



MHA & ASSOCIATES LLP

Chartered Accountants

www.mhallp.in
mithilesh@sbcllp.in
040 - 48555182
9553111131

Certificate on Basis for Offer Price and the key performance indicators included in the Basis for Offer Price section

Date: 10 December 2022

To:

The Board of Directors

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

Selenium, Tower – B, Financial District,
Nanakramguda Plot No 31&32
Rd Number 1 Gachibowli
Hyderabad, Telangana 500032

ICICI Securities Limited

ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai - 400 025

Kotak Mahindra Capital Company Limited

27BKC, 1st Floor, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

J.P. Morgan India Private Limited

J.P. Morgan Tower
Off. CST Road, Kalina, Santacruz East,
Mumbai – 400098

IIFL Securities Limited

10th floor, IIFL Centre, Kamala City
Senapati Bapat Marg
Lower Parel (W)
Mumbai – 400013

Jefferies India Private Limited

42/43, 2 North Avenue
Maker Maxity
Bandra-Kurla Complex (BKC)
Bandra (East), Mumbai - 400 051

(ICICI Securities Limited, Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, IIFL Securities Limited, Jefferies India Private Limited and any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) of KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited') (the “Company” and such offer, the “Offer”)

In relation to the Company, its subsidiaries and its affiliates, we, MHA & Associates LLP, Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 23 December 2021 in relation to the Offer. We have received a request from the Company to provide certain calculation of the basis for Offer price of the equity shares in the Offer, as determined in accordance with applicable law.

In this regard, we have reviewed the restated consolidated financial statements of the Company as of and for the six months period ended, September 30, 2022, and September 30, 2021 and for the Financial years ended 2022,

2021 and 2020, prepared in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Restated Consolidated Financial Statements**”).

Accordingly, we certify that the following information is true, correct and complete and not misleading and after considering any bonus or split of the Equity Shares undertaken post the last balance sheet of the Company

1. BASIC AND DILUTED EARNING PER SHARE (“EPS”), AS ADJUSTED FOR CHANGES IN CAPITAL:

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

* Not annualised

Notes:

- EPS has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”. The face value of equity shares of the Company is ₹ 10.
 - Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
 - Basic earnings per share is calculated as Restated profit/(loss) attributable to equity shareholders of the company divided by weighted average number of equity shares outstanding during the year/ period.
 - Diluted earnings per share is calculated as Restated profit/(loss) attributable to equity shareholders of the company divided by weighted average number of equity shares outstanding during the year-diluted.
- 2. PRICE EARNING RATIO (P/E) in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

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

Industry P/E ratio

	P/E Ratio
Highest	39.37
Lowest	39.37
Industry Composite	39.37



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

3. RETURN ON NET WORTH (“RoNW”):

As per the Restated Consolidated Financial Statements:

Fiscal/ Period ended	RoNW (%)	Weight
March 31,2022	29.99	3
March 31,2021	(17.07)	2
March 31,2020	0.97	1
Weighted Average	9.47	-
For the six months period ended September 30, 2022*	12.36	-
For the six months period ended September 30, 2021*	22	-

* Not annualised

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

4. NET ASSET VALUE (“NAV”) PER EQUITY SHARE (Face value of ₹ 10):

Fiscal ended	NAV (₹)
As on six months period ended September 30, 2022*	43.96
As on March 31, 2022	38.45

Notes:

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

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

5. COMPARISON OF ACCOUNTING RATIOS WITH LISTED INDUSTRY PEERS

Industry peer group price/equity ratio

We understand that listed industry peers of the Company have been identified as Computer Age Management Services Limited (the “Industry Peer”).

