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Date: 24th October, 2025

National Stock Exchange of India Limited

Exchange Plaza Plot No. C/1
G Block Bandra – Kurla Complex
Bandra East Mumbai – 400 051.

Scrip Symbol: UTIAMC

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001.

Scrip Code / Symbol: 543238 / UTIAMC

Sub: Transcript of the earnings conference call on financial performance of the Company for the quarter and half year ended 30th September, 2025

Dear Sir / Madam,

Pursuant to Regulation 30 read with Schedule III Part A Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) and as per the relevant SEBI Circulars we are forwarding the transcript of the earnings conference call held on Saturday, the 18th October, 2025 at 1800 hrs IST on the financial performance of the Company for the quarter and half year ended 30th September, 2025.

The transcript of the aforesaid earnings conference call is also available on the Company's website at www.utimf.com in compliance with Regulation 46 of the SEBI Listing Regulations.

Thanking you,

For UTI Asset Management Company Limited

Arvind Patkar

Company Secretary and Compliance Officer

Membership No.: ACS 21577

Encl: As above

UTI Asset Management Company Limited

Q2 and H1 FY26 Earnings Conference Call

October 18, 2025

Moderator: Ladies and gentlemen, good day and welcome to the UTI Asset Management Company Limited Q2 and H1 FY26 Earnings Conference Call.

From the management, we have with us Mr. Imtaiyazur Rahman - Managing Director and CEO; Mr. Vetri Subramaniam - Managing Director and CEO Designate; Mr. Vinay Lakhota - Chief Financial Officer and Head Corporate Strategy; Mr. Surojit Saha - Group Financial Advisor and Mr. Sandeep Samsi - Head Investor Relations, Marketing and Corporate Communications. We also have with us the Investor Relations team from Adfactors PR.

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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

Before we begin, I would like to mention that some of the statements made in today's presentation may be forward-looking in nature and may involve risks and uncertainties. Please note, the disclaimer mentioning these risks and uncertainties are on the disclaimer slide of the Investor Relations presentation that has been shared earlier.

I would now hand the conference over to Mr. Imtaiyazur Rahman for opening remarks.

Imtaiyazur Rahman: Thank you. Good evening, everyone. We are delighted to have you with us for the review of our financial and operational performance for the second quarter and half year ended 30th September 2025. Our financial statements, press releases and investor presentations have been uploaded on the website of stock exchanges and we trust you have had the opportunity to review them.

I have with me my distinguished colleagues, Mr. Vetri Subramaniam - MD and CEO Designate of UTI AMC; Mr. Vinay Lakhota - CFO and Head of Strategy; Mr. Surojit Saha - Chief Financial Advisor of the company and Mr. Sandeep Samsi - Head of Investor Relations, Marketing and Corporate Communications. Before I request Vetri to share with all of us about the macroeconomic view and industry update, I would like to share with you a few important developments in UTI AMC.

As many of you are aware, I have had the privilege of leading UTI AMC since 2018, guiding the company through its evolution into a listed entity and driving significant growth. Under our collective efforts, UTI AMC's market capitalization has grown three-fold since our 2020 listing. Surpassing Rs. 18,000 crore, with Asset Under Management soaring from Rs. 3.99 lakh crore in 2019 to Rs. 22.42 lakh crore in September of 2025.

As a continuation of our succession plan and with full confidence in our next generation of leadership, the Board has unanimously decided to appoint Mr. Vetri Subramaniam as an incoming MD and CEO of UTI AMC with effects from 1st February 2026. 1st February marks UTI AMC's Foundation Day and I believe it is a fitting moment for me to pass the baton to Vetri. Vetri has been an integral part of our success story since joining UTI AMC in 2017 and his leadership, vision and deep industry expertise makes him the ideal choice to guide UTI in its next chapter. To ensure a seamless transition, I will serve as Strategic Advisor to the MD CEO from 1st February 2026 to 12th June 2026, supporting Vetri and his team. I am confident that under Vetri's leadership, UTI AMC will continue to deliver exceptional value to our customers, shareholders and stakeholders while advancing our mission to help millions of Indians achieve their financial aspirations and also globally.

Now, I request Vetri to share with you the financial and other updates and the macroeconomic data of the industry as well as of UTI AMC. Vetri, over to you.

Vetri Subramaniam:

Thank you, Imtaiyaz. As Imtaiyaz suggested, I will go into the macroeconomic background of what has been happening. The last few months have brought volatility to the Indian markets, among rising geopolitical tension and also trade challenges. India's growth story remains resilient. This is underpinned by robust domestic demand, healthy private investment and a vibrant services sector. Global conflicts and trade headwinds like the US tariffs may momentarily slow manufacturing and exports, but India's structural strength is well intact. With steady infrastructure spending and firm consumer momentum, including the benefit of the recent GST rationalization, the economy is poised to maintain its lead among emerging markets in terms of growth.

Indian equities and mutual funds. I will turn the spotlight to that.

In H1 of FY26, we witnessed strong investor participation, particularly from retail investors. The industry folio count grew to Rs. 25.19 crores as of September 2025. The retail mutual fund folios stood at Rs. 19.77 crores for September 2025, with retail AUM at Rs. 44.61 lakh crores for these categories. This is equity, hybrid and solution-oriented schemes. Total industry AUM grew to Rs. 75.61 lakh crore as of September 2025, up from Rs. 75.19 lakh crore, reflecting a 0.56% increase month-on-month. Q2 also reflected some degree of investor caution. Equity MF inflows fell 9% to Rs. 30,422 crores in September from Rs. 33,430 crore in the previous month.

