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

**Sub: Transcript of Earnings Call Q2 FY22 conducted on October 25, 2021**

Please find enclosed the transcript of Q2 FY22 Earnings Call conducted after the meeting of the Board of Directors on October 25, 2021 which can also be accessed on the website of the Company at:

<https://www.hdfcfund.com/about-us/financial/shareholders-presentation>

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **HDFC Asset Management Company Limited**

**Sylvia Furtado**  
Company Secretary

Encl: a/a

**HDFC Asset Management Company Limited**

A Joint Venture with Standard Life Investments

CIN: L65991MH1999PLC123027

Registered Office : "HDFC House", 2ndFloor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai-400 020  
Tel.: 022 - 6631 6333 Fax: 022 - 6658 0203 Website: [www.hdfcfund.com](http://www.hdfcfund.com) email: [shareholders.relations@hdfcfund.com](mailto:shareholders.relations@hdfcfund.com)



# “HDFC Asset Management Company Limited Q2 FY-22 Earnings Conference Call”

**October 25, 2021**



**MANAGEMENT: MR. NAVNEET MUNOT - MANAGING DIRECTOR (MD)  
& CHIEF EXECUTIVE OFFICER (CEO)  
MR. PIYUSH SURANA - CHIEF FINANCIAL OFFICER  
MR. SIMAL KANUGA - CHIEF INVESTOR RELATIONS  
OFFICER**

**Moderator:** Ladies and gentlemen, good day and welcome to Q2 FY22 Earnings Conference Call of HDFC Asset Management Company Limited. 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.

From the management team we have Mr. Navneet Munot – MD and CEO, Mr. Piyush Surana – Chief Financial Officer and Mr. Simal Kanuga – Chief Investor Relations Officer.

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

**Simal Kanuga:** Thanks Neerav. Good evening everyone and thank you very much for joining this call. As always, I’ll start off with a quick take on the quarter/year that has gone by. Industry AUM has crossed Rs.36 trillion with Rs.16.8 trillion in equity-oriented assets, Rs.10.7 trillion in debt and Rs.4.2 trillion in liquid/overnight funds. There is another Rs.5.1 trillion in what we kind of classify as “others”, that is ETF, arbitrage funds and fund of funds investing overseas. To put things in perspective, if you look at our presentation of say September 2018, that is post our listing in August of 2018. AUM of the industry was Rs.22 trillion and equity-oriented assets were at

Rs.9.8 trillion. We as an industry have seen material growth over these three years.

In terms of equity flows, post losing approximately Rs.627 billion in FY21. The first six months of the current financial year has seen net positive flows adding up to Rs.936 billion. The one thing that we need to point out in terms of equity flows is that Rs.459 billion or for that matter 49% of the net new flows have come in through new fund offers the NFOs. Majority of these NFOs have been offered at margins, which are materially lower from the AMC perspective as compared to existing schemes. We have seen this happen in the past too, especially when the overall market sentiment tends to be positive.

In terms of debt and liquid schemes:

Flows have been more or less flat this year. That is, debt has seen outflows of Rs.45 billion, while liquid funds have seen inflows of Rs.26 billion. The so called “others” category has seen healthy flows, adding up to Rs.778 billion, of which 345 billion is in arbitrage funds and Rs.79 billion in international fund of funds, while balancing number of Rs.354 billion is in ETF, which includes both equity as well as debt ETFs. SIPs continue to scale up, the month of September saw SIP flows of Rs.104 billion as against Rs.92 billion for June of 2021.

Now we are moving to us:

We closed the quarter with an AUM of Rs.4,357 billion, of which 46% is in equity-oriented assets. Over and above this, we manage Rs.115 billion through our portfolio management services/ separately managed account business.

In terms of overall market share, based on quarterly average AUM, we closed the quarter at 12.1%. And if one looks at the same excluding exchange traded funds, or ETFs, our market share is at 13.3%. Our market share is at 12.2% when it comes to actively managed equity-oriented assets, 14.6% in terms of debt, and 15.3% for liquid, all of these are based on quarterly average AUM. We continue to have a favorable asset mix as compared to that of the industry and at 12.8%, we have the highest market share in terms of individual AUM. Furthermore, we continue to be second highest in terms of B30 market share. 58.8% of our total AUM is contributed to by individual investors; comparable number for the industry is 54.5%. We processed over 3.22 million systematic transactions in month of September 21, resulting in flows of Rs.10.8 billion. We have successfully built a top of the line digital infrastructure. We continue to invest further and enhance our digital capabilities.

Over the past few quarterly calls, we've been mentioning that we're working on filling up product gaps across categories. During the financial year, we launched a hybrid fund that is an asset allocation fund of fund, a thematic fund that is a banking and financial services fund, a passive/smart beta fund

called HDFC NIFTY50 Equal Weight Index Fund. We recently concluded our first international fund, which is the HDFC Developed World Indexes Fund of Funds and are currently as we speak, in midst of an NFO of another passive fund viz. the NIFTY Next 50 fund. We filed a few more documents with the regulator, and will launch those products once approvals are in place. Our team is also working on some products on fixed income side.

We have launched an aggressive investor awareness program, where medium to long term endeavor is to nudge people to change their old age habits and evaluate mutual funds as an option. I'm sure most of you would have seen this campaign with a tagline "Barni Se Azadi". We are also running a parallel investor awareness program showcasing benefits of hybrid and asset allocation funds. We ran an aggressive marketing campaign for our Developed World Fund of Fund which did see a very healthy response.

Now to financials:

The Company has shown improved performance during the quarter ended September 21, as compared to the corresponding quarter in year 2020. Revenue from operations increased due to an increase in AUM, as well as a more remunerative mix with higher percentage of equity AUM, however, this increase was tempered by a dilution in margins in some of the schemes. Other income for the quarter ending

September 21 is lower than quarter ended September 20. Since the comparative quarter had some amount of MTM gain on the Essel group NCDs. During the quarter, there has been an increase in business promotion expense as business moves towards normalization, other expenses like travel, printing and stationery, et cetera also have ticked upwards. As mentioned earlier, we are also in the process of expanding our product bouquet, and consequently there is an increase in expense on new fund offers.

