

Assessment of Mutual Fund industry in India

SBI Funds Management Limited

March 2026

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Macroeconomic scenario in India

Global Macroeconomic outlook

As per the International Monetary Fund (IMF) (World Economic Outlook – January 2026), the global economy has demonstrated a remarkable ability to absorb shocks, as evidenced by its response to the significant trade policy changes implemented by the United States in April, which imposed substantial tariffs on most of its trading partners.

Despite the initial uncertainty and concerns about the potential impact on global growth, the effects have been relatively contained, thanks to the agility and adaptability of the private sector, which rapidly adjusted its supply chains and trade flows to mitigate the damage. The front-loading of imports in the first half of the year, as well as the swift reorganization of supply chains to redirect trade flows, have helped to minimize the disruption, while the negotiation of trade deals between various countries and the US has also contributed to the relatively modest decline in global growth prospects.

The global economy is experiencing "tenuous resilience" with growth projected to moderate to 2.7-3.3%, below pre-pandemic averages, due to the "Trump-Centric" tariff shock, geopolitical tensions and stagflation pressures. The US has imposed average headline tariffs of 18%, with effective rates at 9.2%, disrupting global trade. India's economy, however, is a "bright spot" with projected FY26 GDP growth of 6.6-7.4%, driven by strong domestic demand, high infrastructure spending and improvements in manufacturing and services. India has mitigated external shocks, such as US tariffs due to diversified trade partnerships and robust foreign exchange reserves (\$703 billion). The India-Europe FTA finalized on January 27, 2026, aims to reshape trade, with the EU dropping tariffs on 99.5% of Indian exports and India reducing tariffs on European luxury cars and wines. The deal serves as a strategic hedge to reduce dependency on China and the US.

Global growth is expected to remain steady at 3.3% in CY26 and 3.2% in CY27, marking a slight deceleration from CY25's 3.3%. Despite ongoing tariffs and uncertainty, growth is expected to be supported by momentum in high-tech sectors, with the negative impact of tariffs set to fade. The forecast for CY26 has been revised upward by 0.2% points, while CY27's forecast remains unchanged. However, there are significant revisions for some countries, with changes in different directions.

Global inflation is expected to decline to 3.8% in CY26 and 3.4% in CY27. The US core inflation will likely return to its 2% target by 2027, while Australia and Norway will experience prolonged above-target inflation. In contrast, the UK's inflation will return to target by end-2026, Japan's will moderate in 2026, and the Euro area's will hover around 2%. Inflation in China is projected to rise from low levels, whereas in India, it is expected to return to near-target levels after a significant decline in 2025 driven by subdued food prices.

Meanwhile, the global economy is experiencing a slowdown, with the US showing signs of a weakening labour market and the net international migration flow falling. India's economy showed robust service sector expansion. Crisil Intelligence expects growth to be resilient in FY27, but several downside risks exist. Labour markets (especially in the US) remain vulnerable as job creation is restricted to a few sectors. An increase in indebtedness may push bond yields higher, while asset prices could decline, leading to reduced consumption as the wealth effect is reversed.

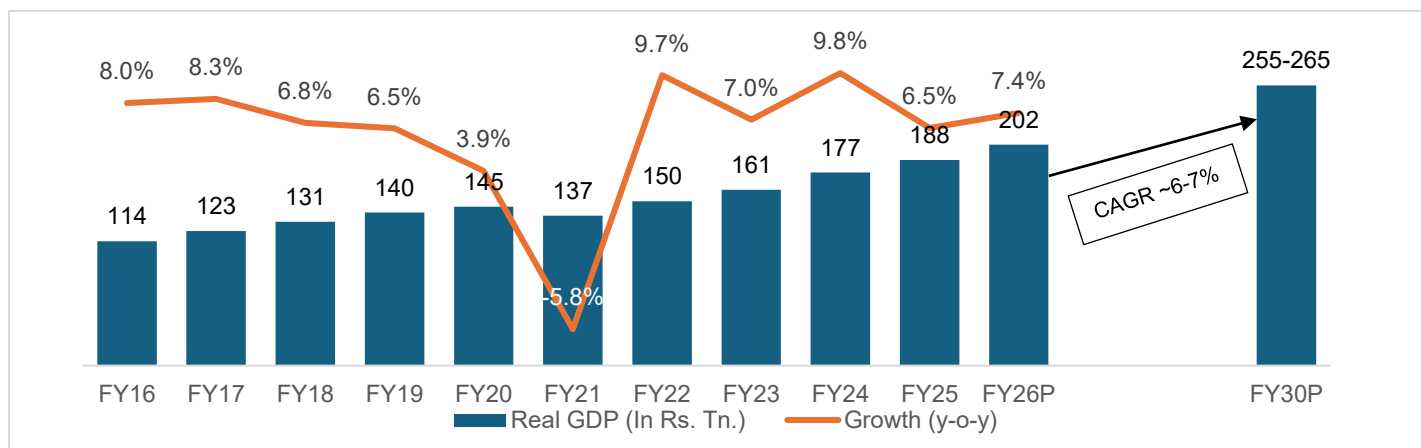
The US and India have reached an interim trade deal, reducing US tariffs on Indian goods to 18% from 50%. The agreement eliminates a 25% punitive tariff on Russian oil imports and provides zero-duty access for Indian sectors like gems, jewellery, and pharmaceuticals. In return, India will reduce tariffs on US goods. This deal marks a significant easing of trade tensions that escalated in 2025, with the US imposing tariffs of up to 50% on Indian goods. The agreement is expected to boost Indian exports and provide access to a \$30 trillion market. More recently, fixed and portfolio investments into AI and allied sectors have surged to unprecedented levels. While this wave of investment has generated positive spillovers globally and helped cushion economies against headwinds from higher US tariffs, any signs of risks in the AI ecosystem could unsettle investor sentiment and trigger ripple effects across financial markets.

India Retains Top Spot as Fastest-Growing Major Economy

As of the January 2026 IMF World Economic Outlook update, India is projected to remain the world's fastest-growing major economy, with an estimated Real GDP growth of 7.3% in CY25, and a steady 6.4% in CY26 and CY27. Driven by strong domestic demand, robust consumption, and improved financial conditions, India's growth is significantly outperforming other major economies and emerging markets. The country's growth is fuelled by high consumer spending and positive investment sentiment, allowing it to outpace China's growth, which is projected to be around 5% in CY25-26 and 4.5% in CY26-27. This sustained growth trajectory reinforces India's position as a major contributor to global economic growth, poised to continue its upward momentum despite global uncertainties. The CPI inflation is expected to rise to 5% in the next fiscal year, up from an estimated 2.5% in the current fiscal year as food inflation normalizes. This forecast is in line with recent trends as CPI inflation rose to 1.3% in December 2025 from 0.7% in November 2025, still within the RBI target range of 2-6%. Given the creeping up of inflation, Crisil Intelligence expect the RBI to maintain the current policy rates keeping a close watch on the evolving inflation trajectory.

Despite the elevated tariffs, the effect was less severe than anticipated. Consequently, growth forecasts have been revised upwards and inflation forecasts have been revised downwards. Crisil Intelligence projects India's real GDP to grow 7.4% in FY26 up from 6.5% in FY25. Additionally, the CPI is expected to remain around 2.5% in FY26 and for FY27 it is expected to be around 5%.

GDP to grow at a CAGR of 6.00-7.00% over the next 5 years



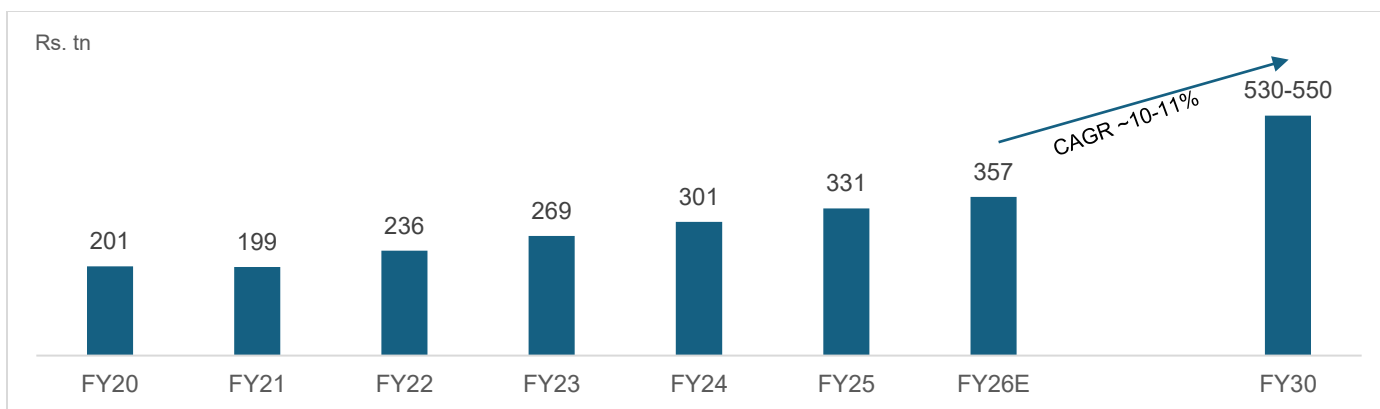
E-Provisional estimate; P-Projected

Note: GDP growth till FY2024 is actuals. GDP estimates for FY25 are based on NSO estimates, for FY26 are based on Crisil Intelligence estimates and for fiscals 2026-2030 are based on IMF estimates, GDP numbers are basis old regime of base year and has not been changed to 2022-23

Source: NSO, Crisil Intelligence, IMF (World Economic Outlook – October 2025 update)

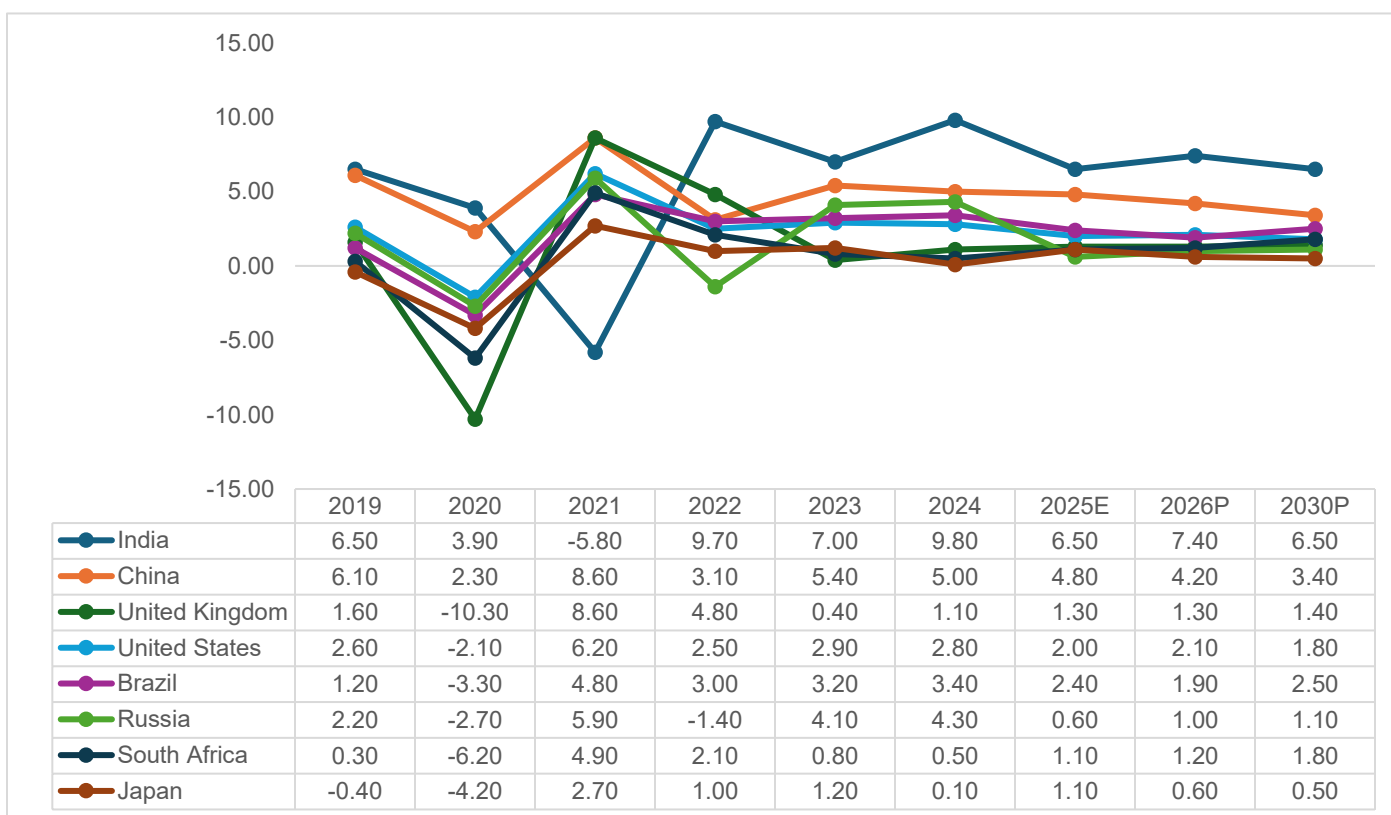
Over fiscals 2022-2025, the Indian economy grew at a faster pace than its global counterparts. The IMF expects the Indian economy to remain strong and be among the fastest-growing economies globally.

Nominal GDP



Note: GDP projection for FY30 is as per IMF, Source: NSO, Crisil Intelligence, IMF (World Economic Outlook – October 2025)

India is one of the fastest growing economies in terms of GDP growth (% on-year)

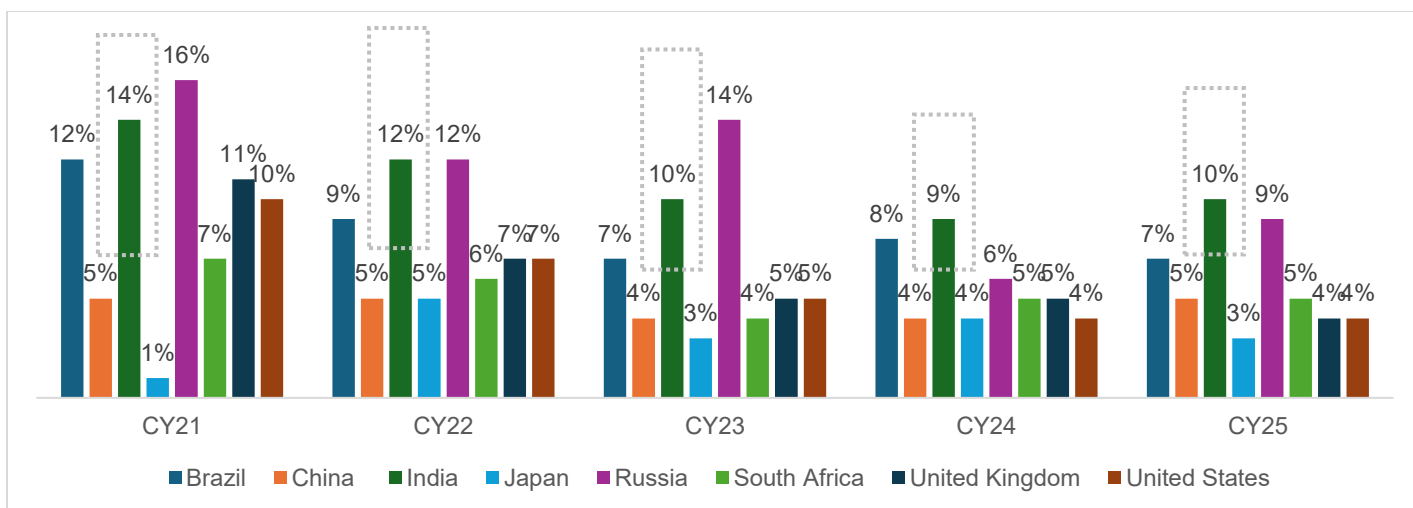


E– Estimate; P–Projected

Note: All forecasts refer to IMF forecasts except for India, which is basis the NSO Estimates; GDP growth is based on constant prices; Data for calendar years, except for India, which is in financial years

Source: IMF (World Economic Outlook – October 2025), NSO, Crisil Intelligence

India’s nominal GDP position is strengthening compared with other major economies (GDP growth, % on-year)



Note: All forecasts are from IMF. GDP growth is based on current prices in national currency for each country. Estimated GDP growth for CY25

Source: IMF (World Economic Outlook – October 2025), Crisil Intelligence

India's nominal GDP has been growing at a rapid pace, with an average annual growth rate of around 10% over the past decade. India's nominal GDP expected to grow by 8% for FY25-26. This is one of the fastest growth rates among major economies, followed by Russia and Brazil with an annual growth rate of 9% and 7%, respectively.

India's large and young population, below the age of 35, provides a significant demographic dividend. This demographic advantage is expected to support India's economic growth. India has a rapidly growing digital economy, with a large and growing base of internet users, mobile phone penetration and digital payments. This has created new opportunities for economic growth and job creation.

RBI reduces Repo Rate by 25 bps to 5.25%, Maintains Neutral Stance

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) initiated a monetary policy easing cycle in 2025 through calibrated repo rate cuts to support economic growth. A 25-bps cut in February lowered the repo rate to 6.25%, followed by another 25-bps reduction in April, alongside a shift in policy stance to 'accommodative' from 'neutral'. In June, the central bank intensified easing efforts, with a 50-bps rate cut and shifting its policy stance to 'neutral'.

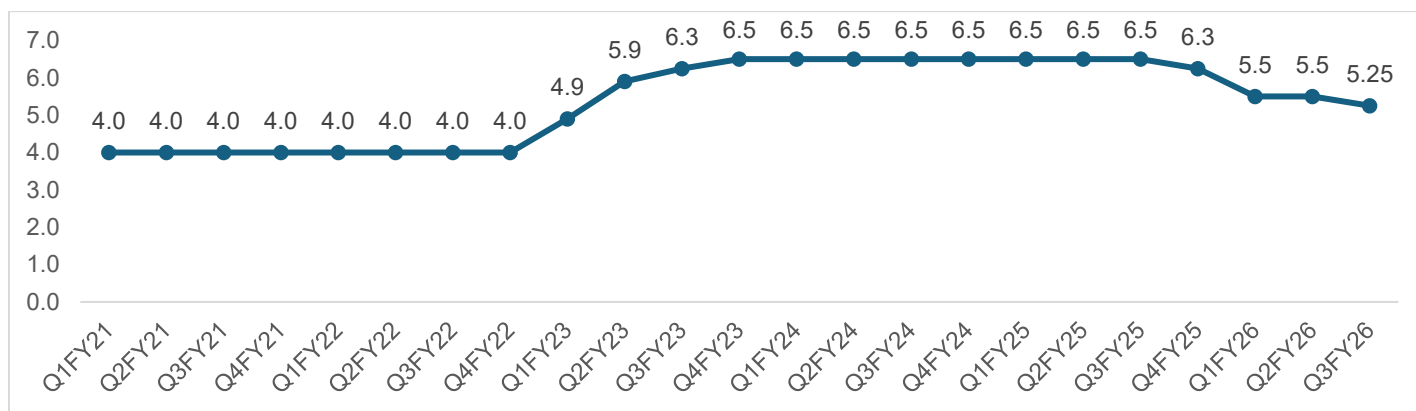
At its December meeting, the MPC kept the repo rate cuts by 25 bps to 5.25% and maintained at 'neutral' stance, in line with market expectations marking the 4th rate cut of the year and reducing by 125 bps in CY25. This decision reflected low inflation risks due to a healthy monsoon and goods and services tax (GST) cuts, as well as a positive growth outlook, allowing the central bank to support growth while remaining vigilant on inflation.

The repo rate is expected to support the economy by allowing banks to maintain current lending rates, thereby encouraging borrowing and spending. It should also help sustain growth momentum of 7-8% for the current fiscal. In addition, the neutral policy stance suggests that the RBI is not inclined towards monetary tightening, which will help preserve liquidity and support growth.

The RBI's repo rate cut to 5.25% aims to boost economic growth. Non-Banking Financial Companies (NBFCs) will benefit from lower funding costs and improved liquidity. This will enable them to offer cheaper credit and lower EMIs to consumers. The move supports India's strong GDP growth, projected at 7.4% for FY26. Inflation is expected to remain stable at 2.5%. The rate cut will spur loan demand and fuel economic activity. Overall, it will benefit consumers and sustain the economic recovery.

While the US tariffs remain a risk to external demand, the RBI expects structural reforms, including GST streamlining, to partly offset these headwinds. Also, the standing deposit facility rate remains at 5%, while the marginal standing facility rate and the bank rate declined to 5.50%, supporting financial system stability.

Repo rate movement (%)

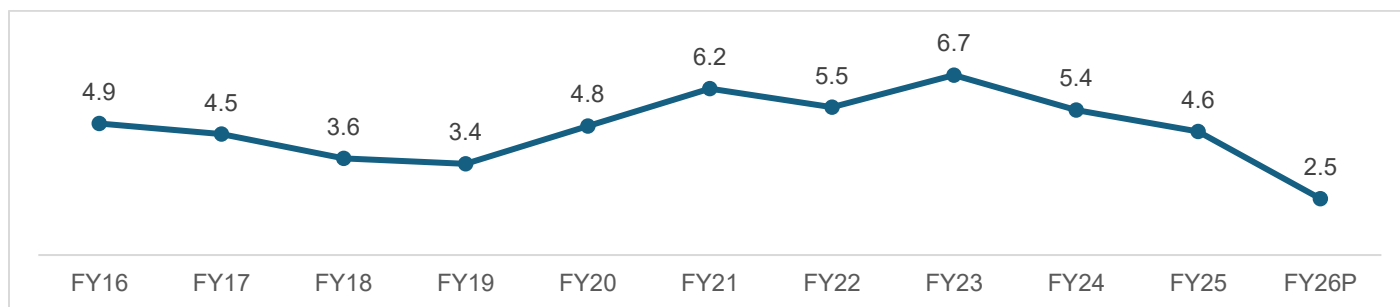


Source: RBI, Crisil Intelligence

CPI inflation to average at 2.5% in FY26

Inflation based on the Consumer Price Index (CPI) accelerated to 1.3% in December from 0.7% in November from 0.3% in October, driven by slower deflation in food and beverages and pick-up in fuel and light inflation. As food-related base effect fades, headline CPI is likely to edge up. This fiscal, RBI expects CPI inflation to average at 2.5%.

CPI general index trend (%)



P – projected

Source: Crisil Intelligence

In FY27, Crisil Intelligence project inflation to rise for the first time since FY2023 but remain close to the decadal trend of 5% (average over fiscals 2016-2025), up from our estimate of 2.5% for FY26. The rise in inflation will be led by a base effect, with other factors supporting benign prices.

Macroeconomic outlook (FY27)

Macro parameters	FY25	FY26E	FY27P	Rationale
Real GDP growth (on-year %)	6.5	7.4*	6.7	Growth to be moderate but remain above trend, driven by healthy consumption and a mild revival in private investment. Consumption to derive support from low interest rates, improved disposable income owing to income tax cuts and reduced prices of mass consumption items on the back of GST rate cuts. Besides a high base, moderating government capex is expected to pull growth. Normal monsoon assumed.
CPI inflation (on-year %)	4.6	2.5	5.0	Inflation is set to rise, given the low base effect on food inflation. However, softer global commodity prices will help keep inflation within the RBI's target bank of 2-6%. The impact of GST rates rationalisation will extend into the first half of fiscal 2027
Fiscal deficit (% of GDP)	4.8	4.4^	4.3^^	The government aims to bring down fiscal deficit via lower revenue spending as percentage of GDP, while the capex thrust is maintained.
10-year government security yield (March average %)	6.7	6.7	6.6	Yield will remain sticky given a sharp rise in gross market borrowings. But lower prices, fiscal consolidation and benign monetary policy rates can lend a mild downside to yields. State borrowings and foreign portfolio flows will be monitorable.
Current account balance (% of GDP)	-0.6	-0.8	-1.2	CAD is set to widen as the trade deficit will come under pressure, given forecasts of slowing global trade volumes. However, it is likely to remain manageable owing to a healthy services trade surplus and low crude oil prices.
Exchange rate (March average, Rs/\$)	86.6	88.0	89.0	After a steep depreciation this fiscal, a manageable CAD in the next fiscal should keep pressure on the rupee in check, although geopolitical shocks could still pose a risk.

E- Crisil Estimate; F –Crisil Forecast

* With downside risk, ^ Revised estimate, ^^ Budget estimate

Source: RBI, NSO, Crisi Intelligence

Key Growth Drivers

1. Favorable demographics
 - India has the highest young population (15-29 years) with 360-370 million individuals, among the major economies (CY2023)
2. Rising Urbanization
 - Rise in the Urban population as a percentage of total population (%)
 - Rise in number of nuclear families
3. Increasing per capita GDP
4. Financial penetration to rise with increase in awareness of financial products
5. Household savings expected to increase
6. Digitalization aided by technology to play pivotal role in the growth of economy

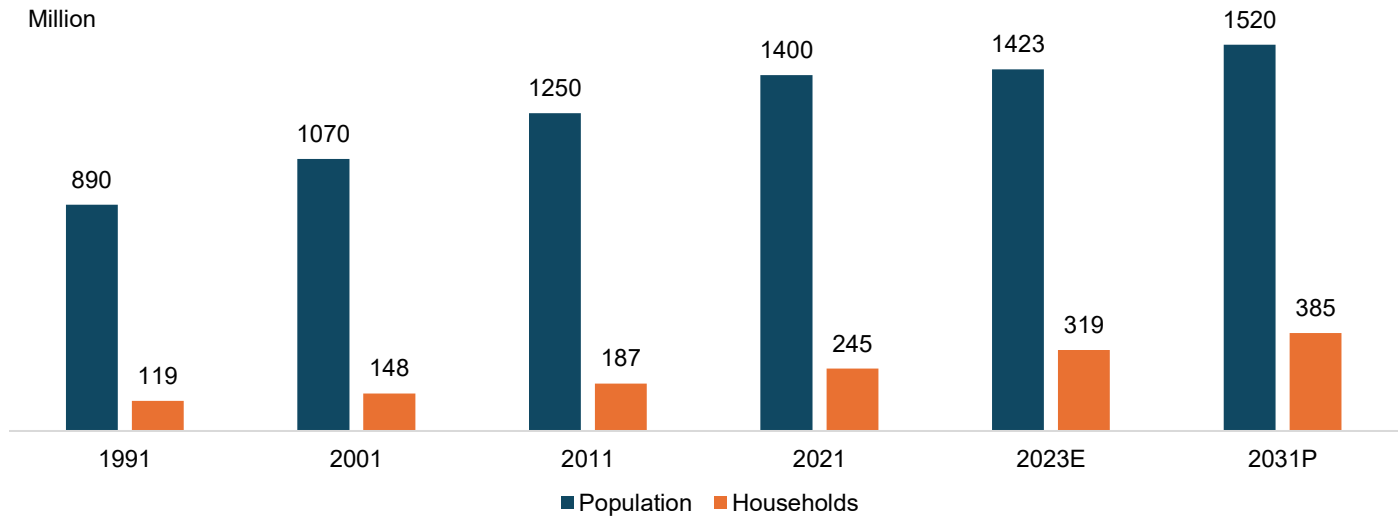
Key growth drivers

India has the world's largest population

As per the Census 2011, India's population was approximately 1.3 billion and comprised nearly 187 million households. We estimate it logged a compound annual growth rate (CAGR) of 1.1% between 2011 and 2021 to reach 1.4 billion. In comparison, the CAGR between 2001 and 2011 is estimated to have been at 1.5%. Furthermore, the population is projected

to reach 1.5 billion by 2031, with the number of households expected to increase to around 385 million logging a CAGR of 4.6% between fiscals 2021 and 2031, indicating a significant expansion in the country's demographic landscape. India has the highest young population (15-29 years) with 360-370million individuals, among the major economies.

Population growth and number of households



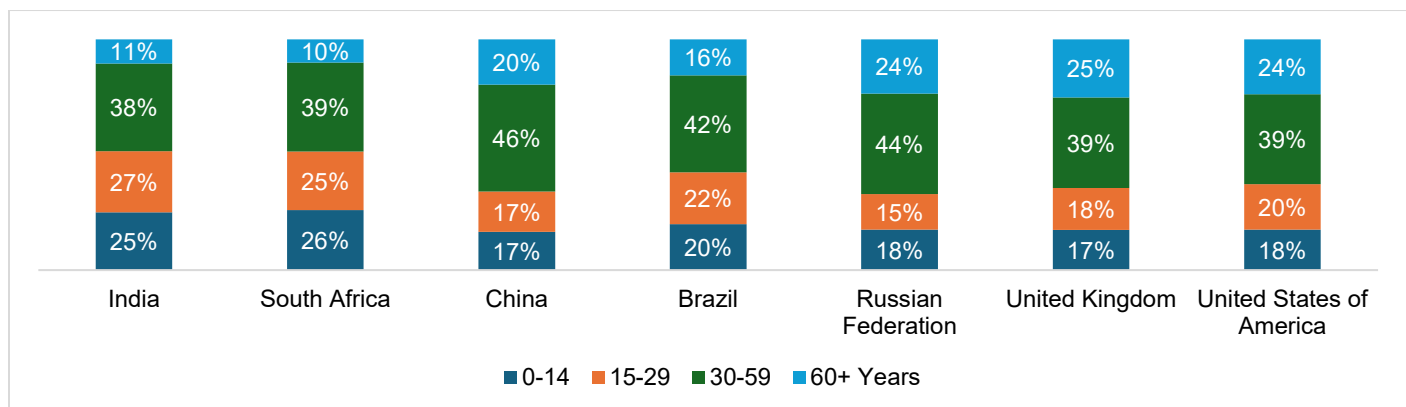
Notes: Data as of the end of each Fiscal; P - projected

Source: United Nations Department of Economic and Social Affairs, (<https://population.un.org/wpp/>), Census India, Crisil Intelligence

Favourable demographics

India has one of the world's largest young populations, with a median age of 28 years. In 2023, it was estimated that India had the highest share of young working population (15-29 years) compared to major developed and developing countries with the share of 27%. Crisil Intelligence expects that the large share of working population, coupled with rapid urbanisation and rising affluence, higher proportion of savings and investments will propel growth in the economy.

India has the highest share of young population (15-29 years) among the major economies (CY2023)



Note: Total may not add up to 100% due to rounding off. Source: World Urbanization Prospects: 2024

Rising urbanisation

Urbanisation is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which, in turn, is expected to create jobs, develop modern consumer services and increase the ability to mobilise savings. India's urban population has been rising consistently. In FY1981, it formed 23% of total, which rose to 28% in FY2001 and further to nearly 40% in FY2021. By 2031, 41% of the country's population is projected to live in urban areas, still lower than in developed nations. Comprehensive urban planning, education & residential infrastructure will bridge digital divide access. This will help bridge the digital divide, promote remote learning and ensure equal access to education. Investing in education planning and infrastructure is crucial to realise the full potential of the human capital and materialise high economic growth.

Increasing per capita GDP

India's per capita net national income at constant price expanded 5.5% last fiscal, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy. As per the International Monetary Fund (IMF) estimates, the country's per capita income (at constant prices) is expected to clock 5-6% CAGR in real terms between fiscals 2025 and 2028, indicating a gradual increase in average income levels. This will help a larger portion of the population, particularly in the emerging middle class, meet and exceed the income threshold needed for necessities such as food, shelter and essential services. This is expected to lead to increased savings accumulation, which will contribute to the deepening of the financial sector and foster long-term economic stability.

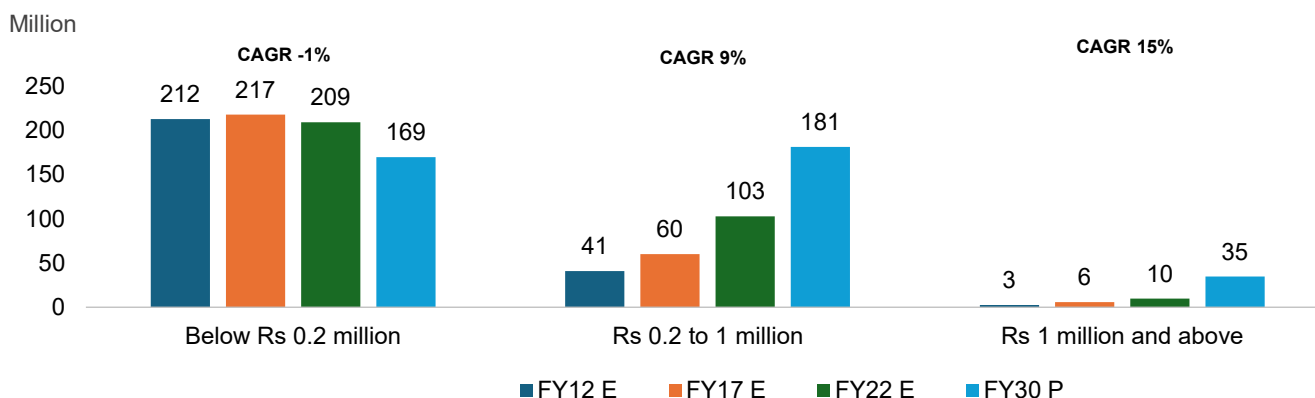
	FY20	FY21	FY22	FY23	FY24	FY25E
Per Capita GDP constant (Rs.000')	108.2	101	109.8	116.9	126.5	133.5
Year on year (%)	2.60%	-6.70%	8.70%	6.50%	8.20%	5.50%

Note: E: estimates, Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), PIB, Crisil Intelligence

Expanding middle-India population to help sustain economic growth

The proportion of middle India (defined as households with annual income of Rs 0.2-1.0 million) has been on the rise over the past decade and is expected to continue increasing with the rising GDP and household incomes. As per our estimate, middle-income households are expected to increase to 181 million by FY30 from an estimated 41 million in FY2012. A large number of households that have entered this bracket in the past few years are likely to be from semi-urban and rural areas. As per the 76th round (2018) of the National Sample Survey, 83.3% of households were living in pucca dwelling units compared with 74.6% in the 69th round (2012).

Middle India households projected to clock 9% CAGR between fiscals 2012 and 2030



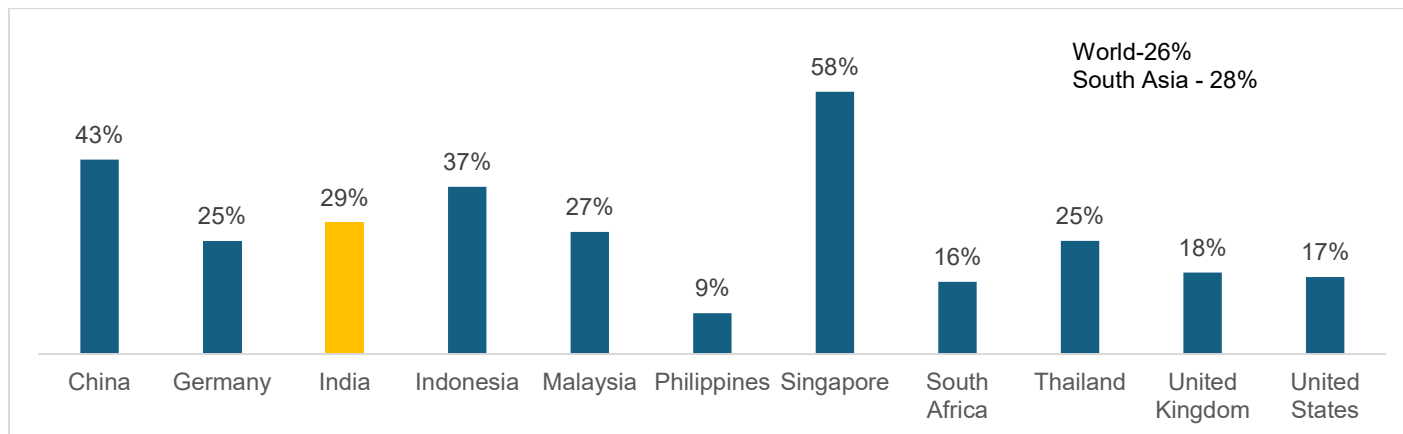
Notes: E - estimated; P - projected

Source: Crisil Intelligence

India's gross domestic savings rate is higher than global average (CY24)

In CY24, India's gross domestic savings stood at approximately 29% of GDP, marginally higher than the global average of around 26%. A structurally strong savings rate reflects household balance sheet stability and the capacity for capital formation in the economy.

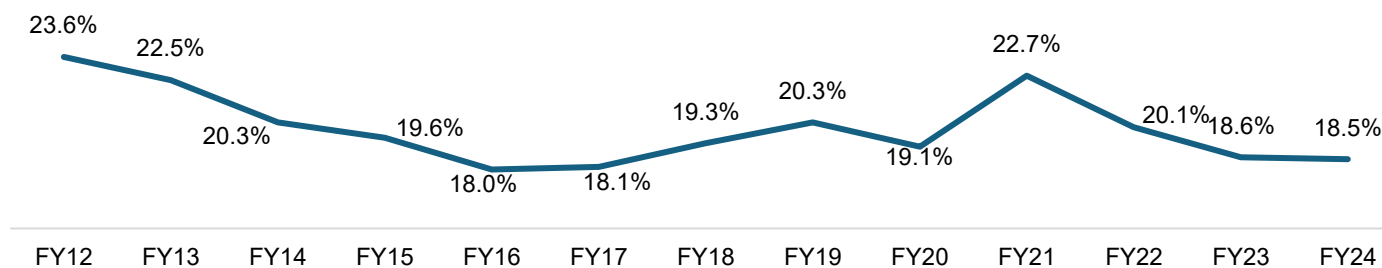
Higher domestic savings support long-term investment, infrastructure development, and credit expansion. In the context of housing finance, this provides an enabling backdrop for asset creation and mortgage growth, particularly as rising incomes translate into both consumption and savings over time.



Note: The savings rate is in % of GDP; South Asia include Nepal, Maldives, Sri Lanka, India, Bangladesh, Bhutan

Source: World Bank, Crisil Intelligence

Household savings as a percentage of GDP on the decline from FY21.



Source: MoSPI, NSO, Crisil Intelligence

Gross domestic savings trend

Parameters (Rs billion)	Mar-2014	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024
Gross domestic savings	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	82,440	92,592

Parameters (Rs billion)	Mar-2014	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024
Household sector savings (net financial savings and savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	38,452	45,056	47,423	50,105	54,613
Household sector savings as a proportion of gross domestic savings (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%	59%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,276	34,306
Net financial savings (% of household sector savings)	36%	36%	45%	41%	40%	39%	40%	52%	36%	27%	29%
Savings in physical assets (% of household sector savings)	62%	62%	53%	57%	59%	60%	59%	47%	63%	72%	70%
Savings in the form of gold and silver ornaments (% of household sector savings)	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%

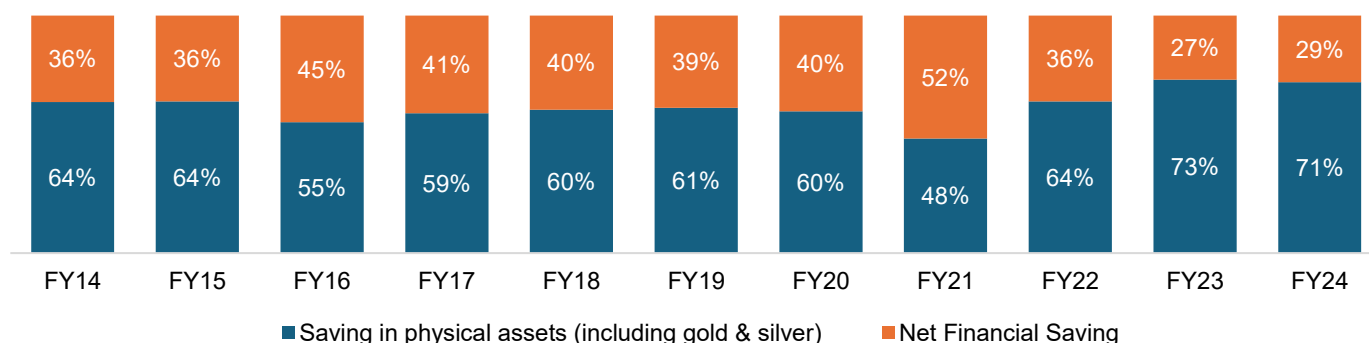
Note: Data is for financial years running from April to March. Net financial savings are financial savings after excluding financial liabilities. Physical assets are those held in physical form, excluding gold and silver ornaments

Source: MoSPI, National Accounts Statistics, Crisil Intelligence

Unlike most other countries, where financial savings dominate, physical assets constitute the majority of household savings in India. In FY2014, household savings in physical form in the country stood at 62%. This decreased to 47% in FY2021 as pandemic-induced nationwide lockdowns slowed down construction of houses. With the lifting of lockdowns post the pandemic, the share surged to 63% in FY2022 and 70% in FY2024 owing to an increase in construction of houses.

Crisil Intelligence expects the share of financial assets in net household savings to increase over the next five years, as elevated inflation after the pandemic could have further goaded investors to move to higher-yielding instruments in real terms. Interestingly, households are also opting to hold more cash after enduring the pandemic shock. Mutual fund investments by households have grown faster than in the recent past. Investments through systematic investment plans (SIPs), mostly opted by individuals, continued to rise in fiscal 2023. Among financial instruments, households are moving away from savings in deposits towards equities, mutual funds and small savings.

Trend of household savings in India



Source: RBI, MoSPI, Crisil Intelligence

Increase in number of wealthy individuals to drive investments across asset classes

India's robust economic and entrepreneurial ecosystem is poised to drive a significant increase in the number of high-net-worth individuals (HNIs) and ultra-high net worth individuals (UHNIs). These affluent individuals have substantially transformed India's financial wealth accumulation landscape by diversifying their investments from traditional financial instruments to higher-yielding assets, such as mutual funds and equities.

Despite this shift, a substantial portion of household savings still consists of bank and non-bank deposits, which grew to Rs 12.5 trillion in fiscal 2025 from Rs 8.4 trillion in fiscal 2022. Mutual funds have emerged as the fastest-growing segment of financial savings, rising from Rs 1.6 trillion in fiscal 2022 to Rs 4.7 trillion in fiscal 2025 at a remarkable CAGR of 42.6%.

Evolution in mix of financial savings in India (Annual inflows of household savings into financial assets)

Value in Rs trillion	FY22	FY23	FY24	FY25	CAGR (FY22-25)
Deposit (bank and non-bank)	8.4	11.1	13.8	12.5	14.5%
Life insurance funds	4.9	5.5	6.5	5.3	3.2%
Provident and pension funds (including PPF)	5.5	6.2	7.2	7.9	12.8%
Currency	2.7	2.4	1.2	2.1	-8.1%
Mutual funds	1.6	1.8	2.4	4.7	42.6%
Equities	0.5	0.2	0.3	0.7	14.8%
Small savings (excluding PPF)	2.4	2	3.1	2.3	-1.2%
Total household financial assets	26.1	29.3	34.7	35.6	10.9%

Source: RBI, Crisil Intelligence

MF MAAUM as % of bank deposit has increased steadily reflecting strong growth in mutual fund penetration relative to traditional bank savings. After brief moderation in FY23 ratio accelerated sharply from FY24 onwards, indicating rising investor preference for market linked investment avenues. SBI Mutual Fund market leadership is further supported by favorable industry tailwinds including growing mutual fund penetration in household savings, favorable demographics with a young and increasingly financially literate population, rising income levels and savings rates, and increasing investor awareness driven by industry-wide investor education initiatives.

Financial penetration to rise with increase in awareness of financial products

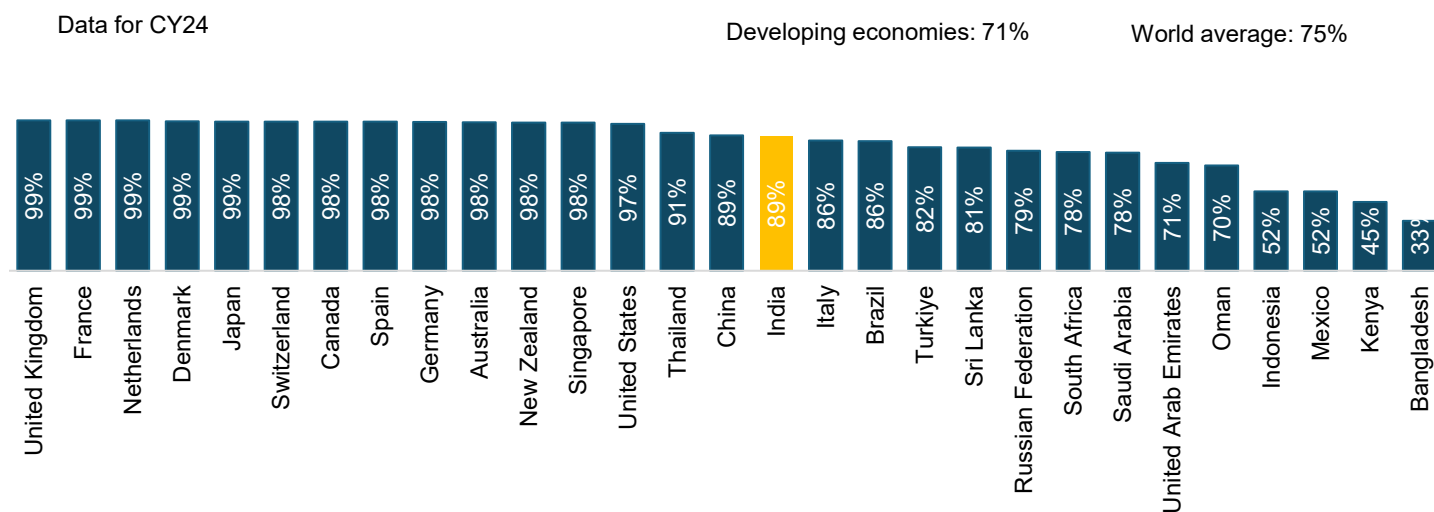
Overall literacy in India is at 77.7% as per the results of NSO survey conducted from July 2017 to June 2018, which is below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as a combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

With the increase in financial literacy, the demand for financial products, especially in smaller cities, has seen a major uptick in recent years. Going forward, Crisil Intelligence expects financial penetration to increase on account of the increase in financial literacy.

Financial inclusion on a fast path in India

As per the Global Findex Database 2024, ~53% of the world’s 650 million unbanked adults live in only eight countries – India, Bangladesh, China, Indonesia, Egypt, Mexico, Nigeria and Pakistan. Despite high rates of account ownership, India’s sheer population size means it remains among the countries with a high number of unbanked adults. The 2025 report (reporting on 2024 data) indicates that, while 89% of Indian adults now own a financial account, in 2024, **14% of adults (representing a significant portion of the global unbanked population) in India still had inactive accounts**, which provides immense opportunity for financial institutions to increase financial inclusion within the country.

Adult population with a bank account (%): India vis-à-vis other countries



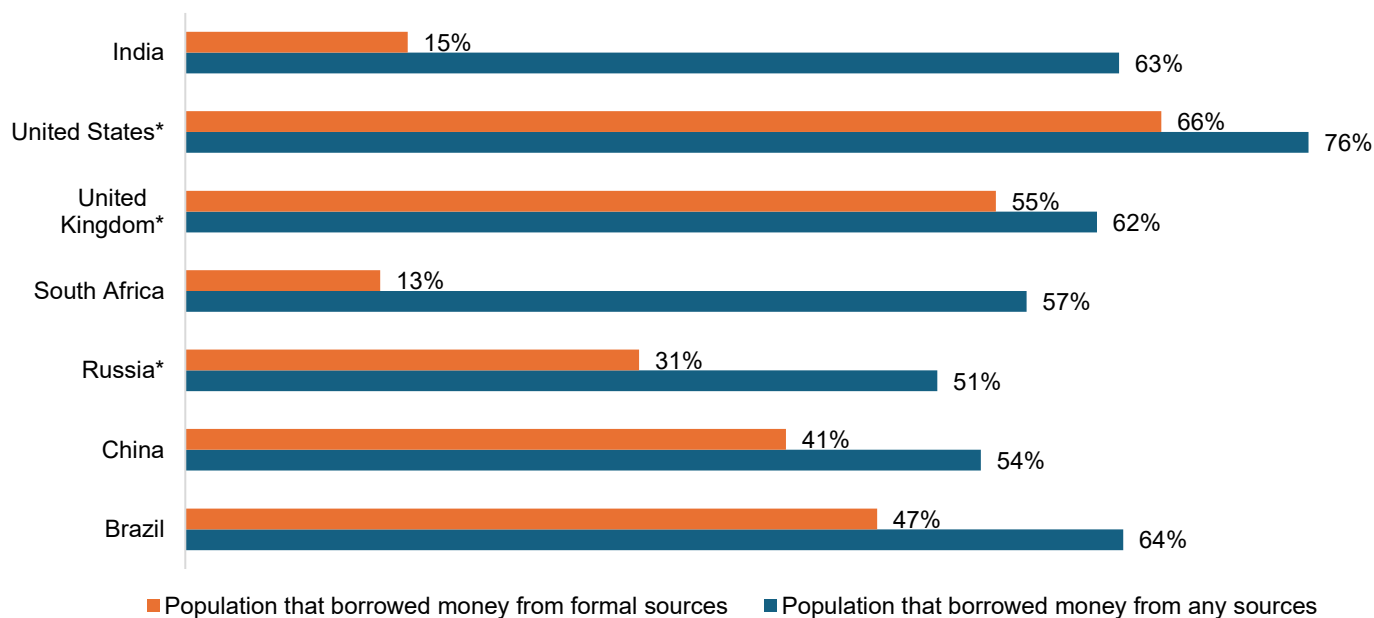
Notes: 1. Global Findex data for India excludes northeast states, remote islands and selected districts.

2. Account penetration is for the population within the age group of 15+

Source: World Bank – The Global Findex Database 2025, Crisil Intelligence

In the case of the US, in 2021, 66% of the population borrowed money from formal sources, such as banks, NBFCs and through credit cards, followed by the UK, at 55%. But only 15% of the Indian population borrowed money from formal sources. This implies that a significant majority relied on informal sources of credit, such as friends, family or unorganized lenders. The print is, in fact, the lowest among the major economies. The key reason could be that a significant portion of the population may not have the necessary documents, such as proof of income or identity, to access formal credit.

