

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: Alpna Uttam Kundu, Company Secretary and Compliance Officer; Telephone no.: +91 40 7961 5565

E-mail: compliance.corp@kfin.tech.com; 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:

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.

- 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.
- 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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indicative of growth of profits in the future.

15. The offer comprises only an Offer for Sale by the Promoter Selling Shareholder and our Company will not receive any proceeds from the Offer for Sale.

16. The 5 BRLMs associated with the Offer have handled 80 public issues in the past three Fiscal Years, out of which 26 issues closed below the offer price on the listing date.

Table with 3 columns: Name of BRLMs, Total Issues, Issues closed below IPO Price on listing date. Rows include ICICI Securities Limited, IIFL, Kotak, JP Morgan, Jefferies, Common issues of above BRLMs, and Total.

For further details and definitions please refer the RHP

ANCHOR INVESTOR BIDDING DATE: FRIDAY, DECEMBER 16, 2022*
BID/OFFER PROGRAMME
BID/OFFER OPENS ON : MONDAY, DECEMBER 19, 2022
BID/OFFER CLOSES ON : WEDNESDAY, DECEMBER 21, 2022**

*Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e. Friday, December 16, 2022.
**UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below.

Bidders should read the below mentioned information along with "Our Business", "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 220, 302 and 389, of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors: We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows: 1. Scaled platform with strong track record of growth and market leadership; 2. Our diverse multi-asset class platform is well-positioned to benefit from strong growth across large markets in India and South East Asia; 3. Unique "platform-as-a-service" business model providing comprehensive end-to-end solutions enabled by technology solutions developed in-house; 4. Deeply entrenched, long-standing client relationships with a diversified and expanding client base; 5. Asset-light business model with recurring revenue model, high operating leverage, profitability and cash generation; and 6. Experienced management team, backed by a strong board and marquee shareholders, along with strong culture of compliance. For further details, see "Our Business - Our Strengths" beginning on page 225 of the RHP.

Quantitative Factors: Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. For further details, see "Financial Statements" on page 302 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

Table with 4 columns: Fiscal/Period, Basic EPS (in ₹), Diluted EPS (in ₹), Weight. Rows include FY 2022, FY 2021, FY 2020, Weighted Average, and six-month periods.

* Not annualised

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 347 to ₹ 366 per Equity Share:

Table with 3 columns: Particulars, P/E ratio at the lower end of the Price Band (no of times), P/E ratio at the higher end of the Price Band (no of times). Rows include Basic EPS and Diluted EPS.

3. Industry P/E ratio

Table with 2 columns: P/E Ratio, Value. Rows include Highest, Lowest, and Industry Composite.

4. Return on Net Worth ("RoNW")

Table with 4 columns: Fiscal/Period ended, RoNW (%), Weight. Rows include March 31, 2022, March 31, 2021, March 31, 2020, Weighted Average, and six-month periods.

* Not annualised

5. Net Asset Value per Equity Share (Face value of ₹ 10)

Table with 2 columns: Fiscal/Period ended, NAV (₹). Rows include As on March 31, 2022, For the six months period ended September 30, 2022, After the Offer, At Floor Price, At Cap Price, Offer Price.

6. Key financial and operational metrics ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs included herein below have been approved by the Audit Committee pursuant to its circular resolution dated December 1, 2022, and the members of the Audit Committee have confirmed that the verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus have been disclosed in this section. Additionally, the KPIs have been certified by MHA & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on pages 4 to 16 of the RHP, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section "Basis for Offer Price", on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or such period as may be required under the SEBI/ICDR Regulations.

I. Details of our revenue from operations and revenue from VAS and its contribution

For details in relation to the key financial and non operational metrics and explanation for such KPI metrics, see section "Basis for Offer Price - Key Financial and Operational Metrics" beginning on page 129 of RHP

II. New client addition

Across our businesses, we have 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, we 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). We have added the following new clients across our businesses in the last three Fiscals and six months ended September 30, 2021 and September 30, 2022:

Table with 6 columns: Business, Fiscal 2020, Fiscal 2021, Fiscal 2022, Six months period ended September 30, 2021, Six months period ended September 30, 2022. Rows include Investor solutions, Domestic mutual fund solutions, International investor solutions, Pension services, Alternatives and wealth management solutions, Issuer solutions, Global business services.

