Aditya Birla Sun Life AMC Ltd.

ADITYA BIRLA CAPITAL

ASSET MANAGEMENT

Ref. No.: ABSLAMCL/PS/19/2025-26

May 2, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street Mumbai - 400 001
Scrip Code: 543374

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol: ABSLAMC

Dear Sir/ Ma'am,

Sub: Transcript of the Earnings Conference Call for the quarter and financial year ended March 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 on Audited Financial Results for the quarter and financial year ended March 31, 2025, held on Monday, April 28, 2025.

The above information is also available on the website of Company at https://mutualfund.adityabirlacapital.com/shareholders/financials.

We request you to kindly take the aforesaid information on record.

Thanking you.

Yours sincerely,

For **Aditya Birla Sun Life AMC Limited**

Prateek Mahesh Savla

Digitally signed by Prateek Mahesh Savla
Date: 2025.05.02 15:12:33 +05'30'

Prateek Savla
Company Secretary and Compliance Officer
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Encl: as above

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CIN- L65991MH1994PLC080811

"Aditya Birla Sun Life Asset Management Q4 FY25 Earnings Conference Call"

April 28, 2025

MANAGEMENT:

- **MR. A BALASUBRAMANIAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**
- **MR. PRADEEP SHARMA – CHIEF FINANCIAL OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**
- **MR. PRAKASH BHOGALE – HEAD, INVESTOR RELATIONS – ADITYA BIRLA SUN LIFE AMC LIMITED**

Moderator: Ladies and gentlemen good day and welcome to Aditya Birla Sunlife Asset Management Q4 and FY25 Earnings Conference Call hosted by InCred Equities.

As a reminder all participant’s line 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, Manav. Good evening, everyone. On behalf of InCred Equities, I welcome all to Aditya Birla Sun Life AMC 4th Quarter FY25 Earnings Conference Call.

We have along with us Mr. A. Balasubramanian – Managing Director and CEO, along with the senior management of the company. We are thankful to the management for allowing us this opportunity.

I would now like to hand it over to Mr. A. Balasubramanian for his opening remarks. Over to you, sir.

A. Balasubramanian: Thanks, Meghna, for the introduction. Good evening, everyone, and thank you for joining today's investors call. I trust you all had the opportunity to review our earnings presentation, which is available on both the stock exchange and on our website.

Let me begin with the economic outlook and an update on the mutual fund industry:

The global macroeconomic outlook for the new financial year, suggests a continuation of moderate but uneven growth, with projections around 3.3% for the global economy. Inflation is expected to moderate further, with global headline inflation potentially falling to 4.2% and key risks still persist including geopolitical tensions, the potential for increased trade restrictions, and macroeconomic volatility stemming from unexpected economic shifts or policy changes. Central banks are expected to remain vigilant, calibrating monetary policy cautiously especially in the US, while fiscal policy will need to focus on long-term stability and growth-enhancing measures.

India's macroeconomic outlook remains strong, with GDP growth projected at about 6.5%. This robust expansion is driven by sustained domestic demand, rising government capital expenditure, and gradually easing of inflation. While global risks, particularly from US trade policies, could affect exports, India's limited reliance on external markets provides significant insulation. Inflation is expected to average 4.1% for the fiscal year, giving the RBI flexibility for potential rate cuts. The fiscal deficit is targeted to decline to about 4.4% of GDP, reinforcing the Government's commitment to fiscal consolidation. Overall, India is poised for continued growth, though global risks and the need for sustained private investment warrant careful monitoring. The recent positive turnaround in the Indian stock markets, with indices like the Nifty 50 and Sensex rebounding in March 2025, faces significant headwinds due to the potential impact of newly implemented Trump tariffs. However, domestic optimism, returning foreign investments, reasonable valuations, and signs of economic recovery provide the necessary support for the market. Additionally, India is actively pursuing a trade deal with the U.S. to secure favourable terms and minimize potential disruptions and hopefully it will happen soon for the benefit of our economic growth.

