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January 29, 2026

**BSE Limited**

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

**National Stock Exchange of India Limited**

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

Dear Sir/ Ma'am,

**Sub: Transcript of the Earnings Conference Call for the quarter and nine months ended December 31, 2025**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call on Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2025, held on Thursday, January 22, 2026.

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

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

Thanking you.

Yours sincerely,

For **Aditya Birla Sun Life AMC Limited**

**Prateek Savla**

**Company Secretary and Compliance Officer**  
**ACS 29500**

Encl: as above

**Aditya Birla Sun Life  
AMC Ltd.**



**“Aditya Birla Sun Life AMC Limited  
Q3 & 9M FY26 Earnings Conference Call”**

**Thursday, 22<sup>nd</sup> January 2026**

**MANAGEMENT TEAMS:**

- **MR. A BALASUBRAMANIAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**
- **MR. PRADEEP SHARMA – CHIEF FINANCIAL OFFICER – ADITYA BIRLA SUN LIFE AMC LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Aditya Birla Sun Life AMC Limited Q3 and 9M FY'26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Meghna Luthra from InCred Equities. Thank you, and over to you, Ms. Luthra.

**Meghna Luthra:** Thank you, Renju. Good evening, everyone. On behalf of InCred Equities, I welcome all to Aditya Birla Sun Life AMC's third quarter and nine months FY'26 ended Earnings Conference Call. We have along with us, Mr. A. Balasubramanian, MD and CEO, and Mr. Pradeep Sharma, CFO. We are thankful to the management for allowing us this opportunity to host them. I would now like to hand it over to Bala sir for his opening remarks. Over to you, Sir.

**A. Balasubramanian:** Thank you, Meghna, and good evening, everyone, and thank you for joining us today. Let me begin by extending my warm wishes for a happy and prosperous New Year to everyone. I hope you all had the opportunity to review our earnings presentation, which is accessible on both the stock exchanges and our company website.

Let me start by outlining the current economic outlook and providing an update on developments within the mutual fund industry. As you know, the global economy has entered a phase of recalibration and despite persistent tariff tensions and policy volatility, growth is stabilizing toward trend levels of approximately 3.2%, as estimated. Nations are fundamentally reassessing supply chains and trade partnerships in response to these disruptions and uncertainty. Meanwhile, inflation continues its moderating trajectory, allowing central banks to pivot their focus towards supporting growth. The convergence signals a shift from crisis management to a strategic adaptation.

India continues to outpace global peers with remarkable consistency. Our real GDP is on track to expand by a robust 7.4% in FY26, while CPI inflation has moderated to a favourable 2.2%, a Goldilocks movement of strong growth paired with low inflation continues. And we maintain a positive outlook for FY27, projecting nominal GDP growth of 9.75%.

This optimism is underpinned by several factors: the transmission of monetary and fiscal stimulus, expectations of easing of tariff pressures, robust rural demand supported by strong agricultural output and continued fiscal support for rural India. We anticipate inflation to normalize around 3.75% in 2026, well within the RBI's comfort zone and preserving space for growth-supportive monetary policy. Conditions appear favourable for a capital expenditure cycle, with capacity utilization at elevated levels and healthy corporate balance sheets. While global uncertainty remains a key risk, India's fundamentals position it strongly for sustained growth momentum. Hopefully, the budget should also drive the future growth more aggressively.

Indian equity markets told a tale of two forces in this quarter, external pressures testing resilience and domestic strength providing the cushion. There was intermittent volatility with global uncertainties, FPI outflows and profit-booking pressures. These downward movements

were largely offset by robust domestic institutional participation. Overall, equities concluded the quarter on firm ground, underscoring the structural strength of India's equity ecosystem, despite short-term market fluctuations as we have witnessed in the last few days as well.

Continuing with the mutual fund industry update. The Mutual Fund Industry Quarterly Average AUM stood at ₹81 lakh crores as of 31<sup>st</sup> December 2025, compared to ₹68.61 lakh crores as of 31<sup>st</sup> December 2024, registering year-on-year growth of about 18%.

