	-	-
Current assets								
Current investments	1,354.38	-	-	1,354.38	1,354.38	-	-	1,354.38
Trade receivables	-	-	7,668.06	7,668.06	-	-	-	-
Cash and cash equivalents	-	-	833.09	833.09	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	283.48	283.48	-	-	-	-
Loans	-	-	34.46	34.46	-	-	-	-
Other current financial assets	-	-	1,667.47	1,667.47	-	-	-	-
	1,354.38	-	11,025.55	12,379.93	1,354.38	-	-	1,354.38
Financial liabilities								
Non-current borrowings	-	-	34,331.17	34,331.17	-	-	-	-
Non-current lease liabilities	-	-	2,761.82	2,761.82		-		
Trade payables	-	-	2,032.77	2,032.77	-	-	-	-
Lease liabilities	-	-	911.99	911.99	-	-	-	-
Other current financial liabilities	-	-	3,746.58	3,746.58	-	-	-	-
	-	-	43,784.33	43,784.33	-	-	-	-

	Carrying amount				Fair value			
As at 31 March 2019	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non-current assets								
Loans	-	-	372.58	372.58	-	-	-	-
Other non-current financial assets	-	-	80.19	80.19	-	-	-	-
Current assets								
Current investments	11,050.66	-	-	11,050.66	11,050.66	-	-	11,050.66
Trade receivables	-	-	7,924.80	7,924.80	-	-	-	-
Cash and cash equivalents	-	-	1,372.80	1,372.80	-	-	-	-
Bank balances other than cash and cash equivalent	-	-	3,094.66	3,094.66	-	-	-	-
Current loans	-	-	22.11	22.11	-	-	-	-
Other current financial assets	-	-	1,606.08	1,606.08	-	-	-	-
	11,050.66	-	14,473.22	25,523.88	11,050.66	-	-	11,050.66
Financial liabilities								
Non-current borrowings	-	-	37,286.71	37,286.71	-	-	-	-
Non-current lease liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	2,156.89	2,156.89	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	6,052.06	6,052.06	-	-	-	-
	-	-	45,495.66	45,495.66	-	-	-	-

B. Fair value hierarchy

This section explains the judgements 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.

(All amounts are in INR lakhs, unless otherwise stated)

41 Financial instruments – Fair values and risk management (continued)

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2020		As at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets	485.14	485.14	394.69	394.69
Loans	88.31	88.31	80.19	80.19
Other non current financial assets	7,668.06	7,668.06	7,924.80	7,924.80
Trade receivables	833.09	833.09	1,372.80	1,372.80
Cash and cash equivalents	283.48	283.48	3,094.66	3,094.66
Bank balances other than cash and cash equivalent	1,667.47	1,667.47	1,606.08	1,606.08
Other current financial assets	11,025.55	11,025.55	14,473.22	14,473.22
Financial liabilities	34,331.17	34,331.17	37,286.71	37,286.71
Borrowings	2,032.77	2,032.77	2,156.89	2,156.89
Trade payables	3,673.81	3,673.81	-	-
Lease liabilities	3,746.58	3,746.58	6,052.06	6,052.06
Other current financial liabilities	43,784.33	43,784.33	45,495.66	45,495.66

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other payable for capital goods are considered to be the same as their fair values due to their short-term nature.

II. Financial risk management

Risk management framework
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has constituted an Audit Committee which is responsible for monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments
a) Credit risk ;
b) Liquidity risk ; and
c) Market risk

i. Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Credit risk arises principally from trade receivables, advances, security deposits, cash and cash equivalents and deposits with banks.

a. Loans
It consists of security deposit. The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties. It also consists of loans given to employees for which the Company does not expect any losses as the said loans are only given to confirmed employees of the organisation.

b. Trade receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payments and delivery terms and conditions are offered. The average credit period provided to customers is around 45 days. The Company review includes external ratings, customer's credit worthiness, if they are available, and in some cases bank references.

A default on a financial asset is when counterparty fails to make payments within 360 days when they fall due.

The customer base of the Company comprises of various corporate, state governments and mutual fund houses all having sound financial condition and none of these balances are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivables balances.

Cash and cash equivalents and deposits with banks
Cash and cash equivalents of the 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.