In February of 2021, a grant of ESOPs was made to certain employees, and the expense head 'Employee Benefit Expenses' includes a pro-rata amortization of the fair value of these ESOPs as required under the INDAS accounting framework applicable to the Company. This is a non-cash charge which is not tax deductible and is book value neutral. In Q2 FY22, this non-cash charge amounted to Rs.167 million.

As communicated last quarter, employee benefit expenses have increased as the Company resumed its practice of annual increments in employee remuneration this year after taking a break from the practice last year due to the COVID-19 pandemic.

Financial highlights for the quarter ended September 2021:

Operating profit for the quarter ended September 21 was Rs.3,954 million as compared to Rs.3,491 million for

September 2020, an increase of 13%. Profit before tax for the quarter ended September 21, was down by 0.3% to Rs.4,615 million as compared to Rs.4,628 million for September 20. Profit after tax for the quarter ended September 21, was Rs.3,445 million as compared to Rs.3,379 million for the quarter ended September 20, resulting in an increase of 2%.

Financial highlights for the half year ended September 30, 2021:

The operating profit for the half year ended September 21 was Rs.7,606 million as compared to Rs.6,497 million for September 2020 an increase of 17%. Profit before tax for the half year ended September 21 was Rs.9,276 million as compared to Rs.8,432 million for September 20 an increase of 10%. Profit after tax for the half year ended September 30, 21 was up by 8% to Rs.6,899 million as compared to Rs.6,403 million for September 2020.

Our operating profit margin now stands at 36 basis points (bps) for the quarter ended September 30, 2021, as compared to 35 bps for the quarter ended June 30, 2021 and 36 bps for the year ended March 31, 2021.

Thank you very much for a patient hearing, we will now open for questions. We have both Navneet and Piyush with us.



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

**Amit Nanavati:** Just a question on market share at least if I look at FY21 versus first half this year, the market share loss that we are seeing is at a faster pace, at least in this first half especially where the industry flows have turned positive versus last year and this is coming despite performance improving. So, if you can give some qualitative comments around last year versus this year, how has the flow market share for you, I understand you don't give out numbers there, but at least from a trend perspective, how are you seeing things?

**Navneet Munot:** Hi, Amit. Thanks for the question, overall market share has fallen from 13.6% to 12.1% over the last one year. And to get a better perspective, let's talk of numbers asset class wise, that is actively managed equity, passive equity, debt and liquid. So, firstly, we have discussed reasons on actively managed equity over the past couple of quarters, we would like to mention a couple of more things here. One that our redemption share has been more or less constant over the last say three years or so, the impact that you see in market share is due to lower share in gross inflows. And the lower share in gross inflows may be attributed to a couple of reasons one is that, a large part of inflows in recent past has been through as you would know NFOs. To put it in perspective, during the quarter net new flows were 68,497 crores of which 42,591

crores came in through NFOs. So, I'm sure you all have, heard the margin at which this business is flowing in. There are times when one has to be more prudent rather than just be part of what is happening in the market. We've been selective in terms of launching NFOs in diversified active equity space. The couple of product gaps that we had in the category like dividend yield fund which we launched in last quarter of calendar 2020. The other one is multi-cap we have filed for the same with the regulator and will progress with the launch post getting necessary approvals.

Further if you look at total flows during the last one year 23,000 odd crores have flown into thematic/sectoral funds as against total equity net flows of 41,000 crores so well over 50% and the feedback that we are getting from our partners, RIAs or for that matter, even the direct investors is that, investors, MFDs, advisors they want to take an active call on sector or a theme for a part of their portfolio. Till recent past we have abstained from launching sectoral or thematic funds, but based on the feedback received from our partners and also based on our belief in the theme. We launched a sector/thematic fund during the quarter, that fund was BFSI, which saw a very healthy response, we added very large number of new investors, it was very well participated by a large number of our distributor partners. And currently, as we speak our investment and product teams are working on creating couple of other themes and you will hear more from us in this space. So, having said, we are going to be selective

and we'll be launching only those themes that we believe will create value for our investors over medium to longer term. We have mentioned this in past and would like to reiterate that the decision of launching a new product at HDFC AMC is investment team's prerogative and they work together with the product team to ensure that we don't launch products for the sake of it unless we strongly believe that, there is a segment of investors who would have a need for that product from a long-term perspective. So, unless we see a sustainability and longevity of the theme, we wouldn't be launching a product just for the sake of it.

Another thing I would mention that it would be interesting for you to note that almost all the top five players excluding SBI MF would have lost market share over the last year or two. And also the interesting thing that's happening in the market is that, the allocations are much broader based and of course there is some extra bit of performance chasing. If you analyze sales data AMC wise I'm sure you will get it what I'm trying to say. When we are on the topic of equity-oriented strategies, there is a market which is emerging which is international funds, investing internationally, a lot of domestic investors are now allocating money towards international funds. The size of the market is almost 35,000 crores and growing, industry have lined up number of new launches in this space. We didn't have a product in that space earlier we just did our first international fund recently, a passive fund of fund which endeavors to track the MSCI World Index. So, we will look at

couple of other strategies in this space over the next few quarters.

The one other reason for falling, when you look at overall market share and I'm responding to that so another reason for fall in overall market share is, mark to market increase in the ETF AUM and as you know equity ETF business in India is dominated by one investor and ETF AUM overall has moved up from little over 2 lakh crores to close to 4 lakh crores now, and I'm sure many of you have caught up on the recent news article which talked about HDFC AMC filing for nine ETFs. We have also filed for a couple of index funds. The idea is to offer a full bouquet of products and as mentioned over the last couple of quarters, we're looking at filling up product gaps across asset classes. So, at the same time, I must mention this, we are very mindful of the risk associated on passive side and hence have selected indices which pass our risk muster.

So, that was on the equity side, when it comes to the debt side our market share has been constant quarter-on-quarter. In fact, it has actually moved up on Y-o-Y basis so when we look at our market share on the debt side 14.6% it's reasonably high, especially in space, which is dominated by corporate and institutional investors. We are also evaluating debt index fund and will update you once we progress on that front.

The third component, the liquid fund, it's been more or less constant Q-o-Q but has fallen by Y-o-Y last September the

share was at 18.7% and even at that time we communicated that this was very high. In fact, it had actually moved up sharply over the previous one year so it has got I would say more normalized and we wouldn't expect a significant increase in market share in that space from where we are currently. I hope that answers your question.