Moving to the Indian Mutual Fund Industry, the Quarterly Average AUM of Mutual Fund Industry as on 31st March 2025 stood at Rs. 67.42 lakh crores as compared to Rs. Rs. 54.1 lakh crores as of March 2024, growing by 25% on a year-on-year basis. Due to recent volatility in the equity markets, Q4 FY25 saw a slowdown in equity net sales compared to the previous quarters. Equity net sales for Q4 FY25 were around Rs. 1,21,000 crores v/s Rs. 1,62,000 crores in Q3 FY25. The total NFO collections for Q4 FY25 also experienced a decline, totaling to around Rs. 12,700 crores, with Rs. 8,500 crores coming from equity funds and rest of the money is coming from fixed income and mainly the equity flows are from sectoral/ thematic funds and small-cap funds especially in the NFO collection.

While the industry's SIP inflows registered a year-on-year growth of 35%, with 10 crore accounts contributing to approximately Rs. 25,900 crores in March 2025, it witnessed a marginal decline on a quarter-on-quarter basis. The total number of mutual fund folios stood at around 23.8 crores with a year-on-year increase of 32%. The individual average AUM for March 2025 grew by 21%, year-on-year, from Rs. 33.31 lakh crores to Rs. 40.31 lakh crores and contributed 60% of the total AUM. B30 cities with an average AUM of Rs. 12.17 lakh crores for March 2025 accounted for 18% of the total mutual fund AUM.

At ABSLAMC, I am pleased to share that we have observed positive momentum in sales, driven by improved investment performance and strong on-the-ground engagement from our sales team. This has also resulted in a quarter-on-quarter increase in our AUM and market share. As part of our ongoing engagement, this quarter, we also hosted an exclusive event - Vantage Point 2025 - which brought together the country’s top MFDs. The event was pivotal in strengthening our relationships and fostering deeper collaboration with these key partners in order to increase our engagement as well as market share. It has in fact enabled them to better advise their investors with tailored investment solutions suited to the evolving market dynamics.

Our Overall Average Assets under Management, including alternate assets, stood at Rs. 4.06 lakh crores, reflecting a 17% year-on-year growth. Our Mutual Fund quarterly average AUM reached Rs. 3.82 lakh crores, growing 15% year-on-year. The quarterly Equity average AUM stood at Rs. 1.69 lakh crores, growing by 11% year-on-year.

Our SIP book for March-25 stood at Rs. 1,316 crores and we added around 5.43 lakh new SIPs in Q4 FY25.

Our total investor folios stood at 1.06 Crore with around 27 lakh new folios added during FY25. On the alternative business front, we are continuously enhancing our PMS and AIF offerings across both Equity and Fixed Income, to better serve the evolving needs of HNIs and family offices.

Following the receipt of the ESIC mandate, we commenced management of debt portfolio, and its AUM stood at Rs. 7,456 crores for the quarter ended March 31, 2025. Consequently, our PMS/AIF assets witnessed a year-on-year growth of 268%, rising from Rs. 3,075 crores to Rs. 11,330 crores. Additionally, we are also preparing to launch the ABSL India Equity Innovation Fund under the PMS category.

Our Offshore assets grew by 14%, from Rs. 10,545 crores to Rs. 12,070 crores. Under the GIFT City platform, we had our final closure of ABSL Global Emerging Market Equity Fund under LRS scheme, with AUM of about USD 65 million. Fund raising underway for India ESG Engagement Fund, ABSL Flexi Cap Fund for inward remittance and ABSL Global Blue-chip Fund under LRS scheme for outward remittance.

Aligned with our vision to scale Passives business, we continue to offer a diverse and performance-driven product to our investors. As of March 2025, our total passive assets reached approximately Rs. 34,700 crores, with a growing customer base exceeding 11.60 lakh folios. Our current product suite comprises 53 distinct offerings designed to meet varied investment needs of customer with a mix of equity and fixed income index funds.

Moving on to the financials, we at ABSLAMC have achieved a profit after tax of Rs. 931 crores in FY25, which is up 19% Y-o-Y. For FY25, our Operating Revenue is at Rs. 1685 crores; up 25% Y-o-Y and Total Revenue is Rs. 1986 crores; up 21% Y-o-Y. Operating Profit before Tax is at Rs. 944 crores; up 31% Y-o-Y and Profit before Tax is Rs. 1245 crores; up 23% Y-o-Y. In Q4 FY24, Operating Revenue is at Rs. 429 crores; up 17% Y-o-Y, Total Revenue is Rs. 501 crores; up 14% Y-o-Y. Q4 FY24, Operating Profit before Tax is at Rs. 233 crores; up 21% Y-o-Y and Profit before Tax is at Rs. 305 crores; up 14% Y-o-Y.

