

Ref/No/HDFCAMC/SE/2026-27/10

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001.
<b>Kind Attn: Head – Listing Department</b>	<b>Kind Attn: Sr. General Manager – DCS Listing Department</b>

Dear Sir/Madam,

**Sub: Transcript of Earnings Call**

Please find enclosed herewith transcript of Earnings Call for the quarter and year ended March 31, 2026, conducted after the meeting of the Board of Directors on April 16, 2026 which can also be accessed on the website of the Company at: <https://www.hdfcfund.com/about-us/financial-information/shareholder-presentation>

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **HDFC Asset Management Company Limited**

**Sonali Chandak**  
Company Secretary

Encl: a/a

**HDFC Asset Management Company Limited**

Registered Office : “HDFC House”, 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.  
Tel.: 022 - 6631 6333 Website: www.hdfcfund.com

CIN: L65991MH1999PLC123027

 [www.hdfcfund.com](http://www.hdfcfund.com)  
 [hello@hdfcfund.com](mailto:hello@hdfcfund.com)  
 1800 3010 6767, 1800 419 7676 (TOLL FREE)  
 SMS HDFCFMF TO 56767  
Follow us on:     

**Mission: To be the wealth creator for every Indian**

**Vision: To be the most respected asset manager in the World**



“HDFC Asset Management Company Limited  
Q4 FY '26 Earnings Conference Call”

April 16, 2026



**MANAGEMENT: MR. NAVNEET MUNOT – MANAGING DIRECTOR  
AND CHIEF EXECUTIVE OFFICER  
MR. NAOZAD SIRWALLA – CHIEF FINANCIAL  
OFFICER  
MR. SIMAL KANUGA – CHIEF INVESTOR  
RELATIONS OFFICER**

**Moderator:**

Ladies and gentlemen, good day, and welcome to Q4 FY26 Earnings Conference Call of HDFC Asset Management Company Limited. From the management team, we have with us Mr. Navneet Munot, Mr. Naozad Sirwalla, and Mr. Simal Kanuga. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Simal Kanuga who will give us a brief, following which we will proceed with the Q&A session. Thank you, and over to you, sir.

**Simal Kanuga:**

Good evening everyone and thank you for joining this call. We'll begin with an overview of the industry. So, looking at the year gone by, Nifty 50 ended down 5%. Through the year, markets had to deal with multiple challenges/news flows, global uncertainty around tariffs and trade, geopolitical tensions leading to volatility in crude oil prices, etcetera. On top of this, we saw persistent FPI outflows which kept sentiment under pressure.

So overall, a fairly difficult environment for markets. What clearly stood out was the continued participation of domestic investors. Despite the volatility, they not only stayed invested, but continued to repose their confidence in long-term India growth story and markets. In fact, many used this corrective phase as an opportunity to allocate more prudently and systematically, rather than getting carried away by short-term market movements.

Interestingly, if we look at the March quarter, the Nifty 50 was down by 14.5%. The flows into equity-oriented funds came in at INR1,340 billion compared to INR1,188 billion in December of 2025 quarter, when Nifty in fact was up by 6%. SIP flows continued to inch up at a healthy pace. In March 2026, monthly SIP collections touched an all-time high of INR321 billion, up 24% year-on-year, with 97 million contributing accounts.

For the full year, the industry across asset classes saw healthy net inflows of INR7.4 trillion. Equity-oriented funds continued to be the primary driver, contributing close to INR4.9 trillion. ETFs witnessed strong inflows of about INR1.8 trillion, of which gold and silver ETFs combined attracted nearly INR1

trillion. On the fixed income side, flows were relatively muted. Debt-oriented funds saw inflows of INR66 billion, liquid funds saw inflows of INR5 billion during the year.

Let me highlight an interesting data point here. This, marks 14th consecutive financial year of positive net inflows for the industry as a whole. Another important trend is growth in number of mutual fund investors. So, it's not just deeper wallet share from existing set of investors, but also steady addition to new investors, driving industry growth. During the year, 7.2 million new investors entered mutual funds, taking the total investor base to 61.4 million. Participation from B30 locations also remains encouraging, with over 40% of SIP flows now coming from these markets.

We now move to us. Overall QAAUM grew by 20% year-on-year to reach INR9.3 trillion, while equity-oriented AUM reached INR6 trillion. SIP and STP flows together stood at INR48.8 billion in March of 2026, growing by 33% year-on-year. Our total accounts crossed 30 million, and unique investors with us are now at 16.7 million, an addition of 3.5 million over the year. To put that in context, industry as a whole added 7.2 million.

In terms of mix, direct plans continue to gain traction and now account for about 31% of our equity AUM. Digital adoption remains very strong, with 97% of our transactions being digital. To zoom in, this number was 81% three years back and 69% six years back.

During the year, we further strengthened our mutual fund offerings with launch of seven new schemes. Beyond mutual funds, we also made good progress in expanding our alternatives business with announcement of first close of our private credit fund with IFC as a partner and anchor investor.

In our international business, based out of Gift City, we launched two inbound funds during the year, taking the total now to five. On portfolio management services side, we are seeing encouraging traction. We were awarded two marquee mandates during the year, one was from EPFO and the second one is from SPFO, the Seaman's Provident Fund Organization, both on fixed income.

Now we move to financials. Total revenue for the year was INR46.2 billion, with revenue from operations at INR41.2 billion, growth of 18% year-on-year. Total expenses were INR9.1 billion. Operating profit for the year came in at

INR32.1 billion, a Y-o-Y growth of 18% with an operating margin at 35 basis points of AUM.