The industry recorded SIP inflows of approximately ₹31,000 crores for December 2025, reflecting quarter-on-quarter growth of about 6%. The total number of mutual fund folios stood at approximately 26.97 crores as of December 2025. During Q3 FY26, the industry saw NFO collections of approximately ₹13,300 crores across equity and debt funds, with equity collections predominantly driven by sectoral/thematic and Flexi Cap funds.

Individual average AUM for December 2025 stood at ₹49.28 lakh crores, contributing about 60.1% of the total AUM, and B30 cities, with an average AUM of ₹15.12 lakh crores, accounted for 18.4% of the total AUM, growing by 18% year-on-year.

At ABSLAMC, performance highlights, our overall Average Assets under Management, including alternate assets, now stand at ₹4.81 lakh crores, our highest-ever AUM achievement, growing at 20% year-on-year. Our Mutual Fund quarterly average AUM has reached ₹4.43 lakh crores, representing 15% year-on-year increase. And within this, our Equity mutual fund quarterly average AUM stands at ₹2 lakh crores, growing by 11% year-on-year.

As an AMC, we firmly believe that SIPs continue to remain a cornerstone of long-term investing in India. Our SIP contribution for December 2025 stood at ₹1,080 crores, supported by 40 lakh contributions coming from SIP accounts. In alignment with this vision, we have launched a new SIP-led initiative under our investor education program, Plan for Life. This campaign goes beyond wealth creation; it encourages investors to think long-term, plan for life's milestones, and, importantly, prepare for retirement through Systematic Withdrawal Plans.

Our total number of investor folios for December 2025 stood at 1.08 crores, witnessing 3% year-on-year growth. We are driving growth by building scale through increased market traction. Our overall fund performance has improved significantly, leading to better market perception and, importantly, stronger flows into our core products. While the momentum gives us confidence as we look ahead.

Building on this strong foundation, one of our key priorities continues to be strengthening our core equity offerings, particularly the Flexi Cap Fund, Multi Asset Allocation Fund, and our Balanced Advantage Fund, as well as some of the thematic funds that we have been seeing flows, such as the Conglomerate Fund as well as the Consumption Fund. These are some of the key product focus that reasonably improved flows coming of this segment. Our focus remains on scaling these flagship products through a combination of consistent SIP inflows, robust contributions across all distribution channels, improved fund performance, and increased market engagement. Our drive to build scale through enhanced traction, coupled

with improved overall performance, has led to a better market perception and rising flows in core products, creating momentum for continued growth.

Turning to the Alternate business, the PMS and AIF Equity segments have demonstrated robust momentum, supported by a steadily expanding suite of Credit offerings. We continue to enhance and refine our solutions to address the evolving, sophisticated recruitment of HNIs, family offices and some of the institutional investors.

Our PMS/AIF/Advisory assets experienced substantial growth, expanding from ₹3,853 crores a year back in Q3 FY25 to ₹32,663 crores in Q3 FY26, representing 8 times increase in size. Of course, the AUM of ESIC mandate accounted for about ₹28,000 crores as of December 31, 2025, while our PMS/AIF AUM, excluding the ESIC mandate, registered strong year-on-year growth of about 17%, reflecting a robust organic momentum in our core alternate business.

And during the quarter, we received EPFO allocation letter, appointing us as one of the managers for the fixed income mandate. We are now progressing through the required regulatory formalities and expect to onboard the assets before the current quarter ending.

On the fixed income credit side, we successfully completed the final closure of our ABSL India Special Opportunities Fund Series I, with commitments of around ₹500 crores during the quarter, and currently have fundraising underway for Series II, ABSL India Structured Opportunities Fund II and Money Manager Fund. We are also preparing to launch ABSL India Select Sector Fund under the AIF category in equity.

Our real estate business has built significant momentum and gained considerable traction, driven by strong investor interest and a robust deal pipeline. And during the quarter, we launched the Aditya Birla Real Estate Credit Opportunities Fund – Series II, a Category II AIF focused on senior secured lending to post-approval, brownfield real estate projects across Tier I cities. Our real estate portfolio stood at ₹700 crores, registering year-on-year growth of approximately 44%.

