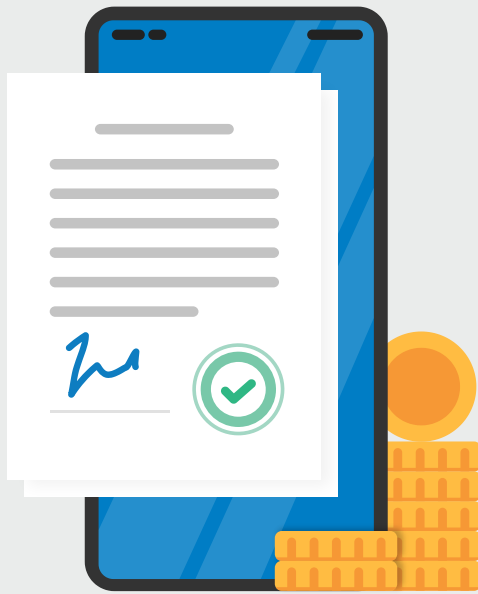




IPO DETAILS

KFin Technologies Limited



Issue Opens

19th December 22, Mon

Issue Closes

21st December 22, Wed

Min. Lot Size

40 Shares

Issue Price Band

₹347 - ₹366

Industry

Financial Services

Issue Size

Fresh Issue:
NIL

OFS:

40.98 Mn Eq Shares
(₹15,000 Mn)

Face Value

₹10

Listing at

NSE, BSE

Rationale

Considering the TTM(Sep-22) adjusted EPS of Rs.9.92 on a post-issue basis, the company is going to list at a P/E of 36.90x with a market cap of Rs.61,330 mn. while its peers namely CAMS Ltd are trading at a P/E of 39.20x.

We assign a "Subscribe" rating to this IPO as the company has a diverse multi-asset servicing platform and is well-positioned to benefit from strong growth across large markets in India and South East Asia. Also, it is available at reasonable valuations as compared to its peer.

Objectives of the issue

To carry out the Offer for Sale of equity shares aggregating to ₹15,000 million by the promoter selling shareholder.

Achieve the benefits of listing the equity shares on the stock exchanges.

Rating

SUBSCRIBE

APPLY NOW



KFin Technologies Ltd.

Company Overview

KFin Technologies Ltd. provides comprehensive services and solutions to the capital markets ecosystem including asset managers and corporate issuers across asset classes in India and provides several investor solutions including transaction origination and processing for mutual funds and private retirement schemes in Malaysia, the Philippines and Hong Kong.

Company's Offerings

Investor Solutions

Serve asset managers across a broad spectrum of asset classes spanning mutual funds, alternative investment funds, pension funds, wealth management, portfolio management service providers & corporate treasuries.

Issuer Solutions

Provide a comprehensive set of corporate registry services including investor folio creation and maintenance, transaction processing for various corporate events and issues including IPO, FPO, dividends, buybacks, rights issue and bonus issues, along with various compliance related reporting requirements and record keeping.

Global Business Services

Manage a global 'center of excellence' for a large global mortgage and issuer services provider, wherein, provide global business services such as mortgage services, legal services, transfer agency services and finance & accounting services on a fully outsourced basis by leveraging technology and execution skills as well as low-cost advantage.



AMC Clients

It is India's largest investor solutions provider to Indian mutual funds, based on the number of AMC clients serviced. They are providing services to 24 out of 41 AMCs in India, as on September 30, 2022, representing 59% of the market share based on the number of AMC clients.



AIFs Serviced

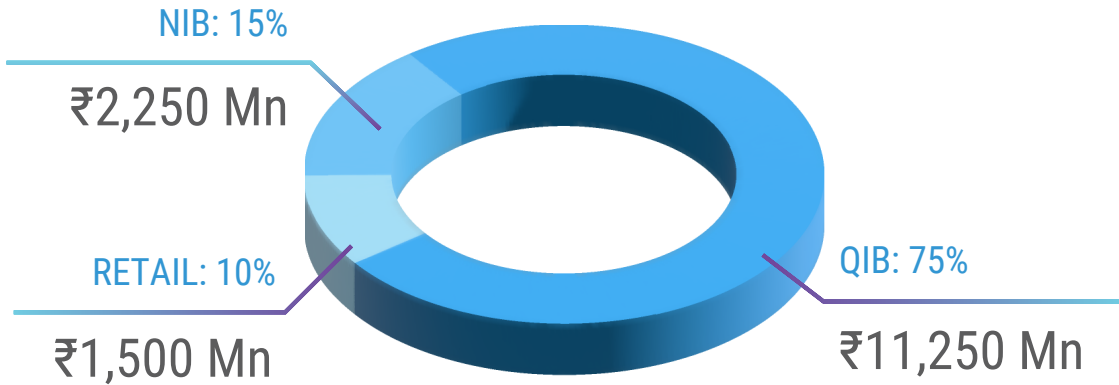
They are servicing 301 funds of 192 asset managers in India as on September 30, 2022, representing 30% market share based on the number of AIFs being serviced.