Profit after tax stood at INR28.6 billion, a year-on-year growth of 16%. Board earlier today recommended a dividend of INR54 per share compared to INR45 per share adjusted for bonus issuance last year. That translates to a payout ratio of 81%, of course, this is subject to shareholder approval. Thank you very much. We can open up for questions starting now.

**Moderator:** The first question is from the line of Sucrit Patil from Eyesight Fintrade.

**Sucrit Patil:** Good evening to the team. I have two questions. My first question to Mr. Munot is, what are the key priorities for HDFC AMC in the coming quarters? How do you plan to bring more retail investors into mutual funds, strengthen distribution in smaller cities, and leverage digital platforms to make investing simpler and more engaging? I'd love to hear your insights on this. That's my first question, and I'll ask my second question after this? Thank you.

**Navneet Munot:** Sure. Thank you, Sucrit. So, as you can see over the last couple of years, industry has grown from strength to strength. Over the last couple of years, we are seeing tremendous focus on expanding the systematic book across all channels, across all geographies, across all investor segments. And while the industry has grown, we have got our fair share. We continue to focus on that, continue to serve investors across various channels through the physical branch network that we have, where we have significantly expanded in last couple of years, and we will continue to evaluate opportunities on that side.

And on the other side, continue to invest in our digital capabilities, both our portal, website, and as well as the app are best-in-class in the industry. If you look at the transactions which used to be almost 30% physically done five, six years back, are almost now 97% or so get done digitally. So, we believe in what I call phygital - continue to expand our physical base to serve our distributors, our investors across the country and on the other side, best-in-class digital capabilities to serve our investors.

On the product side, I mean as per the SEBI classification, most of the categories that a mutual fund house can have, we are present in all of those categories. Our aspiration is to, is to keep growing our market share in all of those categories, keep delivering good returns to the investors. They have more

faith and then we get more money in those products and on the other side, continue to build our distribution capability.

Over the next several years, apart from the mutual funds, we also see opportunities to grow the non-mutual fund side of the business, which includes our PMS capabilities. We had some early wins as, as well as on the alternatives side. In the initial comments, Simal has mentioned about what we are doing on the private credit side, on the Category 2 AIF, on the fund of fund side. And over a period of time, you will hear more from us on that side.

The other opportunity I will highlight is on the international business. So, we have a 100% wholly-owned subsidiary in GIFT City, where we have five funds live. Over a period of time, we want to continue to build the product range and the distribution capability on that side, both for inbound money from global investors investing into India and outbound Indian investors investing globally. So, some of these are where we'll continue to focus.

**Sucrit Patil:**

Thank you. My second question to Mr. Sirwalla is, how are you approaching risks such as market volatility or any regulatory compliances that keeps on changing over the time, and rising cost, while still ensuring profitability remains steady and, you know, growth keeps on going from the company?

**Naozad Sirwalla:**

Sure, so I'll take the cost question first. So, if you break down our cost essentially into two components: employee cost and all other expenses together. So, on the employee cost front, excluding ESOPs, our cost has grown by about 12.5% year-on-year. And if you take this over the last five years, the CAGR for employee cost, again ex-ESOPs non-cash charge, is around 13%. During that period, our employee count has grown from 1,250 to around 1,700 employees.

Similarly, on the non-employee cost, they have increased at a CAGR of about 13.5% over the last five years. So, while we don't give specific guidance, these will broadly grow in line with the business and the investments we are making across technology and people. Again, if we step back and look at cost relative to AUM over the last few years, there has been a clear downward trend.

Despite investing in talent, building new capabilities and factoring long-term investment initiatives like stock options, we have improved overall efficiency. So, I think the focus is not necessarily cutting cost, but on managing them well

while we continue to invest for growth. I think on risk management and volatility, of course, we have a team that, that ensures that they have the appropriate risk factors in place and we sort of manage that very, very actively across our compliance and risk team.

**Moderator:** Next question is from the line of Kushan Shah from The Financial Express.

**Kushan Shah:** Yes, so my question was on the EPFO and SPFO mandates that you said that the AMC received. Is there any data on that?

**Simal Kanuga:** So SPFO, that we've already started managing. EPFO, we are signing the agreement. So, both of them were part of RFP that was issued and both of these were awarded to us.

**Moderator:** Next question is from the line of Piyush Kumar from Magnus Hathway Investments.

**Piyush Kumar:** Okay, sir. So, my question is regarding the market share. So how do you see HDFC AMC growing its market share over the next few quarters and what exactly are you planning to do to gain further market share in this industry, sir?

**Navneet Munot:** So, as I mentioned earlier that we have a good long-term track record across all strategies and on the other side, the work that we have been doing on the distribution side and given the product range, the performance track record, the platform that we have, over a period of time, we want optimized market share across all products. Incrementally, what I mentioned earlier on both what we are doing on physical presence, relationship with all channels, be it our mutual fund distributors, tens of thousands of them across the country. All the national distributors, the aggregators, all the banks where we have relationship and of course, the fin-tech channel, which has been growing quite a bit over the last couple of years. We continue to focus on each one of them, some of the other things I've mentioned earlier.

**Piyush Kumar:** Okay, sir. Okay. One last question, sir. Sorry. Sir, how do you think artificial intelligence tools are going to affect the mutual fund industry? And how do you see going ahead the role of a mutual fund distributor in raising up the AUM for any AMC? So, do you think there is any chance of disruption from AI or any cloud computing from that, sir? Anything which you see coming for the

mutual fund industry, maybe from the B2B side or maybe from the B2C side?  
Do you see anything like that?

**Navneet Munot:**

So, our, our digital strategy is organized around becoming the digital AI wealth creator for every Indian. Our overall mission as an organization is to be the wealth creator for every Indian and the digital strategy is to be digital AI wealth creator for every Indian. So clear focus on three stakeholders: our investors, our distribution partners and the HDFC group ecosystem. So, the approach is not to merely adopt technology, but to use it to, to strengthen our scale, our efficiency, our investor experience.

