UTI Asset Management

Operator: Ladies and gentlemen, good day, and welcome to the UTI Asset Management Company Limited Q2 and H1 FY27 earnings conference call. From management, we have with us Mr. Vinay Lakhotia – Chief Financial Officer and Head of Corporate Strategy, and Mr. Sandeep Samsi – Head of Investor Experience and Corporate Affairs. We also have the Investor Relations team from Adfactors PR. As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference, please signal the operator by pressing star, followed by zero, on your touchtone telephone. I now hand the conference over to Mr. Sandeep Samsi for the opening remarks. Thank you, and over to you, sir.

Sandeep Samsi – Head Investor Experience and Corporate Affairs: Thank you, {? Farah ?}. Good evening, everyone, and thank you for joining us today. Due to an urgent family exigency, Mr. Vetri Subramaniam, our MD and CEO, will not be able to join today's earnings call. I have Mr. Vinay Lakhotia, CFO and Head of Corporate Strategy, along with me on this call.

Our financial results for the quarter and half year ended September 30, 2026, along with the investor presentation and press release, have been shared on the stock exchanges as well as on our website, and we trust you had the opportunity to review them.

Before we discuss our financial performance, I would like to cover three key areas: first, the macroeconomic environment and the broader mutual fund industry backdrop; secondly, the progress we have made against our strategic priorities during Q2 FY27 and in the first half of the financial year; and finally, why we remain confident in UTI AMC's long-term growth trajectory and the opportunities ahead.

Speaking on the macroeconomic environment, Q2 FY27 witnessed resilient domestic activity, with Q1 GDP growth at 7.8%, supported by the manufacturing and services sectors. However, West Asia tensions and crude oil volatility heightened inflationary pressures, with retail inflation rising to 5.54% in September 2026. This month, the RBI also retained the repo rate at 6.50% and projected FY27 GDP growth at 7.2%. Despite quarter-end market volatility, domestic investors' participation remained resilient.

Equity-oriented schemes attracted Rs. 92,332 crores in Q2 FY27, taking the first half FY27 inflows to 1.83 lakh crore. In September 2026, equity inflows stood at Rs. 38,307 crores, while the monthly SIP contribution reached a record {? 24,508 ?} crores, with the SIP AUM being at {? 13.81 ?} lakh crore for the industry. Small- and mid-cap funds accounted for 44% of September's equity inflows, while flexi-cap, multi-cap, large- and mid-cap, and large-cap funds accounted for another 41%. The industry's quarterly average AUM rose to {? 67.1 ?} lakh crore from {? 63.8 ?} lakh crore in Q1 FY27, with ETFs recording net inflows of Rs. {? 15,501 ?} crores in September 2026.

For UTI, the underlying message is encouraging. Even though short-term volatility is an inherent part of equity investing, the structural drivers of the mutual fund industry, including economic growth, rising income, broader investor participation, and the financialization of household savings, remain intact.

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Keeping these opportunities in mind, our focus remains on translating the industry's structural growth potential into substantial growth for UTI AMC and capturing a larger share of industry flows. Under our Mission 2027, we are looking to work across five interconnected priorities: accelerating AUM growth, strengthening our SIP franchise, expanding distribution reach, deepening digital capabilities, and delivering better outcomes for investors.

Turning to our business performance, our mutual fund quarterly average AUM for Q2 FY27 stood at Rs. {? 3.42 ?} lakh crore compared with {? 3.23 ?} lakh crore in Q1 FY27, representing a market share of {? 5.08% ?}. Our total group AUM stood at Rs. {? 20.28 ?} lakh crore as of September 30, 2026.

Equity-oriented assets across active and passive strategies accounted for 72% of our average mutual fund AUM compared with approximately 70% in the previous quarter. Our SIP franchise remains resilient, with combined monthly SIP and STP inflows standing at Rs. {? 1,182 ?} crores in September 2026. Our SIP AUM stood at Rs. {? 39,572 ?} crores as of September 30, 2026, broadly stable compared with Rs. {? 39,595 ?} crores in June 2026. This reinforces our focus on systematic investment as a driver of sustainable growth. Gross SIP inflows were Rs. {? 3,583 ?} crores during this quarter and {? 6,885 ?} crores during the first half of FY27.