**Amit Nanavati:** No, basically it almost seems like last year's market share loss was more underperformance led market share loss right, where say our performance would have been set at say for example, just hypothetically been one percentage point lower than the industry average and which is basically the market share loss which was visible. But this half, at least this year it seems more like a flow market share loss, especially because now flows have comeback for the industry. Now even if I look at unique investors we have not been growing in unique investor pool and should one look at SIP market share as a lead indicator for where our equity market share would trend towards.

**Navneet Munot:** No, so you have summarized it well, when it comes to the market share moment over the last one year. Your point is right, when you look at the unique investor addition and the folio addition over the last couple of quarters, the way folios have got added in the industry, particularly driven by the FinTechs. And we have our work cut out on that front and we believe that over the next couple of quarters with increased engagement, with some of the other initiatives that Simal

talked about earlier whether it was on the marketing side, whether it was on the digital offering side, hopefully over a period of time you will see us gaining market share in SIPs as well as on the new folio addition. You would appreciate that historically, HDFC AMC has always been a leader in SIPs, it's been a leader in B 30 markets, that's where the higher growth is there and we don't see any reason given our performance, the long-term track record and all the other initiatives that the team has taken. We would continue to remain a leader on that front.

**Amit Nanavati:** Got it. Last thing if you, I am not too sure but if you can share your market share in the FinTech space, what percentage of distribution comes to you?

**Navneet Munot:** So, we won't give you that granular data on distributor segment wise but as I said that, there is a lot of scope for us to grow in that segment more than what we have been so far.

**Simal Kanuga:** So, Amit one thing I can add, if you look at industry as a whole. So, can FinTech really distort the market share? not beyond a point because the equity mutual fund industry is close to 15, 16 lakh crores. All FinTechs put together, the size of the market is somewhere around when we talk about equity-oriented funds it adds up to close to around 35,000, 36,000 crores. So, it is 2% of the of the size of the industry as we speak.

**Moderator:** Thank you. The next question is from line of Kunal Thanvi from Banyan Tree Advisors. Please go ahead.

**Kunal Thanvi:** I had two questions, one was on the passive side, as you had mentioned in your opening remarks that we have launched, we have a long pipeline for ETFs and index funds. And, wanted to understand the thought process in a bit detail, from where the aggression in terms of launching significant number of NFOs come from. And as you have also mentioned that the pricing for the NFOs has been very aggressive, what's our strength in the NFO that we are launching and given the fact that we will be launching so many NFOs, does it make sense to look at the historical margins, will it lead to softening of our overall premiums and margins over the next three to five years. You can answer this and then I can ask the second question.

**Navneet Munot:** Piyush and team have been highlighting over a period of time that over a period of time margins will see some level of dilution. This of course depends on various factors, the assets which are going out, the assets which are coming in, mark to market component and variety of things so difficult to quantify. Also, as you rightly mentioned, that there is competitive pressure currently, the kind of NFO pricing which is happening and as we mentioned earlier that a large part of the flows are driven by the NFOs by the competition. We've seen this in past to, in our history of the Company, but our experience says that it settles down over a period of time, at

HDFC AMC, as we have always been saying, the three most important aspects for us building scale, building with a quality and profitability of business, not one at the cost of the other. We would always be very, very mindful of that market share of course is important, but profitability is also equally important for us over a period of time. So, we will navigate through this period and we are hoping that this will settle down, investors would appreciate the long-term performance track record of our funds, money would come into the existing products which have much longer-term performance track record. We would surely be filling the product gaps wherever we have, we have mentioned in the past, on the passive side, both in equity and fixed income, both the core products as well as the smart beta product, we had our first smart beta product NIFTY50 Equal Weight Index Fund, in this quarter. We had the product gap on the international side, and we had a highly successful NFO on the sector and thematic side, which we talked about earlier. We had a BFSI fund again, this was a very highly successful NFO and fund of fund the NFO that we did in April and it's been getting positive flow since then.

So, these are some of the categories where we had lesser presence, which we are filling the product bouquet. In our core categories, more or less, we have been there in all the categories given our long term history. The one category, which has opened up is the multi-cap and maybe over the next couple of months we would be launching that product, apart from the categories that I just mentioned.



**Kunal Thanvi:** Sure, thanks. And the second question was related to the adoption in technology, so what we understand is, one or two quarters back we had appointed a Chief Technology Officer, which is ex-HDFC Life, can you help us understand on a qualitative basis what are the initiatives that are being taken in the last few months in terms of bettering the entire ecosystem?

**Navneet Munot:** So, it's a journey we always had best in class digital assets which need cost and upgrade which we have been upgrading. As the world is changing of course, the focus on technology has been increasing for every industry and asset management business is no different. With a new CTO and an excellent digital team that we have in place we are working on various initiatives. In case you have not noticed, I would urge you to download our mobile app, HDFC Investor app, we have refreshed our mobile app, it's simpler and more powerful. And the feedback we are getting on the same is truly encouraging. We continue our journey in creating a state of the art digital infrastructure and leveraging on the same for enhancing the customer experience. We enabled the voice search on our corporate website. We enabled API gateway for third party integration with some of the tech savvy distributors, we've got an RM tool to build access on mobile solution to partners. And I can go on this topic, but overall what we are trying to do is have this culture of automation, and a culture of customer centricity which is like the hallmark of the HDFC group. And removing every possible friction in

their journey moving from we would say, KYC to UYC, know your customer to understand your customer, enabling our partners to scale up their business. So, how do we use data and analytics in every part of our business, how can we automate our processes. So, digital is like going to be the backbone of everything, we do, our entire ecosystem. And so it's about variety of things and all of this will help making the organization future ready. So, we have good digital assets. Over the years, we have been investing in all of them. We'll be investing a lot more in that as we speak.

**Moderator:** Thank you. The next question is from the of Shubhranshu Mishra from Systematix. Please go ahead.

**Shubhranshu Mishra:** I've got two questions here. The first one is on the 'Other income', given the fact that most of the investment book is in debt. And there hasn't been much of hardening, there have been hardening of G-SEC, but not much. The drop in the other income has been a significant, if I look at it on DuPont model. And the other part is, if I look at the market share, especially in the hybrid fund. We dropped off significant market share in the hybrid funds, versus maybe two years ago where we were around 21-22% to versus where we are, we would be around 18% or 19%. So, it's a drop of almost 200, 250 bps. So, if you could dwell upon these two questions, that would be very helpful. Thank you.

