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May 06, 2025

CS&G/STX/JQ2025/26

1) **National Stock Exchange of India Limited**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Scrip Symbol: KFINTECH

2) **BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 543720

Sub. : Transcript of Earnings Conference Call

Ref. : Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")

Dear Sir / Madam,

Further to our previous intimation bearing reference no. CS&G/STX/JQ2025/02 dated April 09, 2025, pursuant to Regulation 30 and other applicable provisions of the LODR Regulations, please find enclosed herewith the transcript of the Earnings Conference Call held on April 29, 2025, in respect of the standalone and consolidated audited financial results of the Company for the quarter and financial year ended March 31, 2025.

The transcript can also be accessed on the Company's website at the following link:

https://investor.kfintech.com/financials/

This is for your information and records.

Thanking you,

Yours faithfully,

For KFin Technologies Limited

ALPANA UTTAM KUNDU

Digitally signed by ALPANA UTTAM KUNDU
Date: 2025.05.06 18:32:34 +05'30'

Alpana Kundu
Company Secretary and Compliance Officer
ICSI Membership No.: F10191

Encl.: a/a

"KFin Technologies Limited Q4 & FY'25 Earnings Conference Call"

April 29, 2025

MANAGEMENT:	**MR. SREEKANTH NADELLA – MD & CEO** **MR. VIVEK MATHUR – CFO** **MR. AMIT MURARKA – HEAD IR**
MODERATOR:	**MR. DEVESH AGARWAL – IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 & FY'25 Earnings Conference Call of KFin Technologies Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the "*" then "0" on your touchtone phone.

I now hand the conference over to Mr. Devesh Agarwal from IIFL Capital Services Limited. Thank you and over to you, sir.

Devesh Agarwal: Thank you, Steve. Good morning, everyone, and welcome to the Q4 FY'25 Earnings Call of KFin Technologies Limited.

Today, from the Company we have with us Mr. Sreekanth Nadella – M.D. and CEO; Mr. Vivek Mathur – CFO; and Mr. Amit Murarka – Head of Global Business Finance, M&A and Investor Relations.

I would now hand over the call to "Sreekanth for his Opening Remarks," which will be followed by a "Q&A Session." Thank you and over to you, Sreekanth.

Sreekanth Nadella: Thank you so very much, Devesh and very good morning and warm welcome to all the listeners. It gives me great pleasure to be back once again in front of you calling out the financial performance of the organization. I will give out some qualitative information beyond what is obviously visible.

Your organization continues its resilient performance quarter-after-quarter. As the saying goes tough times, don't last, but tough men do. A quarter that saw a significant erosion on assets under management, maybe even to a certain extent investor confidence in the overall market, KFintech continues to deliver to a resilient performance with its very diversified portfolio of solutions and services.

We continue to maintain our position about risk management being one of the most effective strategies this organization has adopted and will continue to do so. Risk management from the standpoint of not being a single asset class, single country, single business process entity but to diversify into multiple asset classes, multiple business processes and into multiple geographies. It is times like this that help the investors understand in terms of the power of the true diversification.

In terms of the overall financial highlights, the quarter that had gone by:

Our revenue from operations stood at roughly about Rs.283 crores, up 24% year-on-year. In Indian Mutual Fund business, obviously had seen a slight degrowth quarter-on-quarter, but year-on-year it continues to swell up. Overall, international and investor solutions growth has been around 6.5%. I will call out more specifically in terms of a consolidation of global business solutions into this particular line of business, which was erstwhile a mortgage business. If not for consolidation, our overall growth stands at about 27% and the overall full year growth of the international business stands at about 46%.

Our EBITDA stands close to about Rs.122 crores, it's up nearly 17% and a margin at about 43.2%. The PAT itself has been around Rs.85 crores and it's up about 14.5% and a margin remains at about 30% broadly.

So, in terms of the overall quarterly performance, it's in relation to whether it is the number of demat account reductions in the form of retail investors not necessarily staying put in the market or the mutual fund mark-to-market AUM erosion as you could clearly see, the overall organization stood resilient in terms of the overall growth year-on-year and even quarter-on-quarter, it is minor tip of at about 2% in terms of revenue and similarly on the margins.

The full financial year highlights:

Of course stand at about we crossed the Rs.1,000 crores turnover threshold close to about Rs.1,100 crores, up nearly 30% year-on-year and nearly every line of business has clocked about 30% growth, whether it is pensions or whether it is mutual funds, international, so on and so forth.

We continue to stay extremely focused on our approval engineering delivery capabilities, delivering cost efficiencies, driving productivity. We have begun our initial journey of embracing artificial intelligence. I will speak about that a little bit more later in terms of how we foresee that to help in terms of driving revenues, our customer centricity as well as optimizing the cost structures along the way.

We have cash and cash equivalents as of 31st March close to about Rs.660 crores and dividend of Rs.7.5 per share has been declared by the board and subject to shareholders' approval shall be disseminated so.

Overall, in terms of the business, the biggest highlight KFintech has had to offer, which many of you might have already heard in the earlier analyst meetings was about KFintech signing a definitive agreement to acquire a controlling stake of 51% in the Ascent Fund Services, Singapore-based organization. This is the testimonial to our confidence in our abilities to deliver to the strategies that we have chalked up. M&A, as I have always maintained is always long protracted and it is meeting of minds more than anything else. This is a large acquisition for KFin in its standards by much of imagination, both in terms of its ambition as well as its financials that have gone into it. With this, we would have summarily close our large M&A ambitions for the foreseeable future. There will be minor plug-ins which may still continue to evaluate. We have a very thriving and active M&A board but by and large I would like to believe that large acquisitions hovering to the near foreseeable future, we wouldn't be looking at it given our current intent is to complete the structure, integrate, assimilate, scale up and drive to our global ambitions broadly.

We continue to win mandates across business lines. Issuer Solutions business, which have seen over 20%-plus growth, we have had a stellar year, we have added nearly 1,000-plus corporates into our roster, getting the number closer to 8,000. In terms of market share, we now are the service provider for nearly 50% of all NSE 500 listed companies. We have done the top three of the biggest IPOs that have happened in this country this year whether it is Bajaj Housing Finance or Hyundai, so on and so forth. The next bunch of large IPOs too are being managed by KFintech.

We continue to expand our market share in the Alternate Investment Funds. We continue to expand our market share on the National Pension System in fact by a factor of three.

Overall industry has been growing at about 12%, whereas KFintech's market share, which has been growing at nearly three times that, close to about 33%, 34%.