Furthermore, we registered 5.96 lakh new SIPs during Q2 FY27, of which 87% were sourced through digital channels. In Q2 FY27, our live folio base stood at 1.47 crore, and we added 3.6 lakh new investors as identified by their PAN. During the half year, we added 6.12 lakh investors. UTI Mutual Fund's share of industry new SIP registrations by volume stood at 4.08% in Q2. This is an encouraging indicator of our efforts to improve participation in new business. The next step is to build on this momentum consistently, strengthen conversions across distribution channels and digital platforms, and translate new investor acquisition into sustained SIP contributions and long-term partnerships.

On the financial front, consolidated core revenue from the sale of services stood at Rs. {? 348 ?} crores for Q2 FY27 compared with {? 310 ?} crores in the corresponding quarter last year, while core profit after tax was Rs. 131 crores. For H1 FY27, core revenue stood at Rs. {? 677 ?} crores, and core profit after tax stood at Rs. 263 crores. Our focus remains on growing the business while maintaining operating discipline and ensuring that growth translates into sustainable profitability.

On strengthening investment capabilities and product propositions, the quality of our investment outcomes is highlighted through our experienced team, renewed talent base, and stronger client-facing capabilities. Our proprietary frameworks, Score Alpha for equities and the GIMS framework for fixed income, bring discipline to research, portfolio construction, and risk management across market cycles. These capabilities are reflected in the depth of our research and investment evaluation. During the first half of FY27, our equity research coverage expanded to 480 companies. We evaluated 36 IPOs and participated in six, while continuing to invest in research infrastructure and talent. These efforts deepen our understanding of businesses, strengthen investment decisions, and support better outcomes for investors over the long term.

On our equity scheme performance, several of our funds have demonstrated an improvement in performance over the last quarter, with 51% of our equity and hybrid funds ranked in quartile one or quartile two on a three-month basis as of September 2026. On our fixed income schemes, 97% of

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our AUM, including liquid funds, was in the top two quartiles over a three-month period, while 61% was in the top two quartiles over a one-year period, reflecting the performance of our fund management capabilities across different investment horizons.

We broadened our product offering across active and passive strategies. During Q2 FY27, we launched the UTI Balanced Hybrid Fund and four passive products linked to the Nifty 500 and BSE India Sector Leaders indices. Our Nifty 500 Index Fund and the BSE India Sector Leaders Index Fund established encouraging positions within the respective categories. These developments expand the range of products available to our investors and distributors, while strengthening our capability to participate across investment needs and market segments. Going forward, the focus will be on building awareness, improving product reach, and ensuring that product innovation contributes meaningfully to sustainable business growth.

On our additional growth engines, building diversified growth engines remains an important pillar of our long-term strategy. We have received SEBI approval for our specialized investment fund, or SIF, initiative and will be launching the UTI Classic Hybrid Long-Short Fund in Q3 FY27. In our alternatives business, the first investment for the late-stage private equity fund was signed, while SDOF-4 crossed Rs. 1,000 crore. Our pension fund onboarded 169 new corporates between April 2026 and October 2026, and our international business continued to pursue product initiatives across markets, including the US, Singapore, UAE, and GIFT City. These initiatives broaden our opportunity set beyond the core mutual fund franchise.

Expanding distribution and strengthening digital capabilities are key to capturing a larger share of industry growth. During Q2 FY27, 80.30% of our mutual fund AUM was contributed by the top 30 cities, while B30 accounted for 19.7% of the AUM. We onboarded 10 new fintech partners and continued building digital infrastructure while advancing data analytics and automation to simplify investor journeys, improve investor service efficiency, and strengthen conversion. Our fintech partners facilitated approximately 1 lakh transactions during Q2 of [cut off]

Management: FY27, and these partners have contributed 67% of new investor acquisition. Operating efficiency remains key to scaling our business. Process optimization generated approximately 4.22 crores in savings, while automation is reducing manual intervention. As we invest in talent, technology, and distribution, our focus remains on improving productivity, maintaining cost discipline, and strengthening operating leverage.

Our people remain central to our Mission 2031 initiative. We continue to invest in organizational capability, with 10,693 training hours delivered to the sales teams up to September 2026, while strengthening performance management and identifying critical talent for development and retention.

With that, I will now take you through the operational and financial performance of the company in greater detail.

