

# Tapping into Global Capital Market Opportunities



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**Vishwanathan Mavila Nair**

Chairperson and Non-Executive Director

## Dear Shareholders,

I take immense pleasure to share with you the Annual Report for the financial year 2024-25, a pivotal year in KFinTech's transformative journey as a globally diversified financial infrastructure player, marked by strong operating performance, persistent operational excellence, and strong balance sheet. With a solid foundation, clear vision and focus on strong execution, KFinTech is well-poised to expand its global reach and deepen its relevance in delivering sustainable value to all our stakeholders.

## Navigating a Shifting Macroeconomic Landscape

FY 2024-25 unfolded against a series of global disruption, led by heightened geo-political conflicts and elevated borrowing costs, yet the world GDP grew at a steady pace of 3.3% in 2024, driven by strong growth by the United States and emerging economies like India and China among others. India continues to shine amidst global uncertainty, retaining its position as among the world's fastest growing economies, with GDP growth at 6.5%, led by strong domestic consumption, fiscal prudence and targeted infrastructure spending. Government of India's reform-led policy push, with focus on "Sabka Vikas", will further stimulate growth across all regions, promoting conducive investment climate. The Union Budget 2025-26 also prioritises consumption-led growth by

announcing tax incentives, enhancing the disposable income for the middle-class households. As India continues to see evolution of household participation in the financial markets, the capital markets ecosystem will continue to gain prominence raising the expectations around digital transformation, operational resilience and compliance readiness. At KFinTech, we have a critical role to play by fostering innovation and efficiency to gain trust and deliver customer experience while navigating risks with prudence.

## Broad-Based Growth, Purpose-Built Capabilities

Our change strategy and execution capabilities continue to deliver exciting results as we transform our business model to make it diversified, globally scalable and sustainable. All our businesses have made meaningful contributions to growth and profitability, underpinned by continuous investment in process excellence, product innovation and domain expertise.

Our India's mutual fund business continues to grow faster than the industry, gaining market share in the overall AAUM for the fifth consecutive year, backed by strong performance delivered by our AMC clients. AUM expansion beyond mark-to-market (MTM) gains highlight structural deepening of mutual funds penetration in India. It

is encouraging to see Indian households' growing affinity towards equity investment which accentuates behavioural change prioritising disciplined long-term allocation via the SIP route and drive financial inclusion. Introduction of micro size SIP by the regulator SEBI is a path-breaking step to democratise mutual fund industry in India by attracting first time investors and improve penetration. Our focus on delivering service excellence, customer experience, data-rich interfaces and strong governance supports our clients' growth, giving KFinTech a significant sustainable advantage.

Our issuer solutions business continues to demonstrate KFinTech's leadership position by servicing nearly half of the NSE500 companies. India's capital market has had a remarkable journey in FY 2024-25 with the market capitalisation crossing US\$5.0 trillion milestone for the first-time ever, led by robust participation from domestic investors, shunning the impact of foreign funds outflows, and buoyancy in the primary market. KFinTech's ability to provide large scale digital infrastructure with high availability and innovative solutions make our Company the most preferred solution provider for all the large primary issuers, consolidating our leadership position.



Our international strategy has had path breaking moments in FY 2024-25. We have taken several giant steps to expedite our journey-to-scale over the next five years. Our success in winning large deals across different jurisdictions is a big testimony to our competitive advantage in international markets. We are excited to have received the regulatory approval for our Thailand operation which will help us to start and scale our managed fund administration business.

Our younger businesses are continuously growing faster than our matured businesses. Over the last five years, we have continuously invested into innovation and customer engagement to take an integrated approach to nurture our new businesses. As we scale these businesses, they will continue to act as growth catalyst. Our international fund administration business continues to gain strength. Our efforts to build deep domain expertise, liaise across multi-jurisdiction regulatory framework, and provide resilient and secure infrastructure have helped us win large deals. We are continuously gaining market share in India's burgeoning alternate investment management industry and has become the fund administrator of choice, supporting complex fund structures. Our newly launched platform for wealth managers, "mPowerWealth", has received strong reception from large wealth management firms and is well poised to capture the growing demand of digital enablement for the sector. As the second largest Central Recordkeeping Agency

(CRA) for National Pension Scheme in India, KFinTech is growing at nearly three times faster than the industry growth and continuously gaining market share. As we embark on our journey to create a diversified business model, our unique platforms and solutions, delivery proficiency and strong sales push will continue to drive growth and scale across these new businesses.