Retention money receivable
The Company has retention money receivable from the state governments pertaining to the services rendered by the Company towards e-governance projects. The Company foresees no credit risk pertaining to these receivables as the same are sovereign backed, but assesses the same for loss in time value of money

Investments in mutual funds
The credit risk for the investments in mutual funds is considered as negligible as the counter parties are reputable 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 2020	As at 31 March 2019
Trade receivables	7,668.06	7,924.80
Retention money receivable	724.09	724.09

During the year, the Company has made no write-offs of trade receivables and 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 13 and 17 for Reconciliation of loss allowance provision for Trade receivables and Retention money receivable

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. As at 31 March 2020, the Company has a net current assets of INR 7,207.14

(All amounts are in INR lakhs, unless otherwise stated)

41 Financial instruments – Fair values and risk management (continued)

Maturities of financial liabilities
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount as at 31 March 2020	Contractual cash flows: Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	2,032.77	2,032.77	2,032.77	-	-	-
Borrowings (including current maturity of long-term debt and interest accrued)*	37,543.77	47,412.94	7,773.99	10,406.95	29,232.00	-
Other financial liabilities (excluding current maturity of long-term debt and interest accrued)	533.98	533.98	533.98	-	-	-
Total	40,110.52	49,979.69	10,340.74	10,406.95	29,232.00	-

* The contractual Cash flows includes interest obligation on borrowings

Particulars	Carrying amount as at 31 March 2019	Contractual cash flows: Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 year
Non-derivative financial liabilities						
Trade payables	2,156.89	2,156.89	2,156.89	-	-	-
Borrowings (including current maturity of long-term debt and interest accrued)*	40,600.88	60,290.68	3,313.97	8,017.01	48,959.70	-
Other financial liabilities (excluding current maturity of long-term debt and interest accrued)	2,738.09	2,738.09	2,738.09	-	-	-
Total	45,495.86	65,185.66	8,208.95	8,017.01	48,959.70	-

* 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. Company has all of its borrowings at fixed rate. The Company has issued Non convertible borrowings at fixed interest rate.

Exposure to interest rate risk
The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	As at 31 March 2020	As at 31 March 2019
Fixed-rate instruments		
Financial assets	338.72	26.81
Financial liabilities	37,543.77	40,600.68

Cash flow sensitivity analysis for variable-rate instruments
There are no variable rate borrowings of the company. Hence, change in interest rates would not have an impact on cash flows of the Company

Fair value sensitivity analysis for fixed-rate instruments
The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Currency risk
The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

Exposure to currency risk
The summary quantitative data about the Company's unhedged exposure to significant currency risk, in foreign currency and domestic currency as reported to the management of the Company is as follows:

Financial assets	As at 31 March 2020: Amount in FC	Amount in INR	As at 31 March 2019: Amount in FC	Amount in INR
Trade receivables:				
USD	9.49	715.28	8.16	565.17
CAD	0.66	35.35	0.34	17.73
AUD	0.51	23.58	0.21	10.19
GBP	0.29	27.53	0.29	25.87
MYR	5.63	98.28	19.28	327.12

Sensitivity analysis
A reasonably possible strengthening (weakening) of the INR against all other currencies at year-end would have affected the measurement of financial instruments denominated in a foreign currency and affected 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: Strengthening	Weakening	Equity (net of tax): Strengthening	Weakening
For the year ended 31 March 2020				
USD (1% movement)	(7.15)	7.15	(5.35)	5.35
CAD (5% movement)	(1.77)	1.77	(1.32)	1.32
AUD (1% movement)	(0.24)	0.24	(0.18)	0.18
GBP (10% movement)	(2.75)	2.75	(2.06)	2.06
MYR (10% movement)	(9.83)	9.83	(7.35)	7.35
For the year ended 31 March 2019				
USD (1% movement)	(5.65)	5.65	(3.68)	3.68
CAD (5% movement)	(0.89)	0.89	(0.58)	0.58
AUD (1% movement)	(0.10)	0.10	(0.07)	0.07
GBP (10% movement)	(2.59)	2.59	(1.68)	1.68
MYR (10% movement)	(32.71)	32.71	(21.28)	21.28