Internationally too, we have expanded our roster to about 76 independent individual clientele with total contracts of close to 100 at this point in time. As we all know, we deliver both to transfer agency and fund accounting. Included in this international client win is a very large deal, again in the context of the international revenues that we speak about some multi-year fund accounting platform given by the larger trustee in Malaysia and overall is going to be a full service DTA deal. DTA stands for the Distributor Transfer Agency as well as the end-to-end transfer agency and fund accounting for the trustee, which means that all the asset management companies who roll up under that trustee will be serviced end-to-end by KFintech. We have also won a full-service tier deal in large AMC in Philippines.

We continue to have a very robust pipeline into the international mutual funds business. As we all know, KFintech's international business is mostly mutual funds and transfer agency and fund accounting being the business services we render for them, whereas Ascent to delineate and call out the complementarity we have with them is broadly a private mandate fund administrator, which means your hedge funds, your private equities, venture capital, high frequency trading funds, digital currency funds so on and so forth. So, they specialize in that. KFin specializes in largely mutual funds, pensions, private retirement schemes, mass retail so to speak. And these two entities together will be able to provide a full suite of service to any asset class to any country in the world.

As an organization, we continue to expand our scale of operations into the countries. As we all know, we have initiated starting of our services into Thailand last year. The contract has gone fully live into this year and with resounding success. We are now able to see organic growth of pipeline in Thailand, which is an area of geography which is of very, very strong importance for us even as we have reached nearly 55% market share in Malaysia of all asset management companies that are present there.

We have since then added market share as I said in terms of NSE for Issuer Solutions close to 50%, the new RTA mandates in the quarter include several of the fintech companies including Gem Aromatics, Anthem Biosciences companies so on and so forth. This in conjunction with the IPOs that have happened in the previous year. That's a robust annuity revenue to the coming year, even as we are expecting and hoping to have a pretty robust IPO year even into the coming one as well. That ensures the businesses which are not linked to mark-to-market movements continue to grow beyond 20% to be able to provide that amount of hedge and risk management and diversity should there be a sideward or a downward movement of the markets. But low and behold, we have seen a very sharp turnaround in April, which you all must have witnessed yourselves to. Very early days, but we have already seen a reasonably quick turnaround of the AUM in the month, of course, April is not done, but looking at where we are, the initial estimates point to a growth over March. And in fact, looking closer to the numbers that were there in Q3 of the previous year so to speak.

In terms of the alternates, a quick milestone, we are reaching nearly 600 alternate investment funds as we speak today and market share has increased close to 37%. That overall AUM is at about Rs.1.5 trillion and it's grown nearly about 50% year-on-year as we stand today.

We continue to add marquee logos apart from of course adding the new schemes of the existing clientele, some really important clientele that have added at this point in time include Kedaara Capital, ValueQuest of course been there for a while and then continue to add more schemes from each of these market global fund managers.

We have also ventured late Q3 that is around October, into wealth business trying to orchestrate a similar amount of industrialized and innovative solutions what we have done in asset management business into wealth business.

We have created what we'd like to believe as the country's premier wealth management platform called “mPowerWealth.” The platform is built on top of mPower, which is the core platform of Hexagram, which we all know as an organization we have acquired a bunch of years back. So, while Hexagram continues to deliver value in terms of broader management solutions, fund accounting solutions such as net asset value computations what have you. On the back of that platform, the wealth platform has been created and within a matter of few months very happy to inform you that we have signed up with five large wealth managers. Some of this was already announced in the previous quarter, but in this quarter into the previous three months we have signed two more wealth management companies called Thrive Wealth and Northern Arc Capital. The pipeline for this business is pretty strong as many different wealth outfits well set up in India. Even as many of the legacy outfits are also looking at innovative partners such as KFintech to be able to move their non-core functions such as operations and technology and focus largely on customer acquisition and delivering value to the customers by generating significant talent for the investments that they are making.

Broadly, in terms of the overall industry performance itself, you have seen some of the charts clearly speak about FY'25 was a breakout year by any stretch of imagination called the Indian Mutual Fund industry spectacular growth overall nearly 25% year-on-year if you compare to the previous year, notwithstanding the reduction in the Q4 of the previous year, else they would have ended on a much, much more robust manner. But these are financial markets and there is always a cyclicality. One should always brace for it every month in three to four to five years and for us it's business as usual, there is nothing to panic. And as you've already seen there has been a sharp turnaround in that area.

KFin continues to have a very robust SIP market share close to 40%. I believe and I continue to believe that that is probably the most important metric to track to which over a period of time would drag up or drag down the overall AUM market share because SIP market share is the one that truly is the resilient, sticky and retail investment folios unlike large, lumpy investments which come from corporates, which tend to have a sporadic impact in terms of market share, but they can dissipate rather quickly.

So, into the coming quarters and into the years, my hope and expectation is that our overall AUM market share, which is now close to about 33% should inch towards that 39.4% to 40% of market share. It's only a matter of when and not if and I hope the continued outperformance of the AMCs who KFintech services today, which by the way six out of the 10 fastest growing AMCs are with KFintech. So, it is not just about historic performance, it is about where the velocity is, where the speed is. And that's what's going to drive the future as age goes past performance is not necessarily indicative of the future. And I think it is the current velocity in terms of the AMCs who are largely embracing digital, embracing innovation and technology embracing significant distributor related driven sales and marketing effects are the ones that I believe will have the fastest growth to accomplish and I am very, very happy to be able to and proud in fact to have roster of clientele such as those, including the ones that we have won in the recent past.

If you take a look at even the other asset classes, I think there's been a breakthrough year whether it is a number of AIFs registered, whether it is the number of Demat accounts that have been added into the ecosystem and the pension subscribers of course continue to grow at a smaller clip as compared to the asset managers. I think India as a pensionable society, is still some time away. And there have been significant efforts made by the regulator and under the chairmanship of the last two and three, in fact chairmen who have definitely made a significant impact. And it's a matter of time through innovative solutions such as what KFintech is able to offer. We had created back in the day solution called “Futur” where we can gift the pension, and we are seeing breakout performance of that platforms adoption into corporates and I am hoping that in time to come the overall pension subscribers expand significantly into the country.

Quickly moving on, I will cover a little bit in terms of the value-added solutions and services. It had been again our stated intent to deliver superior technological solutions, digital as frugal as we could and a lot of those solutions KFintech creates, obviously for us to render superior solutions to our own clients and their clients who are the investors and distributors in some sense. But we have found that many of these actually have a relevance, whether it is as an offering that we can offer to the regulators. We have won RegTech award SEBI had given in the previous year for our platforms. So, most of the platforms that we build, we are extending them to the regulators, to the industry bodies, and to the clients as well. And that is where our value added solutions which is effectively to drive our higher revenue profile in terms of reducing the total cost of operation for our clients but increasing our share of wallet given the relationships we have and given the technological solutions we could create.

