

23rd April 2025

Canara Robeco Asset Management Company Limited

Construction House, 4th Floor,
5 Walchand Hirachand Marg,
Ballard Estate, Mumbai City,
Mumbai - 400001
Maharashtra, India

Kind Attn.: Mr. Rajnish Narula – MD and CEO

Re.: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares”) by Canara Robeco Asset Management Company Limited (the “Company” and such offering, the “Offer”)

Dear Sir/ Ma’am,

We refer to your e-mail/request dated February 5, 2025 regarding the content provided to you, by Crisil Intelligence (formerly known as CRISIL Market Intelligence & Analytics) (“**Crisil Intelligence**”), as part of your subscription to its following industry research report(s) (“**Report**”):

Crisil Intelligence (formerly known as CRISIL Market Intelligence & Analytics): Assessment of Mutual fund industry in India, released in Mumbai, India, on April 2025

As requested by you, we accord our no objection and give consent to disclosing our name as an independent research provider, and for reproducing , extracting and/ or utilising content from our Report, whether in whole or in part (including any addendum or corrigendum thereto) (“**Material**”), or including references to such Material made from the Report made available to you as part of the above subscription in the draft red herring prospectus (“**DRHP**”) to be filed by the Company with the Securities and Exchange Board of India (“**SEBI**”) and the stock exchanges where the Equity Shares are is proposed to be listed (“**Stock Exchanges**”), the updated red herring prospectus (“**UDRHP**”), the red herring prospectus (“**RHP**”) and the prospectus(“**Prospectus**”) to be filed with the Registrar of Companies, Maharashtra at Mumbai, SEBI and the Stock Exchanges (the DRHP, RHP and Prospectus (the DRHP, RHP and the Prospectus (collectively referred to as the “**Issue Documents**”), including any research reports, presentations or press/ media releases, or publicity or marketing materials prepared by the Company and/or its advisors and/or book running lead managers (“**BRLMs**” or “**Book Running Lead Managers**”) (in relation to the Offer, including any international supplement of the foregoing for distribution to investors in India and/or outside India, or any other document to be issued or filed in relation to the Offer (collectively along with Offer Documents, the “**Offer Material**”), subject to the following conditions:

- (a) the Material or extracts thereof shall only be reproduced on an `as is where is’ basis, clearly mentioning the Material’s source and date of release, for example, “[extract of Material] (*Source: Crisil Report*);
- (b) there shall be no misrepresentation/modification to our views/opinions stated in the Report and the Material shall not be mentioned out of context or in any manner which is misleading;

- (c) if the Material consists of any charts/graphs, the relevant texts explaining such charts/graphs in the Report shall also be reproduced 'as is'; and the following section regarding Crisil Limited's Intelligence division shall also be included in its entirety in the Issue Documents along with the Material, at the relevant places:

About Crisil Intelligence

Crisil Intelligence, a division of Crisil Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. Crisil Intelligence operates independently of Crisil's other divisions and subsidiaries, including, Crisil Ratings Limited. Crisil Intelligence's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

For the preparation of this report, Crisil Intelligence has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

For the sake of clarity, this consent letter does not provide the right to the Company to refer to us as an 'expert' as defined under Section 2(38) of the Companies Act, 2013, in any of the Offer Documents

You hereby agree and undertake not to misrepresent, make any changes to or tamper with the Report, or present any part thereof, out of context or in violation of applicable laws and regulations, if any. Further, you acknowledge and agree that to the extent permissible under applicable law, Crisil does not have any liability or responsibility for the Offer Documents or any part thereof.

We consent to (i) this letter; (ii) the engagement letter executed between us and the Company RU/BD/Canara Robeco/Industry report/2025/CH1027 dated February 4, , 2025; (iii) the Report (together with any amendments, modifications, alterations); and (iv) the Material being disclosed (a) in the "Material Contracts and Documents for Inspection" section of the Offer Documents, and any of the Offer Material, as required; and (b) being kept open for inspection by members of the public as a material document in connection with the Offer from the date of the RHP till the date of closing of the Offer. We further give our consent to upload (i) the Report, and (ii) this consent letter, on the Company's website and being made available to the public on such website until the listing of Offer, pursuant to the Offer, and such web link to the Report being disclosed in the Offer Documents and any such other form of access to the Report and any the engagement letter dated February 4, , 2025 as may be required under applicable law or regulatory direction, request or order, and we have no objection with you sharing the Report and any the engagement letter dated February 4, , 2025 with any regulatory or judicial authority as required by law or regulation in relation to the Offer or pursuant to a request / order passed by any authority.

We also authorise you to deliver this letter to SEBI, the Stock Exchanges and the RoC, pursuant to Section 26 and Section 32 of the Companies Act, 2013, and the rules thereunder, each as amended, or any other legal, governmental or regulatory authority(s) as may be required, in relation to the Offer.

We confirm that the 'Industry Overview' section represents a true and fair view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors

to make an informed decision. We further confirm that the 'Industry Overview' section has been updated with recent information, as applicable. Further, all statements in the Industry Report have been verified and substantiated with figures, wherever applicable.

We confirm that information contained in the Material including but not limited to data obtained from secondary sources (such as company websites, articles in business journals, etc.) available in public domain, have been obtained or derived from publicly available sources, which we consider as reliable and after exercise of reasonable care and diligence by us. We confirm that we have, where required, obtained requisite consent or duly acknowledged the source(s), that may be required from any governmental authority or any other person in relation to any information used by us in the Material. We further confirm that there are no further consents, permissions, approvals, or intimation required for the quoting or sourcing of information and data or reproduction of content contained in the Material in any Offer Documents.

Subsequent to the listing of the Offer, if you wish to use our name/details in relation to the Material and/or wish to use the Material, in full or part, in relation to the Offer or in any corporate presentation, press release or advertisement, you may do so after providing us with a prior written notice of 7 (seven) days And upon Crisil's acceptance of such request.

We confirm that we are an independent agency and have no conflict of interest while issuing the Report, and are not, in any manner, have direct/ indirect interest in or relationship related to the Company, its directors, , its associates, its promoters, members of promoter group, its key managerial personnel, members of the senior management and the Book Running Lead Managers as of the date of this letter, and also confirm that we do not perceive any conflict of interest in such relationship/ interest while issuing the Report or this letter. Neither the Company, its associates nor its promoters, nor its directors, its key managerial personnel, members of the senior management as of the date of this letter, or the Book Running Lead Managers, are related parties to us as per applicable law as on the date of this letter. We also confirm that, we are not and have not been engaged or interested in the incorporation, promotion or management of the Company.

Further, we give you our irrevocable and unconditional consent in connection with preparation of the research reports to include as a part therein the contents of the Report, including the extracts hereon. We also agree that the disclosures would be made only as deemed fit by the Company and the BRLMs. This letter may be shared by the Company, with the Book Running Lead Manager(s)) and the legal advisors appointed in relation to the Offer. This letter does not impose any obligation on the Company or the Book Running Lead Managers to include in any Offer Document all or any part of the information with respect to which consent for disclosure is being granted pursuant to this letter.

We confirm that the information in relation to us is true, fair and adequate and there is no untrue statement or omission which would render the contents of this letter misleading in its form or context.

We agree to keep strictly confidential, this letter and the non-public information relating to the Offer until such time that: (A) such disclosure by us is approved by the Company; or (B) such disclosure is required by law or regulation, in which case prior intimation shall be given to the Company and Book Running Lead Managers; or (C) such information is already in the public domain or comes into public domain through no fault of ours.

We further represent that our execution, delivery and performance of this consent has been duly authorised by all necessary action (corporate or otherwise).

We confirm that we will immediately communicate any changes in writing in the above information to the Company and the Book Running Lead Managers to the Offer until the date when the Equity Shares commence trading on the Stock Exchanges. In the absence of any such communication from us, Book Running Lead Managers and the legal advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer.

This consent letter, including any annexures hereto, is for information and for inclusion (in part or full) in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers, in relation to the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents, as the case may be.

For **Crisil Limited**



Dharmendra Sharma
Director, Business Development

Cc:

SBI Capital Markets Limited

Unit No. 1501, 15th Floor,
Parinee Cresenzo Building, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051
Maharashtra, India

Axis Capital Limited

Axis House, 1st Floor,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025
Maharashtra, India

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

ANNEXURE A

Name of the Company:

Canara Robeco Asset Management Company Limited

Name of the Promoter(s) of the Company:

Canara Bank and Orix Corporation Europe N. V. are the Promoters of the Company.

Key Managerial Personnel of the Company

Canara Robeco Asset Management Company Limited – List of Directors

S. No.	Name	Designation
1.	K Satyanarayana Raju	Non - Executive Director and Chairman
2.	Rajnish Narula	Managing Director and Chief Executive Officer
3.	Debashish Mukherjee	Non- Executive Director
4.	Kiyoshi Habiro	Non- Executive Director
5.	Tim Van Hest	Non- Executive Director
6.	Suhail Chander	Independent Director
7.	Agyey Kumar Azad	Independent Director
8.	Ravindran Menon	Independent Director
9.	Nirmala Sridhar	Independent Director
10.	Anuradha Shripad Nadkarni	Independent Director

Key Managerial Personnel of the Company

S. No.	Name	Designation
1.	Ashwin Harshadrai Purohit	Chief Financial Officer
2.	Ashutosh Pramod Vaidya	Company Secretary and Compliance Officer

Senior Management of the Company

S. No.	Name	Designation
1.	Hilde Lieke Faber	Chief Operating Officer
2.	Avnish Prakash Jain	Head – Fixed Income
3.	Gaurav Goyal	Head – Sales and Marketing
4.	Shridatta Laxmanrao Bhandwaldar	Head - Equities
5.	Upasna Saboo	Head – Human Resources

Selling Shareholders

Canara Bank and Orix Corporation Europe N. V. are the Promoter Selling Shareholders.

Book Running Lead Managers

SBI Capital Markets Limited
Unit No. 1501, 15th Floor,
Parinee Cresenzo Building, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051
Maharashtra, India

Axis Capital Limited
Axis House, 1st Floor,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Legal Counsel to the Company

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India

Legal Counsel to the Book Running Lead Manager

J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Maharashtra, India

Legal counsel to the Book Running Lead Managers, as to International laws

Linklaters
One George Street #17-01
Singapore 049145

An assessment of the mutual fund industry in India

Canara Robeco Asset Management
Company Ltd

April 2025

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Macroeconomic scenario in India

As per IMF, Global economy is expected to grow at 3.3% both in CY2025 and CY2026

As per the International Monetary Fund (IMF) (World Economic Outlook – January 2025), global GDP growth prospects for CY25 and CY26 hold steady at 3.3%. The 'last mile' of inflation continues to remain sticky across advanced western economies, with the United States, Euro Area and the United Kingdom all recording a pick-up in inflation in November 2024, predominantly driven by core or services. Furthermore, the risks to inflation remain significant going forward, with likely tariffs being imposed by US on imports. US GDP grew at an annualised and seasonally adjusted 2.8% in the third quarter of 2024 from 3.0% in the second quarter on account of further decrease in residential fixed investment and downturn in private-inventory investment. The euro area's GDP rose 0.4% in the third quarter of 2024 vs a growth of 0.2% in the previous quarter. UK's economic growth moderated to 0.1% on-quarter in the third quarter of 2024 from 0.5% in the second quarter of 2024, owing to significant slowdown in growth of the services sector.

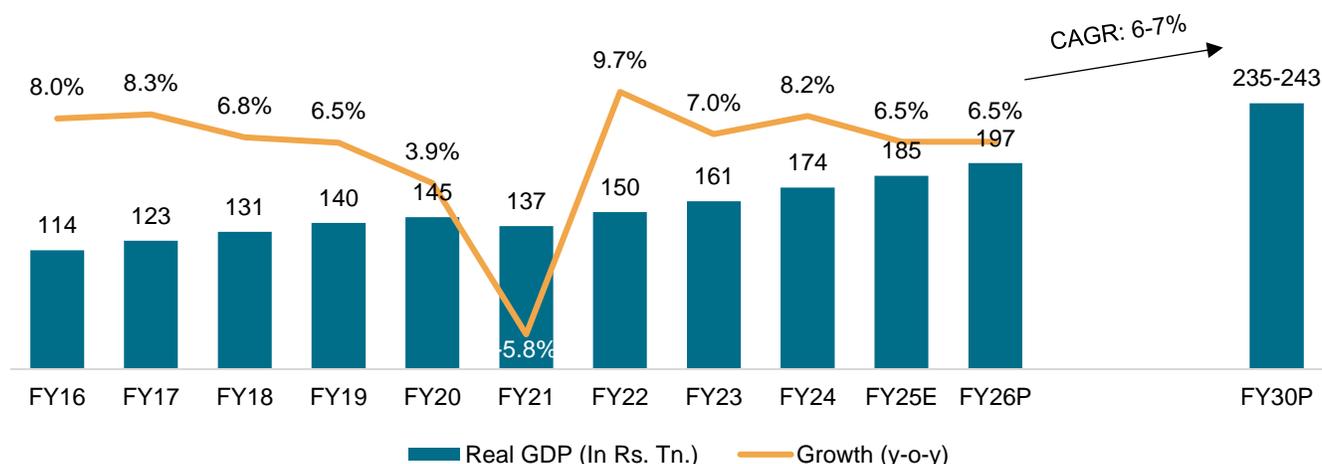
As per IMF, Global headline inflation is expected to decline to 4.3% in CY2025 and to 3.6% in CY2026 from 5.8% in CY2024. China has indicated a more accommodative monetary policy in 2025, taking cues from continuing weakness in economic activity.

India expected to remain one of the fastest growing economies in the world

The Indian economy was amongst the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis which disrupted economic activities, the country's economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand. Despite global geopolitical instability in middle east and Russia Ukraine war, India continues to maintain its position as one of the fastest-growing economies globally. In March 2025, the National Statistics Office's (NSO) in its second advance estimate of national income, projects the country's real gross domestic product (GDP) to expand 6.5% on-year this fiscal.