Based on our review of the audited financial statements of such Industry Peer for their last audited financial year 2022, we confirm the P/E ratio of the Industry Peer was Rs. 39.65x and (b) the additional details as set forth below:



Name of the Company	Revenue from Operations (₹ in million)	Face value per equity share (₹)	Closing price on November 30, 2022 (₹)	P/E	Basic EPS	Diluted EPS	RoNW (%)	NAV (₹ per share)
KFin Technologies Limited	6,395.07	10	-	NA	9.44	9.36	29.99	38.45
Computer Age Management Services Limited	9,096.68	10	2,299.45	39.37	58.73	58.41	49.32	132.43

Notes:

1. Source for the information of the industry peer included above is its annual report for the year ended 31 March 2022. All the financial information for listed industry peer mentioned above is on a consolidated basis.
2. Source for the information of the Company included above is the Restated Consolidated Financial Information for the year ended 31 March 2022.
3. The computation of P/E ratio is based on closing market price of equity shares on BSE on 30 November 2022 divided by the diluted EPS sourced from the annual report of the peer group company for the year ended 31 March 2022.
4. RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by average shareholders' funds as on 31 March 2022.
5. Net Asset Value is computed as closing net worth divided by the closing outstanding number of Equity Shares as on 31 March 2022.
6. Mutual Fund business accounts for 90.3% of overall Computer Age Management Services Limited revenue whereas it is 66.0% for the Company. Company's non-domestic mutual fund business includes global fund services (International investor solutions for international markets), CRA for National Pension System, issuer solutions and global business services (outsourced transaction processing).

6. VALUATION RELATED RATIOS AND DISCLOSURES

a) Valuation of the Company based on secondary sale/acquisition of Equity Shares

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("Security(ies)"), where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on the Company's Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions").

Further, there have been no secondary sale/acquisition of shares (equity/convertible securities) excluding gifts, where either acquisition or sale equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the date of completion of the sale), in a single transaction or a group of transactions in a short period of time, in the 18 months prior to the date of filing of this certificate.

b) Valuation of the Company based on primary/new issue of Equity Shares

The details of the Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance") are as follows:



S. No.	Name of the allottees	Date of allotment of Equity Shares	Number of Equity Shares acquired	% of paid-up share capital	Acquisition price per Equity Share
1.	Kotak Mahindra Bank Limited	November 10, 2021	16,725,100	9.86	185.35

Except as stated below, it is confirmed that except as stated above, there are no primary/new issue of shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital on the date of allotment) in the 18 months prior to the date of filing of this certificate

c) *With reference to two preceding points above, weighted average cost of acquisition, floor price and cap price*

Particulars	Weighted average cost of acquisition* (in ₹)	Floor price ₹ [●]	Cap price ₹ [●]
WACA* of Primary Issuance	185.35	[●] times of floor price	[●] times of cap price
WACA* of Secondary Transactions	N.A.	N.A.	N.A.

*WACA- Weighted average cost of acquisition

7. **Key financial and operation performance indicators:**

The details of the key financial and operation performance indicators are set out under **Annexure A:**

The procedures carried out for such verification are included under **Schedule 1.**

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.

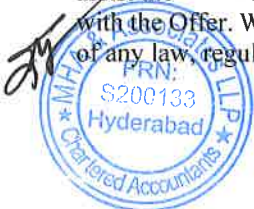
We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI

We also consent to the inclusion of this letter as a part of “*Material Contracts and Documents for Inspection*” in connection with Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/Offer Closing Date.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the (i) draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the “**Offer Documents**”) which may be filed by the Company with Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”), Registrar of Companies, Telangana at Hyderabad (“**Registrar of Companies**”) and / or any other regulatory or statutory authority; (ii) any other documents or materials prepared in relation to the Offer.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or



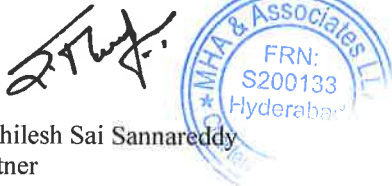
(ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

for **M H A & Associates LLP**
ICAI Firm Registration No: S200133



Mithilesh Sai Sannareddy
Partner
Membership No. 227420
Peer Review Certificate No. 013504
UDIN: 22227420BFEWSH7243

