

February 2, 2026

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001  
**BSE Scrip Code: 540767**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051  
**NSE Scrip Symbol: NAM-INDIA**

Dear Sir(s),

**Sub.: Transcript of the earnings conference call for the quarter and nine months ended December 31, 2025**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter and nine months ended December 31, 2025, conducted after the meeting of Board of Directors held on January 29, 2026, for your information and records.

The above information is also available on the website of the Company:

<https://mf.nipponindiaim.com/InvestorServices/pdfDocuments/Conference-Call-Transcript-for-Q3-FY-2026.pdf>

Thanking you,

Yours faithfully,

For **Nippon Life India Asset Management Limited**

**Valde Varghese**

**Company Secretary & Compliance Officer**

Encl: a/a



# Nippon Life India Asset Management Limited

## Q3 FY2026 Earnings Conference Call

**January 29, 2026**



### **MANAGEMENT:**

- **MR. SUNDEEP SIKKA – EXECUTIVE DIRECTOR & CEO**
- **MR. PARAG JOGLEKAR – CHIEF FINANCIAL OFFICER**
- **MR. SAUGATA CHATTERJEE – CHIEF BUSINESS OFFICER**
- **MR. ANDREW HOLLAND – HEAD (NEW ASSET CLASS)**
- **MR. AMOL BILAGI – DEPUTY CHIEF FINANCIAL OFFICER**
- **MR. ARPANARGHYA SAHA – CHIEF DIGITAL OFFICER**
- **MR. ARUN SUNDARESAN – HEAD OF ETF**
- **MR. AASHWIN DUGAL – DEPUTY HEAD OF AIF**
- **MR. SHIN MATSUI-SAN - NOMINEE OF NIPPON LIFE INSURANCE, JAPAN**

**MODERATOR: Ms. MEGHNA LUTHRA – INCRED EQUITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Nippon Life India Asset Management Limited Q3 FY'26 Earnings Conference Call hosted by InCred Equities.

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 '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Meghna Luthra from InCred Equities. Thank you and over to you, ma'am.

**Meghna Luthra:** Thank you, Ikra, and good evening to everyone. On behalf of InCred Equities, I welcome you all to Nippon Life India Asset Management Q3 FY'26 Earnings Conference Call.

We have along with us Mr. Sundeep Sikka, Executive Director and CEO. We are thankful to the management for allowing us this opportunity. I would now like to hand it over to Mr. Sundeep sir for his opening remarks. Over to you, sir.

**Sundeep Sikka:** Thanks a lot. Good evening and welcome to our Q3 FY'26 Earnings Conference Call.

We have with us, Chief Financial Officer – Parag Joglekar, Chief Business Officer - Saugata Chatterjee, Head of New Asset Class – Andrew Holland, Deputy Chief Financial Officer - Amol Bilagi, Chief Digital Officer - Arpan Saha, Head ETF - Arun Sundaresan, Head AIF - Ashish Chugani, Deputy Head AIF - Aashwin Dugal and Shin Matsui-san, nominee from Nippon Life Insurance (Japan).

I would first like to share key highlights of our performance and post that I will hand-over to Parag, to speak in greater detail on the recent Industry trends as well as our performance, post which we will move on to QnA.

**Coming to the Key Highlights:**

- 1) I would like to start by mentioning that during this quarter, NAM India has crossed the milestones of INR 8 trillion of total AUM and INR 7 trillion of Mutual Fund AUM.
- 2) Further, NAM India achieved its highest ever quarterly Operating Profit at INR 4.58 bn as well as Profit After Tax of INR 4.04 bn.
- 3) NAM India was also the fastest growing AMC in the Top-10 AMCs in Q3 FY26 and 9M FY26.
- 4) This led to a continued increase in our overall AUM market share.
- 5) We had the highest increase in AUM market share in the Industry in Q3 FY26 and 9M FY26.
- 6) Our market share at 8.65% is our highest since June 2019.
- 7) Importantly, both Equity Net Sales market share and SIP market share remained well above our Equity AUM market share – with both being in the high-single digits for the quarter.
- 8) Lastly, on our AIF subsidiary. Our Board of Directors at their meeting on November 13, 2025, authorised the Company to enter into a strategic collaboration with DWS Group (a leading European Asset Manager), wherein DWS intends to acquire a minority stake of up to 40% in Nippon Life India AIF Management Limited by subscribing to fresh issuance of equity shares. Further, as part of a wider collaboration, NAM India and DWS will also work closely in other areas including passive investment products and global distribution.