Crisil Intelligence expects GDP growth rate to be steady at 6.5% in fiscal 2026. Private consumption is expected to improve further on expectations of healthy agricultural production and cooling food inflation. Softer food inflation should create space in household budgets for discretionary spending. Secondly, the tax benefits announced in Union Budget 2025-2026 and increased allocations towards key asset- and employment generating schemes are expected to support consumption. Easing monetary policy by the Reserve Bank of India (RBI) is expected to support discretionary consumption. Crisil Intelligence expects the RBI's Monetary Policy Committee (MPC) to cut the repo rate by 50-75 bps in fiscal 2026. The central bank's recent liquidity-easing measures and easier regulations for non-banking financial companies are expected to transmit the benefits from an easier monetary policy to the broader economy.

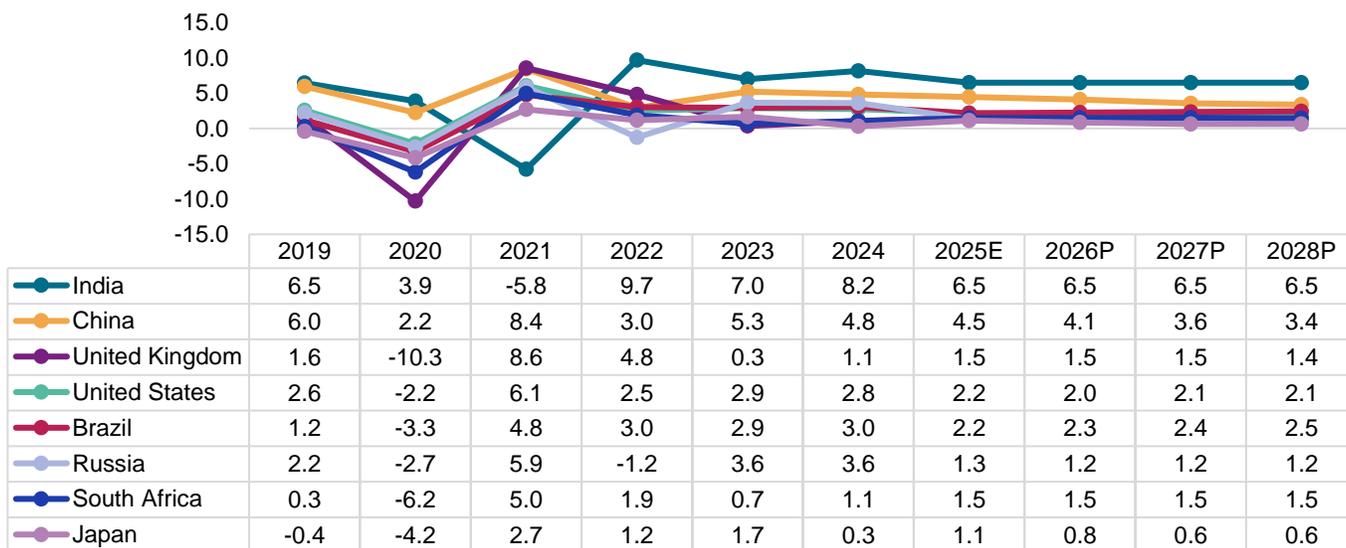
India's economy expected to remain steady at 6.5% in fiscal 2026



Note: E – estimated, P – projected. GDP growth until fiscal 2024 is actual. GDP estimate for fiscal 2025 is based on the NSO's second advance estimates. GDP projection for fiscal 2026 is based on Crisil Intelligence estimates and that for fiscals 2026-2029 is based on International Monetary Fund (IMF) estimates, Source: NSO, Crisil Intelligence, IMF (World Economic Outlook – October 2024)

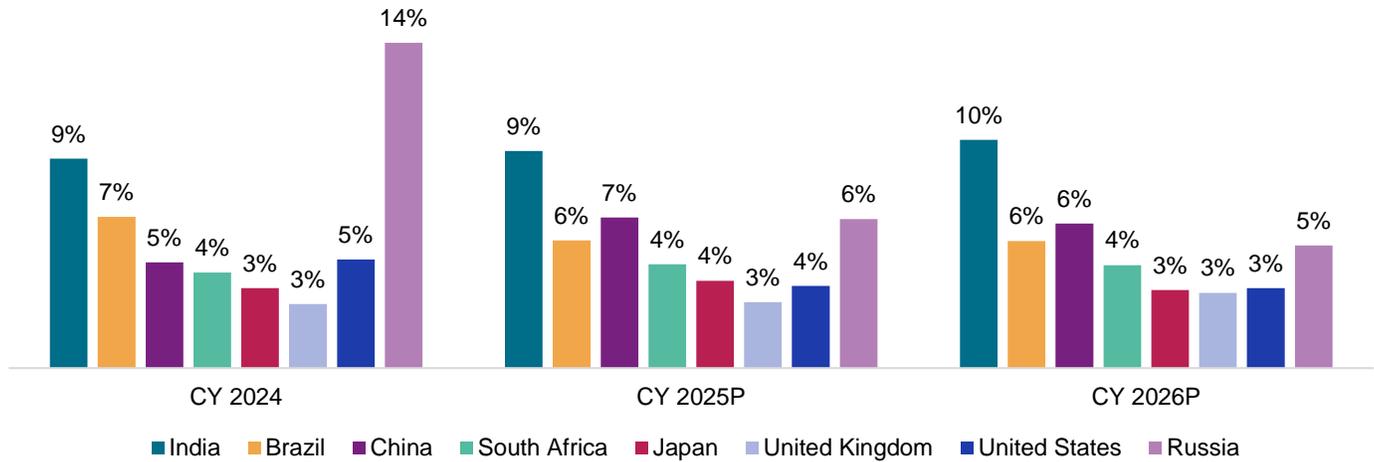
Over the past three fiscals (FY22-24), Indian economy has outperformed its global counterparts by witnessing a faster growth. In IMF's Oct 2024 update, it raised the GDP growth forecast for India highlighting India's improved prospect for private consumption particularly in rural areas. Going forward as well, the IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is one of the fastest-growing major economies (Real GDP growth, % year-on-year)



Note: E – estimated, P – projected. All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, Growth numbers for India till 2026 are for financial year, 2025 is as per second advance NSO estimates for FY25. Post FY25, all estimates for India are as per IMF and in calendar year. Data represented for other countries is for calendar years, E: Estimated, P: Projected; Source: IMF (World Economic Outlook – October 2024), Crisil Intelligence

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

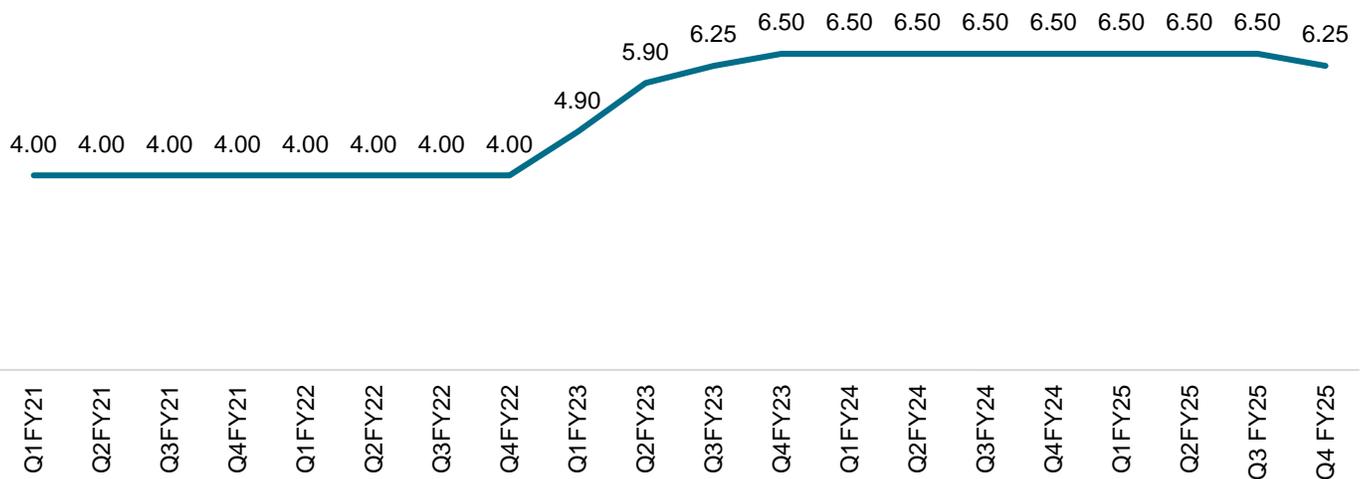


Note: P- Projected, Gross domestic product per capita, current prices in national currency is considered for year-on-year growth calculations, figures basis IMF estimations, Source: IMF (World Economic Outlook- October 2024), Crisil Intelligence

RBI cuts repo rate by 25 bps, maintains neutral stance

The Reserve Bank of India's (RBI) MPC in its February 2025 meeting unanimously voted to cut the policy rates by 25 basis points, a first since May 2020. The repo rate is now 6.25%, the standing deposit facility rate is 6.00% and marginal standing facility (MSF) rate is 6.50%. Easing inflation and a slowing economy prompted the central bank to cut rates. However, the MPC maintained a neutral stance, which gives it flexibility to remain data- dependent and respond to any global shock. The US Federal Reserve (Fed) reduced the interest rate by 25 bps each in November and December 2024 to 4.25%- 4.50%. The Bank of England (BoE) in February 2025 eased the UK interest rate by 25 bps to 4.5%. Crisil Intelligence expects the MPC to cut rates by 75-100 basis points next fiscal. US tariff hikes, moderating US federal reserve rate cuts and weather-related risks will have bearing on the rate cutting cycle.

Repo rate in India (%)

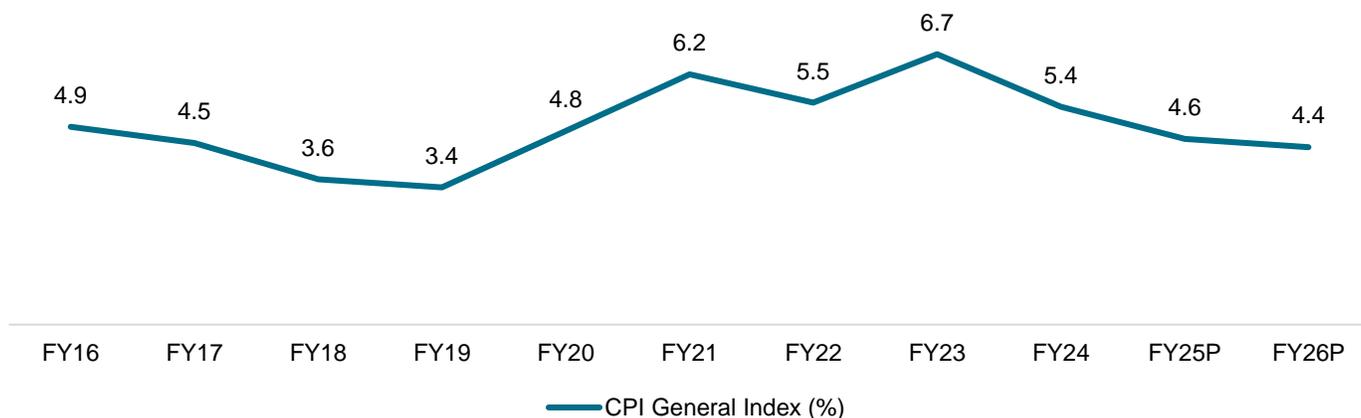


Source: RBI, Crisil Intelligence

Consumer Price Index (“CPI”) inflation to average at 4.4% in FY26

Consumer price index (CPI) inflation softened sharply to 4.3% in January 2025 from 5.2% in December 2024 due to easing food inflation. Food inflation eased to 6% in January 2025 from 8.4% in December 2024, led by softer inflation in vegetables, pulses and cereals. Crisil Intelligence expects CPI inflation to continue to soften in FY25 to 4.6% and 4.4% in FY26 from 5.4% in FY24.

Inflation to moderate to 4.4% in fiscal 2026

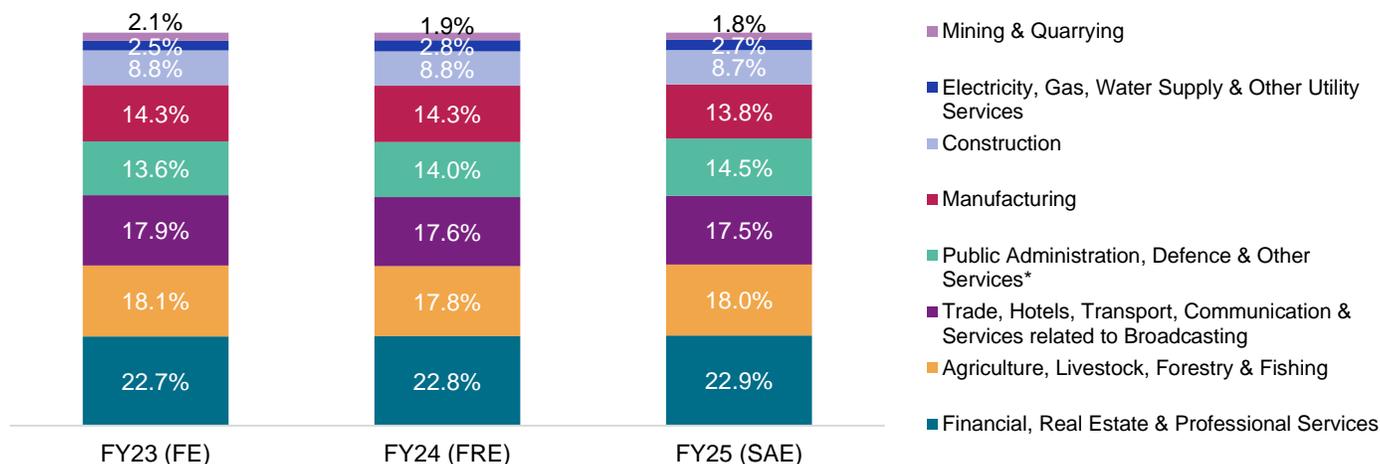


Note: P – projected
Source: Crisil Intelligence

Contribution of different sectors to India’s growth

The trend in gross value added (GVA) at current prices by economic activity indicates that financial, real estate and professional services have consistently contributed the highest to GVA (an estimated 23% this fiscal). Total GVA at current prices clocked a compound annual growth rate (CAGR) of 10% between fiscals 2023 and fiscal 2025.