**Piyush Surana:** Okay, I'll take the one on the other income. And then Navneet can talk about the second question. So, on the other income see, Shubhranshu because of these Essel NCDs. We had this fluctuation in the other income over the last two years, every once in a while. So, for example, September 30th, 2020, the other income had a component of around 56 crores of MTM gain in the Essel NCDs. That was why the other income in that quarter was so high and similarly, this year in June as we talked about the disposal of the Dish shares, which were the collateral for the NCDs, we had booked a gain of around 14 crores on that. So, that's essentially the reason why there's been this up and down in other income and now that, it's out of the system, we would probably see a more normalized number. If you go back to the transcript to the last quarter, I had actually mentioned this, that please don't take this number as a normalized number going forward.

**Navneet Munot:** The question was on the market share in the hybrid funds?

**Simal Kanuga:** Multiple reasons, one is obviously the recent NFO has been very, very large. SBI did an NFO which as you are aware, collected close to around 15,000 crores Shubhranshu, and Navneet kind of gave a perspective earlier on loss on market shares. So, the same set of things apply for what has happened in the hybrid category.

**Moderator:** Thank you. The next question is from the line of Abhishek Saraf from Jefferies. Please go ahead.

**Abhishek Saraf:** So, I have two questions, one on the diversification strategy. So, just wanted to know, is how are we now proceeding on the diversification of styles in terms of new fund managers, managing how much of our equity fund and if you can share some numbers on that, that will be helpful and is it proceeding as your expectation. Secondly, on the cost to income side, I see that obviously we have seen a lot of NFOs are pushing up the cost, but on a more steady state basis, what should one expect cost to income to be like this quarter it was around 24%. Going forward, what would you kind of indicate one should be thinking about cost to income ratio, these are the questions thanks.

**Piyush Surana:** So, the cost to income ratio more or less will be the same as this, the cost might be a little bit higher, because we are looking at some additional investments in technology. Also, this quarter, has some part of increase in travel and the other normal costs that go along with normalization of business. So, that will intensify a little bit so it will go up a little bit from here. But, the ballpark that you're taking is fine, probably add 4-5% to that, that should be it.

**Navneet Munot:** And your question on diversity, certainly in terms of the core products, but also as you mentioned about launching newer products. So, Anand has been there with us for a long time now managing 2000 crores in the BFSI fund, another analyst who manages the infrastructure and the housing fund and then

of course, the other two fund managers, if we look at overall would be around 15% or so, of the overall equity AUM.

**Abhishek Saraf:** Would they have increased now because now that a lot of NFOs have happened under newer fund managers or those who were earlier analysts have now become fund managers. Would this have gone up because if I recall like last quarter also we were almost in the similar ballpark?

**Navneet Munot:** Yes, over the last couple of quarters the trajectory would have been from around 10% to now 15% or so.

**Simal Kanuga:** So, Abhishek if you look at the data as of say March of 2020, the number between Prashant Jain and Chirag Setalvad was closer to around 87%. And that number is now sub-85%. And you would appreciate, that what has also happened is the mark to market increase in the AUM has been very, very sharp over March 2020 and we are talking about a base on nearly like 1,80,000, 1,90,000 or for that matter even 2 lakh crores. So, 1%, 2% is a fair bit of delta.

**Moderator:** Thank you. The next question is from the line of Kaushik Agarwal from Haitong Securities. Please go ahead.

**Kaushik Agarwal:** I have two sets of questions. So, firstly on the AUM mix for the Company. So, as highlighted during the call also we have filed for nine ETFs. So, is there anything from the more on the strategy level like is there any cap on which we are going to see the AUM mix for the Company in the medium

to longer term, that is my first question. And second question is more on the OPEX part for the Company. So, as we are seeing a lot of ETFs we are increasing basically the component of ETF in our overall AUM mix. So, how are the operating expenses for the Company going to move around over the period of time?

**Navneet Munot:** So, first of all, let me clarify and say this very, very clearly while we have filed large number of passive products. There is no change in strategy we are big believers of active fund management. In terms of active fund management if it comes to it, we strongly believe we will be the last man standing. Our funds have created huge wealth over the past many years. In fact, very recently, we celebrated HDFC Flexi Care Fund NAV crossing Rs.1000. So, the capital has grown by 100 times over the last 25 years and that's an alpha of like over 6% CAGR for 25 years. HDFC top 100 fund has delivered CAGR of over 19% for 25 years and that's also an alpha of over 5%. Our balance advantage fund or for that matter hybrid equity aggressive they've delivered +18% CAGR over 26, 27 years and the hybrid equity aggressive has delivered 15.9% for over 21 years. So, definitely we are a strong believer in active fund management and we believe as I mentioned earlier, we'll be the last man standing.

But in our dialogue with the MFDs, with RIAs, with investors looking at the world, what's happening in the asset management industry, we see in India also that part of the

equity allocation is now being allocated to passive strategies. So, an advisor who is allocating equity assets does allocate both, both to active as well as passive. And we want to be a full stop shop when it comes to offering investment management solutions or products. Keeping that in perspective, we have identified suitable set of indices, and we'll be launching products based on these indices. In fact, I mentioned earlier that we do understand risk surrounding certain set of indices, in terms of liquidity, et cetera. And hence have chosen those indexes where the risk is well contained. So, again, I'm going to reiterate there is no change in strategy, we will leave no stone unturned in terms of resources, time, energy, when it comes to active fund management, there is enough and more these days being spoken about passives, in fact, not long back, if I remember, the year 2017 or so, alpha was considered to be a given, and nowadays assume that there is no alpha, but truth lies somewhere in between look at returns of some of our funds over the last one year and the amount of alpha that has got generated. And in our opinion, an active manager will be able to add value over a period of time. And the only way for one to add value is to go away from the benchmark. And when you do so you do risk some level of underperformance. At times, it is worth taking that risk if you believe in fundamentals of businesses one has invested in. So, in our opinion, Indian markets do offer a reasonable opportunity to add value one at a time by their side. So, there's a lot, if you

exploit the time arbitrage and search arbitrage optimally, there is a lot of alpha to be captured for the next several years. And, I mentioned earlier that, look at our HDFC Flexi cap fund which has outperformed the benchmark by a significant amount in last one year, and there is opportunity to generate alpha if one has time by their side. So as I mentioned that we have been a leading asset manager, scale is important for us. And that's why we want to provide all possible solutions to each segment of our partners as well as investors.