The offshore average AUM stood at ₹4,847 crores for Q3 FY26. We have incorporated our new wholly-owned subsidiary company, Aditya Birla Sun Life AMC International (IFSC) Limited in GIFT City, to expand our GIFT City operations and are currently in the process of securing regulatory approvals and hopefully, before the quarter ending, we will be up and running. We continue to see flows through our current branch setup across our existing funds, such as the India ESG Engagement Fund, the ABSL Flexi Cap Fund for inward remittance, and the Global Bluechip Fund for outward remittance umbrella has come together really well, delivering globally competitive solutions to our investors.

Our Passive business has continued to demonstrate good momentum, with Quarterly Average AUM touching ₹38,600 crores, representing a year-on-year growth of about 28%, and the customer base expanding to 15.1 lakh folios. Our ETF offerings have witnessed robust traction, with ETF Quarterly Average AUM growing 40% year-on-year, significantly outperforming the industry ETF growth rate of 24%. We are building towards a better long-term outcome by improving on tracking difference as a key focus, while also improving tracking error. Last

year, industry-wide, we witnessed good inflows into precious metals like gold and silver, and our offerings in this space make an exceptional case for diversification.

As of today, our passive product suite comprises of 52 distinct offerings across Equities, Fixed Income, Commodities and Multi-Asset solutions, designed to address the diverse investment needs of our investors.

Moving to the financial performance. Q3 FY26 revenue from operations stood at ₹478 crores, up 7% year-on-year. Q3 FY26 profit before tax was at ₹358 crores, up by 19% year-on-year. Q3 FY26 profit after tax stood at ₹270 crores, up by 20% year-on-year. Our 9M FY26 revenue from operations stood at ₹1,387 crores, up 10% year-on-year. Our 9M FY26 profit before tax stood at ₹1,046 crores, up 11% year-on-year, and profit after tax for the 9M FY26 period stood at ₹788 crores, up by 12% year-on-year.

With this, I would like to open the floor for any questions that you may have. And I'll be joined by Pradeep Sharma to answer any questions you may have.

**Moderator:** The first question comes from the line of Mohit Mangal from Centrum.

**Mohit Mangal:** Thanks for the opportunity. So, my first question is towards the employee benefit expenses. So even if I remove that labour code extra cost, the employee benefit expenses were higher by around 20% Y-o-Y. So, what explains this increase in employee benefit expenses?

**A Balasubramanian:** Yes. Pradeep is answering.

**Pradeep Kumar Sharma:** So, Mohit, actually employee benefit expenses have gone up Y-o-Y basically on two counts. One is the additional impact of gratuity based on the new labour code right, which accounts for around ₹2.82 crores that is one. Second is on the ESOP cost, this is actually our parent company, ABCL, some ESOPs were given to our select employees. So, there is an cost of ESOP of around ₹4.66 crores for this quarter. These are the two factors which are actually increasing the cost for the quarter.

**Mohit Mangal:** Okay. So, going forward, we should expect this to be recurring, or is it one-time?

**Pradeep Kumar Sharma:** No. So, gratuity is a one-time cost. It's not recurring. And the ESOP cost would be there for the next four quarters — three more quarters on this account.

**Mohit Mangal:** Got it.

**A Balasubramanian:** Yes. That is basically post this rolling out of the ESOP option for employees in the recent Board meeting.

**Mohit Mangal:** Understood. And secondly, if you can share segment-wise yields?

**Pradeep Kumar Sharma:** Yes. So, equity yields are around 64–65 basis points. For Debt is around 24 basis points, and liquid is around 13 basis points.

**Mohit Mangal:** Understood. And in terms of PMS and AIF, can you give some revenue numbers for 9M and Q3?

**Pradeep Kumar Sharma:** Yes. So, the alternate revenue for Q3 FY26 was around ₹34 crores, which is around 4.5% of our total revenue.

**Mohit Mangal:** Understood. That is helpful. Sir, lastly, on yields, how do you see yields actually going forward for the next four to five quarters? Do you see a meaningful decline? How do we see the yields basically?

**A Balasubramanian:** Broadly, Mohit I think, at this point in time, we estimate the impact of the circular would be minimal, and to that extent, a very limited impact we should see. At the same time, since we are looking at building the size, we are already seeing some kind of momentum coming in overall key portfolios in terms of traction. So, as the size of the funds increases, there will be a corresponding increase in revenue, but it may come with a marginal reduction on the other side.