GVA by economic activity



Note: *The public administration, defence and other services category includes other services sectors, i.e., education, health, recreation, and other personal services. Fiscal 2023 numbers are first estimates, fiscal 2024 numbers are first revised estimates and fiscal 2025 numbers are as per second advance estimates as per the NSO

Source: Ministry of Statistics and Programme Implementation (MoSPI), Crisil Intelligence

Macroeconomic outlook for India (Fiscal 2026)

Macro variables	FY24	FY25P	FY26P	Rationale for outlook
Real GDP (y-o-y)	8.2%#	6.5%#	6.5%	Lower inflation and RBI's rate cuts are expected to lift growth next fiscal, assuming a normal monsoon and lower crude oil prices. Any substantial pick up in investment growth will hinge on accelerating private capex. Exports face headwinds from tariff hikes initiated by the US.
Consumer Price Index (CPI) inflation (y-o-y)	5.4%	4.6%	4.4%	Inflation is expected to move closer to the RBI's target of 4% on expectations of a normal monsoon, high base effect in food inflation and softer global commodity prices. Some uptick is expected in non-food inflation due to an adverse base.
10-year Government security yield (Fiscal end)	7.1%	6.7%	6.5%	Rate cuts by RBI, lower inflation and softer crude oil prices are expected to lead to a mild softening of yields in fiscal 2026. A rise in gross market borrowings will cap the downside to yields.
Fiscal Deficit (% of GDP) *	5.6%	4.8%	4.4%	Fiscal consolidation will be made possible via moderating revenue expenditure thrust even as capex focus is broadly maintained. The budget banks on revenue collection to remain robust.
CAD (Current Account Deficit as % of GDP)	-0.7%	-1.0%	-1.3%	Current account deficit (CAD) is expected to increase owing to headwinds to exports from US tariffs. Lower crude oil prices, healthy services trade balance and robust remittances growth will prevent CAD from widening too much.
Rs/\$ (March average)	83.0	86.0	87.0	A manageable CAD would mean not much pressure on the rupee, but geopolitical shocks could keep the rupee volatile

*P – Projected, # As per NSO estimates *FY24 and FY25 numbers are government's revised and budget estimates; Source: Reserve Bank of India (RBI), National Statistics Office (NSO), Crisil Intelligence*

Key structural reforms: Long-term positives for the Indian economy

- The government has also launched the JAM trinity (Jan Dhan, Aadhar and Mobile) which aims to link Jan Dhan accounts, mobile numbers and Aadhar cards of all Indian nationals to transfer cash benefits directly to the bank account of the intended beneficiary and avoid leakage of government subsidies.
- India Stack, set of digital infrastructure including Aadhar, UPI, Digi locker, e-KYC and e-Sign has enabled many unbanked citizens to access formal financial services, promoting financial inclusion.
- The GST regime has been stabilizing fast and is expected to bring more transparency and formalization, eventually leading to higher economic growth.
- In recent union budget for 2025-26, limit of foreign direct investment (FDI) in insurance sector has been increased from 74% to 100%, subject to the investment of entire premium in India. This move is likely to increase insurance penetration, which was 3.7% as of fiscal 2024 versus global average of 7%.
- Government launched the Digital India program, on 1st July 2015 with the vision of transforming India into a digitally empowered society and a knowledge-based economy, by ensuring digital access, digital inclusion, digital empowerment and bridging the digital divide. Some of the key initiatives and related progress under Digital India are as follows-
 - Unified Mobile Application for New-age Governance (UMANG) – for providing government services to citizens through mobile. More than 2077 e-Services as of October 2024 and over 489.64 crore worth of transactions have taken place on UMANG as of October 2024.
 - Unified Payment Interface (UPI) is the leading digital payment mechanism, it has onboarded 632 banks and has facilitated more than 16,584.97 million transactions (by volume) worth Rs 23.5 trillion in October 2024.

- Cyber Security: The Government has taken necessary measures to tackle challenges about data privacy and data security through introducing the Information Technology (IT) Act, 2000 which has necessary provisions for data privacy and data security.
- Common Services Centers – CSCs are offering government and business services in digital mode in rural areas through Village Level Entrepreneurs (VLEs). Over 400 digital services are being offered by these CSCs. As of September 2024, 0.59 million CSCs are functional (including urban & rural areas) across the country, out of which, 0.47 million CSCs are functional at Gram Panchayat level.
- PMAY was introduced in 2015 to provide affordable housing for all by the end of 2022. The timelines were revised to FY24 and FY25 for PMAY-Gramin and PMAY-Urban respectively due to delays in completion. Execution under the scheme has been encouraging with ~2.60 crores houses being completed as of May 2024, out of the targeted 2.95 crore houses. The target for the next five years has been further increased by ~2 crore houses in the FY25 budget estimate; a 68% addition to the current target of ~3 crore houses. The move provides an impetus to the real estate sector as well its stakeholders including – developers, engineering, procurement and construction contractors, allied industries such as steel, cement etc.

Overall, these initiatives will improve the digital connectivity of Indians along with boosting business sentiment, thereby creating new opportunities.

Key growth drivers

Favourable demographics

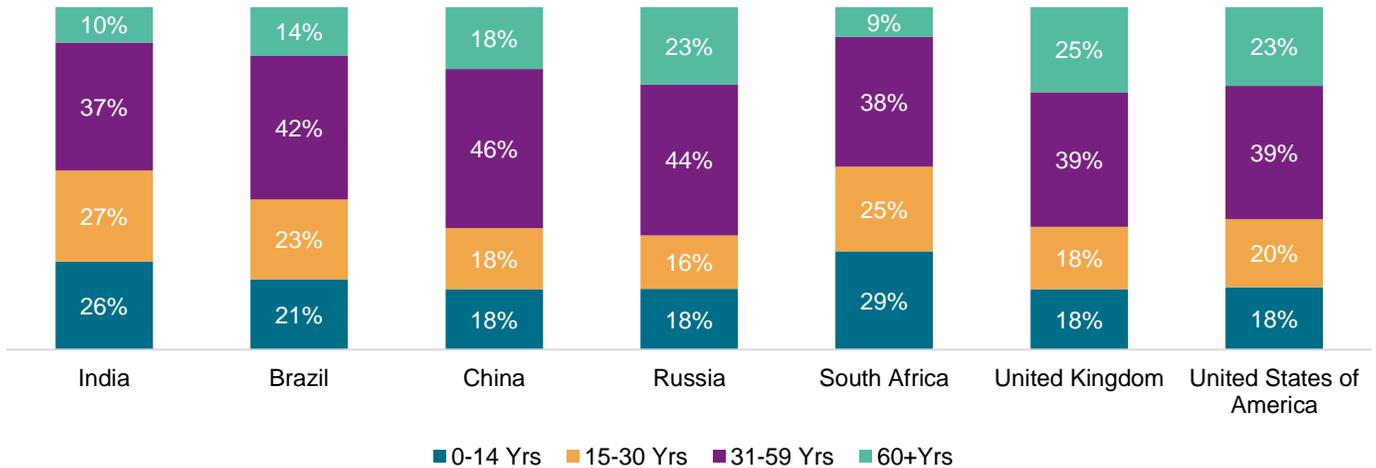
India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. In 2021, it was estimated that India had the highest share of young working population (15-30 years) compared to major developed and developing countries with the share of 27%. Crisil Intelligence expects that the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth in the economy.

India has the highest young population (15-30 years) with 375 million individuals, among the major economies (CY2021)

Country	0-14 Yrs	15-30 Yrs	31-59 Yrs	60+ Yrs
India	361.6	375.3	524.8	145.8
Brazil	44.0	50.0	89.9	30.5
China	251.9	253.5	662.7	257.7
Russia	25.7	22.7	63.9	32.8
South Africa	17.0	14.7	22.5	5.2
United Kingdom	11.9	12.2	26.5	16.7
United States of America	61.5	67.0	131.0	77.5

Note: Values in millions. Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

India has the highest share of young population (15-30 years) among the major economies (CY2021)

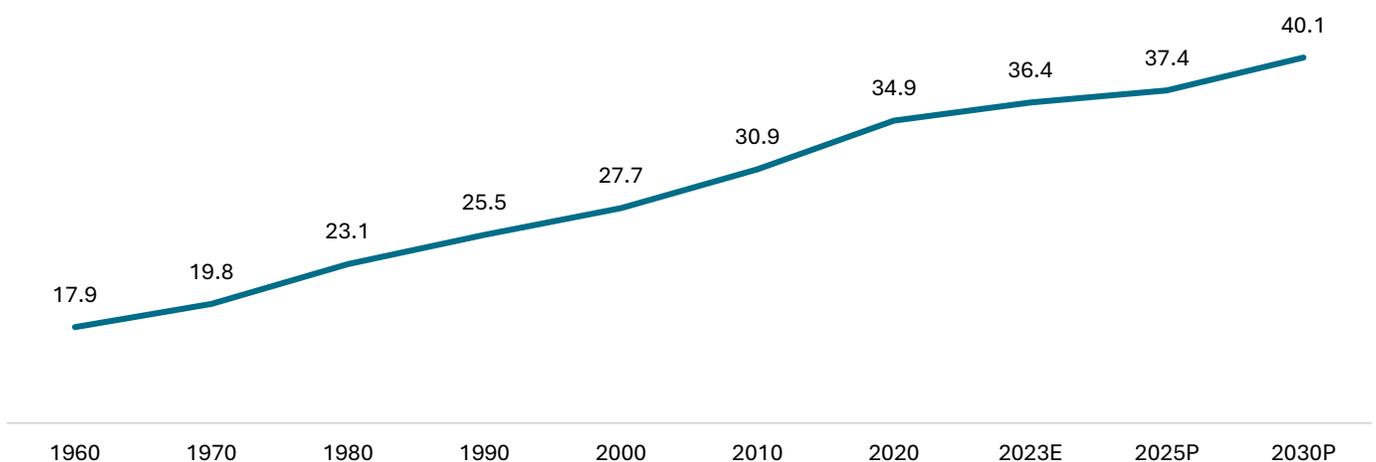


Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Rising urbanisation

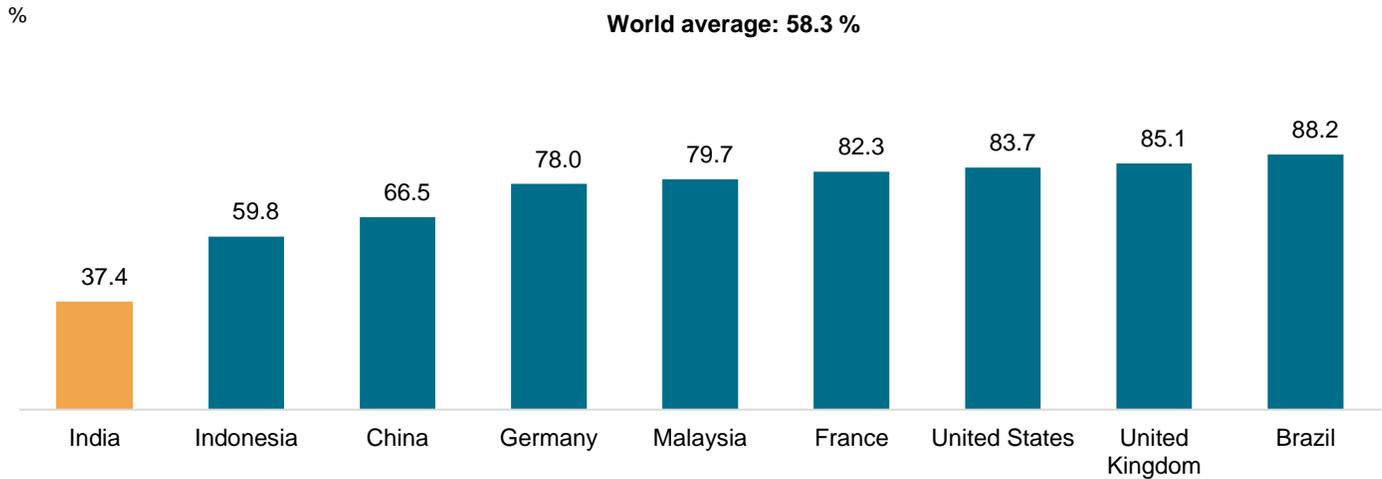
Urbanisation is one of India’s most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which, in turn, is expected to create jobs, develop modern consumer services and increase the ability to mobilise savings. India’s urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India’s total population in 2023 . According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 40% by 2030.

Urban population as a percentage of total population (%)



Note: E- Estimated, P – Projected, Figures in percentage, Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Urban population as a percentage of total population in % (CY 2025P)

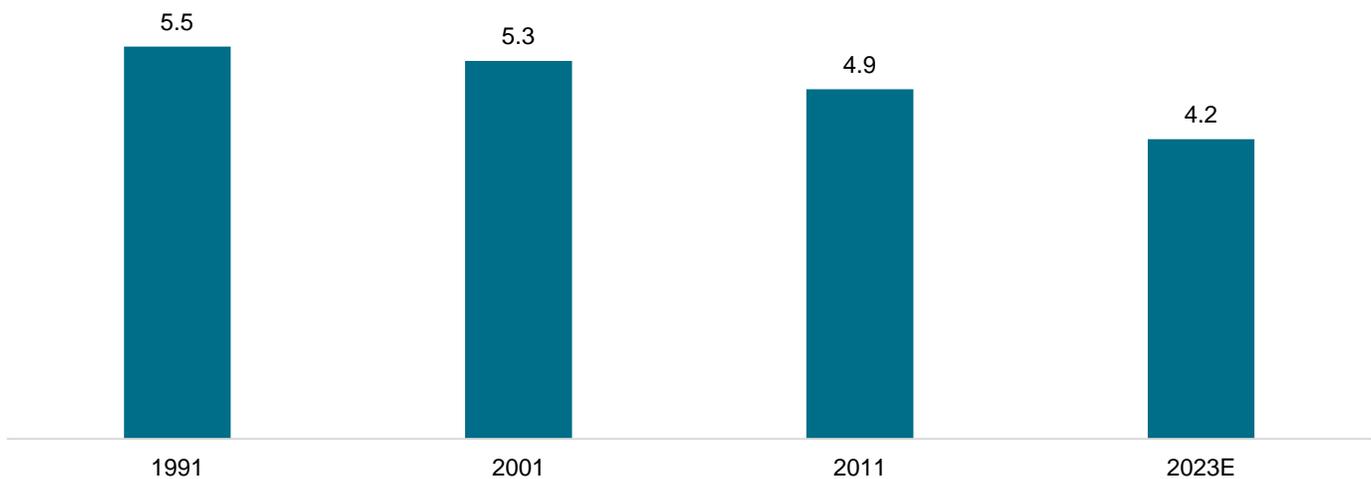


Source: United Nations World Urbanization Prospects: The 2018 Revision (UN)

Rise in number of nuclear families

Nuclearisation refers to the formation of multiple single families out of one large joint family. Each family lives in a separate house, while the ancestral house may be retained or partitioned to buy new houses. Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in the future.