42 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,
b) maintain an optimal capital structure to reduce the cost of capital, and
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 for the objectives stated in a) and b) above:
Net debt (total borrowings net of cash and cash equivalents and investment in mutual funds) divided by total 'equity' (as shown in the balance sheet). The gearing ratios were as follows:

Particulars	31 March 2020	31 March 2019
Net debt	35,072.82	25,082.56
Total equity	38,512.76	51,118.85
Net debt to equity ratio	91.07%	49.07%

Debt covenants
Under the terms of the debentures agreement, the Company is required to comply with the following financial covenants:
a) DSCR not less than 1.1 times during the tenure of the debentures.
b) Maximum Net Debt/EBITDA not to exceed 3.75 times
The Company has complied with these covenants as at reporting period

Further, the SEBI (Registrars to an Issue and Share Transfer Agents) Rules and Regulations, 1993 require the company to maintain a minimum net worth of INR 50 at all times. Such networth is computed based on a formula given in the SEBI guidelines as per which Networth = Share capital + Free reserves and surplus - debit balance in the P&L - Preliminary expenses not written off - Intangible assets - Deferred Tax assets. For computing this networth, the carrying value of goodwill amounting to INR 58,369.21 that has arisen on account of the business combination referred to in Note 44 and 45 is not deducted by the management. This is consistent with the methodology followed by the Company in the submissions made earlier to SEBI and is based on legal advice obtained by the Company. The recognition of Goodwill and its amortisation over a period of 10 years is in accordance with the NCLT order referred to in Note 44. Basis such computation, the company is in compliance with the minimum net worth criteria as per aforementioned SEBI guidelines.

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KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Notes to standalone financial statements
(All amounts are in INR lakhs, unless otherwise stated)

43 Impairment test of goodwill

As at 31 March 2020, the Company has recognised goodwill aggregating to INR. 58,369.21 (31 March 2019 : INR 64,995.29) referred to in Note 4, 44 and 45. F the year ended 31 March 2020, the goodwill impairment has been assessed at the Company level. The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. Management has tested goodwill for impairment even though there are no indicators of impairment.

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 Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance

The Company has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

The following growth and discount rates have been considered for the purpose of the impairment testing:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	16%	16%
Terminal value rate	5%	5%
Budgeted EBITDA growth rate for various revenue stream	5% - 20%	10%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
- Budgeted EBITDA has been estimated taking into account past experience and expected growth in the next five years.

Based on the test performed , no impairment has been identified.

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44 Business combination

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 vide their order dated 23 October 2018 which has been filed with the Registrar of Companies on 17 November 2018. Therefore the Scheme has become effective on 17 November 2018.

As per the Scheme, the 'RTA undertaking' of KCL (as explained below) and KCPL were amalgamated into the Company with effect from 17 November 2018, the details of which are given below:

Amalgamation of the 'RTA undertaking' of KCL into the Company
In the Scheme, the 'RTA undertaking' of KCL is defined as the assets and liabilities relating to the Registrar and Transfer Agent (RTA) business of KCL including the investment held by KCL (50% equity stake) in KCPL. In accordance with the Scheme, this RTA Undertaking of KCL has been amalgamated into the Company with effect from 17 November 2018 in consideration of issue of 110,000,015 equity shares of Rs. 10 each of the Company to the shareholders of KCL (as per the share swap ratio approved in the Scheme).

As specified in the Scheme, this amalgamation has accounted for in accordance with the Purchase method of accounting as per Accounting Standard 14 - on 'Accounting for Amalgamations'. Accordingly:
a) all assets and liabilities of the RTA Undertaking of KCL including the investment held by KCL in KCPL have been recorded at their existing book values as at November 16, 2018 (as certified by the independent auditors of KCL);
b) the consideration, being the face value of the said equity shares issued by the Company to the shareholders of KCL has been recorded at par value; and
c) the difference between a) and b) above amounting to Rs. 10,937.50 has been recorded as Goodwill.