And I mentioned earlier that 97% of the transactions are already digital, but with the help of AI and all the digital tools, we continue to simplify our onboarding, our discovery, our engagement to drive the long-term participation from everyone rather than just the transactional usage. And we are clearly on a trajectory towards becoming a 100% digital transaction AMC.

Across the organization, AI is being embedded as an operating layer from marketing and client engagement to investment processes, risk management, compliance. This acts like acting as a force multiplier for our teams rather than a replacement. And this allows faster decision making, it allows better risk oversight and of course, higher productivity.

And all of this is built on a robust and cloud-based technology foundation. We're very particular about strong data architecture and a very, very rigorous cybersecurity standards. To summarize, I would say the objective is clear: to build scalable, defensible digital and AI capabilities that enhance the investor outcome, improve operating leverage and create a durable long-term competitive moat for HDFC AMC.

We have announced today that Board has approved the appointment of Mr. Rajan Anandan as an invitee and external expert on the Technology Committee for a three-year term. Mr. Anandan is the currently a Managing Director at Peak XV Partners, who brings a deep global technology leadership experience.

He's worked earlier with and has led Google in India and Southeast Asia. He had senior roles at Microsoft and Dell and was a partner at McKinsey. So, I think this strengthens the Board's technology oversight and provides an

independent and high-quality guidance as our endeavour is to deepen our focus on digital and AI-led transformation.

**Moderator:** Next question is from the line of Abhijeet from Kotak Securities Limited.

**Abhijeet:** My first question was to, you know, pick up from the opening remarks on investor behaviour, especially in March, but broadly given the volatility in the preceding year. Like we, we don't see any, like major change in trends on the reported numbers, but maybe under the hood have you seen any change in behaviour in terms of ticket sizes or let's say, you know, let's say self-directed customers, their share kind of coming down in overall flows? Anything that you can highlight beyond the reported numbers?

**Navneet Munot:** So, I'm sure you have seen the, the March industry flow data and the numbers really speak for themselves. And if you look at the book at the start of the year versus now in the context of how markets have behaved, what Simal touched upon earlier, one thing is quite clear that domestic households are increasingly investing with a long-term mindset. And they are beginning to appreciate the benefits of rupee cost averaging.

In fact, feedback from all the distribution partners I engage with, it clearly suggests that many investors are comfortable with market corrections because it allows them to accumulate more units. So, credit to our industry campaigns, credit to our regulator, credit to all the distribution partners on the ground and the whole ecosystem that more and more investors are looking at investing in a disciplined manner with more long-term orientation.

You, know, interesting part I was looking at the data today that if I remember correctly, highest flows in equity funds, equity and equity-oriented funds, hybrid funds have come in the month of March, where we had significant global geopolitical volatility. And the other month where we had higher flows was in the month of July, when India got hit with additional tariffs by US.

And that clearly shows that in extreme volatility and when markets were not doing well, the Nifty and the other indices were down, investors use that an opportunity to put more money to work. I mean that clearly shows a very mature behaviour of investors. During the year, SIP book of the industry has grown by INR6,000 crores. You would have seen our number on the systematic

book the way it has grown during the year. So I think that gives us quite a bit of comfort.

I mean, I would still say I mean on the, on the cautionary note that we have to see the investor behaviour if markets stand under pressure for a much longer period. While over the last 18 months or so we have seen good volatility and investors have behaved in a highly mature manner, but I mean it is always tested over time, but for now I can say the trend is clearly encouraging.

**Abhijeet:** Got it. Just one small follow-up, Navneet, there. Would you say that this, like contrarian approach is true across both the assisted as well as the self-directed channel or is there like a marked difference between the two?

**Navneet Munot:** I think across both – Yes across. I mean you can see the way number of contributing accounts have increased during the year on the SIP side. At the beginning of the year, there were 81 million SIP contributing accounts that AMFI publishes and that number closed at 97.2 million as of March 26. So, there is an increase of 16 million accounts. And as we mentioned in the opening remarks that this year markets have not done well.

**Abhijeet:** Got it. I had one question on like when I look at the share of HDFC Bank in the mix of equity AUM, that has kind of come down. Any thoughts on that number, please?

**Navneet Munot:** So, the bank share in the distribution pie decreasing, I don't think that's the right way of looking at it. What we are seeing is broad-based growth across all our distribution channels. And I mentioned in the beginning itself that we are focused on all channels that includes all the banks, national distributors, our mutual fund distributors, Fintechs, direct, all the registered advisors, etcetera. So, it's really a case of the overall opportunity expanding rather than any other channel losing out. HDFC Bank remains a very important partner for us and the potential within that channel is very significant.

We continue to work very closely with the bank and there is clear alignment at the top. All my interactions with Shashi and team reinforce that point. There are changes that take time to play through, but we are confident that results will follow. You know that HDFC Bank has always followed an open architecture approach. This occasionally results in event-driven or seasonal variation, particularly in quarters when peers launch a large NFO and the

parent bank is actively involved, that can lead to short-term movement in the flow market share.

Importantly for us, particular thing that we monitor closely is the quality of flows and the SIP share through the bank. That continues to remain strong. And which is what build the durable AUM over a period of time. I should also mention about the relationship with HDFC Securities. Our share of flow with the HDFC Securities continue to remain very encouraging. So overall, I mean, I remain very constructive on the opportunity it presents over medium to long term.

**Abhijeet:** Got it. Just one small data point question, is it possible to give some sense on what could be the contribution of flows or SIP from Fintech players? That will be all. Thank you.