Trend in average persons per household (In numbers)



Note: 2023E data is as per Periodic Labour Survey Report

Source: Census 2011, MoSPI, Crisil Intelligence

Increasing per capita GDP

India's per capita net national income at constant price was at 5.5% in FY25. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5.6% CAGR in real terms from FY25 to FY27.

	FY20	FY21	FY22	FY23	FY24	FY25E
Per Capita GDP constant (Rs.000')	108.2	101.0	109.8	116.9	126.5	133.5
Year on year (%)	2.6%	-6.7%	8.7%	6.5%	8.2%	5.5%

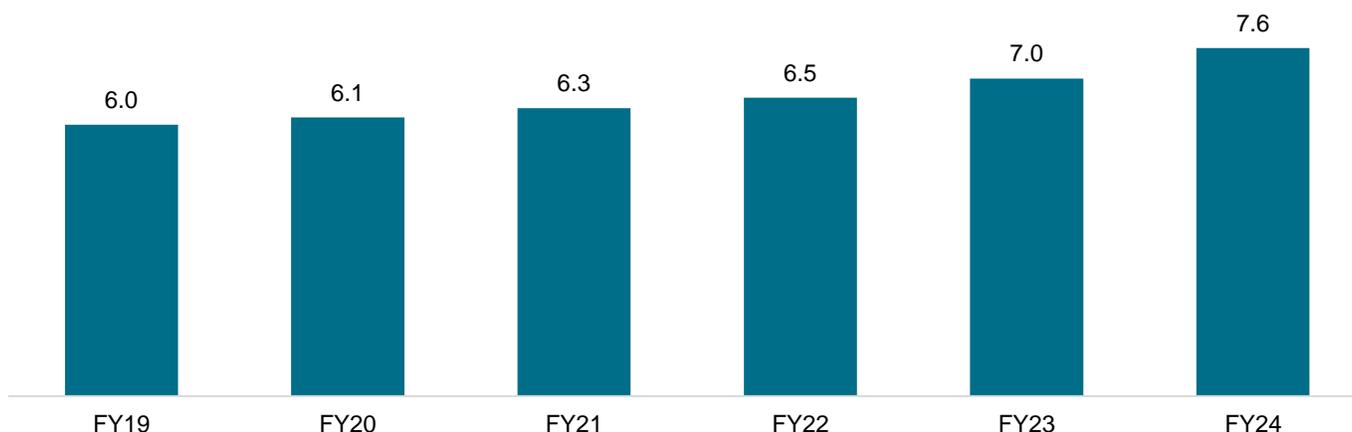
Note: E: estimates, Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), PIB, Crisil Intelligence

Rising income tax returns indicating a progression towards a formal economy

Income tax returns (ITR) filed by individuals has risen from 6 crores in FY19 to 7.6 crores 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.

7.6 crore individuals filed ITR in FY24

(In crore)

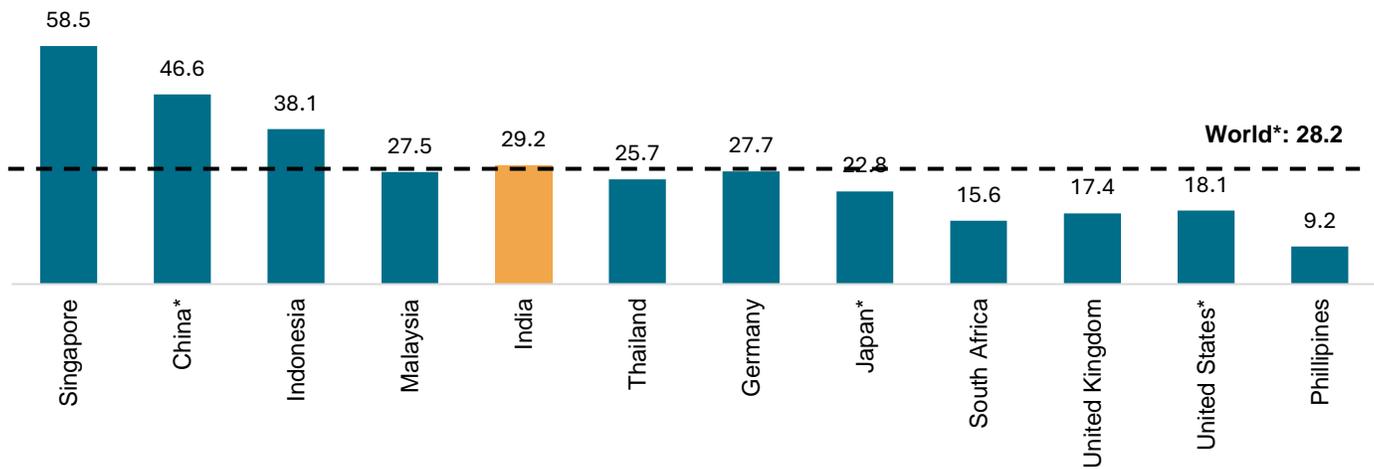


Source: CBDT, Crisil Intelligence

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).

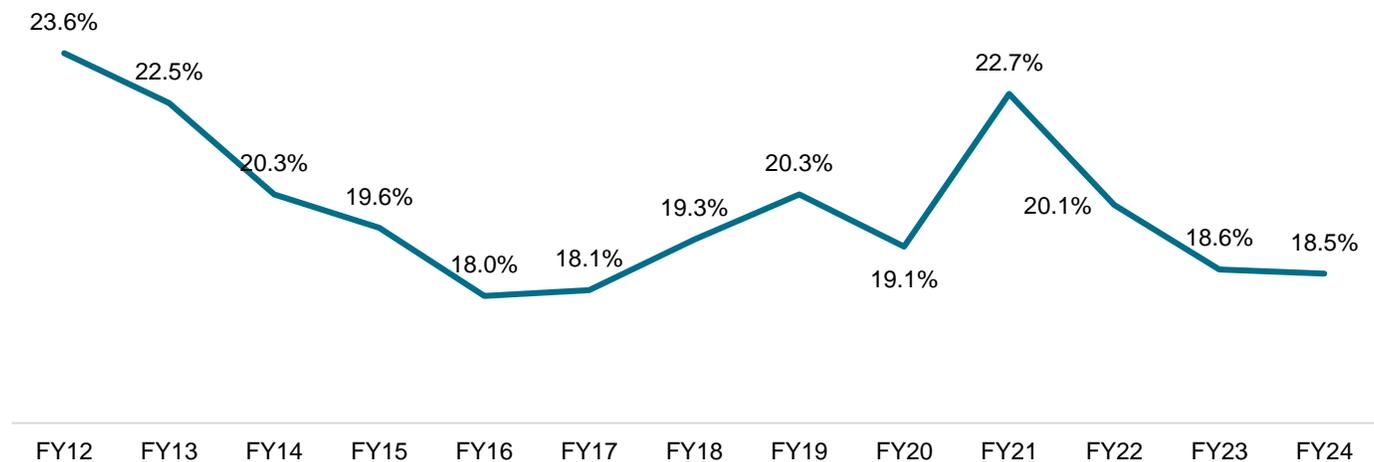
India's gross domestic savings rate is higher than the global average (2023)



Note: The savings rate is in %. *Data as of 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 18.6% in fiscal 2023 and 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.

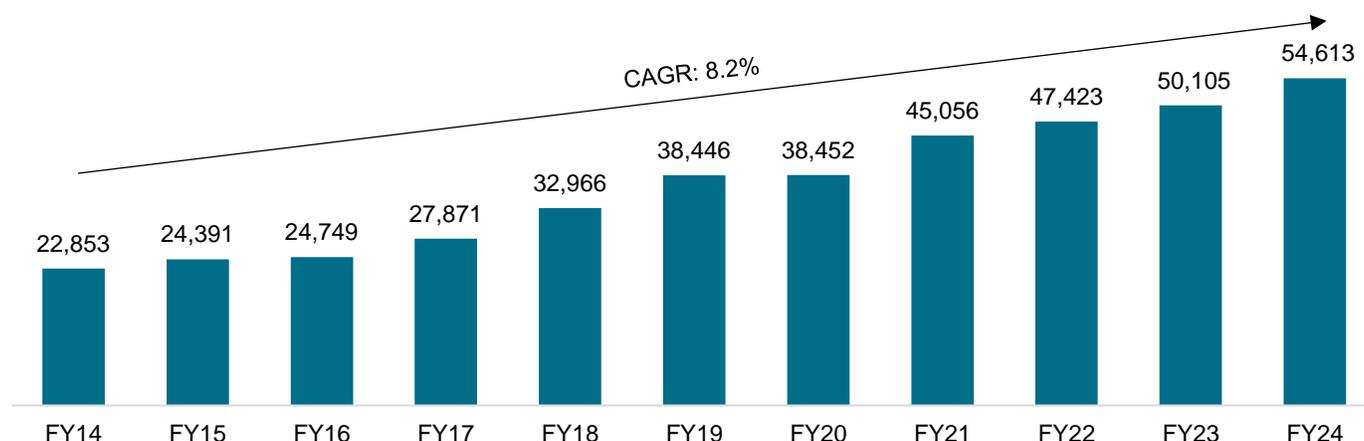
Household savings as a percentage of GDP moderated in fiscals 2022 and 2023



Source: MoSPI, NSO, Crisil Intelligence

Household savings growth

Rs billion



Source: MoSPI, 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 (GDS)	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	82,440	92,592
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 GDS (%)	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%	28%
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 year ended March 31. Net financial savings are financial savings after excluding financial liabilities. Physical assets are those held in physical form, excluding gold and silver ornaments

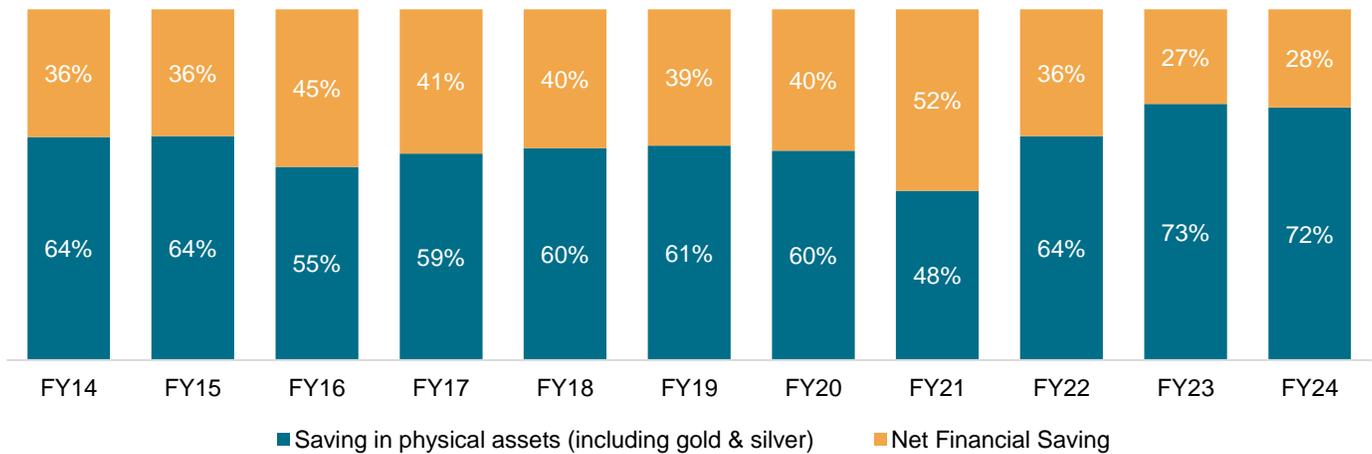
Source: MoSPI, National Accounts Statistics, Crisil Intelligence

Unlike most other countries, where financial savings dominate, physical assets constitute the majority of household savings in India. In fiscal 2014, household savings in physical assets stood at 64%. The share decreased to 48% 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 64% in fiscal 2022 and 72% 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, 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

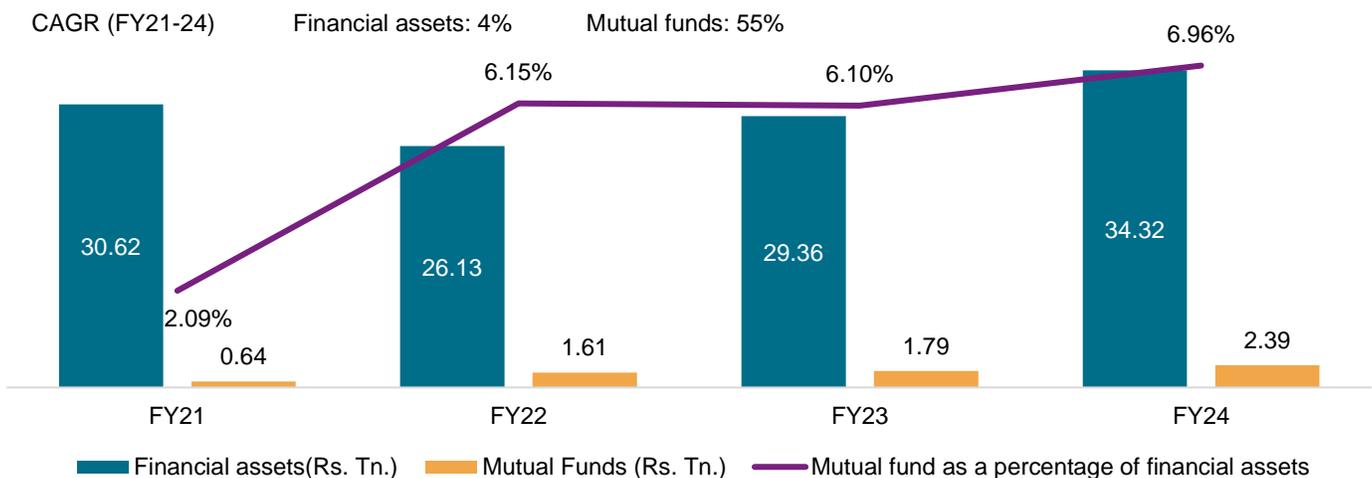


Source: RBI, MoSPI, Crisil Intelligence

Household financial savings in mutual funds witnessed CAGR of 55% from FY21 to FY24

Mutual funds have experienced a substantial increase as a proportion of household financial savings, growing from 2% to around 7% between FY21 and FY24, with the investment value expanding from Rs 0.64 trillion to Rs 2.39 trillion at a CAGR of 55% during the same period.