The financial highlights for Q2 and H1 FY27 are as follows, beginning with the performance of Q2:

On a standalone basis, core income, which is the sale of services, amounted to Rs. 324 crores, up 2% year-on-year and 5% quarter-on-quarter. Core profit after tax for the quarter was Rs. 136

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crores, up 31% year-on-year and 14% quarter-on-quarter. Profit after tax stood at Rs. 143 crores, down 14% year-on-year and 34% quarter-on-quarter.

On a consolidated basis, core income from the sale of services amounted to Rs. 398 crores, up 2% year-on-year and 5% quarter-on-quarter. Core profit after tax for the quarter was Rs. 131 crores, up 22% year-on-year and 2% quarter-on-quarter. Profit after tax stood at Rs. 132 crores, up 17% year-on-year and down 55% quarter-on-quarter.

For H1 FY27, standalone core income amounted to Rs. 632 crores, up 1% year-on-year. Core profit after tax for the half year was Rs. 253 crores, up 14% year-on-year. Profit after tax stood at Rs. 361 crores, down 5% year-on-year.

On a consolidated basis, core income amounted to Rs. 777 crores, up 1% year-on-year. Core profit after tax for H1 FY27 was Rs. 263 crores, up 15% year-on-year. Profit after tax stood at Rs. 426 crores, up 22% year-on-year.

For UTI Pension Fund Limited, our 100%-owned subsidiary, UTI Pension Fund recorded year-on-year growth of approximately 10.97% in its AUM, reaching approximately 4.32 lakh crores as of September 30, 2026, compared with 3.89 lakh crores as of September 30, 2025. It currently manages approximately 24.01% of the NPS industry's AUM.

UTI International, which represents our international business, had AUM of US dollar 1.67 billion, which is approximately Rs. 16,063 crores, as of September 30, 2026. Our international clients are spread across more than 30 countries and are primarily institutions, pension funds, insurance companies, banks, and asset managers. UTI Investments is actively exploring strategic partnership opportunities with leading asset managers in key international markets, including East Asia and Latin America, as part of its broader strategy to strengthen its global distribution network, expand its international presence, and enhance access to Indian investment opportunities for investors worldwide.

UTI Alternatives AUM has grown to approximately Rs. 4,045 crores, up 52% from Rs. 2,669 crores as of September 2025. This AUM represents commitments for funds in the commitment period and net capital for funds in the post-commitment period. It also includes the co-investment portfolio managed by UTI Alternatives.

UTI SDOF-4 has crossed the Rs. 1,000-crore milestone. Launched in Q3 FY26 as the fourth fund in our SDOF series, the fund is planned at Rs. 1,500 crores with a greenshoe option of Rs. 500 crores. It has already reached an AUM of Rs. 1,131 crores and is currently in the raising and investing stage.

UTI Alternatives currently manages six active domestic funds across performing credit and multi-strategy themes, along with two GIFT City feeder funds. UTI Multi Opportunities Fund I has AUM of approximately Rs. 1,599 crores as of September 2026 and is currently in the investing stage. UTI Multi Opportunities Fund II has total commitments of Rs. 359 crores as of September 2026 and is currently in the raising and investing stage. UTI SDOF-3, which has AUM of Rs. 533.6 crores, is in the repayment stage.

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As we enter the second half of FY27, our priorities are clear: improve our participation in industry flows, strengthen our SIP franchise, deepen distribution productivity, maintain competitive investment capabilities, and build greater efficiency into our operations. Mission 2031 provides the direction. Our task is to translate that direction into sustained flows in AUM and inflows, stronger profitability, and better outcomes for our investors.

With this, we would like to open the forum for the question-and-answer session. Thank you.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may enter star, followed by one, on their touchtone telephone. If you wish to remove yourself from the question queue, you may enter star, followed by two. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

To ask questions, please enter star and one. The first question is from the line of Devesh Punjabi from Banyan Tree Advisors. Please go ahead.

Devesh Punjabi – Banyan Tree Advisors: Hi. Thanks for the opportunity. I had two questions. First is on net sales. Net sales, or rather net outflows, have gone up significantly this quarter, close to 800 crores in equity and 300 crores in hybrids. If you could help us understand what has happened there and which schemes are seeing a lot of outflows, that is one question. The other question is around employee metrics. The employee base and the sales employee base have also come down to some extent in Q2. Is this going to continue, or is this the stable rate that will be maintained going forward?