Now I will hand over the call to Parag for further details on Industry trends and our performance.

**Parag Joglekar:** Good evening. Thanks, Sundeep.

**Let me start with the markets:**

Equity markets in Q3 FY26 witnessed a pick-up from prior quarter levels. The NIFTY increased by 6.2% QoQ, the NIFTY Mid Cap index increased by 5.9% QoQ, while the NIFTY Small Cap index was flat QoQ. The repo-rate decreased 25 bps to 5.25%, while the 10 Year G-Sec yield increased by 1 bp QoQ to 6.59%.

**Coming to data on the Mutual Fund industry:**

- 1) Industry QAAUM grew by 18% YoY and 5% QoQ in Q3 FY26 to INR 81 trillion.
- 2) The share of Equity in overall AUM increased marginally QoQ, ending at 57.0% for Q3 FY26.

**Now, moving to Industry flows:**

- 1) The Equity category (excluding index funds and arbitrage funds) witnessed a gross inflow of INR 2.54 trillion and a net inflow of INR 1.11 trillion. Both gross inflows and net inflows were lower QoQ.
- 2) Categories with the highest inflows were Flexi Cap, Multi Asset Allocation and Mid Cap funds.
- 3) The Fixed Income category i.e. (Debt + Liquid), witnessed a net inflow of INR 17 bn in the quarter, after a net outflow in the prior quarter.
- 4) The ETF category had a net inflow of INR 522 bn.

**Moving on to SIP:**

- 1) Industry SIP contribution for the quarter was INR 900 bn, up 17% YoY and 5% QoQ.
- 2) Monthly SIP flows in Dec-2025 stood at INR 310 bn – an all-time high.
- 3) Further, contributing SIP folios increased by 5.4 mn i.e., 6% higher to 97.9 mn for Dec-2025 over Sep-2025.

At the end of the quarter, unique investors in the Mutual Fund Industry increased to 59.0 mn i.e., an increase of 12% YoY.

**Now moving to our business performance:**

- 1) We closed the quarter with total assets under management of INR 8.16 trillion. This includes Mutual Funds, Managed Accounts, Offshore Funds and GIFT City.
- 2) Our Mutual Fund QAAUM grew 23% YoY and 7% QoQ to reach INR 7.01 trillion. We were the fastest growing AMC in the Top-10 in Q3 FY26 & 9M FY26 and had the highest increase in QAAUM market share among all AMCs.

**I would now like to share a few key highlights for the quarter:**

- 1) Starting with market share - Our market share increased 35 bps YoY and 14 bps QoQ to 8.65%.
- 2) Our Equity market share increased 11 bps YoY and was stable QoQ at 7.13%.
- 3) The share of Equity AUM in our overall AUM decreased by 0.6% QoQ to 47.0% for Q3 FY26.
- 4) We achieved a high single-digit market share in net sales in the Equity + Hybrid segment in Q3 FY26. However, excluding NFOs our market share would be in double digits.
- 5) We continue to have the largest investor base in the Mutual Fund industry, with 22.7 mn unique investors. We are humbled to have over 1 in 3 mutual fund investors invest with us.