CC:

Domestic Legal Counsel to the Book Running Lead Managers

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India

Domestic Legal Counsel to the Company

AZB & Partners
AZB House,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013, Maharashtra

International Legal Counsel to the Book Running Lead Managers

White & Case Pte. LLP
Singapore Office
88 Market Street,
#41-01, Capita Spring
Singapore 048948

ANNEXURE A

Key financial and operation performance indicators (KPIs)

1. Details of the Company's revenue from operations and revenue from VAS and its contribution

Details of the Company's revenue from operations and revenue from VAS and its contribution for the last three Fiscals and six months period ended September 30, 2021 and September 30, 2022, is as follows:

Business	As at and for the									
	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months period ended September 30, 2021		Six months period ended September 30, 2022	
	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)
Investor solutions										
Domestic mutual fund	2,804.29	62.34	3,174.42	65.98	4,514.07	70.59	2,062.19	70.89	2,362.78	67.75
International and other investor solutions	313.83	6.98	384.24	7.99	483.70	7.56	206.30	7.09	301.79	8.65
Issuer solutions	510.41	11.35	621.85	12.92	742.08	11.60	336.10	11.55	466.48	13.38
Global business services	361.61	8.04	420.18	8.73	422.44	6.61	205.49	7.06	227.27	6.52
Revenue from operations *	4,498.71	100.00	4,811.44	100.00	6,395.07	100.00	2,909.01	100.00	3,487.68	100.00

*Revenue from operations includes revenue from investor solutions, issuer solutions, global business services and other operating revenue.



Business	Revenue contribution									
	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months period ended September 30, 2021		Six months period ended September 30, 2022	
	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)	(in ₹ million)	(as % of revenue from operations)
Core services (Fees and other operating revenue)	4,321.23	96.05	4,535.79	94.27	6,008.92	93.96	2763.99	95.01	3301.99	94.68
VAS	177.48	3.95	275.65	5.73	386.15	6.04	145.02	4.99	185.68	5.32

2. New client addition

Across the Company's businesses, it has had growth due to addition of new clients within established businesses like domestic mutual fund solutions and issuer solutions as well as newer businesses like alternatives and wealth management solutions and pension services. Specifically, in domestic mutual funds, as on September 30, 2022, they have added eight AMCs as clients since Fiscal 2020 (including two AMCs yet to start operations and two AMCs acquired as clients through a business transfer agreement with Sundaram BNP Paribas Fund Services). they have added the following new clients across the Company's businesses in the last three Fiscals and six months ended September 30, 2021 and September 30, 2022:

Business	New Client Additions				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six months period ended September 30, 2021	Six months period ended September 30, 2022
Investor solutions					
Domestic mutual fund solutions	4	2	2	0	0
International investor solutions	3	1	6	1	1
Pension services	151,825	151,089	386,424	62,134	94,362
Alternatives and wealth management solutions	40	152	28	0	33
Issuer solutions	863	365	357	326	281
Global business services	-	-	-	-	-



3. Rate of net revenue retention

The Company experienced significant growth due to an increase in business with existing clients. The increase in business with clients is due to growth in the Company's client's business as well as various cross-sell and up-sell activities undertaken by us such as technology solutions towards website development, mobile application developments, infra and hosting facilities and platform solutions towards investor onboarding and e-voting platforms. As a result, the Company's net revenue retention in Fiscal 2020, Fiscal 2021, Fiscal 2022, six months period ended September 30, 2021 and six months period ended September 30, 2022 for (i) domestic mutual funds solutions is 100.82%, 113.18%, 141.50%, 147.37% and 112.62%, respectively, and (ii) issuer solutions business is 94.59%, 119.21%, 115.81%, 115.29% and 123.81%, respectively.