**Kaushik Agarwal:** Okay. And sir around the second question of operating expenses. Are we going to see, whatever would be the proportion of ETFs, how are we going to see the operating expenses part for the Company over the period of time?

**Piyush Surana:** So, the ETFs won't really change the OPEX much. There would be probably some degree of expenditure on business promotion in terms of advertising but we don't really think it's going to be a material number from here.

**Kaushik Agarwal:** Okay, so sir can we expect the cost to income ratio which you were highlighting to the previous question, so that would mostly be remaining in these line only?

**Piyush Surana:** More or less here, I can't give you exact numbers, but probably go up a few percentage points from here, given the factors that I mentioned earlier.



**Moderator:** Thank you. The next question is from the line of Nitin Jain from Fairview Advisors. Please go ahead.

**Nitin Jain:** So, I'll start with a little bit of historical perspective. So, I've been investor in the Company since the IPO and I remember calls where the management would rule out the threat from passive investing, stating that it is a very small part of the industry. And fast forward to now HDFC AMC has filed for nine new ETFs. So, what kind of growth are we expecting from the new launches given that even our existing ETF products, they have lagged significantly in AUM, with respect to the competition. And my second question is, our dividend yield is significantly lower than our listed peers so do we have any plans to increase that in the future. If you can elaborate on that. And last question is, if you can provide the amount raised in the recently concluded NFO for the international index fund. Thank you.

**Navneet Munot:** So, the first question was active versus passives, markets evolve over the last 21 years, HDFC AMC has been pioneer in various segments. The concept of SIP I would say didn't exist or hardly existed 20 years back, but HDFC AMC took lead and became a large player in that segment, and that's why our equity AUM is where it is. Over the years we would have launched products, which were necessary to provide the right kind of solution to our partners and the investor. And in line with that, as markets evolve and Indian markets have also been maturing, if there are needs for products which are

suitable for a set of investors, we believe we have the right kind of investment management capability, risk management capability and product capability to manufacture those products and distribute it. So, the decision on whether it's passive, whether in some of the other categories that we talked about, has to be seen in that light. So, till few years back, if you asked like whether you would be launching an international product, the answer would have been from our side that there is very little market in India, Indian investors are not looking at the global diversification, but at the beginning of the call as I mentioned that now there are a lot of investors who are looking at global diversification and we have the capability to provide that solution as well. So, as the passives have started finding their space in some of the portfolios, we believe that we would also be an active player in that segment. But again, I repeat what I mentioned earlier that we want to remain a dominant player when it comes to active equity, active fixed income, active money market, also to be a relevant player in the ETF space, we would never change I would say scale or market share at the cost of profitability. And as I said, we will never compromise that for just scaling the market share.

The second question was on the dividend yield. So, of course this year we have enhanced our payout ratio, that's something that the Board keep discussing and in terms of the ideal payout ratio that we should be having, they look at everything including the cash on the balance sheet, the incremental flows

and of course what kind of ideal payout ratio we should be having, so course, fully ceased off of that.

**Nitin Jain:** And the last question on the amount raised in the international fund NFO?

**Navneet Munot:** Over 1100 crores.

**Moderator:** Due to no response we move on to the next participant. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

**Prayesh Jain:** Just two questions, firstly when we talk about market share, when we mentioned that we had relatively lower market share on the inflow side because of the kind of NFOs that the market had seen. But could you also throw some light with regards to outflows, how have HDFC AMC seen trends vis-à-vis the industry, have we seen a higher outflow compared to the industry. That is my first question. Second is, what ex of ESOP, what kind of employ cost trends we can expect going ahead and lastly, with the kind of ETF launches that we are planning, what kind of next yield through the AMC, that we can expect from these ETFs, those are my three questions sir.

**Navneet Munot:** So, the first question was on the inflow share versus the outflow share. The outflow share hasn't really gone up in last two three years, it is the lower share on the inflow side which has impacted the market share which we hope to correct over a period of time. On the employee cost, it has gone up this

year, last year given the challenging time there was a bit of a cut on that front, part of it has been restored and you would see that maybe slightly going up as we have ambition to grow and market is expanding. On the ETF strategy, we have been clear that we want to have all the products and solutions that our partners and investors need, we want to be a one stop solution shop and for that whatever is needed, we would be ensuring that we have that full product bouquet on the ETF side both in equity as well as on the fixed income. Again, I reiterate that, we would keep in mind the liquidity risk which some of the indices may have, we will be very mindful of that and would look at the products where we believe we can match investors need with our capability and our risk management view. And of course more themes that our investment team believes in.

**Prayesh Jain:** Okay. And one thing more on the yield that we're targeting, the ones on the ETFs which will be like possibly in the range of 20 bps or around what level you can expect the yields for these?

**Navneet Munot:** Core products in India has become highly competitive, in fact in some of the strategies the TER in India, is much lower than what you find even globally, you might have read this news item couple of weeks back, which is the expectation that globally, the fee on the passive side has bottomed and there are some signs of that inching up from a very low base, when we compare some of the index funds in India with the similar

products outside India, we find that fee actually in India is on the lower side. Of course, if the question is active versus passive, passive would be substantially lower. But we believe that there would be certain products where right kind of innovation would lead one to have slightly higher TER than the products which are quite commodity kind of ETF products.

**Piyush Surana:** On the employee cost you had a question. So, currently, we're running at around 7.5 bps of AUM on the employee costs. I guess it will be roughly around there maybe inch up a little bit from there, but not very different from that. That also includes the non-cash bit which we keep talking about which is the cost on the ESOPs.

**Moderator:** Thank you. The next question is from the line of Aditya Jain from Equity Group. Please go ahead.

**Aditya Jain:** Hi, this is Aditya from Citi. Could you clarify the impact of the NFO in the two areas? So, one is on the OPEX for the AMC and the second is on the yield and secondly, the yield impact whatever impact is there is it logged in for life or will there be a tapering of the yield impact in future years?