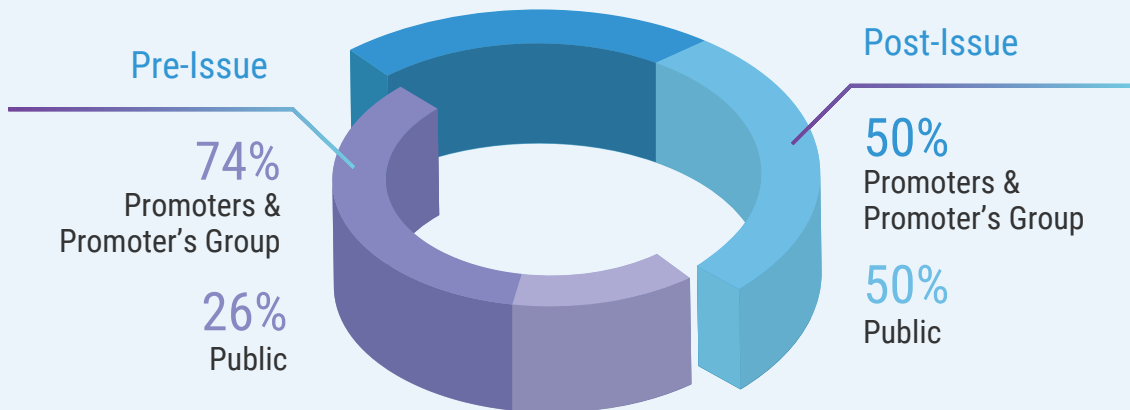
KFin Technologies Ltd.

Issue Details

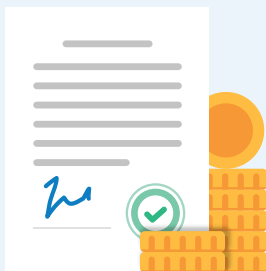
Issue Break-Up



Shareholding Pattern

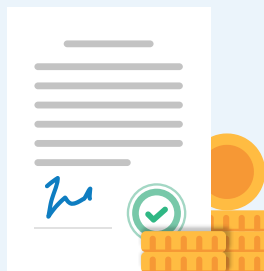


Capital Structure (in ₹)



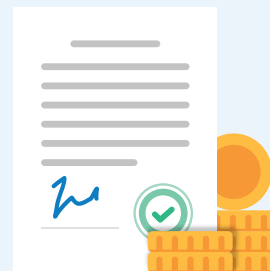
1,760 Mn

Authorised Equity Share Capital



1,676 Mn

Paid-Up Capital (Pre-Offer)



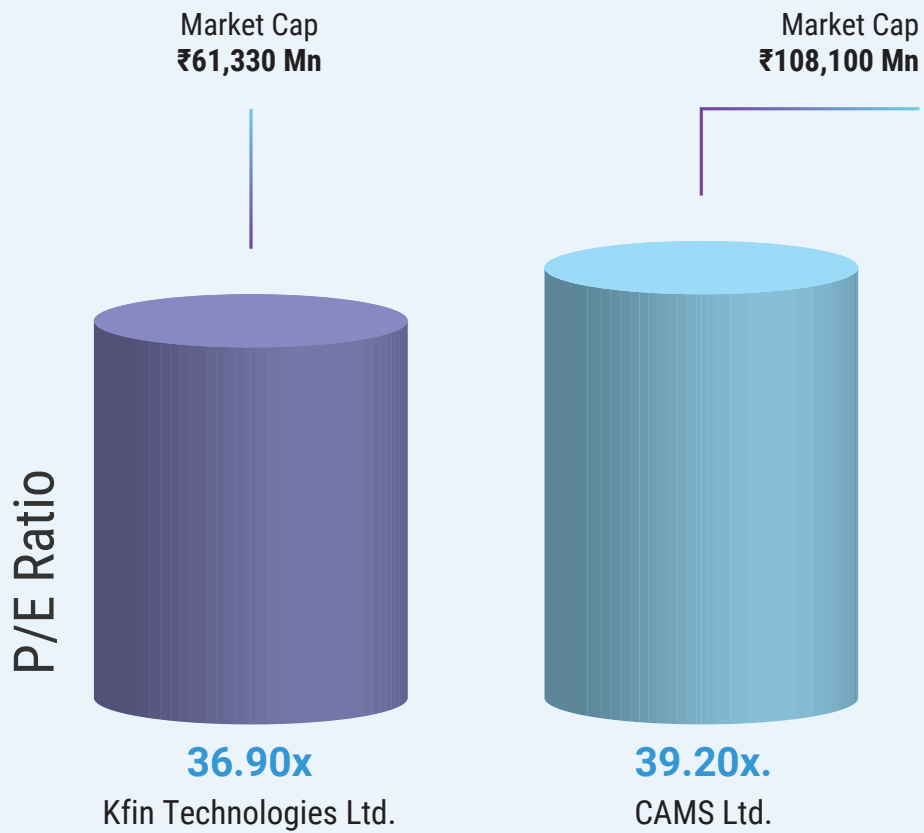
1,676 Mn

Paid-Up Capital (Post-Offer)



KFin Technologies Ltd.