4. Gross margin and other KPIs

The following table sets forth the (i) gross margin, (ii) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments / revenue from operations), (iii) asset turnover ratio, (iv) free cash flow, (v) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments) and (vi) other KPIs for the periods indicated below:

Parameter	Fiscal			Six months period ended September 30,	
	2020	2021	2022	2021	2022
Profit / (loss) for the year or period (in million)	45.23	(645.07)	1,485.49	678.00	853.45
Profit Margin ⁽¹⁾ (in %)	1.01%	(13.41)%	23.23%	23.31%	24.47%
Gross Margin ⁽²⁾ (in %)	51.44%	59.20%	61.46%	60.28%	60.19%
Operating EBITDA Margin ⁽³⁾ (in %)	32.82%	41.09%	42.74%	42.33%	36.03%
Asset turnover ratio (x) ⁽⁴⁾	3.47	3.01	3.20	4.41	2.57
Free cash flows (in ₹ million)	891.67	1,653.44	1,758.73	951.89	335.79
Free cash flow conversion from Operating EBITDA ⁽⁵⁾ (in %)	60.40%	83.64%	64.34%	77.30%	26.72%
Period-on-period revenue growth (in %)	-*	6.95%	32.91%	-*	19.89%
Capital expenditure as a % of revenue from operations	1.66%	6.17%	10.65%	7.40%	8.94%
Operating EBITDA⁽⁶⁾	88.70%	89.89%	90.64%	90.23%	87.05%

⁽¹⁾ Profit / loss for the year or period / revenue from operations

⁽²⁾ Revenue from operations less direct operating expenses / revenue from operations

⁽³⁾ Sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance cost less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments) / revenue from operations

⁽⁴⁾ On an annualized basis

⁽⁵⁾ Free cash flow conversion from sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments)

⁽⁶⁾ EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments) to EBIT excluding goodwill and right of use asset amortization

*The information has not been included as the corresponding comparative period is not included in this certificate



5. Other relevant KPIs for each of the business verticals of the Company

i. Investor Solutions

As an investor solutions provider, the Company serves asset managers across a broad spectrum of asset classes spanning mutual funds, alternative investment funds, pension funds, wealth management, portfolio management service providers and corporate treasuries

- *KPIs in relation to the Company's domestic mutual fund solutions*

The following table sets forth the Company's KPIs for the domestic mutual fund solutions for the relevant periods:

*Financial information**

	As of March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
AAUM Serviced (in ₹ billion)	7,233.34	9,105.12	11,970.29	10,884.36	12,299.28
Equity AAUM serviced (in ₹ billion)	3,433.07	4,470.80	6,447.08	5,719.79	6,833.15
Equity AAUM share	47.46%	49.10%	53.86%	52.55%	55.56%
SIP Book (in ₹ billion)	772.78	1,207.35	1,772.58	1,603.49	1,976.24
Market share (in %)	26.73%	28.36%	31.19%	30.05%	31.49%
Equity AAUM market share (in %)	30.71%	33.68%	35.12%	34.61%	35.19%
Monthly Equity AAUM (in ₹ billion)**	3,055.56	4,596.23	6,356.16	6,062.42	7,065.80
Monthly SIP inflows (in ₹ million)**	33,710	37,617	53,401	43,982	54,465

*This information is based on quarterly average for the last quarter of the relevant period.

** This information is based on last month of the relevant period.

Non-financial information

	As of and for the Fiscal ended March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of operating clients	24	24	24	24	24
Market share by number of operating clients (in %)*	59%	59%	59%	59%	59%
Number of transactions handled (in million)	160.46	179.68	275.14	121.82	152.09
Number of systematic transactions handled (in million)	107.76	126.94	194.79	85.52	116.90
Number of live folios (in million)	36.17	41.64	60.71	50.13	65.18
Number of total investor folios (in million)	78.43	89.18	107.84	96.32	112.93
Number of PAN accounts handled (in million)	11.86	13.78	22.03	17.43	23.93

- *KPIs in relation to the Company's international investor solutions (Global fund solutions)*

The following table sets forth the Company's KPIs for the international investor solutions for the relevant periods:



*Financial information**

	As of March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
AAUM serviced (₹ in billion)	457.78	614.31	634.34	624.97	523.91

* This information is based on monthly average for the last month of the relevant period.