**Simal Kanuga:** We can get back to you with this data point.

**Abhijeet:** Okay, sure. Thank you.

**Moderator:** Thank you. Next question is from the line of Madhukar Ladha from JP Morgan. Please go ahead.

**Madhukar Ladha:** Hi, good evening. Sorry, I missed a little bit of your call because your sister concern had a call running parallelly. So, I wanted to just -- if you've not given, can you spell out the asset class-wise yields? And this quarter, I think on a blended basis, yields are slightly down. So, is that mainly because of mix or is there some internal sort of change in the yield? So that would be my first question?

Second, on expenses, admin and other opex has seen a slight increase. Nothing too big, but what sort of run rate are we looking at over here? And also, on your flow versus book market share, how has that trended in 4Q? Are we sort of broadly flow share is beating book share? Yes, those would be my three questions. Thanks.

**Naozad Sirwalla:** Sure Madhukar. So, on the yields for the different classes, equity was around 56 basis points, debt 28 and liquid 13. And blended for the year was 45. There is actually no yield compression in the quarter. This quarter the Q4 is a 90-day quarter and Q3 was a 92-day quarter. So that, if you simply divide without

adjusting for number of days, then you may have come to that number, but the yields are flat from there.

**Madhukar Ladha:** Got it.

**Simal Kanuga:** Madhukar just one thing, this 56 of equity that Naozad touched upon, that includes equity index funds. If you take that out, if you look at only actively managed equity and equity-oriented, it is 60-61 basis points.

**Naozad Sirwalla:** On your third question on expenses, it's I mean it's just BAU, there is nothing -- it's up by 7%.

**Madhukar Ladha:** No, I was looking at it more on a quarter-on-quarter basis?

**Naozad Sirwalla:** Yes, quarter-on-quarter other expenses up 8%. So, in absolute terms is like a really small number.

**Madhukar Ladha:** It's not too big nothing specific on that, right?

**Simal Kanuga:** Madhukar even the CSR and all these things, because those things which are linked directly like a royalty, CSR, they are linked with our profits, revenues. So as that goes up by default these are like mandatory stroke statutory expenses.

**Navneet Munot:** And I would say, Madhukar, that we've always said that we run a very tight ship, very, very tight ship. I mean, look at our expense as a basis point of our AUM, we would be one of the best run not only in India but, but in the world. And we are in a growth business. And I would emphasize we are at very early stage of financialization of savings in India.

We want to make the most of the opportunity which lies ahead. We are expanding our footprint on the physical side. We are expanding our digital capabilities, the investment in AI, in our investment capability, product capability. We're very excited from a long-term perspective on the alternatives.

It requires upfront investment in terms of the kind of talent we have onboarded on the PMS the kind of talent we've onboarded on the international side, the setup that we've put in place. All of this will result in the business over a period of time, but we shouldn't shy away from investing in all of these opportunities.

**Navneet Munot:** Madhukar, given the scale of our business, few crores here and there. Be it like marketing, be it technology, be it in people, these are like foundational blocks for long-term growth and should not shy away from that.

**Madhukar Ladha:** Yes. The flow versus book market share and then also, I mean if I can add in one more question, see we are I think it seems that we are going a little bit slower on the entire SIF launch. So, what are your thoughts over there and what -- when should we expect sort of any action over there and sort of your build up on alternatives, if you could give some commentary around that?

**Navneet Munot:** So overall flows are higher than the book share, that much I can tell you. And we remain focused as I said across all products, across all channels, across all geographies and we continue to remain focused on that.

On your question on SIF, so we have secured all necessary regulatory approvals. From our standpoint, getting the approval is just the starting point. Real question is, how do we participate in a way that is consistent with our philosophy? And for us, that means being very clear on two things. One, the product has to be investment-led and two it has to solve for a genuine client need, rather than just occupy shelf space.

So, we are not approaching this as a race. In a category like this, being early doesn't necessarily create an advantage. In fact, the first few products will end up shaping investor expectations for the entire segment. So, we would much rather be thoughtful and deliberate. And that has always been our view on all products.

The good part is we are not starting from scratch, right? I mean, we already have the underlying capabilities. And what capabilities are needed? You need investment management capability, you need risk management capability, and you need product management capability. And of course, on the other side, we have the best distribution capability.

So, the team is working on designing a couple of products in this space which are differentiated. So, in terms of impact, I would view this as more strategic than immediate. It's not going to move the needle overnight. The category itself will take time to develop and investor understanding will have to build.

But over a period of time, having a well thought out SIF offering becomes important if you want to be seen as a complete investment platform. And we have always mentioned, we want to be the one-stop solution provider. So, the product will be there, but we are, I mean, have always been more thoughtful and deliberate and we'll always be.

**Madhukar Ladha:** Got it. Understood. All the best, sir.

**Navneet Munot:** Thank you, Madhukar.

**Moderator:** Thank you. Next question is from the line of Mahek from Emkay Global. Please go ahead.

**Mahek:** Hi. Thank you for the opportunity. My first question is on the regulatory change with respect to TERs. So, I am sorry if I am asking the question again maybe, but if you can just help us with any update on how are you looking at the change in TERs and whether you have kind of gone into any negotiations with the distributors? That would be my first question.

Second is, if I look at the unique investor market share that has increased to around 27%. Could you give some color on how -- on particularly which geographies are driving this market share accretion and through which channels would be kind of the major driver? And third question would lastly be on whether you are planning to come out with any NFOs in future.

**Navneet Munot:** So, on the new TER regulations that you asked, so we have a new terminology in the industry now, it's called BER, the Base Expense Ratio. It is still early days, and you will hear more from us over time on how we propose to deal with the impact, including changes in distribution commission, our margins and the overall impact on the ecosystem. This time, the impact is on select few schemes. Largest strategies are the ones seeing the impact, and smaller strategies are even seeing some degree of markup.