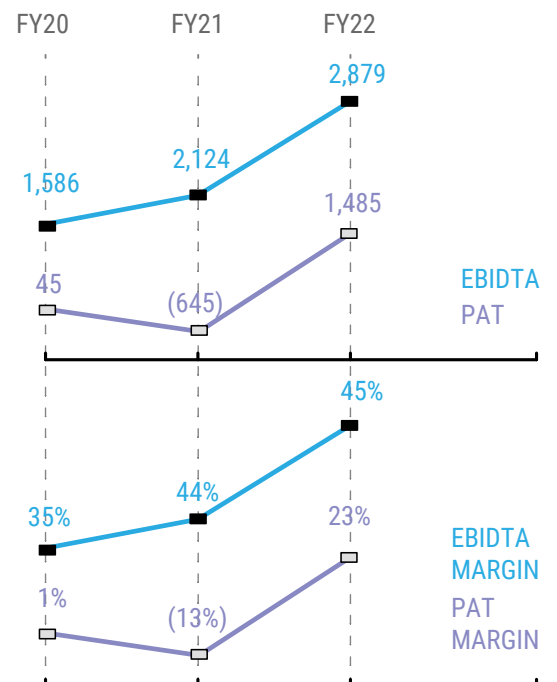
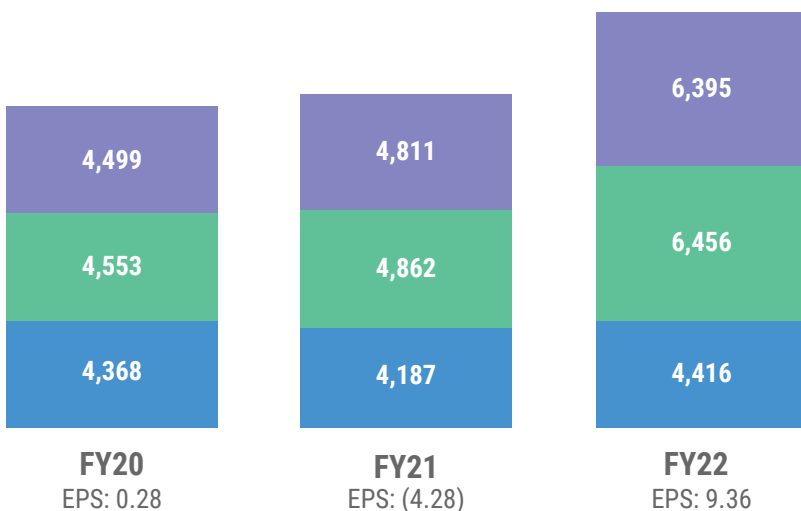
Valuations and Peer Comparison



Market Cap data of listed securities as on December 16, 2022

Financial Snapshot (in ₹ Mn)

- Revenue
- Total Income
- Total Expenses





KFin Technologies Ltd.

Business Insights



Competitive Strengths

- Scaled platform with a strong track record of growth and market leadership
- A diverse multi-asset servicing platform is well-positioned to benefit from strong growth across large markets in India and South East Asia
- Unique “platform-as-a-service” business model providing comprehensive end-to-end solutions enabled by technology solutions developed in-house
- Deeply entrenched, long-standing client relationships with a diversified and expanding client base
- An asset-light business model with a recurring revenue model, high operating leverage, profitability and cash generation
- Experienced management team, backed by a strong board and marquee shareholders, along with a strong culture of compliance



Business Strategy

- Maintain leadership in current businesses by enhancing value propositions and further deepening on relationships with existing clients
- Further, expand client base and market share through enhanced sales and marketing
- Investing in technology solutions and product innovation
- Focused and selective international expansion
- Pursue strategic acquisitions
- Attract and retain talent, especially in technology and business development functions



Risks

- Significant disruptions in information technology systems or breaches of data security could adversely affect business and reputation.
- A decline in the growth, value and composition of AAUM of the mutual funds managed by their clients may adversely impact the average revenue earned by them from mutual funds and may have a significant adverse impact on future revenue and profit.

Promoters and Management Details

Vishwanathan Mavila Nair - Chairman and Non-Executive Director

Venkata Satya Naga Sreekanth Nadella - Managing Director and Chief Executive Officer