Non-financial information

	As of and for the Fiscal ended March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of clients	20	19	23	19	23
Transactions handled (in million)	0.94	3.10	3.23	1.45	2.24

- KPIs in relation to the Company's pension services

The following table sets forth the Company's KPIs for the pension services for the relevant periods:

*Financial information**

	As of March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
AAUM managed (in ₹ billion)	8.23	30.51	211.16	43.18	252.95

*This information is based on monthly average for the last month of the relevant period.

Non-financial information

	As of and for the Fiscal ended March 31,			As of and for six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of subscribers	210,063	361,152	7,47,576	423,286	841,938
Number of corporate clients	709	1,028	1,396	1,234	1,756
Number of transactions handled (in million)	0.61	1.78	3.53	1.21	2.72

- KPIs in relation to the Company's alternative and wealth management solutions

The following table sets forth the Company's KPIs for the alternative and wealth management solutions for the relevant periods:

*Financial information**

	As of March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
AAUM managed (₹ in billion)	311.34	358.10	504.68	449.63	620.25

*This information is based on monthly average for the last month of the relevant period.

Non-financial information



	As of and for the Fiscal ended March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of managers	49	135	178	144	201
Number of funds	88	240	268	226	301

ii. KPIs in relation to the Company's issuer solutions

The following table sets forth the Company's KPIs for the issuer solutions for the relevant periods:

	As of and for the Fiscal ended March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of clients	4,048	4,413	4,770	4,739	5,051
Number of folios (in million)	58.27	75.21	102.60	87.90	107.69
Number of transactions (in million)	1.88	2.04	2.95	1.40	1.74
Number of IPOs handled	5	15	22	12	4
IPO market share by issue size handled*	18.2%	60.4%	39.2%	51.1%	64.4%
Market share in NSE 500 companies by market capitalization	47.77%	44.35%	45.24%	44.02%	45.93%

iii. KPIs in relation to the Company's global business services

The following table sets forth the Company's KPIs for the global business services for the relevant periods:

	As of and for the Fiscals ended March 31,			As of and for the six months period ended September 30,	
	2020	2021	2022	2021	2022
Number of billable FTEs	323	339	331	322	319
Number of transactions handled (in million)	21.71	39.01	46.87	16.96	35.21

7. Comparison with Listed Industry Peers

In India, Computer Age Management Services Limited ("CAMS") and KFintech are the two qualified mutual fund RTAs Apart from three business verticals, i.e., Domestic MF, AIF and Wealth and NPS that are common between the Company and CAMS, the Company also operates in International Investor Solutions, Issuer Solutions and Global Business Services where CAMS is not present. Further, CAMS also has other business verticals such as Insurance Repository, Payments, Account Aggregator where the Company is not present. For Fiscal 2022, CAMS derived approximately 90% of its revenue from Domestic MF business vertical (Source: CRISIL Report).



(a) Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing price on 30 November, 2022 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per equity share)
KFin Technologies Limited	6,395.07	10	-	NA	9.44	9.36	29.99	38.45
Listed Peers								
Computer Age Management Services Limited	9,096.68	10	2,299.45	39.37	58.73	58.41	49.32	132.43

Notes:

1. Source for the information of the industry peer included above is its annual report for the year ended March 31, 2022. All the financial information for listed industry peer mentioned above is on a consolidated basis.
2. Source for the information of the Company included above is the Restated Consolidated Financial Information for the year ended March 31, 2022.
3. The computation of P/E ratio is based on closing market price of equity shares on BSE on November 30, 2022 divided by the diluted EPS sourced from the annual report of the peer group company for the year ended March 31, 2022.
4. RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by average shareholders' funds as on March 31, 2022.
5. Net Asset Value is computed as closing net worth divided by the closing outstanding number of Equity Shares as on March 31, 2022.
6. Mutual Fund business accounts for 90.3% of overall Computer Age Management Services Limited revenue whereas it is 66.0% for the Company. Company's non-domestic mutual fund business includes global fund services (International investor solutions for international markets), CRA for National Pension System, issuer solutions and global business services (outsourced transaction processing).