Trends in mutual fund investments as a percentage of household financial savings in India



Source: RBI, Crisil Intelligence

Financial penetration to rise with increase in awareness of financial products

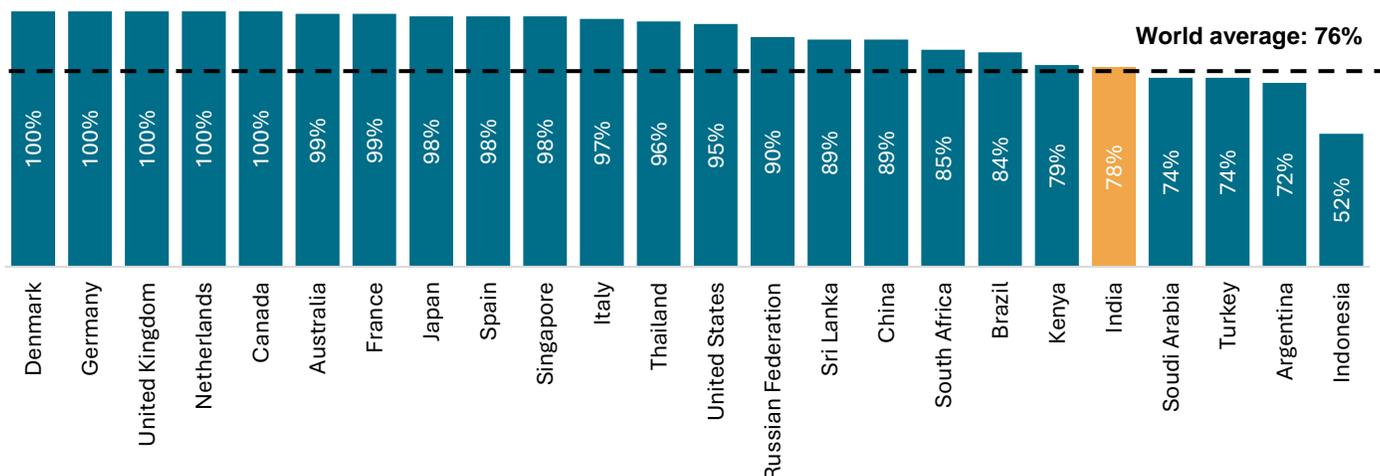
Overall literacy in India is at 77.7% as per the results of NSO survey conducted from July 2017 to June 2018, which is below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate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

According to the World Bank's Global Findex Database 2021, the global average of percentage of adult population with an account opened with a bank, financial institution or mobile money provider, was approximately 76% in calendar year 2021. India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's efforts to promote financial inclusion and the proliferation of supporting institutions.

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+

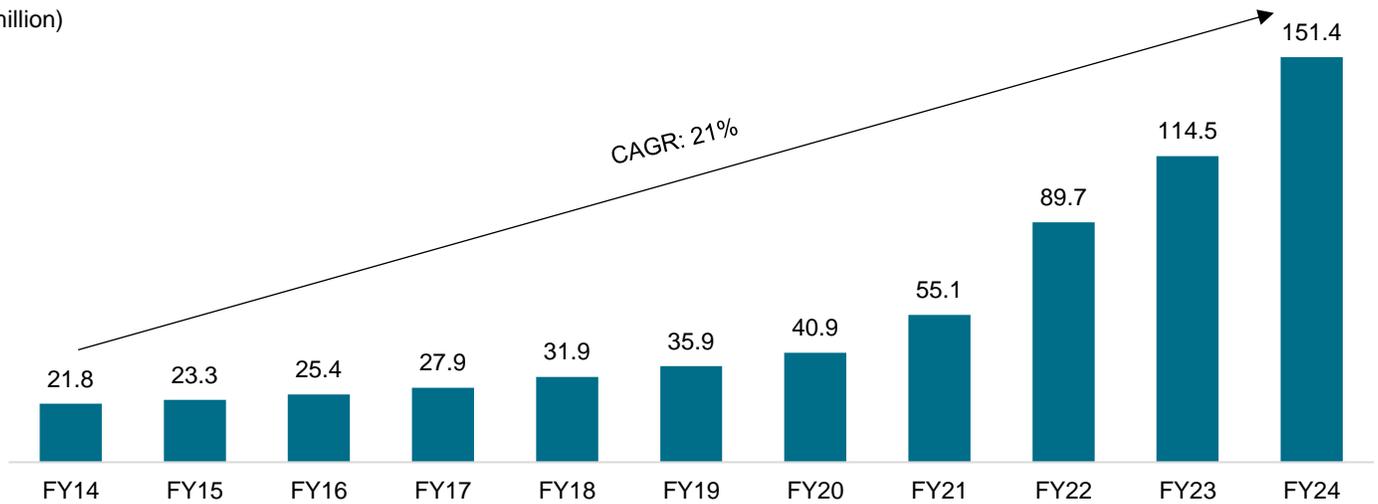
Source: World Bank – The Global Findex Database 2021, Crisil Intelligence

Trend in demat accounts in India

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. 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. The number of demat accounts in India has grown at 21% CAGR from fiscal 2014 till fiscal 2024. 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.

Growth in demat accounts since fiscal 2014

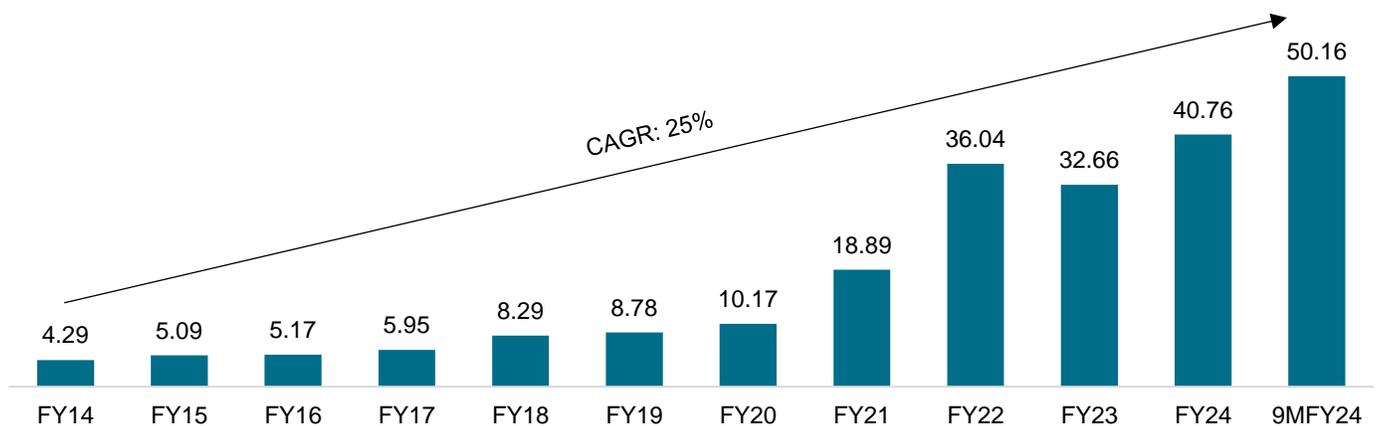
(million)



Source: CDSL, NSDL, Crisil Intelligence

In terms of active accounts, NSE saw 25% CAGR growth between FY14 and FY24, which increased from 4.29 million to 40.76 million. As of 9 months of FY25, it stood at 50.16 million active accounts.

Growth in NSE active accounts since fiscal 2014



Source: NSE, Crisil Intelligence

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. The number of retail investors entering the stock market has increased significantly over the past few years as they seek higher returns. 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.

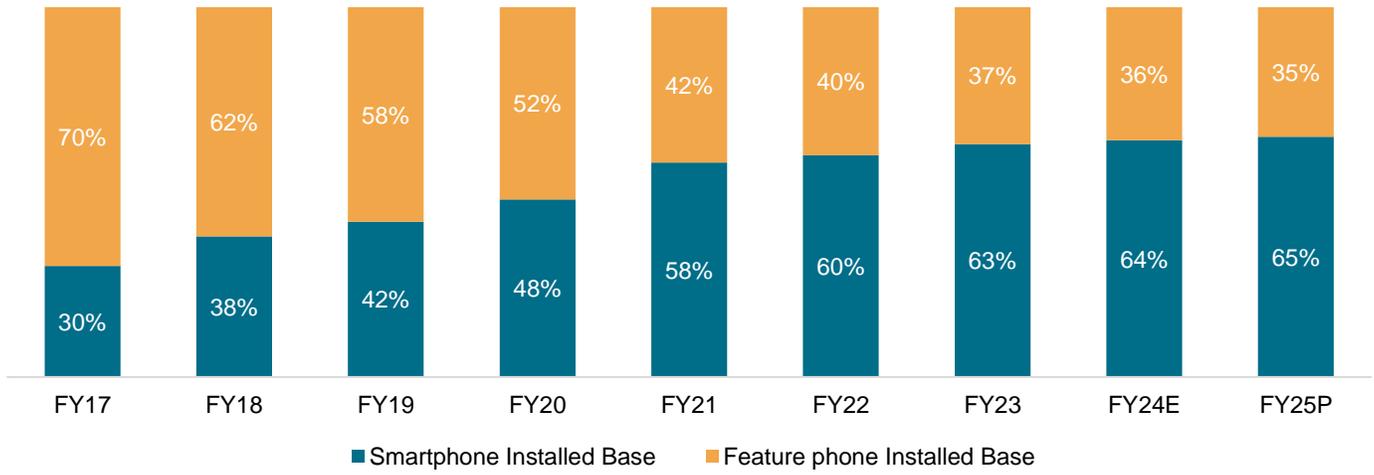
Better access and control over investment are driving small cases among retail investors

Small cases are curated portfolios of stocks centered 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.

Younger users to drive adoption of smartphones



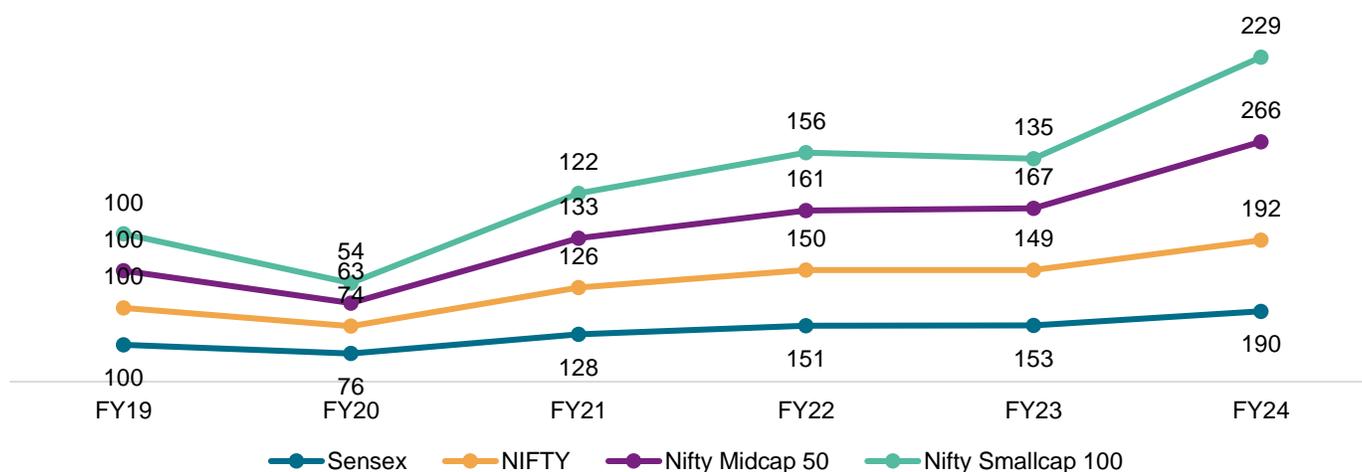
Note: E: Estimated, P: Projected
Source: Crisil Intelligence

Overview of capital markets in India

Capital markets clocked strong growth with Nifty 50 clocking 10.9% CAGR from FY11-24

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 2011-24. The market capitalization of National Stock Exchange (“NSE”) grew at 14.4% CAGR during Fiscal 2011 to Fiscal 2024. The Nifty 50 index has grown at a CAGR of 10.9% over this period. BSE Sensex has followed a similar growth trajectory to Nifty 50. Indian equities continued to see strong gains in calendar year 2024. Both domestic and global factors were supportive of foreign capital inflows.

BSE and NSE performance, FY19-24



Note: Indices indexed to 100 in fiscal 2019

Source: NSE, BSE, Crisil Intelligence

At the end of March 2024, both Nifty and Sensex experienced growth substantial growth of 28.6% and 24.9% compared to March 2023. However, market capitalization at NSE and BSE saw a slight decrease of 0.1% and 0.3% compared to previous month. The P/E ratios for S&P BSE Sensex and Nifty rose to 25.0 and 22.9 respectively in March 2024 as compared to March 2023 of 22.2 and 20.3 respectively. Despite geopolitical tensions among nations, challenging interest rate scenario, the Indian stock market performed well in FY23-24. The bullish sentiment in the stock market can be attributed to India’s strong GDP growth in FY24.

