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KFINTECH | KFIN TECHNOLOGIES LIMITED

EXPERIENCE TRANSFORMATION

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

Registered and Corporate Office: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500032, Telangana, India. Contact Person: Alpina Uttam Kundu, Company Secretary and Compliance Officer, Telephone no.: +91 40 7961 5565
E-mail: compliance.corp@kfin.tech; Website: www.kfin.tech.com Corporate Identity Number: U72400TG2017PLC117649



OUR PROMOTER: GENERAL ATLANTIC SINGAPORE FUND PTE. LTD.

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

Name of the Promoter Selling shareholder	Pre- Offer Equity Share holding	Number of Equity Shares being offered/amount
GENERAL ATLANTIC SINGAPORE FUND PTE. LTD.	72.51%*, i.e. 123,009,706 Shares	Up to [●] Equity Shares aggregating up to ₹ 15,000 million

*on a fully diluted basis

The Offer is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations

QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer | Retail Portion: Not more than 10% of the Offer

PRICE BAND: ₹347 TO ₹366 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 34.70 TIMES AND THE CAP PRICE IS 36.60 TIMES THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 40 EQUITY SHARES AND IN MULTIPLES OF 40 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

- Our erstwhile promoters are subject to ongoing investigations by enforcement agencies, including Enforcement Directorate, Ministry of Finance, Government of India ("ED") and the outcome of such investigations may adversely impact our Company and the market price of our Equity Shares. Our Company received a freezing order from the ED, pursuant to which, the CP Group was, instructed not to alienate/ sell/ transfer/ create any lien/ liability in respect of the KFin Subject Shares (aggregating to 14.12% of our Equity Share capital). The KFin Subject Shares are also subjected to a provisional attachment order issued by the ED for a period of 180 days starting from March 8, 2022; or until an order is passed by the adjudicating authority of PMLA permitting the transfer, disposal, parting with or otherwise dealing with the KFin Subject Shares. The outcome of such investigation involving our erstwhile promoters, including Mr. C. Parthasarathy may adversely impact our Company and the market price of our Equity Shares. Additionally, there are certain outstanding legal proceedings involving our Company, Subsidiaries, Group Companies and certain of our Directors with ED, CBI etc. Outcome of such legal proceedings may affect our business, prospects, financial condition and results of operations. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally.
- The KFin Subject Shares, constituting 14.12% of the total equity shareholding of our Company, held by certain members of the CP Group are subject to encumbrances in the nature of non-disposal undertakings and blocked positions. We cannot assure you that the lenders of the CP Group will not enforce these encumbrances. In the event that any or all of these encumbrances on the KFin Subject Shares are enforced by the lenders, the same may have an adverse impact on the market price of our Equity Shares.
- The weighted average cost of acquisition for all Equity Shares acquired in one year, 18 months and three years preceding the date of the Red Herring Prospectus is as set out below:
- The details of Price Earnings Ratio, Earnings Per Share, Return on Networth and Net Asset Value Per share for Fiscal 2022/ As at March 31, 2022 is as follows:

Name of the company	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per equity share)
KFin Technologies Limited	39.10*	9.44	9.36	29.99	38.45
Computer Age Management Services Limited	39.37	58.73	58.41	49.32	132.43

* Based on Diluted EPS and upper end of the price band

- Average cost of acquisition of Equity Shares for the Promoter Selling Shareholder is ₹ 74.06 per share Equity Share and Offer Price at upper end of the Price Band is ₹ 366 per Equity Share.
- Significant disruptions in our information technology systems or breaches of data security such as viruses, ransomware, spam attacks, phishing, and trojans, hacking, data theft and advance persistent threat, could adversely affect our business and reputation.
- Concentration Risk: Our Company earns an average revenue of 60.79% from our mutual fund clients based on AAUM. A decline in the growth, value and composition of AAUM of the mutual funds managed by our clients may adversely impact the average revenue and profits earned by us from mutual funds.
- Our past growth rates may not be indicative of our future growth, and if we are unable to adapt to evolving market trends, manage our growth or execute our strategies effectively, our business, financial condition and results of operations may be adversely affected.
- One of our Group Companies, KSBL, is involved in several ongoing proceedings with SEBI in the nature of enquiry, prosecution and proceedings under Section 11B of the SEBI Act. Further, SEBI has passed orders pursuant to proceedings initiated against KSBL.
- Client Concentration: In Fiscals 2020, 2021 and 2022 and six months ended September 30, 2021 and September 30, 2022, we derived 53.30%, 53.69%, 53.05%, 54.99% and 50.82%, respectively, of our revenue from operations from our top five customers and the loss of one or more such clients could adversely affect our business and prospects.

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last one year	-	-	-
Last 18 months / three years	185.35	1.97	70.36 - 185.35

4. Weighted average cost of acquisition, ("WACA") compared to floor price and cap price

Past transactions	Weighted average cost of acquisition (in ₹)	Floor price is ₹ 347	Cap price is ₹ 366
WACA of Primary Issuance	185.35	1.87 times	1.97 times
WACA of Secondary Transactions not exceeding 5% of the pre issue capital	N.A.	N.A.	N.A.

- We are subject to periodic inspections by SEBI and PFRDA, pursuant to our registration as an RTA and CRA, respectively. As a result of such inspections from SEBI, we have been issued certain administrative warnings, deficiency letters and observations in the past and certain adjudication proceedings have been initiated against us. Non-compliance with observations made by SEBI and PFRDA during these inspections could expose us to penalties and restrictions.
- Our Promoters may not have adequate experience in the business activities undertaken by our Company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company.
- Our profit / loss for the year / revenue from operations (in %) (PAT margin) increased from (13.41)% in Fiscal 2021 to 23.23% in Fiscal 2022, primarily on account of certain non-recurring events and it is not

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