So, let me break this into two parts; one on the existing book and the other one on the new flows. So, starting with the existing book, for us the gross impact is about 3 to 4 basis points and our approach is to largely offset this through optimization of commission structures, along with prudent management of both the direct as well as indirect costs. So overall, the targeted impact on our P&L should not be material.

I know the obvious question is around quantification of the same, but still early for us to give a precise number. Having said that, you would appreciate we have navigated similar changes in the past and I would point you to look at how we have managed outcomes over time.

Second part is coming on the flows. So, coming to flows, there are couple of changes here as well. Firstly, the earlier 5 basis points available in lieu of exit load is now removed, which is a straight reduction. And secondly, there is a shift in the structure post April 1, 2026. So earlier it was TER which included GST on distribution commission and other expenses, while GST on management fees was in addition to TER, whereas now we move to a base expense ratio framework with GST kept completely outside of TER. So yes, we will need to make suitable adjustments to ensure margins evolve in line with our expectations.

**Mahek:** Yes, thanks, sir. That answers the question. And secondly, on the unique investor market share increase, like what would be the kind of geographies driving would be the Tier 2, Tier 3 markets and what would be the channel through which these customers are largely coming in?

**Navneet Munot:** So, I mean, we get money from almost 98% or so of zip codes from the country. I mean, the share of new investors I think have been coming from like almost all geographies. The B30 towns is the parlance in our industry, beyond the top 30 towns, have been adding lot of new investors and we have been a beneficiary of that. And Yes, I mean, the Fintech is a channel where lot of new accounts on the SIP side getting opened up where we have a very decent share. And of course, all the other channels continue to see expansion of new unique investors.

**Mahek:** Okay. And are you planning out for any NFOs in the near future?

**Navneet Munot:** I mean, we look at some product gap, but overall, I mean if you look at our product bouquet, portfolio is fairly well-rounded. We are present across most of the key categories. So, there isn't a need to keep adding products for the sake of it. I think the bigger opportunity for us actually is within the existing lineup. So, there are funds which have delivered steady consistent outcome for decades, but haven't necessarily been in the top bracket in terms of visibility

and the AUM that they have. So, lot of our effort is going into sharpening these and moving them up the curve.

On the new launches, we'll stay very selective. If we do something in the thematic or sector space or in the passive space, it will be backed by strong conviction from the investment team and a clear market opportunity. Otherwise, we are quite comfortable with the portfolio that we have. And beyond as I mentioned earlier, beyond mutual funds, from an overall platform perspective, we continue to expand on the PMS, AIF, international, GIFT City, all of those opportunities to cater to a wider set of client needs.

**Mahek:** Got it, sir. Thank you so much.

**Navneet Munot:** Thank you.

**Moderator:** Thank you. Next question is from the line of Shreyas from Nomura. Please go ahead.

**Shreyas:** Hi, thank you so much for the opportunity. I wanted to understand flow market share qualitatively. While I understand we have a robust track record of investment performance, but our calculations suggest that in Q4, the flow market share has been lower than the flow market share that was in Q3. Can you help us understand the reasons behind it?

**Simal Kanuga:** No, I don't think so.

**Navneet Munot:** How are you arriving at that?

**Simal Kanuga:** No, actually, you would have missed the dividend payout. See, most of our schemes payout dividend in the last quarter, you would have taken dividend payouts as redemptions, IDCW in the way it is now called. For the investors who have subscribed for the IDCW scheme -- that would have led to your computation, but that's not the data point.

**Shreyas:** Okay, understood. And second question was in terms of the performance of schemes in one-year bucket. Actually, except mid cap and value category within the equity-oriented schemes, the scheme performance and the rank of HDFC AMC among the industry players has deteriorated. Can you help me understand how -- what was the reason behind it and how are we trying to improve the performance?

**Navneet Munot:** No, not at all. In fact, we continue to be in top 2 quartiles across most of the categories, across like time periods including longer term performance. Large number of our funds are rated 4 and 5 stars by Value Research. As I said, flow market share remains better than the book market share. The team is clearly amongst the most experienced in the top tier. The investment philosophy or style has stood test of time since delivered, you know, delivered best-in-class performance over a long period of time. There is enough and more data now available on the flows and that does suggest continuing trend in our favor.

And finally, let me leave you with one thing. Investors as well as distributors, they don't look at fund performance over one or two quarters. As you move right on the timeline graph, we stand out clearly. And there is more and more appreciation of a long-term track record of alpha generation across our strategies. If I remember correctly, 12 or 13 of our funds have got a track record over 15 years, and several of them going back 20 or 25 or 30-year plus track record of alpha generation. And investors, distributors, they all appreciate the kind of long-term track record that we have got.

**Shreyas:** Understood. Thank you so much. Just the last clarifying question. You highlighted that the impact on yields on two fronts, existing book and new flows. Existing book you highlighted that there will not be any material impact. And on new flows you said that 5 basis point in lieu of exit load. So overall on new flows there will be 5 basis point impact is what?

**Navneet Munot:** No. So, the earlier 5 basis points available in lieu of exit load is now removed. So that will be a straight reduction from the distribution commission, right, because this was paid out as the commission.

**Shreyas:** Okay.

**Simal Kanuga:** Yes. So, the new commissions that we have published factors that into account and thereby we have kind of come out with new commission structure, which is lower to that much an extent.