Management: Devesh, thank you for the question. On the first part, I will answer, and then I will hand it over to Vinay for the second part on employees.

As we have mentioned earlier, Flexicap remains the challenge for us. While we have seen some inflows in Flexicap, there have also been large outflows from the fund, and that remains the fund on which we are focusing. However, if you look at the performance over the last 3 months, we are seeing that the fund's performance has shown significant improvement, and now the Flexicap fund is in the first quartile.

As we have mentioned earlier, we have also identified some funds that we are positioning for the blend strategy, which is neither the quality nor the value strategy. Two of our funds have shown very good performance and are now in the top half of the four quartiles. They are in the first 2 quartiles. Once the performance stabilizes over a longer period of time, we feel that the Flexicap fund, as well as these funds that are in the blend strategy, should be able to help us see progressively better inflows.

Vinay: To answer your second question with respect to the number of employees, a few employees may be on the verge of joining. As far as our overall guidance for employee costs is concerned, we are maintaining that. For standalone operations, it is close to around Rs. 95 crores per quarter, and for consolidated operations, it is close to around Rs. 130 crores per quarter. We are maintaining that guidance number for the full financial year as well.

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Devesh Punjabi – Banyan Tree Advisors: Sure. Thank you.

Operator: Thank you. Participants, if you have any questions at this time, you may enter star, followed by one. The next question is from the line of Anirudh Sharma from {? Ekant Investments ?}. Please go ahead.

Anirudh Sharma – {? Ekant Investments ?}: Hi, good evening. Am I audible?

Management: Yes.

Operator: Yes, sir.

Anirudh Sharma – {? Ekant Investments ?}: I have a couple of questions. First of all, SIP flows across the industry remain strong. Are we seeing UTI gain any meaningful share in new SIP registrations, or is the growth largely coming from existing investors? Also, how are the average SIP ticket sizes trending?

Management: Anirudh, on the positive side, we have seen that we are getting a lot of new investors as well, and we have improved our market share in new SIP registrations. Our new SIP registration is now close to 4%. That has seen an improvement. Many of these SIPs have remained with us and have shown stability. That is the positive part. The ticket size has also increased over a period of time. If I look at our current ticket size, it is about Rs. 3,100 overall. That has improved over a period of time.

Anirudh Sharma – {? Ekant Investments ?}: Okay, sir. I joined the call late, so I might have missed this. I wanted to check on the AUM growth reported this quarter. Could you help us understand how much came from net inflows and how much was driven by market appreciation?

Vinay: We have given our net sales number. For the particular quarter, it is close to around Rs. 5,720 crores. That net sales number is already available. The quarterly average AUM growth has improved from Rs. 3.92 lakh crores to around Rs. 4.02 lakh crores.

Management: [overlap] So net sales are about...

Anirudh Sharma – {? Ekant Investments ?}: [overlap] Yes, yes, please continue, sir.

Vinay: It is close to around Rs. 10,000 crores of average AUM growth, and almost around Rs. 5,720 crores is from net sales.

Anirudh Sharma – {? Ekant Investments ?}: Okay, sir. Understood. That is from my side, sir. Thank you for the opportunity.

Management: Thank you.

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

Meghna Luthra – InCred Equities: [line issue] Hi, thank you for [trails off]

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Operator: I am sorry, Meghna, your line is breaking up. We are not able to hear you clearly.

Meghna Luthra – InCred Equities: [line issue] Hi, is it better now?

Operator: No, it is not.

Meghna Luthra – InCred Equities: [line issue] [inaudible] now?

Operator: I am sorry, Meghna, we are not able to hear you at all. Could you please return to the question queue?

Meghna Luthra – InCred Equities: Sure.

Operator: We will move on to the next question from the line of Lalit Mohan from Equirus Securities. Please go ahead.

Lalit Mohan – Equirus Securities: Hi, good evening. I have two questions. First, on the systematic book, with flows of around 980 crores, could you qualitatively indicate the concentration of our top 2 or 3 schemes in those flows and how that has trended over the last 1 year? Secondly, in terms of the net outflows that you are seeing, could you also describe or give us some indication from a channel-wise perspective of the areas where we are seeing some improvement?

Management: If you look at the SIP book that we have, Flexicap remains one of the largest contributors to the SIP book. Nearly 20% of our inflows are still coming into Flexicap, and that has remained broadly at the same level as last year. Last year, it was about 19.3%, and now it is about 20.3%.