In September, the SIPs stoppage ratio rose to 76.27% up from 74.51% in August. Overall sentiment of retail investors remains strong. SIPs have reached a new milestone with record

monthly contribution of Rs. 29,361 crores and Rs. 9.25 crores active accounts as against Rs. 8.98 crores posted in August. The SIP AUM is at Rs. 15.52 lakh crores for September 2025. This amounts to 20.53% of total mutual fund industry assets.

Moving on to the performance of UTI, in line with the industry, UTI Group's total AUM stood at Rs. 22.42 lakh crore as of 30th September. This is a growth of 11% from Rs. 20.16 lakh crores a year ago. Our mutual fund AUM reached Rs. 3.78 lakh crores compared to Rs. 3.43 lakh crores last year. At the end of Q2, as of 30th September, our folio stand at 1.36 crores. Considering the market volatility, our go-to-market strategy remains focused on the hybrid category of funds.

I am happy to share with you some of UTI AMC's achievements for the first half of FY26. Our strategic vision continues to guide us as we expand across the vibrant B30 cities and the established top 30 markets. Beyond 30 cities remains a cornerstone of our success, contributing approximately 80% of our AUM and these markets are growing strongly. Technology is central to this journey. Our investor and distributor-facing apps have seen strong adoption, providing convenience and enhanced functionality to investors and distributors. The association with Salesforce and ONDC in their respective capacities has enhanced our potential significantly, whether it is our ability to keep engaged with our investors or with our partners and also to facilitate ease of transaction for all investors. Financial literacy remains a key priority and through our initiatives such as UTI Swatantra and FLY, we continue to empower individuals with the knowledge to make informed investment decisions.

As regards new fund launches, we launched the UTI Multi Cap Fund in May. This has been designed as an all-round investment solution and showcases the depth of our research capability. It completes our product suite and is the distinctive proposition within our diversified equity offering. As of 30th September, the fund had assets of Rs. 1,576 crores, around 67% more than what we collected during the NFO.

Our distribution network continues to gain strength. Through targeted training and workshops, we have enhanced the collaboration between distributors, fund managers, and product teams.

On the global front, the expansion of our New York office and progress on regulatory approvals in the DIFC have reinforced our cross-border advisory presence. Through these strategic endeavors, expanding reach, driving digital adoption, launching innovative products, empowering investors, and fortifying distribution, UTI Asset Management Company is firmly positioned to sustain growth and deliver long-term value to stakeholders in FY26 and the years beyond. Thank you for your continued trust and support.

I will now hand over to our Head of Investor Relations, Marketing, and Corporate Communications, Sandeep Samsi, who will brief you on more details regarding our performance. Over to you, Sandeep.

Sandeep Samsi:

Thank you, sir. I will take you through UTI Mutual Fund's performance during the second quarter and half-year ended 30th September 2025.

Talking about UTI Mutual Fund's performance, UTI was able to capture a market share of 6.2% of the gross sales of the industry during this quarter and market share of 6.4% of the gross sales for the first half of the financial year 2026.

Our active equity plus hybrid quarterly average AUM for the quarter ended September 2025 stood at Rs. 1,33,202 crores. Quarterly average AUM for index and ETF stood at Rs. 1,62,443 crores, up by 4.75% in the second quarter commensurate with growth in the overall passive investment. ETF and index fund net inflow stood at Rs. 4,848 crores. UTI added 2.4 lakh folios taking up the number of live folios to 1.36 crore as on 30th September 2025. Our SIP AUM witnessed a growth of 5.98% over the corresponding quarter of last year, reaching to Rs. 42,267 crores as of September 2025.

The SIP inflows for the second quarter stood at Rs. 2,338 crores. The SIP gross inflows for UTI Mutual Fund witnessed a year-on-year growth of 12.04% with the average SIP ticket size being Rs. 3,273 for September 2025. For the first half of the year FY26, SIP inflows were Rs. 4,599 crores, higher by 17.70% as compared to Rs. 3,907 crores in the first half of FY25.

An important update, pursuant to the meeting held on 23rd September 2025, the Board of Directors of UTI AMC approved the implementation of the Voluntary Retirement Scheme (VRS) for select categories of employees effective from 1st October 2025. As per the scheme, eligible employees can submit their VRS applications till 31st October 2025. The financial impact of the scheme will be determined basis the actual number of applications received and will be communicated to the stock exchanges in due course in line with the regulatory requirements. As part of the VRS package, family pension benefits have also been revised. The one-time financial aspect of this revision as well as the actuarial valuation is Rs. 25 crores which has been fully accounted in the financial results for this quarter. This initiative is designed to offer a structured and dignified exit framework for eligible employees while strategically realigning the workforce to support the organization's future business priorities.

Coming to UTI AMC financials on a consolidated basis. During the second quarter, the core income of the company stood at Rs. 390 crores up by 5% year-on-year and 3% quarter-on-quarter. The consolidated core PAT for the second quarter is Rs. 107 crores which includes the impact of revision in the family pension. Adjusted for the same, the normalized consolidated core PAT for the quarter is Rs. 127 crores down by 5% year-on-year and up by 4% quarter-on-quarter. For the half year, the consolidated core PAT was Rs. 228 crores down by 8% Y-o-Y and normalized consolidated core PAT, excluding the impact of family pension is Rs. 248 crores up by 1% Y-o-Y.