We are pleased to announce that the board has proposed a dividend of Rs. 24 per share for FY25. which is up from the last time what we have declared.

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

Moderator: Thank you, sir. We will now begin the question-and-answer session. We have our first question from the line of Swarnabha Mukherjee from B&K Securities. Please go ahead.

Swarnabha Mukherjee : Hi, sir. Good afternoon and thank you for the opportunity. I have 3-4 questions from my side. The first one is on the employee expense part. So, this quarter, the employee expenses increased sequentially. So, I wanted to understand what factors broke these expenses and if there was a higher variable payout baked into this, how do we account for it? Do we do it on a quarterly basis, or is it that we account for it on an actual basis in a particular quarter? So, if you could give some color on that and how should we think about this number in the upcoming quarters as we move into FY26? That is the first question. The second is on the ESIC mandate that we have got, could you give some details on what would be the realizations on that, and is this primarily a debt-oriented mandate that we have, institution-driven? If you could highlight that. And thirdly, when I look at your SIP data, I think what I see is that you know the number of live SIPs has also come off. So, I just wanted to understand that last year we had significantly increased our share of the direct channel, particularly the online-oriented channel. Is this leading to some number of closures in our SIP book, or if could you highlight what the trends are? And given that SIP flows have also come up from what it was in December, what is our approach towards that? If you would expect this number to now move northwards, as the market has started to also improve. This will be my question, sir. And I have a couple of bookkeeping questions, which I will ask after your response.

A. Balasubramanian: Thanks, Swarnabha Mukherjee. I will take the second question, which is the ESIC mandate. This is a debt-oriented mandate advisory under the portfolio management service. Of course, as you know, this government mandate comes with the lowest possible rate. It is more of a prestigious mandate for us. While we have been in this market for a long time and for a variety of reasons, we have not been participating in this segment. But given the fact that we have people, who can actually provide related services to manage this fund. So, this year what we bid for it, and we got qualified and therefore we won the mandate. And ideally speaking the amount could be in the range of about Rs. 44,000- 45,000 crores, on the base of the sharing formula that they have with all others. So that is something of course. here we are building up and we believe winning this kind of mandate can only help us expand this advisory service to many others, both government and private institutions. And that is something which we have won in this market. I am happy to share that we have already got the money and started investing in that. As far as the SIP data is concerned, I will leave the exact number to Prakash. With respect to the SIPs while we have been clearly focusing on increasing SIP as I would have seen in the last few quarters each quarter, we keep improving the number. We touched about Rs. 1,400 crores kind of SIP number, and then we saw a bit of dip. I think largely on account of two things. One of course, during the current quarter we have seen SIP, both registrations and the net additions have come down for the industry and we are also in more line with that. Also given the fact that STP is generally where money comes in and in the form of SIP. And during the current volatility period some of the SIP transactions also got stopped as a result of that number being a little lower. But otherwise, our focus in terms of building SIP remains paramount to us even though some of these promotions that we are doing. The "Sabse Important Plan is SIP" that we are going aggressive in terms of promoting it. And incentivization also actually sets the target. And incentivization is also largely on the basis of that. And in fact, our fund performance is showing improvement across the major categories. We are also quite confident that SIP, we should start seeing the improvement coming in. Of course, with SIP, I do not want to give the target number given the fact that it becomes a projection. But otherwise, clearly, the focus is there to build our equity through the SIP that stays constant. As for the employee expenses concerns, I will ask Pradeep.

Pradeep Sharma: Yes. So, Mr. Swarnabha Mukherjee's actual employee count, if you see from a quarter-on-quarter basis, has not increased much. It is only in the same range, 1,627 to 1,628 only. However, we are in the process of building our direct team to 30 to 40 additional people. But that is not going to actually impact much on the cost part.

Swarnabha Mukherjee: Sorry, I missed the 1,620-1,630 number. Sir, you must be talking about the overall expenses. If I have this correctly, the employee expense will move up from around Rs. 88 crores to almost Rs. 99 crores. So, I just wanted to understand that Rs. 10 crores increase.

Prakash Bhogale: Yes, Swarnabha, the employee expenses for the quarter on quarter have increased by Rs. 11 crores from Rs. 88 crores to 99 crores. Which is largely on account of the bonus provisions and the staff welfare expenses. You wanted to know about the bonus provision. So, because it is a formula on a year-end basis for the performance of the entire organization, we make the provision for the bonus, and that has increased a little bit because of which you can see some increase in the overall employee expenses.