But again, I don't see it as very significant. At the same time, we're also looking at building our other businesses, especially the alternate, as well as the PMS and broader on an overall basis from the AMC point of view, we should see an improved performance rather than any significant reduction in the yield.

**Mohit Mangal:** Right. So, sir, when you say the yield is minimal impact because of circular, do you mean to say that we'll be able to pass on to the distributor?

**A Balasubramanian:** No. Will see as we come closer to the implementation date of course, we will see how best it can be optimally utilized for the benefit of everyone, keeping in mind the investor at the centre. This is a preliminary assessment is actually, and we will have to balance it out to ensure there is minimal impact.

**Mohit Mangal:** Understood. Sir, my last question is on SIF—your thoughts, and when will we be able to launch it?

**A Balasubramanian:** Yes. So, in the case of SIF, we have already filed the applications, and the approval is awaited. We had thought it would launch this month. And since we have asked for a revised structure in the portfolio, the approval is likely to come this month. I think hopefully in the month of February we should launch it. By the time the budget would also be out, and we will be the first ones to launch, our first fund will be launched in the month of February.

We will also of course plan to launch the equity long-short fund. We are making applications once we are confident that we have the talent pool to manage the fund, once the person comes on board. One fund we will launch, which is a hybrid fund, will have equity taxation sometime in February.

- Mohit Mangal:** Understood. That's very helpful Sir. Thanks, and wish you all the best.
- Moderator:** Next question comes from the line of Prayesh Jain from Motilal Oswal Financial Services Limited.
- Prayesh Jain:** Hi Good evening Sir, firstly, our fund performance has been improving, and you know quite a few schemes are appearing in the top quartile on a one-year return basis. And they contribute to a large portion of our equity AUM as well. But in spite of that, we kind of continue to lose market share on the equity side, as well as if I look at the SIP data that you provided, that also keeps coming down. Generally, it does take a lag effect and I understand from fund performance improvement to market share improvement. But still, it's been some time since our fund performance has improved. But we're still not seeing any you know even market share not been stable; we keep seeing a decline month-on-month in terms of market share. So, when do you see the effect of this fund performance translating into market share gains, both on SIP as well as normal market share?
- A Balasubramanian:** Thanks, Prayesh. See I think the way I look at it is if I look at the whole of last one-and-a-half years, the market share loss has been coming down in terms of annual basis points. That is something we are seeing now, and we have almost come to a stage where it is getting stabilized. That's one.
- Second is on the fund performance moving from one year to two and three years, and we are already seeing this start reflecting across most of our funds. While we are done very well over one-and-a-half years is now starting to reflect in the three-year performance. Normally, what happens is as short-term performance starts to reflect in long-term performance, it comes as part of the recommendation list. We have already seen that happen in the last two quarters. The number of approvals that is coming from the organized channel partners that is something should be taken as a signal of products coming as part of the recommendation list and the basis on which keeps coming in.
- And second, some of the online platforms where we also saw significant flows on funds which were top-performing funds, we already started seeing some of our funds appearing in that segment as well. That is why it takes some time for all these things to reflect in performance, or in the so-called public domain.
- So I think these are some of the things we are already seeing that start reflecting in net inflows coming into funds like the Sun Life Equity Fund, the Flexi Cap Fund, and the Commonwealth Fund we are seeing improvement in terms of flows. The Balanced Advantage Fund has also seen good flows, and the Multi-Asset Allocation Fund has got good flows.
- So, I think that, of course, the category in which we even see an industry-wide outflow is ELSS scheme, if I knock that off and then other schemes, we are getting the flows already begun. See, SIP is driving, if I look at SIP numbers minus the STP. STP is something which comes from large ticket investors; they, of course, dynamically manage that, and therefore, minus the STP, we have to take it. I think we are already seeing that SIP numbers on equity are getting better.



Of course, there is no question that it has to gain further momentum given the fact that the industry is also has coming as a segment. I think the lastly, of course, from a sales team point of view, the high focus that we have been put in place in terms of improving the productivity of every RM across the country, with improved fund performance and a reasonably high level of engagement and performance of activities in the retail segment, which our retail team is doing it.