On a standalone basis, during the second quarter, core income of the company on a standalone basis stood at Rs. 319 crores up by 5% Y-o-Y and 3% quarter-on-quarter. The standalone core PAT for the second quarter is Rs. 104 crores which includes the impact of family pension revision. Adjusted for this, the normalized standalone core PAT for the quarter is Rs. 124 crores up by 7% Y-o-Y and 5% quarter-on-quarter. For the half year, the standalone core PAT was Rs.

221 crores up by 3% Y-o-Y and the normalized core PAT excluding the impact of family pension for the half year is Rs. 241 crores up by 13% Y-o-Y.

On the investment highlight, in fixed income, we have witnessed consistent growth in liquid as well as non-liquid categories. On the equity side, our value-oriented schemes continue to do well over the 3-year and 5-year period. Some of our growth-oriented schemes have witnessed a pick-up in performance over the last one year. By substantially increasing the fund manager's engagement with distributors in both the top 30 and beyond 30 cities, we have strengthened our partnerships and enhanced strategic clarity around our fund offerings.

On Investor education, reimposing our commitment to investor education, we conducted 700-plus programs, including 250 sessions, especially designed for women investors. In the first half of the Financial Year 2026, more than 6,700 students participated in our Financial Literacy for Youth (FLY) program under which we conducted financial awareness sessions in colleges. Close to 70% of these students registered for SEBI Investor Certification course and out of these, 81% have already cleared the exam.

On our IT and digital assets, we continue to invest strategically in technology infrastructure and adopting artificial intelligence, machine learning, and generative AI. We have amplified our security operations with a focus on cybersecurity.

Last year, we partnered with Salesforce for a marketing automation tool to send customized communication to our investors. A case study on this has been published now by Salesforce. We are also associated with ONDC, the Open Network for Digital Commerce, and are available on their network for onboarding and financial transactions. 41% of our total gross sales for equity and hybrid funds are being mobilized through the digital platform in the quarter two of FY26. We have gone live with UTI auto-pay implementation for SIP via the UTI auto-pay and at valid UPI handle as per the mandate given by AMFI.

On UTI Pension Fund Limited, our 100% owned subsidiary UTI Pension Fund Limited has recorded a growth of 15.82% year-on-year in its AUM, reaching Rs. 3.89 lakh crores as on Q2 of FY26 and currently it manages 24.62% of the NPS Industry's AUM.

The PAT for the half-year is Rs. 28 crores, a decline of 3.4% Y-o-Y. The point-of-presence business that commenced recently has been performing well. We currently operate through 31 branches across India and plan to take the total number of branches to 40 in FY26. In the first half of FY26, we added 119 clients. We are delighted to share that UTI PFL won the CNBC-TV18 India Risk Management Award for the year 2024-25. We have filed 4 new schemes under the Multi-Scheme Framework (MSF) based on the circular issued by PFRDA on 16th September 2025.

On UTI International, UTI International has rebranded the logo as UTI Investments, reflecting a more contemporary identity to resonate strongly with international investors. The AUM at UTI International is USD 2.66 billion or Rs. 23,647 crores as on 30th September 2025. One of our popular funds, UTI India Dynamic Equity Fund, domiciled in Ireland, has an AUM of USD 874

million. We successfully secured allocation into UTI IDEF from Europe despite a challenging market environment and have continued to sustain our assets. We have also strengthened coverage and business development through senior leadership hires across regions, bringing deep institutional expertise.

On UTI Alternatives Private Limited, UTI Alternatives Private Limited has a total AUM of Rs. 2,669 crores as on 30th September 2025. This excludes the co-investment portfolio management services of Rs. 162 crores. We have now successfully exited SDOF I in FY25. SDOF II and SDOF III have active commitments of Rs. 755 crores and the fund is currently in investing stage. We have launched the fourth fund of our SDOF series in quarter 2 and this fund has been planned as a Rs. 1,500 crore fund.

UTI Multi Opportunities Fund I has an AUM of Rs. 1,598 crores. Currently, the fund is in investing stage.

UTI Real Estate Opportunities Fund I is currently in fundraising and is investing with commitments of Rs. 164 crores. We have initiated the process for upgrading the Gift City SME licence from non-retail to retail to allow launch of mutual fund schemes.

I would now request the Managing Director and CEO for his concluding remarks.

Imtaiyazur Rahman:

Thank you, Sandeep, for sharing operational and financial updates of the company. Before we begin the question and answer, on behalf of the entire UTI family, I would like to wish you and your family Happy Dhanteras and Prosperous Diwali. We may now open the forum for Q&A. Thank you.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Mohit Mangal from Centrum. Please go ahead.

Mohit Mangal:

Thanks for the opportunity. My first question is towards the flows. If I look at hybrid category, which is our main target category, last year we had around 19 billion of net inflows and even H2 was better. But in H1, that actually declined to around 4 billion. How can we capture more flows in this category? What are our major strategies towards that?

Vetri Subramaniam:

Hi Mohit, Vetri here. So that remains actually our focus in terms of the hybrid strategies and that is just a function of where we think the market is both in terms of valuations of both equity and fixed income, which is why we think this is a sort of more appropriate part. There has been perhaps some churning of portfolios, but we are just doubling down on the push in terms of hybrid products. Our products, particularly the multi-asset fund and the aggressive hybrid fund are already approved on several platforms. So we are pushing both for sales through lump sum mode as well as through the SIP mode. The balance advantage fund is a much younger fund for us, just about 2 years of track record, but it has done well over that period. So even there, we are sort of increasingly pushing the market in terms of starting to get that incorporated. As you know, many sort of rating systems in the market typically look at least 3-year data before they start to recommend a product. So once we cross that hurdle sometime middle of this year,

hopefully that product as well will make it onto some of the sales platforms. So there may be some movement that you have seen over the last quarter, but I think we are happy with the trend that we see in terms of gross sales.