Apart from that, we have funds such as sectoral and thematic funds, which are contributing 16%. Mid-cap also contributes 15%, and large- and mid-cap contributes 12.7%. All of these funds are contributing on a regular basis. These are some of the larger contributors.

Lalit Mohan – Equirus Securities: Understood. And, sir, from a channel-wise perspective?

Management: From a channel-wise perspective, on the equity side, redemptions are coming from banks as well as national distributors. Some redemptions are also being seen from MFDs, but we are seeing higher amounts of redemption from banks and national distributors on the equity side.

Lalit Mohan – Equirus Securities: Sure, sir. Could you spell out the segment-wise yields for this quarter?

Vinay: Equity is roughly around 73-74 basis points for equity and hybrid funds. ETFs and index funds will be around 8 basis points, cash and arbitrage at 11 basis points, and fixed income funds at around 20-21 basis points.

Lalit Mohan – Equirus Securities: Yes, thank you. Thank you so much, sir.

Operator: Thank you. Participants with questions may enter star, followed by one. The next question is from the line of Mohit Mangal from Centrum. Please go ahead.

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Mohit Mangal – Centrum: Good evening, and thanks for the opportunity. My first question is regarding UTI International. I understand that the macroeconomic conditions are not very good, and our revenue from that division has remained more or less flat sequentially. I wanted to know whether we are launching any new schemes and what our strategy is for that particular division.

Vinay: Mohit, we are launching a few products by the end of Q3 and Q4, hoping [cut off]

Management: ...hopefully, that should provide some traction in terms of AUM and revenue growth at UTI International. Definitely, by the end of Q3 or Q4, there will be 2 new fund launches on the UTI International side.

Mohit Mangal – Centrum: Okay, understood. That is helpful. Secondly, you said that you will be launching a new SIF fund. What are our plans for the next 2 to 3 years in terms of SIF? Is there any particular strategy or target in terms of AUM?

Management: The first fund that we are planning to launch in Q3 is the hybrid long-short fund. There are 5 or 6 strategies that have been allowed by the regulator. Depending on market conditions and the situation, we will look to launch funds. As of now, if you have seen the industry, most of the funds that have been launched are on the hybrid side, and there are 1 or 2 on the equity side. We are also beginning with the hybrid side, and once we assess the demand and how people are looking at SIF funds, we can decide over the next 1 or 2 years what kind of products we want to launch.

Mohit Mangal – Centrum: Understood. One data-keeping question: could you give the SIP gross sales for the quarter?

Management: Sure. [pause] SIP gross sales in this quarter were Rs. 2,583 crores.

Mohit Mangal – Centrum: Okay, fine. Thanks, and wish you all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Shreyas Pimple from Nomura. Please go ahead.

Shreyas Pimple – Nomura: Good afternoon, and thank you for the opportunity. My first question was on the yields. We have seen a sequential increase in revenue yields [crosstalk]

Management: Shreyas, can you be a bit louder, please?

Shreyas Pimple – Nomura: Hello, is it better?

Management: Yes, this is better.

Shreyas Pimple – Nomura: My first question was on the yields. We have seen a sequential increase in revenue yields in this quarter. Can you highlight the reason behind that?

Management: We have carried out some repricing based on the SEBI TER changes. I do not think there has been any sequential increase in the yield number. The yield number, on a

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weighted-average basis, is more or less flat at around 31 basis points. There could be a marginal change because of the repricing.

Shreyas Pimple – Nomura: Sorry, sir. Repricing of what? Can you please explain that a little?

Management: The repricing of commissions pursuant to the SEBI TER regulation changes from TER to BER. Since there was an impact, we passed on the impact to the intermediaries. There was some marginal impact because of that, but otherwise there is nothing material to highlight.

Shreyas Pimple – Nomura: My second question was on industry flows. We have seen small-cap and mid-cap flows being very [inaudible] for the industry, and how are we looking to navigate this scenario of higher inflows in small- and mid-cap schemes for UTI AMC?

Management: It might be too early to comment on the October numbers because we are still in the month of October, and industry data comes out by the 8th or 10th of the month. October may not be the right parameter to look at. However, given the market volatility and the way investor behavior has been, there has been some moderation in the flows of small-cap and mid-cap funds, with flows returning to the flexi-cap style. That is one trend that has been seen even in the last quarter.