(b) Listed Industry Peers comparable to the Company's Business Verticals

The business verticals of the Company, and its industry peers for each of these business verticals are as follows:

Revenue mix of our Company by business verticals	September 30, 2022 (₹ in million)	% share of total revenue from operations	Listed Peer in India
Investor Solutions			
Domestic mutual fund	2,362.78	67.75	CAMS
International and other investor solutions	301.79	8.65	The international and other investor solutions business of the Company comprise of international business, AIF and wealth and NPS verticals. There are no listed peers for international business vertical. Additionally, CAMS is the listed peer for AIF and wealth, and NPS business verticals (CAMS started NPS operations in March, 2022).
Issuer solutions	466.48	13.38	No listed peer
Global business services	227.27	6.52	No listed peer
Total revenue from operations	3,487.68	100.00	

*Revenue from operations includes revenue from investor solutions, issuer solutions, global business services



and other operating revenue

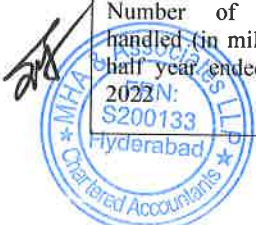
Notes:

1. Source for the information of the Company included above has been derived from the underlying accounting records for the Restated Consolidated Financial Information for the six months period ended September 30, 2022.
2. Source for the peer information is the CRISIL Report

(b) Comparison of its KPIs with Listed Industry Peers

The details of the business vertical-wise operational KPIs as of September 30, 2022 and the previous three Fiscals, for the Company along with a comparison with such KPIs for Computer Age Management Services Limited are as follows:

	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited			
<i>Investor Solutions – Domestic mutual fund solutions</i>								
AAUM serviced (in ₹ bn) *for the quarter ended September, 2022	12,294.7	11,970.29	9,105.12	7,233.34	26,764.3 ¹	26,411.50 ¹	22,999.30 ¹	19,811.40 ¹
Equity AAUM serviced (in ₹ bn) *for the quarter ended September, 2022	6,833.15	6,447.08	4,470.80	3,433.07	12,585.87 ¹	10,971.70 ¹	7,667.90 ¹	7,857.60 ¹
Equity AAUM share / Mix	56%	54%	49%	47%	47.0% ¹	-	-	-
SIP Book (in ₹ bn) for the quarter ended September 30, 2022	1,976.24	1,772.58	1,207.35	772.78	-	-	-	-
AAUM Market share (%) for the quarter ended September 2022	31.0%	31.0%	28.0%	27.0%	69.0% ¹	69.0% ¹	72.0% ¹	73.0% ¹
Equity AAUM Market share (%) for the quarter ended September 2022	35.0%	35.0%	33.7%	30.7%	65.0% ¹	65.0% ¹	67.0% ¹	71.0% ¹
Number of operating clients	24	24	24	24	17 ¹	17 ¹	16 ¹	16 ¹
Monthly Equity AAUM (in ₹ billion) for the last month of reporting period	7065.80	6,356.16	4,596.23	3,055.56	12,934.77 ¹	-	8,978.06 ¹	-
+Monthly SIP inflows (in ₹ million) for the last month of reporting period	54,465	53,401	37,617	33,710	75,295 ¹	+	54,200 ¹	-
Market share by number of operating clients (in %)	59%	59%	59%	59%	41% ¹	41% ¹	39% ¹	39% ¹
Number of transactions handled (in million) for the half year ended September	152.09	275.14	179.68	160.46	224.6 ²	415.9 ²	323.4 ²	328.44 ²



