Consolidated Responses to the Questions Raised during the 9th Annual General Meeting of KFin Technologies Limited

AGM held: 22 July 2026 | Financial Year: FY 2025-26

1. Will future acquisitions be focused on building technology capability, acquiring customers, or expanding into new geographies?

Our strategy has been, and continues to be, one of diversification across asset classes, geographies and business processes, so that we are not overly dependent on any single market. Every acquisition and expansion decision is evaluated against this broader diversification goal, rather than any single dimension of technology, customers, or geography in isolation.

2. We are present in 18 countries today. Can we reach 50 countries? What is our plan for international expansion over the next three to five years?

We are not pursuing expansion for the sake of country count. Our current footprint, combined with offshore hubs such as Cayman and Mauritius and financial centres like Singapore, Hong Kong, the UK and the US, already covers close to 75% of global wealth. Our near-term priority is to maximise the impact and returns from these existing markets, particularly the US, which alone represents roughly half of global wealth and offers a very large addressable opportunity, rather than adding new geographies purely for scale. We will continue to consider further geographic expansion as and when it is accretive to our shareholders.

3. What is our roadmap for increasing revenue contribution from non-mutual fund businesses such as pensions, insurance, global issuer solutions and alternatives?

Our newer businesses, namely alternatives, international, pensions and other emerging lines, are growing roughly 2.5 times faster than our traditional business, and we expect our non-mutual-fund revenue mix to cross 40% for the full year, up from around 38% previously. We are particularly encouraged by our NPS (pension) business, which we expect to turn profitable from FY27 onwards.

4. What is our outlook and three-year plan, and how are we approaching new client acquisition, including for upcoming IPOs?

In our issuer solutions business, we are the clear market leader, managing more than 50% of NSE 500 companies by market capitalisation. This leadership is central to how we continue to win new mandates. Our ongoing AI-led product transformation, including faster client onboarding and our AEGIX investor-relations platform, continues to differentiate us as we compete for new business, including registrar assignments for upcoming IPOs.

5. What is our outlook for the mutual fund and issuer solutions businesses?

We expect continued double-digit growth in both businesses. Investor participation is shifting back toward equity after a period of gold and silver ETF-driven allocation, our IPO pipeline remains strong, and we are transforming the core RTA platforms for both businesses with AI-native technology.

6. Has the Ascent acquisition delivered as originally planned, and what further value can shareholders expect?

The integration, concluded around October of the previous year, is progressing well ahead of our expectations on both revenue and profitability. We have achieved rapid functional integration between our teams, technology, business development and finance, and today we operate as a single unit with the shared ambition of becoming a leading global fund administrator.

7. Can we have more details on the Singapore incorporation related to the Ascent transaction?

Our Singapore entity was established as the holding vehicle for our 51% stake in Ascent, and we will also use it as our platform for further expansion across Southeast Asia and other geographies over the next three to five years, rather than routing such expansion through our other international subsidiaries.

8. How are we using AI today, and what are our future plans? Do we see AI as a boon or a risk for our business?

We see AI as fundamentally transformative, and our intent is to be the disruptor in our industry rather than be disrupted. We have already brought this to life by cutting SIP registration turnaround from 20-30 days to under three days, with 99.7% of registrations now processed on this timeline, and by launching AEGIX, which we believe is the first AI-native investor-relations platform globally. We are also training our broader workforce, not just our technology teams, to be AI-proficient, and we continue to invest in agent-assisted, human-supervised operating models.

9. What is our outlook for revenue growth and margins, and why did margins dip in FY26, particularly in the last quarter, including why our international margins are lower than our India business?

The FY26 margin dip reflects weaker mark-to-market gains, lower net equity inflows as the asset mix shifted toward gold and silver ETFs, and, amid geopolitical volatility, a tendency for institutional money to sit in lower-fee liquid funds. It also reflects the consolidation of Ascent, which currently carries single-digit EBITDA margins as it continues to invest in expansion and hiring; as we flagged at the time of acquisition, we expect this to turn accretive over the next couple of years. Our guidance remains unchanged: revenue growth of around 20%, EBITDA margins of 40-45%, and PAT margins of 25-30%, supported by cost optimisation and AI-driven efficiency.

10. What is the revenue and margin profile of our National Pension System (NPS) business?

NPS revenue was ₹16 crore last year, and the business reached EBITDA breakeven. We expect it to turn profitable from FY27 onwards.

11. What is our capex plan for this financial year, and what is our long-term capital allocation strategy across dividends, acquisitions and technology investment?