Nifty 50 gave highest overall return from Mar19 to Mar24 among the major indices

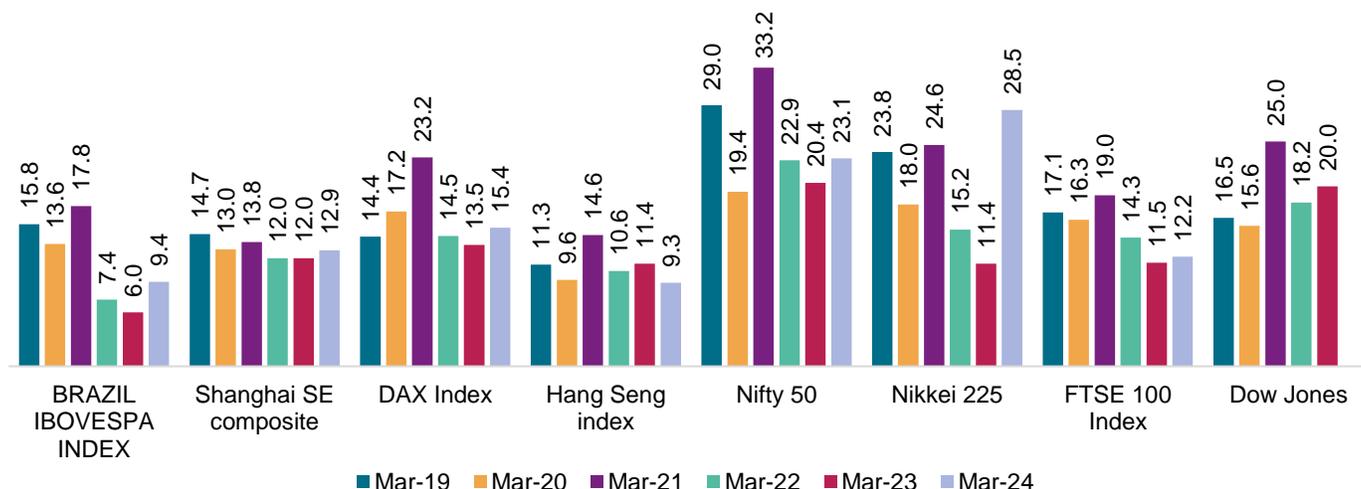
Index	Overall returns (FY19 to FY24)
Brazil Ibovespa Index	34.3%
Shanghai SE composite	14.4%
DAX Index	60.4%
Hang Seng index	-43.1%
Nifty 50	92.1%
Nikkei 225	90.4%

Index	Overall returns (FY19 to FY24)
FTSE 100 Index	9.3%
Dow Jones	53.5%

Source: SEBI bulletin, Crisil Intelligence

As compared to other major market indices, the Nifty 50 enjoys premium valuations considering the P/E ratio.

P/E ratio for major indices



Note: Mar-2024 data for Dow Jones is not available.

Source: SEBI bulletin, Crisil Intelligence

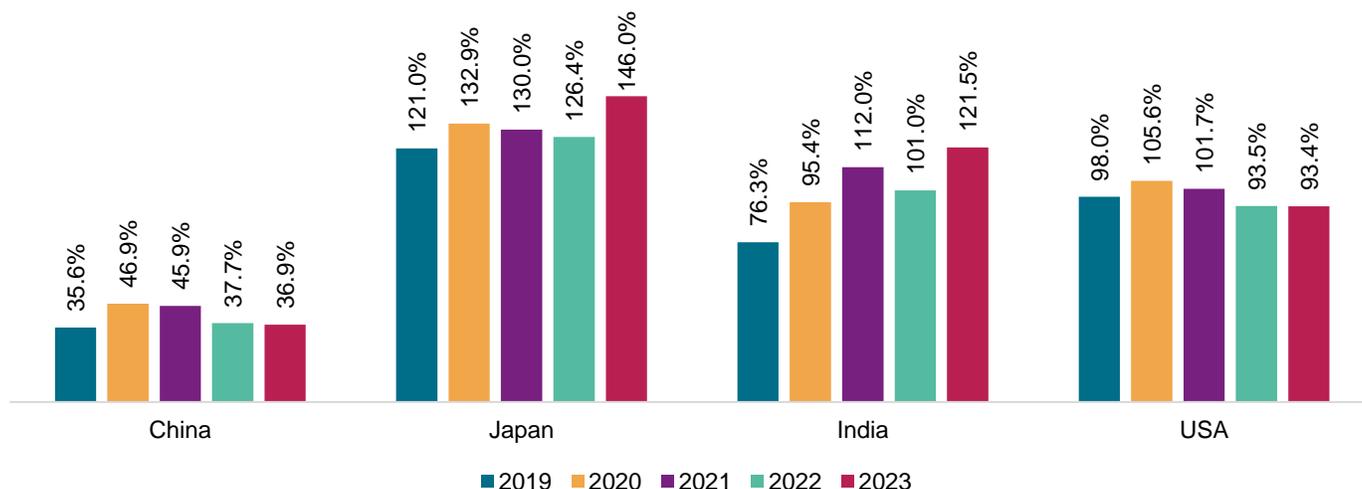
Trend in market capitalisation-to-GDP ratio

In fiscal 2024, the equity markets in India have achieved record levels in terms of market capitalisation of listed companies and the benchmark index performance. India's market capitalisation-to-GDP stands at 130% as of fiscal 2024. India's market capitalisation rose by a strong 52% YoY to Rs 394 trillion as of March 31st, 2024, marking the second highest growth in a year in the last 14 years. This translates into an annualised growth of 36% in the last four years from 2020-2024.

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

India's stock market capitalisation to GDP has increased from 76.3% in 2019 to 121.5% in 2023. Japan's stock market capitalisation to GDP ratio has remain the highest for all the years among the countries compared.

Market capitalisation as % of GDP

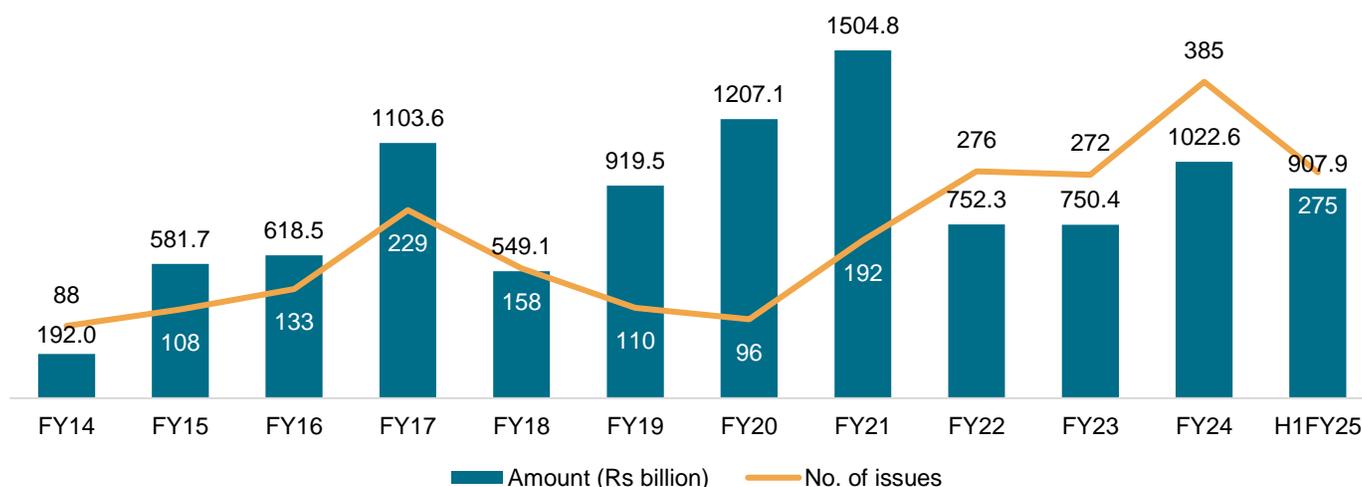


Note: Market capitalisation of the Shanghai Stock Exchange, Japan Exchange Group, National Stock Exchange of India and New York Stock Exchange has been considered. GDP data taken as per IMF database.

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

The primary market also saw strong activity in the recent years, As of Fiscal 2024, Rs 1,022.6 billion was raised through public and rights issues, with total 385 issues. The number of issues in FY24 increased by 42% from FY23. As of H1FY25, there were 275 issues worth 907.9 billion.

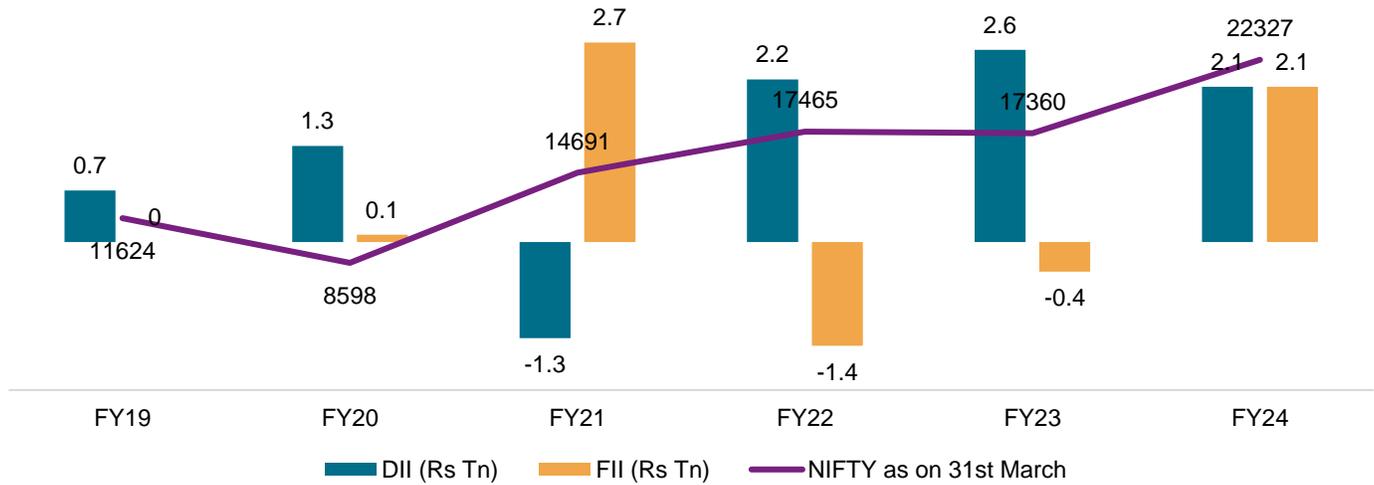
Resource mobilisation through public and rights issues (equity and debt)



Source: NSE, BSE, Crisil Intelligence

Post pandemic period, Nifty has risen in FY21 and FY22 due to inflow majorly coming from FIIs in FY21 and DIIs in FY22. In FY24, Nifty has rose riding inflow from both FIIs and DIIs. 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.

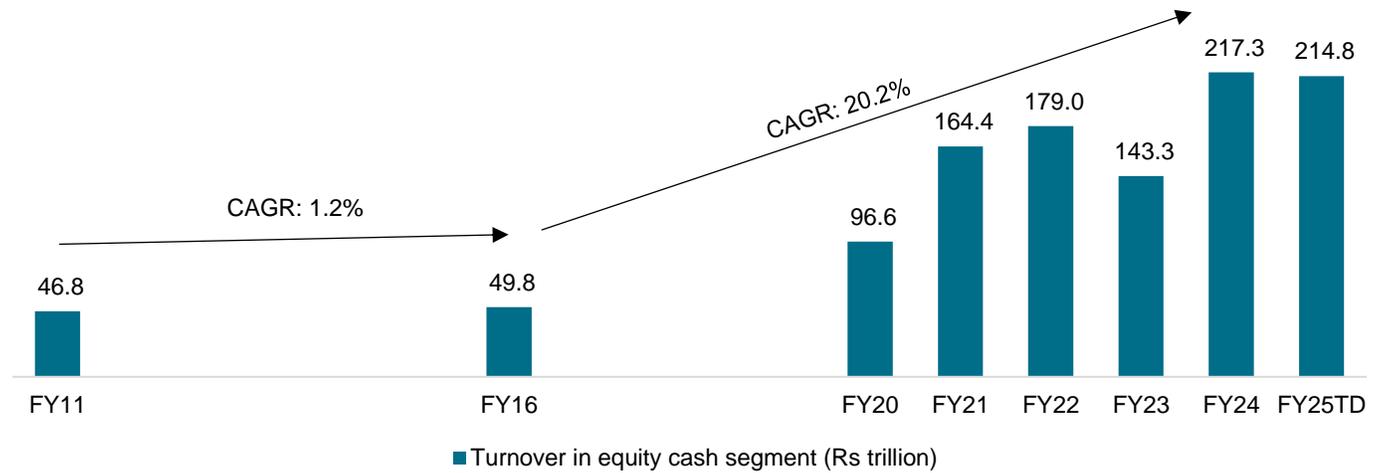
Trend in rolling one year net FII flow and DII flow in relation to NIFTY