Only 15% of the population in India borrowed money from formal sources (CY24)



* Data is for calendar year 2021

Notes:

1. Global Findex data for India excludes northeast states, remote islands and selected districts
 2. Data is for the population within the age group of 15+ years
 3. Money borrowed from formal sources includes money borrowed from banks, NBFCs and the usage of credit cards
- Source: World Bank – The Global Findex Database 2025, Crisil Intelligence

Trend in demat accounts in India

In recent years, the participation of individuals in the equity market has increased, driven by factors such as higher financial literacy, a growing middle class, digitalisation and enhanced accessibility. India has witnessed a surge in financial literacy, driven by the rise of DIY investment platforms and discount brokers. These platforms have simplified access to stocks, mutual funds and other financial products, making investing easier and more affordable. With zero and lower brokerage fees, real-time market insights, and user-friendly apps, retail investors find it easier to access these products. Government initiatives, digital banking and fintech innovations further boost financial inclusion. The number of demat accounts in India has grown at 23% CAGR from fiscal 2015 till fiscal 2025. The above data points suggest the increasing awareness and willingness of people to participate in capital markets for trading or with a long-term outlook.

Convenience, affordability and diversification are drawing new investors in the retail space

Mutual funds invest in a broad portfolio of stocks, bonds and other securities by pooling the capital of several investors. By spreading risk, diversification reduces the impact of underperformance of an individual investment on the overall portfolio of the investor, providing a balanced and more stable portfolio. Experienced fund managers oversee mutual funds, they access markets, choose investments and modify portfolios in response to shifting market conditions. Retail investors who might lack the time or competence to actively manage their investments are drawn to this expertise. This investment avenue allows retail investors to start investing with a relatively small amount of money, and this affordability allows a larger number of investors to start with their investment journey who may not have significant capital to invest in individual stocks or bonds. The investors can choose among various tailored schemes depending on risk tolerance and financial objectives. Systematic Investment Plans (SIPs) have enabled investors to pay variable amounts at the time and frequency that suits their needs while building discipline in their investments. SIPs allow investors to take advantage of market volatility over time and gain

compounding benefits. As these funds are regulated by financial institutions, it increases the confidence of the retail investors.

Active participation in the stock market by retail investors to seek higher returns

The government's constant efforts to promote financial literacy have encouraged retail investors to get involved by investing directly in equities. Retail investment in India has surged with demat accounts rising from 36 million as of fiscal 2019 to 194 million by fiscal 2025, driven by digital accessibility, low-cost trading, and financial education. This growth is largely fuelled by Gen Z and women, who are increasingly seeking better returns and influenced by social media and financial awareness. Direct equity has the potential to offer higher returns than other investment options. It also gives investors greater control over their portfolio. Investing in individual stocks provides retail investors with educational experience. It allows them to learn about financial markets and economic trends promoting financial literacy and unlike mutual funds where investors pay fees for professional management, investing in direct equity allows individuals to avoid these fees potentially leading to lower overall investment cost. Investing in direct equity gives investors more control over their portfolios and they can make decisions based on their own research preference and risk tolerance rather than relying on fund managers. However, retail investors engaging in direct investing in equity face various risks, including the absence of professional guidance, susceptibility to market volatility, limited diversification opportunities, potential emotional decision-making, and a higher risk of financial loss.

Better access and control over investment are driving small cases among retail investors

Small cases are curated portfolios of stocks centred around specific themes or investment strategies; retail investors may appreciate the focus on sectors themes or investment themes that align with their preference or beliefs. Small cases provide investors with better access and control over securities as the shares are credited directly in their demat accounts, which allows them to exit from any investment since there is no exit load on selling small cases. The potential risk and return in small cases are relatively high from mutual funds because they are usually more volatile since the risk is concentrated in a specific strategy or theme.

Digitalization aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all systems for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI. Apart from the financial services industry, digitalization in other industries like retail will also play an important role in the growth of the economy.

Increased UPI transactions are fuelling India's digital economy

UPI, an instant real time payment system has seen a massive growth among retailers as a preferred method of payment which increased from 22.3 billion in FY21 to 204.7 billion in 9MFY26 in terms of volume of transactions and in terms of value it grew from Rs. 41.0 trillion to Rs. 279.7 trillion between the same period. This trend underscores the technological innovations driving financial inclusion and accelerating digital economy.

Retail Payment	Volume (In Bn.)						Value (In Rs. Tn.)					
	FY21	FY22	FY23	FY24	FY25	9MFY 26	FY21	FY22	FY23	FY24	FY25	9MFY 26
IMPS	3.3	4.7	5.7	6	5.6	3.8	29.4	41.7	55.9	65	71.4	66.2
NEFT	3.1	4	5.3	7.3	9.6	8.8	251.3	287.3	337.2	391.4	444.6	437.7
UPI	22.3	46	83.7	131.1	185.9	204.7	41.0	84.2	139.1	200.0	260.6	279.7

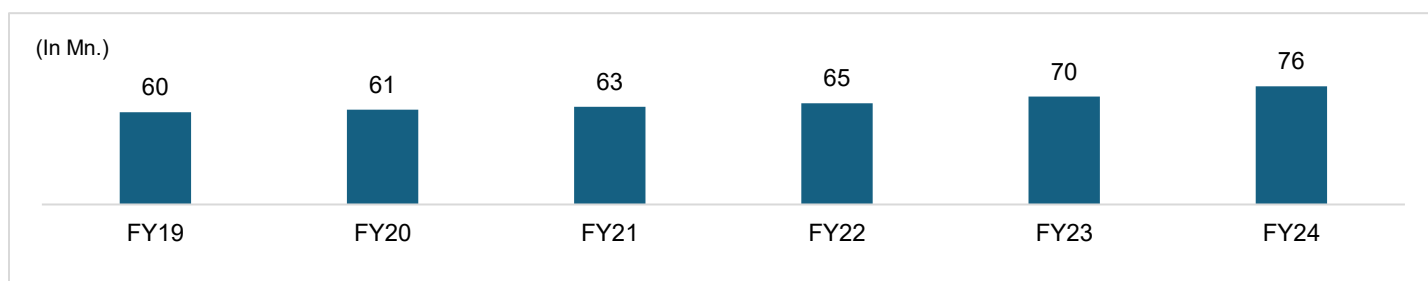
Credit Cards	1.8	2.2	2.9	3.6	4.8	5.4	6.3	9.7	14.3	18.3	21.1	20.5
Prepaid payment instruments	5	6.6	7.5	7.9	7	9.8	2.0	2.8	2.9	2.8	2.2	2.7
Paper based Instruments	0.7	0.7	0.7	0.7	0.6	0.0	56.3	66.5	71.7	72.1	71.1	62.0

Source: RBI, Crisil Intelligence

Rising Income tax return, indicating a progression towards a formal economy

Income tax returns (ITR) filed by individuals has risen from 60 million in FY19 to 76 million in FY24. This uptrend reflects increasing tax compliance, growing workforce and underscores India's progress towards formal economy, improving financial transparency and economic stability. The rise in ITR filings indicates that more individuals are entering the formal financial system, which can lead to better access to credit, insurance, and other financial services.

76 million individuals filed ITR in FY24



Source: CBDT, Crisil Intelligence

Key announcement and changes in the Capital markets

Bond markets

- Both gross and net borrowings from dated securities are higher than expected at Rs 17.2 and Rs 11.7 trillion, respectively, which could push up sovereign yields in the near term
- The announcement of Rs 2 trillion support under the Special Assistance to States for Capital Investment (SASCI) will benefit states that meet the requirements for stronger fiscal positions and higher project readiness. The impact is likely to be frontloaded, as SASCI disbursements are typically released earlier subject to project approval. Eligible states may, therefore, defer or reduce state development loan issuances in the first half of the year, which may lead to lower spreads than at present
- The announcement of the market-making framework aims to structurally deepen liquidity and improve price discovery in the corporate bond market. A stronger secondary market could help widen market participation in corporate bonds. Derivatives on corporate bond indices will also help build market depth
- The introduction of total return swaps on corporate bonds would enable synthetic exposure to bond returns without necessitating ownership of the underlying instruments. This is expected to enhance risk-hedging efficiency, facilitate broader investor participation and support the development of a more resilient and liquid corporate bond market. The product could improve leverage and unlock value through hedging strategies for AIFs and SIFs
- The additional incentive of Rs 1 billion to be provided over and above the current Atal Mission for Rejuvenation and Urban Transformation scheme, for a single municipal bond issuance of more than Rs 10 billion could encourage municipal bond issuances and help develop a municipal bond market in India. A strong municipal bond market enables cities to raise funds independently and reduce their dependence on state and central government grants
- The introduction of TReDS receivables as asset-backed securities will help create a sizeable and standardised pool of short-tenure receivables for capital market investors. The move is structurally positive for India's securitisation market as well as for providing access to MSMEs for funding over the medium term

Equity markets

- The increase of STT on futures to 0.05% from 0.02% at present and on options premium and exercise of options from 0.1% and 0.125% to 0.15%, respectively, will lead to moderation in excessive future and options activity and lead to deeper investor interest in long-term investment products
- The change in taxation of buyback from deemed dividend to capital gains at slab rates for shareholders is positive as it reduces the tax liability for investors

Alternative assets - alternative investment funds (AIFs), real estate investment trusts (REITs) infrastructure investment trusts (InvITs)

- The specialised SME Growth Fund with a dedicated corpus of Rs 100 billion will increase the availability of long-term institutional funding to MSMEs. It also expands the set of investible opportunities available to AIFs
- The infusion of an additional Rs 20 billion into the Self-Reliant India Fund, established in 2021, will sustain support for micro enterprises and ensure continued access to risk capital
- The Infrastructure Risk Guarantee Fund, aimed at providing partial credit guarantees to lenders, will strengthen confidence among lenders and investors. It could help build a deeper corporate bond market, while enhancing the investible universe for real estate and infrastructure funds
- The proposal to accelerate the recycling of significant real estate assets of CPSEs by setting up dedicated REITs will significantly expand the supply of income-generating assets and improve funding efficiency. This could help build a larger market for REITs

Foreign investments

- The comprehensive review of FEMA (Non-Debt Instruments) Rules could help enhance foreign flows into equity instruments, units of AIFs, REITs and InvITs, mutual funds, equity exchange-traded funds and equity tranches of securitisation structures, among others
- The increase in investment limit for individual persons resident outside India (PROI), under the Portfolio Investment Scheme, will enhance flows to Indian equities and help further diversify the investor base. The investment limit under this scheme is proposed to be increased from 5% to 10%, pushing up the overall investment limit to 24%, from the current 10%

Sovereign gold bonds

- The move to provide exemption from capital gains tax for investments in sovereign gold bonds only where such bonds are subscribed at the time of original issue and held continuously until redemption on maturity aims to bring uniformity and clarity to the tax treatment of sovereign gold bonds. It aligns the exemption with the original intent of encouraging long-term participation in the scheme.

Overview of capital markets in India

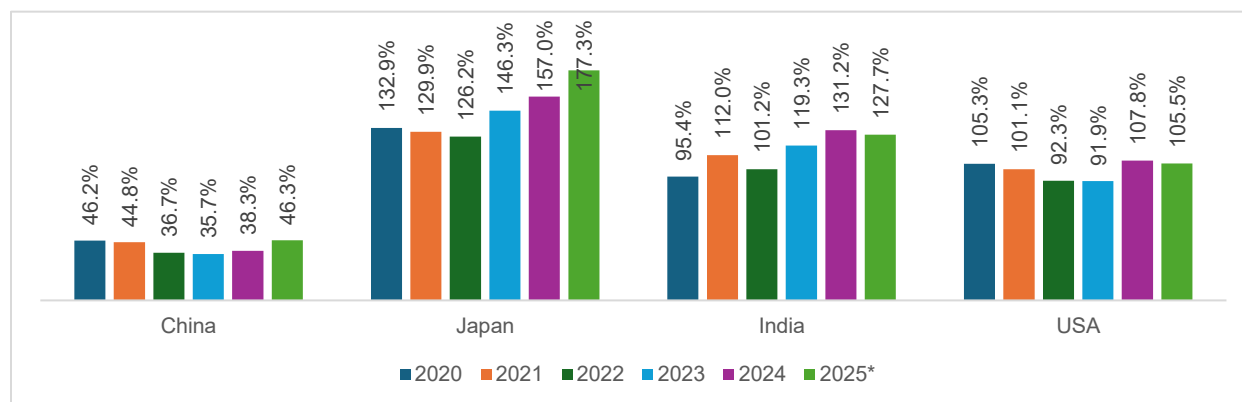
Trend in Market Capitalization

In Fiscal 2025, the equity markets in India achieved record levels in terms of market capitalization of listed companies and the benchmark index performance. India's market capitalization rose to Rs 410.9 trillion as on March 31st, 2025. This translates into an annualized growth of 30% in the last five years from Fiscal 2020 to Fiscal 2025. As of December 2025, India's market capitalisation stood at Rs. 473.6 trillion, driven by positive sentiments and robust growth in equity and IPO listings and rising foreign investments.

Indian capital markets by market capitalization as a proportion of GDP in comparison with other major economies

India's stock market capitalization to GDP has increased from 95.4% in 2020 to 127.7% in 2025. India's market capitalization (National Stock Exchange) ended 6.9% higher in FY25 (Rs. 410.9 trillion) as compared to FY24 (Rs. 384.2 trillion) on account of robust market returns particularly in mid and small cap companies.

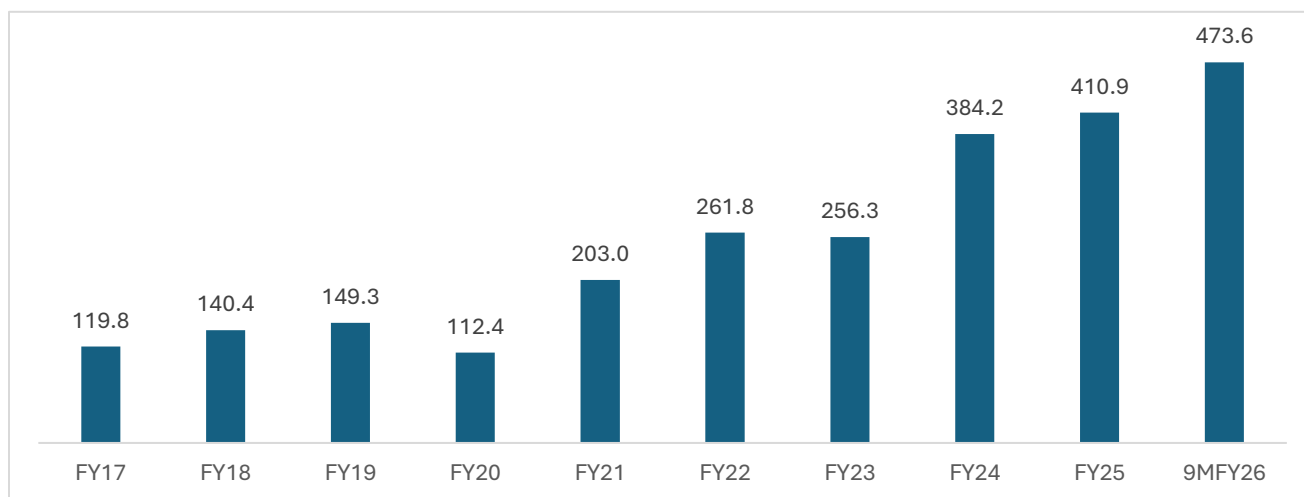
Market capitalization as % of GDP



Note: * Data is as of October-2025 as per World Federation of Exchanges (WFE), Market capitalization of Shanghai stock exchange, Japan exchange group, National stock exchange of India and New York stock exchange has been considered. GDP current prices (USD Bn) data for the calendar years taken as per IMF database (October-2025).

Source: World Federation of Exchanges (WFE), IMF, CRISIL Intelligence

Trend in total market capitalization at the year-end (NSE listed companies) (in ₹ trillion)

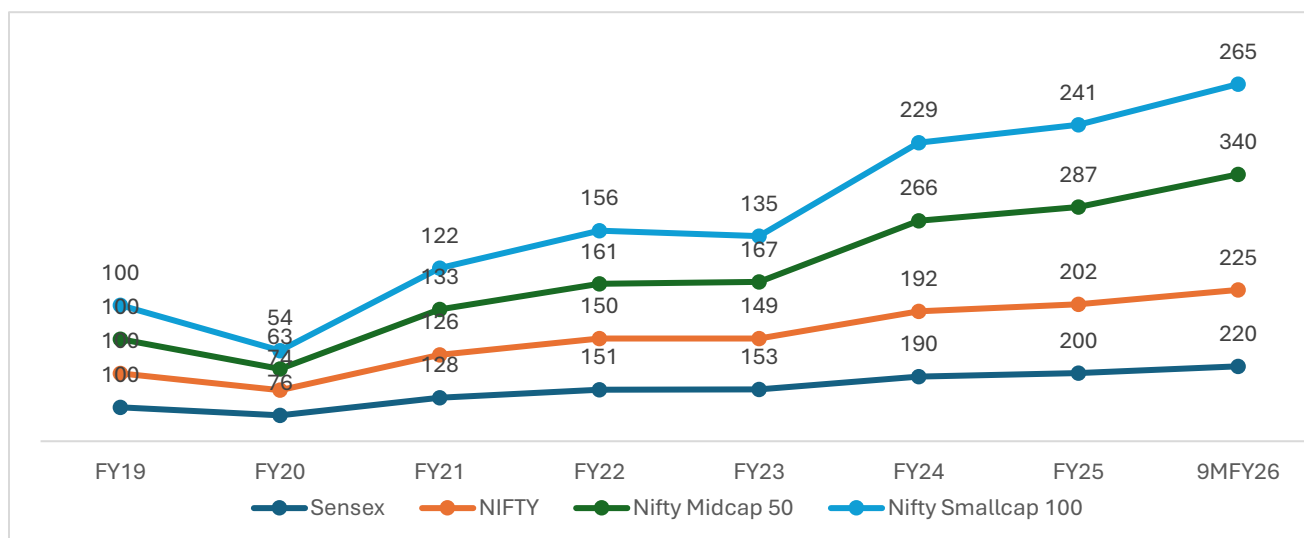


Source: NSE, SEBI, CRISIL Intelligence

Capital markets clocked strong growth in fiscal 2025 and continued growth in 9M fiscal 2026

The Indian Capital Market is one of the most dynamic and high-growth organised markets in the world. It witnessed strong performance during the period Fiscal 2019-25. The market capitalization of National Stock Exchange (“NSE”) grew at 18.4% CAGR during Fiscal 2019 to Fiscal 2025. The NIFTY 50 index has grown at a CAGR of 12.5% over this period. BSE Sensex has followed a similar growth trajectory to Nifty 50 Indian equities registered strong gains between fiscal 2023 and 9M fiscal 2026 on account of favourable domestic and global factors which were supportive of foreign capital inflows.

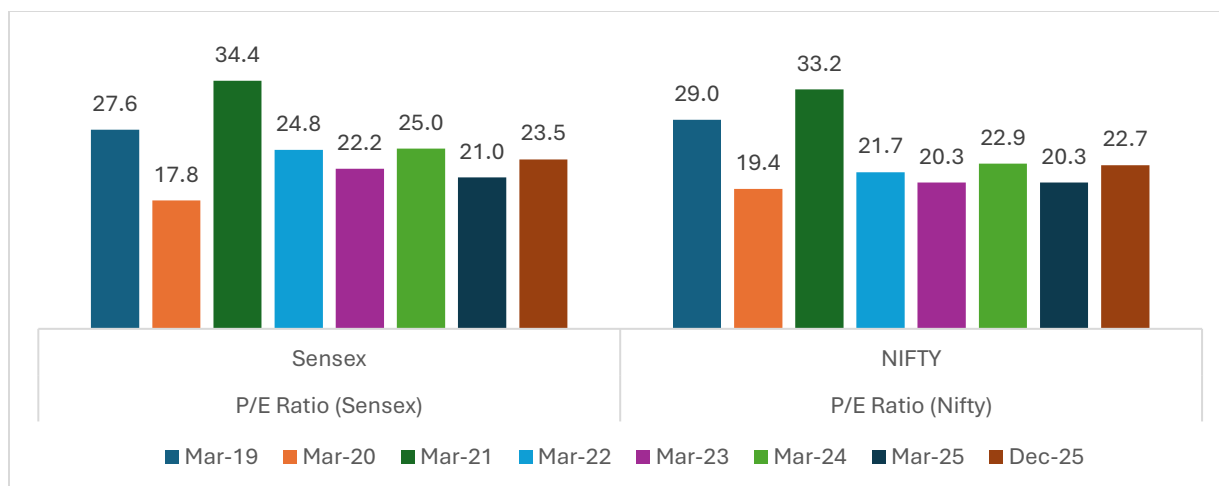
BSE and NSE performance



Note: Indices indexed to 100 in Fiscal 2019, not to scale.

Source: NSE, BSE, Crisil Intelligence

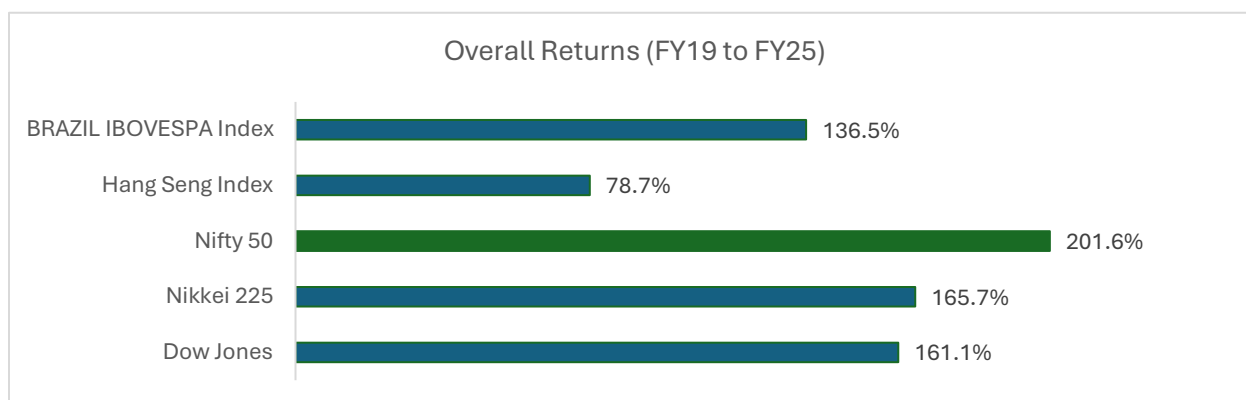
PE Ratio of Sensex and Nifty50



Source: SEBI, Crisil Intelligence

At the end of March 2024, both Nifty and Sensex experienced substantial growth of 28.6% and 24.8%, respectively compared to March 2023. In fiscal 2025, NIFTY and Sensex had further grown by 5.3% and 5.1%, respectively. In 9M Fiscal 2026, NIFTY and Sensex had further grown by 11.1% and 10.1%, respectively. Despite geopolitical tensions among nations, challenging interest rate scenario, the Indian stock market performed well in during fiscal 2024 and fiscal 2025. Indian markets have shown resilience achieving robust growth despite global economic headwinds and political uncertainties. The growth in the stock market may be attributed to India’s strong GDP growth in FY24 and FY25.

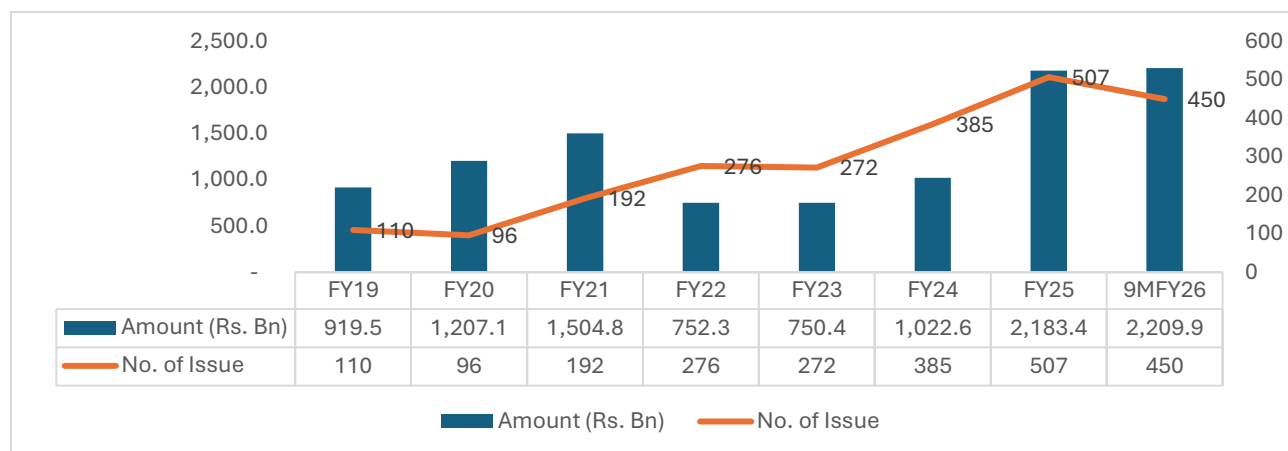
Nifty 50 gave highest overall return from Mar-19 to Mar-25 among the major indices



Source: SEBI Bulletins, Crisil Intelligence

The primary market also saw strong activity in the recent years, As of Fiscal 2025, Rs 2,183.4 billion was raised through public and right issue with total 507 issues. The number of issues in FY25 increased by 31.7% from FY24. As of 9M Fiscal 2026, Rs. 2,209.9 billion was raised through public and rights issues (Equity and Debt) with total of 450 issues. Going forward, in next fiscal, many IPOs and public issues are expected to be issued in the primary market driven by the overall capital market performance and positive investor sentiments.

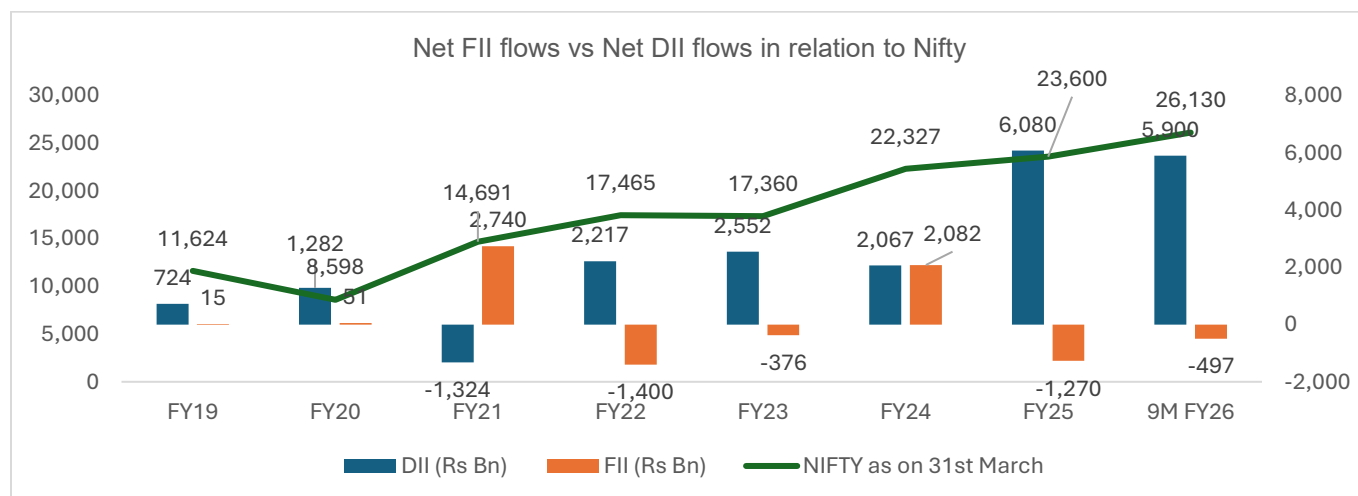
Resource Mobilisation through Public and Rights Issues (Equity and Debt)



Source: NSE, BSE, Crisil Intelligence

Nifty had risen in FY24 due to major DIIs (Domestic Institutional Investors) and FIIs (Foreign Institutional Investors) inflow in Indian market. It further rose due to increased DIIs flow in FY25. Mutual funds in India are increasingly holding higher cash reserves due to increased liquidity in the financial markets. This approach allows fund managers to quickly deploy capital when favorable conditions arise. September marked the third consecutive month of strong FIIs selling, as persistent trade-related uncertainty continued to weigh on investor sentiment. DIIs, by contrast, continued to provide a counterbalance to FIIs selling in Indian equities. In the 9M of FY26, DIIs have invested a net Rs 5.9 trillion already accounting for nearly 97% of the total net investment made during the entirety of the previous fiscal year.

Trend in rolling one-year net FIIs flow and DIIs flow in relation to NIFTY



Note: For H1 FY26, Nifty is as on 31st December 2025. Source: NSE, NSDL SEBI, Crisil Intelligence

Trend in Demat accounts in India

The Demat Accounts, that holds shares and securities in electronic form enabling easy trading and investment in the stock market, in India have grown at 32.3% CAGR from Fiscal 2019 to Fiscal 2025. The rise in demat accounts suggest the increasing awareness and willingness of the people to participate in capital markets for either trading or with a long-term outlook and shift to increased investment in equities and mutual funds. As of 9M fiscal 2026, the total demat accounts stood at around 215.9 million accounts.

Total demat accounts (million)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	9M Fiscal 2026
CDSL	17.4	21.2	33.4	63.0	83.0	115.6	153.0	172.7
NSDL	18.5	19.7	21.7	26.7	31.5	35.8	39.4	43.2
Total	35.9	40.9	55.1	89.7	114.5	151.4	192.4	215.9

Source: CDSL, NSDL, Crisil Intelligence

Key growth drivers

Key growth drivers for capital market activities are similar to the growth drivers for economic growth as both of these are inter-linked. Some of the key growth drivers for capital markets are demographics of India as in 2022, it is estimated that India has the highest share of young working population (15-30 years) compared to major developed and developing countries with the share of 27%, India's per capita net national income increasing, reflecting robust economic growth, increasing trend in India's gross domestic savings as a percentage of GDP, increase in digital payments, etc. Due to increasing per capita income, people have started looking for various financial investment avenues and investing in the capital market. Some of the other growth drivers are:

Structural and Regulatory Changes

The introduction of faster settlement cycles and electronic trading have improved market efficiency. The Securities and Exchange Board of India (SEBI) has implemented various reforms to improve transparency, protect investors, and enhance market efficiency. Initiatives like the Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), and Real Estate Regulatory Authority (RERA) have also contributed to a more organized market.

Increasing smartphone penetration in the country will drive growth in mobile stock trading

The rise in smartphone penetration will continue to aid growth of mobile trading among the retail participants. The rise in mobile trading will especially benefit the brokers which continuously invest in Technology and Platforms and thus will be able to provide a superior trading and investing experience as compared to their peers.

Regulations and initiatives by SEBI and Exchanges to aid the penetration and growth in capital markets

SEBI has systematically looked to make the Indian Capital Market a safer and more secured market for investor. The regulator has over time introduced numerous new regulations and refined existing ones. Some of the regulations and initiatives from the regulator are:

- **Application Supported by Blocked Amount (ASBA)** which is a mechanism used for applying to Initial Public Offerings (IPOs) or Follow-on Public Offerings (FPOs). This mechanism creates a direct channel for flow of funds between the clearing corporation and the investors and ensures reduction in any fraud in handling of investor money by brokers.

- **Block mechanism facility** which involves blocking of shares in the investors' demat whenever he/she wants to make a sale.
- **Shorter settlement cycle:** The markets were functioning on a T+2 settlement cycle for the longest time. In January 2023, T+1 settlement cycle was brought into effect by SEBI. This meant that the trade settlement will be done within a day or 24 hours. The move was made in view of operational efficiency, faster fund remittances, quicker share delivery, and ease of the market participants.

SGX Nifty shifts to GIFT city; GIFT city on the path to become a global hub

The SGX Nifty was shifted to the GIFT city, Gandhinagar in mid-2023. NSE IFSC – SGX Connect was launched in July 2022 which marked the beginning of a transition of liquidity riding on SGX Nifty to NSE IFSC. Starting from July 2023, the SGX Nifty Index was structured from NSE IFSC in Gift City, Gujarat, and was known as the GIFT NIFTY Index, widening the liquidity pool for Nifty products there. This means, that the derivative contracts worth approx. \$750 crore which were earlier traded from Singapore shifted to India. GIFT Nifty includes GIFT Nifty 50, GIFT Nifty Bank, GIFT Nifty Financial Services and GIFT Nifty IT derivative contracts

There are many initiatives underway with respect to GIFT International Exchange that will help Indian markets extend their reach among global investors through direct engagement. It's expected that Indian entities will soon be allowed to directly list on NSE IFSC. This would help Indian companies access capital from global investors. This brings GIFT city a step closer to the becoming a global competitor to other financial hubs such as Dubai, Mauritius, Singapore etc.

Demographics profile to aid folio growth in capital markets

As of calendar year 2022, India has one of the largest young populations in the world, with a median age of 28 years. Of India's population, more than 60% is in the working age group, which is 19-59 years of age, and is expected to remain above 60% for one more decade. Further with regards to long-term investment products, the increase in life expectancy and aspirations of the working population (for example, the need to build a strong corpus before retirement) is also increasing, leading to more focus on equity and mutual fund investments in capital markets.

Demand for wealth advisers is experiencing surge as wealth of the customers rise

As the wealth of customers and per capita income continue to rise, the demand for wealth advisers is experiencing a significant surge. This trend emphasises the growing complexity of financial portfolios and the increasing need for personalised wealth management services. With higher net worth comes a greater array of investment opportunities, tax considerations, and estate planning intricacies, necessitating expert guidance to navigate effectively.

Wealth advisers play a pivotal role in assisting clients in optimising their financial resources, mitigating risks, and achieving their long-term objectives. This rising demand highlights the importance of a skilled and knowledgeable advisory workforce capable of delivering tailored solutions to meet the evolving needs of affluent individuals and families.

Rising demand for corporate debt issuance

Capital markets have over the years played a pivotal role in development of Indian economy. As India is surging ahead to become an economic powerhouse, Indian capital market is expected to play a greater role and remain in forefront in the days ahead. One of the crucial elements of Indian Capital Market is Corporate Bond Market. Persistent effort by the Government and SEBI in the last few years enabled a nascent Corporate Bond Market to move in the direction of maturity. Also, many companies have equity

issuances through IPOs over the last couple of years, as they raise capital to finance their growth opportunities. As the economy grows and businesses gain scale, more companies are expected to explore raising equity from capital markets.

On the demand side, retail participation, index linked funds, and mechanisms to improve liquidity will be enablers. Besides this, attracting foreign capital is crucial to bridging the emerging supply-demand gap, especially given the crowding-out by gilts stemming from the huge borrowing programme of the government.

Crisil Intelligence believes that the following measures will enable the Indian debt Capital Market to play an important role:

- Implementing the draft Reserve Bank of India (Credit Derivatives) Directions, 2021, to facilitate the development of the credit default swaps (CDS) market. This will allow banks, NBFCs, insurers, pension funds, mutual funds, alternate investment funds and foreign portfolio investors to write CDS
- Enhancing retail participation via tax sops to investments in debt mutual funds – similar to equity-linked savings schemes – and ensure parity in capital gains tax between equity and debt products.
- Improving liquidity in the market by fast-tracking the setting up of the institution to provide secondary market liquidity to corporate bonds, develop the Limited Purpose Clearance Corporation for corporate bond repos, and allow corporate bonds as collateral under the Reserve Bank of India's liquidity adjustment facility window
- Attracting both domestic and foreign capital through exchange traded funds and other index-linked bond funds, which offer lower costs, more transparency, better liquidity and potential to build diversified portfolios
- ESG profiling of Indian corporates to attract foreign capital into the Indian debt capital markets

Increasing smartphone penetration in the country will drive growth in mobile trading

The rise in smartphone penetration will continue to aid growth of mobile trading among the retail participants. The rise in mobile trading will especially benefit the brokers, which continuously invest in Technology and Platforms and thus will be able to provide superior trading and investing experience as compared to its peers.

Increasing participation of domestic players in investments

With strong participation in Indian capital markets, DIIs maintained record level of inflows in Indian equities due to robust macroeconomic fundamentals and significant return delivered by Indian market in recent years. DIIs remained strong buyers of Indian equities for the third year in a row, with net inflows of approximately Rs 6.1 trillion in FY25, aggregating to total net buying of more than Rs 10.5 trillion in the last three years. DIIs have supported the markets despite FIIs turning net seller in fiscal 2025 with outflow of Rs.1.3 trillion. In 9M fiscal 2026, DIIs have invested a net Rs 5.9 trillion already accounting for nearly 97% of the total net investment made during the entirety of the previous fiscal year.

Outlook on Indian capital markets looks encouraging

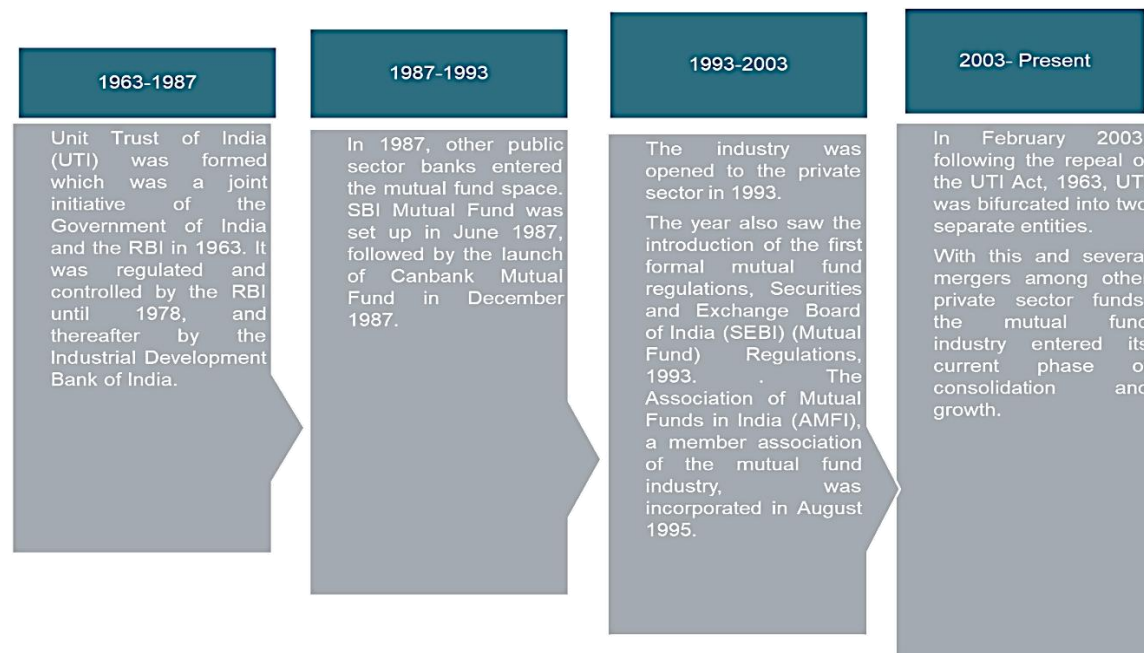
The Indian stock market recorded a strong performance in CY2024 and CY2025 despite facing several headwinds such as fluctuations in crude oil prices, weakness in the rupee and staggering inflationary pressure. Further, CRISIL Intelligence has a constructive outlook on the capital markets largely driven by:

- Initiatives taken by financial regulators towards financial education would empower investors in making informed decisions and encourage participation in the market
- The push towards the new tax regime in the Union Budget of fiscal 2025 would provide investors with a higher investable surplus, thereby enabling higher investments
- Reduction of fiscal deficit and the market borrowing were in line with market expectations thereby having limited impact on government yields. With reduction in interest rates, the bond market would be conducive to higher bond prices as existing bonds with higher yields become more attractive
- The revised income tax exemption threshold to ₹12 lakhs would boost disposable income, encouraging higher savings and investments in capital markets, driving retail participation, and enhancing liquidity in equities and mutual funds.
- In a bid to grow the bond market, the government is encouraging cities to float municipal bonds. Further, the financial market measures towards market-linked debentures and listed debentures will bridge tax arbitrage and would attract investor flows in the future.

Historically the Indian securities market, like other developing markets, has experienced a significant degree of volatility for broader indices as well as for specific securities. In particular, the Indian equity markets have, over the last ten years, experienced varying upward and downward price trends. In 2020, global capital markets, including Indian equity markets, experienced significant volatility as a result of the COVID-19 pandemic and associated responses. Since then, the Indian markets have had a positive trend, with intervening periods of volatility.

Mutual Funds Industry in India

Evolution of the mutual fund industry



Source: Crisil Intelligence

The Indian mutual fund industry has undergone significant evolution since its inception in 1963. It began with the introduction of Unit Trust of India (UTI) in 1963, followed by the launch of Unit Scheme 1964 (US-64). The industry saw its monopoly broken in 1987 with the entry of public sector banks like SBI and Canara Bank, and further liberalization in 1993 allowed private players like ICICI and Morgan Stanley to enter. The industry consolidated and grew between 2003-2014, with significant acquisitions and mergers, including UTI's split into two organizations. Today, the industry has 40-45 asset management companies, with 35 in the private sector, and has seen tremendous growth, with AUM rising from Rs. 10 trillion in 2014 to Rs. 80.2 trillion in 2025, driven by increased retail investor participation including ~30.6 million new demat account openings in 2025.

Classification of mutual funds

By structure

Open-ended schemes can be purchased and redeemed on any transaction day. They do not have a fixed maturity period, i.e., schemes are available for subscription and repurchase on a continuous basis. The number of units of an open-ended scheme can fluctuate, i.e., increase or decrease every time the fund house sells or redeems the existing units. A mutual fund may stop accepting new subscriptions for open-ended schemes from investors but is required to repurchase investor units at any time.

Closed-ended schemes can be purchased only during the new fund offer period and redeemed only at maturity. However, the funds are listed on stock exchanges (as mandated by regulation), where investors

can sell their units to other investors. The units may trade on the exchange at a premium or discount to their issue price.

Interval funds are mutual funds under which the units can be purchased or sold back to the fund during specific periods.

By fund management style

Passive funds are schemes that attempt to mimic a particular index. They include exchange-traded funds (ETFs) and index funds. The efficiency of these funds is generally evaluated by monitoring their tracking error. Tracking error reflects how efficiently a scheme can replicate the returns of its underlying index's total return daily. It is measured by calculating the standard deviation of difference between the daily returns and the underlying total return index of the scheme. A low tracking error indicates efficiency in managing the scheme.

Active funds attempt to generate higher returns than their benchmark index by actively managing the portfolio. Investor of an active fund relies on the expertise of a fund manager who buys and sells securities based on his/her research and judgment of the market.

Another important aspect of active versus passive funds is the difference in expense structures. Expenses for passive funds are typically lower than that for active funds due to lower fund management costs and operating costs associated with the former.

By asset class

There are five broad categories of mutual fund schemes by asset class – equity, hybrid, debt, solution-oriented, and other schemes. Each category, in turn, offers numerous funds, as shown in the tables below.

Schemes	Category of schemes
Equity schemes	Multi-cap fund, Flexi-cap fund, Large- cap fund, Large- & mid-cap fund, Mid-cap fund, Small cap fund, Dividend yield fund, Value fund, Focused fund, Sectoral/thematic and Equity-linked savings scheme
Debt schemes	Overnight fund, Liquid fund, Ultra-short duration fund, Low duration fund, Money market fund, Short duration fund, Medium duration fund, Medium to long duration fund, Long duration fund, Dynamic bond fund, Corporate bond fund, Credit risk fund, Banking and PSU fund, Gilt fund, Gilt fund with 10-year constant duration, Floater fund and Dynamic bond fund
Hybrid schemes	Conservative hybrid fund, Balanced hybrid fund, Aggressive hybrid fund, Dynamic asset allocation or balanced advantage fund, Multi asset allocation fund, Arbitrage fund, Equity savings fund
Solution-oriented schemes	Retirement fund, and Children's fund

Schemes	Category of schemes
Other schemes	Index funds/ Gold ETFs/Other ETFs and Fund of Funds (overseas/domestic)
Close Ended Schemes	Equity, Fixed Maturity Plan, and Capital Protection Oriented Schemes,

Source: SEBI, CRISIL Intelligence

Historical AUM growth

Robust growth in Indian mutual fund AUM

The Indian mutual fund industry has experienced significant growth over the past six years with CAGR(FY19-25) growing to 18.4%, driven by a thriving domestic economy, substantial inflows, and increased participation from individual investors. Industry is witnessing a surge in growth, driven by equity space, where assets have increased significantly over the past decade.

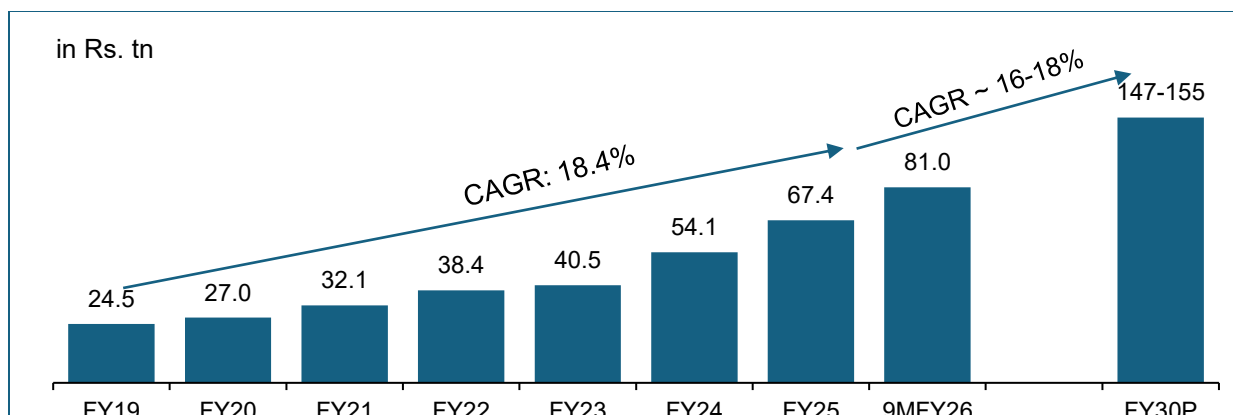
This shift is attributed to retail investors transitioning from traditional debt products to equity funds, resulting in a substantial rise in equity investments. Mutual fund AUM as a proportion of bank deposits in scheduled commercial banks has risen from 19.7% in March 2020 to 28% as of March 2025 indicating increase in investor participation in mutual funds.

QAAUM surged by more than Rs 13 trillion, reaching a record high of Rs 67.4 trillion by March 2025 from Rs 54.1 trillion in March 2024. As of December 2025, QAAUM reached Rs 81 trillion, depicting continued growth momentum. Over the six-year period, the QAAUM grew at a CAGR of 18.4%, increasing from Rs 24.5 trillion as on March 2019 to Rs 67.4 trillion as on March 2025. In 9MFY26, the growth momentum continued with a year-on-year growth of 18.1%. The outstanding performance of equity-oriented funds, significant progress in hybrid funds, rising penetration in B30 cities and the rising popularity of systematic investment plans (SIPs) which have seen higher participation by individual investors, were key factors contributing to growth.

Individual AUM from retail and high net worth investors constituted 52% of total MF AUM as on March 2020 which increased to 60.7% as on March 2025 and 60.4% as on December 2025. Also, in fiscal 2025, monthly SIP flows remained consistently above Rs. 200 billion from April 2024 to March 2025 and above Rs 250 billion from April 2025 to December 2025, highlighting consistent stability of flows from SIPs.

The trajectory of the mutual fund industry in the last year is indicative of its adaptability to shifting market conditions as well as its durability. These insights can act as a compass for investors as they make their way through the complex financial landscape, enabling them to make well-informed decisions and capitalize on the industry's potential for long-term success.

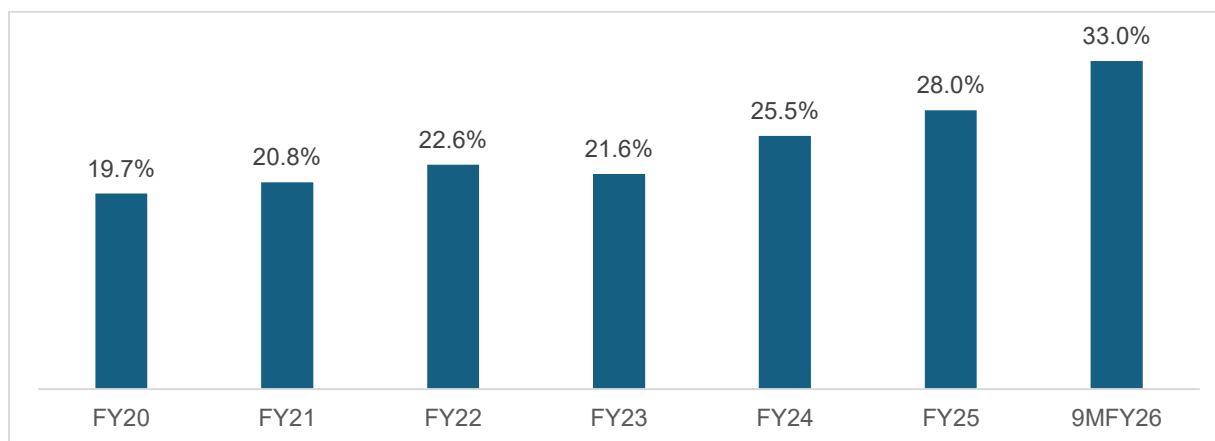
Mutual Fund QAAUM to grow at ~16-18% CAGR through FY30, sustaining historical growth momentum of 18.4% from FY19-25



Note: Values in the above chart are based on quarterly average AUM for the latest quarter of the relevant fiscal year or period, P: Projected.