In addition, we recently acquired 23 clients and added fund accounting and reconciliation products to our platform through our acquisition of Hexagram in Fiscal 2022. The fund accounting and reconciliation products were added to our international and other investor solutions business.

III. Rate of net revenue retention

We have experienced significant growth due to an increase in business with existing clients. The increase in business with clients is due to growth in our client's business as well as various cross-sell and up-sell activities undertaken by us such as technology solutions towards business development, mobile application developments, infra and hosting facilities and platform solutions towards investor onboarding and e-voting platforms. As a result, our 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.

IV. Gross margin and other KPIs

For details in relation to the other relevant KPIs for each of our business verticals and explanation for such KPI metrics, see section "Basis for Offer Price - Key Financial and Operational Metrics" beginning on page 129 of RHP

V. Other relevant KPIs for each of our business verticals

For details in relation to the key financial and non operational metrics and explanation for such KPI metrics, see section "Basis for Offer Price" beginning on page 129 of RHP

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 our Company and CAMS, our 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

Table with 8 columns: Name of the company, Total Revenue (₹ in million), Face Value per Equity Share (₹), Closing price on November 30, 2022 (₹), P/E, EPS (Basic) (₹), EPS (Diluted) (₹), RoNW (%), NAV (₹ per equity share). Rows include KFin Technologies Limited and Computer Age Management Services Limited.

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

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

Table with 3 columns: Revenue mix of our Company by business verticals, September 30, 2022 (₹ in million), % share of total revenue from operations, Listed Peer in India.

(c) Comparison of our KPIs with Listed Industry Peers

The following table sets forth the details of the business vertical-wise operational KPIs for our Company along with a comparison with such KPIs for Computer Age Management Services Limited for the period indicated below:

Table with 4 columns: Parameter, September 30, 2022, March 31, 2022, March 31, 2021, March 31, 2020. Rows include Investor Solutions-Domestic mutual fund solutions, AAUM serviced, Equity AAUM serviced, Equity AAUM share / Mix, SIP Book, AAUM Market share, Equity AAUM Market share, Number of operating clients, Monthly Equity AAUM, Monthly SIP inflows, Market share by number of operating clients, Number of transactions handled, Number of systematic transactions handled, Number of live folios, Number of total investor folios, Number of PAN accounts handled, International investor solutions, AAUM serviced, No. of operating clients, Transactions handled, Pension services, AAUM managed, No. of subscribers, Number of corporate clients, Number of transactions handled, Alternative & wealth management solutions, AAUM managed, Number of managers, No. of funds, Issuer solutions, Number of clients, Number of folios, Number of transactions, Number of IPOs, IPO market share, Market share in NSE 500 companies, Global business services, Number of billable FTEs, Number of transactions handled.

Note: N.A. represents Not Applicable and '-' represents Not Available. Source: CRISIL Report. * This is not Company data and is based on publicly available information. This data has not been independently verified by the Company

(d) 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:

Table with 4 columns: Parameter, September 30, 2022, March 31, 2022, March 31, 2021, March 31, 2020. Rows include Profit / (loss) for the period, Profit Margin, Gross Margin, Operating EBITDA, Asset turnover ratio, Free cash flows, Free cash flow conversion from Operating EBITDA, Period-on-period revenue growth, Capital expenditure as a % of revenue from operations, Operating EBITDA 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 the Red Herring Prospectus

8. Disclosures in relation to valuation of our Company

(a) Valuation of our 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 the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our 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:

Table with 5 columns: S. No., Name of the allottees/acquirer, Date of allotment of Equity Shares, Number of Equity Shares acquired, % of fully diluted issued share capital, Acquisition price per Equity Share (₹). Row includes Kotak Mahindra Bank Limited.

*As certified by MHA & Associates LLP, Chartered Accountants, by their certificate dated December 10, 2022.

(b) Valuation of our Company based on secondary sale/acquisition of Equity Shares

There have been no secondary sale/acquisitions of Equity Shares or any convertible securities including secondary sale / acquisitions, where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our 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").