**I would also like to touch upon some important aspects of our Systematic Book:**

- 1) I am happy to share that there has been continued momentum in our systematic flows.
- 2) Our monthly systematic book rose by 12% YoY and 3% QoQ to INR 37.6 bn for Dec-2025. This resulted in an annualized systematic book of INR 451 bn.
- 3) SIP market share stood at 9.82% for Dec-2025.

**Moving on briefly to the ETF Segment:**

- 1) We continue to be one of the largest ETF players with AUM of INR 2.09 trillion and a market share of 20.31%, which increased by ~220 bps YoY.
- 2) Our share in the industry's ETF folios is 48%. We also have 51% share of ETF volumes on the NSE and the BSE. Our ETFs' average daily volumes, across key funds, remain far higher than the rest of the Industry.
- 3) The Industry continued to witness a surge in Gold & Silver ETF volumes in the quarter. Combined AUM in these 2 ETFs for NIMF was ~INR 688 bn as of Dec 31, 2025, up 54% QoQ. Subsequently, the combined AUM in these 2 ETFs has crossed INR 1 trillion in Jan-2026.
- 4) Our Gold ETF was among the Top-15 globally in terms of inflows in 2025.

**Moving on to our digital franchise:**

- 1) Digital purchase transactions & new SIP registrations rose to 4.32 million in Q3 FY26, up 6% YoY. We had our highest ever monthly transactions in Dec-2025 at 1.56 million.
- 2) Digital Business contributed 77% of the total new purchase transactions Q3 FY26.
- 3) NIMF's Unified Digital Ecosystem continues to serve a multitude of digitally native investors, meeting their ever-growing needs by providing best-in-class digital experiences across their preferred touchpoints.

**Now, I would like to briefly update you on our subsidiaries and GIFT City:**

- 1) Starting off with AIF - Under, Nippon India AIF, we offer Category II and Category III AIFs and have raised cumulative commitments of INR 89.2 bn across various schemes, up 28% YoY.
- 2) In Q3 FY26, we raised INR 2 bn of commitment, across various asset classes.
- 3) Fundraising is currently underway for two of our Listed Equity AIFs, one Private Credit fund, and Direct VC Fund.
- 4) We achieved our largest fundraise to date with our maiden Private Credit fund, Nippon India Credit Opportunities Fund (NICO 1), which is now fully drawn down and deployed. Based on the success of the first fund we have now launched the second series, NICO 2.
- 5) On the Offshore front - AUM grew 7% in 9M FY26 to INR 162 bn, with major inflows coming in from various geographies in Asia and Europe.
- 6) Moving to GIFT City - As stated previously, we currently have 2 feeder funds - namely 'Nippon India ETF Nifty 50 BeES GIFT' Fund, and the Nippon India Large Cap Fund GIFT.
- 7) The AUM in these funds grew 35% QoQ to USD 41 mn.

**Now on to our Financial Performance:**

- 1) For Q3 FY26, Revenue stood at INR 7.05 bn, up 20% YoY and 7% QoQ.
- 2) Other Income stood at INR 0.75 bn, up 3.9 times YoY and 1.1 times QoQ.
- 3) Operating Expenses stood at INR 2.48 bn, up 17% YoY and 4% QoQ. Excluding the impact of the New Labour Code, Operating Expenses grew 14% YoY and 1% QoQ.
- 4) Operating Profit stood at INR 4.58 bn, up 22% YoY and 9% QoQ.
- 5) Profit After Tax stood at INR 4.04 bn, up 37% YoY and 17% QoQ.

- 6) For 9M FY26, Operating Profit grew by 20% YoY, Profit After Tax grew by 16% YoY.

With this, I would like to conclude my remarks and open the floor for questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Lalit Mohan Deo from Equirus Securities. Please go ahead.

**Lalit Mohan Deo:** Sir, I have two questions. Firstly, we have seen some sharp growth in gold and silver ETFs. Could you also give us a share in terms of the topline, like how much of the revenues do come from these two segments? And also, a bookkeeping question, could you spell out the segment-wise yields in equity, debt, liquid, and ETFs? And lastly, we are seeing some moderation in the market share and monthly shift flows. Is there anything material to read over there?