Source: AMFI, CRISIL Intelligence

MF MAAUM as a % of Bank Deposit



Note: Bank Deposit only for scheduled commercial banks

Source: AMFI, CRISIL Intelligence

Market Share of Top 10 AMCs Basis QAAUM

AMCs (in Rs. Bn)	QAAUM (in Rs. Bn)								Market Share of Total QAAUM 9MFY26
	FY21	FY22	FY23	FY24	FY25	9MFY25	9MFY26	CAGR (FY21-25)	
SBI AMC	5,044.6	6,470.7	7,171.6	9,143.7	10,729.5	11,139.5	12,487.9	20.8%	15.4%
ICICI Prudential AMC	4,054.1	4,682.0	4,996.3	6,831.0	8,794.1	8,739.6	10,763.8	21.4%	13.3%
HDFC AMC	4,155.7	4,320.8	4,497.7	6,129.0	7,740.0	7,874.3	9,248.5	16.8%	11.4%
Nippon India AMC	2,285.9	2,832.6	2,931.6	4,313.1	5,572.0	5,699.5	7,009.6	25.0%	8.7%
Kotak Mahindra AMC	2,337.8	2,846.2	2,893.4	3,810.5	4,825.4	4,887.4	5,733.1	19.9%	7.1%
Aditya Birla Sun Life AMC	2,692.8	2,958.0	2,752.0	3,317.1	3,817.2	3,839.1	4,432.3	9.1%	5.5%
UTI AMC	1,828.5	2,238.4	2,387.9	2,908.8	3,397.5	3,524.1	3,938.1	16.8%	4.9%
Axis AMC	1,965.5	2,598.2	2,414.1	2,742.7	3,215.1	3,261.0	3,605.7	13.1%	4.5%

TATA AMC	620.8	867.1	984.3	1,471.7	1,877.0	1,879.1	2,240.7	31.9%	2.8%
Mirae Asset Mutual Fund	696.0	1,009.1	1,162.7	1,617.4	1,862.7	1,942.8	2,236.9	27.9%	2.8%
DSP AMC	973.3	1,078.0	1,146.5	1,480.1	1,873.1	1,926.9	2,220.0	17.8%	2.7%
Total AMC Industry	32,105.4	38,378.8	40,510.8	54,131.1	67,422.6	68,616.9	81,009.4	20.4%	100.0%

Source: AMFI, Crisil Intelligence

Foreign Collaborations, Partnerships and JVs

India's mutual fund industry features several AMCs operating as joint ventures with global asset managers. These partnerships leverage the strengths of both Indian promoters, with their distribution capabilities and regulatory expertise, and foreign partners, with their global investment knowledge, research capabilities, and product innovation. They are:

AMC	Foreign Partner / Foreign Parent
SBI AMC	Amundi SA
ICICI Prudential AMC	Prudential Plc.
HDFC AMC	Abrdn Ltd.
Aditya Birla Sun Life AMC	Sun Life Financial Ltd.
Canara Robeco AMC	Robeco Ltd.
Invesco AMC	Invesco Ltd.
PGIM India AMC	PGIM Inc.
HSBC AMC (India)	HSBC Asset Management (global)
Jio Blackrock AMC	Blackrock Inc.

Note: Company Reports, Crisil Intelligence

Strong Parentage support from SBI and Amundi

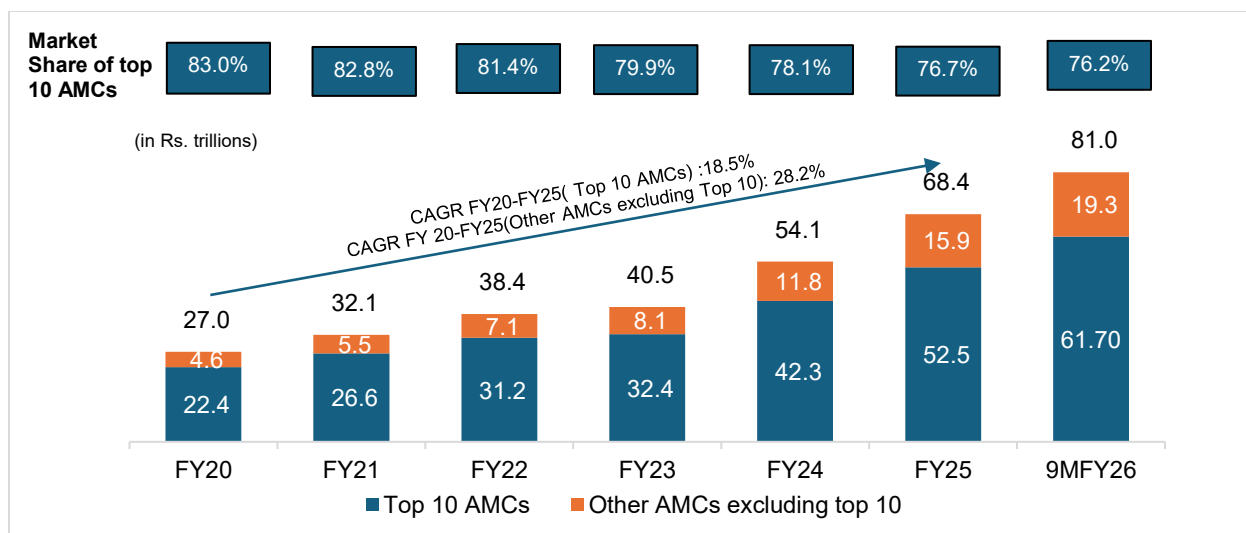
SBI, established in 1806 with over 200 years of banking experience, is India's largest bank by advances, deposits, and branch network, with total assets of Rs. 78,810 billion, 23,125 branches and over 96.5 million customers as of December 31, 2025. SBI is ranked 47th in Asia by assets.

Amundi SA, the parent company of Amundi India Holding (Amundi India Holding together with Amundi SA, "Amundi") is Europe's largest asset manager headquartered in Paris, listed on Euronext Paris.

The Rise of New Players: Growth in India's Asset Management Industry

In terms of QAAUM, market share of top 10 AMC has decreased from 82.7% as of March 2021 to 76.7% as of March 2025. Market share of top 10 AMC has marginally declined to 76.2% in 9MFY26. However, market share in terms of QAAUM of the top 3 bank led AMC has broadly remained stable despite of increase in number of fund houses in the market and increase in number of products offered by the fund houses. As on March 2025, there were 49 registered mutual funds in India and as of December 2025, the number of registered Mutual funds in India increased to 54.

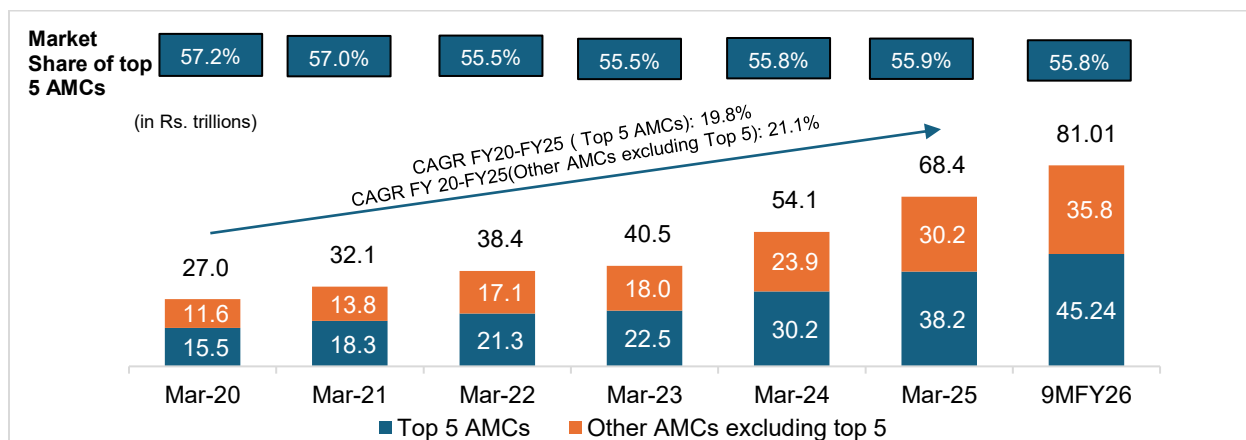
Trend of Market Share of top 10 AMC basis QAAUM



Note: Top 10 AMC might differ in each period. AUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period.

Source: AMFI, Crisil Intelligence

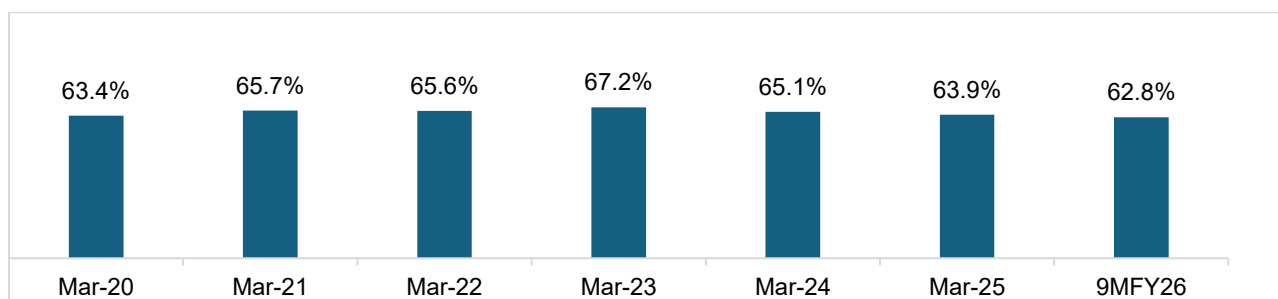
Trend of Market Share of top 5 AMC basis QAAUM



Note: Top 5 AMC might differ in each period. AUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period.

Source: AMFI, Crisil Intelligence

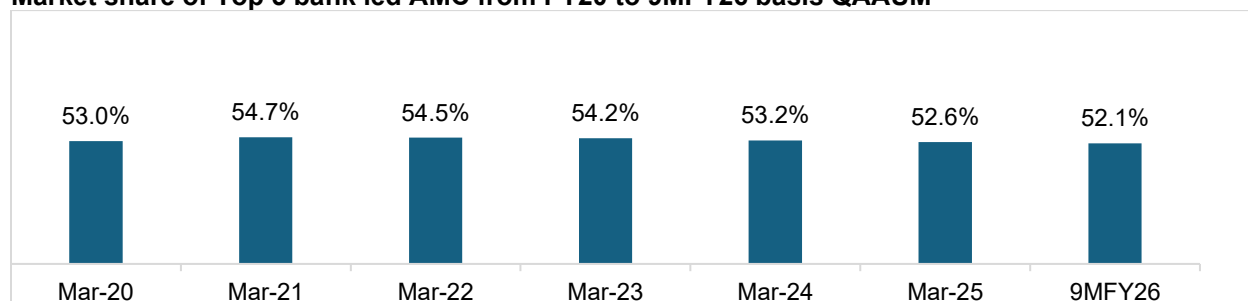
Market share of Top 10 bank led AMC from FY20 to 9MFY26 basis QAAUM



Note: Top 10 bank led AMC for 9MFY26 (December 2025) include SBI Mutual Fund, ICICI Prudential Mutual Fund, HDFC Mutual Fund, Kotak Mahindra Mutual Fund, UTI Mutual Fund, Axis Mutual Fund, Bandhan Mutual Fund, HSBC Mutual Fund, Canara Robeco Mutual Fund, Baroda BNP Paribas Mutual Fund. QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period. Top 10 bank led AMC might differ in each period.

Source: AMFI, Crisil Intelligence

Market share of Top 5 bank led AMC from FY20 to 9MFY26 basis QAAUM

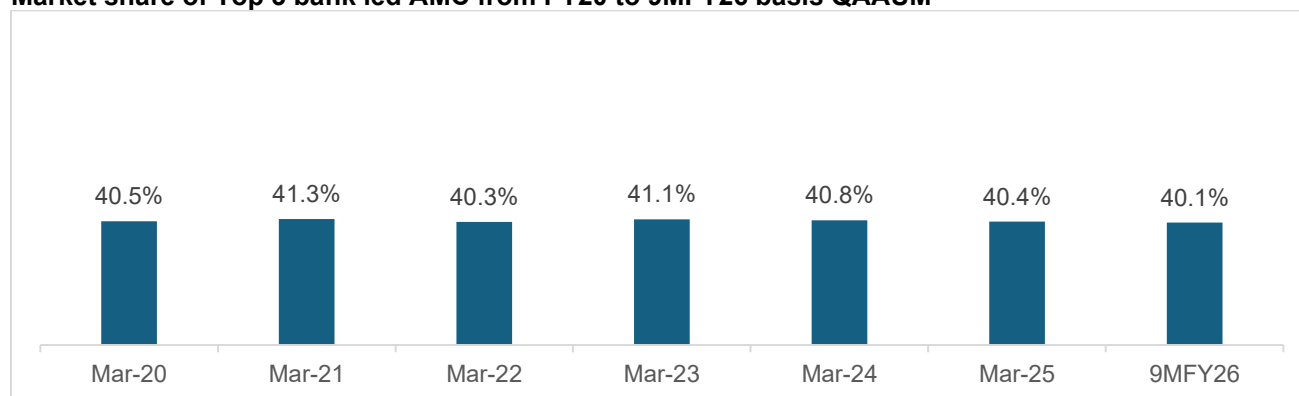


Note: Top 5 bank led AMC for 9MFY26 (December 2025) include SBI Mutual Fund, ICICI Prudential Mutual Fund, HDFC Mutual Fund, Kotak Mahindra Mutual Fund, UTI Mutual Fund. QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period. Top 10 bank led AMC might differ in each period.

Source: AMFI, Crisil Intelligence

The Top 5 bank-led AMCs maintained a dominant share of over 53% between FY20 and FY24, supported by strong parent bank distribution, retail participation surge, and higher flows into equity and hybrid schemes during the post-pandemic liquidity cycle. The share peaked at 54.7% in Mar-21 and remained relatively resilient through FY22–FY24 despite increasing competition. From FY25 onwards, the market share gradually moderated to 52.1% in 9MFY26, indicating a slow dilution in concentration. This suggests rising traction for non-bank and digitally driven AMCs, improved IFA/RIA channel penetration, and expanding participation from mid-sized players, leading to a more competitive and diversified industry structure while bank-led AMCs continue to retain majority dominance.

Market share of Top 3 bank led AMC from FY20 to 9MFY26 basis QAAUM



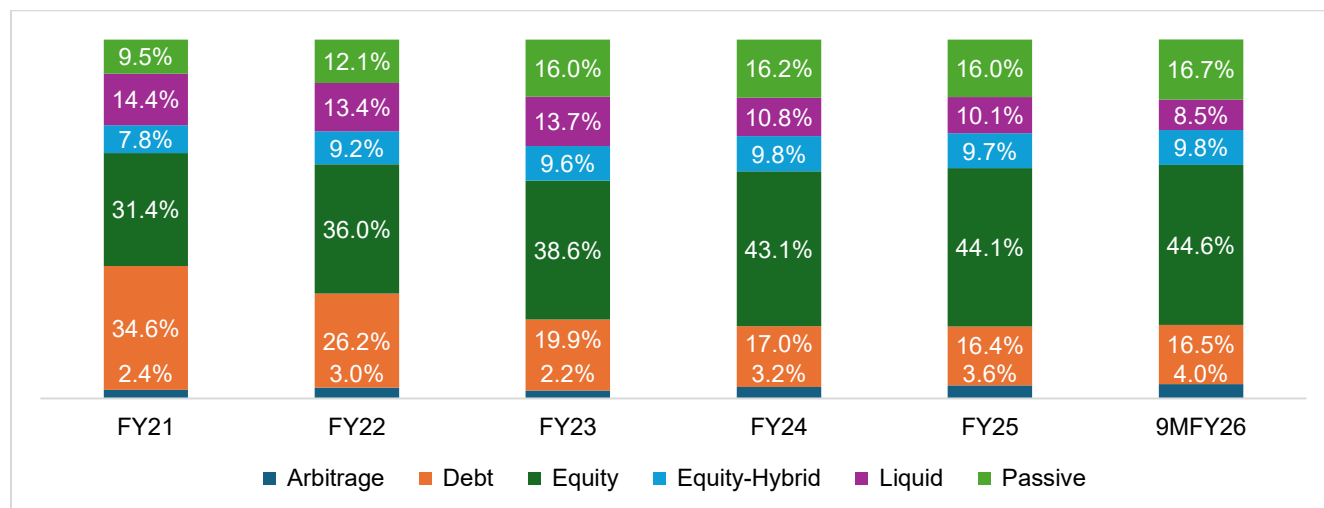
Note: Top 3 bank led AMC for 9MFY26 (December 2025) includes SBI Mutual Fund, ICICI Prudential Mutual Fund, HDFC Mutual Fund. Top 3 AMCs might differ each year. QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period.

Source: AMFI, Crisil Intelligence

The top three bank-led Asset Management Companies (AMCs) have consistently maintained their market leadership position, with a stable market share of around 40-41% between FY20 and 9MFY26, demonstrating sustained structural dominance despite increasing industry competition and new entrant expansion. This unwavering leadership is a testament to the strength of their established distribution networks, strong banking parentage, brand credibility, and cross-selling capabilities, which have enabled them to maintain a deep penetration in both Tier 1 (T30) and Tier 2/3 (B30) locations. Notably, this trend of top AMCs dominating the market is not unique to India, as globally, across various geographies, the top asset managers have consistently maintained their market leadership position, driven by their strong brand reputation, extensive distribution networks, and ability to adapt to changing market dynamics, solidifying their position as industry leaders.

The mutual fund industry's AUM grew at ~19% CAGR between FY15 and FY25 driven by uneven growth across sponsor types. Bank-led AMCs outpaced non-bank led ones with ~22% CAGR vs ~16% leveraging their strong parent bank distribution, cross-selling capabilities, and wider reach in B30 cities. The top players have maintained their dominance, with the top 3 AMCs holding ~40% share and top 5 AMCs commanding over 52%. However, smaller AMCs are gaining traction through differentiated strategies, digital penetration, and innovation, leading to a gradual diversification of industry concentration. Bank-led AMCs continue to lead on scale and growth stability, while non-bank AMCs compete on specialization, innovation, and channel diversification, indicating a shift towards competitive depth in the industry.

Equity and Passive schemes have gained ground over the last few years (Basis QAAUM)

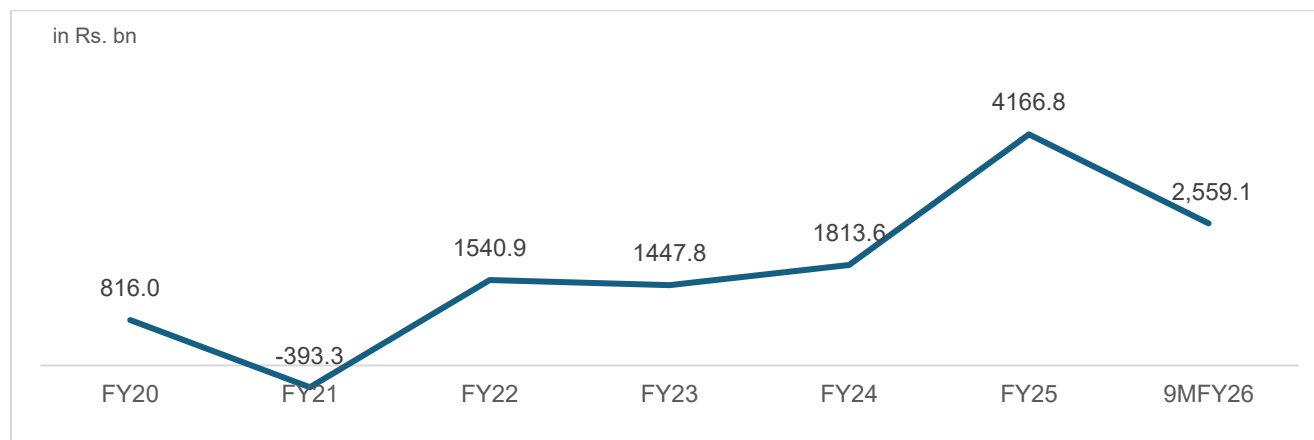


Notes: Total may not add up to 100% due to rounding off. As per classification mentioned in **Error! Reference source not found.**
 QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period
 Source: AMFI, Crisil Intelligence

Equity schemes have gained prominence in the last five years from 31.4% in FY21 to 44.6% in 9MFY26

In fiscal 2025 and 9MFY26, all categories witnessed positive inflows. Generally, equity and equity-oriented schemes have a higher fee structure compared to non-equity-oriented schemes, on account of being actively managed and incurring more research and analysis costs as compared to other schemes.

Annual Net Flow Trends of Equity Schemes in MF Industry



Source: AMFI, Crisil Intelligence

State wise AUM of Mutual Industry of India as of December 2025

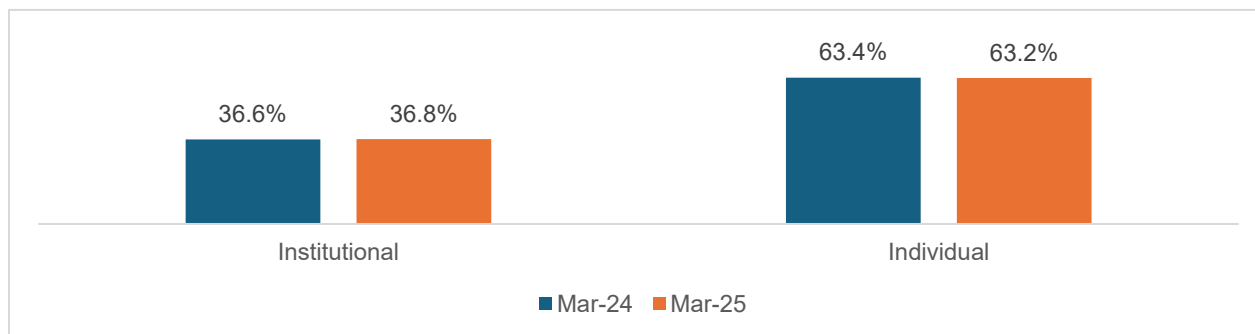
Strong Aum Concentration in Financial Hubs; B30 and Emerging States Offer Long Term Growth Opportunity

As per the state-wise/union territory-wise contribution to AAUM of category of schemes for December 2025, top 5 states having majority share of Indian mutual fund AUM are Maharashtra, New Delhi, Gujarat, Karnataka, and West Bengal. Maharashtra has the highest share at 41.2% of the total mutual fund AUM of the country with a total of Rs. 33,760 billion AUM, followed by New Delhi at 7.9% with a total of Rs. 6,471 billion AUM, Karnataka at 6.9% with INR 5,645 billion AUM, Gujarat at 6.8% with INR 5,606 billion AUM and West Bengal at 4.8% with Rs. 3,944 billion AUM. Together, the top 5 states hold a massive 67.6% of the total mutual fund AUM of the country that amounts to Rs. 81,992 billion AUM.

As of December 2025, mutual fund AUM in India remains highly concentrated in Maharashtra which accounts for ~41.2% of total industry AUM, largely driven by Mumbai alone contributing ~27% of overall assets. Mumbai's dominance reflects strong institutional flows, presence of major corporates, treasury operations, financial institutions, AMCs and a well-developed distribution ecosystem alongside a high base of HNIs and sophisticated investors. This concentration of institutional and large-ticket investments significantly deepens mutual fund penetration within Maharashtra. In contrast, several other states continue to remain under-penetrated due to lower institutional presence limited distributor reach, lower financial literacy, and relatively weaker retail participation highlighting substantial headroom for geographic diversification and long-term growth in B30 and emerging markets.

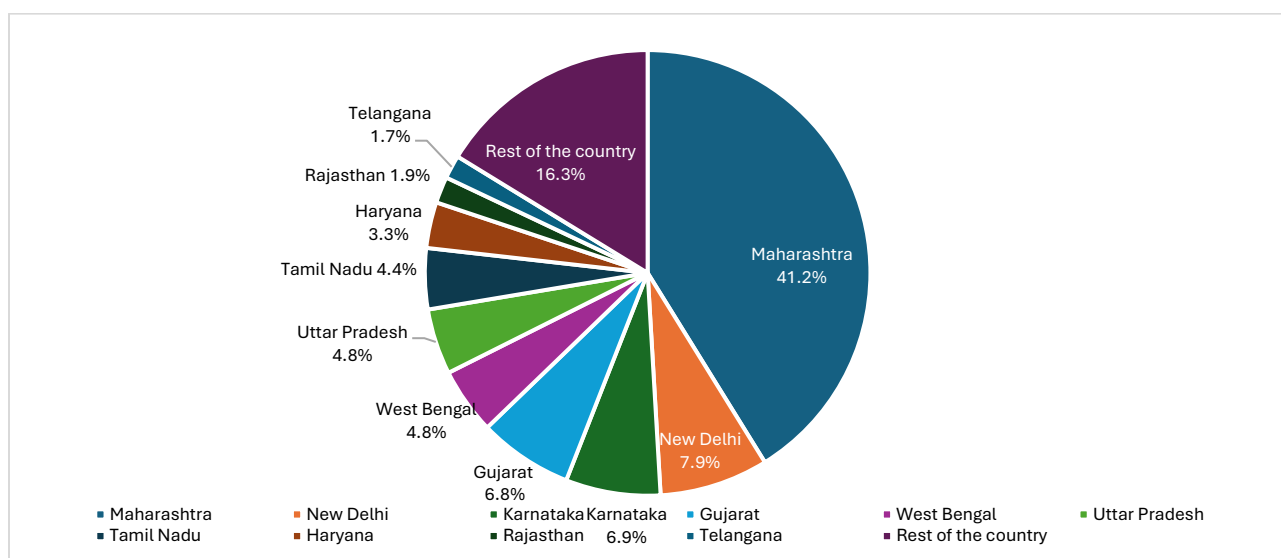
Individual investors, including high-net-worth individuals, retail investors, and NRIs, dominate the mutual fund industry with 63.2% of the total AUM (Rs. 65.74 trillion) as of March 2025, maintaining a consistent trend with the previous year (63.4%). By asset class, they hold 65% of equity funds, 18% of hybrid funds, 9% of debt funds, and 7% of passive funds. Geographically, individual investors account for over 63% of MF AUM in most states, with some states like Lakshadweep, Tripura, and Bihar having an exceptionally high proportion of over 95%. Notably, only New Delhi (52.77%) and Maharashtra (48.22%) deviate from this trend.

AUM proportion of individual investors remains stable on year



Source: AMFI, Crisil Intelligence

Share of top 10 states in mutual funds AUM in India (December 2025)



Note: Data pertains to AAUM for December 2025; Source: AMFI, Crisil Intelligence

Geographic Concentration of Mutual Fund AUM continues to remain stable with marginal moderation

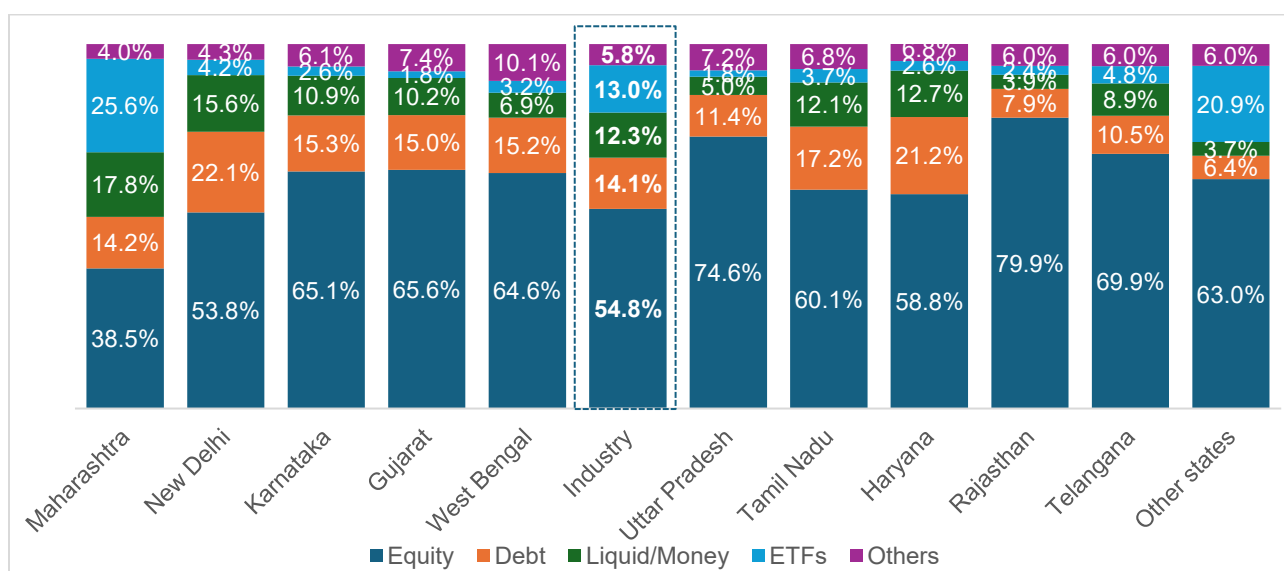
State Wise	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Dec-25
Maharashtra	41.4%	42.4%	41.4%	40.9%	40.6%	41.2%
New Delhi	9.5%	8.6%	9.3%	8.4%	8.4%	7.9%
Karnataka	6.6%	6.9%	6.9%	6.9%	6.9%	6.9%
Gujarat	6.7%	6.9%	6.8%	6.9%	7.0%	6.8%
Others	4.5%	3.5%	3.8%	4.5%	4.5%	4.8%
West Bengal	5.2%	5.2%	5.2%	5.2%	5.0%	4.8%
Uttar Pradesh	4.0%	4.3%	4.4%	4.6%	4.7%	4.8%
Tamil Nadu	4.4%	4.3%	4.6%	4.7%	4.6%	4.4%

Haryana	4.2%	4.1%	3.2%	3.2%	3.4%	3.3%
Rajasthan	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%
Other States	11.8%	12.1%	12.4%	12.8%	13.1%	13.1%

Note: AMFI, Crisil Intelligence

Category-wise distribution of schemes in top 10 states (December 2025)

Across the states equity schemes form the largest share of AUM in December 2025 ranging between ~38-80% with Rajasthan (79.87%), Uttar Pradesh (74.64%), Telangana (69.93%) and Gujarat (65.55%) exhibiting particularly high preference for equity schemes. Debt allocation is relatively high in New Delhi (22.14%) and Haryana (21.18%) due to high proportion of AUM from FIs prevalent in these states. Maharashtra highlights growing preference of ETFs amongst investors.



Note: Data pertains to AAUM for December 2025; 'Others' include balanced scheme and fund of funds investing overseas, ETF's include Gold ETF and other ETF. Source: AMFI, Crisil Intelligence

Share of large AMCs (in terms of overall AUM) stands at ~40.1% as of December 2025

AMCs	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	9MFY26
Large AMCs	38.7%	40.5%	41.3%	40.3%	41.1%	40.8%	40.6%	40.1%
Medium AMCs	42.0%	41.2%	41.4%	41.1%	38.8%	37.3%	36.2%	36.0%
Small AMCs	19.4%	18.4%	17.3%	18.6%	20.1%	21.9%	23.3%	23.8%

Note: Top 3 AMCs by AUM are classified as Large, Next 7 AMCs are classified as Medium, and Rest AMCs are classified as Small
Source: AMFI, CRISIL Research

The Indian mutual fund industry has seen a gradual rebalancing of AUM across large, medium, and small AMCs over the last few years. Large AMCs (top 3 by AUM) have maintained a stable market share of around 40%, increasing from 38.7% in Mar-19 to 40.1% as of Dec-25 driven by investor preference for established players. In contrast, medium-sized AMCs (next 7 players) have seen a steady decline in AUM share from 42.0% to 36.0% over the same period facing competitive pressure from both large AMCs and

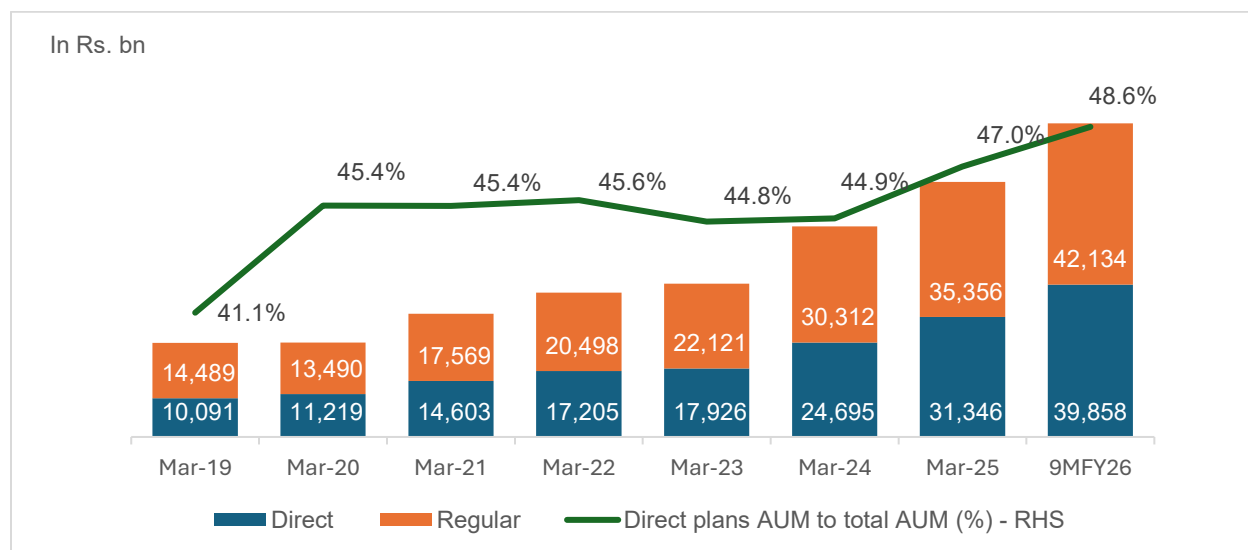
smaller players. Small AMCs have been the key beneficiaries expanding their AUM share from 19.4% to 23.8%, driven by rising investor acceptance of differentiated strategies, product innovation, and improved digital distribution.

AUM Distribution: Regular vs Direct - Growth Trends for Individual and Institutional Investors

Increasing share of direct sales in Mutual Funds

In September 2012, SEBI mandated mutual fund houses to offer products through the direct route alongside distributors. Direct mutual fund schemes have a lower commission ratio compared to regular schemes as they do not involve any intermediary. Asset managers launched a slew of direct plan offerings within the existing schemes from January 2013. Consequently, the share of direct plans in overall Mutual Fund AUM has increased. As on March 2025, Average AUM under direct plans represented 47.0% (excluding Fund of Funds Scheme, Domestic) of aggregate industry AUM, up from 41.1% share as on March 2019. As of December 2025, Average AUM under direct plans represent 48.6% of aggregate industry AUM. While the direct plans' share in total MF AUM has been increasing, regular plans are expected to maintain dominance owing to new investors gaining awareness about MFs and increased participation from B30 cities. Though the mix of direct channels has increased in both Retail and Institutional segments, increase in retail participation has led to the blended direct channel mix being bound.

Direct plans gain traction; Regular plans continue to dominate mutual fund MAAUM



Note: Based on monthly average AUM (MAAUM) excluding Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

Going forward, we expect further growth in direct plan AUMs with increasing investor awareness and integration of user interfaces through digital channels.

Rise in share of direct plans is across both individual and institutional investors

The rise in share of direct plans is attributed to various campaigns and investor education initiatives undertaken by the mutual fund industry, which has caused a shift towards direct plans. However, given the trend in the industry such as increasing presence of first-time investors, popularity of MFs beyond larger

cities, low awareness of nuances of financial products amongst a large section of investors and need for guidance from a trusted intermediary in the wake of increasing market volatility, CRISIL Intelligence believes regular plans will continue to constitute a majority share in the overall individual mutual fund AUM.

(Rs billion)	Mar'20				Mar'25			
	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM
Individual investors	10,520	2,493	13,013	19.2%	29,763	11,292	41,055	27.5%
Institutional investors	3,075	8,745	11,820	74.0%	6,150	20,449	26,599	76.9%
Total	13,595	11,238	24,833	45.4%	35,912	31,741	67,654	46.9%

Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

(Rs billion)	Sept'25				Dec'25			
	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM
Individual investors	34,556	13,702	48,258	28.4%	35,884	14,767	50,652	29.2%
Institutional investors	6,908	24,043	30,952	77.7%	7,259	25,913	33,172	78.1%
Total	41,465	37,745	79,210	47.7%	43,143	40,680	83,824	48.5%

Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

T30-B30 analysis of mutual fund monthly average AUM

As on March 2025, the monthly average AUMs in the top 30 (T30) cities stood at Rs 54.5 trillion compared with Rs 12.2 trillion for beyond the top 30 (B30) cities as per AMFI data. As on December 2025, the monthly average AUMs in the top 30 (T30) cities stood at Rs 66.9 trillion compared with Rs 15.1 trillion for beyond the top 30 (B30) cities as per AMFI data. T30 cities represent urban locations with higher income and greater mutual fund investment awareness, thereby having higher AUM. B30 includes other cities except those included in T30. SEBI has reclassified top 15 (T15) and beyond the top 15 (B15) as T30 and B30, respectively in April 2018, to encompass a wider set of cities that have lower penetration after seeing the share of B15 cities improve regularly in previous years.

According to Crisil Intelligence, the share of B30 AUM as a proportion of aggregate industry AUM increased to 18% in March 2025 and remained steady at 18% as of December 2025 from 16% in March 2020, illustrating the rising importance of higher-growth B30 cities. This shift suggests a relative decline in the dominance of T30 cities in the industry's AUM. Getting customers from B-30 geographies is advantageous for asset management companies as it helps them get access to a wider range of potential customers, develop an equity focused AUM and manage cost ratios.

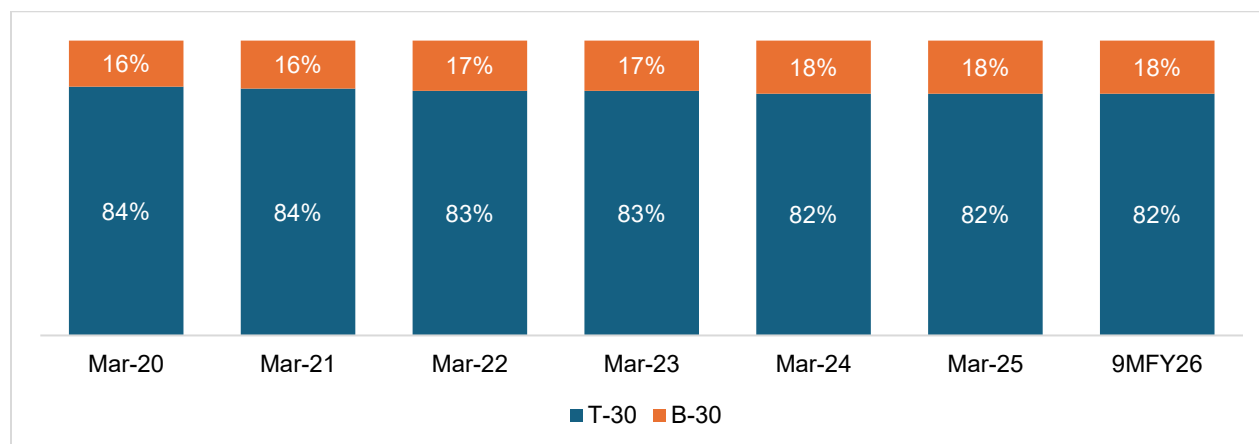
T-30 vs. B-30 MAAUM

RS (Bn)	19-Mar	20-Mar	21-Mar	22-Mar	23-Mar	24-Mar	25-Mar	Q1FY26	H1FY26	9MFY26	CAGR (FY19 - FY25)
T-30	20,785	20,859	26,937	31,459	33,207	45,180	54,534	60,994	63,278	66,874	17%
B-30	3,796	3,850	5,235	6,244	6,839	9,827	12,168	13,797	14,500	15,118	21%

Note: (1) Based on monthly average AUM (MAAUM), Figures excluding Fund of Funds Scheme (Domestic).

Source: AMFI, CRISIL Intelligence

Composition trends of overall T30 and B30 MAAUMs

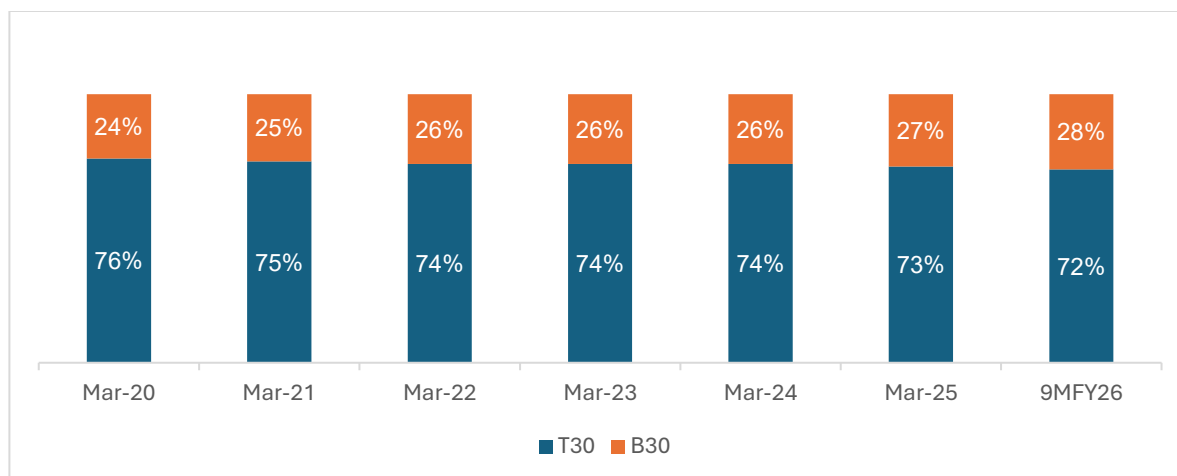


Note: Based on monthly average AUM (MAAUM), Figures excluding Fund of Funds Scheme (Domestic).

Source: AMFI, CRISIL Intelligence

Individual investors, including retail and high net worth individuals from B30 cities contributed 27% to the individual mutual fund AUM as on March 2025. Individuals from B30 cities contributed 28% to the individual mutual fund AUM as of December 2025. Institutions from B30 cities contributed 5% to the institution mutual fund AUM as of December 2025.

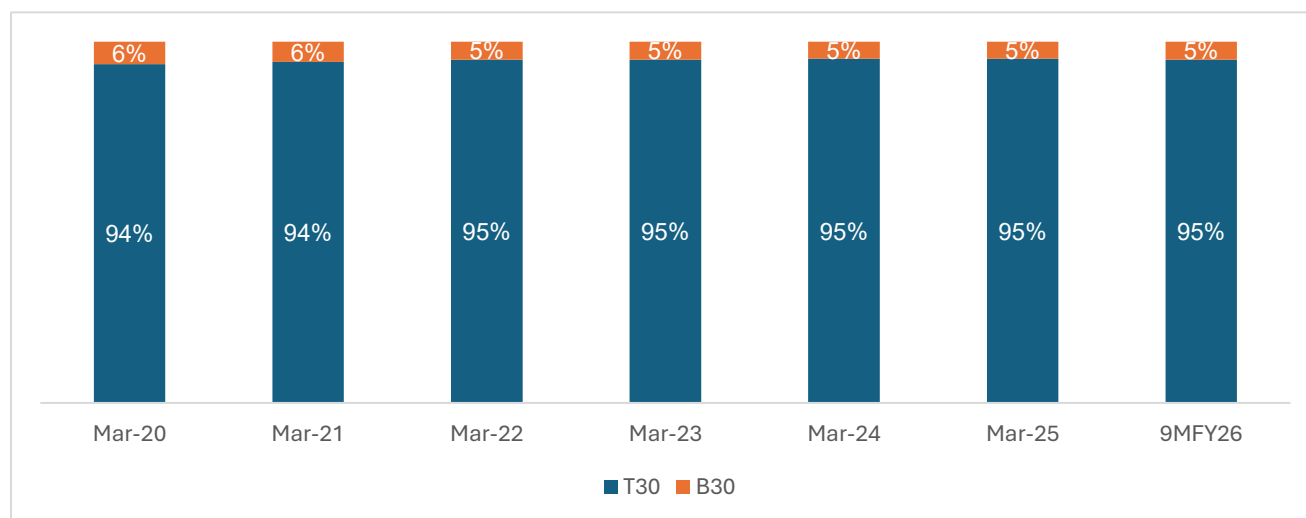
Composition trends of overall T30 and B30 Individual MAAUM



Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

Composition trends of overall T30 and B30 Institutional MAAUM



Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

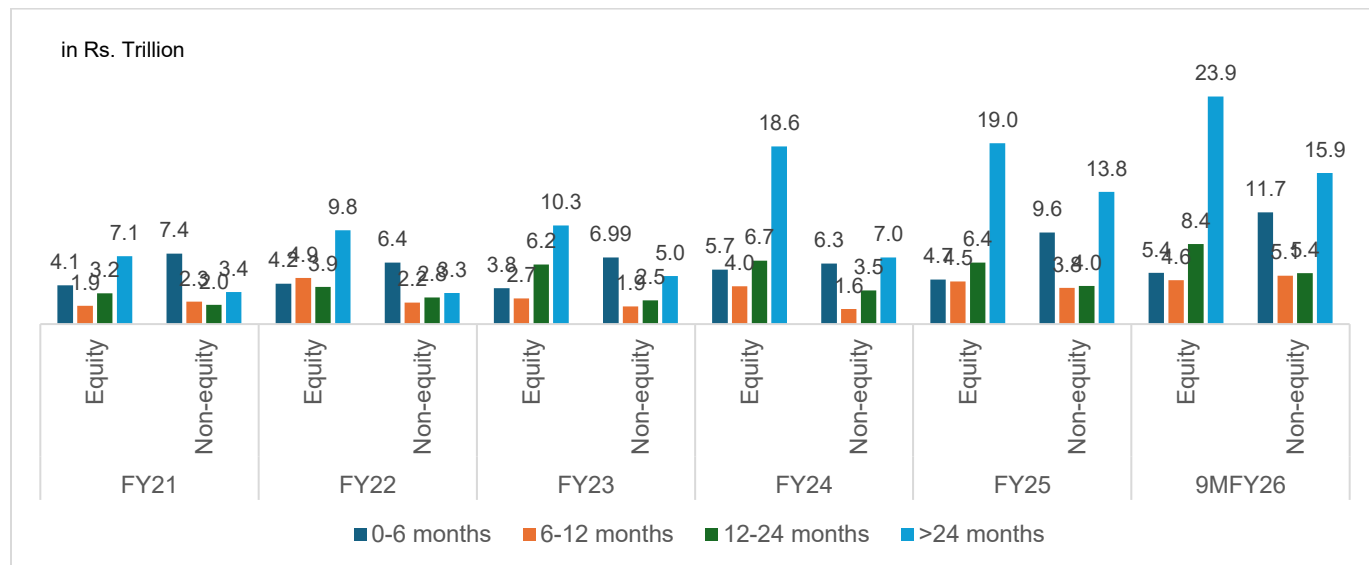
Source: AMFI, CRISIL Intelligence

Vintage of mutual fund AUM

The older-vintage equity schemes, with an age of more than 24 months, demonstrated a significant AUM of Rs. 23.8 trillion as of December 2025 represents approx. 60% of total > 24 months vintage assets and rest is non equity schemes. In contrast, non-equity schemes of similar vintage, i.e., older than 24 months, had an AUM of Rs. 15.8 trillion.

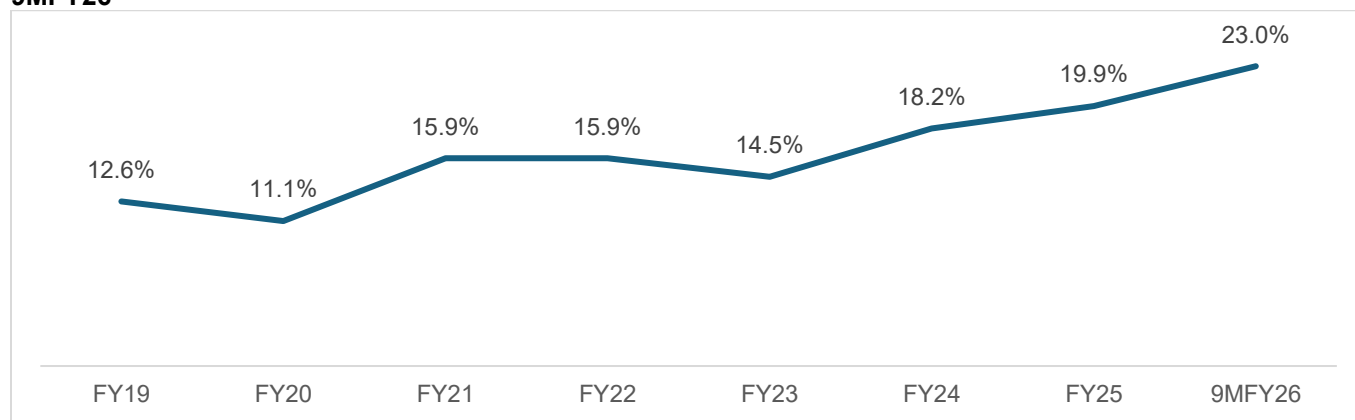
Notably, the substantial AUM of older equity schemes enhances fee sustainability due to higher persistency, implying that investors tend to hold onto these schemes for longer periods, resulting in a more stable revenue stream for fund managers.