Swarnabh Mukherjee: Okay, sir, understood. So then next quarter it will again normalize a little bit.

Prakash Bhogale: Yes. Again, from the next financial year the new provisions will start basis the achievement of what we will have at that time.

Swarnabh Mukherjee: Okay. And is it fair to build in, like maybe 10% odd kind of inflation in the fixed cost.

Prakash Bhogale: Yes.

A. Balasubramanian: And broadly just to give you a sense of this employee expense. Generally, we have the fixed cost-plus variable cost. And variable cost is largely linked to the performance of each of the functions as well as the company's overall functions, overall achievement. And therefore, these provisions will keep changing. And I think wherever, in fact last quarter was better than the previous quarter. Therefore, as a result of that we have to make a little higher provision. Otherwise sometimes it is a good problem to have.

Pradeep Sharma: So basically, just to add actually there would be some quarter-on-quarter fluctuation but on if you see on a year basis it is largely in line.

Swarnabh Mukherjee: Okay sir, understood. Very helpful. A couple of bookkeeping questions. If you could provide the SIP AUM number and yields with the different assets that would be very helpful. Thank you.

Prakash Bhogale: SIP AUM is Rs. 75,600 crores.

Swarnabh Mukherjee: Okay sir. And if you could give the yields by the different asset classes.

Prakash Bhogale: So, equity is in the range of around 68-69, Debt is in the range of around 24-25 and liquid is in the range of around 12 to 13 basis point.

Swarnabh Mukherjee: Okay sir, this is very helpful. Thank you so much sir and all the best.

Moderator: Thank you. We have our next question from the line of Prayesh Jain from Motilal Oswal Financial Services. Please go ahead.

Prayesh Jain: Hi, good afternoon, everyone. Just a few questions. Firstly, if I look at your yield this quarter sequentially, we basically divide the revenue by your MF AUM that's come off in this quarter. That is primarily because of the share of equity going down or what would you attribute that to? That is first. Secondly you mentioned in your opening remarks that the flow momentum has been strong given the fund performance has improved. Could you just help us understand what has been or directionally what your flow of market share into market share in the last few months has been. Thirdly, in our earlier interactions on the Analyst Meet I think you mentioned about a agency to evaluate the funds and where we are in that process right now. Yes, those would be my questions. Thanks.

A. Balasubramanian: Yes, I think with respect to the revenue drop was on account of equity mix. The equity mix has dropped by about 1.5% compared to the previous quarter. As a result of that equity mix getting reduced the revenue has drop. Therefore, the number what you are saying is derived from that. As far as the final performance impact, across all over the main categories, right from Frontline Equity, Flexicap Fund, Balanced Advantage Fund, Multi Cap Fund and some of these thematic funds, we are seeing improvement coming in and in fact our sales on these funds in fact seeing it today only generally how the numbers are even coming in month of April, these numbers are now getting positive. Normally the way we have been addressing in the last one, one and half years, our rate of fall has to come down to the level that we have witnessed in the last quarter. The rate of market share lost has been coming down quarter-on-quarters on a basis. Second, performing funds should also come as part of the recommendation list that we are now seeing some of our funds which are performing well now are coming as part of the recommendation list in some of these organized channels. In fact, the sales team is also driving five focused product and all five focused products are in Q1-Q2 that's being not only being seen, people are also talking about it in terms of our fund performance coming back is something making our partners to contribute more for the AUM success in the current financial year. That is something we are already seeing it. In the last quarter we have seen some kind of flow coming into those funds and the last question is around which is your third question.

Prayesh Jain: Sir I was asking about the consultant that you had hired to improve to evaluate the funds and…