I am very happy to inform you that the previous year saw a 57% increase in value added solutions revenue year-on-year. What are those? There are many of them, some of them are platforms for monitoring insider trading, some of them are APIs which extend to the fintech ecosystem to expand the overall book of business for them. It is creating some of the cutting-edge data engineering solutions which help our clients improve their revenue in the scheme of things. We manage data engineering lakes for several clients, and we also have created technological solutions of mobility stack, right, the entire whether it is the websites and mobile apps for our clientele. We are handling social, analytics and cloud components as well.

I am also happy to inform you that KFintech has become one of the affiliate partners for AWS. We have an entity called KFintech Cloud Services. We are now taking the capabilities we have built to help many clientele and that could be in any non-asset management space as well to migrate into cloud as a strategy. So, clearly carving out the fintech component of KFintech, which is basically revenues beyond the asset management solutions, is a very, very important facet and our wins into the previous quarter coupled with all that we've done in the previous year, as I said, has given us nearly 57% increase of revenue year-on-year.

The acquisition that we have done in the previous year where Webile Technologies as we all know is the one that specializes in the mobility stack of it all. And that entity has given 150% growth in its top line in a single year, and we'd like to believe that it has a significant amount of growth lying ahead of it.

I have quickly covered the international footprint as I have already spoken in terms of the wins we've had, I called out the two important wins; one is the very large trustee in Malaysia, and as I said, it's a full Hexagram deal so to speak, so this is not a transfer agency, but it's a full scale fund admin deal, and the (DTA) Distributor Transfer Agency component of it, right?

And we have also won one more in Malaysia, which has been verbally confirmed and in time to come, hopefully we'll have a clearance on that.

And another large TA deal in Philippines, we have onboarded three new funds and GIFT City taking our total funds to close to 30, making our market share close to about 50% of the GIFT City funds and with Ascent Fund Services should we include that obviously our market share will be far superior to that. We intend to get to three-fourths of the total market share in the GIFT City with the combined strategy of one plus one equaling 10 in some sense.

We have initiated some of those conversations in terms of operationally, how do we align both the entities to drive faster growth as against individually competing. Obviously, we are collaborating and then we would be driving the growth from here onwards.

I am happy to also tell you that we have now reached 100 contracts in our international business. And if you recollect one of the points that I had made in the initial days was, the contracts that we had been signing initially were obviously the smaller and the medium-tiered AMCs and it's a matter of time the larger contracts tend to come in.

In the last quarter we had announced a large contract win. This quarter too the deal that I am talking about, the trustee win is also a much really large contract in the context of our international business.

Also, very happy to inform you that after a protracted period of mark-to-market, either degrowth or flat growth in Asian markets, which did not honestly give us the gains of transfer agency revenue growing, which if you compare with India, Indian markets went up and hence our MF RTA revenue also grew. But our revenue in international grew nearly entirely only because we kept winning new mandates. But the AUM percent did not grow because the Asian markets did not see both the mark-to-market movements as well as net flows. But this year, FY25, saw the first year in the last four years both mark-to-market gain as well as net inflows, which means that the revenue hopefully from now on will be on account of both new wins and more importantly on the back of the expansion of the AUM of the current clients. So, the AUM grew nearly about 33% year-on-year into the previous year, and I would like to believe that this would be a sustainable trend from here on.

With that, I would pass on to Vivek to cover the financial performance and then open the floor for questions after that.

Vivek Mathur: Thank you, Sreekanth.

On the overall revenue performance, while Sreekanth talked about that, we have grown 30% year-on-year and Q4 last year versus this year, we have grown about 24% sequentially, there is a degrowth of 2.5% largely driven by the mark-to-market correction that happened and some bit of corporate actions, Issuer Solutions, which had given a reduction of 3% in the Issuer Solutions revenue sequentially, but overall a robust performance, we have crossed Rs.1,000 crores in terms of revenue. The breakup of revenue is more like mutual fund, fee-based revenue continues to be in the range of about 64%, the Issuer Solutions revenue is 15% of total revenue, the international and other investor solutions revenue is about 14% of total revenue. Within that, now international business continues to be about in the range of about 5% to 6%. And we believe that the trajectory in terms of international business contribution will change with the acquisition of Ascent, which currently is about 5-6%, will move towards 13% to 15% in future with the acquisition of Ascent.

Overall, the EBITDA has gone up by 30.7% year-on-year and same quarter last year versus this year is about 17% increase. There is some impact of M&A due diligence cost of about Rs.12 crores that we incurred during the year which has reduced the EBITDA, otherwise it could have been about 31.5 in terms of the growth and the EBITDA margins which are 43.9% for the year would have been about 45% for the year but for this Rs.12 crores that we had to incur to do a due diligence, and for the quarter, which is 43.2% would have been about 46%. So, you're looking at the operating leverage playing out and some market supported us, the margins have been pretty healthy.

The PAT margin has gone up by 35.2% year-on-year and the PAT margin was 30.5% for the year and sequentially also in terms of against last quarter, there is a dip of 253 bps year-on-year on the PAT margins. because of the expenses that we incurred on due diligence.

We remain healthy in terms of cash and cash equivalents. That's 660 crores of cash, which will be utilized towards payout of dividend that the board has recommended subject to shareholders' approval of Rs.7.50 per share and the acquisition of initial 51%, about Rs.305 crores will also be funded out of it. We continue to convert EBITDA-to-free cash flow at about 60%, while we continue to invest for future and capital expenditure to develop new products.

We have seen a healthy increase in EPS, about 34% increase versus last year and we believe that in times to come with the acquisition of Ascent at least for FY'26 it will be neutral and from FY'27 we believe it will be value-accretive.

We are happy to take questions now.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Karthik Chellappa from Indus Capital Advisors. Please go ahead.

Karthik Chellappa: Thank you very much for the opportunity, sir. Congrats on the quarter. Just two questions from my side. First is on the other expenses. Apart from the due diligence, was there any other chunky expenses in this quarter because the YoY growth seems to be pretty high, and if we could sort of breakdown what portion of the other expenses would you attribute to investing in growth versus maintenance? That's my first question.

Vivek Mathur: There are expenses related to cloud expenses and licenses that we have incurred in terms of expansion and balancing strategy between on-prem to cloud, which is a similar increase about Rs.12, 13 crores extra that we have incurred to ramp up in terms of IT strategy. We are looking at optimizing the cloud strategy with on-prem and this is something which we are developing the entire core chassis based on the latest technology. And overall we believe that 19% of the total revenue that we have spent on IT in the current year vis-à-vis 21% last year, will continue to come down in the coming years.