**Navneet Munot:** So, there would be tapering over a period of time, but on the cost, it would be every NFO depending on how you market it, some of the NFOs may need more marketing expenses, some of the index products, et cetera may not need that much of expense, that would differ from product to product and the

kind of size that one is expecting, the kind of market segment that one is targeting. So, it would depend couple of factors, there is no standard I would say an amount that we target to spend on every NFO. But you would have seen, you would have noticed in this quarter the overall expenses have gone up and part of that can be attributed to the NFOs that we had in last few months.

**Aditya Jain:** So, on the yield side, the commission agreement with distributors during the NFO so that has some built in declines in subsequent years. So, there is certain commission payout when it is issued and it becomes slower in subsequent years?

**Simal Kanuga:** Actually, Aditya there are all sorts of structures. So, different structures and then there are different levers that gets used so without getting into the specifics, both yes and no.

**Moderator:** Thank you. Next question is from the line of Hiral Desai from Anived Portfolio Managers. Please go ahead.

**Hiral Desai:** Hi, Navneet just had one question, if I look at the operating profit growth for quarter two in the PPT that is at about 13%. And if I look at the quarterly average AUM growth, we are at about 17% right now. So, what will it take for sort of both of them to be in sync, and how long before that is possible given the noise that we are currently having on the NFO side, plus the competitive intensity in general with so many new players coming in?

**Navneet Munot:** So, variety of things as you mentioned earlier that, there would be dilution because incremental money, particularly in the NFOs if you raise, that's coming at a higher cost than the book that we have today. So, over a period of time, margins will see some level of dilution. And it of course also depends as I mentioned earlier in terms of mix of assets, even within the equity, what kind of products are getting more flows, versus others. So, it's difficult to quantify but as Piyush has been mentioning for some time, that over a period of time margins will see some bit of dilution. And the current competitive intensity that we have discussed, as part of like, couple of questions before the competitive pressure which has got intensified because of the money which is being raised in NFOs. As a house we have seen these periods before and our experience has been that it settles down over a period of time. So, we hope that over a period of time it settles down, and the competitive intensity kind of reduces when it comes to the money raising through the NFOs.

**Hiral Desai:** Okay. Lastly on this Standard Life or stake sale, have you had a conversation after this 5% stake sale on their sort of road ahead?

**Navneet Munot:** So, we have no information on Standard Life's plans when it comes to diluting stake in the Company or selling any stake in the Company. As you would know they sold 5% odd stake recently and currently own approximately 16% of the Company. We will keep you posted if we get to hear anything

further. The good news that I must share is that, we got some high quality shareholders who acquired the stake and we really appreciate their faith and trust and their confidence in us.

**Hiral Desai:** And Navneet just on the website and the mobile app, I am an investor with HDFC AMC. The website and app has come out really well. Especially the smart statement bit is very good. So, cheers to the team for that.

**Navneet Munot:** Thank you so much Hiral. The team is working very hard and hopefully we will keep improving your experience as an investor with HDFC AMC

**Moderator:** Thank you. The next question is from the line of Anand Shankar an Individual Investor. Please go ahead.

**Anand Shankar:** I have a question for Mr. Navneet. I attended the Trinity Go Passive investor forum last Friday. And it was very useful for retail investors like me. And, I also understand that the company is planning lots of ETFs now. So, basically, my question is like, what is your strategy for growing big in the passive funds market because it's a low margin product for one. So, the AUM size matters a lot and then second, there is a lot of competition. Unlike active funds, it is quite difficult to differentiate ourselves with our competitors, and especially the new age FinTech firms, who have a lot of funding coming in, and they are not listed, so they don't have too much of pressure on the profitability aspects. So, they can introduce



new funds and offer at a much lower cost. Whereas, it is really difficult for us to do the same because we need to balance growth and profitability. So, I just want to know what would be our strategy way forward, just in the passive side to grow big, like Blackrock or Vanguard Investments, there the market share is absolutely key because it's a low margin product?

**Navneet Munot:** First of all, because we file a large number of passive products on one single day and it created a buzz but one should keep in mind that HDFC AMC has actually been a pioneer even in the passive space. We launched our first index fund way back in 2003 and that like 18 years back when there was very little discussion around passive products in India, we were doing extremely well on the active side, we had probably one of the best bouquets of active products but, also launched the index fund and it has one of the longest track record. And over the years of course in last couple of years the growth that industry has witnessed, we believe that there is a distributor segment, there is an RIA segment, there is an investor segment which is looking at more allocation to passives. And in line with our strategy of being a one stop shop for anything related to asset management, we need to fill their product bouquet as well.

In terms of strategy as you know, passively managed is more about having the right kind of execution skill set, right kind of technology, the right kind of operational ecosystem and of course the marketing and sales infrastructure is slightly different than what you have on the active side given the

margins that are there on the passive side, we've taken a couple of steps over the last few months without elaborating much on that, you'll hear a lot of things from us even on the passive side given that our ambition has always been and will always be to remain a one stop shop for everything related to asset management needs of any kind of investors.

**Anand Shankar:** Okay. Second and last question is, are we seriously looking into any acquisitions for inorganic growth opportunity?

**Navneet Munot:** No, we have done it in the past and always open for any opportunity if it is adding value to all stakeholders but, can't say more than that.

**Moderator:** Thank you. The next question is from the line of Manjeet from Solidarity Investments. Please go ahead.

**Manjeet Buaria:** My first question was, as you've seen some of the large distributors whether offline or online are starting their own mutual funds. Just wanted to get longer term implications of things like, big distributors kind of start giving the product out themselves.

**Navneet Munot:** Our industry has always been very competitive and in past I remember the question that was asked of us was how will domestic player withstand the global majors, because a lot of global majors were setting up AMCs, now we have seen some of the people who started with the distribution franchise and now building a manufacturing franchise. Given the growth in

the industry over the next several years where the penetration of mutual fund is abysmally low. The industry has grown so much in last few years. But still, if we look at the unique investors, they are just 2.5 crore, so we have a long way to go. And I'm sure the industry will attract all kinds of players. And some of the people who have a large distribution franchise if they are able to build a good investment capability and infrastructure, I'm sure they will also bring interesting, I would say dimension to the industry so more the merrier. Given the growth potential in the industry.