However, if you look at our funds, as I mentioned earlier in an answer, we are getting a good amount of SIP flows into our small-cap as well as mid-cap funds. As I said, I will repeat the numbers: in our small-cap fund, in this quarter, we got about 10.4% of the inflows coming into the fund. There is a good amount of flows coming into our small-cap fund as well.

Shreyas Pimple – Nomura: Just a clarification: this 10.4% is a percentage of equity plus hybrid sales, right?

Management: No, only pure equity. I am talking about my data. If I am getting Rs. 100 as inflows in SIPs in equity, what percentage is coming from the small-cap fund?

Shreyas Pimple – Nomura: Could you highlight, not just for SIPs but for overall equity inflows, how much is coming from small-cap and mid-cap?

Management: I do not have that number right now. We can perhaps share it offline with you.

Shreyas Pimple – Nomura: Fair, sir. Those were my questions. Thank you so much.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, if you have any questions, you may enter star and one on your handset. The next question is from the line of Manoj Ragani from Ragani Family Office. Please go ahead.

Manoj Ragani – Ragani Family Office: Hello, congratulations on the numbers. As passive AUM grows faster, it carries lower fees or yields than active equity. How do you expect the mix to change overall, and what will be the impact on revenue yield and revenue growth? Please throw some light on that moving forward.

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Management: Obviously, if passive grows at a higher rate than active, there will be some marginal dilution in the overall weighted-average yield, and that trend has been seen over the last 2 to 3 years. The good part about passive strategies is that whatever we earn at the top line is directly added to the bottom line, because the teams and processes have already been set up. Any incremental growth in AUM with respect to the passive strategy is directly added to the bottom line. There might be marginal dilution as far as revenue yields are concerned, but PAT margin numbers should continue improving because there is no additional incremental cost to run these passive strategies.

Manoj Ragani – Ragani Family Office: Okay. Fair enough. That explains my question quite well. That is from my side, sir.

Management: Thanks. Thank you.

Operator: Thank you. Participants with questions may enter star, followed by one. The next question is from the line of Mehek from Emkay. Please go ahead.

Mehek – Emkay: Hi, good evening. Thanks for the opportunity. I was looking for some clarification. If I look at the equity distribution mix, the share of the direct channel has declined sequentially. In the earlier questions, you mentioned that banks and the MFD channel have seen some redemptions. Could you help us with any read-through for the direct channel as well?

Management: Sorry, I did not get the last part of your question. Could you repeat it?

Mehek – Emkay: Could you help us understand what resulted in the decline in the direct channel? From another perspective, are you witnessing redemptions in the direct channel as well? What we have largely seen is that the persistency, or stickiness, of flows is slightly lower in the direct channels.

Management: The outflows have come from different channels, including national distributors, banks, and, to a smaller extent, MFDs and the direct channel as well. The challenge in the direct channel is that investors may invest through a fintech or a platform, and there may not be enough guidance for them whenever there is volatility.

However, if you look at our SIP book, a large part of it consists of investors who have held their investments for a longer tenure. Even if you look at our SIP closure rate in the last quarter, while the industry was trending at around 80%, our SIP closure rate was around 70%. We are better off than the industry in terms of SIP closures.

Therefore, the point I was making is that if you look at the industry numbers and our numbers, our SIP book, or the trend that we are seeing in our SIP book, is better than what we see in the broader industry.

Mehek – Emkay: Got it, sir. Thank you so much.

Management: Thank you.

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Operator: Thank you. Participants with questions may enter star and one. The next question is from the line of Jagannatham, an individual investor. Please go ahead.

Jagannatham – Individual Investor: Thanks for the opportunity. Considering that the revival of fund performance and consequently gaining new AUM is a long-drawn process, until that time, considering the current market cap, valuations, and so on, I think serious consideration should be given to how you use the cash. I appreciate that in the last 2 quarterly conference calls, investors have regularly asked about this, and it was maintained that you were looking for some M&A and so on. However, we are now reaching almost 45-50% of market cap in terms of cash. Last time, it was said that the market cap would increase so that the ratio would come down, but the reverse is proving to be the case. Considering the senior and seasoned people who handle the portfolios, it is probably high time to think about capital allocation and so on. If there is no utility for 50% of market cap in terms of cash, it would be better to give it to the shareholders so that they can put it to better use.