Mohit Mangal: And H2 should be better than H1, I would assume?

Vetri Subramaniam: Yes, that is where our focus remains and we have been doing a lot of distributor engagement over the last few months. There is a series of programs we are doing across the country, zone by zone. So I think you will see some benefits.

Mohit Mangal: Understood. My second question is towards the UTI international business. So I think there has been around 8% decline, if I compare H1 FY26 versus FY25. So any activity over there?

Vinay Lakhotia: So the AUM decline that has happened over there is primarily because of two funds. One is UTI Phoenix Fund, which is similar to a FMP kind of a category, which has matured and some redemption and mark-to-market impact on our UTI India Dynamic Equity Fund and UTI Innovation Fund, where we lost close to around Rs. 2,000 crores, primarily because of mark-to-market impact only. So hopefully with the growth category style actually delivering better values over the last 2 or 3 quarters, we should see some meaningful inflows in UTI Dynamic Equity Fund going forward.

Mohit Mangal: Understood.

Vetri Subramaniam: I wish to add some color to what Vinay said. Just keep in mind that you have to also see the change in AUM of that strategy in the background of the fact that in general, FPI appetite towards India is currently fairly cooled in that sense, right? There has been a net outflow. So India as a category is actually not attracting too much flows at this point of time. But within that, I think the team has been reasonably successful in terms of getting some inward client rotation. And that is coming from what Vinay said, which is that when we look particularly at the last year, year and a half, the quality growth which underpins the IDEF strategy that we run has done quite well in terms of its alpha generation. So that has enabled the sales team to get more clients in. But we need a point in time where overall appetite for India starts to increase for that number to grow.

Mohit Mangal: Understood. That is helpful. My last question is towards, in your opening remarks, you said that the impact of VRS is expected to be around Rs. 25 crores. So just wanted to know the math behind that as to how did you come with that number, if you could just explain?

Vinay Lakhotia: No. What we stated is that as part of a VRS package, the family pension amount was being revised. That because of the revision in the family pension amount, the actuarial impact of that has been accounted for in quarter two. The actual impact of VRS will depend on how many number of people actually opt for. And that we will be communicating sometime maybe in the later part of the month of November. So information will be sent out to the stock exchange of what the actual impact will be there in Q3 financials.

Imtaiyazur Rahman: Mohit, it is a onetime expenditure. And as per the accounting policy, based on the actuarial valuations, we need to account for in the quarter of the incident. And therefore, since the scheme was launched on 23rd of September, therefore, as per the accounting standard requirement, we had to account for in this quarter. It is a onetime expenditure. And let me explain you why this particular thing is a part of the package. We have a pension scheme and the family pension scheme was not revised since 1994 and the only thing people were getting the Rs. 5,300 family pension across the group of the employees, whether it is the class 3, class 4 or even the senior management people. Therefore, we have just revised the family pension schemes and that we did in order to make sure that our VRS scheme is successful and we are seeing the good outcome, Mohit.

Mohit Mangal: Understood, sir. That is very helpful. Thanks and wish you all the best.

Imtaiyazur Rahman: Thank you.

Moderator: Thank you. Our next question comes from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Yes, hi. So just extending that question on the VRS thing. So while you do not quantify the cost, but you would have an estimate of the 100% of the employees eligible for it. If they accept the VRS, what could be the cost that can be seen? And I would also like to understand what happens if the 100% of the employees take VRS post that, what kind of employee cost run rate will we see?

Vinay Lakhotia: So overall, the number of employees that are eligible for VRS is 479 out of roughly around 1450 employees that we have. So only one third of the employees are actually eligible for VRS. And these are primarily the employees who are more than 50 years of age and joined prior to 2003. The actual impact will again depend on the number of people that actually opt for a VRS. But I can give you a ballpark number. The average VRS payout per employee, would be in the range of around 60-65 lakhs. So depending on the number of employees that actually opt for, then I can communicate the actual impact. And what was the second question, Prayesh? I didn't get that?

Prayesh Jain: If 100% employees opt for the VRS, how much?

Imtaiyazur Rahman: So we have analyzed it and we are not required to replace all employees. Our data suggests that in case all 500 employees take the VRS, over a period of time, we will be requiring 70-75 people to supplement those requirements.

Vinay Lakhotia: So Prayesh, at the actual run rate, once we relieve the employees, then depending on the business requirement, in how many cases actually we may require a replacement or the entire organization restructuring will happen. So we will communicate the actual run rate maybe while we announce the Quarter 3 results.

Prayesh Jain: Got it. That is very helpful. Second question is on the SIP market share. If I look at the SIP market share, which was there in September 2024, which was about 2.9% and now it is about 2.7%. What are we doing to kind of change this and make further improvements here? Because I think that the cornerstone for this industry has been SIPs and that is where it seems that we are losing some market share?