Age-wise AUM distribution shows long-term investment in equity oriented mutual funds gaining traction



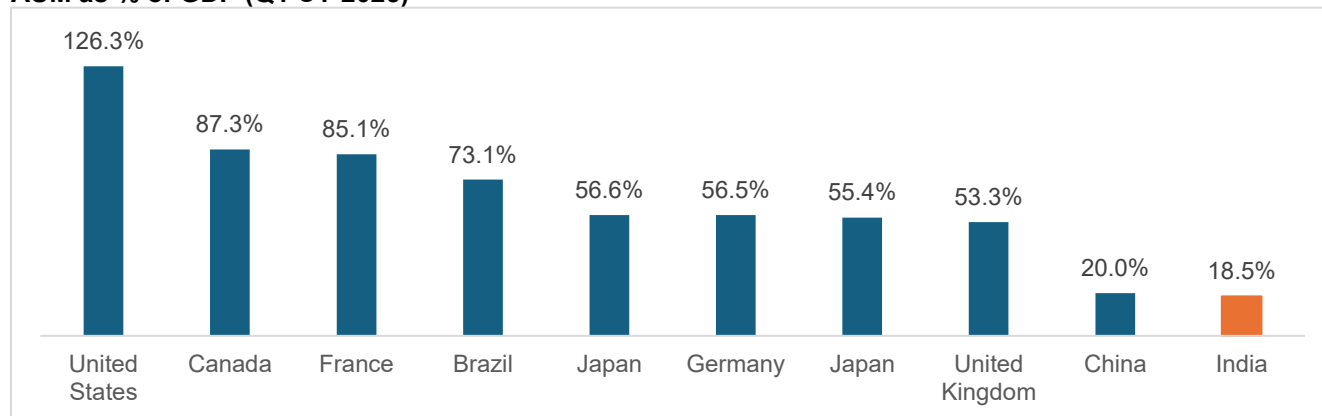
Source: AMFI, CRISIL Intelligence

India's Mutual Fund AUM-to GDP ratio picked up to 19.9% in fiscal 2025 and further to 23.0% in 9MFY26



Note: latest month-end net AUM for relevant fiscal year or period, and nominal GDP at current prices have been considered
Source: AMFI, CRISIL Intelligence

AUM as % of GDP (Q1 CY 2025)

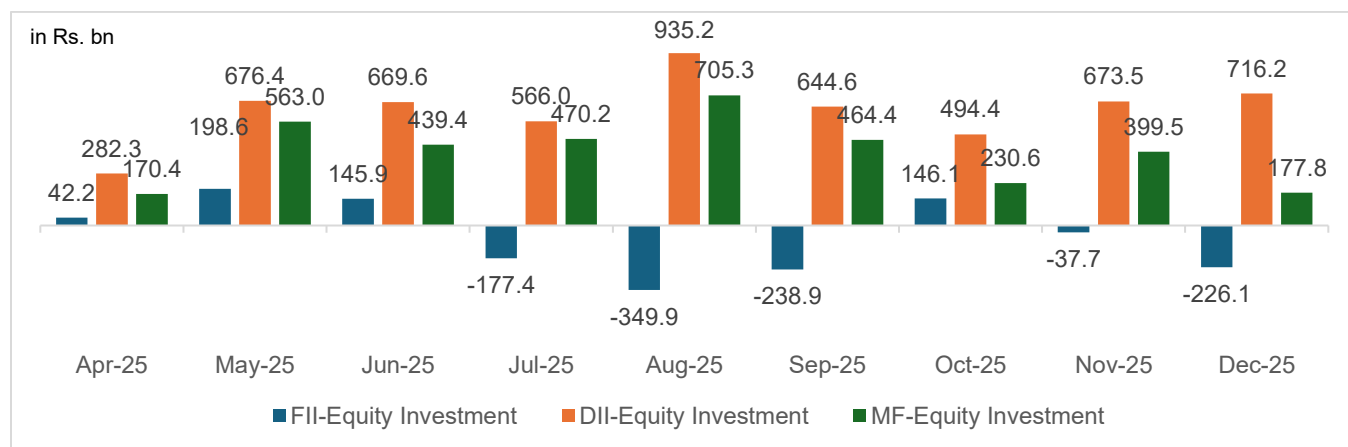


Note: AUM data as on Q1 2025 for all countries; only open-ended funds have been considered. Includes, equity, debt and others, GDP taken from IMF (Gross Domestic Product at current prices). Penetration calculated as Mutual Fund AUM divided by GDP, For India the value is calculated as Mutual Fund AUM to GDP (at current prices).
Source: IMF, IIFA, RBI, AMFI, CRISIL Intelligence

The Impact of Market Volatility on Equity Mutual Fund Inflows

During April-December 2025, FIIs exhibited volatility with persistent net outflows particularly in August 2025 of Rs. 349.9 billion, due to global risk aversion. Conversely, DIIs and equity MFs were strong stabilizing forces maintaining consistent net inflows, with DIIs peaking in August 2025 and MFs supported by steady SIP contributions. DII inflows peaked at Rs. 935.2 billion in August 2025, effectively offsetting FII outflows while MF equity inflows remain resilient and is supported by SIP contributions. This shift towards domestic savings-led participation underscores a structural strengthening of India's equity market, where DIIs and MFs are increasingly offsetting FII volatility, cushioning markets against global shocks, and reinforcing stability.

DIIs provide strong support to equity markets



Source: NSDL, SEBI, NSE, Crisil Intelligence

The Indian equity mutual fund market has demonstrated resilience in the face of market volatility, with net inflows persisting despite corrections. In December 2025, equity mutual funds saw net inflows of Rs. 280.5 billion, marking a 6% decline MoM but remaining firmly in positive territory. This trend is a testament to the sustained investor confidence in the Indian equity market. Flexi-cap, mid-cap, and small-cap funds were the primary drivers of these inflows, with Rs. 100.1 billion, Rs. 41.7 billion, and Rs. 38.2 billion, respectively.

The total equity inflows for 2025 were approximately Rs. 3.03 trillion, reflecting broad investor participation across categories.

Monthly flow of mutual funds

(in Rs. Bn)	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Equity	242.7	190.1	235.9	427.0	334.3	304.2	246.9	299.1	280.5
Debt	2191.4	-159.1	-17.1	1068.0	-79.8	-1019.8	1599.6	-256.9	-1324.1
Hybrid	142.5	207.7	232.2	208.8	152.9	94.0	141.6	133.0	107.6
Others	202.3	55.3	40.0	82.6	114.4	190.6	166.7	153.9	267.2
Solution-oriented schemes	2.1	1.8	2.1	2.8	3.2	2.9	2.6	3.2	3.5
Close-ended and interval schemes	-12.6	-4.7	-2.1	-1.3	-0.6	3.3	-0.8	-4.7	-0.6
Total	2768.3	291.1	491.0	1787.9	524.4	-431.5	2156.6	327.6	-666.0

Source: AMFI, Crisil Intelligence

Annual AUM trends of Mutual Fund Industry

(in Rs. Bn)	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26	CAGR (FY20-25)
Equity	5,785.1	9,793.7	13,654.6	15,170.8	23,489.5	29,453.1	35,725.4	38.5%
Debt	10,291.4	13,282.3	12,989.6	11,819.8	12,622.2	15,207.1	18,099.8	8.1%
Hybrid	2,621.5	3,429.6	4,799.2	4,789.2	7,227.2	8,834.4	11,004.2	27.5%
Others	1,652.4	3,216.3	5,219.3	6,975.2	9,345.9	11,469.5	14,568.1	47.3%
Solution-oriented schemes	157.0	243.8	295.4	323.3	442.5	511.8	584.6	26.7%
Close-ended and interval schemes	17.5	14.6	608.8	3.4	274.6	267.0	251.7	72.4%
Total	22,262.0	31,427.6	37,56,683	39,420.3	53,402.0	65,742.9	80,233.8	24.2%

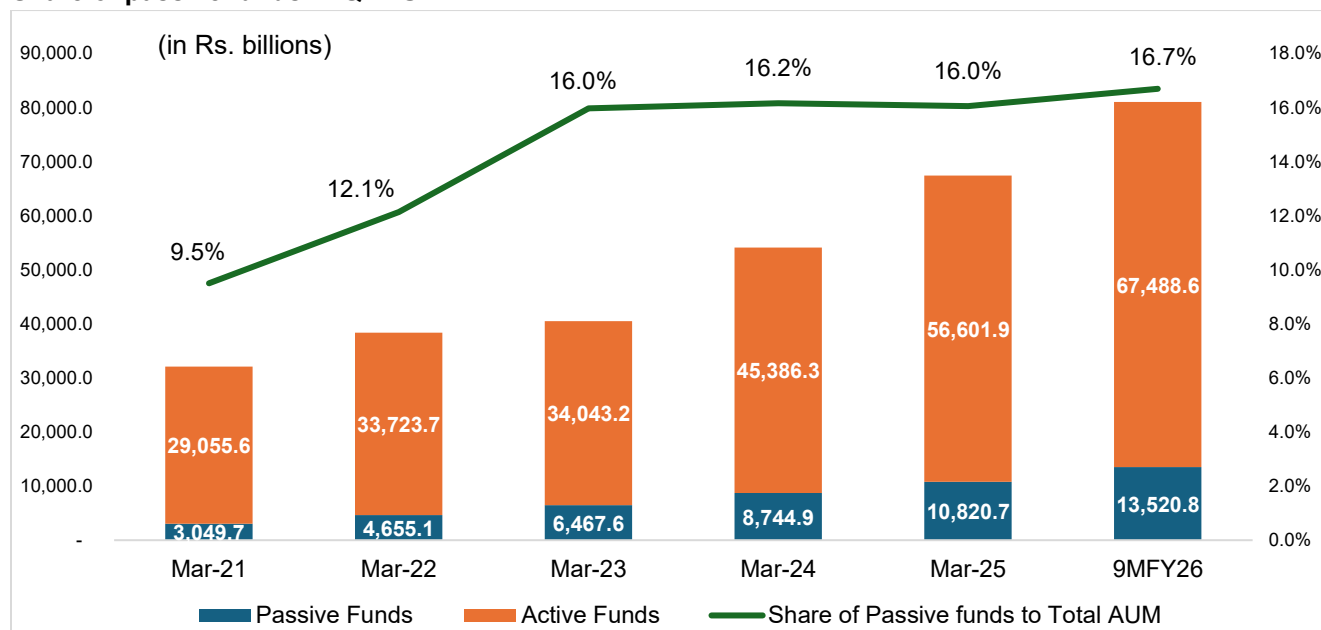
Source: AMFI, Crisil Intelligence

Passive funds have risen steadily over a small base

Unlike the US and other developed countries, where passive asset management garners a larger share of the investment pie, passively managed ETFs and index funds are yet to gain traction in India. But the tide is turning. On account of the increased investor awareness, lower costs and ease of investment, passive funds are gaining popularity. This is evident from increase in QAAUM share, from 9.5% as on March 2021 to 16.7% as of December 2025. The QAAUM of passive funds surged to Rs. 10.8 trillion by March 2025, and 13.5 trillion as of December 2025. As on March 2025, ETFs held assets worth Rs 8.1 trillion, while index funds had assets of Rs 2.8 trillion, with several new launches in fiscal 2025 contributing to this growth. As of December 2025, ETFs held assets worth Rs 10.3 trillion, while index funds had assets of Rs 3.2

trillion. The share of passive funds has shown a steady uptick indicating a gradual shift towards low-cost, index-based investing.

Share of passive funds in QAAUM



As per classification mentioned in **Error! Reference source not found**. QAAUM indicates Quarterly Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas, for the latest quarter of the relevant fiscal year or period

Source: AMFI, Crisil Intelligence

Index funds and exchange-traded funds (ETFs) growth in recent years is largely attributed to the increasing popularity of sectoral and thematic investing, which has now extended to the passive investment space. The rising trend of retail investors opting for passive funds has been building up over the past few years, fuelled by growing awareness and a slew of new fund launches.

In India, passive investing has been gaining traction for several years, as reflected in the significant increase in assets under management (AUM). As awareness about passive investing continues to grow, financial advisors are increasingly recommending these funds to their clients. Additionally, high net worth individuals (HNIs) and family offices are also shifting their investments towards passive funds, drawn by their cost-effectiveness and the inconsistent performance of actively managed funds.

AMCs, having a higher share of passive funds, can better cross-sell other products to their retail base and, thus, save on costs incurred for the marketing and acquisition of retail customers. High growth potential of this fund category also makes it an attractive segment for AMCs, and the large chunk of institutional mandates makes managing the funds more profitable.

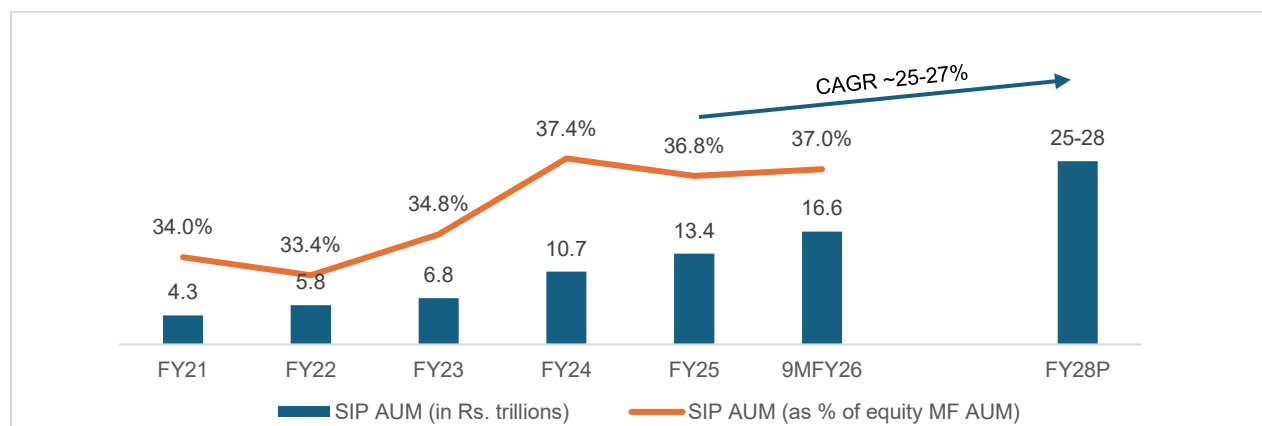
Systematic Investment Plans

Systematic Investment Plans (SIPs) offer numerous advantages, including the ability to overcome emotional biases during market uncertainty, the capacity to accumulate large investments from smaller amounts, and tax benefits. By promoting steady and diversified inflows, SIPs have contributed to the growth and stability of the market and reduced overall volatility.

In the fiscal year 2025, inflows through Systematic Investment Plans (SIPs) surged to Rs. 2.89 trillion and Rs 2.56 trillion in 9MFY26. Monthly SIP inflows grew steadily: Rs. 266.3 billion in April, Rs. 272.7 billion in June, Rs. 293.61 billion in Sep, Rs. 294.4 billion in Nov and peaked at Rs. 310.0 billion in Dec in 2025. As on March 2025, SIP assets totaled Rs 13.4 trillion, comprising over 20% of the industry's total assets. As of December 2025, SIP assets totaled Rs. 16.6 trillion. The number of SIP accounts also witnessed substantial growth, reaching nearly 100.5 million as of March 2025 with an average monthly addition of around 1.7 million accounts. The total number of SIP accounts stood at 101.1 million as of December 2025. As per Crisil Intelligence, the average amount of SIP contribution (SIP contribution per outstanding SIP accounts) is Rs. 28,780 as on Fiscal 2025. Systematic investment plans have gained increased traction among individual investors and contributed approximately 60% of total equity and equity-hybrid fund flows in the Indian mutual fund industry during FY25. From April 2025 to December 2025, total SIP contribution stood at Rs. 2,566.6 billion with average monthly SIP contribution at Rs. 285.2 billion.

Investments through systematic investment plans have become a popular form of investing in mutual funds as they offer customers the opportunity to invest smaller amounts over longer periods and help mitigate the risk of market timing. Popularity of equity funds, rising participation of investors, recent investor education initiatives, and apparent benefits of SIPs to households that traditionally did not invest in mutual funds indicate that growth in inflows from SIPs is expected to accelerate over the foreseeable future. This is expected to make SIPs an increasingly important component in overall AUM growth. Increase in retail AUM has been primarily on account of SIPs as they make it easier for retail investors to participate by allowing them to invest small, manageable sums regularly. This method not only draws in more retail investors but also boosts the overall retail contribution to SIP AUM, building a larger, more stable asset base over time. Further, SIP AUM is expected to grow at a CAGR of 25-27% over FY25 to FY28.

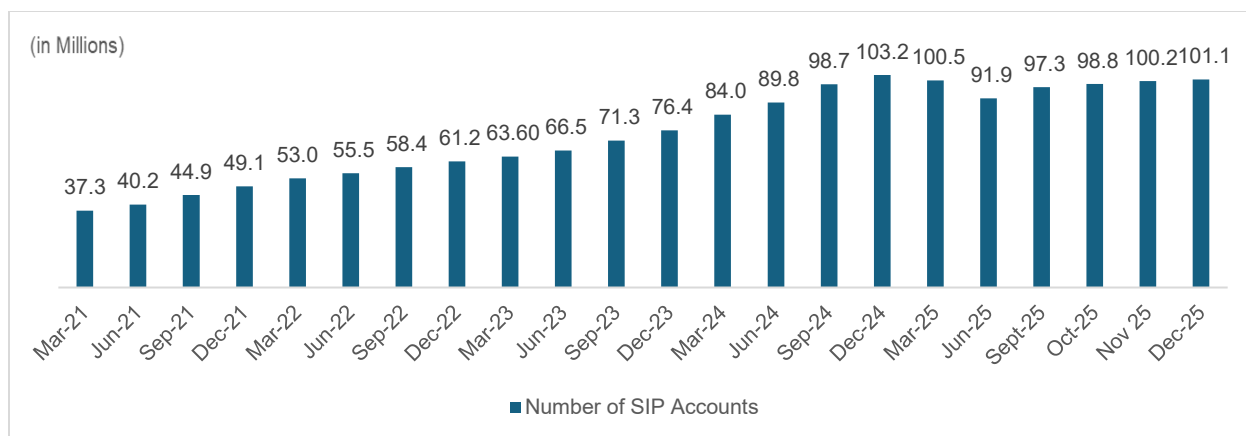
SIP AUM stood at Rs. 16.6 trillion as on December 2025



Note: Equity includes Equity and Equity-oriented schemes basis QAAUM. Source: AMFI, CRISIL Intelligence

Total number of outstanding SIP accounts:

Number of SIP accounts increased from 49.1 million in Dec-21 to 101.1 million in Dec-25 exhibiting a 2.06x growth in 4 years. The number of SIP accounts crosses 100 million in late 2024 highlighting a major milestone in India's mutual fund penetration.



Source: AMFI, CRISIL Intelligence

Monthly SIP Contributions

in Rs. Billions	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY2023-24	FY2024-25	9MFY26
Total during FY	1,000.8	960.8	1,245.7	1,559.7	1,992.2	2,893.5	2,566.6
March	86.4	91.8	123.3	142.8	192.7	259.3	
February	85.1	75.3	114.4	136.9	191.9	260.0	
January	85.3	80.2	115.2	138.6	188.4	264.0	
December	85.2	84.2	113.1	135.7	176.1	264.6	310.0
November	82.7	73	110.1	133.1	170.7	253.2	294.5
October	82.5	78	105.2	130.4	169.3	253.2	295.3
September	82.6	77.9	103.5	129.8	160.4	245.1	293.6
August	82.3	77.9	99.2	126.9	158.1	235.5	282.7
July	83.2	78.3	96.1	121.4	152.5	233.3	284.6
Jun	81.2	79.2	91.6	122.8	147.3	212.6	272.7
May	81.8	81.2	88.2	122.9	147.5	209	266.9
April	82.4	83.8	86	118.6	137.3	203.7	266.3

Source: AMFI, CRISIL Intelligence

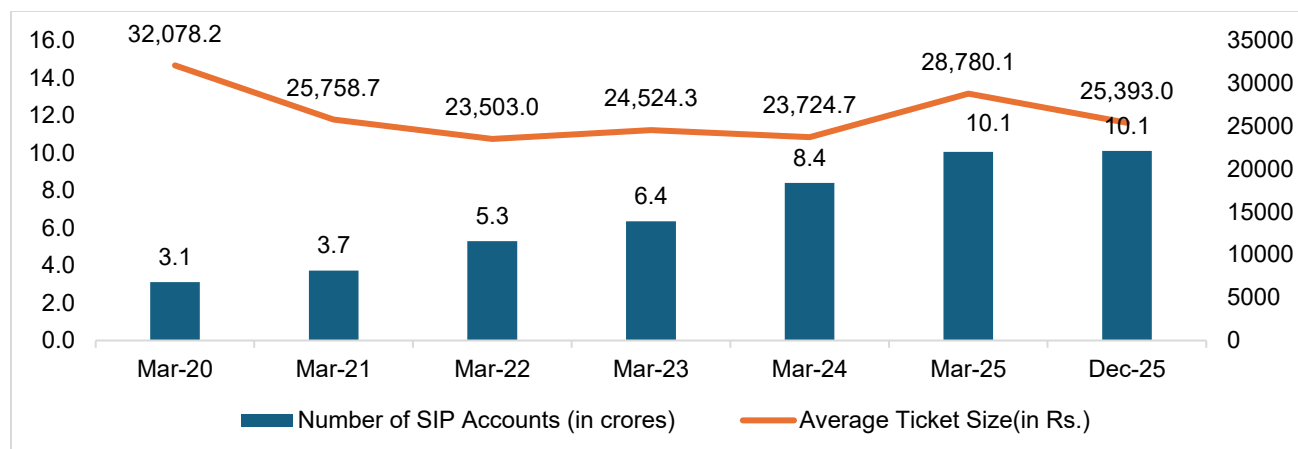
SBI AMC market share in SIP accounts and SIP AUM

SBI AMC is the leader in SIPs with SIP count with 15.76 Mn live SIPs representing a market share of 16.09%, and by SIP AUM of Rs. 1,912.60 billion representing 11.69% of total industry SIP AUM, as of December 31, 2025.

	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25
SBI AMC market share of Industry SIP Inflows (%)	13.57%	12.86%	12.54%	13.37%	12.78%

Note: AMFI, Crisil Intelligence

SIP average ticket size



Note: Average Ticket Size calculated as Annual SIP contribution divided by Total number of outstanding SIP Accounts as on March of that Fiscal year. For December 2025, Average Ticket Size calculated as SIP contribution divided by Total number of outstanding SIP Accounts as on December 2025. Source: AMFI, CRISIL Intelligence

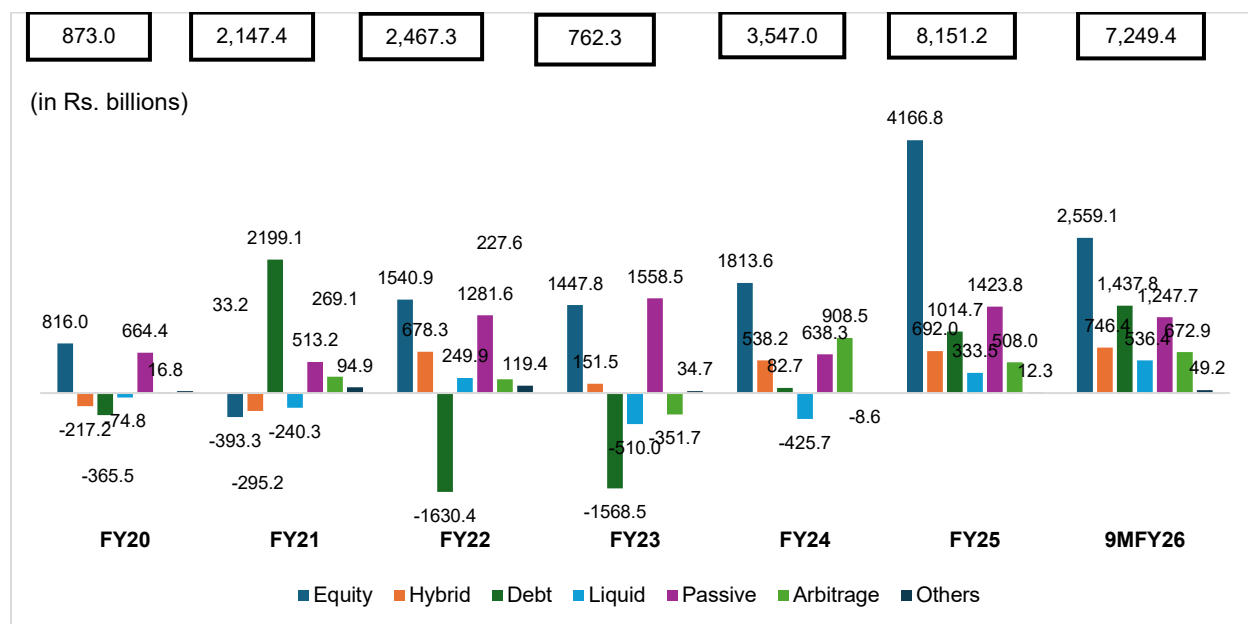
Trends in Net Inflows in the Mutual Fund Industry

Fiscal 2025 witnessed the highest net inflow in the last five fiscals

Industry inflows have shown a strong structural uptrend rising from Rs. 873 Bn in FY20 to Rs. 8,151 Bn in FY25 and Rs. 7,249.4 Bn in 9MFY26. Equity funds have been the primary growth drivers and have witnessed an accelerated inflow post Covid supported by strong retail participation.

Fiscal 25 witnessed the highest inflow at Rs. 8,151 Bn which highlighted investor confidence. The inflow trends highlight an increasing preference for equities and passive strategies among investors.

Annual trends of Net Inflows in MF Industry

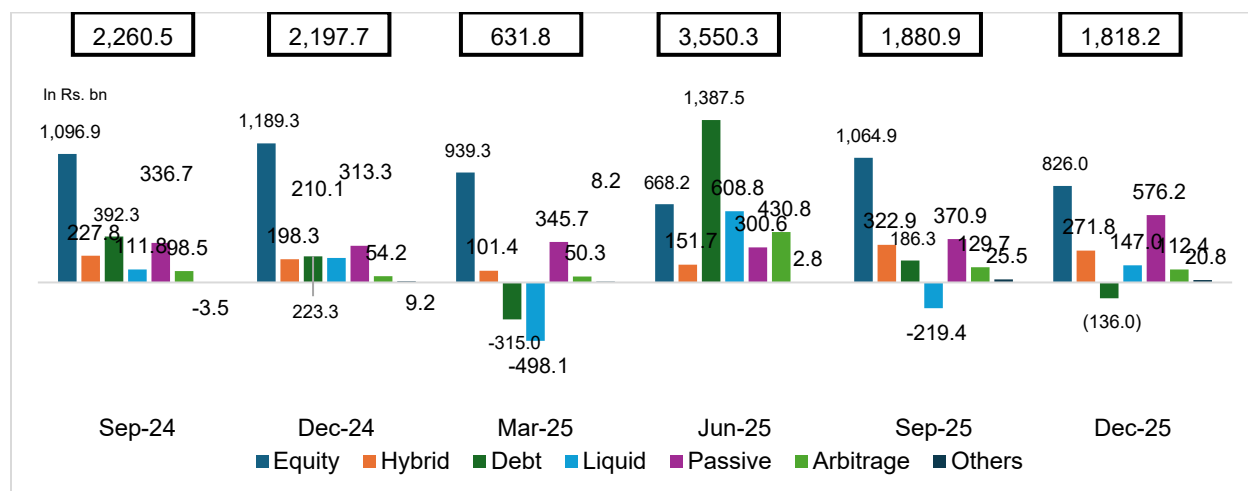


Notes: As per classification in Error! Reference source not found., Values in boxes: Total net inflow in Rs. Bn

Others include Solution oriented schemes and Fund of funds investing overseas, Figures in the box represent net inflow for the period.

Source: AMFI, Crisil Intelligence

Quarterly trends in net inflows



Notes: As per classification in Error! Reference source not found., Values in boxes: Total net inflow in Rs. Bn

Others include Solution oriented schemes and Fund of funds investing overseas, Figures in the box represent net inflow for the period.

Source: AMFI, Crisil Intelligence

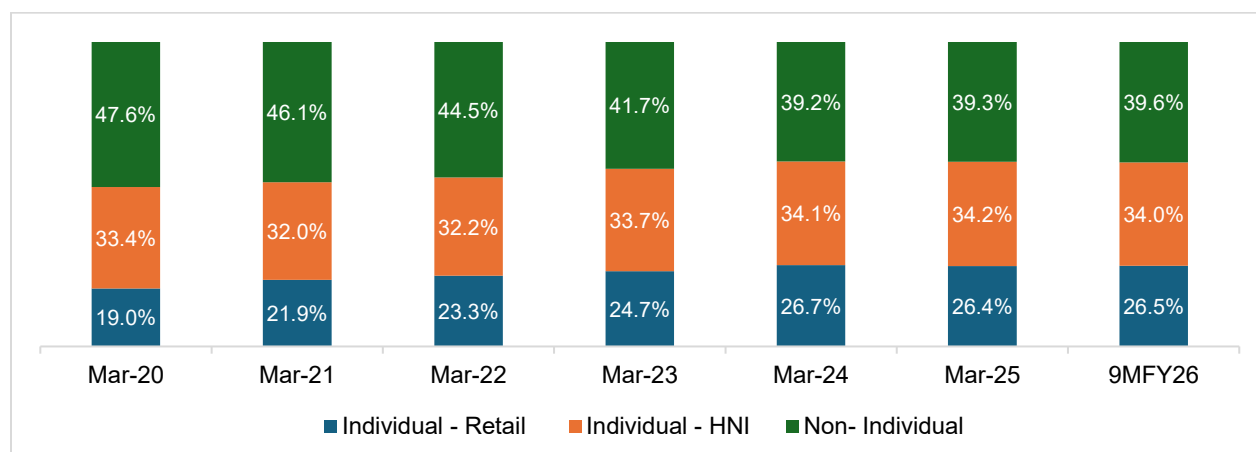
The mutual fund industry witnessed robust inflows across a broad range of equity categories, including small, mid, multi-cap, flexi-cap, large and mid-cap, as well as sectoral and thematic funds. Notably, the composition of schemes underwent a shift, with equity-oriented schemes gaining traction and debt-oriented schemes experiencing a decline in proportion.

Investor Profile of the industry

Individuals outpace institutional investors in terms of MAAUM

Traditionally, the majority of the industry's assets were controlled by institutional investors, primarily comprising corporates. The mutual fund industry has experienced a significant increase in participation from individual households in recent years, driven by factors such as growing financial awareness, improved financial inclusion, enhanced access to banking channels, and the increased adoption of technology by non-bank distributors. Individual customers tend to favor equity-oriented schemes, which generally attract higher investment management fees in comparison to non-equity-oriented schemes. Individual Investors generally tend to have longer holding periods, contributing to a more stable asset base.

There has been a steady increase in retail investor participation. The non-individual participation has declined from 47.6% in FY20 to 39.6% in 9MFY26 reflecting moderation in institutional and corporate allocation.

Share of AUM by investor classification


Notes: Total may not add up to 100% due to rounding off, Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic), Non – individual investors include corporates, banks/FIs, and FII/FPIs, HNI investors are those who invest more than Rs. 2,00,000; Source: AMFI, CRISIL Intelligence

Share of AUM by investor classification

In Rs. billions	20-Mar	21-Mar	22-Mar	23-Mar	24-Mar	25-Mar	Q1FY26	H1FY26	9MFY26
Individual - Retail	4,724	7,092	8,885	10,038	14,875	17,887	20,433	21,217	22,181
Individual - HNI	8,288	10,394	12,301	13,685	19,011	23,168	25,819	27,042	28,471
Total Individual	13,013	17,486	21,186	23,723	33,886	41,055	46,252	48,258	50,652
Non-Individual	11,820	14,951	16,987	16,942	21,878	26,599	29,685	30,952	33,172

Notes: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic), Non – individual investors include corporates, banks/FIs, and FII/FPIs; Source: AMFI, CRISIL Intelligence

Share of AUM by schemes and investor classification

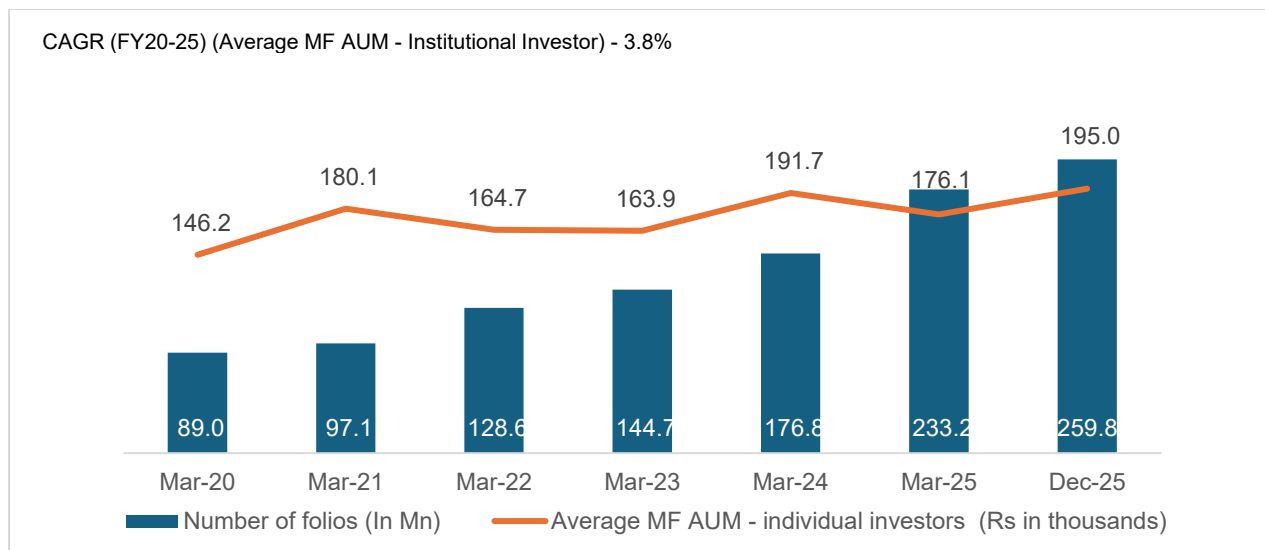
		AUM (in Rs. billions)							% share						
		FY20	FY21	FY22	FY23	FY24	FY25	9MF Y26	FY20	FY21	FY22	FY23	FY24	FY25	9MF Y26
Growth / Equity Oriented Schemes	Individual	7,216	10,580	14,209	16,191	25,090	31,269	38,887	85.8%	87.4%	87.4%	88.6%	87.8%	87.3%	86.6%
	Institutional	1,195	1,522	2,045	2,091	3,493	4,569	6,040	14.2%	12.6%	12.6%	11.4%	12.2%	12.7%	13.4%
	Total	8,412	12,102	16,254	18,283	28,583	35,838	44,927	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income / Debt Oriented Schemes	Individual	4,261	4,900	4,111	4,315	4,491	4,603	4,781	32.2%	31.8%	27.6%	30.5%	27.9%	24.4%	22.1%
	Institutional	8,963	10,521	10,773	9,852	11,614	14,244	16,887	67.8%	68.2%	72.4%	69.5%	72.1%	75.6%	77.9%
	Total	13,224	15,421	14,884	14,167	16,105	18,847	21,668	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

		AUM (in Rs. billions)							% share						
		FY20	FY21	FY22	FY23	FY24	FY25	9MF Y26	FY20	FY21	FY22	FY23	FY24	FY25	9MF Y26
Balanced Schemes	Individual	1,301	1,511	2,031	2,204	2,982	3,356	3,985	92.7%	93.8%	93.1%	93.1%	92.8%	92.1%	91.5%
	Institutional	102	100	151	163	232	289	368	7.3%	6.2%	6.9%	6.9%	7.2%	7.9%	8.5%
	Total	1,403	1,611	2,183	2,367	3,214	3,645	4,353	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Exchange Traded Fund	Individual	104	183	275	373	537	867	1,327	6.3%	6.3%	6.6%	7.4%	7.8%	10.7%	12.4%
	Institutional	1,540	2,741	3,889	4,638	6,315	7,243	9,352	93.7%	93.7%	93.4%	92.6%	92.2%	89.3%	87.6%
	Total	1,643	2,924	4,164	5,011	6,852	8,110	10,679	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Fund of Funds Investing Overseas	Individual	22	95	183	181	207	213	299	82.3%	83.8%	83.7%	83.0%	81.6%	81.0%	81.9%
	Institutional	5	18	36	37	47	50	66	17.7%	16.2%	16.3%	17.0%	18.4%	19.0%	18.1%
	Total	27	113	218	219	253	263	365	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Fund of Funds Scheme (Domestic)	Individual	109	216	377	458	580	748	1,373	88.2%	81.7%	80.0%	74.1%	76.6%	78.5%	74.9%
	Institutional	15	49	94	160	177	204	459	11.8%	18.3%	20.0%	25.9%	23.4%	21.5%	25.1%
	Total	124	265	471	618	757	952	1,832	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Grand Total	24,833	32,437	38,174	40,665	55,764	67,654	83,824	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Notes: Based on monthly average AUM (MAAUM), Non – individual investors include corporates, banks/FIs, and FII/FPIs, Individual Investors include retail and HNI investors; Growth/ Equity oriented schemes also include Arbitrage and Index funds. Source: AMFI, CRISIL Intelligence

Trend in average MF AUM – individual investors

The number of folios increased from 89 million to 259.8 million from FY20 to 9MFY26, indicating rapid onboarding and increased interest from retail investors. The average mutual fund AUM grew at a CAGR of ~3.8% also average AUM for individual investors has consistently improved over the years to Rs. 259,800 in December 2025 from Rs. 890,00 in March 2020 during the period of FY20 to 9MFY26 with interim volatility.

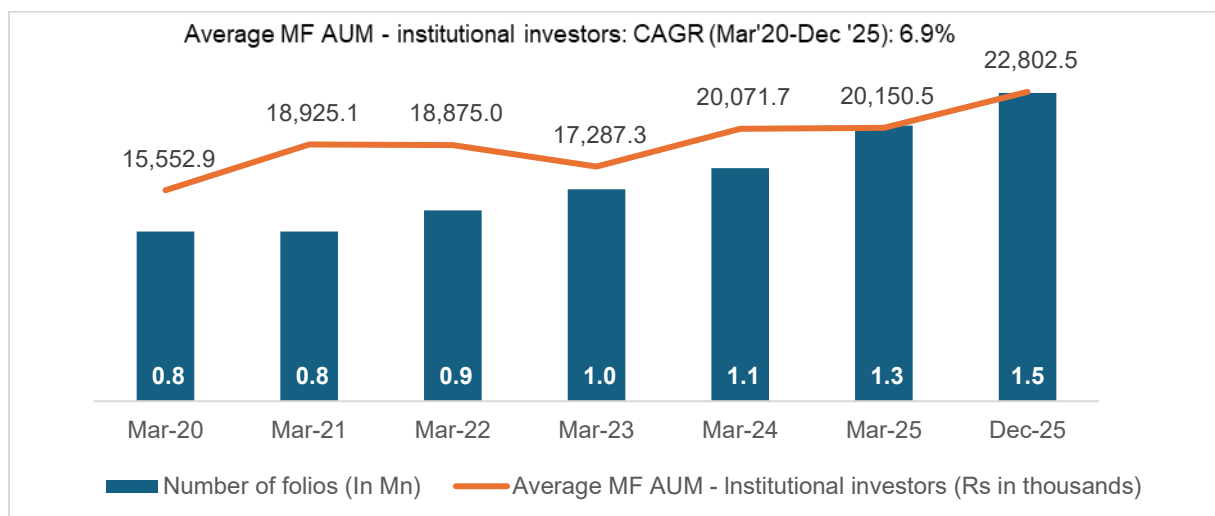


Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic), Average MF AUM – individual investors is calculated as outstanding AUM divided by number of folios

Source: AMFI, CRISIL Intelligence

Trend in average MF AUM - institutional investors

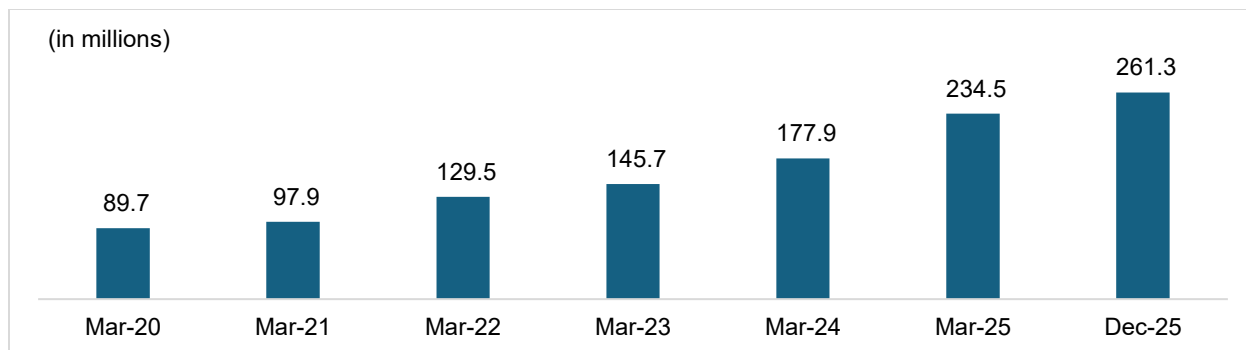
The average MF AUM grew at a CAGR of ~6.9% for the period FY20 to 9MFY26. The steady increase in average Aum despite modest folio growth highlights high-ticket nature of institutional investments.



Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic), Average MF AUM – institutional investors is calculated as outstanding AUM divided by number of folios

Source: AMFI, CRISIL Intelligence

Total Mutual Fund Folios increased in 9MFY26



Source: AMFI, CRISIL Intelligence

In terms of debt AUM, institutional investors emerged as the leaders having total share of 75.6% as on 31st March 2025 and increased to 77.9% as of December 2025. The share of individual investors in debt mutual funds AUM has decreased from 32.2% as of March 2020 to 24.4% as on 31st March 2025 and further declined to 22.1% as of December 2025.

Institutional investors also had the highest share in Exchange Traded Funds AUM with 89.3% of holding, as on 31st March 2025 and 87.6% as of December 2025.

Harnessing Technology for Mutual Fund Growth: The integration of Artificial Intelligence (AI) and Data Analytics has revolutionized the mutual fund industry, enabling tailored guidance and bespoke investment solutions for clients. By analysing large datasets, AI and Data Analytics help mutual funds make improved investment decisions and offer personalized advice. Technology has streamlined tasks, reducing processing times from days to seconds, and is now a key driver of growth in the industry. Digital platforms provide real-time access to information, empowering investors to make informed decisions, while robo-advisors offer personalized guidance with ease. Furthermore, AI is transforming fund management through advanced data analysis and automation, unlocking the full potential of technology and fostering a more informed and confident investor base. By leveraging these advancements, the industry is poised for substantial expansion and development, propelling mutual funds towards a more efficient, effective, and customer-centric future.

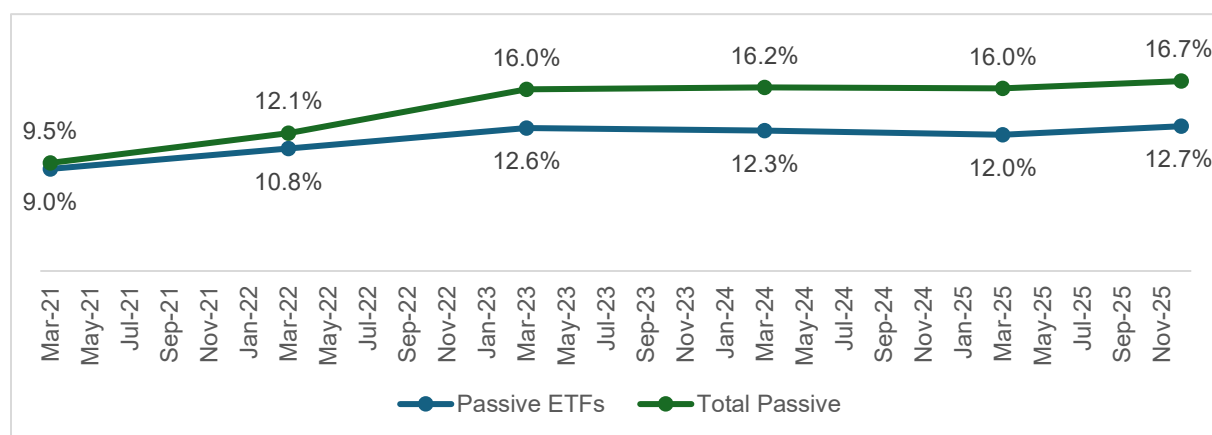
Mutual Fund Industry sees growth in smaller cities: India's mutual fund industry is witnessing a notable shift, with smaller cities, referred to as Beyond 30 (B-30) cities, emerging as significant growth drivers, alongside the established Top 30 (T-30) cities. Historically, T-30 cities have accounted for approximately 75-80% of the total assets under management (AUM), owing to their mature financial markets and higher financial literacy.

However, B-30 cities, which are mid-sized and have limited financial infrastructure, are rapidly catching up. Furthermore, assets from B30 locations witnessed a 21% CAGR, rising from Rs. 3.8 trillion in March 2019 to Rs. 12.1 trillion in March 2025 and further rose to 15.4 trillion in December 2025 (~18.7% of total AAUM of mutual fund industry in India). This surge can be attributed to increasing financial awareness and enhanced distribution channels in these smaller cities, which are now making a significant contribution to the mutual fund sector. Overall, the growth of mutual fund contributions from small cities in India is a positive trend, driven by increasing financial literacy, digitalization, and government initiatives.

Passive Investing's Growth: Passive funds continued to see growth in assets; the segment continued to benefit from institutional investment flows into exchange traded funds (ETFs) from investors such as provident funds. Over the next few years, index funds and ETFs likely play a major role in passive investing. These funds are easy to invest, and hence consistently attract investors with their steady returns. As of

December 2025, EPFO flows have remained a crucial pillar of consistent institutional demand in the Indian equity market, providing a structural buffer against FII outflows and reducing market volatility. With record-high membership additions, increased equity exposure, and an active investment strategy, EPFO has emerged as a significant long-term buyer, supporting the market and driving growth. By 2030, passive investing is expected to emerge as a leading trend, driven by the growing popularity of exchange-traded funds (ETFs) and index funds, which will likely prompt an increase in its share in total MF AUM. The top mutual funds by passive AUM are: SBI Mutual Fund with approx. Rs. 4.1 trillion (32% of total AUM), Nippon India Mutual Fund with approx. Rs. 2.4 trillion (33% of total AUM), UTI Mutual Fund with Rs. 1.8 trillion (45% of total AUM), ICICI Prudential Mutual Fund with Rs. 1.7 trillion (16% of total AUM), and HDFC Mutual Fund with Rs. 897 billion (10% of total AUM). Edelweiss Mutual Fund has Rs. 784 billion in passive AUM, forming (47% of total AUM). Together, these top five fund houses control nearly three-fourths of the total passive AUM in the mutual fund industry.

Trends of Passive ETF AUM to Overall QAAUM



Note: AMFI, Crisil Intelligence

Sustainability and ESG Investing: The mutual fund industry is poised to benefit from the growing trend of environmental, social, and governance (ESG) investing, as Indian investors increasingly seek to align their investments with their personal values and contribute to a more sustainable future. With the rising awareness of social and environmental issues, ESG funds that prioritize sustainability, ethics, and social responsibility are gaining traction, presenting a significant opportunity for the industry to expand its offerings and cater to this emerging demand. By introducing more ESG-focused products, mutual fund companies can tap into this trend, attract socially conscious investors, and capitalize on the growing interest in responsible investing.

New Products Introduced by SEBI in MF Industry in India

Mutual Fund Lite

The Securities and Exchange Board of India (SEBI) has introduced a new framework on 31 Dec 2024, Mutual Fund Lite, to simplify the regulatory requirements for passive mutual fund schemes. The previous regulatory framework for mutual funds was uniform and applied to both active and passive schemes. The MF Lite Framework aims to promote ease of entry, encourage new players, reduce compliance requirements, increase penetration, facilitate investment diversification, increase market liquidity, and foster innovation.

Mutual Fund Lite is a mutual fund that only invests in passive schemes, such as index funds, exchange-traded funds (ETFs), fund of funds, or other mutual fund schemes specified by SEBI. The MF Lite Framework is designed to provide a relaxed regime with light-touch provisions for passive mutual fund schemes.

Broadly, the MF Lite Framework covers the following categories of passive schemes:

- Domestic Equity Passive Indices: Passive funds based on domestic equity passive indices with a collective AUM of Rs. 50 billion and above.
- Domestic Debt Passive Indices: Domestic target maturity debt passive funds and constant duration passive funds based on domestic debt indices with a collective AUM of Rs. 50 billion. and above.
- Gold and Silver ETFs: Gold ETFs, Silver ETFs, and FoFs based on only Gold or Silver ETFs.
- Overseas ETFs and FoFs: Overseas ETFs and FoFs having a single underlying overseas passive fund, with underlying overseas benchmarks permitted by SEBI.

Specialized Investment Funds (SIF)

The Securities and Exchange Board of India (SEBI) introduced the Specialized Investment Funds (SIF) framework, effective from April 1, 2025. The SIF framework is designed to bridge the gap between mutual funds and portfolio management services (PMS), offering both retail and sophisticated investors a new asset class for investment.

SIFs are designed to permit more aggressive investment strategies, including long-short equity positions using derivatives, under a pooled investment structure. This is a departure from individually managed PMS accounts. The SIF framework aligns with global trends, where investors are increasingly interested in tactical and sectoral strategies, often using short positions as a hedge or return enhancer.

Under the SIF framework, SEBI has imposed certain restrictions where maximum short exposure is capped at 25%. Investors have shown sustained interest in SIFs, particularly in hybrid investment strategies, which have emerged as a key driver of their early success, with two new launches - an equity long-short fund collecting Rs. 1.2 billion and a hybrid long-short fund mobilising Rs. 2.3 billion, with net assets under management (AUM) standing at Rs 48.9 Bn as of December 2025. This represents a month-on-month increase of approximately 67% from Rs 29.3 Bn. The category witnessed inflows of Rs 19.3 Bn, with hybrid strategies attracting Rs 15.71 Bn. SIFs have sustained their momentum and investor interest in their initial months, with hybrid investment strategies emerging as a key driver of their early success. As of December 31, 2025, SBI Mutual Fund (SBI Magnum) SIF AUM stood at of Rs. 1,181.1 billion, representing the largest market share of 61.0% of the SIF segment in India.

Month	Number schemes	of	Number folios	of	Net AUM (in Rs. Bn)	Average net AUM (inRs. Bn)
25-Oct	4		10212		20.1	8.9
25-Nov	5		14712		29.3	24.7
25-Dec	7		20779		48.9	39.8

Source: AMFI, Crisil Intelligence

SBI is the first bank-backed fund house to launch an SIF platform, which is currently India's largest platform

AMC Name	Equity	Hybrid	Grand Total	Market Share
ITI AMC	79.4	-	79.4	4.1%
Quant AMC	507.0	111.1	618.1	31.9%
SBI AMC		1,181.1	1,181.1	61.0%
Tata AMC		58.0	58.0	3.0%
Grand Total	586.4	1,350.2	1,936.6	100%

Note: AMFI, Crisil Intelligence

Key growth drivers & enablers for mutual fund industry

1. Robust Economic Growth

India is expected to remain one of the fastest-growing economies in the world despite challenges posed by global geopolitical instability. As per the first advance estimates published by the National Statistics Office in Feb 2026, estimates the country's real GDP to expand 7.4% in Fiscal 2026. The services sector remains the primary growth driver, expanding by 9.1 per cent. Manufacturing and construction have grown by 7 per cent. Agriculture is estimated to grow at 3.1 per cent. In the Budget for FY26-27, nominal GDP is projected to grow by 10% over the First Advance Estimates of FY25-26. The Indian economy was among the fastest-growing even before the Covid-19 pandemic. In the years leading up to the global health crisis, which disrupted economic activities, the country's economic indicators improved gradually owing to strong local consumption and lower reliance on global demand.