**Parag Joglekar:** So, Lalit, the yield for equity is around 53 basis. Debt is 25 basis. ETF is 20 basis. And overall yield is 37 basis. We don't specifically give asset class-wise fees and their contribution to revenue. But as you rightly said, our overall gold and silver pie in the overall AUM has increased. So, it has impacted the increase in the overall revenue also.

**Saugata Chatterjee:** Sir, on the point of the SIP market, there is a slight dip in the market share. So, like it was mentioned in the opening speech, there has been a market volatility which is there in the equity market. And if one has seen the AMFI data, the flows in equities are now narrowing down to certain categories. There is one category called Flexi Cap which is a very large category in the MF industry, which is where there is a lot of investment coming in. We are working towards building our market share in that particular category or any other alternate category. But else, our SIP flows are consistently moving up, barring these few aberrations during the course of the quarter.

**Lalit Mohan Deo:** Thank you.

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

**Prayesh Jain:** Congrats on a good set of numbers. Firstly, just a probably naïve question here. But when you, gold ETFs and silver ETFs basically purchase, what nature of gold and silver and then?

**Parag Joglekar:** As per SEBI regulation, it is all backed by physical asset class.

**Prayesh Jain:** And you cannot take any exposure to derivatives on this?

**Parag Joglekar:** No, we cannot. Not only we, SEBI does not allow for any SEBI registered ETF.

**Prayesh Jain:** Okay, got that. Sorry. The other question was on, if I look at the cost and particularly the overall cost for us has been quite moderate in this quarter. Happy to see that. But what is the kind of driving force behind the moderation in other expenses on a sequential basis in this quarter? Was there any one-offs in the previous quarter which have not come in this quarter?

**Parag Joglekar:** No, there is nothing specific. The cost is more or less lying in the last quarter. There is a small dip which is there. But there is nothing to read in this.

**Prayesh Jain:** Okay.

**Parag Joglekar:** We will at times continue with the discretionary spending depending on the market conditions, branding, technology, various things. But I would not like you to see it as any directional thing if it has come down. It is in line with our overall planning.

**Prayesh Jain:** I think you mentioned the guidance of 15% growth in overall expenses. That should sustain for next year also?

**Parag Joglekar:** Yes, it should.

**Prayesh Jain:** And structurally, how do you think passive as a segment has been growing very strongly? So, from a contribution of profit perspective or some

understanding as to given the scale that Nippon AMC has on the passive side which is not linked to EPFO, there is a massive size out there. Some understanding as to what is the contribution that comes into the profit. Like you mentioned, the yields on the ETF. But what is the kind of cost against it? How do we kind of size the profitability against this category? And that has been growing at a very fast pace.

**Sundeep Sikka:** So, we break it into two parts. One is profitability and how do you see from future point of view? From our point of view, the way we see is in the Indian context, both active and passive will continue to grow at a very strong pace. And these are totally two different verticals. I mean it is not one is cannibalizing the other. These are two different set of investors who would like to go for passive and there are investors who would like to go for active. We are in a very strong and dominant position where both as far as active and passive, we have a very strong record and also trusted by millions of investors. I want to also give you another way to look at this specifically for the ETF business. Unlike mutual fund business, ETF business globally, the top 2-3 players always have the lion's share. Because I mean unlike a mutual fund where an investor typically likes to diversify in 2-3 different schemes, here the underlying is the same. And typically for us because we have, as we talked about today, more than 56 lakh investors. More investors mean more liquidity, more trading and it is a chicken and egg. And that is exactly the reason you see, you talked about gold and ETF earlier, someone asked this question, the fact that between gold and silver ETF, we are ~35% of the entire industry. So, we will continue. We believe this does not have any additional cost. This is a scale game. And this is not a business which can be replicated very easily. Again, I repeat, globally, country after country, the top 3-4 will have 80%-90%. Then you will have a long tail with 2%-3%-4%. So, that is one. On the yields, the blended yield for ETF is around 20 basis. And so, it is a very profitable business to run. As the cost is very low and the new increase in the AUM doesn't really require to have a higher cost element. So, it is a very profitable business.