Sandeep Samsi: I think if you look at our market share, it might have just gone down marginally. But otherwise, we have seen a month-on-month growth in our SIP numbers. So if you look at the SIP count of ours, it has also increased 11% on a year-on-year basis. So there are about 6 lakh new SIPs which have been registered in this first half of the year, out of which 75% have come through the digital channel. And most of our market shares across channels remain steady and we are not seeing too much of a change there. The highest share of SIP flows that we are getting is still coming from the MFDs, which is about 50% of our SIP flow and this is followed by RIAs, which is close to about 19%. And the rest is coming through direct, Fin-tech and BND. The two channels where we have seen significant increase is the RIA channel and the Fin-techs on a year-on-year basis, which is around 40%-45% increase from the last year. And we can owe much of this growth to the thrust that we are putting into augmenting our network in the last many quarters and we will keep on making our efforts in this direction to improve our market share in the SIPs. Another factor which is important is in respect of the smaller cities where we have been able to sustain our growth by deepening our presence through a combination of digital engagement, distribution partnership, and initiatives. So this has also helped us to get a number of SIPs from the smaller centers.

Imtaiyazur Rahman: As a core strategy, we are overly focused on our SIP. We are on all the platforms, HDFC, Axis Bank, and everywhere. And we as a team, this is our core strategy to implement.

Prayesh Jain: Got that, sir. Just on the other expense front that also seen on a standalone basis, I have seen a very sharp jump both on a Y-o-Y as well as a sequential basis. What is driving that?

Vinay Lakhotia: The other expenses or the employee cost?

Prayesh Jain: Other expenses.

Vinay Lakhotia: Other expenses. The Rs. 6 crore was on account of CSR expenses. And as you are aware, CSR expenses is actually booked on a cash basis and not on an accrual basis. So maybe this quarter, the other expenses have increased. The next quarter, there might be a slight dip in the overall expenses. So for the full year, we maintain a guidance of close to around 7%-8% for the other expenses. Some volatility because the CSR expenses is actually accounted on a cash basis.

Prayesh Jain: Got that. This is helpful. Thank you so much and wish you all a very Happy Diwali.

Imtaiyazur Rahman: Thank you, you too.

Moderator: Thank you. Our next question comes from the line of Madhukar Ladha from Nuvama Wealth. Please go ahead.

Madhukar Ladha: Hi, good evening, everyone. Thank you for taking my question and Happy Diwali to everyone. So just again on the VRS, so of the 460-470 employees that the VRS is applicable to, how many have actually accepted it until now? Can you give some number of that? And in your internal estimates, what is the kind of acceptance rate broadly that you would be building in? That will also be helpful. And my second question is more for Vetri. Sir, if you could highlight, you will be taking over as CEO. Congratulations for that and all the best on the new role. But what will be your key focus areas? And over the next couple of years, let us say, what would be your sort of targets in your mind both in terms of fundraise, performance, and expenses? So what can sort of shareholders look forward to if you could outline how you are thinking about strategy for UTI?

Imtaiyazur Rahman: Madhukar, so far as the VRS scheme is still on, this scheme will close on 31st of October 2025. And therefore, we are unable to give you any number at this particular point of time. And since it is a VRS scheme, we cannot predict how many people will take with a certain number. However, what we are witnessing, we are witnessing a very positive response from our people. Vetri, over to you.

Vetri Subramaniam: Yes, Madhukar, thanks for the good wishes. Just if you look at the asset management space, and obviously the mutual fund being a big component of that. In a sense, it is a very simple business. It is just all about the products and the way the funds perform and equally, it is a people-driven business because it is the people who really make the difference across all aspects of the business. So if you look at it in terms of, I think, what the strategic priorities are, Imtaiyaz talked about the growth that we have seen and the leadership transition that is currently underway. I think one benefit I have compared to when Imtaiyaz took charge in 2018 is that we have a strong set of leadership across the entire company and in fact, for that matter, across the entire group. So I believe our senior level teams are very well placed today as compared to where we were earlier.

Having said that, workforce rejuvenation is a very key component of what we need to carry out. If we go back a few years in history and look at our sales team, the ratio of supervisory sales team leads to the actual hunters was adverse. And that is something that we have been correcting over the last 3 years. And I think with this VRS, it will see a further change in terms of the number of managers who make up the sales system, who are supervising the sales team and the number of actual sales people who are going out there in the market. So that workforce rejuvenation in terms of a younger cohort, making sure that the ratio of supervisory to hunters is more appropriately placed, making sure that this younger team is now properly skilled and trained to be able to engage with the marketplace. To my mind, that is really one critical part of the engagement part of our business with all our partners and distributors. The second part is the brand visibility and the brand connect. The brand has a very strong recollect. It has legacy. But at the same time, we are aware that there is a younger cohort of customers to whom the brand does not resonate as strongly. So we would certainly in the years ahead, once again utilize some of the flexibility that would show up for us by investing in the brand to make sure that we are increasing the visibility and the connection to the younger cohorts who may not

fully be aware of the legacy of the brand. So the brand would really be the second part of what is important.

Third thing, if you look at all the industry data, we are certainly going through a disruption in the sense not visible in the AUM, but visible in the number of customer accounts which are now digitally originated. Again, for us, that is partly allied with the previous point, which is to say that we need to have best-in-class digital assets. We need to have best-in-class digital systems which allow us to talk to the customers, engage with the customers, cross sell, upsell, and also sort of give them a sense of being digitally native because the new competitors who are entering this business are increasingly digitally native. So digital and brand at some portion of these are aligned, at some portion it is a separate platform that we will anyway have to build.