	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited			
Number of systematic transactions handled (in million) for the half year ended September 2022	116.90	194.79	126.94	107.76	183.7 ²	312.3 ²	237.1 ²	237.51 ²
Number of live folios (in million) as on September 2022	65.18	60.71	41.64	36.17	53.9 ²	51.6 ²	40.4 ²	39.35 ²
Number of total investor folios (in million) as on September 2022	112.93	107.84	89.18	78.43	-	-	-	70.88 ²
Number of PAN accounts handled (in million) as on September 2022	23.93	22.03	13.78	11.86	24.2 ²	22.9 ²	16.6 ²	15.86 ²
<u>International investor solutions</u>								
AAUM serviced (in ₹ bn) as on September,2022	523.91	634.34	614.31	457.78	N.A.	N.A.	N.A.	N.A.
No. of operating clients	23	23	19	20	N.A.	N.A.	N.A.	N.A.
Transactions handled (in million) for the half year ended September 2022	2.24	3.23	3.10	0.94	N.A.	N.A.	N.A.	N.A.
<u>Pension services</u>								
AAUM managed (in ₹ bn) as on September'2022	252.95	211.16	30.51	8.23	-	-	N.A.	N.A.
No. of subscribers as on September'2022	8,41,938	7,47,576	361,152	210,063	-	-	N.A.	N.A.
Number of corporate clients	1,756	1,396	1,028	709	-	-	N.A.	N.A.
Number of transactions handled (in million)	2.72	3.53	1.78	0.61	-	-	N.A.	N.A.
<u>Alternative & wealth management solutions</u>								
AAUM managed (in ₹ bn) as on September'2022	620.25	504.68	358.10	311.34	-	-	176.46 ²	160.27 ²
Number of managers as on September,2022	201	178	135	49	-	-	-	-
No. of funds as on September,2022	301	268	240	88	-	-	-	-
<u>Issuer solutions</u>								



	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited			
Number of clients as on September,2022	5,051	4,770	4,413	4,048	N.A.	N.A.	N.A.	N.A.
Number of folios (in million) as on September,2022	107.69	102.60	75.21	58.27	N.A.	N.A.	N.A.	N.A.
Number of transactions (in million) for the half year ended September,2022	1.74	2.95	2.04	1.88	N.A.	N.A.	N.A.	N.A.
Number of IPOs handled for the half year ended September,2022	4	22	15	5	N.A.	N.A.	N.A.	N.A.
IPO market share by issue size handled during half year ending September,2022	64%	39%	60%	18%	N.A.	N.A.	N.A.	N.A.
Market share in NSE 500 companies by market capitalization ¹	45.93%	45.24%	44.35%	47.77%	N.A.	N.A.	N.A.	N.A.
Global business services								
Number of billable FTEs	319	331	339	323	N.A.	N.A.	N.A.	N.A.
Number of transactions handled (in million)	35.21	46.87	39.01	21.71	N.A.	N.A.	N.A.	N.A.

Note: N.A. represents Not Applicable and '-' represents Not Available

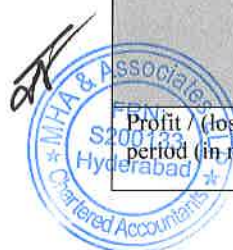
¹ Source: CRISIL Report

² This is not Company data and is based on publicly available information. This data has not been independently verified by the Company

(c) Comparison of gross margin and other KPIs with Listed Industry Peers

The following table sets forth the (i) gross margin, (ii) EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments / revenue from operations), (iii) asset turnover ratio,(iv) free cash flow, (v)EBITDA for operations (calculated as sum of restated profit / (loss) for the period, depreciation and amortization, total tax expenses, finance costs less other income less Ind AS 116 adjustments) and (vi) other KPIs for the period indicated below:

Parameter	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited⁽¹⁾			
Profit / (loss) for the period (in million)	853.45	1,485.49	(645.07)	45.23	1,367	2869.469	2052.913	1718.92