The details of the same are given in the table below:

Particulars	Amount
Book value of assets and liabilities transferred:	
Property, plant and equipment	6.15
Trade receivable	63.90
Investment in KCPL	1.32
Total assets	71.37
Current liabilities	8.87
Total liabilities	8.87
Net assets - (A)	62.50
Face value of equity shares issued to shareholders of KCL - (B)	11,000.00
Goodwill = (B) - (A)	10,937.50

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44 Business combination (continued)

Amalgamation of KCPL into the Company

On 17th November 2018, the Company acquired a 50% stake in KCPL from an existing shareholder. The remaining 50% stake in KCPL got vested in the Company on 17th November 2018 upon the RTA Undertaking of KCL getting amalgamated into the Company. Accordingly, on 17th November 2018, KCPL became a wholly owned subsidiary of the Company. However, the amalgamation of KCPL into the Company also became effective on the same day, and hence, KCPL got merged into KFPL on 17th November 2018.

As specified in the Scheme, the Company has accounted for the amalgamation as follows:
a) all assets and liabilities of KCPL have been recorded at their existing book values as at November 16, 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 Rs. 56,554.04 has been recorded as Goodwill.

The details of the same are given in the table below:

Particulars	Amount
Book value of assets and liabilities acquired:	
Property, plant and equipment	4,157.00
Intangible Asset	482.23
Capital work in progress	30.51
Investments in Subsidiaries	1,521.96
Deferred tax asset	1,325.66
Other non current financial assets	454.13
Non-current tax assets	40.70
Other non-current assets	79.02
Other current financial assets	25,924.20
Other current assets	451.91
Total assets (A)	**34,467.32**
Non current provisions	377.13
Current provisions	220.64
Trade payables	3,025.37
Other financial liability	3,774.76
Other current liability	957.78
Current tax liabilities (net)	1,346.09
Total liabilities (B)	**9,701.77**
Net Assets (A-B)	**24,765.55**
Calculation of goodwill	
Investment in KCPL in the books of the Company	81,319.60
Less: Net assets	24,765.55
Goodwill	56,554.05

As per the Scheme, the cumulative goodwill arising on the transaction amounting to Rs. 67,491.55 is being amortised over a period of 10 years. Goodwill generated on this transaction largely represents the value of the businesses acquired by the Company as reduced by the book values of the assets and liabilities of the acquired businesses.

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(All amounts are in INR lakhs, unless otherwise stated)

45 The Company entered into a "Business Transfer Agreement" ('BTA') dated 7th August 2019 with Sundaram Fund Services Limited (formerly known as 'Sundaram BNP Paribas Fund Services Limited' ('SBFS')) to acquire the business of Registrar to an issue and share transfer agent for securities (including mutual fund units), back office services to alternative investment funds or private equity clients of SBFS on a slump sale basis. The business purchase was effective from 11 November 2019. Such business combination has been accounted for by the company in accordance with IndAS 103 as follows:

a) all assets and liabilities pertaining to business transferred to the Company have been recorded at their fair values as at 11 November 2019;
b) Certain assets not recorded by SBFS such as customer contracts have been recorded by the company at their fair values;
c) the purchase consideration has been recorded at fair value; and
d) the difference between the purchase consideration and the net book value of assets as per (a) and (b) above has been recorded as Goodwill.

The details of the same are given in the table below:

Particulars	**Amount**
Purchase consideration (A)	**2,653.35**
Fair value of identifiable assets and liabilities acquired	
Assets	
Property, plant and equipment	311.05
Intangible assets	
a) Customer contracts	2,189.78
b) Computer software	16.51
Total assets (B)	**2,517.34**
Total liabilities (C)	-
Net assets (D=B-C)	2,517.34
Goodwill (A-D)	**136.01**

The goodwill is attributable mainly to the strong customer base and the synergies expected to be achieved from integrating the target into the Company's existing Standard business.

Measurement of fair values
The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	**Valuation technique**
Property, plant and equipment and computer software	Cost technique: The valuation model considers depreciated replacement cost when appropriate.
Customer contracts	Income based approach method: This typically aims to capture the future earnings of a potential of an intangible and are used to estimate the value based on projected future cash flows over the assets economic life. This method considers the discounted estimated income from the customer contracts that transferred. The resulting net cash flows are also termed as multi period excess earnings. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by excluding any cash flows related to contributory assets. The cash inflows and outflows are in general derived from projected financial information.

The fair value of assets and liabilities have been computed by a third party valuer vide their report dated 15 May 2020.