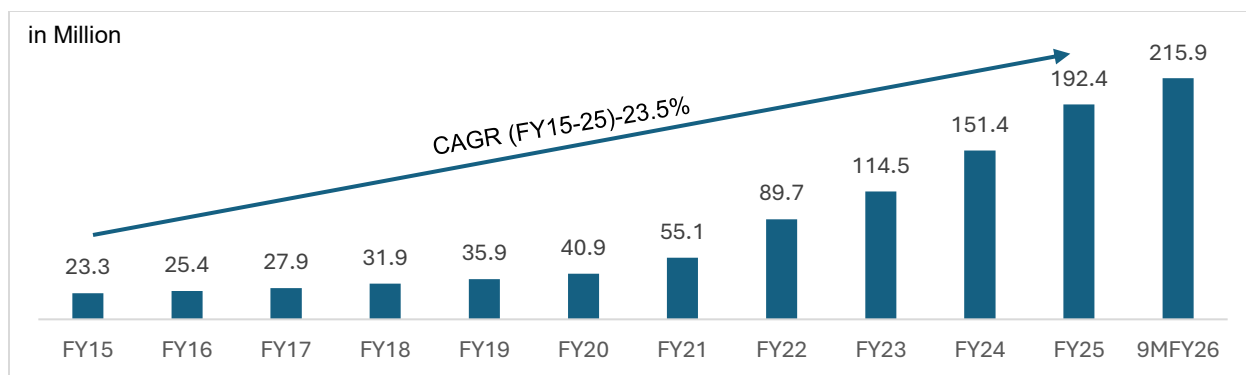
2. Government Initiatives

The Indian government has launched initiatives to promote the mutual fund industry, focusing on rural penetration, investor protection, and financial inclusion. AMFI and India Post are training postmen as distributors, while products like 'Choti SIP' (Rs. 250/month) and 'Tarun Yojana' for young investors have been introduced. Awareness campaigns, such as "Your Money, Your Right", educate investors about their rights. Regulatory upgrades, effective April 1, 2026, will improve transparency and governance. Incentives are offered for investments in Beyond 30 cities, and industry initiatives like 'MITRA' help recover forgotten investments. Additionally, the government supports Alternative Investment Funds (AIFs) through Fund of Funds for Startups (FFS) and Self-Reliant India (SRI) Fund, providing equity financing to MSMEs.

3. Increasing awareness about capital markets and growing market penetration among the population to aid Industry Growth

Indian capital market's penetration is low at ~13% with 192.4 million demat accounts as on March 2025 and this acts as a structural driver for long-term MF industry expansion. The total demat accounts increased from 23.3 million in March 2015 to 192.4 million in March 2025, growing at 23% CAGR during the period. As of 9M Fiscal 2026, total demat accounts stood at 215.9 million. The growth in demat accounts suggests the increasing awareness and willingness of the people to participate in capital markets for either trading or with long-term outlook. The young population of India is keen to learn the art of investing in the capital markets and has access to digital content for the same. This rising awareness and ease of investing is encouraging more individuals to participate in the capital markets. CRISIL Intelligence expects this trend is likely to continue, as more individuals open demat accounts and thus expand their financial savings.

Growth in demat accounts since fiscal 2015

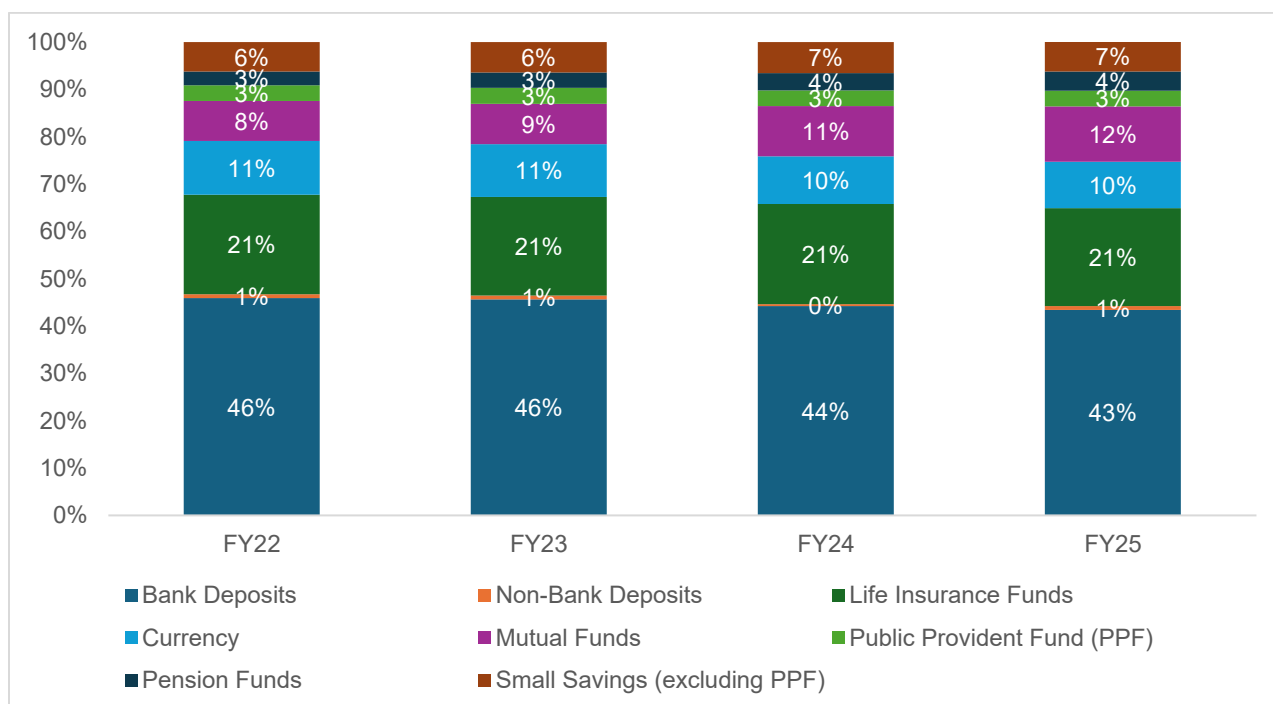


Source: CDSL, NSDL, Crisil Intelligence

4. Financialization of savings

As the Indian economy is growing, per capita income and disposable income of the country is also expected to rise. The increase in disposable income can fuel growth in various investment assets such as mutual funds. The increase in the number of ITR filings also indicates the growth of the mutual fund industry.. As the level of financial literacy among investors increases, they are more likely to invest in safer asset classes such as mutual funds. Mutual funds have also started to invest in stocks listed outside the country thus helping individuals diversify their investments. Mutual Fund regulations enforced by SEBI encourage transparency, investor protection and wider participation in the industry, helping build trust and stability in the market.

Share of mutual fund rises from 8% in Fiscal 2022 to 12% in Fiscal 2025 in stocks of Financial Assets of Household



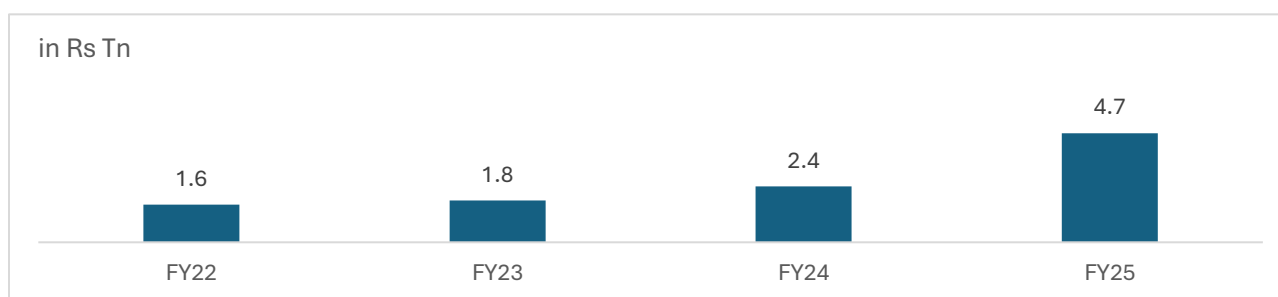
Source: RBI, Crisil Intelligence

Annual inflows of household savings into financial assets

Flow of Household Financial Assets (in Rs trillion)	FY22	FY23	FY24	FY25	CAGR (FY22-25)
Deposit (bank and non-bank)	7.0	11.1	13.8	12.5	14.53%
Life insurance funds	4.4	5.5	6.5	5.3	3.18%
Provident and pension funds (including PPF)	5.8	6.2	7.2	7.9	12.81%
Currency	2.7	2.4	1.2	2.1	-8.05%
Mutual funds	1.6	1.8	2.4	4.7	42.62%
Equities	0.5	0.2	0.3	0.7	14.81%
Small savings (excluding PPF)	3.4	2.0	3.1	2.3	-1.16%
Other Investments	0.2	0.1	0.3	-	-
Total household financial assets	25.6	29.3	34.7	35.6	10.87%

Source: RBI, Crisil Intelligence

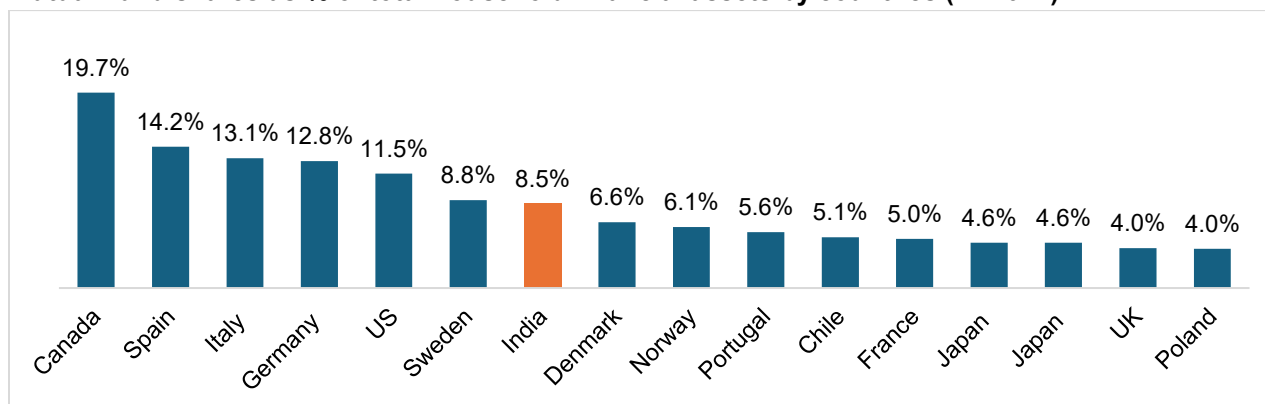
5. Inflow of financial savings into Mutual Funds in fiscal 2025 increased by 95% from fiscal 2024



Note: Above dates represent annual data of financial assets

Source: RBI, CRISIL Intelligence

Mutual Fund shares as % of total household financial assets by countries (CY2022)

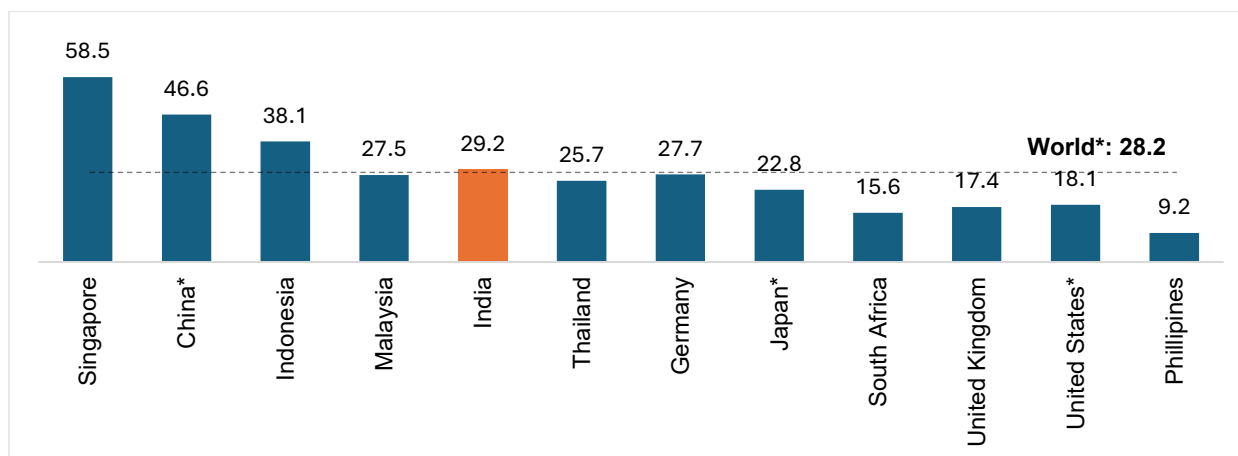


Source: OECD, RBI, Crisil Intelligence

Household savings expected to increase

India's gross domestic savings as a percentage of GDP rose to 29.2% in 2023 from 28.4% in 2022, highlighting the economy's recovery and improved income levels. Compared with most of the emerging market peers, India had a favourable gross domestic savings rate, which was greater than the global average (28.2% in 2022).

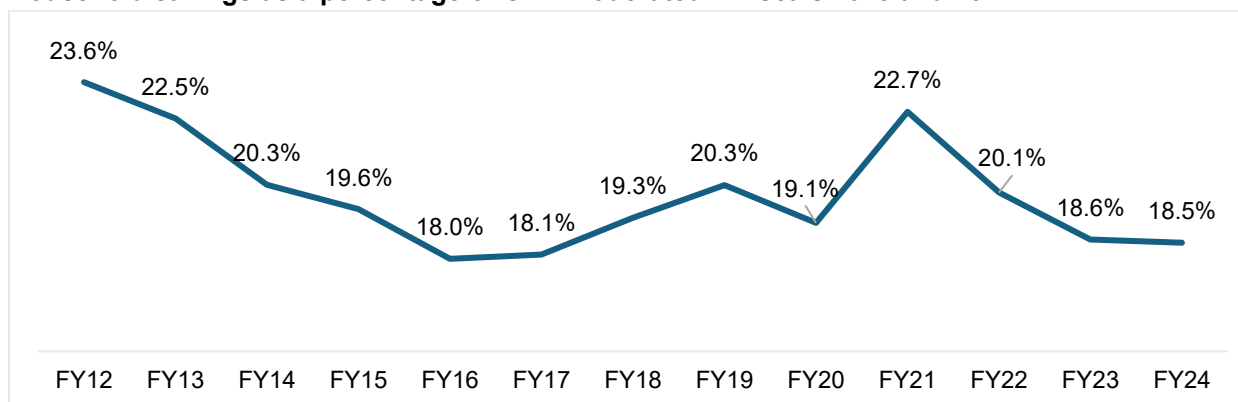
6. India's gross domestic savings rate is higher than the global average (2023)



Note: The savings rate is in %. * Data as on 2022
Source: World Bank, Crisil Intelligence

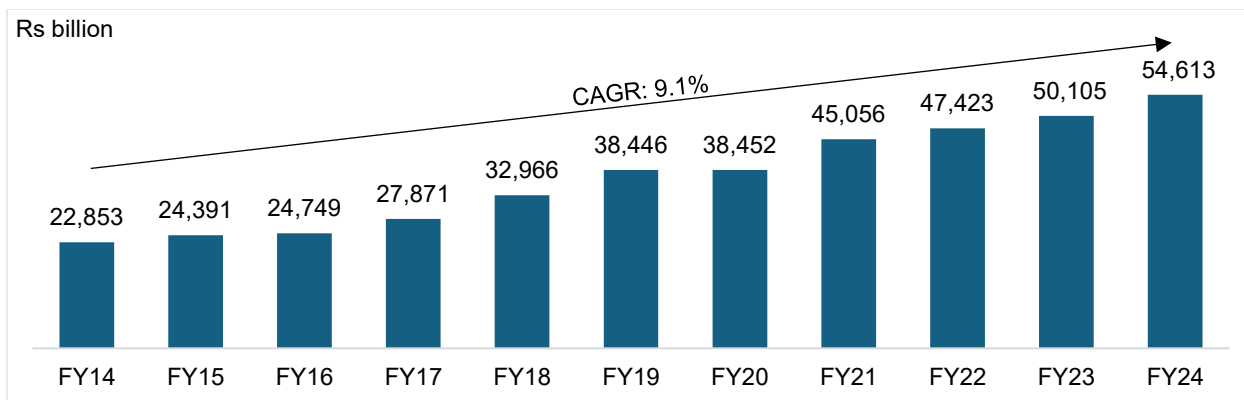
During the pandemic, household savings as a percentage of GDP increased from 19.1% in fiscal 2020 to 22.7% in fiscal 2021. However, household savings moderated to 18.5% in fiscal 2024, due to households borrowing at a faster pace than they were saving since the pandemic. This was driven by a significant retail credit push by lenders, increased willingness among individuals (particularly the younger demographic) to borrow, and enhanced access to lenders facilitated by technological advancement. Crisil Intelligence expects India to remain a high-savings economy owing to a higher gross domestic savings rate than the global average.

Household savings as a percentage of GDP moderated in fiscals 2023 and 2024



Source: MoSPI, NSO, Crisil Intelligence

Household savings growth



Source: MoSPI, Crisil Intelligence

Unlike most other countries, where financial savings dominate, physical assets constitute the majority of household savings in India. In fiscal 2014, household savings in physical assets stood at 62%. The share decreased to 47% in fiscal 2021 due to pandemic-induced nationwide lockdowns and slowdown in construction of houses. With the lifting of lockdowns post-pandemic, it surged to 63% in fiscal 2022 and 70% in fiscal 2024 owing to an increase in construction of houses.

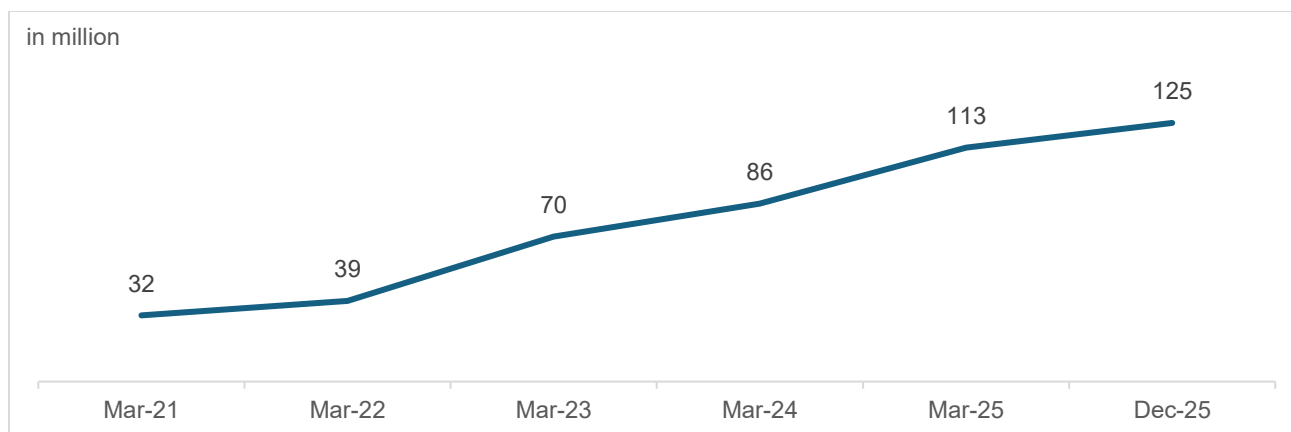
Crisil Intelligence expects the share of financial assets in net household savings to increase over the next five years, after the pandemic could have further goaded investors to move to higher-yielding instruments in real terms. Mutual fund investments by households have grown faster than in the recent past. Investments through systematic investment plans (SIPs), mostly opted by individuals, continued to rise in fiscal 2025 and 9MFY26. Among financial instruments, households are moving away from savings in deposits towards equities, mutual funds and small savings.

8. Increasing participation of retail investors

Individual investors (i.e., excluding promoters and institutions) ownership in NSE listed companies has increased steadily over the years, reflecting growing confidence in Indian equity markets. Increasing share of mutual funds in the financial savings of households, driven by expectations of higher and stable returns, is a key factor that is expected to contribute to fund inflows, especially into passive and equity fund categories.

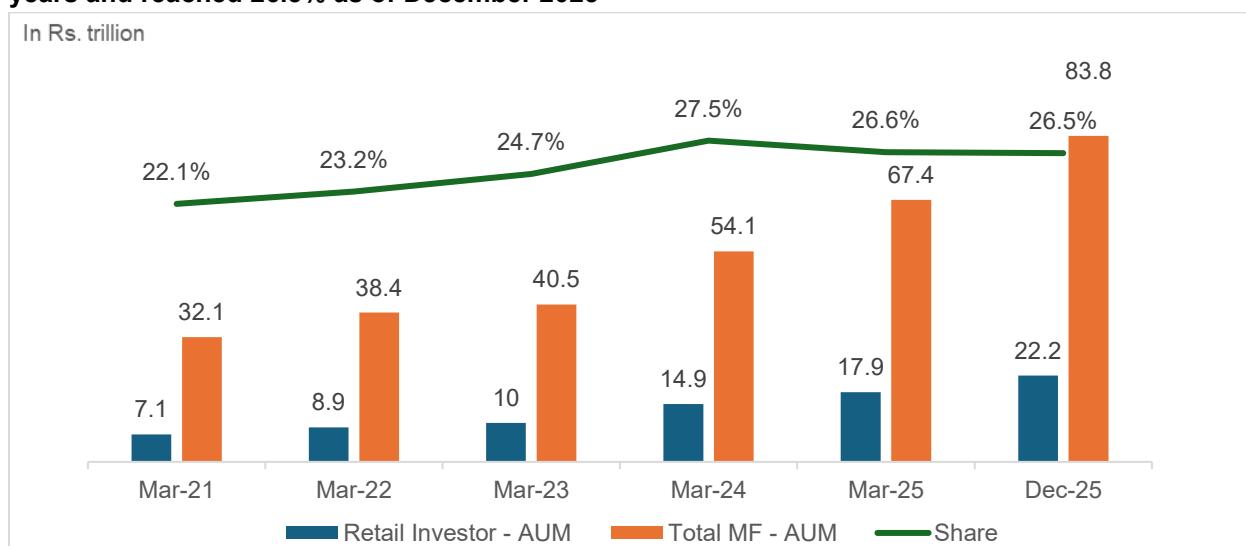
Total MF AUM of retail investors, including Fund of Funds Scheme (Domestic), stood at Rs. 22.2 trillion which stood at 26.6% of total MF AUM as on 31st December 2025. It was mainly driven by the interest of retail investors in equity oriented and gold ETF mutual fund schemes. Total MF AUM of retail investors in equity-oriented schemes (as per AMFI) amounted to Rs. 19.9 trillion and accounted for 45% of the total equity AUM at the end of December 2025.

Retail Investors in India



Note: NSE, Crisil Intelligence

Share of retail investors' AUM in total MF MAUM of all investors has been rising since the last five years and reached 26.5% as of December 2025



Source: AMFI, CRISIL Intelligence

Per Capita Mutual Fund Assets Under Management Equity Mutual Fund Assets as a Proportion of Total Equity Market Capitalization: A Global Comparison with India

The Indian Mutual Fund industry has witnessed remarkable growth, with its total AUM reaching an impressive Rs. 80.2 trillion in December 2025. This rapid expansion is expected to continue, with projections indicating that the industry's AUM will reach Rs. 300 trillion by 2035. The total number of accounts (or folios as per mutual fund parlance) as on December 31, 2025 stood at 261.3 million, while the number of folios under Equity, Hybrid and Solution Oriented Schemes, wherein the maximum investment is from retail segment stood at about 202.8 million.

Despite this growth, India's per capita MF AUM remains relatively low compared to developed nations. However, this metric is rising swiftly, driven by the increasing popularity of Systematic Investment Plans (SIPs). In terms of regional concentration, Maharashtra dominates the equity MF AUM landscape with Rs. 12.9 trillion, accounting for 41% of its total AUM, followed closely by New Delhi and Karnataka. This regional

concentration highlights the need for increased penetration and awareness about mutual funds in other parts of the country.

A comparative analysis of Equity Mutual Fund AUM as a percentage of total market capitalization reveals that India still lags behind developed markets. However, the trend indicates a rapid growth in retail, B30 (Beyond top 30 cities), and SIP-led inflows, which is reducing the reliance on foreign institutional investors. Globally, the mutual fund market has reached a staggering \$147 trillion in Q2 2025, with mature markets like the US exhibiting a much higher percentage of household savings invested in equities through funds. This results in a higher MF AUM to market cap ratio in these countries compared to India.

India's Wealth Pyramid Shifts Upward: A Surge in High-Income Earners

India's MF AUM to GDP ratio of 19.9% (as of March 2025) is growing but still relatively low, suggesting that there is immense expansion headroom for equity MF AUM as a percentage of total market cap. This growth potential is driven by several key factors, including a retail shift towards SIPs, increased participation from Gen Z and female investors, and India's strong economic growth. The country's 6.5% real GDP growth is strengthening household income and savings, providing a solid foundation for the growth of the mutual fund industry. The global trend towards passive investing is also influencing the Indian market, with passive funds holding a 52% share of total AUM (up from 24% in 2015). As the Indian mutual fund industry continues to evolve, it is likely that these trends will persist, driving growth and innovation in the sector.

The Indian economy is experiencing a significant rise in high-income earners, driven by rapid formalization and improved tax compliance. According to ITR filings for AY FY 2024-25, the number of individuals reporting income exceeding Rs.10 million surged by 43% to over 32.4 million. Additionally, there was a robust increase in taxpayers reporting incomes above Rs. 1 million, Rs. 1.5 million and Rs. 2 million with 38.9 million entities reporting income in the Rs. 10-50 million range and 43,004 reporting income above Rs. 100 million. The salaried professionals earning more than Rs. 0.3 million annually saw a 23.34% year-on-year growth, with the 40-50 age group dominating this segment.

Emergence of Discount Brokers

The rise of discount brokers has been a game-changer in the Indian mutual fund industry, transforming the way investors invest and contributing significantly to the growth of the industry. With their low-cost, technology-driven, and paperless investing solutions, discount brokers have made investing more accessible and affordable for retail investors. As a result, these brokers have played a crucial role in increasing the Mutual Fund (MF) AUM, which grew from Rs. 31.0 trillion in Dec 2020 to Rs. 80.2 trillion by Dec 31, 2025.

Discount brokers have increased access to investing by capturing nearly 70% of the market share of active NSE clients as of December 2025, up from 30% in March 2020. Key players such as Groww, Zerodha, Angel One, and Upstox have a significant presence in the market, with Groww leading the pack with over 12.1 million active clients, followed by Zerodha with 6.8 million, Angel One with 6.7 million, and Upstox with 2 million active clients. These brokers have effectively cross-sold mutual funds to their existing active stock trading user base, encouraging investors to diversify their portfolios and invest in mutual funds.

The digital platforms offered by discount brokers have also played a crucial role in driving growth. These platforms have enabled investors to invest in mutual funds easily and conveniently, with features such as instant, paperless onboarding (KYC) and the ability to start, modify, or pause SIPs. As a result, monthly SIP inflows have grown to over Rs. 310 billion as of December 2025. The share of direct plans in total SIP AUM has also increased significantly, from 12% in March 2020 to 21% by March 2025.

The impact of discount brokers on retail participation in the mutual fund industry has been profound. They have contributed to the 2.5-fold increase in investor folios (reaching 238.3 million by mid-2025) and the rise in B30 city participation. By making investing more accessible and affordable, discount brokers have promoted financial inclusion and literacy, particularly among millennials and first-time investors

Favourable Demographics

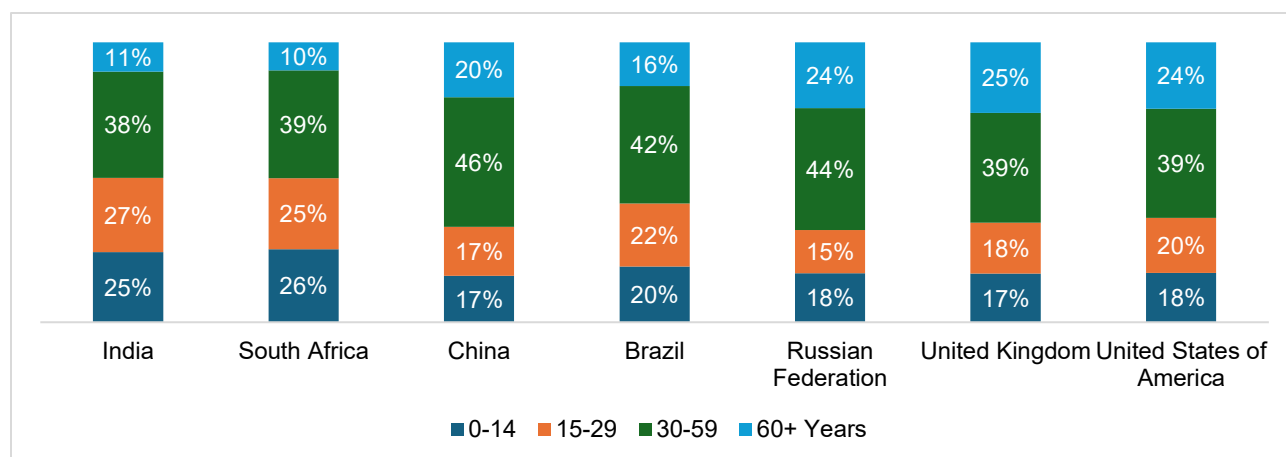
India stands as the nation with the largest population globally, comprising a substantial segment of 381.5 million individuals aged between 15 and 29 years. This demographic presents immense potential for various sectors, including the AMC industry, to tap into a significant market and address the evolving needs of this dynamic age group. As the young population in India increases, the investment needs of population within the country is also estimated to expand.

India has the highest young population (15-30 years) with 381.5 million individuals, among the major economies (CY2023)

Country	0-14 Yrs	15-30 Yrs	31-59 Yrs	60+ Yrs
India	360.3	381.5	545.0	151.2
Brazil	42.1	47.5	88.6	32.9
China	236.0	248.4	659.9	278.4
Russia	25.5	22.4	63.3	34.2
South Africa	16.5	16	24.4	6.3
United Kingdom	12	12.5	27.0	17.3
United States of America	60.4	67.7	133.8	81.6

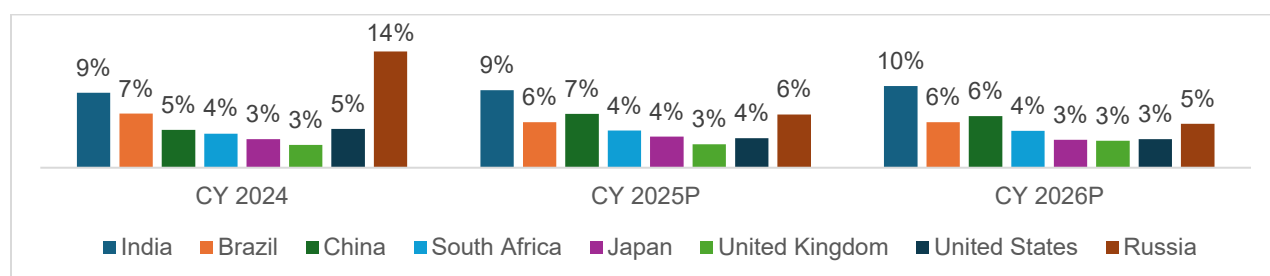
Note: Values in millions. Source: Census 2011, World Urbanization Prospects: 2024

India has the highest share of young population (15-29 years) among the major economies (CY2023)



Note: Total may not add up to 100% due to rounding off. Source: World Urbanization Prospects: 2024

India is estimated to report the highest Nominal GDP per capita growth (% year on year) among emerging and developed economy in the world at 10% in CY 2026



Note: P- Projected, Gross domestic product per capita, current prices in national currency is considered for year-on-year growth calculations, figures basis IMF estimations, Source: IMF (World Economic Outlook- October 2025), Crisil Intelligence

Increased awareness

The low mutual fund penetration in India is largely due to the lack of awareness. However, penetration is increasing owing to various regulatory initiatives towards investor education and awareness. SEBI has directed AMC’s to annually set aside at least 2 basis points (“bps”) of their daily net assets for spending on investor-education initiatives such as boosting awareness about capital market investment products. Such spending is expected to rise along with growing industry AUM, thereby helping deepen mutual fund penetration among new investors, particularly in B30 markets. EPFO’s move to invest 15% of its fresh accretion into ETFs has boosted the industry, thereby illustrating how mutual funds can be promoted as a vehicle for retirement planning in India. The substantial proportion of the young population offers huge potential for retirement planning.

Campaigns like “Mutual Funds Sahi Hai” initiated by the Association of Mutual Funds in India (AMFI), have played a pivotal role in increasing awareness and participation in mutual funds across the country. The “Mutual Funds Sahi Hai” campaign was launched in March 2017 by AMFI to promote mutual funds as a reliable investment for retail investors and increase its awareness. The use of regional languages and localized messaging has helped the campaign resonate with audiences beyond urban centers. Social media plays a central role in the campaigns’ virality.

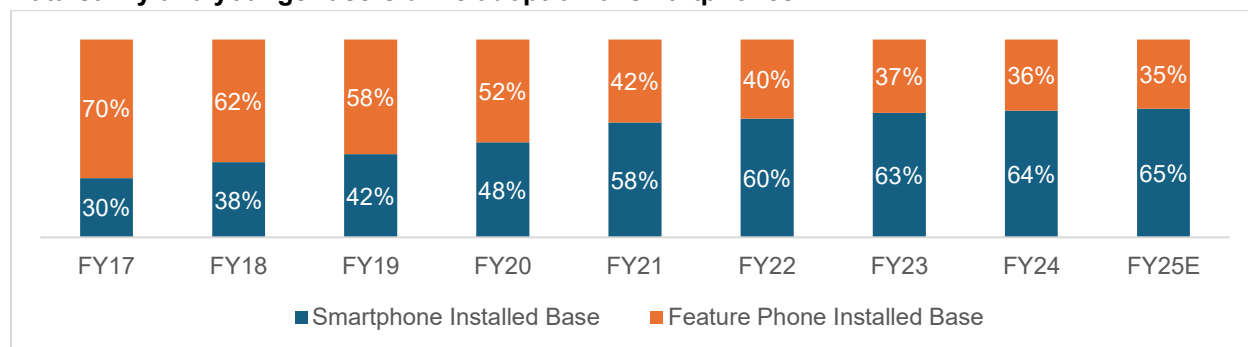
Easy accessibility via increased digitalization

Use of technology is widespread in India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speed, consumers are now encouraging Digitalization as they find it more convenient. Digitalization is expected to help improve efficiency and optimize costs. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

Increasing use of technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speed, consumers are now encouraging digitalization as they find it more convenient. Digitalization is expected to help improve efficiency and optimize costs. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

Mobile penetration: Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhaar and bank account penetration, have led India to shift from being a cash-dominated economy to a digital one.

Data-savvy and younger users drive adoption of smartphones



Note: E - Estimated,

Source: CRISIL Intelligence

Key risks and challenges for mutual fund industry

Market volatility due to adverse environment

Major factors such as political, economic factors such as GDP growth, change in repo rates can introduce significant volatility in the capital markets as investors react to the potential policy changes and their implications for different sectors and industries. Furthermore, geopolitical events such as trade disputes, military conflicts, and diplomatic tensions, can also contribute to market instability. Retail participation and inflows into mutual funds and other market-linked products are heavily influenced by market performance and sentiment. Any downturn or volatility could make investors shy away from market-linked products and push them towards less-riskier assets

Increased competition from ULIPs

Investors have been gradually reallocating their savings to mutual funds in recent years. However, insurance products such as unit-linked investment products (ULIPs), which provide dual benefits of protection and long-term savings, are competing for market share with mutual funds. But ULIPs have higher costs due to the insurance component and returns may be potentially lower and subjected to market risks.

Direct equity investments offer higher potential returns at the risk of higher volatility, higher requirement of product understanding and higher risk appetite. Mutual funds with professional management, diversification, wide product choice and risk diversification continue to be competitive with other investment vehicles.

Long-term tax benefits on mutual funds offer reduced tax liability for investors. Equity-oriented mutual funds held for over 1 year are taxed at a concessional rate of 12.5% on gains exceeding Rs. 0.12 million, with exemption for gains up to this threshold. Additionally, Equity-Linked Savings Schemes (ELSS) offer deductions of up to Rs. 0.15 million under Section 80C, while debt funds held for over 3 years are taxed at 20% with indexation benefits, allowing investors to offset long-term capital losses against gains and reduce tax liability.

Increased competition with new players entering the market

The increased competition from new players entering the market will drive fund managers to be more innovative and agile in their investment strategies, as they strive to attract and retain investors. AMCs are also leveraging tech platforms or are being tech focused to cater to the market. This may lead to the introduction of new fund categories, specialized investment products, and enhanced digital platforms to provide a more seamless and personalized investment experience.

Technological shifts in Indian mutual fund industry

India has been witnessing increased use of automated technology such as artificial intelligence and AI-based services, chat bots, intelligent agents, digital assistants and many other app-driven services across all industries. Increasingly, we are witnessing a rising number of do it yourself (DIY) investors, some of whom prefer to directly invest in the markets instead of opting for the mutual fund route. The asset management companies of India will have to cope with this technological and attitudinal shift and reduce costs, develop new and innovative products, alpha generation and provide ease of investing to investors. However, it is also feared that increased implementation and usage of advanced technologies such as robo-advisors may disrupt the industry leading to loss of jobs and losing out the relevance of fund managers. It is important to strike a balance so that use technology can stimulate growth and bring in more efficiencies in the industry rather than disruptions.

Regulatory Changes

The government in Budget 2023 brought amendments as per which no Long-term Capital Gains (LTCG) tax benefits will be applicable to several investment vehicles such as debt mutual funds, gold funds, exchange-traded funds, international funds and certain category of hybrid mutual funds.

Additionally, with effect from 1st April 2023, capital gains made on mutual funds will be added to income and taxed as per the slab rates applicable. Consequently, the removal of the indexation benefit for debt mutual funds is likely to diminish their appeal to long-term investors. Additionally, there is an increased likelihood that investors may shift their focus towards bank deposits due to these changes. Interest rate hikes affect both debt and equity markets. High rates would continue to pose risks for mutual funds industry in India. Long-term debt schemes are expected to suffer the most as high interest rates drag down their returns. As of February 2026, SEBI's new mutual fund regulations, effective April 1, 2026, bring significant changes, including a new Base Expense Ratio (BER) framework, reduced brokerage fees, and a "Mutual Fund Lite" regime for passively managed schemes, aiming to increase transparency and cost-efficiency in the Rs. 60 trillion industry.

Lower investor awareness towards investing in mutual funds:

Despite the significant expansion of the mutual fund industry, many individuals remain uncertain about investment options. As of fiscal 2025, the Indian MF Industry had a total of 53.4 million unique investors, which accounts to approximately 4% of the India's population, a relatively low percentage compared to developed nations. A major obstacle for industry is changing this mindset and establishing trust. Although awareness is increasing in urban areas, rural regions and smaller towns continue to lack knowledge about mutual funds. Residents in these areas often have a limited understanding of the benefits and potential of mutual funds, leading to hesitation.

Impact of Tariffs on FII Flows

The Indian market has witnessed a significant shift in Foreign Institutional Investor (FII) flows, driven by a combination of factors, including monetary policy, trade tariffs, and domestic market trends. After a period of historic outflows, exceeding Rs. 1.5 trillion, FIIs have started to turn net buyers, driven by a dovish bias in the US Federal Reserve's policy and a new India-US trade deal.

The expectation of a continued easing cycle in the US has alleviated concerns about high interest rates, making Indian markets more attractive to FIIs. This, coupled with a strong domestic consumption story, has led to a sustained FII inflow, particularly into sectors such as banking, IT, and large-cap stocks. The easing cycle is expected to support sustained FII inflows, providing a boost to the Indian market.

As of February 2026, a significant shift in US-India trade relations has impacted Foreign Institutional Investor (FII) flows into the Indian stock market. Initially, a 50% US tariff on Indian goods imposed in late 2025, triggered a ~\$ 6.92 billion FII outflow over six months causing market volatility and a sharp correction in the Sensex/Nifty. However, a recent trade deal easing tariffs to 18% has reversed the trend sparking a major return of FIIs with record inflows, including Rs. 52 billion in a single day on February 3, 2026. The renewed interest is particularly evident in export-driven sectors like IT, textiles, and pharmaceuticals, which were initially hit but are now seeing improved sentiment. The Indian Rupee, which had hit lows, showed stability following the trade deal, and FIIs are monitoring it closely. Overall, the current sentiment is one of cautious optimism, driven by better-than-expected trade relations and solid growth potential in specific sectors.

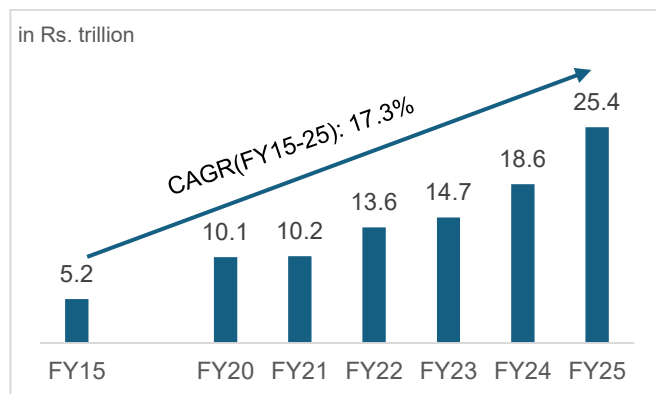
The Indian mutual fund industry has achieved a significant milestone, crossing Rs. 80.2 trillion in AUM as of December 31, 2025. This growth has been driven by a robust increase in retail participation, with the number of investor folios crossing 26 crore by the end of 2025. SIP contributions remain robust, providing a strong cushion against FII volatility and bolstering market stability.

While 2024 was dominated by equity, 2025-26 has shown a shift toward passive funds (ETFs/Index funds) and hybrid funds, which grew faster in terms of net inflows. This shift reflects a more mature market, with investors diversifying their portfolios across asset classes. Equity AUM growth moderated to 16.8% in 2025 from over 40% in 2024 indicating a more consolidated market.

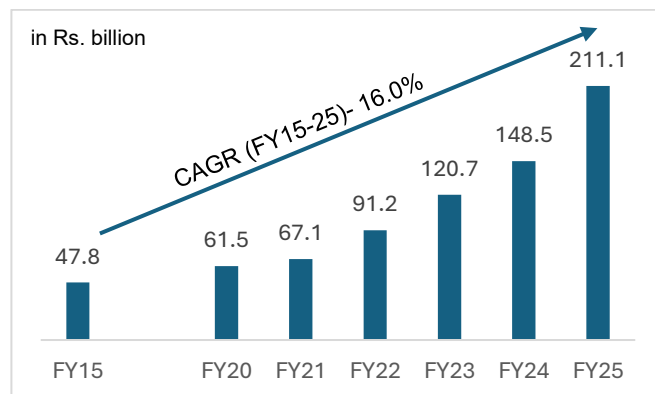
Mutual Funds Distribution industry in India

Market size of Mutual fund distribution industry

Distributors AAUM recorded a 17.3% CAGR over FY15-FY25



Distributors Commission grew at 16.0% CAGR over FY15-FY25

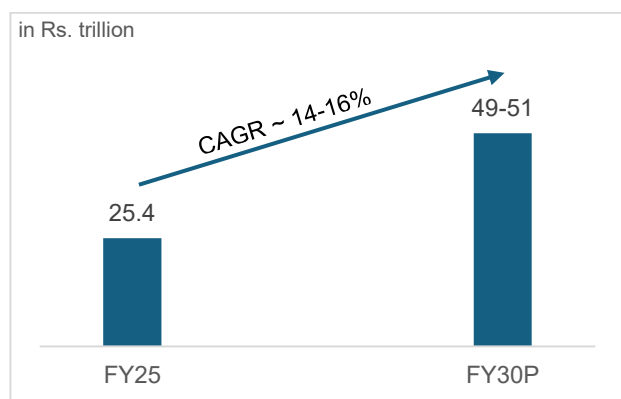


Source: AMFI, Crisil Intelligence

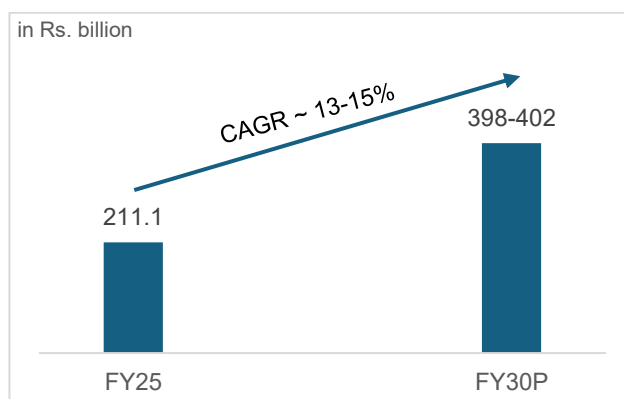
As per AMFI data, Mutual funds distributors average AUM witnessed a healthy growth of ~17.3% CAGR over fiscal 2015 to fiscal 2025 and reached Rs. 25.35 trillion in fiscal 2025. The gross commission paid to distributors increased to Rs 211.07 billion with a CAGR of 16.0% between fiscals 2015 and 2025. While there was a decline in overall commission for the top mutual fund distributors in fiscals 2020 and 2021 due to regulatory changes related to expense ratio and volatile market conditions towards the end of the year due to Covid-19 pandemic, there was high Y-o-Y growth in distributor's commission in fiscals 2024 and 2025, which can be attributed to rise inflows in SIPs which boosted the share of distributors in mutual fund AUM.

AUM and commission revenue for MF distributors – outlook

AUM growth outlook for MF distributors



Commission revenue outlook for MF distributors



Note: P: Projected

Source: AMFI, Crisil Intelligence

Going forward, Crisil Intelligence expects distributor AUM to grow at an overall CAGR of 14-16% between Fiscal 2025 and Fiscal 2030 owing to increasing penetration of IFAs and NDs in B30 cities and strong growth coming from rising customers confidence towards equity funds. During the same time commission revenue is also projected to grow at a 13-15% CAGR between Fiscal 2025 and Fiscal 2030 to reach approximately Rs. 400 billion.

Trends in distribution of products by AMC/mutual funds and movement of Channel-wise share

The Indian mutual fund distribution landscape is undergoing a significant transformation in 2025-2026, driven by rapid digitalization, regulatory shifts favouring transparency, and the rise of "DIY" (Do-It-Yourself) investing. As of 31st December 2025, the industry has achieved a milestone, with its AUM surpassing Rs. 80 trillion. This growth is accompanied by a notable shift towards hybrid and passive products, as well as a surge in digital, direct-to-investor channels. A key trend in product distribution is the dominance of Systematic Investment Plans (SIPs), which continue to be the primary driver of growth, with monthly inflows exceeding Rs. 310 billion. This ensures consistent, long-term retail participation in the market. Additionally, there is a distinct shift towards Hybrid funds, with a 61% surge in inflows in December 2025, and Multi-Asset Allocation funds, as investors seek diversification amid market volatility. Direct plans are also gaining significant traction, particularly among Gen Z and millennials, with long-term SIPs in direct plans growing by 63% in FY25, significantly outpacing regular plans.

The growth of Beyond 30 (B30) cities is another notable trend, with these cities witnessing faster percentage growth, driven by digital adoption and increased financial literacy. This is in contrast to the Top 30 (T30) cities, which still hold the majority of assets. Furthermore, Gold ETF inflows have reached record highs in early 2026, nearly matching active equity inflows, reflecting the diversification trends in the market.

The distribution mix is undergoing a significant shift, away from traditional, bank-only models towards a hybrid model that blends fintech platforms, Independent Financial Advisors (IFAs), and Direct AMC channels. The direct channel, which includes digital and direct-to-AMC platforms, is rapidly increasing its share, driven by lower costs and higher NAVs. This channel, which historically accounted for 10-20% of total sales, is now rising steeply, thanks to the proliferation of digital apps such as Groww, Zerodha, and MF Central. These platforms are favoured by tech-savvy investors who prefer to avoid commission costs.

The banking channel, while still a strong and high-trust channel, especially for high-net-worth individuals (HNIs) and older demographics, is facing pressure from digital, low-cost alternatives. Banks maintain a massive customer base and often use their branch network to cross-sell New Fund Offers (NFOs). However, their market share is declining as investors increasingly opt for low-cost, digital platforms.

Independent Financial Advisors (IFAs) and National Distributors are re-inventing themselves by adopting fintech tools to provide better advisory services. While direct platforms are rising, seasoned IFAs are maintaining their stronghold by providing personalized advice and handholding investors, particularly in B30 regions. They act as crucial intermediaries for complex product selection, ensuring that investors make informed decisions.

Fintech platforms are the fastest-growing distribution channel, acting as both aggregators (regular) and direct platforms (direct). Platforms such as NJ Group, Prudent Corporate, Groww, and others are integrating with Asset Management Companies (AMCs) to provide seamless digital, paperless, and mobile-first

investing experiences. These platforms are driving growth, particularly in the equity and passive fund segments.

In terms of sectoral insights, equity is dominated by IFAs and direct apps while debt is dominated by institutional and corporate channels. However, retail, liquid-fund investments are shifting towards fintech platforms. Passive funds, including ETFs and Index Funds, are primarily driven by institutional, corporate, and direct retail investors, as these require low-cost execution.

The regulatory environment has also played a crucial role in shaping the industry. The new SEBI regulations, effective April 1, 2026, have eased concerns over fee structures, protecting the profitability of the mutual fund ecosystem while encouraging transparency. The integration of fintech has also made a significant impact, with digital KYC (video-based), UPI-based payments, and AI-driven portfolio tools making on-boarding instantaneous and reducing reliance on manual paper processes.

AMCs are increasingly adopting a hybrid model, combining branch-led advice for complex needs with app-based, low-cost execution for daily transactions. This hybrid approach allows AMCs to cater to a wide range of investors, from those who require personalized advice to those who prefer low-cost, digital platforms. Overall, the Indian mutual fund distribution landscape is undergoing a significant transformation, driven by digitalization, regulatory shifts, and changing investor preferences. As the industry continues to evolve, it is likely to become increasingly hybrid, with a blend of traditional and digital channels coexisting to cater to the diverse needs of investors.

Snapshot of distribution landscape

Distributor's segment	Sub-Category	Products	Geographical Reach	Target segment
Banks	Foreign Banks	Mutual funds, Insurance, structured products, PMS, AIFs	Select locations restricted to Tier I and II cities	UHNI, HNI
	Private Banks	Mutual funds, Insurance, structured products, PMS, AIFs	Select locations restricted to Tier I and II cities	UHNI, HNI, mass affluent
	PSU Banks	Mutual funds, Insurance	Across the country	Retail
National Distributors	NDs – private wealth	Mutual funds, insurance, structured products, PMS, AIFs, corporate deposits	Select locations restricted to Tier I and II cities	HNI, mass affluent
	Retail focused NDs	Mutual funds, insurance, corporate deposits	Across the country	Mass affluent and Retail
IFAs	Distributor IFAs	Mutual funds, Insurance, corporate deposits	The category is spread across the country with individuals having presence in small pockets in cities	Mass affluent and retail
	Large/Evolved IFAs & Financial planners	Mutual funds, Insurance, corporate deposits	The category is spread across the country with individuals having presence in small pockets in cities	HNI and mass affluent
	Tied agents	Insurance	The category is spread across the country with individuals having presence in small pockets in cities	Retail

Source: *Crisil Intelligence*

Evolution of mutual fund distribution channels

The disruption in the overall financial Industry including the intermediaries has led to players re-imagining their business models for the long-term growth. The players across the distribution space are re-aligning their business models by leveraging technology and thereby enhancing operational efficiency. The standalone offline-led distributor model is no longer a viable model for the distributors due to rationalisation of commissions in the mutual fund Industry. Therefore, the players have already undertaken investments in technology to streamline their cost structures and ensure profitable business growth.