(c) Weighted average cost of acquisition, floor price and cap price

Table with 4 columns: Past transactions, Weighted average cost of acquisition (₹)*, Floor price in ₹ 347*, Cap price in ₹ 366*. Rows include WACA* of Primary Issuance, WACA* of Secondary Transactions, WACA - Weighted average cost of acquisition.

*As certified by MHA & Associates LLP, Chartered Accountants, by their certificate dated December 13, 2022. *There are no secondary transactions in the last 18 Months which exceeds 5% of the pre-issue share capital of the Company.

9. 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 the Red Herring Prospectus.

KMBL acquired approximately 10% stake in our Company in November, 2021. A comparison of the KPIs as of March 31, 2021, which were shared with KMBL in relation to their investment with updated KPIs as of September 30, 2022 is as follows:

Table with 4 columns: Item, As shared for KMBL (as of and for March, 2021), As applicable for IPO (as of and for September, 2022), % Increase. Rows include LTM Revenue, LTM Statutory PAT, LTM Adjusted PAT, Monthly Equity AAUM, Market Share, Monthly SIP Inflows, Market Share, # of Folios, Market Share, # of NPS Subscribers.

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. Statutory PAT: Profit for the Year / period: LTM: Last twelve months

10. Justification for Offer Price

Set out below is an explanation for our Cap Price being ₹366 in comparison to our WACA of Primary Issuance (set out in 8. above) (a) along with our Company's key performance indicators and financial ratios for three months ended September 30, 2022 and September 30, 2021 and Fiscals 2022, 2021 and 2020 and (b) in view of the external factors which may have influenced the pricing of the Offer. For details of our Company's KPIs, see "Key financial and operational metrics ("KPIs")" above.

We are India's largest investor solutions provider to Indian mutual funds, based on number of AMC clients serviced as on September 30, 2022. (Source: CRISIL Report). We are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of market share based on the number of AMC clients. (Source: CRISIL Report). In addition, we signed on two new AMCs that are yet to launch operations as on September 30, 2022. (Source: CRISIL Report).

Within investor solutions for Indian mutual funds, we have grown our market share of overall AAUM managed by our clients and serviced by us from 25% during Fiscal 2020 to 32% during September 2022, according to the CRISIL Report. Similarly, our market share of Equity AAUM managed by our clients and serviced by us increased from 29% during Fiscal 2020 to 35% during September 2022, according to the CRISIL Report.

We are the only investor and issuer solutions provider in India that offers services to asset managers such as mutual funds, AIFs, wealth managers and pension as well as corporate issuers in India, besides servicing overseas clients in South East Asia and Hong Kong as on September 30, 2022. (Source: CRISIL Report).

We are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on number of AIFs being serviced. (Source: CRISIL Report).

We are one of the three operating CRAs for the NPS in India as on September 30, 2022. (Source: CRISIL Report).

As on September 30, 2022, out of the 60 AMCs in Malaysia across wholesale funds, unit trust funds and private retirement schemes as specified in the CRISIL Report, we are servicing 18 AMC clients in Malaysia in addition to three clients in Philippines and Hong Kong as on September 30, 2022. In addition, we have signed on two new AMCs in Malaysia and one AMC in Singapore that are yet to launch operations as on September 30, 2022.

We are the largest issuer solutions provider in India based on number of clients serviced, as on September 30, 2022. (Source: CRISIL Report). We are one of only two players of scale in India's issuer solutions space where we hold a 46% market share based on the market capitalization of NSE 500 companies and a 37% market share based on number of clients serviced within NSE 500 companies, each as on September 30, 2022. (Source: CRISIL Report)

Player of scale corresponds to entities with minimum 25% market share (in terms of serviced clients) within NSE 500 companies in the Indian issuer solutions space. (Source: CRISIL Report).

We are highly diversified with respect to our offerings and revenue mix as compared to CAMS. Currently, our Mutual Fund business accounts for 67.7% whereas its 90.2% for CAMS. (Source: CRISIL Report).

Revenue contribution from our platform products and VAS increased from 3.95% in Fiscal 2020, to 6.04% in Fiscal 2022, primarily due to our track record of up-selling and cross-selling VAS and products to our existing client base primarily in domestic mutual fund and issuer solutions.