**Shreyas:** Understood. So, there is overall no material impact on P&L?

**Simal Kanuga:** That is what we are striving for.

**Shreyas:** Okay. Thank you so much, sir, for answering my questions.

- Navneet Munot:** Thank you.
- Moderator:** Thank you. Next question is from the line of Prayesh Jain from Motilal Oswal Financial Service. Please go ahead.
- Prayesh Jain:** Yes, hi. Just one question on the -- so if you look at the top three schemes as they account for a significant portion of our AUM on equity side, probably closer to above 50% of equity plus hybrid put together. So, you know, and given that the smaller schemes would have relative more advantage in the new TER structures, do you think that that can be a strategy for us where we kind of push these more the smaller category product, smaller sized schemes to kind of protect our yields as well and also from a diversification of AUM perspective?
- Navneet Munot:** Advantage to whom, Prayesh? I mean, it is advantageous to investors. We exist for our investors. And as the scheme, given the telescopic pricing, as the scheme becomes bigger, you have a lower TER and that much of additional returns baked in for the investor and I feel very happy for them.
- Over a period of time, I think people underappreciate this aspect. One, if you look at the long-term track record of larger schemes, I think that has been outstanding. And on the other side, as the TER has the impact from the telescopic pricing, investors tend to gain and ultimately, I mean the fate of our industry is decided by the investors and if they make better returns, good for us.
- Prayesh Jain:** Okay. The other question was on the yields on the AIF and the PMS book. If you could spell that out for us, so it's kind of easier for us to think about what kind of incremental revenue contribution that can come in from these two products over the next few years?
- Navneet Munot:** So, on the alternative business, marginal premium to our equity margins. On the PMS side, pure discretionary is in line with equity margins. The non-discretionary, particularly the EPFO and SPFO kind, these are Government of India mandates and among the most prestigious and very tightly contested opportunities. So, we are honored to have been selected. That said, this is a segment that operates under very, very tight economics.

**Prayesh Jain:** So, when you say this is, these are the net yields, right? X of distribution commissions?

**Navneet Munot:** That's right.

**Prayesh Jain:** Right. Right. And just on the guidance on expense growth for FY27 and '28, anything that you can guide on what kind of expense growth we should look at on an absolute basis, that would be great.

**Naozad Sirwalla:** So, we don't give out guidance generally. And I think I said it in one of the previous questions that if you look at our last 5 years CAGR of employee cost and other expenses, it's been around the 13% mark. And we and I think you heard Navneet also say that we focus on cost. At the same time, we are mindful of the opportunity ahead of us in terms of growth and we'll keep investing around it. But there is no specific guidance we generally give out on cost.

**Prayesh Jain:** Got that. And last question, any color that you want to give on how the SIP trajectory has now -- is there any change because obviously March data was good and probably was because of some rollover effect of February. But any color on how the SIP book has been progressing and also any difference between how the direct channel versus assisted channel is kind of seeing differential trends between the SIPs that they are generating?

**Navneet Munot:** I mentioned earlier I gave the numbers in terms of the SIP contributing accounts. We started the year at 81 million in March '25 and closed the year at 97.2 million. So, an increase of 16 million accounts in a year where markets were down. And in the last quarter of the financial year where we saw significant volatility, particularly in the month of March, and we not only closed with highest ever SIP monthly flow, but we also had relatively higher the overall flow into equity and equity-oriented funds.

I mean that just reflects the maturity of individual investors. I mean there is more stickiness of investor behaviour and really reinforces the long-term nature of SIP participation. And we are seeing that across both, I mean direct as well as distributor led. Over a longer period of time, I think AMFI has published this data some time back that the longevity of investors has been greater with those who have come through distributors because there is like more hand-holding versus the direct investors.

In last couple of years, we have seen very significant increase in investors who have invested directly. Last couple of quarters notwithstanding the volatility, numbers have been encouraging, but we have to see that trend observe that trend over a longer period of time. We continue to, as a house and as an industry, as a large player in the industry, continue to focus a lot on investor awareness campaigns, both physically and digitally.

In fact, as a house, we have been very passionate about investor education campaigns across the country and keep highlighting to investors that rupee cost averaging works in your favor. Think long-term, don't get swayed by the volatility, stay true to your goals, focus on the goals rather than the short-term market movement. And I think, Yes, I mean those efforts are really paying off. And we hope that investors will continue to maintain this disciplined way of investing.

**Prayesh Jain:** Thank you so much.

**Moderator:** Thank you. Next question is from the line of Supratim Datta from Jefferies India. Please go ahead.

**Supratim Datta:** Thanks for the opportunity. Most of my questions have been answered. But it was very heartening to hear the feedback on how investors have behaved in March. Just wanted to understand, is there some color around with the lumpsum flows or the additional flows that came in during March or during the market correction, was it from new investors or existing investors putting in more money into the existing folios? If you could give some color there that would be helpful. Thank you.

**Navneet Munot:** Sure. In fact, interesting part is a larger part of flows into equity and equity-oriented funds are coming in the form of SIPs. And they are relatively more sticky. Predicting lumpsum flows have not been easy, but -- and there is some, I would say, variability in that.

But the interesting trend that I talked about earlier that two particular months where there was volatility and more FPI selling, I think it was month of July last calendar year and the month of March in '26, both the months saw higher flows on a relative basis versus I think it was May last year where FPIs turned buyers and markets were volatile, but were better and we saw lower flows.

So maybe there is a contrarian behaviour among the investors who are investing in a lumpsum manner, trying to take advantage when market is down while waiting on the sidelines or booking little bit of profit when market is up.

**Supratim Datta:** Understood. That's very helpful. Thank you.

**Navneet Munot:** Thank you.

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

**Dipanjan Ghosh:** Hi, good evening, sir. So just two questions from my side. First, you quantified the impact of this new base TER and other regulations on at a gross level and also the strategy in terms of distributor commission cuts that you might undertake going ahead. Just wanted to understand, that other non-distributed costs and other overheads also that you can manage.