Karthik Chellappa: Got it. Excellent. My second question, sir is, if I were to look at our Issuer Solutions, that has actually seen increasing momentum at least in the last two to three quarters purely from a corporate client addition point of view. In your opinion, what is driving the strength and is this something that we can expect to sustain in FY26?

Sreekanth Nadella: Thanks, Karthik. So, the Issuer Solutions as a business, a couple of things that are happening; obviously, tailwinds in the form of the new IPO, the number of companies that are going public it's always helpful. And I just want to caution that the Company going to public does not give any sporadic jump of revenue for KFintech given the IPO revenue itself is very little, it is the annuity revenue that still matters. So, winning the IPO mandates will actually improve our run rate year-after-year. So, definitely the number of IPOs is definitely a factor that base well on it. Second, our commercial model of course is number of folios into unit pricing per folio and expansion of demat accounts and the retail participation always helps and which is what we saw in the previous year and I am hoping it will continue for the foreseeable future, by any stretch of the imagination, the retail participation in India like most things are still under penetrated, I think they will continue to grow. Three corporate actions, plethora of corporate actions where many of corporates always helps in terms of the activity that we do. There have been large scale corporate actions such as the demergers that we have handled, say for example for Vedanta and so on and so forth. And these are all important activities or including ITC Hotel's demerger that came in that had orchestrated. So, that always helps us. And lastly, I think we have also been focusing on transitions. Transition mutual funds seldom are there, but transitions in corporate registry as in Issuer Solutions of the business is possible. And given we have always been the largest in this space and with our technological capabilities, we have significant value to be added to many incumbents. So, we have also been successful in transitioning many corporates from other RTAs into KFintech. So, broadly these are the reasons and these are all sustainable reasons. I do not see these to be a one-time clip. In fact Issuer Solutions if you see even in the previous year and the year before too that have seen up north of 20% growth. We would continue to drive attention to this and then see if we can even expand it much faster given there are potential opportunities in terms of value added solutions in this line of business. One of the things that I can call out is say for example investor relations, the entire IR as a portfolio of every corporate is still done in a very non-industrialized manner and we are working on cutting edge solutions which will alter the ways of working for the IR as a function. Now, with an 8,000 client roster, even if you convert 10%, 15%, 20% of them into each of these solutions, they will tend to add that delta of 400, 500 basis points of growth that is possible.

Karthik Chellappa: Excellent. That's it from my side. Thank you very much and wish the team all the very best for next year.

Sreekanth Nadella: Thank you, Karthik.

Moderator: Thank you. The next question is from the line of Supratim Datta from Ambit. Please go ahead.

Supratim Datta: Thanks for the opportunity. My first question is on the KRA business, what is the update there, when are you planning to launch that? And a connected question to that is, KFin has moved into different lines, different categories, different products, wealth being one, you're talking about how you're expanding value added services on the Issuer Solutions like that being other. Globally, we have seen that RTAs or platforms like KFin are able to get into non-financial categories as well like healthcare or others. Is that an ambition for KFin as well and what are the other blank spaces that you could look at filling with the current platforms and systems that you have, if you could help us understand that, that would be very helpful? Two, I wanted to understand, is the cost associated with the M&A that's around Rs.12 crores, is that done or is some part of that cost going to come in FY26 as well? And lastly, on the ESOP side, there has been a new ESOP tranche due to which the cost on the ESOP side has gone up this year. How should we think about ESOP cost going into FY26 if you could help on that? Those are my few questions. Thank you.

Sreekanth Nadella: Sure. The first question in terms of KRA business, so we have in the previous quarter updated that we received in-principle approval from SEBI for the KRA business. We have completed our platform build at this point in time. We are awaiting SEBI's final approval. Our readiness at this very moment is we are literally a minute away from launching our KRA Solutions the moment we get approval from the regulator. So, our preparedness is absolutely done and we believe it's a matter of time and hopefully into this quarter we should have started our KRA business. Related to that is in terms of your question about how the value added solutions can actually permeate beyond the financial services industry. We are not purposefully working in that model. Should however the solutions that we are creating find resonance in other industries we are happy to consider them in terms of extending those opportunities. Let me give you a few potential possibilities. I think first and foremost, we at the very minimum need to exhaust the financial services, the BFSI sector itself before even going that. As you all know we are nearly entirely only on the financial services and that too within only asset management. We do not have a plain insurance or banking and NBFC so on and so forth. There are solutions that we have created, however, which are fungible and which have relevance in non-asset management industry. For example, we have created what I would like to believe is one of the best anti-money laundering monitoring platform in the country, it's called Inpro. Whether you're an insurance Company, whether you're a bank or you're an NBFC, anyone who onboards any customer needs to do these kind of screenings. And our platform is definitely as applicable to any of these companies as much as it is to asset management industry and it is applicable to any country in the world as much as it's applicable to India because these are all global lists, so to speak, right. Similarly, there are the API as an economy extends well beyond from asset management industry to various other industries. So, to that extent we are already looking into non-AMC, but within BFSI. Beyond that, I do not believe we have any special interest at this point in time. And as I said, if there is a resonance of any of our solutions for other industry, we will definitely consider those. In terms of the M&A costs for the AFS, all the costs have been booked into the quarter that had gone by. So, that is fine. I think there is one is in terms of ESOPs. ESOPs were given in the previous year; I would expect some ESOPs to be given this year as well. To a certain extent, it is probably wise to factor in certain amount of ESOPs to be given. We are in a knowledge industry. As you all know, it's an asset light model. We don't have plants and machinery. Our assets are our people. Attracting, retaining talent is probably one of the most critical jobs as the leader of the organization or my leadership team have. So, to that extent, it is also not just as a retention tool, but also it is our responsibility in terms of wealth creation for the people who are directly responsible for the wealth creation of the broader shareholder community.

Supratim Datta: Thank you.

Moderator: Thank you. The next question is from the line of Abhijit from Kotak Securities. Please go ahead.

Abhijit: Hey. Hi. Good morning, everyone. I have a couple of number questions. First is if you could break down the international alternatives pension bit into the sub-segments? Second one is that in the balance sheet I see a non-current asset held-for-sale item. It's not a big number, but just curious what that relates to? And third one is a broader question which is on the international side and the alternative side if it's possible to quantify the sales pipeline? And then secondly, again, I think it's been discussed earlier as well, but if you could talk about the competitive environment in those markets in terms of who are the other players you're competing with and how important is pricing in those deal wins? That will be all. Thank you.

Vivek Mathur: Sure. Sreekanth, I will pick up the first one on the breakup of the international other investor solutions.

Sreekanth Nadella: Also take the last one on the balance sheet item.