A. Balasubramanian: I got it. No, we engaged Mercer about 2 years back when Harish Krishnan joined as head of equity. They have already initiated discussion with Mercer to help us to understand the current processes and what are things that need to be improved. In fact, those inputs has been taken by the new head of equity and implemented some of the process changes that they implemented in the fund house in terms of tracking of our ownership, stock selection and ownership of stocks and sizing of those opportunities in the portfolio reflection and also monitoring the performance very closely where we have also put a target that we should not have any funds which is a Q4. We should try and keep all the funds in Q1-Q2 performance. And not necessarily everything has to be in Q1. In fact, 65% of our funds are delivered Q1-Q2 performance for March ending on a one, one and half years basis. So, I think this has come largely on the back to the mercer engagement that we did which has now been built in as part of the overall process. Of course, in addition to that whatever traction came, the new team which is, not new team except Harish and additional one more gentleman we recruited for a small and mid cap along with the other portfolio managers. The restructuring of team from the fund management responsibility point of view allocating to individuals the portfolio responsibilities and each one of them, of course have taken it with a lot of enthusiasm and to deliver better performance, better engagement. So that is something which is reflecting, and this is something which is learned from Mercer suggestion , as well as the team themselves have derived in addition to that recommendation, what they need to do and implement which is being driven by our head of equity and now it is reflecting on both the discipline that they are supposed to maintain in the investment processes as well as focusing on delivering consistent investment performance.

Prayesh Jain: Just a couple of more questions. One is where does the ESIC and PMS sit in? Is it in parent or consol, standalone or consol. And secondly, the other income has seen a significant improvement despite the weak market equity just because of the debt part or what else is there that is helping that the income improved?

Prakash Bhogale: Yes Prayesh, the PMS income is mainly into the standalone also and in console also, because it is not a separate subsidiary for us. And as you rightly pointed out, the increase in other income is largely because of the debt funds. Because of some rate cuts we had a benefit from that and because of that only there is an increase in the other income.

Prayesh Jain: So basically, just clarifying, PMS and ESIC both sit in standalone and in terms of consolidation also appears in consolidation, right?

Prakash Bhogale: Yes.

Prayesh Jain: Got that. Thank you so much and all the best.

Prakash Bhogale: Offshore is a part of our subsidiary which is not there in this standalone.

Prayesh Jain: No. So, could you clarify that in the sense the part of income is booked in standalone part is booked in a subsidiary, how would that happen?

Prakash Bhogale: The difference between the standalone and the consolidated is the offshore part.

Prayesh Jain: It is only the offshore part?

Prakash Bhogale: Yes.

A. Balasubramanian: Domestic is included. The PMS is included in that because it is a division, it is not a separate company.

Prayesh Jain: Okay. Thanks.

Prakash Bhogale: Thanks, Prayesh.

Moderator: Thank you. We have our next question from the Lalit Deo line from Equirus Securities. Please go ahead.

Lalit Deo: Hi sir. I have two questions. Firstly, as in the previous quarter we have highlighted that in some of the focused funds we are seeing that the market share in net flows was in the range of about 3% to 4%. So just wanted to understand how those net sales have fared in those particular schemes in the last 3 to 4 months. That was my first question. And the second question is with respect to the alternative side. So, like last quarter we had revenue of about Rs. 34 crores from the alternate assets. So just wanted to understand how much revenue comes from this alternate asset in 4Q FY25?

A. Balasubramanian: I will just ask the second question to answer by Prakash.

Prakash Bhogale: So, Lalit, the revenue on the alternate side is around Rs. 32 to 33 crores, same as last quarter which is mainly because of the volatility in the equity market.

A. Balasubramanian: As far as your first question concerned, Lalit, the focused fund, we are seeing an improved gross sales number, both in terms of daily transaction volume coming in as well as an SIP coming in. We are seeing an uptick in the gross sales volume. That is where we measure as one of the parameters for measuring the productivity of individuals. Even the team communications focus as well as engagement with the channel partners all around the focus funds and also from fund management point of view also they have also very clear those five focused funds is agreed between the fund management team and sales team, also is quite conscious of these funds should grow in size and these are the funds it deserves to be bigger than what we are today. So, which is basically Frontline equity, Flexicap fund, a Multi Cap Fund, Balance Advantage Fund and Gennext fund among the thematic category. So that is something we are seeing, gross volume improving and net sales also in these funds are improving. But I am sure continuous engagement can only help in improving, both gross sales numbers and net sales numbers.

Lalit Deo: Last question, what will the ESOP cost for this quarter be and how should we look at FY26 and FY27?

Prakash Bhogale: So, ESOP cost for this quarter is around Rs. 1.3 crores and next year there will hardly be any ESOP cost because most of the cost has been absorbed now.

Lalit Deo: Thank you, sir.

Moderator : Thank you. We have our next question from the line of Mohit Mangal from Centrum Broking Limited. Please go ahead.