As far as fund management is concerned, I think we have got the processes well in place. We have got very strong talented teams. There will always be some cyclicity in terms of fund performance. What we have tried to do over there is make sure that we have a go-to-market strategy, which makes sure that we are always carrying a portfolio of products to the market, which are positioned both on performance and on opportunity. This requires a little bit of training of the sales team to be able to carry this message of products that carry performance and simultaneously showcase the products where the opportunity lies for the future. So I think with a more agile workforce with the appropriate upskilling and training, we will be able to get them to carry this message out there in the market. So I would say all of these are things that we would need to do. I think very key metric for us, given that we are a scale player, we are present across the country, there is a discrepancy between our market share in SIP and the market share that we have on stock AUM. So to my mind, one of the critical things that we will be focusing on is continuously raising the SIP market share. But because to my mind, the only way to get back to where we are on stock AUM is to keep increasing the share of SIP flows.

Now, I know there was a question on this earlier, and I will put in a slightly tactical point that maybe we will have to look through the data. Remember that the hottest selling category in mutual funds, particularly on the equity side in the last 2 years, or maybe in 3 years, has actually been sectoral thematic. This has been an area in which we have been both conservative and cautious. This may have cost us both in terms of gross sales as well as impacted our share of the SIP book. But we are very focused that in the core categories, we want to keep increasing our share of the SIP book and I think it is in the core diversified products that there will be a long-term opportunity to make sure that we get a sustainable share of the SIP pipeline.

I think on the cost side, post-November, we will get a better opportunity to articulate where our cost structure will settle down. But certainly, we will look to reinvest some of that in brand visibility. And once we are able to raise our equity SIP book, it should automatically start to show up in the yields as well. So it is a pretty simple business. If you are able to keep your costs under control and raise the yield, the jaws sort of start to open up. So that is what we will have to target. But it is a journey. It is not something that we can do overnight. But I think all of these are levers that we will have to use. And simultaneously, leveraging the onsite fund management talent we have into the offshore business gives us the ability to tap into a new

set of investors and UTI alternatives, which is still a very small unit for us. There is scope to grow that and that will be a much higher yielding unit eventually, though the size of AUM may be much smaller. But that is another way to diversify the asset management company and the listed company's businesses. So that in a nutshell, many things, but these are all the touch points that we will have to go. And overtime, we will come back to you with a dashboard. So you have an understanding of each of the elements that I described and the progress that we hope to make.

Madhukar Ladha: Thank you, sir. Thank you for the response and look forward to your innings and all the best, sir.

Vetri Subramaniam: Thank you.

Moderator: Thank you. Our next question comes from the line of Swarnabh Mukherjee from B&K Securities. Please go ahead.

Swarnabh Mukherjee: Hi, sir. Thank you for the opportunity. Vetri sir, congrats on your new role and a Happy Diwali to everyone. I had 3 questions. So first of all, I think about this quarter, I think in the employee cost also, if we adjust for the Rs. 25 crore one-off that has come through, there is still, I think, Rs. 10 odd crore increase in the standalone P&L in employee costs and around Rs. 4-5 crores in the consolidated P&L. So if you could explain what is that due to? That is the first question. Second is, sir, you were talking about the 3-year performance and actually gradually scale up there. I just wanted to know, what in your mind or how have you seen in the past in the industry that has the performance goes into the higher quartiles? What is the lead time before flows start to come in? How should we think about it on that? Thirdly, sir, I think over the last 2-3 years, we had kind of articulated to investors to maintain our cost base. I think we did a great job at that. The cost base was not going up at only, I think, low single digits. Now, given our plans about investments in the brand and in the distribution channel as you have articulated, should we expect any of that on the cost heads to increase going forward if you could keep some color of the same? These are my 3 questions. And one bookkeeping question, if you could give us the yields by asset classes for the quarter?

Vinay Lakhotia: Yes. I will answer on the cost and the yield part. On the employee cost, apart from the family pension liability of Rs. 25 crores, roughly around Rs. 6.5 crores is the actuarial impact on account of salary revision that has happened in this particular quarter. Again, this is just one quarter event and this will normalize over the balance period. On the yield part, the equity and hybrid yield is close to around 75 basis points. ETF and index fund has seen a marginal improvement to around 8 basis points from the earlier 6 basis points that were there in the previous half year. Cash and liquid fund is close to around 9 basis points and fixed income is around 19-20 basis points. Some marginal reduction on the fixed income yield because I think most of the products that are being selling in the fixed income side is on the shorter duration and some marginal reduction in the yield on the fixed income side.

Swarnabh Mukherjee: Yes, just a follow up. The employee cost side, if I may just clarify. Sir, you said Rs. 6 crores because of actuarial valuation. So if I remove the Rs. 25 crores number, I think Rs. 100 crores for last quarter in the standalone P&L went to around Rs. 110 odd crores except the Rs. 25 crores number. So, Rs. 6 crores out of that?

Vinay Lakhotia: No. Rs. 25 crores is on account of family pension and Rs. 6.5 crore is on account of actuarial valuation of other retirement benefit which includes your gratuity, live encashment and things like that.

Imtaiyazur Rahman: Every year post the salary increase, we need to calculate the various superannuation benefits. And based on that, the Rs. 6 crore is the liability, one time liability has come to Rs. 6 crores. If we normalize 25 plus 6, then the cost is in line with 2.5%-3% that, as per the guidance, which we have given. Now, you have asked about the question of maintenance of the cost post what Vetri suggested to you that once he takes over, he will invest some dollar in the brand regeneration, etc., I don't feel we are in the position at this particular point of time to suggest any or give any guidance on this number. However, if you see the last 5 years, our CFO team and the entire management team, they have been extraordinarily careful on the cost. So we cut a lot of cost, we save a lot of cost, we improve efficiency and whatever the money we save out of that, we use for the other line of the business. This has been the case. For example, we have opened 75 branches, but we have not increased the cost because we reduce a lot of branches, we cut a lot of cost, we optimize a lot of cost and we have brought a lot of efficiency using our technology. That has helped. So Vetri has suggested that he will go for the brand and many other things, but at the very same time, he is extraordinarily careful and he is working on that to save a lot of cost in other areas. So at this particular point of time, I don't feel Vetri will be in a position to give any guidance or I am in a position to give any guidance. However, when we meet again or when they meet you again in the 3rd quarter or 4th quarter end, we will be in a better position to give you the guidance on the next plan. And so, for the yield is concerned, Vinay, you have already replied about the yield. Yes, Mr. Mukherjee, hope it answers the question.