### Expanding Global Relevance

Our international strategy has had path breaking moments in FY 2024-25. We have taken several giant steps to expedite our journey-to-scale over the next five years. Our success in winning large deals across different jurisdictions is a big testimony to our competitive advantage in international markets. We are excited to have received the regulatory approval for our Thailand operation which will help us to start and scale our managed fund administration business. Our solutions are designed with purpose to help global asset managers gain operational

efficiencies by relying on speed, accuracy, and transparency, and adhere to complex regulatory requirements. Onboarding into BlackRock's Aladdin Provider Network as the ninth exclusive global fund administrator is a significant milestone, reflecting KFinTech's ability to provide platforms and solutions for the large asset managers. Our strategic acquisition of Ascent Fund Services will make us a formidable global fund administrator backed by Ascent's scaled and fast-growing business model, presence across 18 global jurisdictions, diverse client credentials, covering over 600 global alternate investment funds, and strong domain expertise.

### Technology at the Core of Delivery

Our progress is inseparable from our commitment to technology as a strategic differentiator. We are committed to lay down a cohesive enterprise blueprint aligned with evolving business models, regulatory imperatives, and our vision for an intelligent, scalable digital future. We are shifting from traditional systems stewardship to platform-driven innovation, where technology is not just a support function but a strategic multiplier. Platform initiatives such as KBoltGo, Datalake, XAlt, DIGIX, InstaBrokerage, Quest, InPro, Guardian are examples of how we combine speed, accuracy, compliance, data integrity, and user-centric design to create value. Our fund administration stack has been gaining sustained prominence across the asset management industry supporting multiple asset classes across jurisdictions, while risk engines and reconciliation frameworks deliver trust at scale.

Our technology choices lay the foundation for a resilient, secure, innovative and AI-augmented enterprise, capable of adapting to change, accelerating outcomes, and enabling differentiation across investor, distributor, and institutional touchpoints. I am glad to share that our Company was honoured with "CIO100 Game Changer Award" for leading the transformative IT infrastructure. Products like Quest, Datalake, and Finstax have been awarded by the industry bodies as the best cloud product, best automation project, and best GenAI use case of the Year 2024" respectively. KFinTech was also awarded as the "Best Solution Provider of the Year" for its Datalake solution.

Our systems and value-added solutions are designed on frugal engineering, serving two-fold purposes – providing flexibility to asset managers to focus on their core functions, while helping us to build a robust, scalable and sustainable business model. We remain focused on embedding cybersecurity, cloud readiness, and real-time analytics across our systems, ensuring our platform is as resilient as it is scalable.

### Governance, Sustainability, and Risk

Our governance architecture was further reinforced this year, with heightened board oversight on emerging risks including governance, cross-border compliance, and data privacy. We strengthened our internal controls and elevated our enterprise risk management practices in line with our growing international footprint. We are proud to have been honoured with "Cyber Excellence Award" for demonstrating

excellence in leadership and cyber security. The financial year 2024-25 marks the second consecutive year in our domestic mutual fund operation with no incidence of warning letter from the regulator's inspection and offsite alerts. As the global investment management industry landscape evolves, bringing in more complexity and regulatory oversight, we are committed to invest in active risk management, building robust systems and processes.

Our ESG initiatives continue to reflect on our ESG score, which improved to 61, for the period ended March 2024. We have made tangible progress in aligning environmental and social goals with our operational priorities by investing into sustainable practices. Our CSR efforts, especially in education and community empowerment, remain closely aligned with our purpose of inclusive progress. Our approach towards people is designed to promote an inclusive work environment, promoting holistic development and value creation for our talent pool. Customer experience is at the heart of everything that we do at KFinTech. Our team is constantly investing into process and technology to empower our clients to grow faster and reduce their total cost of operations.

### Looking Ahead: Scaling with Integrity

As we step into FY 2025-26, our purpose is defined with clarity. The financial services ecosystem is expanding, but also becoming more complex, regulated, and data-intensive. Our goal is not just to keep pace with this

evolution, but to anticipate it—to be an active enabler of capital formation, investor inclusion, and fiduciary transparency.

We will continue to scale—geographically, technologically, and strategically—but without compromising on the core principles that define us: integrity, governance operational excellence, and long-term thinking. Whether it is through deepening our fund administration capabilities, building data-driven secured platforms, or entering new global markets, we are focused on becoming an institution of lasting relevance.

### In Gratitude

I extend my sincere thanks to our clients, partners and regulators for your trust, which allows us to play a key role in the capital markets. To our shareholders, thank you for believing in our strategy. I am grateful to our employees for their dedication and my leadership team for their commitment and sharp focus on execution. Finally, I thank my fellow Board members for your guidance to our shared vision.

Warm regards,

**Vishwanathan Mavila Nair**  
*Chairperson and Non-Executive Director*