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

**Moderator:** Thank you. The next question is from the line of Mohit Mangal from Centrum. Please go ahead.

**Mohit Mangal:** Thanks for the opportunity. Congratulations on a good set of numbers. First question is towards the SIF strategy. First of all, how do you intend to take it forward? And now it is a six-member team, so how will the economics work in terms of yield and profitability?

**Sundeep Sikka:** So, as you rightly mentioned, we have a team led by Andrew Holland. We are very bullish and excited about SIF. We believe it has just started over the last 3-4 months ever since the scheme has started, which are about 4,000 crores-5,000 crores have been collected. But this is like the starting of the mutual fund industry, because for this segment, the segment which is the HNI segment they are accredited investors. We believe this will become a very important and critical area. And from our point of view, we will continue investing as a six-member team today. We are at this point of time also back-testing, getting risk management ready. We believe this will be a very important segment. If I was to look at what you talked about, the earlier question I was to go, a separate vertical of ETF and passive was discussed. I believe when we will be discussing 5 or 10 years down the line, SIF will be a separate business vertical, and we will be discussing that in that much detail.

**Mohit Mangal:** Right. But do you think that over the medium term, next 2 to 3 years, we will have decent yields on these businesses, or do you think it will be little on our lower side?

**Sundeep Sikka:** It depends on different players, how they want to approach it. Somebody may want to do it for AUM, may want to do it at lower yields. We are very clear. We would like to add value to the investors and do it at higher yields. So, we do not want to run it like a liquid fund. We do not want to run it like a passive fund. This is a specialized product. We clearly see if you can add value to the investor, the investor will be willing to pay. So, our strategy for SIF will be not AUM but more profitability.

**Mohit Mangal:** Understood. This is very clear. Secondly, in terms of growth, I think we had very, very solid growth led by equity and debt. But I think liquid has kind of disappointed. So, do you think that is a concern or will it bounce back in Q4?

**Sundeep Sikka:** I think I will rephrase the word disappointed to yes, it was a little lower. It is a temporary thing that keeps happening at times. I do not think you should read too much into it. Overall, as a company, as a portfolio, there will be at times, there could be a particular scheme or a set class which may underperform for one particular quarter. But I will request you not to read too much into it.

**Mohit Mangal:** Understood. My last question is towards the performance. We have been in the top quarter over a longer period of time, greater than three years. But I think in some of the schemes, our short-term performance has been a little weaker. So, are we coming out with any strategies to prove that or do you think that it will become more clear maybe next 3 to 6 months down the line?

**Sundeep Sikka:** Even as we talk today, almost two-thirds of our key equity funds are in the top two quartiles over one year bucket. Definitely we continuously keep monitoring our equity debt performance very closely. However, we have to also differentiate between noise and sound because what you have to see is last one year, market has been volatile and has not moved in any particular direction. And certain things may not have played out the way we expected. But is it basically a reason for us to panic or try to change the portfolio? The answer is no. We stick to our conviction. So, this 1 or 2 quarters plus or minus does not matter. Effectively we are not going to be taking much, a lot of extreme steps. But we continue monitoring the schemes very closely.

**Mohit Mangal:** Understood. This is very clear. Thanks, and wish you all the best.

**Sundeep Sikka:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Ankit Bihani from Nomura. Please go ahead.

**Ankit Bihani:** Hi. Thank you for the opportunity and congrats on a good set of numbers. So, my question is on the yield part. So, the yield has held up quite well on the

QoQ basis while we have seen substantial growth in the lower yielding ETF space also. So, what has led to that? And the second is, have you done any assessment on the new SEBI regulations and what could be the impact?