Vivek Mathur: Break up for the international piece within the overall pie is about in FY24 was Rs.119 crores and this year is about Rs.156 crores, and international is about Rs.48 crores and AIF is about Rs.58 crores, Webile is about Rs.12 crores, NPS is about Rs.11 crores and GPS is Rs.27 crores. Same thing last year international was Rs.36 crores, AIF was Rs.34 crores, Webile was Rs.5 crores, NPS was Rs.8 crores and GPS was Rs.34 crores. On the question on the balance sheet item held-for-sale, it is basically the asset which has been generated which will be transferred to the MFCentral JV as we have formed. So, as and when they get the EOP license, the asset needs to be transferred to them. That is why it is shown in the balance sheet as asset held-for-sale. Over to you, Sreekanth.

Sreekanth Nadella: Thank you. The international business in terms of the landscape of the competition, it's going to be horses for courses in terms of if you're competing in mutual fund space and it varies by the country of course is broadly if you talk about Malaysia, we truly do not have a like-to-like competitor who delivers end-to-end solutions like how we do it in India for example. We end up competing with in-house and the captive so to speak. There are few exceptions where bank-based administrators say HSBC or Standard Chartered by virtue of them being the custodian and fund accountant. As I keep saying, grudgingly deliver transfer agency services as well. But broadly probably competition is largely with the captives and same is the case in the Philippines market as well. But when you look at the private mandates of course the competition is a little bit more, again depending upon the nation, but if you see the countries like Singapore and Hong Kong and even much of the West for that matter, whether it is the offshore location came and what have you, large international global Fund administrators will be there. We compete with them. Apex group could be such one, SS&C Global, IQEQ, right and these are the firms and some of those firms actually are there in GIFT City also if you see today. So, on the private mandate space, we compete with them. So, whether it is AFS competing with them or KFin competing with them in GIFT City, how much is pricing an important factor. It is important, no doubt about it. But I won't necessarily say that is the most important. I think in a private mandate space, unlike in the case of a public mandate space transitions are possible because the lineage of the funds won't be very large, the number of investors won't be very large, the history isn't as significant as in the case of mutual funds. Given the transitions are possible, a good number of the cases it happens is largely because of the service standards, go-to-market. Many of these fund houses tend to launch schemes rather quickly. There are fund houses who can launch schemes literally every month, every two months, every three months. And it is how nimble is your admin to be able to make sure they go live as well in terms of whether setting it up the back-end systems or if you're managing the LP and the GP portals, how quickly are you able to bring them up. What is your capability in terms of advising them on the IMs itself and securing the right kind of licenses. A lot of advisory, quasi-advisory functions are also delivered in that space. Yes, pricing is important, but several other factors are even more important in the private space. So, we both AFS and KFin compete to the different set of competitors depending upon which market we deal with.

Abhijit: Thank you so much.

Sreekanth Nadella: Thanks.

Moderator: Thank you. The next question is from the line of Sarthak from Eraya Capital. Please go ahead.

Sarthak: Thank you for the opportunity sir. So, basically you and CAMS are continuously investing a lot in the technology space, right. So, how your technologies can be different from CAMS?

Sreekanth Nadella: So, there are areas where we compete. There are areas we collaborate, for example, we collaborate on MFCentral, we compete with each other on mutual funds and alternatives. But as you know, KFintech also is in other businesses and likewise CAMS is also in businesses where KFintech is in. Technologically, one we both use different tech stack. Altogether we are on Microsoft and if my knowledge serves me right I believe CAMS is on Oracle. In terms of the operating model, it could be slightly different. It's not right for me to comment how they operate. I mean I only have as much insights into it. What I can tell you about surely is that KFintech prides itself as a tech first Company first and foremost. Second, we constantly run and changing the bus, which means that, we have large businesses where we constantly have to run. We know as the scale increases, complexity increases, regulation increases, but we also need to have mechanism to forward invest and completely re-platform. And that is exactly where our investments I would like to believe are far higher. If you see our spend of tech as a percentage of revenue, which is a parameter we track to, five years back, it used to be about 7% to 8%, the year that had gone by, it has risen to almost 23% to 24%. So, that means on revenue that has expanded from nearly Rs.350 crores to over nearly 1,200 crores in a matter of four to five years. Our share of spend on tech also has moved from 8% of Rs.300 crores to now 24% of the Rs.1,200-odd crores revenue that we are talking about. And a lot of this is to modernize, keep ourselves future-ready. We believe that the volume expansion will probably even outpace the expansion of the AUM in times to come. And the cyber security related aspects are extremely important for the nature of the work we perform. As you could imagine, nearly eight out of 10 financial investors any financial investor in the country, is served by KFintech in one capacity or the other. Because you are a shareholder in a Company, you probably are receiving your dividends computed by us. If you are a mutual fund investor, if you are an alternative fund investor, if you're a national pension system investor so on and so forth. So, with that level of complexity, again also adds the responsibility in terms of our spend in that direction. We have always been pretty nimble in terms of the value-added solutions. I have called that out already the growth, because we do not want to look at any function within the Company as a pure cost center. We have been successful in converting most of our internal functions into revenue centers, and technology is no different. So, not only do we spend enough on tech, we are also repurposing the solutions we are creating for in-house as a solution that is also relevant to the other companies and hence we are able to generate certain revenue outside of it. The other important factor I will call out is our data and cloud journey. I think we have definitely been the first and the four most probably across the capital markets in India to have adopted a complete cloud and data migration strategy as early as 2019-2020. We have successfully completed our migration into AWS. And it is not just about for the sake of migrating data, but it's about your ability to create business solutions and value based on that ability to crunch peta bytes of data in a few seconds and help our clients grow. And that is where many of our platforms like DIGIX or PARAS, which are adopted by SEBI to many of our data engineering solutions, adopted by many of our clients and the distributors. So, these are the differentiators as an RTA we are able to provide to our clients so that they can grow at a much faster rate compared to the rest of the industry. So, that's largely about us and we continue to invest on new edge tech. I spoke about AI. We are drafting a corporate level policy on adoption of AI. It's a buzzword everybody uses it, but you will see the real-world use cases. I will give you one example. On the data that we crunch from the cloud, the status reports that we are creating that goes out to the industry is entirely written by AI. So, we do not use any human being to actually generate those reports at all. So, that means comprehending natural language processing, taking the data, providing the insights systematically by the platform itself is one such aspect of it, and I would like to believe there's much more to come in the coming weeks and months.

Sarthak: Okay, sir. I understand, Sir, I have a follow up question. Like we have been investing a lot in the technology stack. So, just wanted to know one thing. Why we have not won any contract from the last mutual fund that have launched? Last eight mutual fund we have just won one. So, what could be the possible reason for that?