Swarnabh Mukherjee: Sir, I had also asked regarding the flows that in your experience, once we scale up on the 3-year performance as it highlighted, it might play out differently but normally, what have you seen as the lead time for the catch-up on flows to happen?

Vetri Subramaniam: So if you see in the past and even if you refer to our data of 2021-22, you will see that typically, it is somewhere in the second year after you start to get good performance in some of your schemes is where the flow numbers start to pick up quite significantly. So you will see that very much in our flow data in 2020 -21 and 2021-22, which were strong years for us both in terms of our share of gross as well as our share of net flows of equity flows for the industry. So I would say 2-3 is the sweet spot. And we see this even at a scheme level. If I look at current year to date, for the first time, one of our other schemes has started to outsell in terms of gross sales, our largest single active equity scheme and that is a function of the fact that its 3-year performance is now extremely strong. So those are the cycles that you see at a product level. But the main point that I would like to make is that we as a firm recognize this cyclicity of 2-

year and 3-year and that is why I said we need to take the product appropriately to the market, position some on the back of performance and position others on the back of opportunity.

Swarnabh Mukherjee: Right. That is very helpful. If I may squeeze in a couple of more questions. Sir, first of all, on the VRS scheme, once you get clarity in terms of how much your cost would be, just wanted to know how it would be provisioned. Will it be provisioned over one quarter or over multiple periods? Just some clarity on that. And secondly, sir, this new product, SIF, that I think some of your peers are launching. So just wanted to know your thoughts or any strategy around that?

Imtaiyazur Rahman: Vinay on accounting and Vetri on SIF.

Vinay Lakhota: The entire VRS cost will be booked in the P&L in the 3rd quarter itself as per the accounting standard. There is some impact as far as the taxation is concerned, that these expenses need to be amortized over a period of 5 years as per the Income Tax act. So you might see a deferred tax asset being created. But as far as the accounting of this cost is concerned, the entire cost will be charged in Q3 financial.

Vetri Subramaniam: Sure. On the SIF itself, see, it is an interesting product category, because it opens up space to do something which is slightly different from the traditional MF product. And at the same time, it has the benefits of the same set of regulations that asset management companies would anyway use across their products. The regulator also has great comfort with this. There are two sort of challenges we need to be cognizant of. One is that for this product to be distributed, both my own sales team as well as the distribution partners need to get certified at a new level as compared to the certification required to sell a normal MF product. So when we look at the data at this point of time, it is very clear to us that at this point of time, the distribution system's ability to distribute this product is limited by the fact that there are not enough people who have the certification. Having said that, we are getting other people trained so that we have enough people in-house. We are going region by region. We will have enough in-house people who are then certified appropriately to position this. We have also finalized our brand because by law, we require a separate brand for this product. That is also in final stages of being rolled out. The actual product launch, again, we are looking at what is the appetite that the market might have because the long short product is a product which still at this point of time is not very well understood in the marketplace. Therefore, we need to see which of these products might actually be most suitable. But all the building blocks that need to be done, we are doing one by one, which is the brand, which is the platform, and finally, the training of our own sales team. But honestly, it makes sense to launch it when the distribution architecture is prepared and the number of people in the distribution architecture who can sell the scheme is currently limited.

Swarnabh Mukherjee: Understood, sir. That is very helpful. I appreciate your detailed responses. Thank you so much and all the best.

Moderator: Thank you. Our next question comes from the line of Meghna Luthra from Incred Equities. Please go ahead.

Meghna Luthra: Yes. Hi, sir. Thank you for giving me an opportunity. I had two questions. One is, sorry to harp again on the employee cost. After we are done with the VRS, what could be a normalized number of employee costs that we can expect every quarter? And the second question is a little qualitative, is that we are seeing fast-pacing growth in the digital onboarding from SIPs and even lump sums. How do we compete in this space and how does any AMC compete? There is no payout to the digital onboarding of customers. So is there a dynamic where we can compete and come ahead? These are my two questions?

Vinay Lakhotia: So as I said, the run rate will be able to communicate post the VRS settlement is over depending on our business requirement that if we need to recruit people to fill up some of the vacancies that may arise. And again, Vetri rightly pointed out that we are realigning our ratios of managerial to the hunter on the top. So the entire reorganization will be carried out sometime in the Q3 and maybe when we announce the Q3 financial result, the run rate for the employee cost will be communicated.

Sandeep Samsi: So Meghna, we are progressing digital transformation with the focus on expanding our investor access and providing them platform efficiencies. If you look at as of September 2025, 89% of our total gross sales in the quarter came from the digital platform. And in the last 4 quarters, an average of around 92% of the gross sales are coming through the digital channel. So you can see that digital channels are taking shape through the existing distributors as well as from the Fin-tech platform. So our recent collaboration with Salesforce, which focuses on customized communication has helped us to create a top of mind recall with many of our investors. Similarly, we have been focusing on things like instant SIP activation, digital KYC and distributors onboarding through mobile and a web application and the team has done a great job to ensure that all the application as well as the website is top of line. So another area where we are putting a lot of focus is the Fin-tech partnership. And we are looking at API integration to support their digital push also by streamlining the processes and improving the customer experience. So all of these initiatives show that as Vetri also pointed out that digital architecture as well as the framework will help the growth of mutual fund industry and UTI.