**Parag Joglekar:**

So, the yield on ETF is mainly driven by the gold and silver commodities ETF which has been helping the yield to grow on the ETF side, and which is resulting in the overall increase in the yield because the ETF as a pie is increasing in the overall AUM. So, that has helped to improve the overall yield on ETFs. On the SEBI regulation, the regulator has been consistently taking steps in the interest of industry and the investors, and this is one of the steps in the same direction. Coming to specifics, the removal of the 5 basis points exit load will surely have some impact on the overall industry equity-oriented AUM and even the revision in TER slab will have some impact on the bigger scheme but on the smaller scheme it will see some benefit. Lastly, the brokerage on the cash transaction was reduced to 6 basis against 12 basis but the average brokerage used to be in the range of around 8-8.5 basis on cash transaction so there is not much dip on that side. So, this will not have a major thing to read currently. Anything which comes as an impact, we will have to look at how we will adjust or do it in our financials, how to pass on or anything.

**Sundeep Sikka:**

And Ankit, also to add to what Parag mentioned, over the last 2-3 years, as I have always mentioned, irrespective if it is not the regulator, whether it is the regulatory push, whether it is the investor demand, one needs to be mentally prepared that the yields can come down by 1 or 2 basis points year after year and that is the direction we will keep moving. Whatever the reason, the idea is how do you build up efficiency in the Company to absorb that.

**Ankit Bihani:**

Agreed, yes. And just a follow-up, so on the ETF space, what I could understand, the yields are higher on the gold ETF side. Could you give a number? I think 30-35 would be a fair assumption?

**Sundeep Sikka:**

Blended is 20, Parag just mentioned that, 20 basis points.

**Ankit Bihani:**

But what would be for the gold-silver ETFs?

**Parag Joglekar:** You can check in DTER because it is publicly documented. Gold is around 60 basis, and silver is around 30 odd basis.

**Ankit Bihani:** Okay, 60 for gold and 30 for silver. Thank you.

**Moderator:** Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

**Rahul Kumar:** Hi. Just one question. Can you help us understand the trends on the net flows on your small-cap funds?

**Saugata Chatterjee:** See, the small-cap fund, as you know, it has been almost two years, we have stopped taking lump sum investments. We were very clear that at that point in time, the market was getting more heated, and I think we were right to have arrested more flows in this fund. As we speak, we continue to be in that camp. Like you have heard Parag saying that last year also, the small-cap index did have a negative return. The valuations are still stretched, though there is some news flow or noise about small-caps getting rightly valued. But we are in the camp of still observing the valuation movement from here on. The earnings trajectory also is going to be something which we are going to look at very minutely. So, maybe at this point in time, we still believe that flows into this fund should be through SIP. We have not yet seen any sort of negative net flows in this fund. This fund continues to be net sales positive. But yes, directionally the inflows are going down because lump sums we don't accept in this fund.

**Rahul Kumar:** Okay. And I think on Flexi Cap, you mentioned that you are seeing a strong correction.

**Saugata Chatterjee:** Correct.

**Rahul Kumar:** And over there, it seems like you are trying to improve. Can you help us understand that point as well?

**Saugata Chatterjee:** Yes, so if you go back to history, the Flexi Cap category in the industry is a new category which was approved by SEBI. And that's when many of the

multi-cap funds or the large and mid-cap funds which were having a flexi sort of a strategy got migrated into the Flexi Cap category and that's the reason why this category became big. We were late starters in 2021 with this fund. And it's a five-year product at this point in time. The mid and small-cap correction which has happened has impacted, does impact the fund performance in the near term. And what we are looking at is that how do we bring in more stability into this performance. And that should lead us to start getting more market share in the Flexi Cap category. So, that's where we stand at this point in time. So, for sure, Money flow and SIPs are moving into this category. As you also should know that the Flexi Cap schemes in the industry are more large-cap oriented. We want to be true to Flexi Cap. Hence, sometimes near-term performance might impact the near-term return. But we will stick to our mandate of being true blue Flexi Cap.