Sreekanth Nadella: There will be multiple reasons for wins and losses. We have won 10 out of 10 mutual fund houses before the few losses that we have had in the previous few years, and we had signed up with one of the marquee mutual fund houses just in the last quarter, we have already made that announcement. And see beyond the point we have to win deals which make commercial sense. Winning for the sake of winning makes no value at all for us. And we won all the wins that we've had, obviously, there is a response from the market and that response eventually meant that it's because of the severe undercutting on the price. We did not find some of those deals accretive in terms of business. At the end of the day I have responsibility to my shareholder to drive a profitable and a meaningful business. So, it is sometimes important to lose the trees for the woods.

Sarthak: Okay. Also sir, I have seen that one of our mutual funds has shifted from KFin to CAMS. So, what is the reason? And is there any issues in the loyalty barrier in favor of CAMS?

Sreekanth Nadella: So, there were 10 mutual funds that have shifted from CAMS to KFin over the last 15 years. I hope you're tracking to that. The fundhouse that has shifted from KFin to CAMS, is a fundhouse which has an AUM less than a few hundreds of crores. And I think the affiliation was largely in the context of some of the key management personnel who joined that entity belonged to CAMS back in the day. So, they just wanted to work back with the organization they left earlier on.

Moderator: The next question is on the line of Pranuj from J.P. Morgan. Please go ahead.

Pranuj: Hi, thank you. Just three questions. One is any mutual fund contracts that up for renegotiation in FY26 that we should watch out? Second, I think there was a previous question on the international deal pipeline. I am not sure if you disclose that. So, the deal pipeline for yourselves and for Ascent, if you can disclose that? And lastly, the Rs.12 crores M&A expense was that all in 4Q or was it distributed between 3Q and 4Q? Thank you.

Vivek Mathur: I will answer the last question then Sreekanth you can answer the first one. The M&A expense is broken up into two quarters, Q3 and Q4.

Sreekanth Nadella: Our KFintech deal pipeline in Southeast Asia is close to about $25 million at this point in time. And the conversion rate if you saw in the last six months had been pretty solid with nearly seven large deals to have been signed and that number of $25 million is consistently increasing. I have not included the Thailand market in that number just yet. Given we have gone live, and we are in the process of now looking at nearly the entire market and to add that to the pipeline. So, the pipeline of $25 million is broadly amongst the countries of Malaysia, Philippines, Singapore and Hong Kong, excluding Thailand, and I will be able to add that number shortly. I am sorry. What was the other question?

Pranuj: Also on Ascent's deal pipeline, if you can disclose at this point in time? And also any mutual fund contracts that are up for the negotiation in FY26 we should be aware of?

Sreekanth Nadella: So, Ascent, their pipeline is larger in the context of multiple geographies that they are present in 18 different countries and of course we are still in the early stages of integration in terms of understanding the financials, etc., very well, we just signed the definitive agreement. It is not right for me to comment just yet into the coming quarter as we spend more time with the organization, we'll be able to give you the pipeline. But broadly it is larger than our international pipeline at this point in time and continues to expand faster. In terms of the contracts up for renegotiation, yes, there are about two AMC contracts up for renegotiation this year.

Pranuj: Okay, understood. Would it be possible to give the size of those AMCs?

Sreekanth Nadella: One is the large AMC, one is the mid-tier AMC.

Pranuj: Okay, got it. Thank you, Sreekanth.

Moderator: Thank you. The next question is from the line of Dipanjan Ghosh from Citi. Please go ahead.

Dipanjan Ghosh: Yes. So, just a few questions. First, on the employee expense growth number for FY2025, would it be possible for you to kind of break this number between fixed cost inflation, new employee additions and maybe others in terms of more deployment on the sales side or business development side or product side? Second would be when we look at the Issuer Solutions business, this year obviously the folio growth has been quite strong. So, again, I mean if you can break it up between primary activities driving this folio addition versus more companies that you're getting from competition and maybe others? The third is on the domestic alternates and this is more qualitative. Is the entire portion of the revenue annuity in nature or is there some portion which is more transactional based? And lastly, in response to the previous participant's question, when you mentioned your proprietary deal pipeline on the international side, was it in terms of AUM or revenue out there?

Sreekanth Nadella: I will cover, and I sincerely request everyone to limit with the few questions, Vivek, you can cover the item on the cost. On the Issuer Solutions, the total folio addition in the previous year was 9 million folios, which is pretty robust. And I think with the exception of one specific transition, nearly all of it is organic, which means that it is all the folios that have been added for the companies we have been servicing for the past bunch of years. The IPOs that have happened, obviously, they happened through the years. So, the full annuity value of it only will come into 2026, this year that is, right. So, to that extent, a broad component of the revenue is. From folio last year I think the total revenue coming from the folio maintenance was close to about 45% and the corporate actions was close to about 35%, the rest of it is corporate events like conducting AGM and e-voting so on and so forth. On the deal pipeline, it is revenue, not AUM because the AUM usually runs into billions of dollars and for the basis points we charge. So, the $25 million I was talking about is purely the revenue potential and not the AUM. There was a question on alternate investment funds. In AIF usually there is no episodical one-time revenue at all. So, this is purely annuity. In fact, you will always see a lag of revenue because it usually takes a month to two to three months where a fund house when it launches and onwards and RTA for us to set ourselves keep ourselves operationally ready for them to go live and then they get the funds. It's only after that the AUM actually has been factored do we get revenue. So, there is no one-time revenue. If anything you will actually have a little bit of the cost that we would have incurred before the revenue hits at this point in time.

Vivek Mathur: On the employee cost, largely the increase in headcount is more to take care of the volume of transactions that have increased in domestic mutual fund, number of funds that have increased in alternate business and the number of new clients in the Issuer Solutions business and the growth that we are witnessing in Bain and Hexagram to a lesser extent. We also have ESOP cost of about Rs.11.3 crores, which was incurred as an addition to what was incurred last year and next year again, you will see an increase in the ESOP cost because more employees will get covered in a new scheme which new brands will come in and we do expect anywhere around 18 to 20 crores of ESOP expenses to come in the next year. So, it's more volume-driven. While the volumes have gone up by 33% year-on-year, the increase in the number of employees has been marginal of about 5% to 7%.

Dipanjan Ghosh: Got it. Thank you all and all the best.

Sreekanth Nadella: Thank you.

Moderator: Thank you. The next question is from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha: Yes. Thank you for the opportunity. Sir, a couple of questions. Basically as the Ascent gets integrated with us, say in last part of the current year and maybe fully for the next year, so is it fair to say that given the EBITDA margins of that Company are lower and to start with, so our EBITDA margins which are closer to 44 will fall below 40 for a while before it inches back to 44 kind of a number, is it a fair assessment to do so?