Management: As of now, the board-level decision is that most of the profit we generate will be distributed. Closer to 90-95% of that profit should be distributed as dividend. We have continued that aggressive dividend policy over the last 3 to 4 years, and that should continue. As of now, there are no plans to distribute the incremental cash that is lying with us because, as we have highlighted in the past, we are a standalone entity, and we believe that this much cash will be required to continue our operations going forward, considering the size of industry growth as well as our growth rate. There are no plans to distribute any special dividend as such, but the aggressive policy of paying a substantial portion of our profit as dividend will continue.

Operator: Sir, do you have any further questions?

Jagannatham – Individual Investor: No, I am good. Thank you.

Operator: Thank you. To ask questions, you may enter star and one. Participants, if you have any questions at this time, you may enter star, followed by one, on your handset. We have a question from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi – Focus Capital: Good evening, sir. I have just one question. When I asked some of my friends who are in the mutual fund distribution business about UTI Mutual Fund, one of the pieces of feedback I received was that, in terms of distributor outreach, we are somewhere behind our peers. Could you highlight some of the measures we are taking to reach out to distributors?

Management: In fact, in our previous call also, we mentioned that we have launched a program called United, through which we are reaching out very aggressively to distributors across the country. Last year, we held these United programs across the country and invited distributors to attend, where we explained our investment strategy and the philosophy we follow for our fund investments.

Apart from that, we have 255 branches across the country. The sole task of the people there, and their day-to-day KRAs or KPIs, is to reach out to distributors and partners and talk to them about how to engage better and ensure that any requirements the distributor may have are taken care of. A lot of effort has gone in over the last 1 to 1.5 years to ensure that distributors are reached out to,

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so that if there is any challenge or response they need from UTI, it is provided to them quickly.

Vikas Kasturi – Focus Capital: Hello. Got it, sir. Thank you. That is the only question I had. Thanks.

Operator: Thank you. To ask questions, please enter star and one. The next question is from the line of Aniruddh Sharma from {? Ekant Investments ?}. Please go ahead. Anirudh, your line is unmuted.

Anirudh Sharma – {? Ekant Investments ?}: Hello, am I audible?

Operator: Yes, sir, you are. Please proceed.

Anirudh Sharma – {? Ekant Investments ?}: I just had a follow-up question. On the SIP front, you said that SIPs have been central to your strategy. Realistically, how much can this move the overall numbers for you?

Management: SIP is a slow-gain process. Even if we double our SIP number in a month, it will not add very high numbers. We are looking at SIP flows as something that is sustained over the long term. When you look at an SIP book that grows over a period of time and sustains you for [cut off]

Sandeep Samsi: ...a longer period of time. Of course, the strategy is to get both lump-sum as well as SIP investments. SIP is for the normal run rate and to increase the business, while lump-sum investments give a boost to the AUM.

Anirudh Sharma – {? Ekant Investments ?}: Okay, okay, sir. UTI's SIP AUM has grown around 7.8% year-on-year, while digital purchase transactions have risen sharply. Why is this not translating into faster overall market share gains?

Sandeep Samsi: As I mentioned, the new SIPs that you are seeing are only from this quarter. When an SIP comes in, it is just perhaps 1/12th or 1/24th of the total AUM that the person wants to invest. In these 3 months, you will see only a smaller part of the gain. Over a period of time, that SIP keeps multiplying and continues to grow. Right now, you will see a smaller part because these SIPs have just started.

Anirudh Sharma – {? Ekant Investments ?}: Okay, sir, understood. That is it from my side. Thank you.

Sandeep Samsi: Thank you.

Operator: Thank you. Participants with questions may enter star and one. To ask questions, please enter star and one. As there are no further questions from participants, I now hand the conference over to Mr. Sandeep Samsi for closing comments.

Sandeep Samsi: Thank you so much. Thank you for joining this call. As I mentioned in the beginning, unfortunately, due to a personal emergency, Mr. Vetri Subramaniam was not able to join the call. However, we thank you for joining this call today. Thank you so much. Have a good day.

Operator: Thank you very much, sir. Thank you. On behalf of UTI Asset Management Company Limited, that concludes this conference. Thank you all for joining this conference call. In case of any queries, please feel free to connect with the Adfactors Investor Relations team. You may now

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disconnect your lines. Thank you.

Sandeep Samsi: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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