We had the best EBITDA margin of 45.53% in Fiscal 2022 amongst peers for whom data is available. It is followed by CAMS (44.3%) and Bighshare Services Private Limited (44.1%). (Source: CRISIL Report)

We provide clients with an omni-channel experience by combining our platform with a physical pan India network of 182 service centers that aids in offline transaction origination and channel partner servicing.

We build our in-house platforms for scale, to enable us to absorb growth in the number of investors, assets and transaction volumes. From handling over 185.60 million transactions in Fiscal 2020, we handled over 225.62 million transactions in Fiscal 2021 and 331.73 million transactions in Fiscal 2022.

We have experienced significant growth due to an increase in business with existing clients. As a result, our net revenue retention in Fiscal 2022 and for six months period ended September 30, 2022 for (i) domestic mutual funds solutions is 141.50% and 112.62%, respectively, and (ii) issuer solutions business is 115.81% and 123.81%, respectively. For further details in relation to our Restated Consolidated Financial Information as of and for the Fiscal ended March 31, 2020, see "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 389 of the RHP. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Financial Statements" and "Other Financial Information" on pages 30, 220, 302 and 382, of the RHP, respectively, to have a more informed view.

The Offer Price is 1.1 times of the face value of the Equity Shares. The Offer Price of ₹ 366 has been determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "Risk Factors" on page 30 of the RHP and you may lose all or part of your investments. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 30, 220, 302, and 389 of the RHP, respectively, to have a more informed view.

FOR FURTHER DETAILS, SEE "BASIS FOR OFFER PRICE" BEGINNING ON PAGE 128 OF THE RHP.

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In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Promoter Selling Shareholder may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, as applicable, pursuant to which their

corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" beginning on page 464 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of the Company, please see the section "History and Certain Corporate Matters" on page 258 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled "Material Contracts and Documents for Inspection" on page 559 of the RHP.

LIABILITY OF THE MEMBERS OF THE COMPANY: Limited by shares

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the Authorised Share Capital is ₹1,760,000,000 divided into 175,980,000 Equity Shares of face value ₹10 each and 1,000 Preference Shares of face value ₹200 each. The issued, subscribed and paid-up share capital of the Company is ₹1,675,888,830 divided into 167,568,883 Equity Shares of face value ₹10 each and 1,000 Preference shares of face value ₹200 each. For details, please see the section entitled "Capital Structure" beginning on page 95 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are Bharat Naidu Bobbili and Venkata Ram Mohan Karavadi who subscribed to 5000 Equity shares each, bearing face value of ₹10. For details of the share capital history and capital structure of our Company, please see the section entitled "Capital Structure" beginning on page 95 of the RHP.

LISTING: The Equity Shares, when offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for listing the Equity Shares pursuant to letters each dated June 16, 2022. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus has been and the Prospectus shall be delivered for filing with the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 559 of the RHP.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 438 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 441 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE) : It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 441 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 30 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

ASBA # Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.