**Manjeet Buaria:** Okay. The other question I had was, crystal gazing a bit, but from your vantage point if some someone takes a very long term view of this industry, 10 years, 15 years view, would it be fair to have a hypothesis that the operating margins which the industry enjoys today, would actually not sustain and compress, one because of more competition, probably the newer brands build trust over the next decade, who are not as well-known as someone like us, SBI or ICICI. And also, the fact that, as the industry growth probably at some point starts having base effect and competition is further incentivized to go down the lower price route. So, that's some broad thoughts, very long term operating margins of this industry, how defensible they are not just for you, industry as well?

**Navneet Munot:** So, passive becomes a much larger part of the overall pie, then of course margins as you see, they will get diluted. Having said that, if we're talking about the recent competitive

intensity, because of the NFOs, and the pricing in the NFOs as we mentioned earlier, we have seen these kinds of times earlier. And then of course, it settles down over time. Whether it is fair to say that operating margins would not sustain because of more competition, but as I said this industry has always been very competitive, I'm going to go back and India has a history of let's say 30 years or so. And if you see the last three decades in any point in time you had a good mix of large, domestic financial services behemoths who had their asset management Company, a lot of global majors who have entered or exited this industry, a lot of other players who entered and exited this industry, competitive intensity has always been there. Now that, everybody strongly believes that the penetration is likely to increase very substantially, some more players are entering the industry, but it will evolve over a period of time, everybody has to work on their own competitive advantage. We believe we have an outstanding franchise when it comes to our investment management capability, and risk management capability, our product capability, the presence that we have, both the physical presence across the country and the digital presence or the digital assets that we have created. The pedigree of our brand, the pedigree of our people, with all of those the advantages that we have, we believe we will continue to grow for a very long period of time and continue to grow very profitably.

**Manjeet Buaria:** Last two questions sir, just clubbed them. One was, I understand the necessity to maintain a strong balance sheet

and certain amount of cash on balance sheet for volatile periods like last year, but just where we are in terms of our cost structures and the balance sheet already on cash. What's stopping the Board from considering, paying out incrementally almost all of the profits as dividends, or dividends buyback, whatever it is, but what's really stopping the Board over there. Because we throw out so much cash every year is one and the final question was in terms of these new regulations with SEBI for mutual fund employees in terms of their investments, is there any risk of good talent not wanting to come into the industry or nothing on those lines as per you. Thank you those are my questions.

**Navneet Munot:** So, on the first, the ideal level of cash. As I said that Board is ceased of that, that's one of the specific discussions we have in almost every Board meeting and they increased the payout ratio this year. And I'm sure that debate in terms of what is the ideal level of cash versus the payout ratio that we should have, goes on. On the second question was on new regulations for MF employees, any risk of good talent not coming to the industry, the regulators idea is that there should be more skin in the game, whether it comes to the investment team or the other leadership team and a similar regulation has also come on the higher skin in the game by the asset management companies into their own funds. Over the years, several of these things have enhanced the trust and confidence of the investors in the asset management. And we believe that given

our franchise and given our brand, we shouldn't have challenge in attracting the right kind of talent.

**Moderator:** Thank you. The next question is from the line of Sameer Bhise from JM Financial. Please go ahead.

**Sameer Bhise:** Just a quick question, where are these new age platforms classified as, as distributors or the direct route?

**Simal Kanuga:** Sameer, they are both. So, some of them have taken the MFD route, some of them have taken RIA route, but if you look at the big names like your Zerodha, Paytm, ETmoney, all of them have taken the direct route. So, they basically invest in the direct plan that falls under the RIA.

**Sameer Bhise:** Okay. So, it's their license based classification?

**Simal Kanuga:** That's right. So, people who want to do distribution, they opt for the MFD and thereby they take the ARN and they take that route.

**Moderator:** Thank you. The next question is from the line of Abhishek Saraf from Jefferies. Please go ahead.

**Abhishek Saraf:** Just one follow up on the NFO side. So, if you can just help us explain that obviously, we have also participated in NFOs, but it has been largely in lower yielding kind of NFO schemes. So, if I can just understand what are the product gaps in terms of those NFO product gaps on a higher yielding scheme. So, what will be those gaps will be and secondly, it's difficult to

say but in your view, how long can this NFO frenzy continue and what kind of would make it a more moderate trend to us?

**Navneet Munot:** So, as I mentioned earlier, that one of the product category which we would be launching is the Multi Cap and of course, some of the thematic and sector funds over a period of time. The other products where we need to fill our product gap or there could be more innovation could be on the passive side, on the international investing side and of course on the fund on fund side. But otherwise from the core categories as per the SEBI classification we are present across all categories, be it in equity, be it in hybrid and fixed income, money market, et cetera. So, that was your question, right?

**Abhishek Saraf:** Yes, Navneet. So, just on multi cap side is fine, on the thematic and sectoral side probably is there more scope for doing, kind of coming out with more schemes. So ultimately, we end up getting more TERs for the margins, the multi cap will be just one category and once we do that then, it's over and done with. But in thematic and sectoral probably, we can have much more scope to innovate and then come up with newer schemes?

**Navneet Munot:** So, there the intention would be to launch products where our investment team believes in the longevity of the theme, where we believe in sustainability of that product, both from the advisor distributor or from the investor's portfolio perspective. If there is a need for a product we would be

launching again as I want to reiterate, we wouldn't be doing a product for the sake of it, because it's selling currently, that has never been the case with HDFC AMC and we would never deviate from that. Would there be more scope in thematic sectors, as I mentioned, we did BFSI fund, our team strongly believed in it. I'm talking about our investment team, strongly believed in it in terms of the sheer investment universe which is available to invest in that category and given the high growth potential of that, over a long period of time in India, we are looking at another theme, which is like MNCs and of course over a period of time, there could be other opportunities as well.

**Abhishek Saraf:** Yes, that's quite clear. Secondly, just your sense in how much less do you see this NFO inflow that we have seen, how long is the line of sight to that?

**Navneet Munot:** So, we have seen these kind of periods, one needs to keep in mind the distribution dynamics, one has to keep in mind, some of the AMCs which have kind of started recently they need to fill their product bouquet, of course the newer AMCs will come in and they will be launching products. Having said that, we strongly believe that the products which have been around for a very long time I talked about our Flexi Cap Fund where we celebrated crossing the NAV of 1000, the money has got multiplied 100 times in last 25 years. When we look at our Balance Advantage Fund, our Top 100 Fund, our Hybrid Equity Fund, all of them have long term track records. We



strongly believe over a period of time investors would recognize that, they've always been recognizing it. And that's why their size is where it is. And I'm sure over a period of time investors would have faith in those funds, which have displayed good amount of alpha over a long period of time. And we have been putting a lot of efforts on that. So, while, you hear about the NFOs or even the NFOs that we have done. We have done like four of them in last five, six months and another one is underway to fill the product gap, but at the same time a larger campaign at our end has been Value creation equal to STP and that is the sound investment plus time plus patience, that's the formula for wealth creation, and not really buying the fad of the season.