So just wanted to understand, I mean, is there a thought process around your RTA payouts and when do these renegotiations really happen and do you think that at least for the next two to three-year perspective, there is any scope or headroom available on that side to curtail cost?

The second question was on the unique investor count. Obviously, your market share has expanded rapidly and it kind of showcases maybe a lot of new customers coming in through the fintech channels given that they are probably the largest originators of new customers. Now given this current market downturn and maybe the ongoing pain in the broader Indian equities over the last many quarters now, I mean two things: one is, how is the customer wallet really divided between different players on these platforms?

I mean, have you guys done any study on that? And secondly is in terms of the customer behavior during this current downturn? I mean, any difference between the more assisted channels and let's say the DIY sort of channels out there? Yes, those were my questions.

**Navneet Munot:** So, couple of questions. First on the expenses on the fund side. So, I think I mentioned in the context of operating expenses of the AMC that we run a very tight ship, I can say the same about the fund expenses also. We try to optimize it for our investors across all the costs that we have while ensuring that they get best-in-class service. Won't comment more on that.

The second question was on the way we've been adding the unique investors and from the presentation you can see that the penetration which was 17.6% in March '23 has gone up to 27% in March '26. Over the last three financial years, we would have added almost 10 million investors, 1 crore new unique investors in the fund house.

So, it's been a very interesting good journey for us, I think reflection of the investment performance, reflection of all the investments that we have been making in on the distribution side and of course the reflection of the brand and the franchise. And we continue to remain focused on that. Your other question was on fintech as a channel, right, our share in the fintech?

**Dipanjan Ghosh:** Yes, so the question was more on, let's say the wallet share of a customer, how that would be divided between you and other players when they're deciding on let's say allocation through the fintech channel. And in that regard also how their behavior has been versus let's say the assisted channels during this downturn?

**Navneet Munot:** So, I mean as I said that our flow share through the fintech channel is also higher than the book share. So that reflects, I think a strong presence on their platforms. Our folios also, I think this year we have moved up from 2.3 crores folios to 3 crores folios, so 70 lakh folios have got added in last one year or so. And while we have added around 35 lakh new investors. So, investors are investing, I mean every investor is on an average investing in more than one product of ours.

**Dipanjan Ghosh:** And sorry but Navneet if you can give some color on the customer behavior of this on these channels versus let's say the assisted channels in let's say the last two or three months?

**Navneet Munot:** Sure. I mean it will be really difficult. I mean we can only look at the data at our end and I think you should ask some of these guys when you get an opportunity. But see they have added very large number of new investors to the industry in last four or five years.

I think in FY '20 the number of investors coming through the fintechs would have been less than a million. And that number is now multiple of that in the last year, I think probably more than 30 million or so. So, it has been an

exponential growth in last four or five years. And I think we have to give it a little bit of more time to really assess the behavior of all of these investors.

**Dipanjan Ghosh:**

Got it, got it. Thank you and all the best.

**Navneet Munot:**

Thank you.

**Moderator:**

Thank you. Next question is from the line of Mohit Mangal from Centrum Broking. Please go ahead.

**Mohit Mangal:**

Thanks for the opportunity and good evening, everyone. My first question is on the distribution mix. So, I was looking at your distribution mix and I was looking at the share of banks excluding the HDFC Bank. Now if I compare say over the last 12 months, this the share has been down, I mean the share is basically down by around 30 to 40 basis points both on an overall basis as well as on the equity AUM basis. So just wanted to know that you know is the flow market share higher than the book market share here as well and what are the strategies you know so that we can increase the share here as well?

**Navneet Munot:**

You're talking about, I've answered about the HDFC Bank share, are you asking about banks other than HDFC Bank?

**Mohit Mangal:**

Yes, sir, yes sir.

**Navneet Munot:**

Yes. So other than few banks like SBI which is almost a closed architecture and few other banks which are more guided, particularly on the retail distribution side where there would be a lesser share, but we have a very healthy relationship with almost all the other banks, continue to work hard with them and won't be able to share like individual data but with all the other banks who operate under an open architecture, our share has been a decent, Yes, has been healthy.

**Mohit Mangal:**

Okay. So, you would say the counter share is increasing with all these banks?

**Navneet Munot:**

No, so I think what you are seeing is like the overall pie. But what happens that there is a broad-based growth across all distribution channels, right? So, banks are growing, national distributors are growing, MFDs are growing, fintechs are growing and then of course the direct investors are growing.

So, it's like opportunity is expanding for all the channels. And then there could be periods where on a relative basis one channel has grown higher than the other. Endeavor at our end is to ensure that we optimize across all channels.

**Mohit Mangal:** Understood. My next question is on the market share bit. So, actually I was looking at your market share the last eight to nine quarters, you know, it's pretty much constant at around 12.8%-13-odd percent. Do you have any aspiration to increase your market share to say maybe a 14% or a 15% or do you have any vision or strategy, you know, to how you how one can achieve the same?

**Navneet Munot:** If I remember correctly, I think in the early part of last decade it would have been 20%, but of course the overall size of the market was small, incremental flows were like a small fraction of what we get now. In last two years, the net flows in the industry are like over INR9 lakh crores. I mean this was the total equity AUM couple of years back what we have got in terms of flows.

So, I mean now the market share what you are seeing is on a much larger base of AUM and much, much larger base of flows. Having said that, aspiration is always very high. As I said, 10-15 years back we used to have a much larger share. Of course, the overall environment is different but our aspiration is always to grow more.