**Rahul Kumar:** Thank you.

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

**Abhijeet Sakhare:** Hi, good evening everyone. My first question was, is it possible to indicate or give some sense of what would be your flow market share in gold and silver ETFs?

**Sundeep Sikka:** It would be approximately 30%.

**Abhijeet Sakhare:** Got it. And like in terms of yields, what I saw from AMFI disclosures is that the yields on the gold and silver ETFs, if I kind of combine that book, is probably better than what you get on your equity book. So, the question here was that, as we look into the next few quarters, do we get a sense that it's possible that our yields kind of inch upwards, could remain flat even while the overall AUM keeps growing?

**Sundeep Sikka:** Again, we won't be able to do a futuristic thing, but the only thing specific to ETF I can share with you, when there is a higher liquidity, it adds value to the investor by low tracking error, low impact cost, and allows you or gives you the cushion to charge higher. That's the only thing I can share with you at this

point of time. Which way it will go, we do not know, because the mix will keep changing. But the only thing, generally, when we talk of ETFs, and I'm not sticking to gold or this thing, liquidity helps the investor get a lower impact cost, low tracking error, and these two things put together, if you get it right, it allows you the capability to charge higher. Whether you charge or not is a different thing, but it allows you to charge higher. And you are not forced to play a game of lowering the expenses to garner AUM.

**Abhijeet Sakhare:** Got it. So, is it fair to assume that your price to NAV gap or the tracking error would be one of the best in these two categories?

**Sundeep Sikka:** Very much.

**Abhijeet Sakhare:** Okay, got it. And then, on the OpEx, did I hear this number correctly, that for next year, we are looking at somewhere close to 15% headline growth in overall OpEx?

**Parag Joglekar:** We've been consistently saying, I think you can look at expense growth of about 15%, plus, minus 1-2. That's what we've always said.

**Abhijeet Sakhare:** Okay. Got it. That's all from my side. Thank you so much.

**Management:** Thank you.

**Moderator:** Thank you. The next question is from the line of Meghna Luthra from InCred Equities. Please go ahead.

**Meghna Luthra:** Hello. Thank you for the opportunity. Sir, I just wanted your thoughts around the SIP movement. Do you think it has any correlation with the slowdown in thematic and sectoral schemes? Or general market sentiment, broad market sentiment is what it is following? Do we see that the pace of SIP flows will now stagnate or plateau at these levels?

**Sundeep Sikka:** It will be very difficult to predict that. What we have seen in past is, it depends on which segment you are catering to. When you look at the segment which is basically SIPs which are, let's take, 20,000-50,000 and above, they are more

vulnerable to market conditions. Compared to very small retail ticket size, they are not as vulnerable. So, we continue, our focus continues to be on very small ticket size, which is one. Having said that, whenever it is not a thematic or this, if investors over a longer period of time, see over 2-3 years' time, the returns are not there. There can, from a sentiment point of view, there can definitely be a slowdown. I am not saying it will go negative, but growth can slow down for sure. If it is over a longer period of time, investors see negative growth or no growth in the portfolio.

**Meghna Luthra:** Got it, sir. Sir, on the ticket size, what would be our average ticket size on the SIP and SIP?

**Sundeep Sikka:** For us, 75% of SIPs by value have a ticket size of less than INR 10,000.

**Meghna Luthra:** Okay, so that is very granular. Got it. And, sir, again a similar question on the offshore fund. Is there, how do you think that the book will move going forward? I know it is difficult to give guidance, but any sentiment or color on that?