I think we should start reflecting in terms of improved performance coming on the numbers as we move forward. I'm reasonably confident the way things are shaping up. I think it should remain to improve these numbers on a quarter-on-quarter basis. See, as far as the markets are concerned, of course, if I have to look at the top 10 players versus the rest of the players, we must also, of course, remember that the overall market is expanding and more players are coming in.

I think we also keep a close watch on our absolute performance improvement. In fact, when I look at this year whole of this year nine months numbers, and close to about ₹1,600 crores of net sales we have got in some of our equity assets products. And overall, as a fund house, we have seen about ₹55,000 crores net sales.

But these numbers are actually a reflection of the confidence in the team. The team is driving the whole thing. The improved performance will only further boost the confidence of the entire team across the country and our distribution partners to bring the numbers up. And that is something I am already seeing reflected.

**Prayesh Jain:** Yes. So, sir, if I got your number right, you said ₹4,500 crores of flows in this year, in these 9 months?

**A. Balasubramanian:** No. So, the total is about ₹55,000 crores roughly overall for the fund house, including fixed income. And equity will be close to about ₹16,000 crores of inflows net sales, across all our equity schemes put together including arbitrage funds. Prayesh, just to clarify, this number is not disclosed generally. It is a number we internally track to see how we are progressing on a quarter-on-quarter basis. These numbers are not generally disclosed publicly, but I am going by the trends we are seeing, such in Flexi Cap Fund we are some inflows and the Multi Asset Allocation Fund we are seeing inflows. May be the rate of inflows could be lower, but what we are seeing is the beginning of a reversal of the trend, itself will gain momentum.

**Prayesh Jain:** Right. Sir, anything on the distribution side where you would want to take action, given that we are there in the top quartile performance? Any commission actions that you would want to take, where you increase commissions a bit, take some pressure on your yields, and get the volume growth which can help you? Is there anything of that sort as part of the strategy?

**A. Balasubramanian:** So that is something we keep doing it, Prayesh, as part of our strategy, focusing on products that can generate volume. At the same time, if we have to consider for a brief period in terms of supporting sales activities that is something we do it. Already the focus products that I am talking about it the team do have some bit flexibility to push volumes, and that is something we keep doing it.

I think as we start seeing will keep it. Also for employee point of view. In order to motivate employees to be run around the market and improve productivity, we do incentivise them. That is something we keep doing it. I'm sure this strategy will always be ever evolving, and nothing is onetime we have to do it. This anyway, is a continuous process.

We also ran another segment-wise distribution partner, which we call the Privilege Club. Something again, we keep driving it in order to help them improve their overall ranking and whatever we can do in terms of various activities that we undertake. That remains one of our focus areas.

**Prayesh Jain:** Got it. Sir, last question is your flow market share coming closer to or is it very close to your back-book market share, probably in the month of December or currently in January, how is it kind of panning out? Is it very close to your back-book market share?

**A. Balasubramanian:** Yes, somewhat we can say. I think the way I see it is the moment we see the rate of falling comes down, somewhere these equilibrium will start reflecting on the reverse trend.

**Prayesh Jain:** All the best and Thank you soo much.

**Moderator:** Thank you. Next question comes from the line of Dipanjan Ghosh from Citi. Please go ahead.

**Dipanjan Ghosh:** Good evening, sir. So, a few questions from my side. On the expense side, if I look at your other expense run rate and not looking at quarterly volatility, but looking at it more from a, let's say, rolling 12 months sort of a thing. It seems that the run rate has meaningfully been controlled, despite your kind of growing your alternate fees, you're also kind of probably scaling up your sales personnel on the MF side, given the traction in flows.

So just wanted to get some sense of how one should think of the trajectory on the other expense side in case, let's say, you had to kind of scale up initiatives given that your performance is now back on track. The second question is on the flow share. You know I'm trying to triangulate this math that your SIP market share is like fully yet to stabilize.