Vetri Subramaniam: And Meghna, just to add to what Sandeep said, just keep in mind that they are also trying to rejig their own business models because no doubt they have made a significant impact in terms of the number of clients that they bring, the new SIP signups that they bring. But I think they are also now trying to figure out where in this entire mix they will be able to get profitability from the clients that they are onboarding. So what we are seeing at this point of time is significant number of these digital platforms starting to rethink what their approach to business should be in terms of how they want to position themselves, whether it will be purely direct or whether they also wish to have clients to whom they will offer incidental advice. So I think it is still evolving. We are very clear as Sandeep said that we need to have best-in-class digital assets and digital visibility because otherwise you will not be part of the consideration.

Moderator: Thank you. Our next question comes from the line of Abhijeet Sakhare from Kotak Securities. Please go ahead.

Abhijeet Sakhare: Hi, good evening everyone. So a question again on the VRS related point. I just wanted to know what would be the contribution of these 470 odd employees in our current staff cost on a full year basis? That would be the first question.

Imtaiyazur Rahman: Can you repeat your question please, Abhijeet?

Abhijeet Sakhare: Yes, Sir, like you mentioned, there are these about 470 odd employees who are eligible for this VRS scheme. Now, what I wanted to know is that on a full year basis of whatever your staff cost is, I am just checking the number, last full year, it was about Rs. 460 odd crores. What would be attributable to these 470 odd employees?

Vinay Lokhatia: I can give the average payout of these 470 employees would be in the range of around 28 to 30 lakhs.

Abhijeet Sakhare: Got it, sir. And sir, secondly, just again reconfirming this point, when you make the provision in the 3rd quarter, this will be routed through the P&L itself, right?

Vinay Lakhotia: Yes.

Abhijeet Sakhare: And in that context, how do we think about the dividend payout for the full year?

Imtaiyazur Rahman: That is too early to comment. Let us see now how the year goes and how much people are applying for it and are accepting the VRS. Based on that we will give you the guidance in the 3rd quarter, at the end of the 3rd quarter.

Abhijeet Sakhare: Got it. That is all, sir. Thank you so much and Happy Diwali to everyone.

Imtaiyazur Rahman: As you know, we have got a very strong balance sheet, but the accounting requirement is it has to be charged in the same financial year. But we have very strong balance sheet.

Abhijeet Sakhare: Got it, sir. And sorry, I just forgot the question for Vinay, sir. How do we think about the full year tax rate for this year?

Vinay Lakhotia: The full year tax rate actually will be slightly higher in the range of around 26-27. Because, as I stated earlier, this VRS cost will be amortized over a period of 5 years. The Indian Income Tax Act doesn't allow to be charged in the full year. So while there will be an expenditure, the tax rate will be slightly on a higher side. We will communicate the exact number when we announce our quarter 3 financial results.

Abhijeet Sakhare: Got it. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Divij Punjabi from Banyan Tree Advisors. Please go ahead.

Divij Punjabi: Yes, thanks for the opportunity. I had two questions. One was on the pension management business. You mentioned that there are four schemes being launched. And there are also a

bunch of regulatory changes being done by PFRDA. So can you just talk about what these schemes would look like? What would be the realization and the size of the opportunity? And the second question is on the VRS. Out of these 479, if you can just maybe touch upon the function-wise split of the employees. So across sales and the other functions, how is it going to be spread out?

Sandeep Samsi:

So the four schemes that we are planning to launch is, the first scheme is NPS Trust Account UTI-PF Wealth Builder NPS Equity Scheme. This will be based on equity. There are two schemes in this. There is a Tier 1 scheme and there is a Tier 2 scheme. The other scheme, which is on the dynamic hybrid side is the UTI-PF Dynamic Asset Allocator NPS Scheme Tier 1. Similarly, there is a Tier 2 scheme. As per the opportunity for this fund, I think it is still in the planning stage and by the time we launch it and the market conditions will determine the kind of inflows that we will see in this fund.

Vetri Subramaniam:

So just to add to what Sandeep said, see the bigger opportunity is that we need to grow the market for the private NPS product. All that has happened with this set of regulations is that we have been given a lot more flexibility in product design. So you are no longer carrying a very tightly regimented product to the customer. You have a plate which has got some more attractive opportunities or at least perceived benefits that people can see in those products. But I think the bigger challenge still remains to grow the market in terms of getting people to sign up for the private sector pension.

Imtaiyazur Rahman:

On the segmentation or classification of employees, we have two categories of employees, managerial staff and non-managerial staff. Out of 476, 351 are associated with the sales or sales-related functions. I hope it answers both of your questions.

Divij Punjabi:

Yes, thank you so much.

Moderator:

Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Imtaiyazur Rahman for closing comments.

Imtaiyazur Rahman:

Thank you very much to all of you for your active participation. Once again, on my personal behalf and behalf of my team here and the entire UTI, we wish all of you a very Happy and Prosperous Diwali and the New Year. Thank you and have a nice weekend.

Moderator:

Thank you. Ladies and gentlemen, thank you for joining the call. In case of any queries, feel free to connect with the Adfactors investor relations team. You may now disconnect your lines.