Parameter	As of and for the period / year ended				As of and for the period / year ended			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	KFin Technologies Limited				Computer Age Management Services Limited ⁽¹⁾			
Profit Margin ⁽²⁾ (in %)	24.47%	23.23%	(13.41)%	1.01%	-	31%	27.90%	23.80%
Gross Margin ⁽³⁾ (in %)	60.19%	61.46%	59.20%	51.44%	-	-	-	-
Operating EBITDA⁽⁴⁾	36.03%	42.74%	41.09%	32.82%	-	-	-	-
Asset turnover ratio (x) ⁽⁵⁾	2.57	3.20	3.01	3.47	-	-	-	-
Free cash flows (in ₹ million)	335.79	1,758.73	1,653.44	891.67	-	-	-	-
Free cash flow conversion from Operating EBITDA ⁽⁵⁾ (in %) ⁽⁶⁾	26.72%	64.34%	83.64%	60.40%	-	-	-	-
Period-on-period revenue growth (in %)	19.89%	32.91%	6.95%	-*	12%	26.10%	2%	1.30%
Capital expenditure as a % of revenue from operations	8.94%	10.65%	6.17%	1.66%	-	-	-	-
EBITDA to EBIT excluding goodwill amortization and right of use asset amortization	87.05%	90.64%	89.89%	88.70%	-	-	-	-

*The information has not been included as the corresponding comparative period is not included in this Red Herring Prospectus

Note: '-' represents Not Available

⁽¹⁾ This is not Company data and is based on publicly available information. This data has not been independently verified by the Company

⁽²⁾ Profit / loss for the year or period / revenue from operations

⁽³⁾ Revenue from operations less direct operating expenses / revenue from operations

⁽⁴⁾ EBITDA for operations (calculated as sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments) to EBIT excluding goodwill and right of use asset amortization

⁽⁵⁾ On an annualized basis

⁽⁶⁾ Free cash flow conversion from sum of profit / (loss) for the period/year, depreciation and amortization expense, tax expense, finance costs less other income less sum of unwinding of interest on lease liabilities and depreciation on right-of-use assets (Ind AS 116 adjustments)

8. Disclosure of all the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding to the date of this Red Herring Prospectus

Kotak Mahindra Bank Limited acquired approximately 10% stake in the Company in November, 2021. A



comparison of the KPIs as of March 31, 2021, which were shared with Kotak Mahindra Bank Limited in relation to their investment with updated KPIs as of September 30, 2022 is as follows:

Item	As shared for KMBL (as of and for March, 2021)	As applicable for IPO (as of and for September, 2022)	% Increase
LTM Revenue (in ₹ million)	4,811	6,974	45%
LTM Statutory PAT ⁽¹⁾ (in ₹ million)	(645)	1,661	357%
LTM Adjusted PAT (in ₹ million)*	1,337	1,836	37%
Monthly Equity AAUM (in ₹ bn)	4,596	7,066	54%
Market Share (%)	33.9%	35.3%	
Monthly SIP Inflows (in ₹ million)	37,617	54,465	45%
Market Share (%)	41.0%	42.0%	
# of Folios (Domestic Mutual Fund) (in ₹ million)	42	65	57%
Market Share (%)	42.5%	47.2%	
# of NPS Subscribers ('000)	361	842	133%

Note: Adjusted PAT: Statutory PAT + Goodwill amortization net of tax + NCD Interest net of tax + onetime deferred tax impact on Goodwill due to amendment in Tax laws in FY 21

⁽¹⁾ Statutory PAT: Profit for the Year / period; LTM: Last twelve months



Schedule I

- A. Compared the amounts with, or recalculated the percentages based on, amounts included in or derived from the restated financial statements and found them to be in agreement.
- B. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement.
- C. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on management accounts, relevant management information system reports, the enterprise resource planning (ERP) systems or other financial information, corporate, secretarial, regulatory filings or other records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.
- D. Proved the arithmetic accuracy or computation of the percentages or amounts.