UPI UPI-Now available in ASBA for all individual investors applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, DPs & RTAs. Retail Individual Investors and Non-Institutional Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 464 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Kotak Mahindra Bank Limited and Axis Bank Limited has been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer	
 <p>ICICI Securities</p> <p>ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India Telephone no.: +91 22 6807 7100 E-mail: kfintech.ipo@icicisecurities.com Investor Grievance e-mail: customer-care@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sumit Singh/ Shekhar Asnani SEBI Registration No.: INM000011179</p>	 <p>Kotak Kotak Mahindra Bank</p> <p>Kotak Mahindra Capital Company Limited 27BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051, India Telephone no.: +91 22 4336 0000 E-mail: kfintech.ipo@kotak.com Investor Grievance e-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704</p>	<p>J.P.Morgan</p> <p>J.P. Morgan India Private Limited J.P. Morgan Tower, Off CST Road, Kalina, Santacruz East, Mumbai – 400098, India Telephone no.: +91 22 6157 3000 E-mail: kfintech_ipo@jpmorgan.com Investor Grievance e-mail: investorsmb.jpmpil@jpmorgan.com Website: www.jpmpil.com Contact Person: Govind Khetan SEBI Registration No.: INM000002970</p>	 <p>IIFL SECURITIES</p> <p>IIFL Securities Limited IIFL Centre, Kamala City, Senapati Bapat Marg Lower Parel (W), Mumbai- 400013, India Telephone no.: +91 22 4646 4728 E-mail: kfintech.ipo@iiflcap.com Investor Grievance e-mail: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pawan Jain/ Dhruv Bhagwat SEBI Registration No.: INM000010940</p>	<p>Jefferies</p> <p>Jefferies India Private Limited 42/43, 2 North Avenue, Maker Maxity Bandra-Kurla Complex (BKC) Bandra (East), Mumbai 400 051, India Telephone no.: +91 22 4356 6000 E-mail: kfintech.ipo@jefferies.com Investor Grievance e-mail: jipl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Ashutosh Prajapati SEBI Registration No.: INM000011443</p>	 <p>Bigshare Services Pvt. Ltd.</p> <p>Bigshare Services Private Limited Office No – S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 Telephone: +91 22 62638200 E-mail: kfintechipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance e-mail: investor@bigshareonline.com Contact person: Jibu John SEBI Registration No.: INR000001385</p>	<p>Alpana Uttam Kundu Selenium, Tower B, Plot No- 31 & 32 Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032, Telangana, India Telephone No.: +91 40 7961 5565 E-mail: compliance.corp@kfintech.com</p> <p>Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.</p>

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 30 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, i.e. ICICI Securities Limited, Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, IIFL Securities Limited and Jefferies India Private Limited at www.icicisecurities.com, www.investmentbank.kotak.com, www.jpmpil.com, www.iiflcap.com and www.jefferies.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of KFIN TECHNOLOGIES LIMITED, Telephone no.: +91 40 7961 5565; BRLMs: ICICI Securities Limited, Telephone: +91 22 6807 7100; Kotak Mahindra Capital Company Limited, Telephone: +91 22 4336 0000, J.P. Morgan India Private Limited, Telephone: +91 22 6157 3000, IIFL Securities Limited, Telephone: +91 22 4646 4728 and Jefferies India Private Limited, Telephone: +91 22 4356 6000; Syndicate Member: Kotak Securities Limited, Telephone: +91 22 42858344 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Amrapali Capital & Finance Services Ltd., Anand Rathi Share & Stock Brokers Ltd, Axis Capital Limited, Centrum Broking Limited, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Edelweiss Broking Ltd, Eureka Stock & Share Broking Services Ltd, HDFC Securities Ltd, ICICI Securities Limited, IDBI Capital Markets & Securities Limited, IIFL Securities, J M Financial Services Ltd., Jobanputra Fiscal Services Private Limited, KJMC Capital Market Services Limited, LKP Securities Limited, Invventure Growth & Securities Ltd, Motilal Oswal Financials services Ltd, Motilal Oswal Securities Limited, Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited), Prabhudas Lilladher Pvt Ltd, Pravin Ratilal Share and Stock Brokers Ltd, RR Equity Brokers Private Limited, SBICap Securities Limited, Sharekhan Limited, SMC Global Securities Limited, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd, Way2Wealth Brokers Private Limited and YES Securities (India) Limited

Public Offer Banks and Sponsor Banks : Kotak Mahindra Bank Limited and Axis Bank Limited

Escrow Collection Bank and Refund Bank : Kotak Mahindra Bank Limited

UPI: UPI Bidders can also bid through UPI Mechanism

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Hyderabad
Date: December 13, 2022

KFIN TECHNOLOGIES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with RoC on December 10, 2022. The RHP shall be available on the website of SEBI at www.sebi.gov.in, the websites of the Stock Exchanges i.e., BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, and the websites of the BRLMs, i.e., ICICI Securities Limited, Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, IIFL Securities Limited and Jefferies India Private Limited at www.icicisecurities.com, www.investmentbank.kotak.com, www.jpmpil.com, www.iiflcap.com and www.jefferies.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section entitled "Risk Factors" on page 30 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

For KFIN TECHNOLOGIES LIMITED
On behalf of the Board of Directors
Sd/-
Alpana Uttam Kundu
Company Secretary and Compliance Officer