Mohit Mangal: Thanks for the opportunity. My first question is that during Quarter 3 you said that you know the debt funds actually had an increase in TER so just wanted to know in Q4 also did we increase TER enough in any of our debt schemes or even equity schemes? I mean if you can just throw any color on that.

Prakash Bhogale: No more or less whatever increase we have seen in Q3 now it is the same for Q4.

Mohit Mangal: Okay, so it is basically static, right? Nothing has changed.

Prakash Bhogale: Yes.

Mohit Mangal: Okay. Next is basically in terms of the sir saying about the Equity Innovation Fund. So, if you can just tell me something more about it as to in case of any size or something, that would be helpful.

A. Balasubramanian: That comes under PMS, Mohit basically, we have about 6-7 products in that, as a flagship fund. One focusing on large cap, as well as, already we have an innovation fund. We are relaunching one of the Innovation Fund, both under the AIF as well as in the PMS. That is something we will be rolling it out this year, and PMS, we are not focusing on new fund launches all of last year. Our focus was largely on building the size in exiting funds. And then we felt that given the good performance that we have delivered and also given the good credibility that built the PMS as compared to the competition, there is a merit for us to launch own fund which is basically innovation fund, companies that invest a lot of money, like R&D, make a lot of investment they make in innovations for future sustainability purposes. Those would be largely the focus areas. That is something we are planning to launch this year.

Mohit Mangal: All right, that is helpful. Just a last question in terms of the branch expansion if I may, if I look at '26 and '27 any particular plans to expand the branches?

A. Balasubramanian: See the broader vision that we have Mohit is, create a presence in about 543 MP locations. That is a broader vision. Today we have a presence in about 300 locations out of which 86 roughly the emerging market location and roughly about 180 our own branches, roughly about 50 or 60 are the branches shared with Aditya Birla Capital branches. The idea is actually to keep increasing the emerging market. As the emerging market the 85 locations as we start growing. Currently we have about 5%-5.5% market share, sorry around 6% market share that we have in those markets. As we keep increasing the size we normally convert them into a branch and from there we will again look for new markets. We identified roughly about 30 markets, emerging market already identified this year being our 30th year of operations and those 30 markets will be present in the emerging market and existing market we also set a target for each of our location in the current rolling out of exercise for the coming financial year in terms of expectation from the team, each branch location, we are keeping a target in terms of improving the market share or improving the ranking in each of the location. That is something we monitor internally. Just ensure these markets start contributing. Our historical market share in the B30 market generally has already been very good and even today our B30 contribution is very good. But given the potential, given the brand recall that we have in this market, we have identified 30 locations which we will expand this year. But this will be a one-man location.

Mohit Mangal: Okay, understood. That is helpful. Thank you and wish you all the best.

Moderator: Thank you. We have our next question from the line of Madhukar Ladha from Nuvama Wealth Management. Please go ahead.

Madhukar Ladha: Hi, good evening. Thank you for taking my question. First just on the yields part, there seems to be a Q-o-Q sort of pretty sizable decline. I just wanted to get a sense, have our equity yields remained stable and could you also give us some sense of what is the yield on the alternate and offshore equity and the alternate and other offshore asset classes are. For those two asset classes what is the rough yield that we make of that? Second, in this alternative and other offshore segment there is a pretty good jump in AUM this quarter. So, I am not sure maybe I missed this. But if you could help me understand what is driving that growth and finally regarding staff cost, we are seeing like sort of a 10% growth, sorry about a 13% growth Q-o-Q basis. I wanted to get a sense as to, how should we look at it going into next year and for the full year I believe staff cost is at about Rs. 365 crores? So even if I were to look at it on a full year basis, maybe you could help us understand what the fixed cost and variable pay is like in this and then what sort of growth should we assume in fixed. Yes, those would be my questions. Thanks.

A. Balasubramanian: So, on the yield question I will ask Prakash to answer.

Prakash Bhogale: So, Madhukar, if you see quarter-on-quarter there is a marginal decline in the yield which is mainly because of the equity mix has gone down. So, from around 47% and we are around 45%-46%. That is the main reason for the yields going down because equity mix has changed.

A. Balasubramanian: But otherwise, contribution remains the same.

Prakash Bhogale: Contribution is more or less same, contribution is same. You spoke about alternate assets. On the PMS and AIF side we earn around 1% plus. On the offshore side from GIFT City the yields are in the same line, which is 1% plus and on the overall offshore business, range of around 30 to 40 basis points. Coming to your staff cost question. Currently whatever hike which you have seen in the current quarter is largely as we have explained previously, it is because of the year-end bonus provisions and some increase in the staff welfare cost.