Pursuant to the BTA, 190 employees has been transferred from SBFS to the Company. Accordingly, compensated absences aggregating to INR 28.48 and Gratuity liability (net of fund value of assets transferred – INR 94.98) INR Nil has been transferred to the Company. The net impact on Goodwill is Nil as these liabilities are adjusted against the purchase consideration.

The business rationale of this business combination was to enable the Company to increase the market share through new customers.

The acquired business contributed revenues of INR 1,055.04 and profit before tax of INR 167.35 to the Company for the period 11 November 2019 to 31 March 2020. If the acquisitions had occurred on 1 April 2019, pro-forma revenue and profit before tax for the year ended 31 March 2020 would have been INR 45,534.56 and INR 2,306.98 respectively.

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46 Leases

A Transition Note

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 'Leases' which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has measured the Right of Use Asset at an amount equal to the Lease Liability adjusted for accruals and prepayments recognised in the balance sheet immediately before the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the date of transition (i.e. 1 April 2019). Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financials statements for year ended 31 March 2019.

B Following are the changes in the carrying values of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Assets Premises
Balance as at 1 April 2019	2,742.70
Prepayments	60.89
Additions	1,538.35
Deletions	-
Balance as at 31 March 2020	4,341.94
Accumulated amortisation	
Balance as at 1 April 2019	-
Depreciation charge for the year	794.62
Deletions	-
Balance as at 31 March 2020	794.62
Carrying amounts	
As at 1 April 2019	2,742.70
Balance as at 31 March 2020	**3,547.32**

*The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortization expense in the standalone statement of profit and loss.

C The following is the rental expense recorded for short-term leases, variable leases and low value leases for the year ended 31 March 2020

Particulars	For the year ended 31 March 2020
Short- term lease expense	499.24
Low value lease expense	-
Variable lease expense	-
Total	499.24

D Following are the changes in the lease liabilities for the year ended 31 March 2020:

Particulars	Lease liabilities
Balance as at 1 April 2019	2,742.70
Additions	1,538.35
Finance cost accrued during the period	250.53
Deletions	-
Payment of lease liabilities	(857.77)
Balance as at 31 March 2020	3,673.81
Non-current lease liabilities	2,761.82
Current lease liabilities	911.99

E The following is the cash outflow on leases during the year ended 31 March 2020:

Particulars	For the year ended 31 March 2020
Payment of lease liabilities	634.59
Interest on lease liabilities	223.18
Short-term lease expense	-
Total cash outflow on leases	857.77

F The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than 1 year	1,177.78
1 to 5 years	2,823.20
Over 5 years	446.53

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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46 Leases (continued)

G Sensitivity analysis of discount rate:

The average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9%. The following summarises the effect of changes in discount rate on ROU asset and lease liability as at the end of reporting period:

Change in discount rate	Change in right of use assets	Change in lease liability	Change in finance cost	Change in depreciation	Change in interest accrued
Increase of 2%	(184.00)	(144.36)	44.40	(28.24)	4.76
Decrease of 2%	197.56	154.67	(48.07)	29.88	(5.18)

47 Impact of COVID-19

In view of lockdown due to the outbreak of COVID pandemic, the operations of the Company were impacted from second half of March 2020. The duration of this lockdown is uncertain at this point in time. However, the Company's operations are being managed in compliance with the directives issued by the Government authorities. While the current situation has impacted the sales performance of the Company, the Management continues to closely monitor the situation and expects that the operations will be back to normal in due course of time. Accordingly, the company continues to prepare the financial statements on a going concern basis. As per the Management's current assessment, no significant impact is expected on the carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these financial results.

48 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2020, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

49 Share Based Payments

The shareholders of the Company vide their meeting held on 31 July 2019 have authorised the Board of Directors to introduce, offer and provide share-based incentives to eligible employees of the Company and its subsidiaries under KFPL 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. As at 31 March 2020, the Company has granted 2,735,038 (net) 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 year ended 31 March 2020, an amount of INR. 168.10 has been recorded as an employee cost towards these options granted with a corresponding credit to other equity .