We have no imminent M&A transaction in the pipeline, though we will continue to evaluate opportunities adjacent to our existing business. On the capex side, our new Hyderabad office will add roughly ₹10-12 crore per annum in operating lease costs. Our technology investment, previously around 18% of revenue, will continue to decline as a percentage of revenue as our topline grows, even as absolute spend continues; we are balancing cloud and on-premise investment to protect our margins while continuing to invest in innovation.

12. How are we strengthening shareholder verification and fraud prevention, especially in the age of AI?

We have built a dedicated risk and compliance team that has grown to nearly 100 people over the last 18 months, supported by early-warning and fraud-detection systems. We also operate a primary, secondary and air-gapped data centre to protect business continuity in any adverse scenario. Compared with the broader financial services industry, we believe we have among the lowest incidence rates of such issues, and we remain committed to staying ahead of emerging threats.

13. What risk factors do we foresee in our business, and what steps are we taking on data protection?

The same risk and compliance infrastructure, namely our dedicated team, early detection systems and air-gapped data centre, forms our core response to data protection and identity-fraud risk. Given the scale of personal financial data we are entrusted with, touching roughly 20 crore Indian investors, we treat this as an area of extraordinary responsibility.

14. As competition grows, how will we maintain our leadership position?

We welcome strong competition. It benefits consumers, and it pushes us to keep innovating. India's fintech evolution, from UPI to same-day securities settlement, T+1 mutual fund settlement and instant redemptions, is proof of what healthy competition can deliver. Our ambition is to be the number one player in every business line we operate in; today we are already ranked number one or two in most. As our international business grows, we increasingly compete with large global players in the US, Singapore and Hong Kong, and we are confident in our ability to do so.

15. What is our male-to-female employee ratio, attrition rate and average employee age, and how are we retaining our trained AI/ML professionals?

Our average employee age is 33 years. Our female workforce ratio is around 30% and improving year-on-year, and our voluntary attrition rate is 12%, which is in line with industry standards.

16. Several shareholders with physical shares held for decades asked for help with KYC and dematerialisation, which they find long and complex.

We recognise the process is long and complex, in part because it is designed to guard against identity theft and fraud. We are committed to reducing turnaround times and will assign a dedicated case officer to handhold shareholders through dematerialisation, rather than leaving it as a faceless process. We have also participated in dematerialisation camps conducted under the aegis of the Prime Minister's Office, and will continue to extend such support, especially to senior shareholders.

17. Can our CSR initiatives be expanded to other cities, including Kolkata?

We have taken this request on board. As our profitability and surplus grow, so will our ability to expand CSR spend and geographic reach, including to Kolkata. Our CSR work today centres on education for tribal children, which has expanded from a single location to three.

18. What is the split between our global (international) business and our domestic business, in percentage terms?

Our international business, including Ascent, now contributes 20.5% of overall revenue, up from around 12.2% last year, and is growing at roughly 30%. This makes international investor solutions one of our fastest-growing business lines, and we expect its contribution to continue rising as we deepen our presence in existing markets.

19. How are we integrating ESG and sustainability into our overall business strategy, and what are our key priorities going forward?

Our ESG approach and priorities, including our BRSR commitments, environmental initiatives, governance practices and community programmes, are set out in detail in our Annual Report. We are pleased to have improved our CRISIL ESG score from 49 to 63 this year. Last year, we shared that roughly two-thirds of our CSR effort is weighted toward education and one-third toward environmental impact, a balance we intend to continue.

20. Given markets are increasingly driven by macro and geopolitical factors, including US policy shifts, what outcomes do we expect from this environment?

As a market infrastructure provider, our revenues are linked to overall capital market activity and asset flows rather than to any direct trading positions, which limits, though does not eliminate, our exposure to short-term macro or geopolitical swings. Our Annual Report's Management Discussion & Analysis section sets out our fuller view of the macro environment and associated risk factors.

21. Our domestic mutual fund investor-solutions revenue grew around 10.5% year-on-year. Do we expect similar growth going forward, and what is the operating margin specifically for this business?

We do not disclose segment-specific revenue growth or operating margin figures for our domestic mutual fund business. Our overall guidance remains revenue growth of around 20%, EBITDA margins of 40-45%, and PAT margins of 25-30%.

22. We send around 4.2 billion emails a year. What do we charge per email?

Per-unit pricing for services such as this is commercially sensitive from a competition standpoint, and we do not disclose it publicly.

23. How much do we spend on cyber and data security?

Our cybersecurity and AI initiatives operate under separate dedicated teams, leadership and budgets, with hosting in Tier 4, platinum-grade data centres, a dedicated CISO function, and zero breach incidents to date. Our overall technology investment, across all of IT, is around 18% of revenue this year, trending down as revenue grows.

We thank all our shareholders for their questions and continued support. Any questions not covered above, or any new questions, may be sent to investorrelations@kfintech.com, and we will ensure these are appropriately responded to.

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