A. Balasubramanian: Plus, also just to add to that, Madhukar is especially this year we had also built our team which was budgeted at the beginning of the year in terms of beefing up our direct sales team. Now we have almost about 80 people are working in the direct sales team. And that something is also increased the headcount when it comes to the question of direct, which is again investing in business building in addition to what Prakash mentioned about it. But in terms of our alternate assets offshore we won one mandate. Of course, it was in the last quarter in fact one of the Canadian Pension Fund we won mandate roughly about $52 million. And there we are getting some decent contribution, and that amount will likely go to higher number as and when they feel more comfortable putting money in emerging market, especially in India. That's something we are working. And second is this quarter we also added the ESIC mandate which we have won about three quarters back. And finally, the money started coming in the last quarter. Therefore, the number when you look at it shows a 268% increase. We could have shown this separately in the advisory but otherwise it has come under the PMS manage itself. Therefore, you have to add it to the PMS itself. But otherwise, the PMS and minus it, if you take, PMS has remained static whereas the ESIC mandate has added to the overall AUM growth.

Madhukar Ladha: Understood. And this you mentioned that the yield for the PMS is about 1%. And that is the gross yield or is that the net yield which is getting accounted for?

A. Balasubramanian: That’s net yield.

Madhukar Ladha: Net yield on the revenue.

A. Balasubramanian: Yes.

Madhukar Ladha: Okay. Understood. Got it. Sir. Thank you. All the best.

A. Balasubramanian: Thank you.

Moderator: Thank you. We have the next question from the line of Abhijit Sakhare from Kotak Securities. Please go ahead.

Abhijit Sakhare: Good afternoon, everyone. My first question was if you could share what would be the mutual fund revenues for financial year FY25 and a comparable number for last year as well?

Prakash Bhogale: For FY24, it is in the range of around Rs. 1,300 Cr and currently it's in the range of around Rs. 1,600 Cr.

Abhijit Sakhare: Okay. And again, and on the yield front if it's possible to give any indication on the what's the number on the fresh flow versus the older book?

Prakash Bhogale: We don’t give the yield on the fresh versus the old book. But on a consolidated basis on equity we earn around 68 to 69 basis points.

A. Balasubramanian: We keep the benchmark, Abhijit. Even normally new assets come little higher cost initially and then gets over a period of 2 to 3 years its adjusted. So, we normally keep a benchmark. I think the ultimate contribution from equity should be in the range of 69-70 basis point. That's something we keep as a benchmark and accordingly price it. We probably may give intermittent push to improve the overall sales numbers, but broad principle on a collective basis, that's what we will target.

Abhijit Sakhare: Got it, sir. And then the last one you mentioned about five focused funds. So, these are Frontline, Balanced, Multi Cap, Gen Next and there's one more, right?

A. Balasubramanian: Which is a Balance Advantage Fund, Multi Asset and Balance Advantage Fund, yes.

Abhijit Sakhare: Okay, got it. And sir, fair to assume that all of these funds are now in a positive net flow zone?

A. Balasubramanian: Yes, See the way, I see is I must also admit that all of last year we did see some kind of redemptions coming in some of the funds, very few funds are getting inflows on overall basis. Gross volume is used to always be good, but in terms of flows, that was getting bit restricted. But that is now, both gross flow and net sales, now improving on these funds backed by performance, communications, narrative, and high level of engagement. And in fact, I must mention that last one year 80% of the funds have beaten the benchmark. All these things are now getting recognized, noticed, and in fact some of the segment in which we have a very strong relationship is also coming as a part of the recommendation list as well. And therefore, this engagement would only help. Second, we have kept the five focused products, but these are the products where anyway 70% of flows for the industry also comes. And so that's why we kept these five products as a focused product in addition to other thematic products we already identified, those will be in addition to that.

Abhijit Sakhare: Got it. This is super helpful, sir. Thank you.

A. Balasubramanian: Thank you. We have our next question from the line of Dipanjan Ghosh from Citigroup. Please go ahead.