I'll put it this way. At our end and I genuinely get deeply driven by this and each and every everybody in HDFC AMC, our mission is to be the wealth creator for every Indian. To be the wealth creator for every Indian. So, while on this call I answer all the questions surrounding market share and margins and everything, but over a period of time we believe that in a country of 1.4 billion people, I mean industry has only got 60 million investors. And we have got 17 million. We take pride that every fourth investor has invested with us, but there are three investors in the industry out of those four who are yet to invest. And we have penetrated quite deeply in last couple of years and want to penetrate more over a period of time.

The other opportunity is if you compare the people who have invested in capital market versus the people who are in the mutual fund industry. So, my sense is at least 13 crore people have invested in capital market and there are 60 million in the mutual fund. So, there are another 60-70 million investors who have invested directly.

And last couple of years would have given them, I mean looking at the market and you would have better data than me, last couple of years of experience would have taught them that it's better to invest through a professional fund manager like us than doing on their own. And of course, there is opportunity beyond that.

So, I think a very big opportunity on expanding the market, lot of efforts that we put in place and as I said that everybody at our end is passionate about investor education and we do many interesting things on the ground, digitally, virtually in many ways. Several of our campaigns have been extraordinarily popular and appreciated not only by the investors but even the other industry players.

And so, our focus as a large player is on growing the market as much as getting higher share in in the flows that that we are getting. In fact, the SIP flows that everybody talks about in last four or five years, there is huge contribution of HDFC AMC because like we were one of the earliest one to talk about importance of long-term investing, importance of investing through the SIPs, remaining disciplined, etcetera. And all the players who did that over the years, I mean overall as an industry we have been a beneficiary.

**Mohit Mangal:** Right, right. No this is very helpful. Thanks, and wish you all the best.

**Moderator:** Thank you. Next question is from the line of Sourav Mondal from Artha Research. Please go ahead.

**Sourav Mondal:** So, you know, as retail investors as we see these days increasingly seeking personalized portfolios rather than generic mutual fund units, so how do you see the firm positioning its technology stack to offer, direct indexing kind of a thing at a scale. Over the next decade, how do you foresee this impacting the traditional active asset management?

**Navneet Munot:** I mentioned earlier that we have large number of products which have been in existence for a long period of time. I am a very big believer in active investing and our track record speaks about it. I also believe over the next several years, given the opportunity in Indian market, I always call this as stock pickers' paradise. There is time arbitrage. If you think long term and ignore the short-term noise, there is research opportunity if you put in good resources with good people, a well-laid out philosophy, the processes in place, you can continue to

generate alpha and we continue to invest in those capabilities. We have one of the most experienced team in the industry and remain positive on that.

On the other side, there would be investors who would meet their certain needs through the passive funds and we have the best-in-class product bouquet on that, be it index fund or ETFs, be it market cap indices or the smart beta or sector thematic passive, I mean the ETFs as well as index fund. And of course, the distribution capability to grow both sides of our business.

**Sourav Mondal:** Thank you. The next question I have is regarding the alternative, so alternative needs kind of specialized talent and what kind of cost to AUM ratio do you see on alternative division versus let's say the mutual fund?

**Navneet Munot:** I mean we don't give segment wise cost to income, but I mentioned earlier the work that we have been doing to grow our alternatives business and our PMS business. As of now, I mean we have hired high-quality investment resources, putting in place client service capabilities, putting in place all the other capabilities in place to grow it over a period of time. We don't give like segmental cost.

**Sourav Mondal:** Okay. Thank you. That's all from my side.

**Moderator:** Thank you. The next question is from the line of Ansh Mehta from Value Partners. Please go ahead.

**Ansh Mehta:** Thanks for the color so far and all the responses. Just one question from my side, this is on the other income component. You know, I am assuming this has come from the dip in yields towards the end of March. But just want to understand, because one of our, you know, one of the other AMCs reported a loss in this quarter. So, was this driven because of a heavier tilt towards sort of debt instruments as yields softened or was it more through active tactical rotation? I mean, how should we think about that?

And also, you know, given the given the correction in Nifty in March because of the crisis, how are we adjusting our investment books, bond books duration or equity sensitivity to ensure that other income continues to remain a smoothed-in proportion of our total income?

**Naozad Sirwalla:** Okay, right. So, if you see page 34 of our investor presentation, we have given the breakdown of the investments across multiple asset classes. The equity

investment in mutual funds that we have on the balance sheet is largely due to the skin in the game circular from SEBI. So that portion of the equity investments saw a drawdown because of the market correction in the Q4, right. The rest of the portfolio is largely in liquid and debt mutual funds and we of course have invested in some of our own AIFs, those are early days of investment.

On the liquid and debt side, we run a fairly reasonable duration and we keep it fairly passive there. We are not trying to do too much active management on the mutual fund debt investments that we have on the balance sheet. And equity is largely, almost all of the equity investment in the mutual funds are because of skin in the game circular. So, this is an outcome of the market movements.

**Ansh Mehta:** Sure. And just going forward, I mean do you continue to do you plan to continue this, comfortable duration on the debt side?

**Naozad Sirwalla:** Yes, we are we are not very long on the debt duration in any case.

**Ansh Mehta:** Okay. Sure. Thanks.

**Moderator:** Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Navneet Munot for closing comments.

**Navneet Munot:** To sum up, despite a volatile year for markets, investors continued to invest in a highly disciplined manner, as reflected in rising SIP flows. For us, it has been a year of consistent progress across AUM, investor base and product expansion, along with strengthening our presence across mutual funds, alternatives and international business. We remain focused on disciplined execution and delivering long-term value to all our stakeholders. Thank you for your time today.

**Moderator:** Thank you very much. On behalf of HDFC Asset Management Company Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.