A Description of share based payment arrangements

Particulars	Scheme A	Scheme B	Scheme C
Date of Grant	8-Aug-19	8-Aug-19	8-Aug-19
Number of options in pool	3,837,536	2,878,152	2,878,152
No of options granted	1,094,016	820,511	820,511
Exercise period	7 years from the date of listing of shares on the stock exchange for continuing employee or deceased employee and a period of 3 years from the date of listing of shares on the stock exchange for ex-employees		
Vesting condition	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of non-market based condition
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
Exercise price	70.36	70.36	70.36

B Measurement of fair values

The fair value of the options 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	As at 31 March 2020			As at 31 March 2019		
	Scheme A	Scheme B	Scheme C	Scheme A	Scheme B	Scheme C
Fair Value of option (In INR)	33.57/ 33.52	33.57/ 33.52	33.57/ 33.52	-	-	-
Exercise price	70.36	70.36	70.36	-	-	-
Risk free interest rate	6.88%	6.88%	6.88%	-	-	-
Remaining contractual life	7/ 3 years	7/ 3 years	7/ 3 years	-	-	-
Expected life of share options (years)	8.15/7.72 years	8.15/7.72 years	8.15/7.72 years	-	-	-
Expected volatility (weighted average volatility %)	14.61%	14.61%	14.61%	-	-	-
Expected dividend yields (%)	-	-	-	-	-	-

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. 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 average remaining contractual life for the stock options outstanding is 8.15 years post lock in period of 4.65 years and average life of 3.5 years from the date of listing (31 March 2019: Not applicable)

C Reconciliation of share options

	Number of options as at 31 March 2020	Number of options as at 31 March 2019
Outstanding at beginning of the year	-	-
Granted during the year	3,014,698	-
Forfeited during the year	279,660	-
Exercised during the year	-	-
Outstanding at end of the year	2,735,038	-
Exercisable at the end of the year	-	-

50 Revenue from contract with customers

(a)

Type of Service	Timing of recognition	For the year ended 31 March 2020	For the period ended 31 March 2019
Fee from registrars and investor services	Over the period	35,980.01	13,193.68
Fee from registrars to the issue services	Over the period	1,440.58	114.71
Income from data processing	Over the period	3,616.28	1,170.69
Income from pension fund solutions	Over the period	135.02	35.83
Recoverable expenses	Over the period	2,885.71	1,354.36
Total		**44,057.60**	**15,869.27**

(b) Contract balances:

	As at 31 March 2020	As at 31 March 2019
Trade receivables, net	7,668.06	7,924.80
Contract assets - unbilled revenue	886.79	819.82
Retention money receivables, net	724.09	724.09
Contract liabilities (Unearned income)	81.82	63.79

During the year ended 31 March 2020, INR 819.92 of unbilled revenue will be reclassified to trade receivables upon billing to customers.

Trade receivables are non-interest bearing and generally on terms of payment of 30-40 days.

(c) Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price	43,371.39	15,379.56
Less : Adjustments for price concessions	(200.58)	(330.11)
Add : Unbilled revenue	886.79	819.82
Revenue from operations	**44,057.60**	**15,869.27**

51 As per Section 203 of the Companies Act, 2013 ('the Act') read with Rule 8 and Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Company other than a company covered under Rule 8 of which has a paid up share capital of five crore rupees or more shall have a whole time company secretary. The Company secretary has resigned on 20 February 2020 and the Company is in the process of appointing a new company secretary as prescribed by the Act.

52 The previous year figures are not strictly comparable with the previous year figures as the RTA undertaking of KCL and Karvy Computershare Private Limited have been amalgamated into the Company with effect from 17 November 2018.

As per our Report on standalone financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no : 116231 W/W-100024

Akhil Kapadiya
Partner

Membership no : 212991

Place : Hyderabad
Date : 02 June 2020

for and on behalf of Board of Directors of
KFin Technologies Private Limited
CIN : U72400TG2017PTC117649

Vishwanathan M Nair
Director & Chairman of the Board
DIN: 02284165

Place : Mumbai
Date : 02 June 2020

V Ganesh
Managing director & Chief Executive officer
DIN:02282487

Place : Hyderabad
Date : 02 June 2020

Vivek Narayan Mathur
Chief financial officer

Place : Mumbai
Date : 02 June 2020