Source: NSE, SEBI, Crisil Intelligence

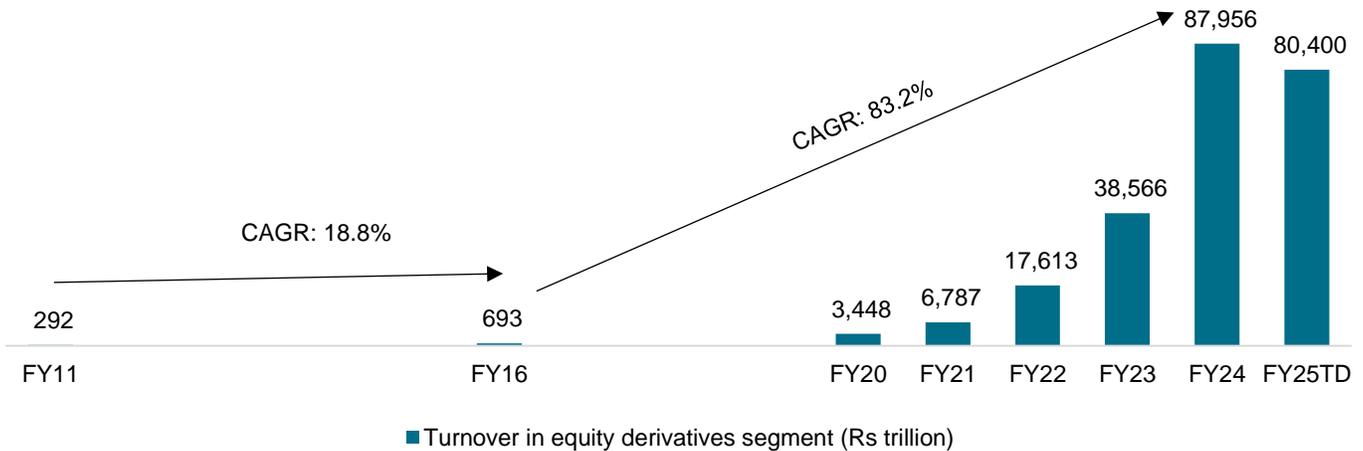
Turnover across different segments

Trend in equity cash segment turnover



Turnover depicted above includes BSE and NSE, FY25TD data till 30 Nov 2024
Source: SEBI, Crisil Intelligence

Trend in equity derivatives segment turnover

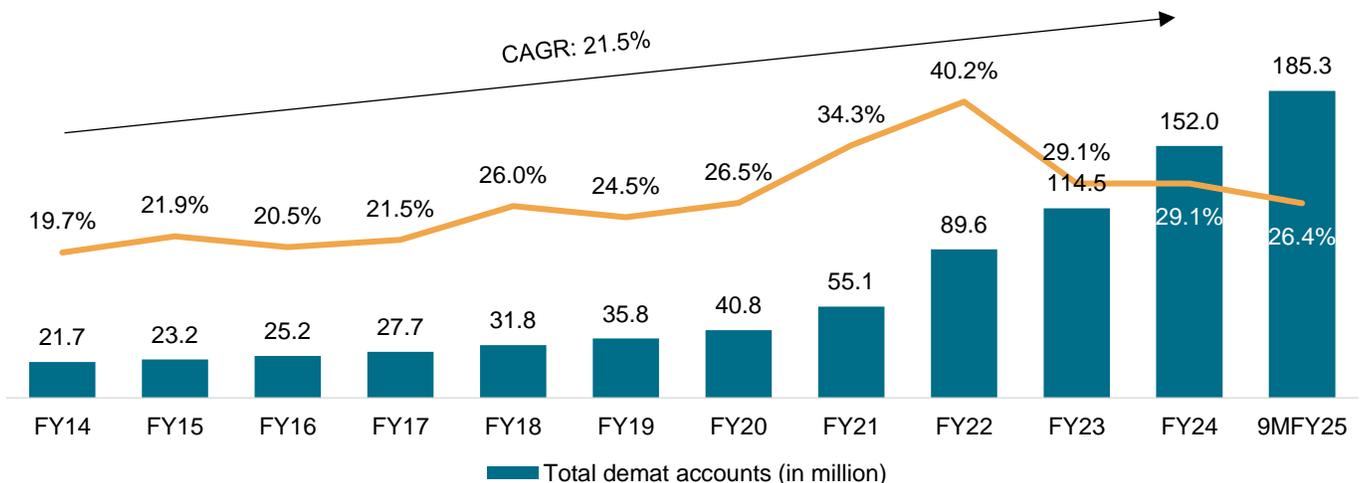


Notional Turnover depicted above includes BSE and NSE, FY25TD data till 30 Nov 2024
Source: SEBI, Crisil Intelligence

Trend in Demat accounts in India

The Demat accounts in India have grown at 21.5% CAGR from Fiscal 2014 till Fiscal 2024. The above data suggest the increasing awareness and willingness of the people to participate in capital markets for either trading or with a long-term outlook. As of fiscal 2024, the total demat accounts stood at 152 million accounts. In H1FY25, the total demat accounts reached 175.4 million accounts.

Growth in Demat Accounts since Fiscal 2014 onwards and Active Client Base (as % of Demat Account) has improved substantially during last five years



Note: NSE active clients as of October 2024. Source: NSE, SEBI, Crisil Intelligence

The NSE Active Client Basis as a % of Demat Accounts increased from almost 20% in Fiscal 2014 to 29.1% in Fiscal 2024. Going forward, CRISIL Intelligence expects the demat accounts to grow at strong growth over the next five years and Active Client Base on NSE as a % of demat accounts to increase around 45-50%. Increased participation from retail

investors is one of the key drivers for capital markets growth. Retail participation is one of the key enablers of rising demand for equity issuances.

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 at constant price expanded 7.4% in fiscal 2024, 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.

Increasing share of non-institutional and retail investors to drive growth for the industry

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. From March 2017 to March 2024, overall retail mutual fund AUM and retail equity mutual fund AUM has increased at a CAGR of 20.8% and 22.9% respectively. Going forward, Crisil intelligence expects significant potential for direct equity investments as the total addressable market, including mutual fund folios, has seen significant growth in recent times. Moreover, with the increase in financial literacy of investors, direct equity ownership is expected to see an increase in the future.

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

SEBI has over the past systematically looked to make the Indian capital market a more safe and secured industry for investors. The regulator has over time introduced many newer regulations and evolved the 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. Further, in this development, with effect from March 28, 2024, NSDL implemented a beta version of T+0 settlement with 25 scrips and since January 31, 2025, NSDL implemented an option of T+0 settlement in a phased manner to cover additional top 500 scrips based on market capitalisation as on December 31, 2024, for all brokers. This places India among the select countries to achieve such an efficient settlement system

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.

Emerging sectors in India – Sectors such as EVs, semiconductors and electronics expected to dominate investments

PLI and emerging sectors accounted for almost 5% of the capex between fiscal 2019 and fiscal 2023. These two segments are expected to drive the bulk of incremental capex. There is strong investment intent in most emerging sectors. Their scaling would require large capex. Three segments are expected to draw as much as 85-90% of the non-PLI emerging sector capex: EVs, semiconductors and electronics. Transition towards greener sources of fuel and setting up of semiconductor design hubs in India are expected to provide impetus. These segments will require more funds for expansion and therefore will lead to growth in capital market activities.

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. Crisil Intelligence estimates that approximately 90% of Indians are still below the age of 60 in calendar year 2021 and that 63% of them are between 15 and 59 years. In comparison, in calendar year 2020, the United States (US), China and Brazil had 77%, 83% and 86%, respectively, of their population below the age of 60.

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 investments in capital markets.

Riding the digital wave – growth of new age fintech brokers or discount brokers and increasing mobile penetration to drive retail participation

The emergence of new age fintech brokers or discount brokers started gaining prominence from mid 2010s onwards as rising internet and smartphone penetration acted as a tailwind for the segment. These players have revolutionised the

industry with their low-cost digital business model. New age fintech brokers or discount brokers due to their low cost of operations have been able to transfer this benefit to their clients by significantly bringing down the cost of investing for them with minimal brokerage fees. Supported by the India's robust digital public infrastructure, cost of onboarding has gone down for the new age fintechs and discount brokers in addition to enabling them to build and scale their operation at a large scale. The mobile and internet-based trading has also witnessed a surge during the period and accordingly, many retail participants chose new age fintech brokers or discount brokers over traditional brokers. This was because zero brokerage on equity delivery was a new offering in the industry started by the new age fintech brokers or discount brokers. Therefore, rising financial literacy of India's young population (expecting to form a majority of the incremental clients for the brokers), coupled with their technological proficiency, almost zero brokerage feature and comfort of transacting through digital platforms is expected to further supplement the strong impact that technology has on the retail investors thereby enabling them to increase participation in the markets.

Preference for do-it yourself (DIY) models and higher risk-taking ability of millennials aiding growth, especially for low-cost, digital-only discount brokers

Technology savvy millennials prefer do-it-yourself models where the broker provides minimal services on Research and Advisory side but provide robust technology platform to execute trades. Further, the young population are not only restricted to the cash segment but also trade in the equity derivatives segment. The ease of execution of trades across segments using mobile apps, coupled with rising income levels of individuals and lower option premium per contract has further pushed the growth in the equity derivatives turnover, led by an options segment, for Discount Brokers.

Also, the digital model, where right from account opening to delivery is taken care of digitally, is leading to lower onboarding costs for Digital Brokers as well. Further, the change in business models from banca-based/branch-based distribution to digital channel has provided level playing field for traditional as well as new age Discount brokers in terms of customer reach, with platform and brokerage being key differentiators.

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.

Mutual fund industry in India

Evolution of the mutual fund industry

The initial years (1963-87)

The Indian mutual fund industry has a history of over 50 years, starting with the passing of an Act for the formation of the Unit Trust of India (UTI), a joint initiative of the Government of India and the RBI in 1963. The Act came into force on February 1, 1964, with the formation of UTI. It was regulated and controlled by the RBI until 1978, and thereafter by the Industrial Development Bank of India. UTI launched its first scheme, Unit Scheme 1964, in 1964 and its AUM reached Rs 67 billion by 1988.

Entry of public sector banks (1987-93)

In 1987, other public sector banks entered the mutual fund space. SBI Mutual Fund was set up in June 1987, followed by the launch of Canbank Mutual Fund in December 1987. Subsequently, other entities such as Life Insurance Corporation of India, Punjab National Bank, Indian Bank, Bank of India, General Insurance Corporation of India, and Bank of Baroda opened their own mutual fund houses, taking the industry assets to Rs 470 billion by 1993-end.

Formal regulation and entry of private sector mutual funds (1993-2003)

Seeing the rise in demand for mutual funds, and with the onset of economic liberalisation in the country, the industry was opened to the private sector in 1993. The year also saw the introduction of the first formal mutual fund regulations, Securities and Exchange Board of India (SEBI) (Mutual Fund) Regulations, 1993. All mutual funds, except UTI, were under the ambit of these regulations, which were later replaced by SEBI (Mutual Fund) Regulations, 1996. Similarly, SEBI introduced SEBI (Portfolio Managers) Regulations, 1993, for the regulation of portfolio management services and SEBI (Alternative Investment Funds) Regulations, 2012 for the regulation of alternative investment funds. The Association of Mutual Funds in India (AMFI), a member association of the mutual fund industry, was incorporated in August 1995. It recommends and promotes best practices and the code of conduct to its members.

Kothari Pioneer Mutual Fund (now merged with Franklin Templeton Mutual Fund), started in July 1993, was the first private sector mutual fund in the country. This triggered the entry of various mutual fund houses, both domestic and foreign, taking the number of providers at the end of January 2003 to 33 and the total AUM to Rs 1,218 billion.

Development of the regulatory landscape (2003-present)

In February 2003, following the repeal of the UTI Act, 1963, UTI was bifurcated into two separate entities. One is the Specified Undertaking of the UTI, with an AUM of Rs 298 billion as of January 2003. The Specified Undertaking of the UTI, functioning under an administrator and under rules framed by the central government, is not subject to SEBI (Mutual Fund) Regulations, 1996. The other is UTI Mutual Fund. Sponsored by State Bank of India (SBI), Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India, UTI Mutual Fund is registered with SEBI and functions under SEBI (Mutual Fund) Regulations, 1996. With this bifurcation, and several mergers among other private sector funds, the mutual fund industry entered its current phase of consolidation and growth.

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 repurchases 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-end 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 close ended mutual fund which has a fixed number of shares that are not traded in the open market. However, the shares 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 total return index 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. An active fund investor relies on the expertise of a fund manager who buys and sells securities based on his/her research and judgement 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 cost 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 a plethora of funds, as shown in the tables below.

Equity schemes

SI no.	Category of schemes	Scheme characteristics
1	Multi-cap fund	Minimum investment in equity and equity-related instruments is 75% of total assets, with minimum 25% holding each in large-, mid- and small-cap companies
2	Flexi-cap fund	Minimum investment in equity and equity-related instruments is 65% of total assets
3	Large- cap fund	Minimum investment in equity and equity-related instruments of large-cap companies is 80% of total assets
4	Large- & mid-cap fund	Minimum investment in equity and equity-related instruments of large-cap companies is 35% of total assets; minimum investment in equity and equity-related instruments of mid-cap stocks is 35% of total assets
5	Mid-cap fund	Minimum investment in equity and equity-related instruments of mid-cap companies is 65% of total assets

SI no.	Category of schemes	Scheme characteristics
6	Small-cap fund	Minimum investment in equity and equity-related instruments of small-cap companies is 65% of total assets
7	Dividend yield fund	Predominantly invests in dividend-yielding stocks. Minimum investment in equity is 65% of total assets
8	Value fund*	Follows a value investment strategy. Minimum investment in equity and equity-related instruments is 65% of total assets
	Contra fund*	Follows a contrarian investment strategy. Minimum investment in equity and equity-related instruments is 65% of total assets
9	Focused fund	A scheme focused on the number of stocks (maximum 30). Minimum investment in equity and equity-related instruments is 65% of total assets. Funds mention where the scheme intends to focus, viz. multi, large, mid or small cap
10	Sectoral/thematic	Minimum investment in equity and equity-related instruments of a particular sector/ particular theme is 80% of total assets
11	ELSS	Minimum investment in equity and equity-related instruments is 80% of total assets. An open-ended ELSS has a statutory lock-in of three years and tax benefit

Note: *Mutual funds are permitted to offer either value or contra funds; ELSS – equity-linked savings scheme
Source: SEBI, Crisil Intelligence

Debt schemes

SI no.	Category of schemes	Scheme characteristics
1	Overnight fund	Investment in overnight securities with maturity of 1 day
2	Liquid fund	Investment in debt and money market securities with maturity of up to 91 days only
3	Ultra-short duration fund	Investment in debt and money market instruments such that the Macaulay duration of the portfolio is 3-6 months
4	Low duration fund	Investment in debt and money market instruments such that the Macaulay duration of the portfolio is 6-12 months
5	Money market fund	Investment in money market instruments with maturity of up to 1 year
6	Short duration fund	Investment in debt and money market instruments such that the Macaulay duration of the portfolio is 1-3 years
7	Medium duration fund	Investment in debt and money market instruments such as the Macaulay duration of the portfolio is 3-4 years. The portfolio Macaulay duration under anticipated adverse situation is 1 year to 4 years.
8	Medium to long duration fund	Investment in debt and money market instruments such that the Macaulay duration of the portfolio is 4-7 years. The portfolio Macaulay duration under anticipated adverse situation is 1 year to 7 years.
9	Long duration fund	Investment in debt and money market instruments such that the Macaulay duration of the portfolio is greater than 7 years
10	Dynamic bond fund	Investment across duration
11	Corporate bond fund	Minimum investment in corporate bonds – 80% of total assets (only in AA+ and above rated corporate bonds)
12	Credit risk fund	Minimum investment in corporate bonds – 65% of total assets (only in AA and below rated corporate bonds)
13	Banking and PSU fund	Minimum investment in debt instruments of banks, PSUs, public financial institutions is 80% of total assets
14	Gilt fund	Minimum investment in government securities (G-secs) is 80% of total assets (across maturity)

SI no.	Category of schemes	Scheme characteristics
15	Gilt fund with 10-year constant duration	Minimum investment in G-secs is 80% of total assets such that the Macaulay duration of the portfolio is equal to 10 years
16	Floater fund	Minimum investment in floating-rate instruments (including fixed-rate instruments converted to floating-rate exposures using swaps/ derivatives) – 65% of total assets.