Year / Period	Key Distribution Channel Trends	Drivers & Changes	Impact & Comments
2010	Distributor-led growth dominates	Industry is recovering from global financial crisis; SEBI mutual funds rules embrace transparency, but direct channels are still nascent.	Regular plans through traditional distributors remain the norm; investor awareness is still limited.
2011–2012	Entry of direct plan concept begins	SEBI issues directive mandating direct plans alongside regular plans (cultivated as a transparency measure). (Securities and Exchange Board of India)	Early awareness among DIY investors slowly grows; direct not yet significant in AUM.
2013	Direct plans formally launched	From 1 Jan 2013, AMCs introduce direct plans — offering lower expense ratio without distributor commission.	Beginning of a structural shift: investors now have lower-cost option.
2014–2015	Distributor channels still dominant	Direct adoption limited; most flows occur through IFAs, bank branches, brokers. Fintech presences minimal.	Regular channels remain majority of equity/hybrid flows; direct mainly in niche institutional/debt segments.
2016–2018	Rapid digital infrastructure begins	Online platforms (AMFI utilities, exchange gateways, CAMS tech tools) laid groundwork for digital onboarding.	Distributors begin adopting digital tools but still largely face-to-face; direct usage slowly rising.
2019	Early signs of direct adoption	Direct plans gaining modest share; DIY investors use online portals; direct retail adoption begins.	Direct share still lower vs regular but rising; awareness campaigns begin.
2020	Fintech emergence accelerates	Platforms like Groww, Zerodha, Paytm Money make direct investing easy with e-KYC, seamless apps.	Younger investors increasingly transacting directly; distributor role remains strong in advisory.
2021	Distributor growth & digital integration	Industry adds distributors, banks & NADs still key sources. Digital tools help improve onboarding across channels.	Hybrid channels (advisor + tech) grow; direct plans & regular coexist strongly.
2022–2023	Distributor numbers grow significantly	Close to 133,411 distributors by Oct 2023; B30 regions add registering MF distributors.	Regular plans are widespread across towns; distribution ecosystem expands geographically.
2024	Direct adoption picking up pace	Direct plans share increases; digital platforms continue to lower costs & improve UX. AMFI data shows more direct flow across categories.	Retail investors become comfortable self-investing; advice is still valued for equity choices.

Year / Period	Key Distribution Channel Trends	Drivers & Changes	Impact & Comments
2025 (Sep to Dec)	Significant structural shift	Direct plans ~48.6% of total MF AUM by Dec 2025. Distributors' share declines proportionately. (Financial Express) Non-bank distributors account for ~75% of commission payouts in FY25. (Business Standard) Record numbers of distributors join industry in FY25 (~29,555 individuals).	Mutual funds become more self-directed; distributors increasingly digital and hybrid advisors; banks lose share in commissions; deeper penetration beyond metros.

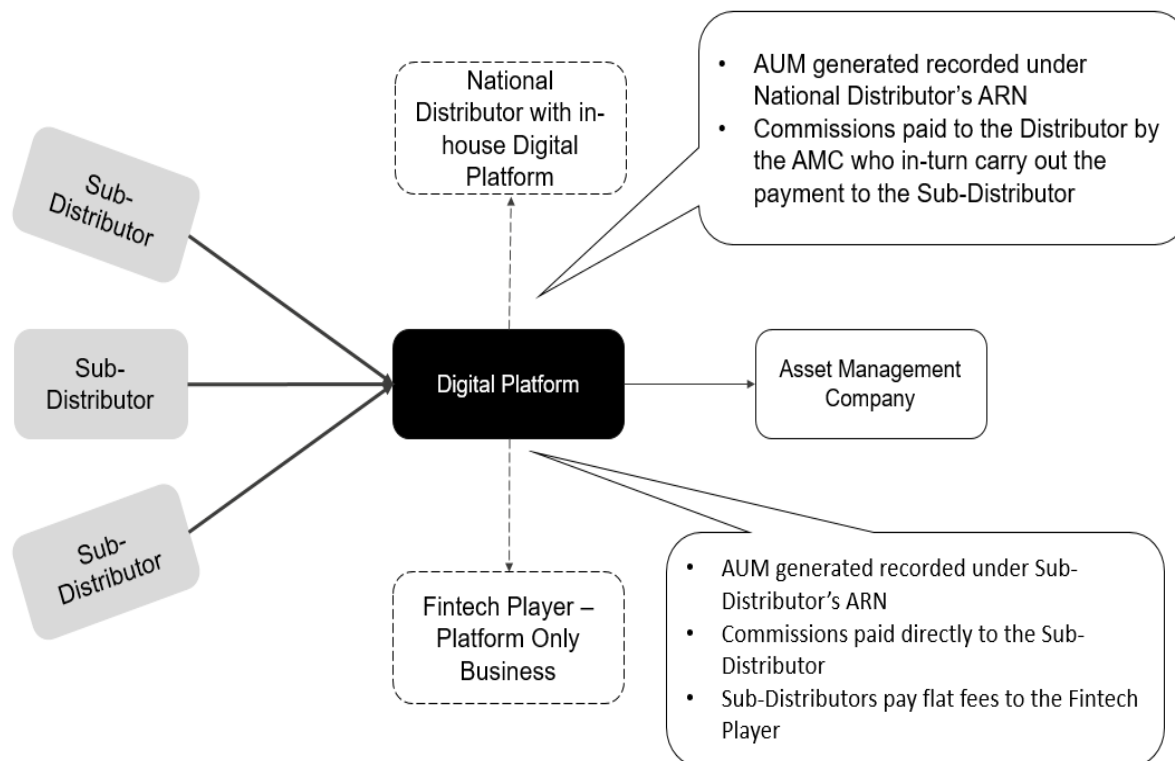
Source: Crisil Intelligence

B2B2C is Bridging the Gap between AMCs and Investors

The B2B2C (Business-to-Business-to-Consumer) model has emerged as a popular distribution strategy in the Indian financial services sector, particularly in the context of Association of Mutual Funds in India (AMFI). This collaborative partnership involves a financial product provider, typically an Asset Management Company (AMC), leveraging an intermediary platform, such as a fintech app, bank, or broker, to distribute products directly to the end investor. The AMC (B1) partners with a fintech platform (B2), which integrates the mutual fund schemes into its app, allowing customers to buy units while the investment is registered with the AMC. This model enables AMCs to quickly reach a vast audience, reducing customer acquisition costs, and providing customers with a seamless, digital-first experience.

The B2B2C model offers several benefits, including faster market reach, lower customer acquisition costs, enhanced user experience, and access to data. For instance, a platform like Paytm Money or Groww (B2) can sell direct plans of Axis Mutual Fund (B1) to users (C), while a bank (B2) can offer its customers (C) a curated list of mutual funds from various AMCs (B1) via its net banking portal. Embedded finance is another example, where a digital investment platform (B2) provides a "Buy Now, Pay Later" feature to help customers buy mutual funds. However, the model also presents challenges, such as reduced control for the AMC, lower margins due to platform fees, and data security concerns.

New B2B2C Models emerge with increasing need for digital platforms



Source: Crisil Intelligence

The Digital Revolution in Mutual Fund Distribution: A Structural Growth Driver

The digital evolution of mutual fund distribution represents a structural transformation, decoupling distribution from geography and enabling nationwide penetration at lower costs. Digital platforms have expanded the investor base, particularly among younger and first-time investors, and are reshaping investor behavior by promoting self-directed and technology-enabled engagement. This shift has led to improved flow quality, enhanced cost efficiency, and scalability for asset management companies, with benefits including reduced customer acquisition and servicing costs, and increased lifetime customer value. As digital distribution continues to grow, it is expected to drive multi-year structural growth, influencing industry economics, margin sustainability, and long-term AUM compounding, and will likely be characterized by platform consolidation, advisory algorithm integration, and embedded finance within broader financial ecosystems.

Trends in share of Direct mix vs Channel mix

Rise in share of direct plans is across both individual and institutional investors

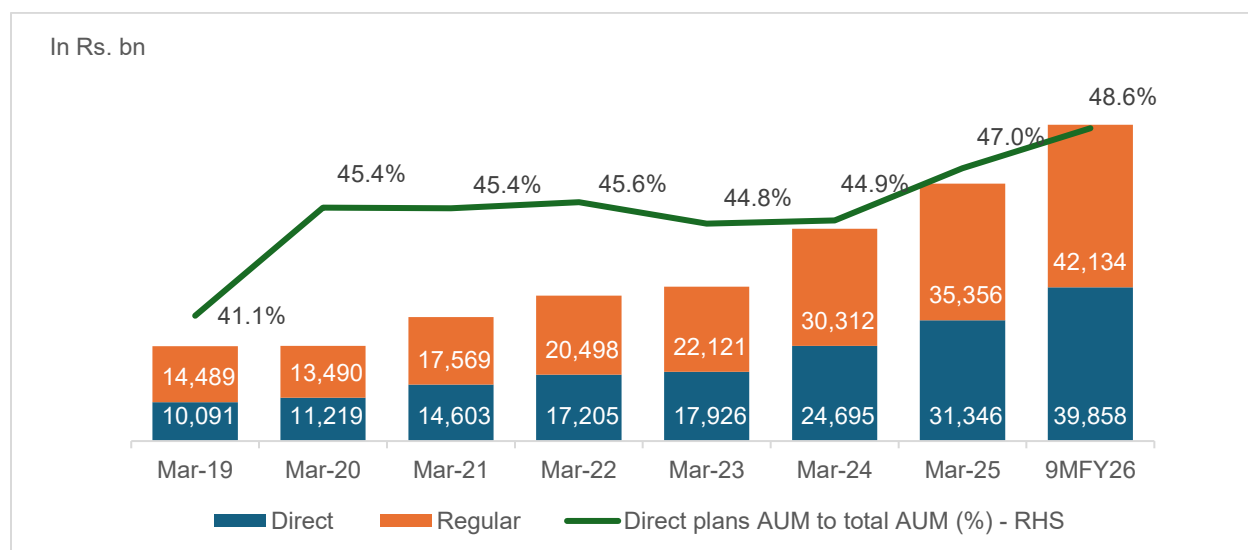
The rise in share of direct plans is attributed to various campaigns and investor education initiatives undertaken by the mutual fund industry, which has caused a shift towards direct plans. However, given the trend in the industry such as increasing presence of first-time investors, popularity of MFs beyond larger cities, low awareness of nuances of financial products amongst a large section of investors and need for guidance from a trusted intermediary in the wake of increasing market volatility, CRISIL Intelligence believes regular plans will continue to constitute a majority share in the overall individual mutual fund AUM.

Rs billion)	Sept'25				Dec'25			
	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM	Regular plans	Direct plans	Total	Mix of Direct plan in total MF AUM
Individual investors	34,556	13,702	48,258	28.4%	35,884	14,767	50,652	29.2%
Institutional investors	6,908	24,043	30,952	77.7%	7,259	25,913	33,172	78.1%
Total	41,465	37,745	79,210	47.7%	43,143	40,680	83,824	48.5%

Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

Direct plans gain traction; Regular plans continue to dominate mutual fund MAAUM



Note: Based on monthly average AUM (MAAUM) excluding Fund of Funds Scheme (Domestic)

Mutual Fund Distribution Trends: The Rise of Direct and ASO Channels

Direct Channel (DIY/No Distributor)

The Direct Channel has emerged as a significant player, with nearly half of the total AUM, around 47-48%, invested directly without a distributor. This growth is driven by fintech adoption, institutional participation, and increasing investor sophistication. The direct channel offers lower expense ratios, making it an attractive option for cost-conscious investors.

Advisor-Sourced (ASO) Channel

In contrast, the ASO Channel, comprising Independent Financial Advisors (IFAs), Mutual Fund Distributors (MFDs), and hybrid digital advisory models, remains crucial for equity and SIP flows. This channel plays a pivotal role in retail equity SIPs, B30 (semi-urban) investor networks, and High Net Worth Individual (HNI) clients, providing personalized guidance and advice.

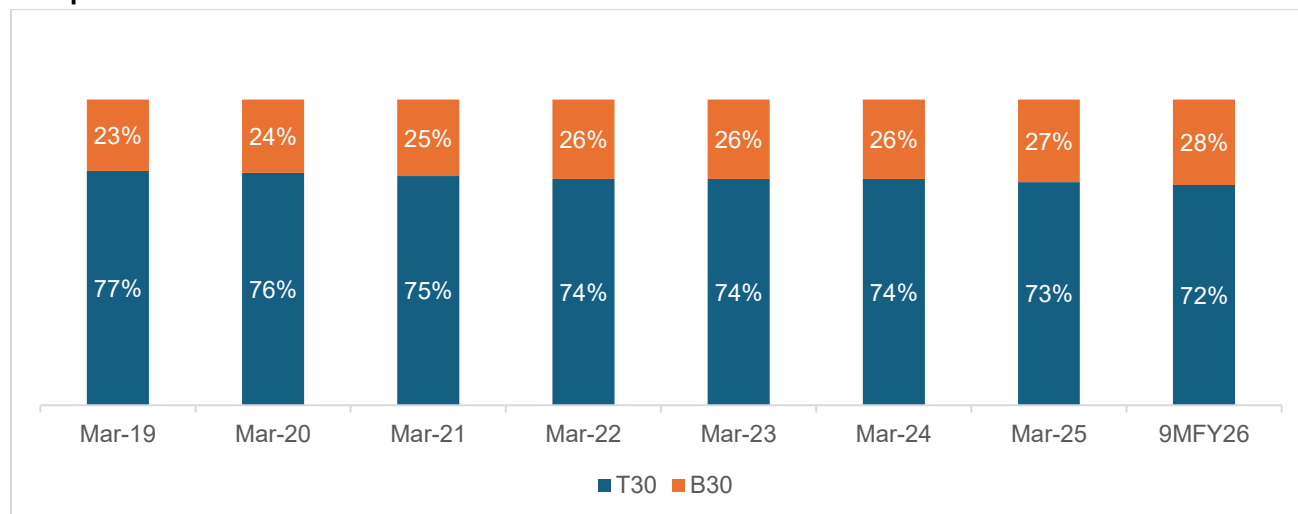
Bank Channel

The Bank Channel, which has historically been a standalone channel, has seen its share decline in recent years. Higher operational costs and the expansion of distributor networks into smaller towns have contributed to this decline. Despite this, banks continue to maintain a presence in the market, particularly in metro and HNI segments.

The trends reveal a shift towards direct and digital channels, with investors increasingly cost-conscious and seeking lower expense ratios. However, ASO channels continue to endure for equity and retail investors, who often prefer advisor guidance for long-term investing and structured goals. Furthermore, the industry is witnessing deepening penetration in B30 markets, with growth rates outpacing those in T30 cities, indicating rising financial literacy and rural investor participation.

Individual investors, including retail and high net worth individuals from B30 cities contributed 27% to the individual mutual fund AUM as of March 2025. Individuals from B30 cities contributed 28% to the individual mutual fund AUM as of December 2025. Institutions from B30 cities contributed 5% to the institution mutual fund AUM as of December 2025.

Composition trends of overall T30 and B30 Individual MAAUM



Note: Based on monthly average AUM (MAAUM) including Fund of Funds Scheme (Domestic)

Source: AMFI, CRISIL Intelligence

The Rise of Associate Channels in Indian Mutual Fund Distribution

The associate channel's importance extends to providing trust-based advisory services, acting as a "bridge" between idle savings and financial markets, and offering behavioural coaching to prevent panic selling during market fluctuations. Additionally, associate channels have adopted technology-enabled services, utilizing digital platforms for onboarding, E-KYC, and portfolio tracking, merging efficiency with personal touch. They also ensure regulatory compliance with AMFI and SEBI guidelines, maintaining high standards of investor protection and transparent fee structures. While the channel faces increased competition and stricter regulatory scrutiny, the demand for personalized guidance ensures its relevance, with a major growth area in "beyond Top 30" (B-30) locations, where incentives for distributors are expanding into underserved areas.

The Evolution of Independent Financial Advisors in 2025

As of December 2025, the IFA landscape is undergoing a significant transformation, with a growing trend towards aligning with established platforms, networks and technology providers. This shift is driven by the need for operational efficiency, regulatory compliance, and sophisticated technology to meet client expectations. By partnering with platforms, IFAs can access integrated tech stacks, including CRM, portfolio management, and reporting, which reduces administrative burdens and enables them to manage larger books of business without increasing administrative staff. Additionally, platforms provide advanced technology like AI-driven research and automated client onboarding, allowing IFAs to focus on client-focused, value-added advice.

Enhancing Operational Efficiency, Compliance, and Client Experience

The alignment with platforms also offers numerous benefits in terms of regulatory compliance and risk management. Networks provide dedicated compliance oversight, reducing the risk of costly penalties, and assist in meeting strict regulatory standards, such as Consumer Duty and GDPR. Furthermore, platforms provide the infrastructure to protect against data breaches, ensuring client trust. In terms of client experience, platforms offer holistic planning tools, better client experience through digital portals, and access to institutional-quality research and a broader range of investment products. Clients in 2025 expect a "digital first" experience coupled with personalized advice, which platforms help IFAs deliver. By leveraging these tools, IFAs can provide comprehensive advice, including tax planning, estate planning, and risk assessment.

Regulatory scenario in mutual funds and mutual fund distribution industry

SEBI has a major role in operation of mutual funds in India through its regulations and compliance requirements. SEBI has taken a well-rounded approach in the market from approving new fund houses, limiting excessive risk of AMCs, ensuring disclosure, transparency and investor awareness & protection.

Segregation of Advisory and Distribution Activities

In September 2020, SEBI implemented the following changes:

- No person involved in distribution of securities shall use the nomenclature "Independent Financial Adviser" or "Wealth Adviser" or any other similar name unless registered with SEBI as investment adviser
- An individual investment adviser shall not provide distribution services
- Investment adviser shall, wherever available, advice direct plans (non-commission based) of products only
- A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services; The same client cannot be offered both advisory and distribution services within the group company

SEBI mandates inter-operable platform across RTAs

In a circular dated July 26, 2021, SEBI proposed a common transaction platform across Registrar and Transfer Agents (RTAs) for the purpose to streamline and ease mutual funds transaction taking place across different forums. The platform will –

- Provide one stop solution for investors to undertake any non-financial transaction such as KYC updates
- Provide services related to report generation to the MF investors
- Provide financial transactions services to MF investors

The platform is likely to ease the overall processes for MF investors and also act as a one stop solution especially for DIY investors. Over the long run, the platform can also provide its API for integration with fintechs.

SEBI has proposed key measures for the mutual fund (MF) industry. The capital market regulator, in its annual report for 2022-23, said the measures could be introduced in the forthcoming years to adapt to the dynamic changes in the mutual fund asset management ecosystem.

SEBI issues circular on Total Expense Ratio

One of the key changes proposed by SEBI is the amendment to the rules governing the Total Expense Ratio (TER) charged by mutual funds. The primary objectives behind these proposed changes are to increase transparency and exert greater control over the costs borne by investors in mutual fund schemes. The regulator is considering lowering the maximum permissible TER levels, which would directly impact on the profitability of fund management operations for AMCs. As a result, industry players will need to carefully review their expense structures and fund management practices to ensure compliance with the upcoming TER regulations.

SEBI introduces Mutual Fund Lite framework

In addition, the regulator has encouraged the launch of simplified and more affordable mutual fund products, commonly referred to as "MF Lite" or "Mutual Fund Lite." These MF Lite funds typically have lower minimum investment requirements and simpler investment strategies compared to traditional mutual fund schemes. The goal is to make mutual fund investment more accessible to retail investors, especially those with smaller investment amounts. This presents both challenges and opportunities for AMCs, as they evaluate the viability of introducing MF Lite options to cater to this emerging investor segment and diversify their product offerings.

These MF Lite funds typically have the following salient features:

- Simpler investment strategies focused on broad market index tracking or basic asset allocation.
- Lower management fees and other charges compared to traditional mutual fund schemes.

These regulatory changes pose significant implications for the mutual fund industry as a whole. Asset management companies will have to closely monitor the developments and take proactive measures to adapt their products, services, and operations to comply with the evolving industry landscape.

Regulatory Framework for Specialized Investment Funds ('SIF'), February 2025

SEBI in February 2025, adopted a segmented risk-based approach to regulation of Specialized Investment Funds. These products are designed for high-net-worth investors which are seeking more sophisticated investment strategies and are introduced to bridge the gap between Mutual Funds and Portfolio Management Services (PMS). SEBI in the framework states the eligibility criteria for creation of such funds by AMCs, branding and advertising requirements, investment strategies and minimum investment threshold for investors in such funds. The minimum investment amount for such funds stands at Rs. 10 lakhs across all investment strategies.

Other regulatory updates

SEBI has issued various circulars from time to time for effective regulation of the Mutual Funds Industry in India. Some of the recent regulatory actions taken by SEBI are provided hereunder:

- Considering the emergence of passive funds as an investment product for retail investors and various advantages associated with passive investing, SEBI issued a circular on Development of

Passive Funds in May 2022. In the said circular, SEBI introduced norms for Debt Exchange Traded Funds (Debt ETFs) / Index Funds which provided that the AMCs shall ensure that the constituents of the index are aggregated at the issuer level, the constituents of the index have a credit rating, defined maturity, adequate liquidity, diversification, etc. Norms related to Corporate, G-sec and Hybrid Debt ETFs/Index Funds were provided. SEBI also made it mandatory for all AMCs to appoint at least two Market Makers (MMs) for ETFs who provide continuous liquidity on the stock exchange platform. The said circular also provided credit risk based single issuer limits for debt ETFs/ Index Funds in order to effectively manage the risk associated with such investments, and rebalancing period and disclosure norms for Equity ETFs/Index Funds.

- In June 2023, SEBI allowed mutual funds to participate in repo transactions on listed AA and above rated corporate debt securities, Commercial Papers and Certificate of Deposits.
- In June 2023, SEBI issued circulars for online platforms such as Paytm and Grow, which offer direct mutual funds schemes under single platform. The new regulations require that these platforms should register as an agent of AMCs or as stockbrokers. But in both cases, these platforms are allowed to handle only direct mutual fund schemes.
- In June 2024, SEBI released several key papers aimed at improving mutual fund operations and transparency. On June 07, it proposed more flexibility for mutual funds to participate in Credit Default Swaps allowing better risk management and potential returns. Later on, June 11, SEBI issued a settlement order related to Canara Robeco Mutual Fund's compliance lapses during April 2020-March 2021, leading to improved oversight. Finally, on June 28, SEBI issued a consultation paper mandating mutual funds to disclose risk-adjusted returns, helping investors understand the balance between risk and returns for better decision making.
- In July 2024, SEBI notified the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2024 to amend the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. Earlier, Clause 9(c) of the Seventh Schedule stated that no mutual fund [scheme] shall make any investment in the listed securities of group companies of the sponsor which is in excess of 25 percent of the net assets. After the 2024 regulations amendment, an exception to the above provision has been added which provides that investments by equity-oriented exchange traded funds and index funds may be done which may be subject to the conditions specified by the Board.
- In December 2024, SEBI announced the launch of the Mutual Funds Lite (MF Lite) framework for passively managed mutual fund schemes. MF Lite is a mutual fund that consists only of index funds, exchange-traded funds (ETFs), or funds of funds (FoFs) and other mutual funds. The current regulatory provisions for mutual funds do not distinguish between active and passive schemes, leading to unnecessary barriers and costs for entities focused solely on passive funds. The MF Lite framework is set to address these issues by offering a flexible and less strict system, promoting ease of entry and increased market liquidity.
- SEBI has stipulated that effective from fiscal year FY23-24, all the Indian mutual funds will have to follow Indian Account Standards (IND AS). This will ensure standardization of the valuation of portfolios, disclosures and also provisions made by mutual funds.
- In January 2025, SEBI mandated all the AMCs for disclosure of Risk Adjusted Return - Information ratio on their website along with performance disclosure on daily basis, this step will bring more transparency and aid investors to make better informed decisions.
- In February 2025, SEBI facilitated MITRA (Mutual Fund Investment Tracing and Retrieval Assistant); In order to address the aforesaid concerns, MITRA platform is developed by RTAs to provide investors with a searchable database of inactive and unclaimed mutual funds. This will enable investors to identify the overlooked investments made by any other person for which he/she may be rightful legal claimant. The MITRA platform will lead to reduction in the unclaimed Mutual

Fund folios and contribute towards building a transparent financial ecosystem.

- In August 2025, SEBI mandated all AMCs to pay to the distributor transaction charges, subject to a minimum subscription amount of Rs 10,000/ brought in by such distributors.
- In September 2025, SEBI now allows Investment Advisers (IAs) and Research Analysts (RAs) to comply with the mandatory deposit requirement by keeping their deposits in liquid or overnight mutual funds instead of a bank. These funds are very safe and low risk, ensuring the deposit money remains secure.
- In December 2025, Existing REIT holdings by debt-scheme MFs will be "grandfathered" and not reclassified, but going forward, debt schemes may need to adjust portfolios if they hold REITs. This change is expected to increase mutual fund participation in REITs, particularly via equity schemes, and impact asset allocation, risk classification, and portfolio construction strategies. SEBI has announced that from January 1, 2026, investments by mutual funds in Real Estate Investment Trusts (REITs) will be treated as equity-related instruments.

Alternative asset landscape in India

Alternative assets include equity, private equity, private debt (dealing mainly in performing credit, distressed assets, real estate credit and infrastructure funds), early-stage ventures, special opportunity funds and art. However, it does not include traditional investments, such as mutual funds and life insurance. AIFs in India regulated by SEBI since 2012 offer a specialized and high-risk complement to the conventional mutual fund universe. AIFs cater to high-net-worth individuals (HNIs) and institutional investors who are willing to trade liquidity for potentially higher, alpha-generating returns in non-traditional assets. With a minimum investment threshold of Rs. 10 million (Rs. 2.5 million for employees/directors of the fund), AIFs provide access to uncorrelated asset classes including unlisted companies, private equity (PE), venture capital (VC), hedge funds, commercial real estate and distressed assets. AIFs employ advanced techniques like derivatives, arbitrage, and short-selling to generate absolute returns, and focus on specific themes such as infrastructure, early-stage startups, or distressed assets. This allows investors to diversify their portfolios and tap into high-growth opportunities that are not available through traditional mutual funds.

AIF Industry Evolution

Period	Particulars
1980 - 1990s	Indian entrepreneurs and startups sought funding to fuel their ideas and PE and VC firms recognized the potential of the Indian market.
Early 2000s	Rise of Hedge Funds, Real Estate and Infrastructure Investments, growing interest in commodities
2012 – 2013	SEBI introduces AIF regulations; Risk Management Framework introduced for CAT III AIFs
2014 – 2015	Guidelines on overseas investments by AIFs; Launch of REITS and InvITs
2017 – 2018	Operational guidelines for IFSCs; Introduction of Online Registration System
2020	Enhanced and standardized disclosure norms; performance benchmarking for AIFs; Investment committee norms
2021	Code of conduct; New class of investors; Mandatory Filing of PPM; Enhanced Disclosures
2022- 2023	Introduction of special situation funds; Compliance Officer mandatory; Introduction of direct plan for AIFs; Standard approach to valuation
2024 – 2025	Strengthening of governance framework for AIF; tighter norms on valuation, conflict of interest and enhanced disclosure requirements for leverage and borrowings; tighter regulations on priority distribution models, evergreening and related-party transactions; increased accountability of trustees and investment committees
2026 – 2027	Continuing regulatory focus on risk management, liquidity monitoring and reporting standardization; emphasis on systemic stability amid rapid growth in private credit and special situation funds

Source: Crisil Intelligence

Regulatory Changes

SEBI introduced several key regulatory changes, including a lighter regulatory framework for schemes exclusively for accredited investors, allowing for more customization and flexibility. The minimum investment threshold for Large Value Funds (LVFs) was reduced to Rs.250 million from Rs. 700 million, widening access for smaller institutional investors and family offices. Additionally, for Alternative Investment (AI)-only funds, trustee responsibilities are now handled by the fund manager to streamline governance. AI-only funds can now extend their tenure up to 5 years (previously 2 years), subject to two-thirds investor approval.

Crackdown on "Evergreening" and Enhanced Due Diligence

To prevent the misuse of AIF structures and ensure investor protection, SEBI and RBI introduced measures to crack down on "evergreening" and enhance due diligence. The Reserve Bank of India (RBI) banned regulated entities from investing in AIF schemes that directly or indirectly invest in debtor companies of those lenders, preventing "evergreening" of stressed loans. SEBI mandated thorough due diligence by AIFs before executing investments to prevent misuse of AIF structures. Furthermore, SEBI introduced a "dissolution period" for unliquidated investments, allowing funds to hold assets for up to 5 years after the scheme's tenure expires as well as the tightening of governance and compliance requirements has increased operating costs for managers, potentially accelerating industry consolidation.

Key Trends and Market Shifts

The AIF industry is witnessing significant trends and market shifts. Category II AIFs are increasingly used as a pre-IPO bridge for Small and Medium Enterprises (SMEs). Additionally, 44% of new schemes launched between 2022-2025 were by first-time fund managers indicating growing confidence in the industry. GIFT IFSC has become a key hub with over 80 fund managers managing over USD 30 billion.

Other Developments

The industry is also seeing a shift toward thematic, sector-specific, and ESG-focused AIFs. There is growing interest in Quantitative PMS strategies using data-driven models. Furthermore, Category III AIFs have shown a sharp increase in investments in listed holdings, such as REITs and InvITs.

Industry Transition

As of early 2026, the AIF industry is transitioning from a "light-touch" regulatory approach to a more structured, "right-hold" framework to ensure investor protection while encouraging innovation. This transition aims to balance the need for investor protection with the need to foster innovation and growth in industry.

AIF regulations of 2012

The SEBI (Alternative Investment Funds) Regulations, 2012, on May 21, 2012, represents a pivotal moment for the Indian private capital industry. This regulatory framework aims to address the evolving needs of an industry that has expanded significantly since its inception in the mid-1980s.

The regulations mandated that all funds established in India for pooling capital from domestic or foreign investors must register with SEBI. AIFs can mobilise funds on a private placement basis, it added.

The AIF regulations, 2012, also stipulate several important conditions, including:

- A minimum fund size of Rs 200 million (except angel fund which requires corpus of Rs. 50 million)
- A maximum of 1,000 investors per fund with a minimum investment of Rs 10 million per investor

- A continuing sponsor commitment of either 2.5% of the corpus or Rs 50 million (whichever is lesser) for category I AIFs and Category II AIFs; and 5% of the corpus or Rs 100 million (whichever is lesser) for Category III AIFs
- Specific disclosure requirements regarding investment strategies, valuation procedures and methodologies, as well as potential conflicts of interest

Different categories of AIFs

Category I	Category II	Category III
Venture capital funds (including angel funds) – New-age startups with high-growth prospects that require large financing during their initial days can approach a VC fund. An angel investor invests in budding startups and brings in early business-management experience.	Private equity funds (including secondary funds) – A PE fund typically invests in unlisted private companies by availing of equity interest	Funds that engage in many complex trading techniques, e.g., listed, or unlisted derivatives
SME funds – invest in small and medium businesses	Real estate funds – invest in securities that are offered by public real estate companies	Hedge funds – a pooled investment vehicle from UHNIs/HNIs or institutional investors that invest and trade in different markets, strategies and instruments (equity, debt and derivatives)
Social venture funds – invest in socially responsible businesses; they are in similar to philanthropic investments but have a scope for earning returns for investors	Funds for distressed assets – invest in stressed assets of companies, with the investment philosophy that a turnaround of these assets can provide high returns	Private investment in public equity (PIPE) funds – invests in shares of publicly traded companies, wherein shares are acquired at a discounted price
Infrastructure funds – invest in infrastructure companies, including those involved in road construction and railway construction		

Source: SEBI, Crisil Intelligence

Demand Drivers for each Categories

Category I: Policy-Aligned Funds are driven by long-term growth prospects and government incentives, attracting investors with the potential for high returns from early-stage, innovative and foundational businesses. In contrast, Category II: Private Equity & Debt Funds focus on providing structured private market exposure and risk management, offering access to unlisted private equity or credit opportunities with moderate risk-return profiles. Meanwhile, Category III: High-Risk/Hedge Funds are guided by the key drivers of alpha generation and market volatility hedging, catering to investors seeking higher returns and

absolute return strategies, typically targeting 8-10% returns in sideways or volatile markets, thereby providing a potential hedge against market fluctuations.

AIF Commitment Surge, reflecting Structural Growth Momentum

The Indian Alternative Investment Fund (AIF) industry has witnessed remarkable growth, with total commitments rising from Rs. 3,700 billion in March 2020 to Rs. 15,741 billion in December 2025 representing a CAGR (FY20-25) of 29.5%. Category-wise, Category I grew at 18.1%, from Rs. 387 billion to Rs. 980 billion driven by Venture Capital Funds (19.8% CAGR, Rs.684 billion) and Infrastructure Funds (12.1% CAGR, Rs. 201 billion). Category II dominated growth, with a 29.6% CAGR, from Rs. 2,820 billion to Rs. 11,641 billion. Category III witnessed rapid growth, with a 36.1% CAGR, from Rs. 492 billion to Rs. 3,119 billion. Key trends include increasing investor interest, regulatory support, and a need for diversification, driving growth across categories, with Category II and Category III leading the way.

AIFs Commitment increased from FY20 to FY25 to Rs. 15,741 billion with CAGR(FY20-25) at 29.5%

Category of AIFs (Commitment raised in Rs. Bn)	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26	CAGR (FY20-25)
Category I - Total	387	446	534	589	769	891	980	18.1%
Infrastructure fund	111	122	119	156	189	197	201	12.1%
Social impact fund	20	37	29	15	21	21	17	1.4%
Venture capital fund (including angel fund)	251	281	374	417	534	619	684	19.8%
SME fund	5	6	12	1	12	12	15	18.5%
Special situation funds	-	-	-	-	14	42	63	
Category II	2,820	3,566	5,192	6,939	9,129	10,300	11,641	29.6%
Category III	492	500	688	809	1,451	2,299	3,119	36.1%
Total	3,700	4,512	6,414	8,338	11,349	13,491	15,741	29.5%

Source: SEBI, CRISIL Intelligence

Alternatives Beckon Huge Growth Potential in India's Managed Investments Segment

- Over the past few years, AIF has become one of the key segments in private markets in India. Total commitments have been growing at a steady pace seeing a ~29.5% CAGR between March 2020 and March 2025, with a total commitment of Rs 13.5 trillion as on March 31, 2025, and Rs. 15.7 trillion as on 31st December 2025. The segment is expected to remain one of the fastest growing managed products categories over the next few years as more and more high net worth individuals (HNIs), ultra-HNIs and institutional investors seek out differentiated products that give them an option to generate better returns on their investments. Alternative investments are expanding the market by capturing share from other asset classes, not mutual funds. Their relatively higher yields than other asset classes add to increased firm's profitability, driving growth in the investment landscape. In 2023, SBI Mutual Fund were appointed as the sponsor and investment manager of the Corporate Debt Market Development Fund ("CDMDF"), a specialized alternative investment

fund (“AIF”) established following the Union Budget 2022 announcement to create a permanent institutional framework in the corporate bond market:

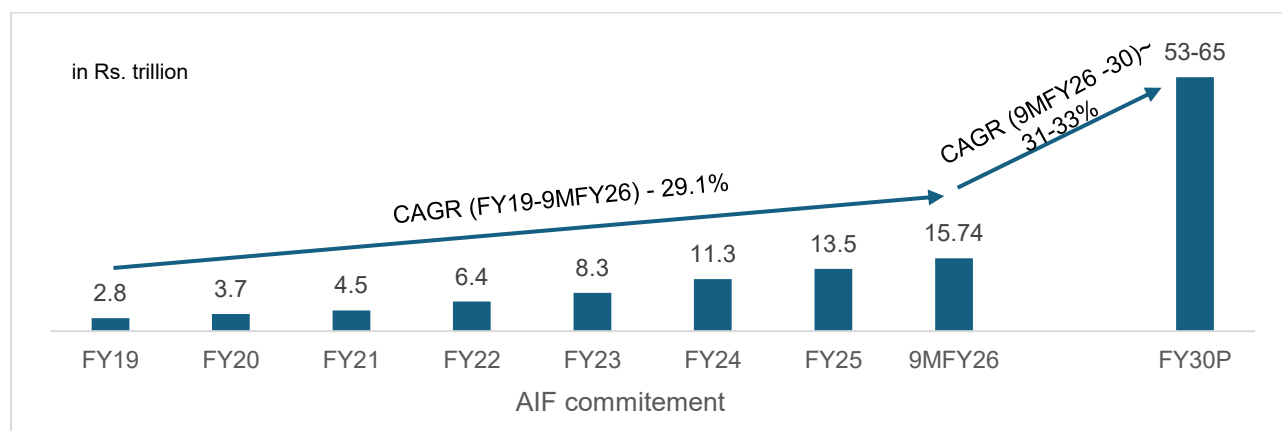
- The CDMDF is designed to instil confidence amongst participants in the corporate bond market during times of stress and to enhance secondary market liquidity

As per Crisil intelligence, the AUM for alternative investments in India is expected to grow at ~18 - 20% between March 2020 and March 2025 and reach ~Rs 20 - 25 trillion by March 2028.

Category II AIFs have been at the forefront in the AIF space, contributing to 74% of the commitments raised as on fiscal 2025. This denotes their prominence and influence within the AIF market.

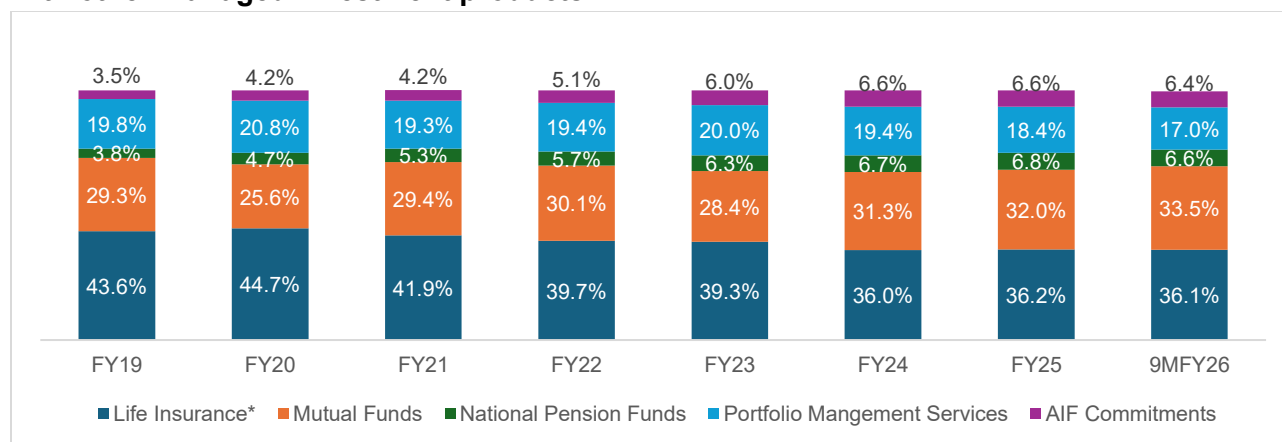
Investments made refer to the amount invested by the AIFs. Investments made as a percentage of funds raised rose from 82.2% as of March 2020 to 95.5% as of March 2025. The increase was steady over the past five years, which would generally mean that after the fundraising process is completed, the investment managers and AIFs have been deploying the capital and making investments for the investors.

Total Commitments Raised by AIFs rose to grow at ~31-33% by fiscal 2030



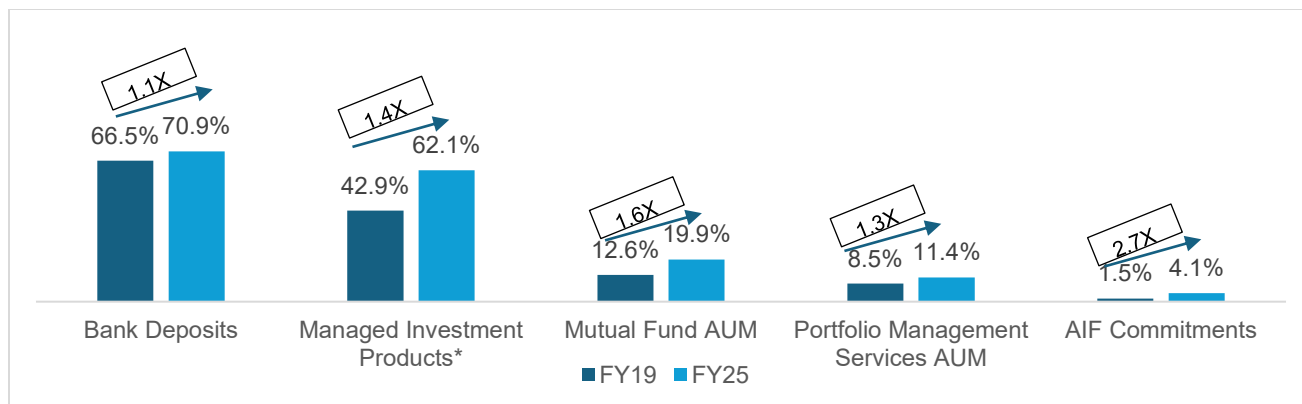
Source: SEBI, Crisil Intelligence

The percentage share of AIF commitments increased steadily over the years compared with other managed investment products



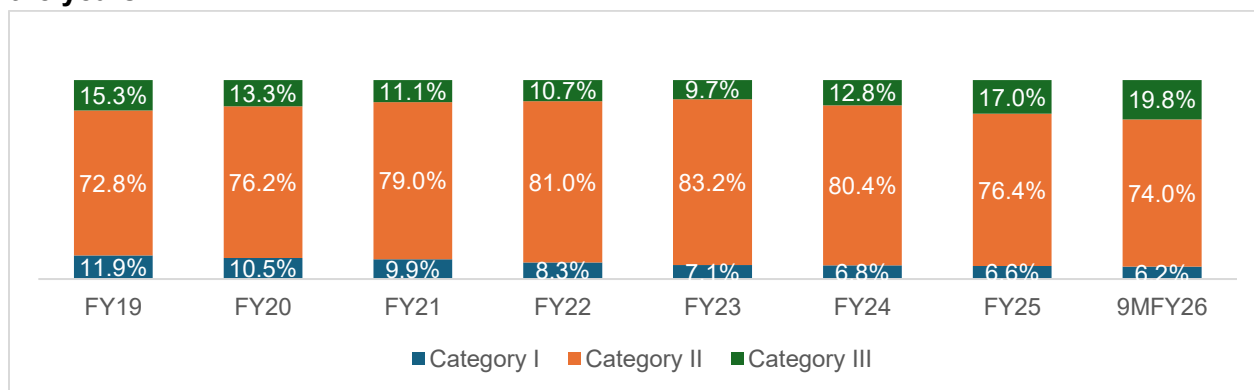
Note: *Life Insurance for 9MFY26 is on estimate basis. Source: SEBI, AMFI, IRDAI, NPS Trust, Crisil Intelligence

Asset Class as of % of GDP



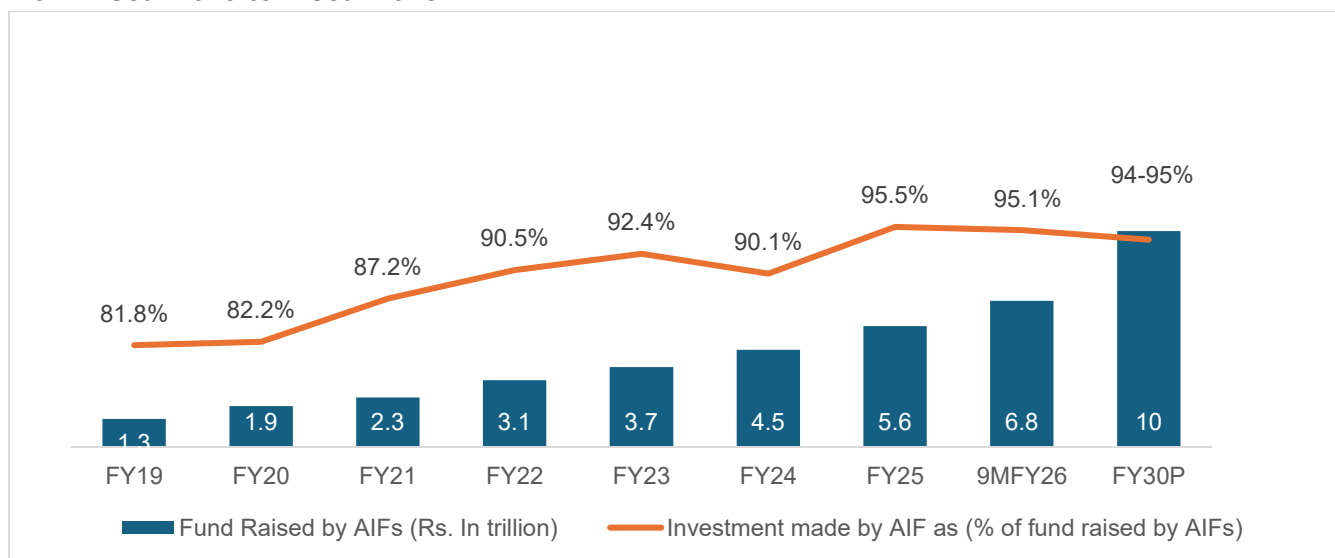
Data is basis the Nominal GDP. Source: SEBI, RBI, AMFI, IRDAI, NPS Trust, Crisil Intelligence

Category II AIFs constitute the majority share of total commitments raised by AIFs over the years



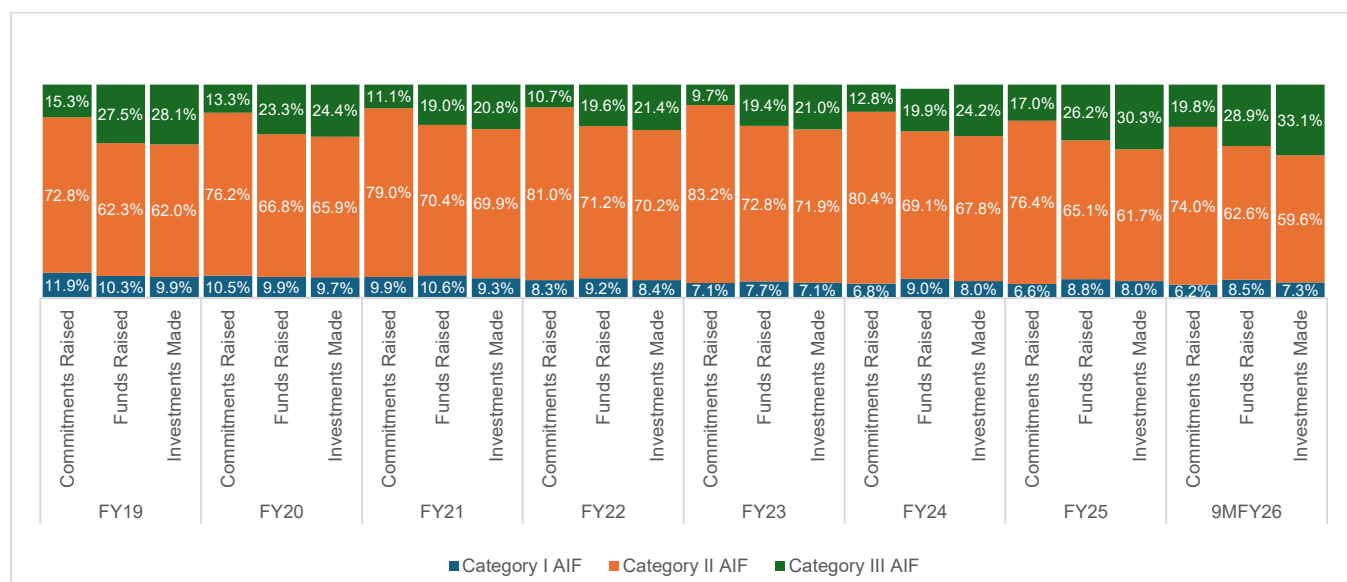
Source: SEBI, Crisil Intelligence

Investment made by AIFs as a percentage of funds raised by AIFs seeing steady growth from Fiscal 2019 to Fiscal 2025



Source: SEBI, Crisil Intelligence

Growth of Alternative Investment Funds in India: A Category-wise Analysis



Source: SEBI, Crisil Intelligence

Category I AIFs: Supporting Nation-Building and Innovation

Category I AIFs, which include Venture Capital, Infrastructure, SME, Social Impact and Special Situation funds, are policy-aligned vehicles that have been explicitly encouraged by the Government and SEBI to channel long-term capital into nation-building and innovation-driven sectors. The growth in Category I commitments can be attributed to several factors including a strong government policy push, regulatory incentives and a structural shift in capital allocation. The government's focus on initiatives such as Start-up India, Digital India and Make in India has directly increased demand for VC and Infra funds. Additionally, the creation of Fund of Funds for Startups (FFS) through SIDBI has acted as a crowding-in mechanism, encouraging private Limited Partners (LPs). As of December 31, 2025, the total commitments raised by Category I AIF in India reached ~Rs. 980 billion, reflecting a CAGR of 17.7% from FY19 to FY25.

The funds raised by Category I AIFs have also increased significantly, driven by a maturing fund ecosystem, institutional participation and regulatory stability. Earlier VC funds have demonstrated exits via IPOs, secondary sales and strategic acquisitions, improving LP confidence. Repeat fundraises have become easier due to track-record visibility and increased participation from insurance companies, pension-linked pools and domestic FoFs has contributed to the growth in funds raised. The Category I AIF industry in India has achieved a significant milestone with total fund raised reaching approximately Rs. 577 billion as of December 31, 2025, representing a robust CAGR of 23.7% from FY19 to FY25.

The investments made by Category I AIFs have also increased, driven by strong deal flow, improved deployment efficiency and policy-driven demand. The startup ecosystem has expanded across fintech, SaaS, health tech and EVs and the infrastructure pipeline has ensured deployable projects, especially in roads, renewables and logistics. As of December 31, 2025, the Category I AIF sector has garnered investment made of around Rs. 473 billion, marking a steady growth trajectory with a CAGR of 25.7% over the six-year period from FY19 to FY25.