Sreekanth Nadella: Mathematically, absolutely, yes, it will. But again, keep in context, the total revenue profile is roughly $18 million and KFintech's total revenue into the coming year obviously is going to be much, much higher. So, the impact will be marginal at a percentage level, but at an absolute number level, it won't be dilutive.

Sanketh Godha: Got it. And you said a couple of mutual funds will come for repricing. I just wanted to understand if I calculate the yield came for the full year around 3.63, so you see a contraction to be meaningfully higher or it will be naturally a telescopic pricing impact to play out in MF revenue.

Sreekanth Nadella: Sanketh, too early to predict. That is obviously a negotiation and a discussion, and as we engage with our clients into this year, we will be able to have a better understanding. But nevertheless, you're talking about one, two AMCs on a base of 27 AMCs and their AUM versus the total AUM and any amount of discounts that can go into. There can be some compression, but I wouldn't anticipate it to be materially high.

Sanketh Godha: Okay, got it. And last one, see in Company RTA business, if I look at last two years history '23 and '24, your revenue per folio was around Rs.10.0 to Rs.10.3, it has meaningfully fallen to Rs.9.4, it's almost like 8-9% depletion in the realization per folio. So, just wanted to understand this Rs.9.4 is the new normal or because your IPO activities were little more and therefore the revenue per folio looks optically lower and it might improve in '26 with IPO activities coming down?

Sreekanth Nadella: I think it's a combination of all. Definitely, your observation about a lot of IPOs happening in the year, which means the folio is counted, but the revenue is not counted for the full year. Obviously, mathematically it will look and it will appear to dilute the revenue per folio. That is definitely the first of it. Second, see, the growth of which Company and which folio is clearly not in our hands. And we have clearly negotiated contracts with the unit pricing varies by the client that we deal with. So, today, if a Company X has a much larger retail participation because the Company has done well, its share price is doing well, a lot of investors are buying that share versus some other companies share and depending upon the unit price of both of them, obviously there will always be a certain amount of fluctuation that will happen. So, broadly it will be a combination of market forces, there are a lot of IPOs, optically it will appear as if there's been a little bit of reduction. But this is not a business where discounts, etc., are discussed. So, if anything there is actually contract price upward revision that happens for a select set of companies. So, broadly I do not anticipate this to be any structural reduction in the folio pricing.

Sanketh Godha: Got it. And last one. Hexagram revenue, can you call out and how much it contributes to global and AIF?

Sreekanth Nadella: See, it's very tough to look at it that way because Hexagram's value transcends beyond the revenue that are booked in Hexagram’s books itself. As I said, we created an entire mPower Wealth as a business line. Within a matter of a few months it's already about Rs.20 crores business for us, right. And the alternate investment funds, for example, the revenue that you see there, unlike in the case of mutual funds, we do both transfer agency and fund accounting for AIFs. The fund accounting as a solution is rendered on top of mPower, which is a Hexagram's platform, but the revenue continues to be booked in the business line of AIF so to speak, right. So, those are the tactical reasons, but broadly it has been an extremely strategic acquisition for us and absolutely the one that's helping us fuel our global aspirations.

Sanketh Godha: Got it. The mortgage business means the global business services, this Rs.27 crores revenue for the full year means any investments, any revival in that business or you see the demand coming off and then this revenue you see a declining trend as we have seen in the last 2-3 years?

Sreekanth Nadella: It's a position both from the management and our board to not to invest time, effort, monies in that business as we all knew from the beginning, it's an outlier, it is not an asset management business, it was a business that we have created at the behest of our erstwhile joint venture partner, competitor share, we created a center of excellence for them and we are delivering some revenues in the style of BPO if. I may. Now, in the context of our strategy of being a global fund administrator, it does not feature in the list of things that we want to do. I guess this also coincided with in general mortgage as a line of business in the US coming down quite dramatically over the years. So, we are not interested to scale up this business. We will continue to run whatever is left of it, but we will not see us spending any time, effort either organically or inorganically into this business.

Sanketh Godha: Any plans to sell it off?

Sreekanth Nadella: Well, as I said, there isn't too much of proprietary in it. It's just a BPO style work, right. So, we use clients platforms and we use our people. So, if we do get an opportunity, we'll think about it. But broadly, you will see this business naturally scaling down over a period of time.

Sanketh Godha: Got it. Perfect. Thanks.

Moderator: Thank you. The next question is from the line of Kshitij Saraf from Tusk Investments. Please go ahead.

Kshitij Saraf: Yes. Hi, good afternoon. Thanks for taking my question. I have just one question on the BlackRock Aladdin platform. You mentioned in the presentation that you have presence in Canada. US is not mentioned yet. So, just want to understand from a licensing perspective and a go-to-market perspective where are you as a Company and would you require those licenses and would you go ahead and acquire for those licenses?

Sreekanth Nadella: Sure. So, KFintech has clientele in Canada, right and hence Canada is mentioned, US is not mentioned because we do not have any clients in the US. BlackRock of course is not our client. We are their preferred partner by virtue of formally getting onboarded by BlackRock in the month of late January this year. We by virtue of being a preferred partner for BlackRock to implement Aladdin and Aladdin as things stack today has roughly about $20 trillion of global funds which means that we as one of the preferred partner, has access to compete and win any of the fund managers who have currently onboarded Aladdin platform. Over the past two and a half, three months we have been working with BlackRock to fully comprehend the capabilities of the platform Aladdin cause it's something that we need to know, of course we will be adding services and solutions layer on top of BlackRock, we will have to integrate the BlackRock platform with mPower platform because mPower is the back office platform whereas Aladdin is the front office platform, so that integration work has been initiated. There's a track on the go-to-market from the sales angle in terms of how to approach the sales so on and so forth. So, this is a little complex process. As we engaged, as we fully comprehend, as we complete our integration onto the platform, we will be creating our right-to-win solutions and then we'll be approaching the market. It is probably a quarter to 2 away in terms of clocking revenues. But obviously, it's important to go that far to be able to understand because there even the tiniest of conversion in terms of our clients can be of materially a large contract for KFintech. So, it's better invested to sharpen the edge at this point in time and make sure that when we hit the market there is every reason for a fund manager to consider KFintech as against anybody else in terms of the solutions.

Kshitij Saraf: One out of less than 10 empanelments on this platform, any sense on the win rate that you can get in terms of the other platforms vis-à-vis new and how the process is there?

Sreekanth Nadella: I am sorry, I am not sure I understood the question. The line also wasn't very clear.

Kshitij Saraf: Sorry. So, as one out of less than 10 of the empanelments on Aladdin, just wanted to get a sense of what win rates you think you can get eventually or any sort of aspiration you have there because the others would be also sort of looking for a share of that pie, what are you looking to differentiate with respect to mPowerWealth or any of the offerings that you're looking to build into this?