**Moderator:** Thank you very much. The next question is from line of Nikhil from SIMPL. Please go ahead.

**Nikhil:** Just one question, it's a continuation of some earlier question a participant had asked, over the next 5,10 years and you mentioned that there was competition from MNCs and the larger guys continue to grow. But sir, if we look at last 10 years from 2011 to 2020-21, the guys who have cracked the model has taken incremental market share from the incumbents. And this also goes with the theory that we have that generally as the funds become larger outperformance becomes a lot more difficult. Now, if we look at over the next 10 years, what changes or what could be the learning's which you see can be brought in so that over the next 10 years if the

industry grows at 10%, 12% maybe we being one of the largest incumbents can sustain that 10%, 12% and not grow lesser than the industry to what has been, what's happened over the last 10 years?

**Navneet Munot:** So, Nikhil around seven or eight years back when this bull market started, the overall equity assets that industry was managing was close to 2 lakh crores. Today we manage more than 2 lakh crores of equity. Even in those days I remember the question used to be that, your funds are very large would you be able to deliver but funds have delivered. Still, if you look at the overall size of the industry versus the market cap in India, and of course over the next several years, as large number of newer segments get listed, newer businesses get listed. We have a very, very long way to go, within that the overall assets which are managed by the mutual funds in India is not as large as some of the other markets and I'm sure there would be opportunity to generate alpha.

Was that the question, as you said that the newer players have gained market share, but that's been the case, every few years you would see some other players growing faster than the other players. Maybe based on the performance and couple of other initiatives they would have taken. But over a long period, for those who are like us has grown reasonably well, in the year 1999 -2000, when HDFC AMC got set up, this was exactly 21 years back, September 2000. We were the newer player. There was the industry with more than 30 players,

consisting of some of the largest global asset managers, consisting of some of the largest public sector banks, private sector banks, AMCs promoted by different players. But over the next several years HDFC AMC continued to grow and became a market leader. And even at the current size, as I mentioned, that it looks like in absolute terms, a large amount of money that we have been managing. But if we look at the size of the market cap versus the mutual fund AUM, or you look at the size of the GDP and the growth that the country can have, there is a long way to go.

**Nikhil:**

Sure, where I'm coming from is sir the benchmark which we have set in terms of market share, and what most of the discussion revolves around market share loss and all, considering we being a much larger player and the industry growth path being there. And the smaller players having some edge over us in terms of growing faster, would the benchmark shift to the differential to the industry growth, which we have, or would you say, even with this size we can continue to grow at the market rate or even grow faster than the market rate. So, is it like, our growth over the next 5, 10 years should be more in terms of what the market can grow, or the lag will always remain, that's what I'm trying to understand that because of our size, and because of a new player being more agile and having a much smaller size, maybe he can address more fund, versus a larger fund so that 1% or 2%, incremental growth may go to him rather than coming to us. So, that's where I'm trying to understand?

**Navneet Munot:** Actually, if you look globally and look at the growth of some of the largest players, they have been growing faster than the overall industry. And there has been a consolidation. Of course, there's a long tail of players with niche categories. But the larger players have been growing pretty well, those who have the right kind of product suite, and of course all the other capabilities to build the business. And in India also we have seen that, our belief is that, we have all the necessary ingredients in place, which are required for growth of an asset management business. But at the same time do we have a particular number in mind in terms of what should be the ideal market share, that has to take a lot of boxes. So, scale is important for us. But quality of that scale or quality of that market share is also important for us for profitability of that is also important for us and quality we define in terms of the money that we manage on the active equity, active fixed income side, the AUM that we gather from individuals, the AUM that we gather from B30, the AUM that we that we gather from these segments, and that's very, very important for us. As I said that we won't chase a certain level of market share at any cost. That has not been the philosophy at HDFC AMC.

**Nikhil:** Sure. Just, if I am permitted just one question I had. Globally if we look at it, I am not very clear but the construct which I understand is it's a much more institutionalized business versus a larger retail business which is in India. Would you agree with that, because if it's more institutionalized, as we

had seen during COVID, the institutions or the larger corporate will always move towards a safer name or would the construct of the global market is different or would be similar to what it is in India just to understand how the concept differs.

**Navneet Munot:** So, in India when you look at the equity funds, the larger participation is from individuals in fact, almost the entire market is from individuals when it comes to active equity, of course on the passive side, you have couple of institutions who have started investing into ETFs from 2015 onwards. On the fixed income side, a large part of the market is institutional, which is like corporate treasuries and some of the other institutions, we have a long way to go in terms of penetrating the individual market, the fixed income market on the individual side. And if you look at the overall size of the bank deposits, all the other investments that individuals would have versus their holdings of fixed income mutual fund, there is a lot of growth potential on that side. On the equity, it is largely as I mentioned and is more on the individuals than institutions, India doesn't have those kind of endowment funds, the pension and the provident funds who allocate huge amount of money to the equities and alternatives, etc. It's just evolving and I'm sure over a period of time, that will also happen in India.

Normally the insurance companies, the annuity providers, the pension funds, endowment funds, all of them give money to

the asset managers to manage that. In India, some of these are regulated by separate regulators and asset managers in India like us, have not been able to tap into that market.

**Piyush Surana:** Even retail investors in most foreign jurisdictions come through omnibus accounts, they don't directly come to the fund house. In India, actually the regulations require the investor to come to the fund house to do the whole KYC of each investor and deal directly with the investor. They may come through the distributor, but the transaction is with the fund house.

**Moderator:** Thank you very much. Ladies and gentlemen that was our last question for today. I will now hand the conference over to Mr. Navneet Munot for closing comments.

**Navneet Munot:** Thank you so much once again and wish you all a very Happy Diwali and season's greetings. And then wish you a very, very prosperous New Year. Please take good care of yourself.

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