**Sundeep Sikka:** I have mentioned in past also - clearly we would have expected offshore contribution to be higher. It has taken a little more time; it is a little binary. Unlike SIP, when we talk, when you are doing, whether you will get 1 lakh SIP or 90,000 SIP or 1,10,000 SIP, I mean it is very easy to predict, that could be plus minus 10% variation. But majority of these businesses also have institutional deal mandates. It will be difficult to predict which direction will go, but all I can share with you, I shared in the last meet also, that there is a lot of work in progress that is going on. We, clearly a lot of work going on in Japan. We launched the first NISA scheme in Japan. As I mentioned in my speech earlier, our AIF is getting into a JV with DWS. Again, the idea will be to get more global flow into India. So, this is again continuous work in progress. It will be very difficult to give guidance on this. In the last few years also, USD-INR depreciation has also gone against us. But there is a lot of work in progress you would see over the next 2-3 years. I think more positive numbers on this compared to what you have seen in the last few years.

**Meghna Luthra:** Okay, got it. That is very helpful. And sir, on this deal, do you think, I mean, I know it is a small, I mean, proportion of the whole book. But can you give more color on this, on the transaction? When is it likely or anything?

**Sundeep Sikka:** At this point, we will not, as shared with the stock exchange on 13<sup>th</sup> of November. It is a non-binding agreement we have got into DWS. As and when there is further update, we will be coming back to you, sure.

**Meghna Luthra:** Okay, sir. And lastly, on giving this guide on the ESOP expense, what it was this quarter and how do we look at it going forward?

**Parag Joglekar:** Yes, so ESOP expense for this quarter was around Rs. 11 crores. And for next year, of the current ESOP scheme, we are expecting ESOP expense rate of around Rs. 26 crores for the next financial year.

**Meghna Luthra:** Okay, got it. Thank you. That is all from my side.

**Moderator:** Thank you. The next question is from the line of Mohit Mangal from Centrum. Please go ahead.

**Mohit Mangal:** Thanks for the follow-up. Just one question. So, last quarter, you said that you have been successful in rationalizing distributor commission across four equity schemes, which covered around 60% of total equity area. Any further, I mean, developments in this quarter?

**Sundeep Sikka:** Directionally, we will keep moving in that direction. I think quarter-by-quarter, number of schemes will be very difficult to share with you. But directionally, as Parag mentioned, with respect to the SEBI changes, the new regulation, we will try to mitigate any impact on us by either absorbing, or by getting better efficiency or passing on. We will continue working on those lines.

**Mohit Mangal:** Understood. This is helpful. Thank you.

**Moderator:** Thank you. We have one more question. It is from the line of Gaurav Jani from PL Capital. Please go ahead.

**Gaurav Jani:** Thank you. Sir, just two quick questions. You mentioned the ESOP charge for the quarter to be about Rs. 11 crore. The notes to accounts mention Rs. 6 crores. So, where is the difference? Please explain.

**Amol Bilagi:** So, the 6 crore pertains to the new ESOP scheme, which was granted in the current financial year. And 11 crore is the overall ESOP expense, including the new scheme and the old scheme.

**Gaurav Jani:** Okay. Understood. That is clear. Secondly, I had a question on the “Labour Code” impact incrementally. So, this quarter we have taken the one time. By how much would the staff cost increase or how should we kind of look at that?

**Parag Joglekar:** So, the “Labour Code” impact is the one-time changes to the gratuity. There are still some clarifications still awaited. So, we will do a needful, if anything, in the March quarter. But the one-time impact is on the gratuity changes on the basic and definition of wages, which has been notified, which has been taken in the financials.

**Gaurav Jani:** So, as of now, sir, no incremental material impact seems to be there?

**Parag Joglekar:** No. For the gratuity, at least, we have worked out as per the law.

**Gaurav Jani:** Okay. Thanks. That is it.

**Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for today. I now hand the conference over to the management for closing remarks.

**Parag Joglekar:** Thank you, everybody, for joining this call. If you have any questions, if you need some inputs, you can reach out to our IR, Arash and he can help you to answer the questions. Thank you and good night.

**Moderator:** Thank you very much. That concludes this conference call. Thank you all for joining us today and you may now disconnect your lines.