Sreekanth Nadella: Yes. So, the eight other administrators, I think the list is in the public domain, they include large entities like BNP Paribas Fund Admins and MUFG and others. They are eight of them and all eight of them currently service this $20 trillion. So, there is nobody else who does that, right, and we could be the ninth one in the context. What is our right-to-win? As I said, we are in the process of integrating the systems and capturing the solutions. We believe that unlike many other fund administrators in that list, we have our own homegrown platform which is mPower which does an excellent job in terms of fund accounting capabilities, we manage three-fourths of the insurance and three fourths of the pension industry in India, eight mutual fund clients, five of those are the clients of our competitors from TA, but we manage their fund accounting. Once we integrate these two solutions and in the context of the large, big data solutions that we have, we believe that pricing can be a big first step in terms of making your presence felt in conjunction with go-to-market and the analytics around it. I know that analytics are very, very cliched. But I can assure you in terms of how difficult it is for legacy companies to be able to deliver those as frugally as we can. So, it is largely superiority in terms of technology, fully integrated mPower Solutions into Aladdin, right and a price point which should be compelling enough for a bunch of fund managers to cut over. And it is not necessarily that anybody needs to transition. As I said, almost all of these funds continue to launch new schemes and new fund managers are also onboarded. So, this is an ongoing dialogue with the BlackRock as a larger entity that we are having in terms of what is the right go-to-market strategy and they have been extremely accommodative and graceful in guiding us into this process of go-to-market. So, we are working with the global sales organization of BlackRock to be able to get there.

Kshitij Saraf: Thank you. Congratulations and all the best.

Moderator: Thank you. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Yes. Hi! Just a couple of questions. Just extending the question on BlackRock of the previous participant, what is the kind of concentration today amongst the eight other players that you have mentioned and which is there in the public domain -- is there concentration there and a couple of them have say 80%, 90% shares today and so it's kind of difficult to entrench into that kind of a domain? That would be my first question. Second is on VAS. The share has gone down sequentially in this quarter. Anything to read into it or is there a seasonality there or what kind of will transpire there? And last question. Now that we have kind of filled in a lot of pockets with so many acquisitions and everything, do you think the next leg of growth could come from using your existing technology and skills to move to different adjacencies in the BFSI space like banking or some other aspects of the business which can help you grow organically more? Those would be my questions. Thanks.

Sreekanth Nadella: On the BlackRock, I do not believe there is any concentration risk. Many of them have large portfolios that they are managing. The concentration risk does not impact our ability to win. I think we need to keep in mind that these funds are not domiciled in any one country. And as a fund manager and as a fund administrator, let's take any fund X, right, and if that fund is currently based in Cayman Islands, tomorrow, they can start something in Ireland, they can start in Dubai, they can start in Abu Dhabi, they can start in India in GIFT City, so on and so forth. And as you move and set up funds in various different geographies, the fund administrator needs to have the capabilities to be able to deliver to all types of funds in all the countries, which is where there is no one who is a master of all, right, who understands every type of funds, every type of business process and every geography. And hence even if there is a client who is probably a very large client of one of those fund administrators or the eight other fund administrators, it is not necessary that the next fund launched by the same fund manager goes to the income budget. It is strongly possible that say for example if it's in GIFT City we probably are best positioned as compared to the eight other fund administrators. So, one, there is no huge concentration risk. Yes, there are probably the top three who will have a bigger share, but there is a meaningful share for all of them and I do not necessarily believe that having a large market share with anyone precludes others participation into that large pool of funds that is there. In terms of revenue sequential item, I think absolutely there is no specific trend in it because these are not like annuity contracts, right. So, we win new contracts. So, for example, we would have one good number of data engineering contracts of our clients and of our competitors clients in the previous quarter and that revenue would have been booked there and sometimes some of these contracts tend to have a slight spillover effect into the coming quarters. So, I wouldn't read too much into the sequential component of it given it is not annualized or an annuity revenue as against contracts that we win and deliver and then obviously we get on to the maintenance mode for us to have annuity revenue, but that would be at a smaller clip of about 20% or 25% of the total value so to speak.

Prayesh Jain: And my last question is on the adjacencies.

Sreekanth Nadella: I am so sorry, but would you be able to repeat that again?

Prayesh Jain: Yes. So, what I was saying was, whether the next leg of growth for KFin would come from extending your existing skill sets and technology to other adjacencies in the BFSI space?

Sreekanth Nadella: Can it come from there? The answer is yes. But do we want it to be like that? The answer is no. I mean, I think we are just literally scratching the surface of our global ambitions, acquisition of Ascent and mPower integrating it for global fund admin solutions and services is our north star right whilst continuing to grow in the overall India's ecosystem. As you've seen our market share, whether it is alternates, whether it's pensions, whether it is mutual funds, has been rising quarter-after-quarter, year-after-year on the AUM and the number of funds. And there are a lot of solutions that our country itself needs and warrants now. In addition to that, probably the only other item that we really want to be focused as management would be our international expansion to be anchored on the Ascent's acquisition. We believe that our 100% of our time, effort and focus will be needed for us to achieve these goals and ambitions and we don't believe digressing into say, banking industry for example, payment aggregation, some of our competitors get into that space or account aggregation and bunch of others or insurance for that matter. They are subscale, they will never be able to offer the opportunity as the current strategy that we have chosen in terms of opportunities of growth for us. So, we will be focused in the narrow confines of asset management, wealth industry but drive a lot of depth into business processes, lot of breadth and diversification into geographies.

Prayesh Jain: Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, this was the last question for today's conference call. I would now like to hand the conference over to Mr. Devesh for closing comments.

Devesh Agarwal: Thank you, Steve. On behalf of IIFL Capital, I thank the KFin management for giving us an opportunity to host the call today. Before we conclude the call, Vivek, would you like to add any closing remarks.

Vivek Mathur: Thanks, Devesh. I think past year was a year which was filled with growth and getting into new businesses like KRA and getting into new geographies with Ascent coming in. We continue to maintain guidance of 18% to 20% top line growth and 40% to 45% of EBITDA margin. While we will see the integration of Ascent in the coming three, four months we believe that it will be neutral in terms of EBITDA margin impact, and it will become accretive in FY27 and we will put all of our efforts in terms of making sure that the diversification is balanced from the management side in terms of the time and attention as we grow the international business with enhanced capabilities. Thank you so much for joining the call today.

Sreekanth Nadella: Thank you.

Devesh Agarwal: Thank you, everyone for joining in today. Steve, you may now conclude the call.

Moderator: Thank you. On behalf of KFin Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.