But obviously, your redemptions are probably kind of narrowed down, resulting in improvement in net flow trajectory. So, just from a channel perspective, would it be fair to assume that when performance improves, maybe the MFD or the more assisted channels are the fastest to pick up in terms of both net new money and maybe a lower churn rate? I mean, are you seeing that or maybe I can be corrected in case that's not the trajectory.

The third question is on similar lines. I mean, you mentioned some number on the flow part in reply to the previous participant's question. But you included arbitrage also. I mean, is it possible to give you some idea of the quantum excluding arbitrage? And just two data keeping questions, if you can spell out the employee number and SIP AUM number as of December 31?

**A. Balasubramanian:** On the expense side, Pradeep, do you want to answer?

**Pradeep Sharma:** Yes. So Dipanjan, actually, the expense fee in our initial two quarters, we had our vantage summit, and growth summits across the country and actually, for this, increasing the engagement of our distributors and investors. Q3 has those activities been low, and that is why you see that there was no increase on a quarter-on-quarter basis. In fact, it is flat.

But if you see on a to-date basis, I think that average, I think would continue to be in the coming quarters. So, these all activities of our field engagement with our distributors and investors will keep on happening. However, there would be some quarter-on-quarter fluctuation when some few quarters will have those events, few quarters may not have. But I think the right way to look at it is the to-date average.

**A. Balasubramanian:** Yes.

**Pradeep Kumar Sharma:** Okay. And the employee number is currently it is around 1,683 to be precise. And SIP AUM is around ₹87,000 crores approx.

**A. Balasubramanian:** Just to answer the other question, Dipanjan. As far as the channel is concerned, definitely, the organized channel, which is a banking channel, ND channel and MFD channel, which contributes roughly about 80% of the AUM. And we do have a very strong relationship which is built historically. The performance improvement definitely improves the confidence of our partners, and we'll aggressively push it. And the MFD is one channel, which we are already seeing some traction.

Organized channel, of course, goes with the recommendation of the product, which I mentioned earlier, some of the organized channel, which sells say, 3 - 4 products of each of the category, we are already seeing it coming as part of the recommendation list barring 1 or 2 where we are in the border line case for the product to become part of approved list. And as far as the ND is concerned, again, some of the products are now coming as part of the recommendation, as it comes part of the recommendation list, so naturally, there is a higher responsibility, ownership and the incentive to sell the product from those channel partners, part of that I see the trend is reversing.

As far as the online which is digital platform is concerned, while we do have a presence with each of these partners, which built over a period of time, a strong partner for all of us. Even the fact that goes by the criteria that apply in the selection of the funds. And some of our funds, again coming as part of their recommendation list and therefore, build a strategy around it, how do we get higher volume. We are seeing this kind of volume coming in a few quarters back on some of the funds. Based on the understanding and evolving situation, that's something we'll push.

I think largely, if I look at it, it will be a mix of all these channels, and we can't say it is one channel. We have a fund house got separate responsibility for each of the channel partners with the people around it. And therefore, with respect to the flows, I just give you a broader trend in terms of ratios, though we don't give the individual fund-wise or category-wise flows, but overall equity category, just give number as a broadly, we can take about a 60:40 kind of ratio,

60 for arbitrage and 40 for other funds. So, we don't give individual numbers. But broadly, that's the kind of similar number we can take as a breakup.

**Dipanjan Ghosh:**

Got it. So just to clarify, this was for 3Q or 9M this data that you mentioned, the last data point on flows?

**A. Balasubramanian:**

I mean, 9 months correct.

**Dipanjan Ghosh:**

And sir, if I can just squeeze in one small question, and thanks for the answers to the previous question. Your performance is improving after some time, right? And what we've seen over the last few years for some of your peers, where we saw a turnaround in performance, while AUM market share picks up, it never really recovers to the previous peaks, and maybe that's a function of market fragmentation or maybe changing industry dynamics in terms of distribution and difficult to kind of pinpoint?

Having said that, in this environment, given that your performance improvement somehow coincides with the time frame when there's a regulatory change also, would it be fair to assume that you would want to kind of maybe take a differentiated stance with respect to payouts to your distributors, such that maybe there's a motivation to kind of aggressively push your products a little high or do we kind of follow suit in terms of passing on the hit to the distributors?