Category II AIFs: Addressing Credit Gap and Private Capital Demand

Category II AIFs, which include Private Equity, Private Credit, Debt and Special Situations funds, are the largest and fastest-scaling segment of the AIF industry. The growth in Category II commitments can be attributed to a structural credit gap, investor yield appetite and global capital re-allocation. The post-NBFC crisis and tighter bank regulations have created a funding vacuum, which has been filled by private credit, structured debt and PE capital. Investors have sought higher risk-adjusted returns versus traditional fixed income and Category II funds have offered downside protection with equity-like returns. As of December 31, 2025, the total commitments raised by Category II AIF in India reached ~Rs. 11.6 trillion, reflecting a CAGR of 30.8% from FY19 to FY25.

The funds raised by Category II AIFs have also increased significantly, driven by faster drawdowns, regulatory clarity and domestic capital entry. In India, AIFs are increasingly targeting pre-IPO investment opportunities offering substantial returns by investing in high-growth companies poised for public listing. SEBI classifies AIFs into three categories with Category II and III being relevant for pre-IPO investments. Category II AIFs are ideal for investing in unlisted securities with planned exits through IPOs allowing up to 25% investment in a single company and are preferred by institutional investors. Category III AIFs focus on post-IPO investments, allowing investments in listed and unlisted securities, but with a 10% cap on investment in a single company. Choosing the right category depends on investment strategy, risk appetite, and regulatory compliance. Regulatory scrutiny has increased, with SEBI issuing guidelines to enhance transparency and investor protection. The growing interest in pre-IPO investments through AIFs reflects a broader trend of institutional and high-net-worth investors seeking early-stage exposure to potential market leaders, driven by India's maturing startup ecosystem, increasing investor participation and favorable regulatory changes. To maximize returns and ensure regulatory adherence, fund managers and investors must remain informed, agile, and proactive in capitalizing on opportunities within India's expanding IPO market. Unlike VC, Category II strategies require immediate capital deployment, leading to quicker capital calls. SEBI's clear classification has reduced ambiguity between debt AIFs and NBFCs and improved investor disclosures have increased trust. The Category II AIF industry in India has achieved a significant milestone with total fund raised reaching approximately Rs. 4.2 trillion as of December 31, 2025, representing a robust CAGR of 28% from FY19 to FY25

The investments made by Category II AIFs have also increased, driven by demand from corporates, flexible structuring and regulatory push against evergreening. Refinancing, growth capital and acquisition financing have driven deal volumes and stress asset opportunities post-COVID have expanded special situation investing. As of December 31, 2025, the Category II AIF sector has garnered investment made of around Rs. 3.8 trillion, marking a steady growth trajectory with a CAGR of 30.2% over the six-year period from FY19 to FY25.

Category III AIFs: Catering Sophisticated Investors

Category III AIFs, which include Hedge funds, long-short, arbitrage and derivatives strategies, cater to sophisticated investors seeking absolute returns. The growth in Category III commitments can be attributed to market volatility, sophisticated investor base and liberal investment mandates. Increased equity market volatility has created demand for hedging and tactical strategies, and long short and arbitrage strategies have gained relevance. As of December 31, 2025, the total commitments raised by Category III AIF in India reached ~Rs. 3.1 trillion, reflecting a CAGR of 32.1% from FY19 to FY25.

The funds raised by Category III AIFs have also increased, driven by shorter investment cycles and performance-linked allocations. Funds operate with frequent drawdowns and redemptions, and capital is raised and deployed quickly. Strong performers have seen repeat inflows and managers with consistent alpha have attracted larger tickets. The Category III AIF industry in India has achieved a significant milestone

with total fund raised reaching approximately Rs. 1.96 trillion as of December 31, 2025, representing a robust CAGR of 26% from FY19 to FY25

The investments made by Category III AIFs have also increased, driven by tactical deployment and regulatory guardrails. Capital is deployed dynamically across equity, debt and derivatives and high turnover naturally inflates investment numbers. SEBI's margin, leverage and reporting norms have increased investor confidence and reduced perception of excessive risk. As of December 31, 2025, the Category III AIF sector has garnered investment made of around Rs. 2.1 trillion, marking a steady growth trajectory with a CAGR of 32% over the six-year period from FY19 to FY25.

Investor profile

Resident Indian individuals, non-resident Indians (NRIs), foreign nationals and institutional investors can invest in AIFs. However, due to minimum investment requirement of Rs 10 million, Rs 2.5 million in the case of angel funds only sophisticated private investors (non-retail) can invest in AIFs. Also, as per SEBI guidelines, AIFs can only be marketed through private placement. The directors, employees and fund managers of AIFs are permitted to invest in AIFs with a minimum amount of Rs 2.5 million. Investor profile varies depending upon the investment objective of the fund and targeted market segment. Usually, UHNIs/HNIs, corporate treasuries, insurance companies, family offices, etc invest in AIFs (family offices are the personal wealth management firms of ultrarich families). UHNIs/HNIs and institutional investors are well informed and attuned to adopting higher risk return strategies.

AIFs have become popular in India because they offer investors a range of alternative assets, including private equity, real estate and infrastructure. They provide diversification beyond traditional asset classes such as listed equities, bonds, currencies, or gold and offer potentially better returns.

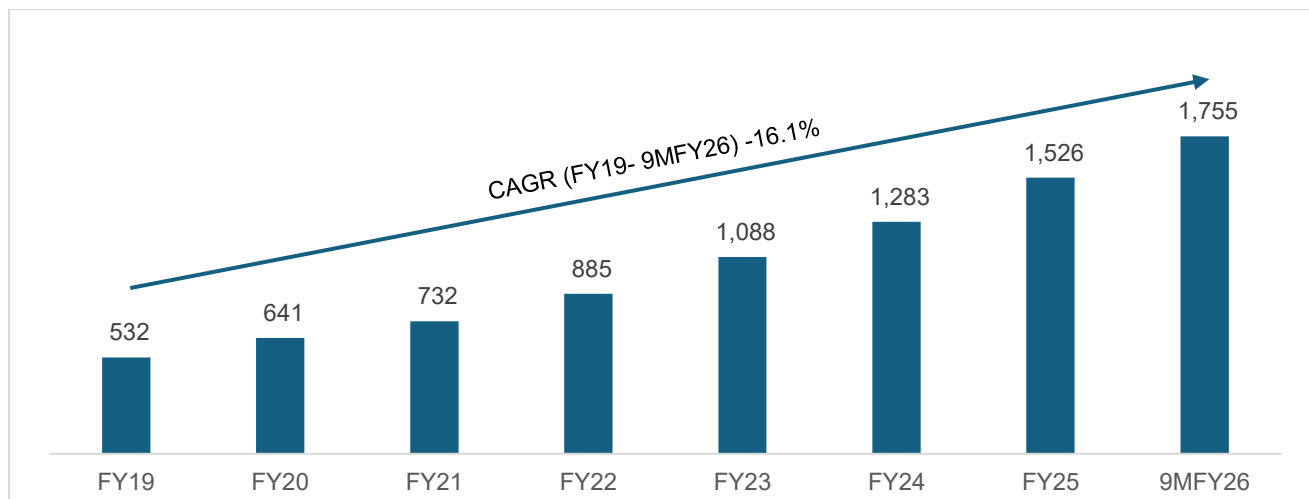
Since their inception, AIFs have witnessed a remarkable rise in the number of funds registered, commitments raised, and new investments made. This was enabled by the enterprise of the industry and propelled by SEBI's measures to enhance and streamline the ecosystem.

In India, SEBI-accredited investors are high-net-worth individuals or entities certified by recognized agencies to access exclusive, high-risk investment products. Eligibility criteria include an annual income of Rs. 10 million and net worth of Rs. 5 million for individuals and Rs. 500 million for body corporates/trusts. Accredited investors enjoy lower investment thresholds, access to specific funds, and reduced compliance requirements. The accreditation process involves verification of financial documents by SEBI-recognized agencies, enabling participation in Accredited Investors Only Funds and exempting them from certain regulatory constraints.

AIF activity in terms of commitments raised has clocked a CAGR of ~30% between fiscal 2019 and fiscal 2025. India is expected to remain an attractive destination for PE and VC investments in the long-term.

Robust economic growth, rising entrepreneurship, a large consumer base, higher digital adoption, favourable regulatory environment and government initiatives and schemes should provide ample opportunities for investors in the coming years.

The number of alternative funds registered is on an upward trend



Source: SEBI, Crisil Intelligence

AIF Distribution Channels and Trends

Distribution Channels and Percentage Mix

The AIF distribution landscape is dominated by distributors with approximately 58-60% of AIF assets sourced through them and the remaining 40-42% coming directly. The estimated distribution mix is comprised of a distributor network, including banks, wealth managers and national distributors which account for majority of distribution while other from direct channel, including direct to fund house and digital platforms. Different AIF Distributor in India are:

Wealth Managers:

Wealth managers play a significant role in AIF distribution, particularly among Ultra High Net Worth Individuals (UHNIs) and Family Offices. They account for ~80% of funds raised from individuals. Key players in this space include 360 ONE, Anand Rathi Wealth, Motilal Oswal Financial Services, and various independent financial advisors (IFAs). There is a notable shift from commission-based distribution to fee-based advisory, reducing the raw "distribution" percentage but increasing "advisory-led" sales.

Banks and National Distributors:

Banks act as major distributors, leveraging their existing HNI client base for AIFs. They primarily distribute Category II (Private Equity/Debt) and Category III (Long Short/Hedge Funds). Key players in this space include State Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Axis Bank, and. National distributors, such as NJ India, have also maintained a steady presence in AIF distribution, leveraging their large network to tap into Tier 2 and Tier 3 cities.

Growth of the Direct Channel

The direct channel has seen significant growth rising from 27% in 2019 to over 40% in recent years. Growth drivers include increased awareness among sophisticated investors and the convenience of digital platforms, such as Zerodha Coin, Groww, and INDmoney, which allow direct access to alternative products.

Key Trends and Insights

Category II AIFs dominate the landscape, accounting for approximately 75-76% of total commitments. Category III AIFs have also shown high interest, accounting for 47% of total new launches in the financial year. The shift in distribution model has stabilized with distributors (Banks/Wealth Managers) accounting for around majority of distribution. Domestic investors constitute the largest share of funds raised supported by a rising number of HNI and first-generation entrepreneurs.

Comparison between Alternative AMC and AIFs

Parameter	Alternative AMC	AIF
Use of Capital	To create and distribute alternative funds	To invest directly into companies
Capital Risk	Upside oriented, lower downside risk	Both upside and downside risks, since investments are directly into companies
Profitability Profile	Fairly stable as alternative AMC receives predictable multiple income streams from multiple funds	Volatile as distribution is less predictable and lumpy
Management Fee	Alternative AMC receives management fee across multiple funds	Retail investor pays management fee to alternative funds
Carried Interest	Alternative AMC receives carried interest across multiple funds	Retail investor pays carried interest across multiple funds
Valuation	Function of profitability and net worth	Typically, a discount to net asset value
Liquidity	Listed entity, highly liquid	Limited liquidity even at discounts
Precedent Domestic	Multiple alternative AMC are listed, including Edelweiss Financial Services, 360 One WAM, Motilal Oswal	No listed AIFs
Precedent International	Several alternative AMCs have been listed for over 25 years, such as Blackstone and KKR	PE funds are generally not listed
Investor base of Listed Entity	Institutional, HNI and retail	Institutional and HNI. No retail participation is allowed

Source: Crisil Intelligence

Growth drivers for AIFs in India

AIFs have become widely popular in India because they offer investors a wide range of alternative assets, including private equity, real estate and infrastructure. They provide diversification beyond traditional asset classes such as listed equities, bonds, currencies, or gold and also offer potential for higher returns. Further, the experience of established managers, the growing pool of UHNI and HNI and the increase in domestic capital flow and regulatory support are expected to aid the growth of this industry.

AIFs offer global investors the opportunity to invest in industries with significant growth potential, like technology, consumer, financial services, healthcare, infrastructure and renewable energy. Investors can leverage the wave of India's changing economic landscape and potentially earn enormous rewards by investing in these promising sectors and a scope to minimize risk by diversifying their portfolio.

Indians have traditionally invested in fixed income instruments, especially bank fixed deposits. However, with investors becoming more aware, there has been a slow but steady change in investor attitude with their focus shifting towards capital market products. They are finding these products more attractive. Alternatives as an asset class is also witnessing higher adoption among investors with higher risk appetite, namely the HNIs. HNIs, ultra-HNIs and retail investors, along with increasing participation from domestic institutions, form the foundation of the domestic AIF industry. AIFs are becoming more attractive for HNIs, ultra- HNI's and institutional investors because the SEBI has been proactively trying to bring in more transparency in the industry.

Diversification Benefits

AIFs offer diversification benefits beyond traditional asset classes and may generate higher returns due to their exposure to a wider range of assets and specialized investment strategies. AIFs could be attractive options for investors seeking diversification and potentially higher returns over traditional asset classes.

Emergence of experienced managers

Experienced and established managers offer a proven ability to navigate different market conditions. Their operational expertise and acumen along with a consistent track record across multiple funds and business cycles enhances their reputation and helps scale investments across asset classes.

Growing pool of eligible investors including UHNIs, HNIs and institutions

Over the past couple of years, the number of ultra-high net worth individuals/high net worth individuals (UHNI/HNI) and domestic capital flow from institutions in India have increased significantly driven by better economic growth, rising income levels and a strong equity market. First generation start up entrepreneurs have also led to an increase in the UHNI/HNI population. The increase in UHNI/HNIs and rise in awareness along with the availability of AIFs have led to a surge in demand. This has also resulted in increased requirement for professional advice.

Domestic capital flow increasing

SEBI's proactiveness in bringing in many regulatory changes are expected to help reverse the investment mix in favour of domestic investors in the coming years. In recent years domestic institutional investors, such as retirement funds and insurance companies, have been allowed to invest in AIFs. This will be a major growth driver for the industry.

Demographic Factors

India has a median age of below 30 years, with one of the world's youngest workforces. This implies that there is a readily available pool of skilled and efficient labor, which could drive domestic and foreign capital investment as well. Further, the size of the younger population could drive innovation in the economy, thereby resulting in a potential increase in the startup ecosystem.

Additionally, the increasing per capita income of the country along with the rising disposable income could also potentially drive investments in newer asset classes such as alternative investments and portfolio management services in the future among Indian investors.

Financial Penetration and Deepening

Along with the advantage of demographics in the country, there is a flourishing financial ecosystem as well. Increasing credit penetration encourages growth in startups and MSMEs, thereby creating opportunities for alternative investment funds to facilitate investment and infuse capital into these sectors, thereby leading to overall economic expansion.

RBI allowance of foreign investment

Category III AIF, with foreign investment are permitted to make portfolio investments in only those securities or instruments in which an FPI can invest under the Foreign Exchange Management Act rules or regulations made thereunder. In May 2021, SEBI, in consultation with RBI, doubled the overseas investment limit for AIFs from USD750 million to USD1500 million.

Increase in investment opportunities in smaller cities

Tier-1 cities in India are usually the hub for most VC and PE investments as these places have well-developed infrastructure, a stable and growing economy, better technology and many other advantages. While AIFs have preferred tier-1 cities for investments, they have lately started shifting their focus to the

smaller cities as well. One reason for this is that these cities and towns are seeing a considerable rise in entrepreneurship. Also, the Make in India initiative by the Union government, increased digitalisation and educated population have given these regions more visibility within the startup ecosystem.

Emergence of GIFT City in AIF

GIFT City's Alternative Investment Fund (AIF) ecosystem has emerged as a significant offshore investment platform, attracting foreign capital and providing Indian investors with access to global markets. The ecosystem's growth is driven by its regulatory clarity, tax efficiencies, and dollar-denominated structures, making it an attractive destination for sophisticated investors. The increasing presence of fund management entities and investors underscores the city's potential to become a credible alternative to established offshore financial centres. As the ecosystem continues to evolve, it is poised to play a key role in India's financial landscape, enabling domestic asset managers to diversify their revenue streams and tap into new growth opportunities.

Key Challenges in AIF Industry

Investment Performance

The ability to generate superior risk-adjusted returns is a critical element in attracting and retaining investors. Firms must demonstrate consistent performance across market cycles, showcasing their ability to navigate complex market conditions and deliver strong returns. A strong track record of investment performance is essential for building trust and credibility with investors.

Fund terms, including Fees

Competitive fee structures, including management fees and performance fees, are key to investor decision-making. Investors are increasingly favouring lower fees, co-investment opportunities and alignment of interests with fund managers. Firms must be able to offer flexible and transparent fee structures that reflect the value they provide to investors.

Operational Efficiency and Risk Management

Effective risk management frameworks and operational efficiency are essential for driving long-term sustainability. Scalable investment platforms and strong internal controls improve cost efficiency and investor trust, enabling firms to manage risk and optimize investment returns. This includes implementing robust risk management systems, conducting regular audits and compliance reviews and maintaining a strong culture of risk awareness and accountability.

Portfolio management services in India

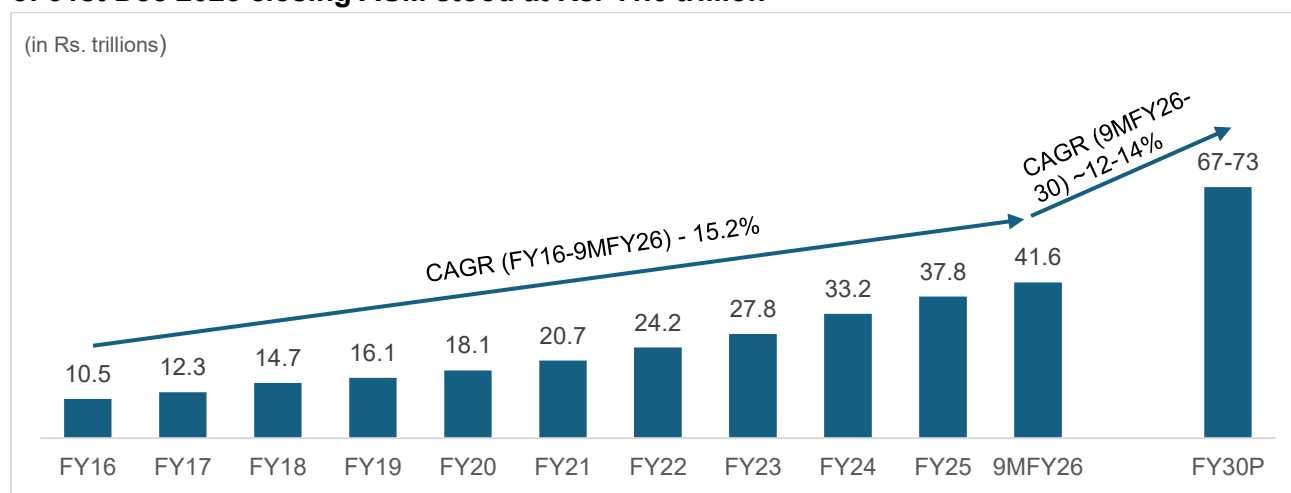
PMS are usually focused on customized discretionary, non-discretionary or advisory service offerings tailored to meet specific investment objectives through portfolio management services for stocks, cash, fixed income, debt, structured products and other individual securities. As on 31st December 2025, according to SEBI, there were 495 portfolio managers (including AMC's) registered under SEBI.

Over the last nine years, the PMS industry has seen significant growth, with the market becoming more mature, increasing number of HNIs, greater need for customized asset allocation based on risk-return profiling, and growing awareness of PMS as a product. As of March 2025, the closing AUM of PMS asset managers stood at approximately Rs 37.8 trillion, reflecting a CAGR (FY16-9MFY26) of 15.2% over the last nine years. As of 31st December 2025, the closing AUM stood at Rs 41.6 trillion; meanwhile, Ex-EPFO AUM as of 31st December 2025 stood at Rs 8.6 trillion, growing at a CAGR (FY16-25) of 9.6%.

There are broadly four types of PMS:

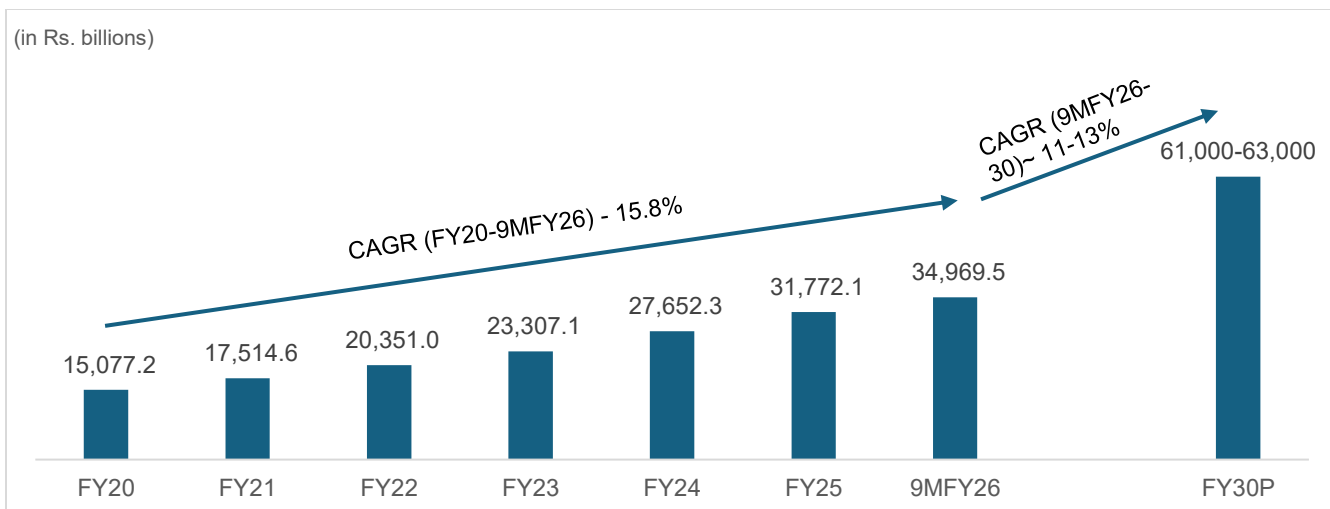
1. **Discretionary PMS** – Where the investment is at the discretion of the fund manager, and the client does not intervene in the investment process
2. **Non-discretionary PMS** – Non-discretionary services are the ones in which managers involve the client in the decision-making process. Non-discretionary clients are usually institutional clients, such as pension funds, insurance companies, and HNIs, etc.
3. **Advisory PMS** – Advisory services are where managers advise clients about investing strategy
4. **Co-investment PMS** – Services where portfolio manager manages Category I or II Alternative Investment Funds (AIFs) and provides investment services only to investors of those specific AIFs.

PMS closing AUM grew at a CAGR of 15.2% between March 2016 and December 2025, as of 31st Dec 2025 closing AUM stood at Rs. 41.6 trillion



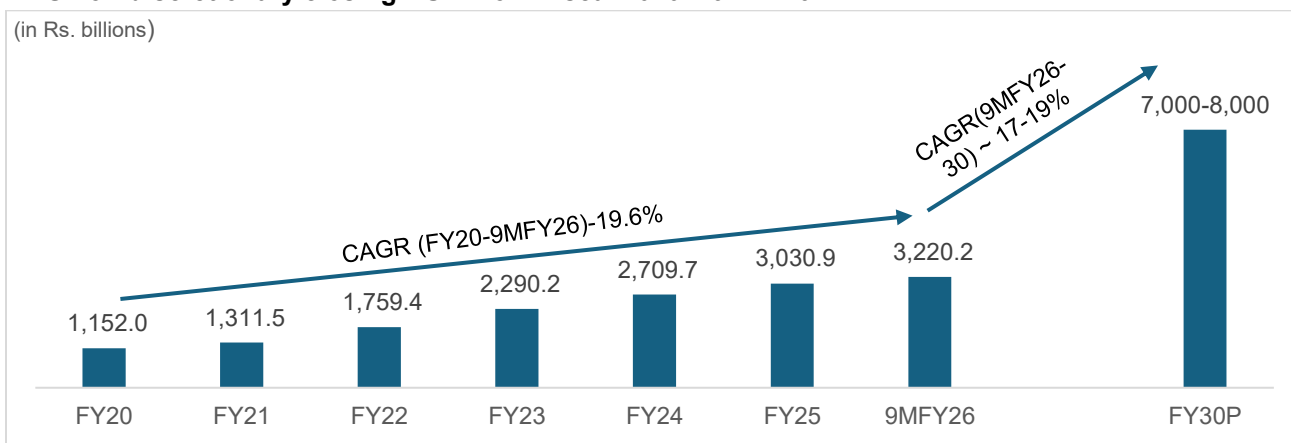
Source: SEBI, Crisil Intelligence

PMS Discretionary closing AUM from Fiscal 2020 – 9MFY26



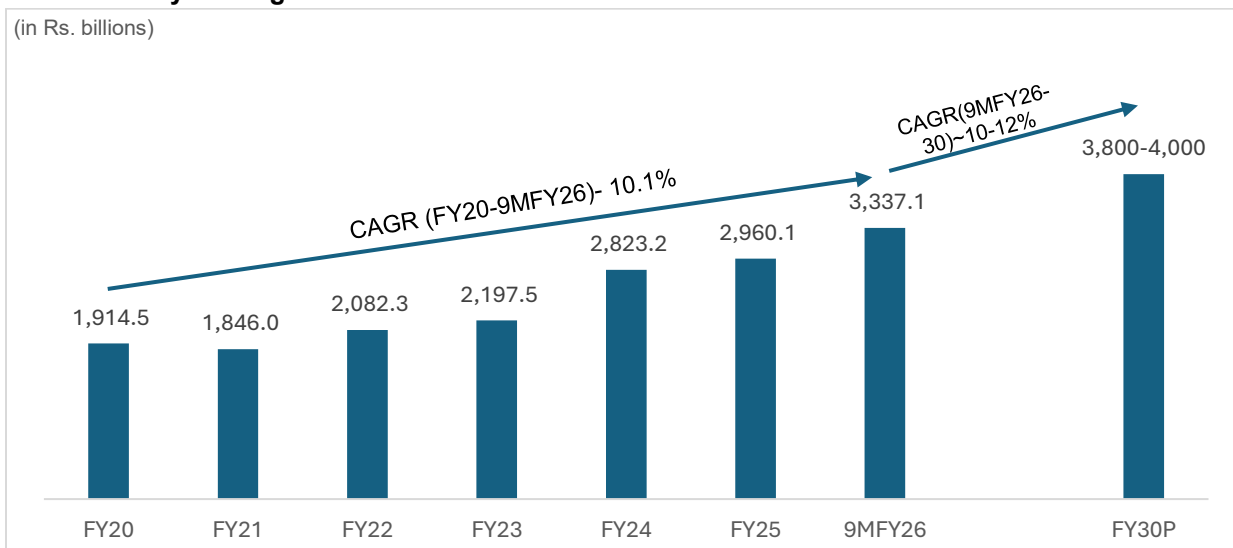
Source: SEBI, Crisil Intelligence

PMS non-discretionary closing AUM from Fiscal 2020 – 9MFY26



Source: SEBI, Crisil Intelligence

PMS Advisory closing AUM from Fiscal 2020 – 9MFY26



Source: SEBI, Crisil Intelligence

Guidelines issued by SEBI

The guidelines issued by SEBI in 2013 had allowed distributors to set up a separate division to offer advisory services. However, after discussion on SEBI's recent consultation paper on review of regulatory framework for investment advisers, SEBI announced that investment advisers will be barred from simultaneously selling financial products and advisory services to curb mis-selling and protect investors. The board meeting also focused on bringing clarity in payment of fees and setting an upper limit on the fees charged to investors.

On November 20, 2019, SEBI announced an increase in the required minimum ticket size for investing in PMS, from Rs. 2.5 million to Rs. 5.0 million, and the minimum net worth requirement for PMS providers, from Rs. 20 million to Rs. 50 million, effective within 36 months. Additional changes were mandated by SEBI which aimed at increasing transparency for retail investors. SEBI has introduced a new framework for Specialized Investment Funds, aimed at providing a structured platform for alternative investments in India which will allow asset managers to cater to a different class of investors.

Growth of HNI Market in India in PMS Industry

PMS industry in India is experiencing unprecedented growth, driven primarily by the High Net Worth Individual (HNI) segment. This remarkable growth can be attributed to the increasing demand for customized and high-performance investment strategies from affluent investors. HNIs are seeking diversification beyond traditional assets and are increasingly adopting PMS for its ability to offer bespoke portfolios aligned with specific risk-return goals, providing a level of customization that traditional mutual funds cannot match.

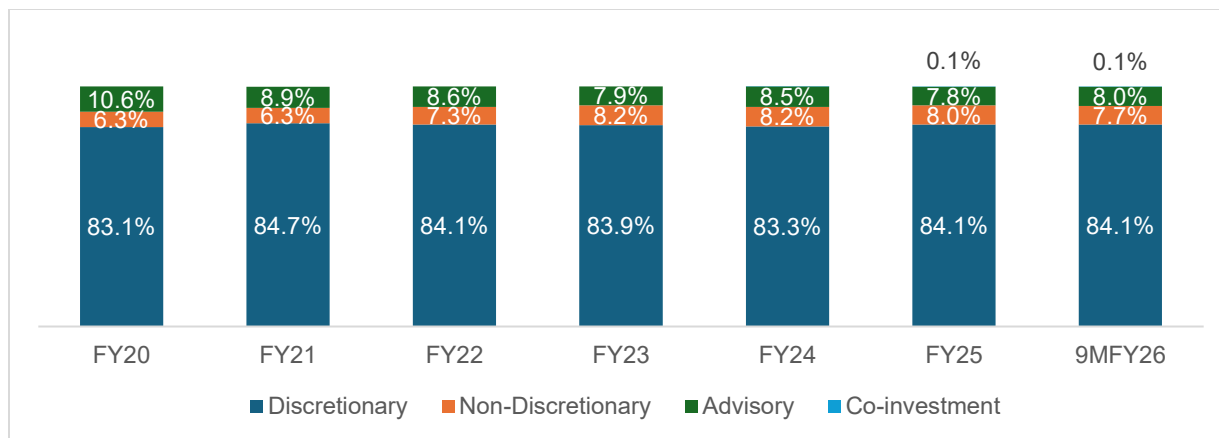
The growth of the HNI segment in India is a key factor driving the PMS industry's expansion. The number of HNIs in India is rapidly increasing, with projections suggesting that the Ultra-HNI (UHNI) population will rise by 50% by 2028. As a result, the PMS industry is expected to continue growing at a strong pace, with estimates suggesting an annual growth rate of 20-25% over the next 3-5 years. The industry's growth is also driven by a shift from traditional investments towards PMS and Alternative Investment Funds (AIFs), as HNIs seek specialized, high-conviction portfolios that can deliver higher returns and alpha.

The PMS industry's outlook appears promising, with sustained growth expected in the coming years. As wealth creation trends continue to indicate a growing HNI investor base, demand for sophisticated and personalized PMS solutions is expected to rise even faster than broader financial markets. The industry is also witnessing a trend of younger, tech-savvy HNIs seeking sustainable and high-impact investment options, driving growth in equity-based PMS and Category II AIFs. While some data suggests that recent HNI inflows may be concentrated among large, established houses, the industry expects continued high growth, with PMS becoming a standard component of wealth management for the expanding affluent class in India. As HNIs continue to drive growth in the PMS industry, providers are likely to focus on offering customized solutions that meet the evolving needs of this segment.

Market share of types of portfolio management services

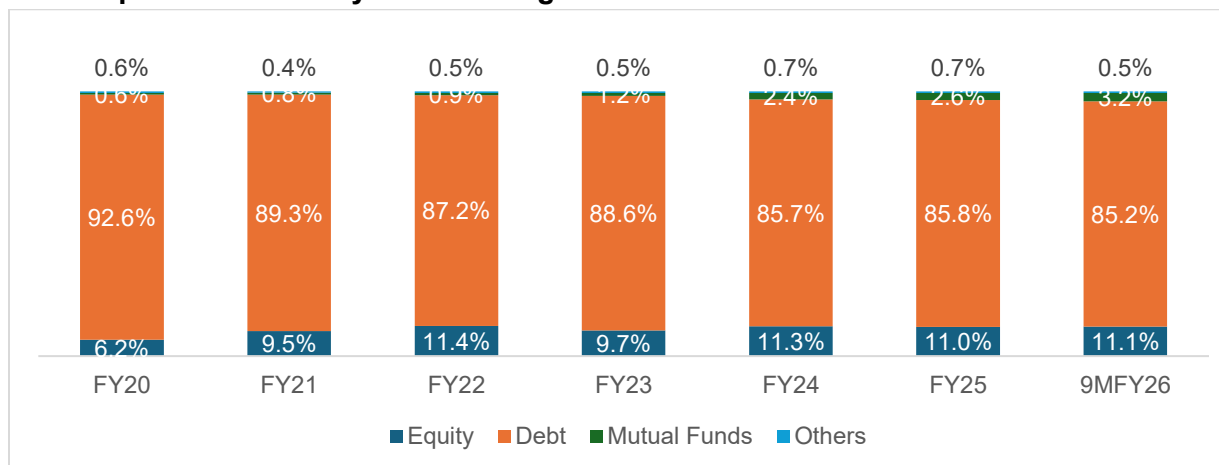
As on December 2025, discretionary PMS dominated the space with 84.1% share, followed by non-discretionary 7.7%, advisory 8.0%, and co-investment 0.1%.

Discretionary products have captured the highest market share in portfolio management services



Note: Basis closing AUM. Source: SEBI, Crisil Intelligence

Break-up of Discretionary PMS Closing AUM



Note: Basis closing AUM, Derivative is included in "Others". Source: SEBI, Crisil Intelligence

Types of PMS Players

There are various types of portfolio management service providers in India including standalone PMS, mutual fund owned PMS, MNC owned PMS etc. Example of standalone owned PMS providers include ASK Investment Managers, Unifi Capital etc. Various mutual fund houses also provide portfolio management services including SBI Mutual Fund, ICICI Prudential, UTI AMC, etc.

Top 10 PMS assets under management – As of December 2025

Closing AUM (in Rs billions)	Discretionary	Non Discretionary	Advisory	Co-investment	Total	Market Share (%)
SBI Funds Management Limited	15,758.0	439.4	26.4	-	16,223.9	39.0%
Uti Asset Management Company Private Limited	14,050.5	855.5	-	-	14,906.0	35.8%
Darashaw & Company Limited	29.5	0.1	1,437.3	-	1,466.9	3.5%

Nippon Life India Asset Management Limited	9.1	872.7	0.4	-	882.2	2.1%
Enam Asset Management Company Limited	372.9	-	65.9	-	438.8	1.1%
Franklin Templeton Asset Management (India) Private Limited	-	-	387.7	-	387.7	0.9%
360 ONE Portfolio Managers Limited	118.1	249.3	-	-	367.4	0.9%
360 ONE Asset Management Limited	253.6	-	73.9	-	327.5	0.8%
ICICI Prudential Asset Management Company Limited.	274.9	0.2	2.7	0.5	278.3	0.7%
Abakus Asset Manager Private Limited	212.5	-	9.7	-	222.2	0.5%

Source: SEBI, Crisil Intelligence

SBI MF: Dominating India's PMS Market

The PMS industry in India is structurally dominated by domestic institutional mandates, with the Employees' Provident Fund Organization (EPFO) emerging as the single largest capital pool within the segment. EPFO is not just an important client category, but the defining driver of scale in the institutional PMS ecosystem, accounting for roughly 80-90% of total PMS AUM among leading managers. This has a significant impact on competitive positioning, pricing structures and revenue dynamics. Within this framework, SBI MF stands out as the undisputed market leader with a total PMS AUM of Rs. 16,224 billion of which Rs. 14,903 billion is attributable to PF/EPFO mandates translating to 91.9% of its total PMS AUM. In 2019, the Employees' Provident Fund Organization ("EPFO"), India's largest pension fund, selected SBI Mutual Fund as one of its preferred fund managers to manage a portion of its equity investments, demonstrating institutional confidence in our investment capabilities.

Top 10 PMS AUM Composition – December 2025

Closing AUM (in Rs billions)	Domestic Clients			Foreign Clients			Total	EPFO of Total AUM (%)	Market Share of EPFO
	PF/EPFO	Corporates	Non-Corporates	Non-Residents	FPI	Others			
SBI Funds Management Limited	14,903.3	1,301.7	11.8	0.7	6.4	0.0	16,223.9	91.9%	50.4%
Uti Asset Management Company Private Limited	14,050.5	855.5	0.0	0.0	0.0	0.0	14,906.0	94.3%	47.5%
Darashaw & Company Limited	1,061.3	405.1	0.3	0.1	0.0	0.0	1,466.9	72.4%	3.6%
Nippon Life India Asset Management Limited	0.0	877.0	4.3	0.9	0.0	0.0	882.2	NA	NA
Enam Asset Management Company Limited	0.0	43.3	77.9	16.5	301.0	0.0	438.8	NA	NA
Franklin Templeton Asset Management (India) Private Limited	0.0	0.0	0.0	0.0	387.7	0.0	387.7	NA	NA
360 ONE Portfolio Managers Limited	3.2	133.4	211.9	18.9	0.0	0.0	367.4	0.9%	0.0%
360 ONE Asset Management Limited	0.0	14.0	46.7	4.4	262.5	0.0	327.5	NA	NA
ICICI Prudential Asset Management Company Limited.	0.0	31.5	230.3	16.4	0.0	0.0	278.3	NA	NA
Abakus Asset Manager Private Limited	0.0	38.7	135.7	7.4	40.4	0.0	222.2	NA	NA

Note: SEBI, Crisil Intelligence

SBI MF's dominance in the EPFO PMS pool is evident with a 50.4% market share effectively controlling half of the entire EPFO-managed equity corpus within the PMS structure. This establishes SBI MF as the dominant manager of India's largest retirement fund allocations, reinforcing its credibility, execution capability, and institutional trust. The EPFO market is highly concentrated, with SBI MF and UTI AMC (47.5%) occupying the leadership positions. However, while SBI MF's AUM dominance is undeniable, it is essential to interpret this in the context of pricing and margin tiers across PMS segments. EPFO mandates operating at compressed fee structures, which moderates SBI MF's blended revenue yield. The firm's PMS franchise reflects a classic scale-versus-yield dynamic, benefiting from extremely large and sticky AUM, long-duration institutional mandates, predictable asset base, and strong operating leverage.

When compared to other players, SBI MF's profile is more conservative, stable, and scale-oriented rather than yield-maximizing. Players like 360 ONE, Franklin Templeton, or Enam have smaller PMS AUM but more tilted toward high-margin FPI or non-corporate mandates. The international PMS and advisory FPI segment appear underrepresented in the dataset, and a more comprehensive inclusion of offshore and advisory structures may improve the assessment of SBI MF's margin diversification. Strategically, SBI MF's PMS business should be viewed as a foundational institutional franchise anchored by EPFO dominance, creating high entry barriers for competitors. Going forward, incremental growth in retail PMS, international mandates and FPI advisory could meaningfully enhance blended yields without compromising scale stability.

SBI MF Leads in FPI Advisory

SBI MF holds a structurally stronger competitive position in servicing FPIs compared to domestic peers, despite its onshore PMS FPI AUM appearing optically smaller. Its institutional credibility, balance sheet strength and governance depth, supported by the SBI group lineage, give it a competitive edge when bidding for large FPI mandates. SBI MF competes across broader institutional channels, including segregated advisory mandates and offshore vehicles which may not be fully reflected in domestic PMS FPI classifications suggesting its effective foreign advisory footprint is likely larger than headline PMS numbers indicate.

SBI MF's scalability, research bandwidth, trading execution capability, compliance infrastructure, and risk systems position it to absorb incremental global flows more efficiently than peers. Its international positioning is built on three structural pillars: a strong domestic research platform, risk management framework, and long-standing track record in managing large pools of capital. FPI advisory mandates command higher fee realizations than EPFO mandates, and SBI MF's blended PMS yield is likely to enhance with incremental FPI growth. With its institutional strength, scalability, credibility and long-term capacity to capture global flows, SBI MF is well-placed to capture rising international allocations to India and scale foreign institutional mandates in a sustained manner, making it one of the best-positioned domestic asset managers.

Divergence in Investment Landscape: PMS vs Mutual Fund Industry

Scale and Industry Size

The Indian MF industry and the PMS industry exhibit distinct characteristics across various parameters. In terms of scale and industry size, the mutual fund industry is significantly larger, with assets under management (AUM) of around Rs. 80.2 trillion as of December 2025. This contrasts with the PMS industry, which has a total AUM of approximately Rs. 41.6 trillion. The Ex-EPFO as of 31st December 2025 stood at Rs. 8.6 trillion. This disparity highlights the dominant role of mutual funds in mobilizing capital in Indian financial markets.

Investor Base and Penetration

The investor base and penetration of mutual funds and PMS also differ substantially. Mutual funds cater to a broad investor base, with over 230 million investor folios as of March 2025, representing a 32% growth in a single year. In contrast, PMS serves a smaller segment due to the SEBI-mandated minimum investment requirement of Rs. 5million. As a result, PMS client counts have grown from around 51,000 in 2015 to over 2,13,691 as of December 2025, but the overall base remains limited.

Accessibility and Investment Minimums

Accessibility and investment minimums are another key differentiator between mutual funds and PMS. Mutual funds offer low investment thresholds, with SIPs starting from Rs. 1,000, making them accessible to a wide range of investor segments. In contrast, PMS requires a high minimum investment of Rs. 5million or more, restricting participation mainly to wealthy individuals and institutions. This fundamental difference shapes the type of investors who use each product and why: mutual funds are suited for broad savings and retirement goals, while PMS is designed for investors seeking bespoke strategies.

Fee Structure

The fee structure of mutual funds and PMS also varies significantly. Mutual funds charge an expense ratio, typically ranging from 0.5-2.5% covering management and operational costs. In contrast, PMS charges a management fee, commonly ranging from 1-3% per annum, and often includes performance fees, which can range from 10-20% of profits above a hurdle rate. Additionally, PMS investors pay brokerage, custody, and demat costs, as well as sometimes exit charges around 1-3% as well as performance fee on profit earned above a predetermined hurdle rate. Overall, PMS tends to be more expensive than mutual funds, especially when performance fees and transaction costs are included.

Taxation Differences

Taxation differences between mutual funds and PMS also exist. Mutual funds are tax-efficient, as capital gains tax is triggered only on redemption, allowing returns to compound pre-tax over long periods. In contrast, PMS accounts are taxed on a trade-by-trade basis, meaning every sale of a security by the portfolio manager can create a tax event, lower post-tax returns and reducing compounding benefits. For, Short-Term Capital Gains (STCG) on equities held ≤ 1 year are taxed at 20%, while Long-Term Capital Gains (LTCG) > 1 year are taxed at 12.5% on gains over ₹1.25 lakh (post-Union Budget 2024 changes). Dividends and interest are added to your income and taxed at your slab rate, and PMS fees attract GST.

Risk, Diversification and Strategy

The risk, diversification, and strategy of mutual funds and PMS also differ. Mutual funds are typically highly diversified, especially large and mid-cap equity funds, which lowers concentration risk. They also follow regulated investment mandates and regularly disclose portfolios. In contrast, PMS strategies can be highly concentrated and customized, which may produce outperformance in certain periods but carries higher volatility and greater idiosyncratic risk.

Transparency and Regulation

In terms of transparency and regulation, mutual funds have standardized disclosures, including daily NAVs, regular factsheets, and mandatory SEBI reporting. PMS requirements, on the other hand, are more tailored and less standardized, as each account is individual. This difference reflects the assumption that mutual fund investors are largely retail and require protection and clarity, while PMS investors are expected to be more sophisticated.

Growth Trends and Market Role

The growth trends and market role of mutual funds and PMS also vary. Mutual funds have grown dramatically, with industry AUM increasing roughly 7x over the past decade and now representing a large proportion of household financial assets. PMS has also grown rapidly, with a 10-year CAGR of over 15%, but from a much smaller base. The mutual fund industry also engages in financial inclusion initiatives, such as SIP adoption across semi-urban and rural India, and is a key mechanism for broader stock market participation.

Market Impact and Systemic Importance

Finally, the market impact and systemic importance of mutual funds and PMS differ. Mutual funds are systemically important to India's financial markets, influencing equity valuations and participating in both debt and equity markets at scale. PMS, while growing, remains a complementary segment, useful for investors seeking bespoke, high-conviction management but not central to the aggregate savings and investment landscape.

Traditional vs. digital wealth managers

	Traditional wealth management firms	Advisor-assisted digital wealth management firms	Fully automated digital wealth management firms
Business model	Face-to-face advice mainly through the branch network for comprehensive wealth management	Phone-based financial advisor accessible through digital channels for personal advice	Personalised financial tools give investment advice stressing on attaining specific goals
Client type	HNI clients who value guidance from a trusted financial advisor	Clients who value both human guidance and technology	Affluent, tech-savvy and price sensitive customers
Investment process	In-person meetings with a dedicated advisor for all investment process	Automated process to decipher risk profile and target asset allocation. Easy access and periodic reviews with the help of advisor	Make use of a structured questionnaire to decipher the risk profile and time horizon of the investor
Value proposition	A dedicated advisor with comprehensive wealth planning	Relatively affordable pricing as compared to traditional firms combined with advisor relationship	Proprietary algorithms to process the inputs, and select a portfolio to provide a tailored investment plan to investors

Source: Crisil Intelligence

Distribution channels

PMS providers tie up with distributors to market their product to the end-investor. Customers are acquired through relationships of the providers with high end wealth managers and banks. Many PMS providers also have their own relationship management teams which acquires customers for them.

PMS Distribution Landscape in India

PMS distribution in India operates through a mix of direct and indirect channels, with a rapidly growing base of over 15,500 individual and 2,100+ non-individual distributors as of late 2025. The industry has witnessed significant growth in the number of distributors, with a increase of roughly 69-74% in 2025, driven by increased interest from HNI investors. This growth is a testament to the increasing demand for PMS among HNIs and Ultra HNIs.

Key Channels for PMS Distribution

The key channels for PMS distribution in India include bank wealth management desks, specialized financial advisors, national distributors, and fintech platforms. Bank wealth management desks, for instance, leverage their extensive HNI client base to distribute top PMS products. Major banks have a significant presence in the PMS distribution space, offering a range of PMS products to their clients. Independent Financial Advisors (IFAs) and wealth managers also play a crucial role in distributing PMS products, providing customized advice to HNIs and Ultra HNIs.

Role of IFAs and Wealth Managers

Independent Financial Advisors (IFAs) and wealth managers have emerged as a significant channel for PMS distribution in India. These specialized advisors, including individual distributors and boutique wealth firms, provide customized advice to HNIs and Ultra HNIs, helping them to achieve their financial goals. The number of IFAs and wealth managers has increased significantly in recent years, driven by the growing demand for PMS products.

National Distributors and Their Role

National distributors are large-scale distributors that have a widespread network to sell PMS products across India. These distributors often have a strong presence in multiple cities and can offer a range of PMS products to their clients. National distributors play a crucial role in increasing the accessibility of PMS products to a wider range of investors.

Direct-to-Consumer

The growth of digital adoption has enabled investors to access PMS products directly through online platforms. Online brokerages such as Zerodha and dedicated fintech platforms have emerged as a popular channel for PMS distribution. These platforms provide investors with easy access to PMS products, allowing them to invest in a range of strategies and asset classes.

AMCs and PMS Providers

Many PMS providers, such as 360 One Portfolio Managers Ltd and Alchemy Capital Management Pvt Limited, have direct sales teams to engage with clients for PMS, Alternative Investment Funds (AIFs), and other wealth services. These providers often have a strong presence in the market and can offer a range of PMS products to their clients.

Industry Dynamics and Growth

The PMS industry in India is dynamic and rapidly growing. Over 440+ PMS firms are registered with SEBI, managing substantial assets for HNI and Ultra-HNI families. The industry is expected to continue growing, driven by increasing demand from HNIs and Ultra HNIs.

Role of Platforms like PMS Bazaar

Platforms like PMS Bazaar play a crucial role in the PMS distribution space, providing research and information to aid distribution. These platforms cover a range of strategies and, in some cases, Alternative Investment Funds (AIFs), help distributors and investors to make informed decisions.

Major Firms Offering PMS Services

Major firms offering PMS services in India include Sahasrar Capital Pvt Ltd, Samvitti Capital Pvt Ltd, and Stallion Asset Pvt Ltd. These firms offer a range of PMS products and strategies, catering to the diverse needs of HNIs and Ultra HNIs.

Popular PMS Providers

Popular PMS providers often accessed by investors in India include 360 ONE Asset Management, Abakkus Asset Manager, ICICI PMS, Motilal Oswal PMS, and ASK Investment Managers. These providers have a strong presence in the market and offer a range of PMS products to their clients.

Competitive Scenario

Players in wealth management generally acquire customers via RM sourcing, third party referrals, existing client referrals, events, and digital marketing. Players in the industry compete on the basis of quality/vintage of their RMs and RM productivity, reputation of the player in the industry, range and suitability of products offered, mix of in-house and third-party products, simplicity and convenience of platforms offered and pricing.

Fintech firms (digital wealth managers) have also started posing competition, mainly in the affluent and mass affluent segment; but our interactions indicate that most customers prefer a hybrid model wherein they can transact through a tech platform but also reach out to their assigned RM, when needed. Some wealth management firms are also making use of technology such as robo-advisors to provide services to clients. These robo-advisors can do the simple job of basic asset allocation with ease. These new age firms have made personal finance management services accessible to a larger segment of the population. Given that robots and algorithms are still not equipped with human emotions and greed, a hybrid approach – combination of automated financial planning and on-demand human interface is more likely to gain traction in the medium-term. However, efficacy of fintech-led decision-making is bound to improve in the long-term with increasing sophistication of robo-advisors, and usage of artificial intelligence and big data.

Key Growth Drivers and Outlook

As investors are looking to diversify their investment across domains such as private equity, real estate, commodities, portfolio management services are expected to garner growing attention. Demand for professional advice is expected to grow on account of following factors:

Rising per capital income: As income for individuals' increase, demand for portfolio management services will rise, paving way for PMS providers to tap into the demand.

Digitization and Technology: With the advent of digital platforms and advisory services, portfolio management will help decrease cost for PMS providers thus enabling to serve clients better

Growth of HNIs in India: The increasing number of HNIs in India will drive demand for customized portfolio management services to achieve their financial goal.

SEBI initiatives: SEBI initiatives to enhance transparency of PMS providers will also act as a key enabler of the industry.

As per Crisil Intelligence, AMC promoted PMS providers are well-positioned to grow faster as compared to other PMS providers due to their existing strengths in terms of managing investments, including their brand reputation leading to investor trust, strong distribution network, prudent research and analysis capabilities, and investment expertise.

Peer Benchmarking

In this chapter, Crisil Intelligence have analysed the top 10 AMCs in India based on mutual fund quarterly average AUM as of December 2025 basis various operational and financial metrics.