Dipanjan Ghosh: Good evening, sir. Just a few questions from my side. First, I will start with the data keeping question. If you can give your SIP flows for the quarter and your employee count as of March 31st. Now, coming to other questions, while you have mentioned incrementally sales turning positive or net sales turning positive in few of the equity fund categories. Just trying to understand direction for fourth quarter direction, were you in the green or red in terms of overall flows and in terms of flow market share when you look at your SIP market share for the month of March, it's little bit down compared to December marginally. So, when you say that directionally your reduction in market share losses has narrowed down. Is that a fair assumption that on the lump sum side you are seeing better performance be it on gross sales or lower redemption. And the last question is on the cost trend. So, you mentioned that you will be expanding the direct sales team. You have ambitions to further scale up the alternates or the non-MF business out there. So, let's say for the next 1 or 2 years how should one think of the overall cost trajectory?

A. Balasubramanian: On the first question, SIP book and….

Prakash Bhogale: Dipanjan, the SIP collection for the quarter is around Rs. 4,000 crores. Employee count as of March ‘25 is 1,628.

A. Balasubramanian: With respect to the SIP book concerned, of course in the quarter was as I mentioned earlier, there is a general dip in the registration for the industry and for us also there was a dip and as I mentioned STPs some are getting cancelled this quarter. The cancel dates were a little higher than the previous quarter but having said that anyway we have been having a big push with respect to SIPs. The idea is actually to continue to keep the high level of focus so one or two quarters here and there can go here and there. I don't think I should get worried given the fact that focus on building SIP, remains during the volatile period. That's where we are pushing it. For the longer-term outlook in fact this year itself we have kept a target of Rs. 1,500 crores SIP for the full year but we did about Rs. 1,320 crores. Therefore, we keep a little bit of higher aspiration terms building the number and with the performance improvement coming in, I would also expect online platform also start contributing their SIP success. So that's something that will remain as big area focus. And with respect to your last questions, direct team. The direct team is right now we have about 80 people I think ideas actually have about 100 people in direct and in fact what we are also doing is the sales team in general and the retail sales team as well institutional sales team, they do have a main mutual fund target as the main focus area for them and alternate is one of the additional assets they sell. In fact, we have identified for family offices, person to come on board and we also have a separate team of ICs for building our alternate business. We are also increasing the KRA deliverables for the senior RMs across different parts of the market. We are dividing the sales force into a sales team into three parts. Somebody who is like a wealth manager can sell all products. Somebody who is not a wealth manager but can sell only the mutual fund product. Therefore, accordingly we were dividing the deliverables for each of the individuals, each of the team and market, and basis which will build alternate assets. In alternate assets my own belief is that it could become one of the big areas focused, for two reasons. One is we have launched two products in addition to PMS. PMS is directly linked to the equity whereas fixed income credit-oriented funds is something with the yields coming down, we believe credit driven fund could be one of the credits what we call the performing credit what you call it. That's something we have set aside some targets, and we have been running around the team has been running around family offices, getting size including offshore investors. Second is credit related real estate fund also, so far, the performance has been very good and now that is also being recognized investors are also now willing to accept it. Therefore, the team that we have built increasing the KRA weightage for individuals and renewed focus in terms of high level engagement on the base of targeted engagement with the customers basis their wallet share. I mean these are the activities that should help in terms of improving the alternate business for over the next 2 to 3 years. And last but not the least is offshore side as in the last call also I mentioned, we would be taking the Sun Life help to have somebody on Sun Life board coming very soon, it has come who could help us open the door of the overseas market to help us reaching out to global pension funds for winning some mandates that also is there on the card. And we will be able to give you more details in the second quarter if not before.

Dipanjan Ghosh: So, my question was more, does that add up to your cost pressure be it on sales expansion or scaling up alternate business.

A. Balasubramanian: No. It's optimizing the existing team for delivering higher numbers.

Dipanjan Ghosh: And one of the questions which had asked was, net flows for the quarter, has it turned into the positive? I mean is it in the positive category or….

A. Balasubramanian: It was positive for the last quarter. In fact, last quarter we had a net sales positive both on equity arbitrage fund, debt of course was the whole quarter it was there except the last few days there was an outflow, again it came back in the month of April.

Dipanjan Ghosh: Got it. Thank you, Sir and all the best.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today and I now hand the conference over to the management for closing comments.

A. Balasubramanian: Thank you everyone for joining and with this we conclude our Q4 FY25 earnings call. Do feel free to reach out to our IR head, Mr. Prakash Bhogale for any queries. Thank you.

Moderator: Thank you. On behalf of InCred Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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