**A. Balasubramanian:**

No. As far as seeing growing business concerns, that commitment is necessary because if you have to grow a little faster, you would apply multiple strategies, which include temporary incentives that need to be provided for pushing the sales. Normally, we do that on a select basis. It is nothing new to us. At the end of the day, again, we also, of course, have a small profitability target that we generally keep. We have to do the fine balance between profitability versus overall growth in AUM versus the revenue. That's something we keep doing it.

I cannot say this will not go that I think our research is so dynamic, so it's very difficult to take a single stand and basically push it. Whenever performance improvement is coming in, recognition comes, the volume starts coming in, therefore we have to give a little bit of a higher push, that means a temporary adjustment of the pricing, which, of course, normally we are open. But again, we tried, of course, to do the balancing between growing the size and maintaining the overall profitability expectations, that's something we'll continue to keep.

**Moderator:**

Next question comes from the line of Abhijeet Sakhare with Kotak Securities. Please go ahead.

**Abhijeet Sakhare:**

Hi. Good evening, everyone. My first question was if you could indicate how have been the yields on the fresh inflows that have come up in the last couple of months compared to the overall book yields. And the context is just to kind of check this with reference to your earlier comment that the idea will be to keep the yields intact, right? I mean not just because of the telescopic decline, but also the new regulations that will set in from next year onwards?

**A. Balasubramanian:**

Yes. On the increment price, more or less the same. There's nothing really different. We have not done any NFOs per se in this quarter. But more or less, the yield remains the same as what

Pradeep mentioned earlier. The intent of maintaining overall yield, I was just mentioning, given the fact, of course, the regulatory framework might have a marginal impact. But broadly, the intention is to keep the trend on the margins more or less the same. So that's the attempt we will make through a mix of product, through a mix of momentum that you have to bring in certain high-margin asset classes.

**Abhijeet Sakhare:** Got it, sir. And how should we think about the expense growth for the next couple of years?

**Pradeep Sharma:** Yes. So Abhijeet, the expense growth would be the normal expense growth, no shockers on that account, except which will be like in line with inflation and closer to that, except we may see the impact of the new ESOP scheme, which we have rolled out in the month of January. So next few quarters, we will have an impact on the manpower cost on account of this new ESOP scheme.

**Abhijeet Sakhare:** And third quarter, right, sir. Sorry to interrupt.

**Pradeep Sharma:** So otherwise, other expenses would be in line with the normal inflationary, except in employee costs on account of ESOP cost.

**Abhijeet Sakhare:** And that's already kind of showing up in the third quarter employee cost, right, the impact of ESOP?

**Pradeep Kumar Sharma:** No, the third quarter is not completely showing, because the new ESOP scheme of ABSL AMC was rolled out in January. The third quarter actually is having the impact of the parent company ESOP given to select employees.

**Abhijeet Sakhare:** Okay. And what was to quantify that?

**A. Balasubramanian:** It will be spread over three years, for which provisions will be made.

**Abhijeet Sakhare:** Okay. And sir, last question, I missed the data on equity flows that you mentioned in the previous question with respect to the 9-month flows, sir, if you could please repeat that?

**A. Balasubramanian:** I said overall, the flows have been improving in the equity. And broadly, I said, as a fund house close to about ₹55,000 crores of inflows, which includes fixed income, equity and arbitrage. And within the equity, I mentioned close to about ₹16,000 crores of kind of inflows, roughly number, that's what I just mentioned.

And within that, the focus product that we are pushing, which is the Flexi Cap Fund, Multi-Asset Allocation Fund. In fact, we're also started getting close on the small and mid-cap funds, but though may not be in the same order as what the industry is getting it. But these are some of the trends that I'm seeing on at least about 7 or 8 products in terms of flow improvement.

**Abhijeet Sakhare:** Got it Sir very useful. Thank you so much.

**Moderator** Ladies and gentlemen, as there are no further questions, we have come to the end of the question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**A. Balasubramanian:** Yes. Thank you, and thank you, everyone, for joining. And with this, we conclude our Q3 FY26 earnings call. If you have any queries, of course, give a call or write back to Pradeep Sharma and Shivani Manka.

**Moderator:** Thank you. On behalf of Aditya Birla Sun Life AMC Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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