SBI AMC was the largest AMC in terms of QAAUM with a market share of 15.4% as of December 2025

As of December 2025, QAAUM stood at Rs. 12,487.9 billion with a market share of 15.4%, growing YoY at 12.1%. Between Mar 2021 and Mar 2025, QAAUM grew at a CAGR of 20.8%.

SBI AMC has consistently been amongst the top AMC in India in terms of QAAUM Since March 2021. In 2024, SBI AMC became the first Indian AMC to cross Rs. 10 trillion in AUM for domestic mutual funds.

Quarterly Average Asset under management and growth

AMCs	Total QAAUM (Rs. Bn.)								CAGR (Mar 21- Mar 25)	Market Share 9MFY26
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Dec-24	Dec-25			
SBI AMC	5,044.6	6,470.7	7,171.6	9,143.7	10,729.5	11,139.5	12,487.9	20.8%	15.4%	
ICICI Prudential AMC	4,054.1	4,682.0	4,996.3	6,831.0	8,794.1	8,739.6	10,763.8	21.4%	13.3%	
HDFC AMC	4,155.7	4,320.8	4,497.7	6,129.0	7,740.0	7,874.3	9,248.5	16.8%	11.4%	
Nippon India AMC	2,285.9	2,832.6	2,931.6	4,313.1	5,572.0	5,699.5	7,009.6	25.0%	8.7%	
Kotak Mahindra AMC	2,337.8	2,846.2	2,893.4	3,810.5	4,825.4	4,887.4	5,733.1	19.9%	7.1%	
Aditya Birla Sun Life AMC	2,692.8	2,958.0	2,752.0	3,317.1	3,817.2	3,839.1	4,432.3	9.1%	5.5%	
UTI AMC	1,828.5	2,238.4	2,387.9	2,908.8	3,397.5	3,524.1	3,938.1	16.8%	4.9%	
Axis AMC	1,965.5	2,598.2	2,414.1	2,742.7	3,215.1	3,261.0	3,605.7	13.1%	4.5%	
TATA AMC	620.8	867.1	984.3	1,471.7	1,877.0	1,879.1	2,240.7	31.9%	2.8%	
Mirae AMC	696.0	1,009.1	1,162.7	1,617.4	1,862.7	1,942.8	2,236.9	27.9%	2.8%	
Total AMC Industry	32,105.4	38,378.8	40,510.8	54,131.1	67,422.6	68,616.9	81,009.4	20.4%	100.0%	

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, FOF Domestic is excluded, For SBI AMC and peers, SIF AAUM data is excluded, Numbers are rounded off to one decimal. Source: Company reports, AMFI, Crisil Intelligence,

SBI AMC was the third largest AMC in terms of Active QAAUM with a market share of 12.6% as of December 2025

As of December 2025, SBI AMC had an Active QAAUM of Rs. 8,488.3 billion, growing YoY at 14.0%.

Between Mar 2021 and Mar 2025, the Active QAAUM has grown at a CAGR of 19.4%.

Active QAAUM

AMCs	Active QAAUM (Rs. Bn.)								Market Share as on 9MFY26
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Dec-24	Dec-25	CAGR (Mar 21-Mar 25)	
SBI AMC	3,594.1	4,447.1	4,583.0	5,961.6	7,312.6	7,443.0	8,488.3	19.4%	12.6%
ICICI Prudential AMC	3,863.9	4,323.1	4,492.4	6,008.4	7,552.3	7,537.6	9,088.9	18.2%	13.5%
HDFC AMC	4,078.9	4,187.3	4,280.0	5,766.7	7,193.5	7,346.7	8,489.2	15.2%	12.6%
Nippon India AMC	1,906.9	2,261.2	2,183.6	3,096.5	3,874.6	4,040.3	4,725.8	19.4%	7.0%
Kotak Mahindra AMC	2,235.1	2,715.4	2,705.1	3,564.8	4,492.9	4,578.0	5,276.6	19.1%	7.8%
Aditya Birla Sun Life AMC	2,683.0	2,900.5	2,527.2	3,046.2	3,506.5	3,554.1	4,087.5	6.9%	6.1%
UTI AMC	1,402.7	1,613.9	1,559.2	1,754.3	1,982.6	2,034.6	2,189.2	9.0%	3.2%
Axis AMC	1,957.0	2,572.2	2,353.4	2,656.1	3,096.7	3,146.7	3,442.6	12.2%	5.1%
TATA AMC	616.3	859.1	957.7	1,430.5	1,807.9	1,813.5	2,126.0	30.9%	3.2%
Mirae AMC	689.0	978.3	1,116.0	1,535.3	1,716.1	1,808.2	2,040.4	25.6%	3.0%
Total AMC Industry	29,055.6	33,723.7	34,043.2	45,386.3	56,601.9	57,618.8	67,486.5	18.1%	100.0%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, FOF Domestic is excluded, For SBI AMC and peers, SIF AAUM data is excluded, Numbers are rounded off to one decimal. Source: Company reports, AMFI, Crisil Intelligence.

SBI AMC was the largest AMC in terms of Passive (ETF & Index Funds) QAAUM with a market share of 29.6% as of December 2025.

As of December 2025, SBI AMC had a passive QAAUM of Rs. 3,999.5 billion, growing YoY at 8.2% and at a CAGR of 23.9% through Mar21 - Mar25.

SBI AMC has the largest market share in passive QAAUM since March 2021. As of December 2025, the market share of SBI AMC stood at 29.6%. SBI AMC benefits from Amundi's expertise as Europe's largest ETF provider.

AMCs	Passive QAAUM (ETF & Index Funds) Rs. Bn.								Market Share as on 9MFY26
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Dec-24	Dec-25	CAGR (Mar 21-Mar 25)	
SBI AMC	1,450.5	2,023.6	2,588.6	3,182.0	3,416.9	3,696.5	3,999.5	23.9%	29.6%
ICICI Prudential AMC	190.2	358.9	503.8	822.6	1,241.8	1,201.9	1,674.9	59.8%	12.4%
HDFC AMC	76.8	133.5	217.7	362.3	546.4	527.7	759.3	63.3%	5.6%
Nippon India AMC	379.0	571.4	748.0	1,216.5	1,697.4	1,659.3	2,283.8	45.5%	16.9%
Kotak Mahindra AMC	102.7	130.8	188.3	245.6	332.4	309.4	456.5	34.1%	3.4%

Aditya Birla Sun Life AMC	9.8	57.5	224.8	270.9	310.7	285.0	344.8	137.3%	2.6%
UTI AMC	425.8	624.5	828.7	1,154.5	1,414.9	1,489.5	1,748.9	35.0%	12.9%
Axis AMC	8.5	26.0	60.7	86.6	118.4	114.3	163.2	93.2%	1.2%
TATA AMC	4.5	8.0	26.6	41.2	69.1	65.6	114.7	98.0%	0.8%
Mirae AMC	7.0	30.8	46.7	82.2	146.6	134.6	196.5	114.3%	1.5%
Total AMC Industry	3,049.8	4,655.1	6,467.6	8,744.9	10,820.7	10,998.1	13,522.9	37.2%	100.0%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, FOF Domestic is excluded, Numbers are rounded off to one decimal. Source: Company reports, AMFI, Crisil Intelligence.

SBI AMC was the largest portfolio manager for clients under discretionary services as of December 2025

As on March 2025, SBI AMC held the largest closing PMS AUM for clients under discretionary services at Rs. 14,281.1 billion which grew from Rs.10,891.4 billion in Mar23 at a CAGR of 14.5% (Mar23-Mar25).

As of December 2025 also, SBI AMC maintained its position as the largest provider of discretionary PMS, with AUM of Rs.15,758.0 billion.

Total PMS Closing AUM for clients under discretionary services for top 10 AMCs

AMCs	PMS AUM for clients under discretionary services (Rs in Bn)					CAGR (Mar 23-Mar 25)	CAGR (Mar 23-Dec 25)	Market Share as on 9MFY26
	Total							
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25			
SBI AMC	10,891.4	12,470.5	14,281.1	13,928.6	15,758.0	14.5%	14.4%	45.06%
ICICI Prudential AMC	45.8	139.6	217.1	225.2	274.9	117.7%	91.8%	0.79%
HDFC AMC	6.0	7.0	7.5	7.9	8.3	11.9%	12.5%	0.02%
Nippon India AMC	6.0	6.6	5.5	6.1	9.1	-4.5%	16.1%	0.03%
Kotak Mahindra AMC	8.9	14.3	19.5	20.0	24.1	48.2%	43.7%	0.07%
Aditya Birla Sun Life AMC	14.1	18.8	268.3	23.6	301.0	336.9%	204.7%	0.86%
UTI AMC	9,932.6	11,551.6	13,007.1	12,733.5	14,050.5	14.4%	13.4%	40.18%
Axis AMC	11.6	13.9	15.7	17.4	111.7	16.5%	127.9%	0.32%
TATA AMC	8.1	15.0	16.2	15.9	40.6	41.2%	79.5%	0.12%
Mirae AMC	NA	NA	NA	NA	NA	NA	NA	NA
Total AMC Industry	23,307.1	27,652.3	31,772.1	31,070.3	34,969.5	16.8%	15.9%	100%

Note: NA- Not available, Closing AUM as on the last date of the month, Top 10 AMCs based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, Numbers are rounded off to one decimal. Source: Portfolio Manager Monthly Report, SEBI, Crisil Intelligence.

PMS Closing AUM for clients under discretionary services (equity and non-equity) for top 10 AMC

AMCs	PMS AUM for clients under discretionary services (Rs in Bn)									
	Equity					Non-equity				
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25
SBI AMC	177.1	11.1	60.7	13.6	12.5	10,714.3	12,459.5	14,220.4	13,914.9	15,745.5
ICICI Prudential AMC	36.0	131.4	190.5	205.3	257.1	9.8	8.2	26.6	19.9	17.7
HDFC AMC	2.4	2.5	2.0	2.7	2.5	3.6	4.5	5.5	5.2	5.8
Nippon India AMC	4.9	5.9	4.1	4.9	4.4	1.1	0.7	1.4	1.2	4.7
Kotak Mahindra AMC	7.9	8.7	8.6	9.3	8.7	1.0	5.6	10.9	10.6	15.4
Aditya Birla Sun Life AMC	12.3	16.3	20.5	20.7	23.7	1.8	2.5	247.8	2.8	277.3
UTI AMC	-	-	-	-	-	9,932.6	11,551.6	13,007.1	12,733.5	14,050.5
Axis AMC	11.2	12.7	12.1	12.8	11.1	0.4	1.2	3.7	4.6	100.6
TATA AMC	1.4	1.5	1.6	1.8	2.5	6.7	13.5	14.6	14.2	38.0
Mirae AMC	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: NA- Not available, Closing AUM as on the last date of the month, Top 10 AMCs based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, Numbers are rounded off to one decimal, Source: Portfolio Manager Monthly Report, SEBI, Crisil Intelligence

SBI AMC was the third largest portfolio manager for clients under non-discretionary services as of December 2025

As on March 2025, SBI AMC held the third largest closing PMS AUM for clients under non-discretionary services at Rs. 583.4 billion in FY25 which grew from Rs 562.6 billion in Mar23 at a CAGR of (Mar23-Mar25) 1.8%.

As of December 2025 also, SBI AMC maintained its position as the third largest provider of discretionary PMS, with AUM of Rs. 439.4 billion.

PMS AUM for clients under non-discretionary services (Rs in Bn)							
AMCs (Rs. Bn.)	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25	CAGR (Mar 23- Mar 25)	CAGR (Mar 23- Dec 25)
SBI AMC	562.6	581.5	583.4	577.9	439.4	1.8%	-8.6%
ICICI Prudential AMC	-	-	-	-	0.2	Na	Na
HDFC AMC	12.2	17.3	31.6	29.6	50.0	60.6%	66.8%
Nippon India AMC	610.4	722.2	792.7	781.3	872.7	14.0%	13.9%
Kotak Mahindra AMC	7.1	17.7	25.5	24.2	35.9	90.0%	80.5%
Aditya Birla Sun Life AMC	-	-	-	-	1.5	Na	Na
UTI AMC	598.2	700.0	776.8	761.4	855.5	13.9%	13.9%
Axis AMC	-	-	-	-	-	NA	NA
TATA AMC	-	-	-	-	-	NA	NA
Mirae AMC	NA	NA	NA	NA	NA	NA	NA
Total AMC Industry	2,290.2	2,709.7	3,030.9	2,989.9	3,220.2	15.0%	13.2%

Note: NA- Not available, Na – Not applicable, Closing AUM as on the last date of the month, Top 10 AMCs based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, Numbers are rounded off to one decimal, Source: Portfolio Manager Monthly Report, SEBI, Crisil Intelligence

SBI AMC reported a CAGR of 39.2% for Mar23-25 for Equity oriented retail MAAUM which is the second highest among the top 10 AMC. It also holds the second highest share of equity-oriented retail MAAUM as of Dec 25.

As of December 2025, SBI AMC's equity-oriented retail MAAUM stood at 2080.8 Bn which was the second highest equity-oriented retail MAAUM in the industry.

AMCs	in Rs. Bn			in Rs. Bn		CAGR (Mar 23- Mar 25)	CAGR (Mar 23- Dec 25)	9MFY26 Share of Equity Oriented Retail AUM (%)
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25			
SBI AMC	884.8	1,358.3	1,715.5	1,815.5	2,080.8	39.2%	36.5%	10.5%
ICICI Prudential AMC	867.8	1,320.7	1,603.1	1,659.8	1,993.8	35.9%	35.3%	10.0%
HDFC AMC	856.0	1,372.8	1,683.1	1,800.1	2,151.8	40.2%	39.8%	10.8%
Nippon India AMC	761.4	1,203.8	1,463.1	1,611.9	1,827.3	38.6%	37.5%	9.2%
Kotak Mahindra AMC	434.7	668.4	816.2	895.5	1,024.6	37.0%	36.6%	5.2%
Aditya Birla Sun Life AMC	580.9	777.6	836.7	917.7	969.5	20.0%	20.5%	4.9%
UTI AMC	487.9	698.3	732.3	792.4	862.9	22.5%	23.0%	4.3%
Axis AMC	772.4	1,019.2	1,114.3	1,221.7	1,265.6	20.1%	19.7%	6.4%
TATA AMC	227.9	356.4	446.7	491.7	543.9	40.0%	37.2%	2.7%
Mirae AMC	506.2	730.9	796.0	869.7	962.4	25.4%	26.3%	4.8%
Total AMC Industry	8,694.2	13,236.2	16,038.9	17,284.4	19,874.6	35.8%	35.1%	100.0%

Note: equity-oriented retail MAAUM includes MAAUM for retail investors only (excluding HNIs). Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, MAAUM- Monthly average AUM, For SBI AMC and peers, SIF AAUM data is excluded. Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC has the highest market share in Equity oriented B30 MAAUM at 15.9% as of December 2025

AMCs	in Rs. Bn			In Rs. Bn		CAGR (Mar 23- Mar 25)	CAGR (Mar 23- Dec 25)	9MFY26 Share of Equity Oriented B30 AUM (%)
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25			
SBI AMC	666.1	1,131.0	1,526.9	1,612.7	1,842.1	51.4%	44.8%	15.9%
ICICI Prudential AMC	573.9	901.7	1,140.9	1,175.5	1,434.0	41.0%	39.5%	12.4%
HDFC AMC	427.7	728.5	954.1	1,017.9	1,248.8	49.4%	47.7%	10.8%
Nippon India AMC	402.9	653.9	820.5	894.8	1,013.0	42.7%	39.8%	8.7%
Kotak Mahindra AMC	236.4	374.1	480.5	517.8	612.9	42.6%	41.4%	5.3%
Aditya Birla Sun Life AMC	310.4	435.2	480.2	521.8	569.9	24.4%	24.7%	4.9%
UTI AMC	344.1	468.1	490.1	526.4	580.3	19.3%	20.9%	5.0%
Axis AMC	371.9	486.6	544.7	596.5	621.2	21.0%	20.5%	5.4%
TATA AMC	121.1	192.2	245.9	268.5	304.7	42.5%	39.9%	2.6%
Mirae AMC	161.2	238.9	267.2	290.1	329.4	28.8%	29.7%	2.8%
Total AMC Industry	4,574.3	7,242.5	9,258.7	9,863.2	11,594.5	42.3%	40.2%	100.0%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, MAAUM- Monthly average AUM, For SBI AMC and peers, SIF AAUM data is excluded. Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC has the largest market share for total B30 AUM at 19.3% as of 9MFY26 with a MAAUM of 2,917.1 Bn during this period.

The B30 AUM for SBI AMC stood at 2,917.1 Bn as of December 2025. SBI held the largest market share of B30 AUM at 19.3%. SBI AMC also has the highest share of B30 AUM in its total AUM at 23.2% showing its wide distribution network. SBI AMC's B-30 market share of 23.2% exceeds overall market share of 15.4% basis MAAUM as of December 2025.

AMCs	in Rs. Bn			in Rs. Bn		CAGR (Mar 23- Mar 25)	CAGR (Mar 23- Dec 25)	9MFY26 Share of B30 AUM (%)	9MFY26 Share of B30 AUM in AMCs total AUM %
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25				
SBI AMC	1,464.3	2,012.2	2,447.1	2,546.6	2,917.1	29.3%	28.5%	19.3%	23.2%
ICICI Prudential AMC	770.6	1,122.7	1,387.1	1,425.6	1,729.3	34.2%	34.2%	11.4%	15.7%
HDFC AMC	791.7	1,189.6	1,452.7	1,537.9	1,820.7	35.5%	35.4%	12.0%	19.5%
Nippon India AMC	556.8	862.0	1,114.1	1,180.9	1,414.6	41.5%	40.4%	9.4%	19.9%
Kotak Mahindra AMC	305.5	443.1	564.3	618.1	707.8	35.9%	35.7%	4.7%	12.2%
Aditya Birla Sun Life AMC	448.5	578.2	645.3	689.7	769.5	20.0%	21.7%	5.1%	17.3%
UTI AMC	525.8	662.7	670.2	707.3	778.3	12.9%	15.3%	5.1%	19.5%
Axis AMC	426.6	536.4	607.0	660.3	700.5	19.3%	19.8%	4.6%	19.3%
TATA AMC	169.4	244.1	313.8	334.3	381.9	36.1%	34.4%	2.5%	16.8%
Mirae AMC	169.1	251.8	291.4	313.0	363.6	31.3%	32.1%	2.4%	15.9%
Total AMC Industry	6,839.5	9,827.3	12,168.0	12,828.0	15,117.7	33.4%	33.4%	100.0%	18.4%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, MAAUM- Monthly average AUM, For SBI AMC and peers, SIF AAUM data is excluded. Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC has the highest share of total T30 MAAUM at 14.5% as of December 2025.

AMCs	in Rs. Bn			in Rs. Bn		CAGR (Mar 23- Mar 25)	CAGR (Mar 23- Dec 25)	9MFY26 Share of T30 AUM (%)	9MFY26 Share of T30 AUM in AMCs total AUM %
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25				
SBI AMC	5,584.6	7,285.3	8,172.8	8,599.5	9,678.5	21.0%	22.1%	14.5%	76.8%
ICICI Prudential AMC	4,170.6	5,842.8	7,356.2	7,403.0	9,250.9	32.8%	33.6%	13.8%	84.3%
HDFC AMC	3,659.9	5,048.5	6,172.7	6,433.6	7,521.9	29.9%	29.9%	11.2%	80.5%
Nippon India AMC	2,371.9	3,558.0	4,451.2	4,595.4	5,702.1	37.0%	37.6%	8.5%	80.1%
Kotak Mahindra AMC	2,588.7	3,431.2	4,213.1	4,340.5	5,071.9	27.6%	27.7%	7.6%	87.8%
Aditya Birla Sun Life AMC	2,226.8	2,726.0	3,139.7	3,140.8	3,686.8	18.7%	20.1%	5.5%	82.7%
UTI AMC	1,820.3	2,267.3	2,713.4	2,837.2	3,206.8	22.1%	22.9%	4.8%	80.5%
Axis AMC	1,945.3	2,236.4	2,537.9	2,630.9	2,927.6	14.2%	16.0%	4.4%	80.7%
TATA AMC	819.2	1,230.6	1,546.3	1,570.0	1,887.0	37.4%	35.5%	2.8%	83.2%
Mirae AMC	983.7	1,376.4	1,535.4	1,653.3	1,929.1	24.9%	27.8%	2.9%	84.1%
Total AMC Industry	33,206.9	45,180.0	54,533.9	56,501.6	66,874.2	28.2%	29.0%	100.0%	81.6%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, MAAUM- Monthly average AUM, For SBI AMC and peers, SIF AAUM data is excluded. Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC has a highest share of 18.2% as of December 2025, in MAAUM invested through the direct route.

As of December 2025, SBI AMC had MAAUM invested through the direct route at Rs 7,240.6 billion representing the highest share of 18.2% of total MAAUM invested through the direct route.

AMCs	in Rs. Bn			in Rs. Bn		CAGR (Mar23 – Mar25)	CAGR (Mar 23- Dec 25)	9MFY26 Share of Direct AUM (%)
	Mar 23	Mar 24	Mar 25	Dec 24	Dec 25			
SBI AMC	4,141.7	5,361.8	5,982.4	6,312.7	7,240.6	20.2%	22.5%	18.2%
ICICI Prudential AMC	2,228.1	3,122.4	4,216.9	4,180.6	5,492.3	37.6%	38.8%	13.8%
HDFC AMC	1,833.8	2,463.9	3,227.2	3,330.6	4,121.3	32.7%	34.2%	10.3%
Nippon India AMC	1,585.1	2,386.0	3,137.7	3,146.3	4,179.7	40.7%	42.3%	10.5%
Kotak Mahindra AMC	1,408.5	1,829.6	2,384.4	2,394.3	2,937.1	30.1%	30.6%	7.4%
Aditya Birla Sun Life AMC	1,243.2	1,582.9	1,974.8	1,931.9	2,408.4	26.0%	27.2%	6.0%
UTI AMC	670.4	779.3	971.0	988.8	1,125.1	20.3%	20.7%	2.8%
Axis AMC	1,001.0	1,241.3	1,522.3	1,550.6	1,812.6	23.3%	24.1%	4.5%
TATA AMC	470.8	718.5	962.1	948.9	1,249.9	43.0%	42.6%	3.1%
Mirae AMC	401.2	589.4	687.7	739.7	890.4	30.9%	33.6%	2.2%
Total AMC Industry	17,925.6	24,695.1	31,345.7	31,868.6	39,857.7	32.2%	33.7%	100.0%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, MAAUM- Monthly average AUM, For SBI AMC and peers, SIF AAUM data is excluded. Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC was the third largest AMC in terms of Individual MAAUM with a market share of 12.3% as of December 2025.

As of December 2025, SBI AMC had MAAUM of Individual investors at Rs 6,049.0 billion representing the third highest Individual investor AUM in the Indian mutual fund industry.

AMCs	in Rs. Bn			in Rs. Bn		CAGR (Mar23 – Mar25)	CAGR (Mar 23- Dec 25)	Share of AUM (%)
	23-Mar	24-Mar	25-Mar	24-Dec	25-Dec			
SBI AMC	3,035.4	4,295.9	5,163.1	5,383.3	6,049.0	30.4%	28.5%	12.3%
ICICI Prudential AMC	3,025.5	4,385.8	5,341.5	5,450.9	6,549.3	32.9%	32.4%	13.3%
HDFC AMC	2,992.1	4,414.9	5,307.3	5,599.4	6,445.1	33.2%	32.2%	13.1%
Nippon India AMC	1,626.5	2,577.9	3,298.7	3,467.3	4,273.1	42.4%	42.1%	8.7%
Kotak Mahindra AMC	1,581.4	2,268.7	2,713.1	2,900.2	3,251.5	31.0%	30.0%	6.6%
Aditya Birla Sun Life AMC	1,403.0	1,732.4	1,844.7	1,973.3	2,118.6	14.7%	16.2%	4.3%
UTI AMC	1,043.9	1,322.5	1,498.6	1,594.6	1,760.1	19.8%	20.9%	3.6%
Axis AMC	1,595.8	1,865.5	1,986.2	2,166.6	2,251.9	11.6%	13.3%	4.6%
TATA AMC	556.4	826.0	989.6	1,079.1	1,170.3	33.4%	31.0%	2.4%
Mirae AMC	953.4	1,318.3	1,420.7	1,540.4	1,726.5	22.1%	24.1%	3.5%
Total AMC Industry	23,265.1	33,306.3	40,307.4	42,580.6	49,278.8	31.6%	31.4%	100.0%

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, Individual shares include retail and HNIs, Data excludes FOF Domestic, For SBI AMC and peers, SIF AAUM data is excluded. MAAUM- Monthly average AUM, Numbers are rounded off to one decimal, Source: Company reports, AMFI, Crisil Intelligence

SBI AMC manages the second largest number of schemes in mutual fund industry as of December 2025

As of December 2025, SBI AMC managed a total of 125 schemes (126 including SIF), comprising 35 equity and equity-oriented schemes, 48 debt schemes, 35 passive schemes, 4 domestic funds of funds, 1 liquid scheme, 1 overnight scheme and 1 arbitrage scheme. Schemes like SBI Equity Hybrid Fund, SBI Balanced Advantage Fund, SBI Focussed Fund, SBI Contra Fund, SBI Large & Midcap, SBI Nifty 50/BSE Sensex ETF and SBI Liquid Fund were the leaders in their categories, respectively in terms of QAAUM as of December 2025. SBI AMC is India's oldest asset management companies, acting as the investment manager to SBI Mutual Fund, which commenced operations in June 1987 as the first mutual fund entity outside the Unit Trust of India. SBI Mutual Fund is the first Indian AMC to become a signatory to the UN Principles for Responsible Investment. SBI Mutual fund has been one of the asset management companies, which have been at the forefront of product innovation with the ability to scale business within the Indian asset management industry, by introducing innovative products like-

- **SBI Contra Fund:** Launched the country's first Contra Fund in 1999.
- **SBI Resurgent India Opportunities Fund:** First bank-sponsored AMC to launch an offshore fund in 2006.
- **SBI ESG Exclusionary Strategy Fund:** Launched one of the early ESG-focused funds in 2018.
- **Jan Nivesh SIP facility:** a SEBI-supported industry initiative allowing daily investments starting at just Rs. 250, democratizing access to mutual fund investing for first-time and small-ticket investors, in February 2025.
- **SBI Silver ETF:** In July 2024, launched the SBI Silver ETF, India's first silver exchange-traded fund, providing investors with direct exposure to physical silver prices and diversification beyond traditional equity and debt asset classes.
- **Compliance with CFA institutes "GIPS":** SBI AMC is the first Indian asset management company to comply with the CFA Institute's Asset Manager Code of Professional Conduct in 2015 and the first to achieve full compliance with the Global Investment Performance Standards in 2020.

Comparison of various metrics for Listed AMC peers as of December 2025

Metrics	SBI AMC	ICICI Prudential AMC	HDFC AMC	Nippon AMC	Aditya Birla AMC	UTI AMC
Number of Unique Customers	16.04 Mn	16.2 Mn	15.4 Mn	22.7 Mn	NA	NA
Number of Distribution Partners	130,296	112,000+	106,000+	1,21,000+	93,000+	77,861
Number of Offices	NA	278	280	271	NA	254
SIP AUM	1,912.6 Bn	NA	2122.0 Bn	NA	NA	447.5 Bn
SIP Contributing Accounts	15.76 Mn	NA	14.5 Mn	10.6 Mn	4.04 Mn	NA

Source: Company Reports, Crisil Intelligence

No. of schemes as on 31st December 2025.

SBI AMC as of December 2025, manages a total of 125 schemes (126 schemes including SIF) schemes, which is the 2nd highest number of schemes among the top 10 AMCs.

AMCs	Equity and Equity - oriented schemes	Debt schemes	Passive	FOF Domestic	Liquid	Overnight	Arbitrage	Total Schemes
SBI AMC	35	48	35	4	1	1	1	125
ICICI Prudential AMC	45	20	62	14	1	1	1	144
HDFC AMC	30	23	46	5	1	1	1	107
Nippon India AMC	27	26	52	6	1	1	1	114
Kotak Mahindra AMC	33	21	52	5	1	1	1	114
Aditya Birla Sun Life AMC	36	23	40	8	1	1	1	110
UTI AMC	25	23	30	3	1	1	1	84
Axis AMC	28	17	31	7	1	1	1	86
TATA AMC	27	8	25	4	1	1	1	67
Mirae AMC	18	8	41	17	1	1	1	87

Note: Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, "Multi Asset Allocation Fund" is excluded from Equity oriented funds and categorised as Debt Scheme for SBI AMC". Source: AMFI, Crisil Intelligence

Category wise new schemes launched across AMC's during period ended 9MFY26.

Period	Income/Debt Oriented Schemes	Growth/Equity Oriented Schemes	Hybrid Schemes	Passive/ETF
Q1FY26	5	15	6	37
Q2FY26	3	8	2	33
Q3FY26	4	16	5	40
Total	12	39	13	110

Source: AMFI, Crisil Intelligence

SBI AMC's top 5 Equity and Equity-oriented schemes accounted for 48.5% of its total Equity and Equity-oriented QAAUM as of December 2025

As of Dec 2025, SBI had a diversified AUM with its top 5 equity and equity-oriented schemes accounting for 48.5% of its total equity and equity-oriented QAAUM, compared to the average of top 10 AMCs at 59.7%. SBI AMC is amongst the well diversified AMCs along with TATA AMC.

No. of schemes that contribute to 50% equity and equity-oriented AUM as on December 2025									
SBI AMC	ICICI Prudential AMC	HDFC AMC	Nippon India AMC	Kotak Mahindra AMC	Aditya Birla Sun Life AMC	UTI AMC	Axis AMC	TATA AMC	Mirae AMC
6	5	3	3	3	5	4	4	6	2

Note: Average of top 10 AMCs is the ratio of total sum of top 10 AMCs' top 5 Equity and equity-oriented scheme AUM and their total equity and equity-oriented AUM, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, Source: Company reports, AMFI, Crisil Intelligence.

SBI AMC reported CAGR of 29.0% in operating revenue between FY23 and FY25

SBI AMC reported a high CAGR of 29.0% for the period FY23-25, which is the third highest CAGR amongst the peers.

AMCs	Operating Revenue (Rs. Mn.)					
	FY23	FY24	FY25	9MFY26	CAGR (FY23-FY25)	CAGR (FY23-9MFY26)
SBI AMC	21,615.9	26,905.6	35,977.6	32,506.4	29.0%	16.0%
ICICI Prudential AMC ¹	26,891.8	33,759.0	46,827.0	42,476.2	32.0%	18.1%
HDFC AMC	21,668.1	25,843.7	34,984.4	30,706.5	27.1%	13.5%
Nippon India AMC	13,498.2	16,432.2	22,306.9	19,700.1	28.6%	14.7%
Kotak Mahindra AMC ¹	8,032.1	9,263.7	13,026.4	NA	27.3%	NA
Aditya Birla Sun Life AMC	12,266.1	13,531.9	16,847.8	13,867.9	17.2%	4.6%
UTI AMC	12,668.6	17,369.6	18,510.9	14,825.7	20.9%	5.9%
Axis AMC	9,841.3	10,764.0	12,767.1	NA	13.9%	NA
TATA AMC ¹	3,539.6	4,699.9	6,611.2	NA	36.7%	NA
Mirae AMC ^{*1}	4,112.2	4,846.1	6,478.7	NA	25.5%	NA

Note: NA- Not available, table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis. Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, * - For Mirae AMC financial year is considered from Jan-Dec. Numbers are rounded off to one decimal, NA: Not Available, Source: Company reports, Crisil Intelligence.

Operating profit before tax of SBI AMC grew at a CAGR of 33.9% for the period FY23-25.

SBI AMC reported an operating profit of Rs. 27,259.4 million in FY25. It has consistently been amongst the top three positions in terms of operating profit since FY23 among the top 10 AMCs. It reported a high CAGR of 33.9% for the period FY23-25, which is the third highest amongst the peers.

AMCs	Operating Profit (Rs. Mn.)					
	FY23	FY24	FY25	9MFY26	CAGR (FY23-FY25)	CAGR (FY23-9MFY26)
SBI AMC	15,198.8	19,381.0	27,259.4	25,150.6	33.9%	20.1%
ICICI Prudential AMC ¹	18,581.7	23,128.0	32,360.8	30,427.0	32.0%	19.6%
HDFC AMC	15,542.5	18,960.0	27,239.2	23,870.8	32.4%	16.9%
Nippon India AMC	7,609.5	9,583.6	14,042.9	12,543.1	35.8%	19.9%
Kotak Mahindra AMC ¹	4,649.5	5,538.5	8,298.3	NA	33.6%	NA
Aditya Birla Sun Life AMC	6,667.7	7,207.6	9,435.0	8,016.4	19.0%	6.9%
UTI AMC	5,623.9	9,798.7	10,433.2	6,641.7	36.2%	6.2%
Axis AMC	5,246.7	5,021.7	6,312.8	NA	9.7%	NA
TATA AMC ¹	1,184.1	1,846.9	3,332.6	NA	67.8%	NA
Mirae AMC ^{*1}	2,415.3	2,870.9	4,214.2	NA	32.1%	NA

Note: NA- Not available, table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, * - For Mirae AMC financial year is considered from Jan-Dec NA: Not Available, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC reported growth of 37.7% CAGR in Profit After Tax between FY23 to FY25 which is the second highest among top 10 AMCs

SBI AMC reported profit after tax of Rs. 25,401.5 million in FY25 second to ICICI Prudential AMC with a high growth rate of 37.7% CAGR for the period FY 23-25.

AMCs	PAT (Rs. Mn.)					
	FY23	FY24	FY25	9MFY26	CAGR (FY23-FY25)	CAGR (FY23-9MFY26)
SBI AMC	13,397.1	20,727.9	25,401.5	24,329.1	37.7%	24.2%
ICICI Prudential AMC ¹	15,157.8	20,497.3	26,506.6	25,348.4	32.2%	20.6%
HDFC AMC	14,233.7	19,426.9	24,601.9	22,354.0	31.5%	17.8%
Nippon India AMC	7,229.3	11,062.5	12,857.3	11,436.5	33.4%	18.2%
Kotak Mahindra AMC ¹	4,311.0	5,905.8	7,965.6	NA	35.9%	NA
Aditya Birla Sun Life AMC	5,963.8	7,803.6	9,306.0	7,879.6	24.9%	10.7%
UTI AMC	4,396.8	8,020.3	8,129.6	5,238.7	36.0%	6.6%
Axis AMC	4,198.2	5,499.1	6,156.3	NA	21.1%	NA
TATA AMC ¹	1,113.6	1,952.4	2,935.6	NA	62.4%	NA
Mirae AMC* ¹	2,120.3	2,791.9	3,997.9	NA	37.3%	NA

Note: NA- Not available, Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, * - For Mirae AMC financial year is considered from Jan-Dec, NA: Not Available. Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC reported operating revenue as a percentage of QAAUM at 0.34% in FY25.

Operating Revenue for SBI AMC as a percentage of QAAUM stood at 0.34% for FY25 which improved from 0.29% the previous year. The operating profit as a % of QAAUM stood at 0.25% which improved from 0.21% the previous year.

AMC	% of QAAUM (excluding Passive Funds)					
	FY24			FY25		
	Operating revenue	Operating profit before tax	PAT	Operating revenue	Operating profit before tax	PAT
SBI AMC	0.45%	0.33%	0.35%	0.49%	0.37%	0.35%
ICICI Prudential AMC ¹	0.56%	0.38%	0.34%	0.62%	0.43%	0.35%
HDFC AMC	0.45%	0.33%	0.34%	0.49%	0.38%	0.34%
Nippon India AMC	0.53%	0.31%	0.36%	0.58%	0.36%	0.33%
Kotak Mahindra AMC ¹	0.26%	0.16%	0.17%	0.29%	0.18%	0.18%
Aditya Birla Sun Life AMC	0.44%	0.54%	0.26%	0.48%	0.57%	0.27%
UTI AMC	0.99%	0.56%	0.46%	0.93%	0.53%	0.41%
Axis AMC	0.41%	0.19%	0.21%	0.41%	0.20%	0.20%
TATA AMC ¹	0.33%	0.13%	0.14%	0.37%	0.18%	0.16%
Mirae AMC* ¹	0.32%	0.19%	0.18%	0.38%	0.25%	0.23%

Note: Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, Passives QAAUM is excluded from the denominator. The operating profit does not exclude operating profits linked to passive funds due to unavailability of break-up of such data, Operating revenue is "Revenue from Operations" as reported by the companies. Operating Profit = Profit Before Tax –

Other Income. PAT is Profit After Tax, * - For Mirae AMC financial year is considered from Jan-Dec, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

AMC	% of QAAUM					
	FY24			FY25		
	Operating revenue	Operating profit	PAT	Operating revenue	Operating profit	PAT
SBI AMC	0.29%	0.21%	0.23%	0.34%	0.25%	0.24%
ICICI Prudential AMC ¹	0.49%	0.34%	0.30%	0.53%	0.37%	0.30%
HDFC AMC	0.42%	0.31%	0.32%	0.45%	0.35%	0.32%
Nippon India AMC	0.38%	0.22%	0.26%	0.40%	0.25%	0.23%
Kotak Mahindra AMC ¹	0.24%	0.15%	0.15%	0.27%	0.17%	0.17%
Aditya Birla Sun Life AMC	0.41%	0.22%	0.24%	0.44%	0.25%	0.24%
UTI AMC	0.60%	0.34%	0.28%	0.54%	0.31%	0.24%
Axis AMC	0.39%	0.18%	0.20%	0.40%	0.20%	0.19%
TATA AMC ¹	0.32%	0.13%	0.13%	0.35%	0.18%	0.16%
Mirae AMC* ¹	0.30%	0.18%	0.17%	0.35%	0.23%	0.21%

Note: Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, Operating revenue is "Revenue from Operations" as reported by the companies. Operating Profit = Profit Before Tax – Other Income. PAT is Profit After Tax, * - For Mirae AMC financial year is considered from Jan-Dec, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC reported operating profit before tax as a percentage of QAAUM at 0.20% for 9MFY26.

AMC	% of QAAUM (excluding Passive Funds)		
	9MFY26		
	Operating revenue	Operating profit before tax	PAT
SBI AMC	0.38%	0.30%	0.29%
ICICI Prudential AMC ¹	0.47%	0.33%	0.28%
HDFC AMC	0.36%	0.28%	0.26%
Nippon India AMC	0.42%	0.27%	0.24%
Kotak Mahindra AMC ¹	NA	NA	NA
Aditya Birla Sun Life AMC	0.34%	0.19%	0.19%
UTI AMC	0.68%	0.30%	0.15%
Axis AMC	NA	NA	NA
TATA AMC ¹	NA	NA	NA
Mirae AMC* ¹	NA	NA	NA

Note: Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, Passives QAAUM is excluded from the denominator. The operating profit does not exclude operating profits linked to passive funds due to unavailability of break-up of

such data, Operating revenue is "Revenue from Operations" as reported by the companies. Operating Profit = Profit Before Tax – Other Income. PAT is Profit After Tax, * - For Mirae AMC financial year is considered from Jan-Dec, NA: Not Available, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

AMC	% of QAAUM		
	9MFY26		
	Operating revenue	Operating profit before tax	PAT
SBI AMC	0.26%	0.20%	0.19%
ICICI Prudential AMC ¹	0.39%	0.28%	0.24%
HDFC AMC	0.33%	0.26%	0.24%
Nippon India AMC	0.28%	0.18%	0.16%
Kotak Mahindra AMC ¹	NA	NA	NA
Aditya Birla Sun Life AMC	0.31%	0.18%	0.18%
UTI AMC	0.38%	0.18%	0.17%
Axis AMC	NA	NA	NA
TATA AMC ¹	NA	NA	NA
Mirae AMC* ¹	NA	NA	NA

Note: Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, Operating revenue is "Revenue from Operations" as reported by the companies. Operating Profit = Profit Before Tax – Other Income. PAT is Profit After Tax, * - For Mirae AMC financial year is considered from Jan-Dec, NA: Not Available, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC reported management fees a percentage of total income of 81.2% for fiscal 2025.

AMC	Management fees % of Total Income		
	FY23	FY24	FY25
SBI AMC	87.4%	76.2%	81.2%
ICICI Prudential AMC ¹	86.2%	79.7%	79.6%
HDFC AMC	87.0%	81.6%	85.8%
Nippon India AMC	87.0%	79.2%	87.3%
Kotak Mahindra AMC ¹	85.7%	77.5%	82.8%
Aditya Birla Sun Life AMC	87.3%	78.4%	79.9%
UTI AMC	87.5%	66.9%	76.8%
Axis AMC	84.6%	74.7%	78.6%
TATA AMC ¹	83.0%	73.1%	74.7%
Mirae AMC* ¹	89.3%	84.4%	83.5%

Note: Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, * - For Mirae Mutual Fund financial year is considered from Jan-Dec, Formula = Investment/ Asset Management fees for the year or period / Total Income for the year or period. Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence.

SBI AMC reported the fourth highest return on equity among top 10 AMCs for FY25

ICICI Prudential reported the highest return on equity across the financial years from FY23 to FY25 among the top 10 AMCs. In FY25, SBI AMC reported return on equity at 33.8%.

Return on Equity (FY23, FY24, and FY25)

AMCs	Return on Equity		
	FY23	FY24	FY25
SBI AMC	32.1%	36.1%	33.8%
ICICI Prudential AMC ¹	70.0%	78.9%	82.8%
HDFC AMC	24.5%	29.5%	32.3%
Nippon India AMC	21.3%	30.6%	32.8%
Kotak Mahindra AMC ¹	27.1%	29.3%	30.7%
Aditya Birla Sun Life AMC	25.3%	27.4%	27.0%
UTI AMC	11.7%	18.1%	16.0%
Axis AMC	32.1%	30.3%	25.7%
TATA AMC ¹	26.2%	37.2%	41.9%
Mirae AMC* ¹	53.0%	43.3%	40.6%

Note: NA- Not available, Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of September 2025, * - For Mirae AMC financial year is considered from Jan-Dec, Formula = Total profit for the year or period / Average of Net worth for the year or period, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC has reported the highest net worth among top 10 AMC in FY25

SBI AMC reported the highest net worth in FY25 among the top 10 AMCs. In FY25, it reported Net worth of Rs.83.0 bn as of FY25.

AMCs	Net worth (Rs in Bn)		
	FY23	FY24	FY25
SBI AMC	47.5	67.5	83.0
ICICI Prudential AMC ¹	23.1	28.8	35.2
HDFC AMC	61.1	70.8	81.3
Nippon India AMC	34.1	38.2	40.1
Kotak Mahindra AMC ¹	17.7	22.5	29.4
Aditya Birla Sun Life AMC	25.2	31.7	37.3
UTI AMC	38.7	49.7	51.6
Axis AMC	15.4	20.9	27.0
TATA AMC ¹	4.5	5.9	8.1
Mirae AMC* ¹	5.1	7.8	11.8

Note: NA- Not available, Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, * - For Mirae AMC financial year is considered from Jan-Dec, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence

SBI AMC has reported the lowest cost to income among top 10 AMC for 9MFY26

SBI AMC was consistently among the lowest three among the top 10 AMCs in terms of cost to income for the period between FY23 to FY25. SBI AMC reported a cost to income of 20.6% for fiscal 2025, and 18.9% for 9MFY26. The AMC's affiliation with SBI enables them to leverage their infrastructure for investor servicing, KYC processing, and payment systems, resulting in the lowest Cost to Income ratio among the top 10 AMCs at 18.9% for 9MFY26.

AMCs	Cost to income			
	FY23	FY24	FY25	9MFY26
SBI AMC	26.6%	22.0%	20.6%	18.9%
ICICI Prudential AMC ¹	29.3%	28.3%	29.1%	26.3%
HDFC AMC	24.7%	21.8%	19.1%	19.2%
Nippon India AMC	38.8%	33.6%	32.8%	32.1%
Kotak Mahindra AMC ¹	38.0%	32.6%	31.3%	NA
Aditya Birla Sun Life AMC	41.4%	38.5%	37.3%	35.8%
UTI AMC	54.6%	43.4%	43.4%	47.7%
Axis AMC	44.7%	44.9%	43.7%	NA
TATA AMC ¹	61.2%	52.7%	45.9%	NA
Mirae AMC* ¹	38.0%	35.2%	30.1%	NA

Note: NA- Not available, Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, NA- Not available.
 * - For Mirae AMC financial year is considered from Jan-Dec, Formula = Total expense for the year or period / Total revenue for the year or period, Numbers are rounded off to one decimal. Source: Company reports, Crisil Intelligence.

SBI AMC has reported the lowest Cost as % to QAAUM among top 10 AMC for FY25

SBI AMC was consistently the lowest among the top 10 AMCs in terms of cost as % to QAAUM for the period between FY23 to FY25. SBI AMC reported the lowest cost as % to QAAUM of 0.08% for FY25 compared to industry average of 0.15%.

AMCs	Cost as % to QAAUM			
	FY23	FY24	FY25	9MFY26
SBI AMC	0.09%	0.08%	0.08%	0.06%
ICICI Prudential AMC ¹	0.17%	0.16%	0.16%	0.11%
HDFC AMC	0.14%	0.11%	0.10%	0.07%
Nippon India AMC	0.20%	0.16%	0.15%	0.10%
Kotak Mahindra AMC ¹	0.12%	0.10%	0.10%	NA
Aditya Birla Sun Life AMC	0.20%	0.19%	0.19%	0.13%
UTI AMC	0.30%	0.26%	0.24%	0.18%
Axis AMC	0.19%	0.21%	0.20%	NA
TATA AMC ¹	0.24%	0.19%	0.17%	NA
Mirae AMC* ¹	0.15%	0.12%	0.12%	NA

Note: NA- Not available, Table is basis the consolidated financials of the AMCs. (1) numbers are on standalone basis, Players are arranged in the descending order based on mutual fund quarterly average AUM (Q AAUM) as of December 2025, NA- Not available.
 * - For Mirae AMC financial year is considered from Jan-Dec, Formula = Total expense for the year or period / QAAUM for the year or period, Numbers are rounded off to one decimal, Source: Company reports, Crisil Intelligence.

SBI AMC QAAUM as a % of SBI Bank's total deposit stands at 19.94% for FY25

SBI AMC's QAAUM as a % of parent banks total deposit is amongst the lowest as compared to its peers. As of December 2025, the figure stood at 21.9% which is lower than the second lowest peer whose figure stood at 28.6%. The highest figure was clocked by Kotak Mahindra AMC at 105.7%. This data shows that SBI AMC has a greater headroom for growth given the under penetration vis-à-vis its peers.

AMC	AMC QAAUM as a % of Parent banks total deposit			
	FY23	FY24	FY25	9MFY26
SBI AMC	16.2%	18.6%	19.9%	21.9%
ICICI Prudential AMC	42.3%	48.4%	54.6%	64.9%
HDFC AMC	23.9%	25.8%	28.5%	32.3%
Kotak Mahindra AMC	79.7%	84.9%	96.7%	105.7%
Axis AMC	25.5%	25.7%	27.4%	28.6%

Source: Company reports, Crisil Intelligence

Annexure

Crisil Intelligence has categorized the followings funds as per the terms used in the report.

Scheme Name	Schemes	Classification
Income/Debt Oriented Schemes	Overnight Fund	Liquid and overnight
	Liquid Fund	Liquid and overnight
	Ultra Short Duration Fund	Debt
	Low Duration Fund	Debt
	Money Market Fund	Debt
	Short Duration Fund	Debt
	Medium Duration Fund	Debt
	Medium to Long Duration Fund	Debt
	Long Duration Fund	Debt
	Dynamic Bond Fund	Debt
	Corporate Bond Fund	Debt
	Credit Risk Fund	Debt
	Banking and PSU Fund	Debt
	Gilt Fund	Debt
	Gilt Fund with 10-year constant duration	Debt
Floater Fund	Debt	
Growth/Equity Oriented Schemes	Multi Cap Fund	Equity
	Large Cap Fund	Equity
	Large & Mid Cap Fund	Equity
	Mid Cap Fund	Equity
	Small Cap Fund	Equity
	Dividend Yield Fund	Equity
	Value Fund/Contra Fund	Equity
	Focused Fund	Equity
	Sectoral/Thematic Funds	Equity
	ELSS	Equity
	Flexi Cap Fund	Equity
Hybrid Schemes	Conservative Hybrid Fund	Debt
	Balanced Hybrid Fund/Aggressive Hybrid Fund	Equity-Hybrid
	Dynamic Asset Allocation/Balanced Advantage Fund	Equity-Hybrid
	Multi Asset Allocation Fund	Equity-Hybrid
	Arbitrage Fund	Arbitrage

Scheme Name	Schemes	Classification
	Equity Savings Fund	Equity-Hybrid
Solution Oriented Schemes	Retirement Fund	Equity/Debt as per scheme
	Children's Fund	Equity/Debt as per scheme
Other Schemes	Index Funds	Passive
	GOLD ETF	Passive
	Other ETFs	Passive
	Fund of funds investing overseas	Equity
Income/Debt Oriented Schemes	Fixed Term Plan	Debt
	Capital Protection Oriented Schemes	Debt
	Infrastructure Debt Fund	Debt
	Other Debt Scheme	Debt
Close ended Growth/Equity Oriented Schemes	ELSS	Equity
	Other Equity Schemes	Equity
Interval Schemes	Income/Debt Oriented Schemes	Debt
	Growth/Equity Oriented Schemes	Equity

“Multi Asset Allocation Fund” is excluded from Equity oriented funds and categorised as Debt Scheme for SBI AMC”. Source: AMFI, Crisil Intelligence

AMCs	
ICICI Prudential AMC	ICICI Prudential Asset Management Company Limited
SBI AMC	SBI Funds Management Limited
HDFC AMC	HDFC Asset Management Company Limited
Nippon India AMC	Nippon Life India Asset Management Limited
UTI AMC	UTI Asset Management Company Limited
Aditya Birla Sun Life AMC	Aditya Birla Sun Life AMC Limited
Kotak Mahindra AMC	Kotak Mahindra Asset Management Company Limited
Axis AMC	Axis Asset Management Company Limited
Tata AMC	Tata Asset Management Private Limited
Mirae AMC	Mirae Asset Investment Managers (India) Private Limited

Term	Description
AMC	Asset Management Company
CAGR	Compound Annual Growth Rate
ETF	Exchange-Traded Fund
FOF	Fund of Funds
MAAUM	Monthly Average Mutual Fund Asset Under Management (for the month of December)
PAT	Profit After Taxation
PMS	Portfolio Management Services
QAAUM	Quarterly Average Mutual Fund Asset Under Management (for the 3 rd quarter)
Total MF AUM	Total MF AUM refers to total Mutual Fund AUM

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