Note: Macaulay duration is the weighted average term to maturity of cash flows from a bond or how long it will take to recoup the investment

Source: SEBI, Crisil Intelligence

Hybrid schemes

SI no.	Category of schemes	Scheme characteristics
1	Conservative hybrid fund	Investment in equity and equity-related instruments is 10-25% of total assets; in debt instruments, investment is 75-90% of total assets
2	Balanced hybrid fund*	Equity and equity-related instruments: 40-60% of total assets; debt instruments: 40-60% of total assets. No arbitrage permitted in this scheme
	Aggressive hybrid fund*	Equity and equity-related instruments: 65-80% of total assets; debt instruments: 20-35% of total assets
3	Dynamic asset allocation or balanced advantage fund	Investment in equity/debt that is managed dynamically
4	Multi-asset allocation fund^	Invests in at least three asset classes with a minimum allocation of at least 10% each
5	Arbitrage fund	Follows arbitrage strategy. Minimum investment in equity and equity-related instruments: 65% of total assets
6	Equity savings fund	Minimum investment in equity and equity-related instruments: 65% of total assets; minimum investment in debt: 10% of total assets. Minimum hedged and unhedged to be stated in the scheme information document

Note: *Mutual funds are permitted to offer either aggressive hybrid or balanced fund; ^Foreign securities are not to be treated as a separate asset class

Source: SEBI, Crisil Intelligence

Solution-oriented schemes

SI no.	Category of schemes	Scheme characteristics
1	Retirement fund	Scheme having a lock-in for at least five years or till retirement age, whichever is earlier
2	Children's fund	Scheme having a lock-in for at least five years or till the child attains age of majority, whichever is earlier

Source: SEBI, Crisil Intelligence

Other schemes

SI no.	Category of schemes	Scheme characteristics
1	Index funds/ Gold ETFs/Other ETFs	Minimum investment in securities of a particular index (which is being replicated/ tracked) is 95% of total assets
2	Fund of Funds (overseas/domestic)	Minimum investment in the underlying fund is 95% of total assets

Source: SEBI, Crisil Intelligence

Close Ended Schemes

SI no.	Category of schemes	Scheme characteristics
1	Fixed Term Plan	Stipulated lock-in period during which funds cannot be withdrawn from the scheme by investing in debt instruments

Sl no.	Category of schemes	Scheme characteristics
2	Capital Protection Oriented Schemes	Large portion of the corpus is invested in high-rated debt-related money market instruments
3	Infrastructure Debt Fund	Investment in infrastructure sector at any lifecycle stage of the project with investment up to 90% in debt securities/ securitised debt instruments of infra companies, SPVs and projects of infra sectors

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, driven by a thriving domestic economy, substantial inflows, and increased participation from individual investors. The industry is witnessing a surge in growth, driven largely by the 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. Retail mutual fund AUM as a proportion of individual deposits in scheduled commercial banks has risen from 17% in March 2020 to 30% as of March 2024 indicating increase investor participation in mutual funds.

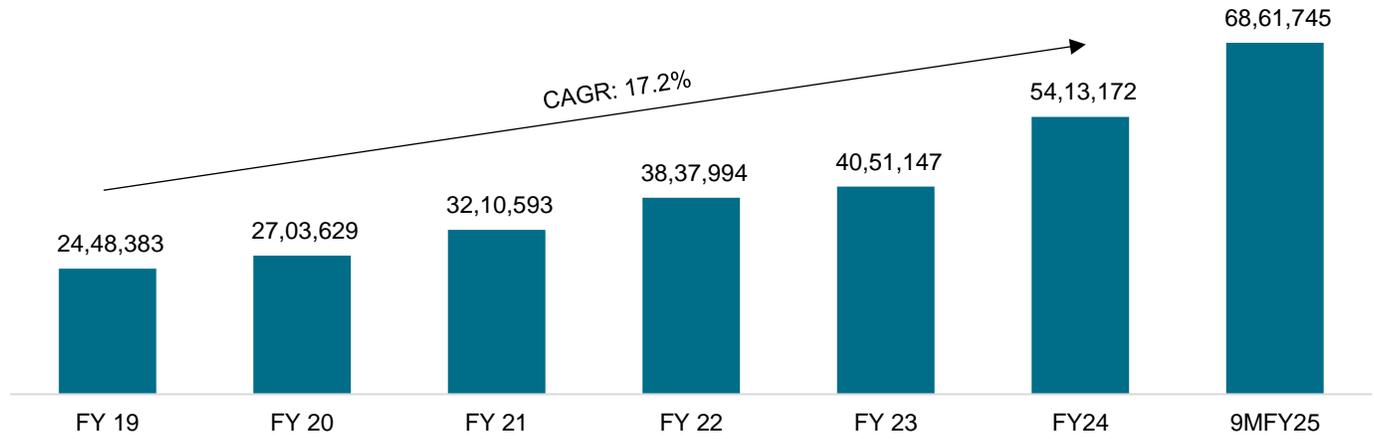
The fiscal year 2024 was particularly notable, where the business has shown robust development and weathered obstacles with the industry benefiting from a strong equity market, robust economic growth, and heightened investor engagement.

AUM (Quarterly Average AUM) surged by approximately Rs 14 lakh crore, reaching a record high of Rs 54.13 lakh crore by March 2024, up from Rs 40.51 lakh crore in March 2023. As of December 2024, the quarterly average AUM stood at Rs. 68.62 lakh crore having grown at 39% year on year. Over the five-year period, the quarterly average AUM grew at a CAGR of 17.2%, increasing from Rs 24.48 lakh crore in March 2019 to Rs 54.13 lakh crore in March 2024. Between fiscal 2022 to fiscal 2024, the quarterly average AUM grew at a CAGR of 18.8%. The most notable growth was observed in fiscal 2024, with a 33.6% jump, driven by an expanding investor base, primarily comprising individual investors. The outstanding performance of equity-oriented funds, significant progress in hybrid funds, and the rising popularity of systematic investment plans (SIPs) which have seen higher participation by individual investors, were key factors contributing to this growth. Individual AUM from retail and high net worth investors constituted 55% of total AUM as of March 2019 which increased to 63% as of December 2024. During Fiscal 2025, monthly SIP contribution remained consistently above Rs. 20,000 crores from April 2024 to February 2025, highlighting consistent performance of SIP.

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 capitalise on the industry's potential for long-term success.

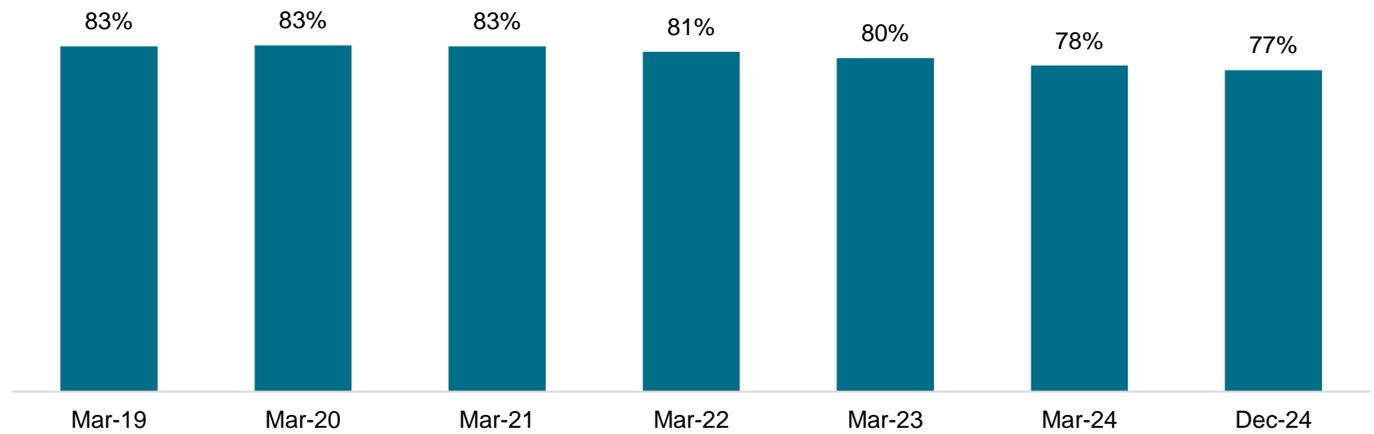
AUM logged a CAGR of 17.2% over March 2019 to March 2024

Rs crore



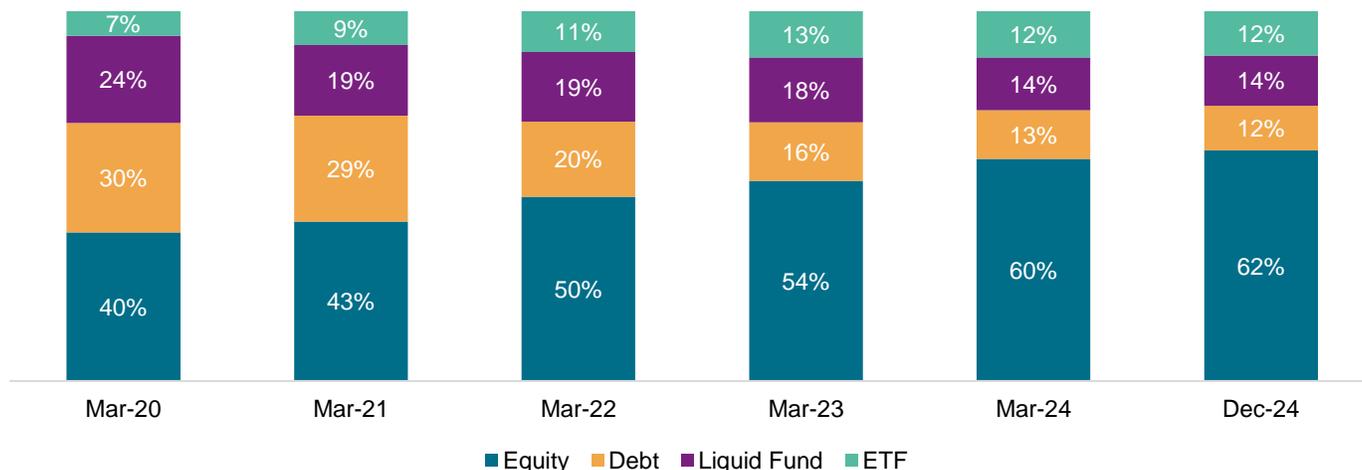
Note: Values in the above chart are based on quarterly average AUM
Source: AMFI, Crisil Intelligence

Trend of market share of top 10 AMCs basis average AUM



Note: Top 10 AMCs might differ in each period. AUM indicates Average AUM excluding fund of funds – Domestic but including Fund of Funds – overseas
Source: AMFI, Crisil Intelligence

Equity schemes have gained ground over the last few years



Note: As per average net assets under management for the month mentioned. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/money market includes liquid funds, overnight funds, floater funds and money market funds.

Source: AMFI, Crisil Intelligence

As of December 2024, there were 44 fund houses (excluding IDFs) having non-zero mutual fund AUM in India. As of March 2025, there were 49 registered mutual funds in India. As of December 2024, three applications were under consideration for in-principle approval of mutual funds in India.

Net inflow of mutual funds increased 365% year on year in fiscal 2024

In fiscal 2021, led by the resurgence of investor interest despite the COVID-19 pandemic, aggregate inflows totalled Rs 2,14,743 crore. Inflows continued to remain strong in fiscal 2022, with Rs 2,46,729 crore flowing in, mainly through equity funds. However, debt mutual funds witnessed heavy outflows of up to Rs 1,84,252 crore in fiscal 2022 due to lower returns and rising interest in equity market, which showed strong growth. The trend continued in fiscal 2023, where debt mutual funds and liquid funds witnessed outflows of Rs 1,11,808 crore and Rs 94,404 crore, respectively, as they offered muted returns to investors owing to tightening of monetary conditions both globally and in India, due to rising inflation. Moreover, with RBI increasing interest rates in fiscal 2023, bank fixed deposits became more attractive and acted as a roadblock in bringing new investors to mutual funds. On the other hand, in fiscal 2023, equity mutual funds witnessed the second highest inflows in the last five fiscals. Moreover, existing investors continued to invest in mutual funds through SIPs. Retail participation increased, with monthly inflows into mutual funds through the SIP route increasing from approximately Rs 11,863 crore in April 2022 to approximately Rs 14,276 crore in March 2023. In February 2025, monthly SIP contribution stood at Rs. 25,999 crores.

In fiscal 2024, equity mutual funds witnessed the highest inflows in the last five fiscals, which reflects continued confidence of investors in equity-oriented schemes, despite volatility. Aggregate Inflows stood highest in fiscal 2024 in the last 5 fiscals with Rs 3,54,701 crore flowing in, mainly through equity funds. However, debt mutual funds and liquid funds witnessed outflows of up to Rs 18,044 crore and Rs 19,401 crore respectively in fiscal 2024.

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.

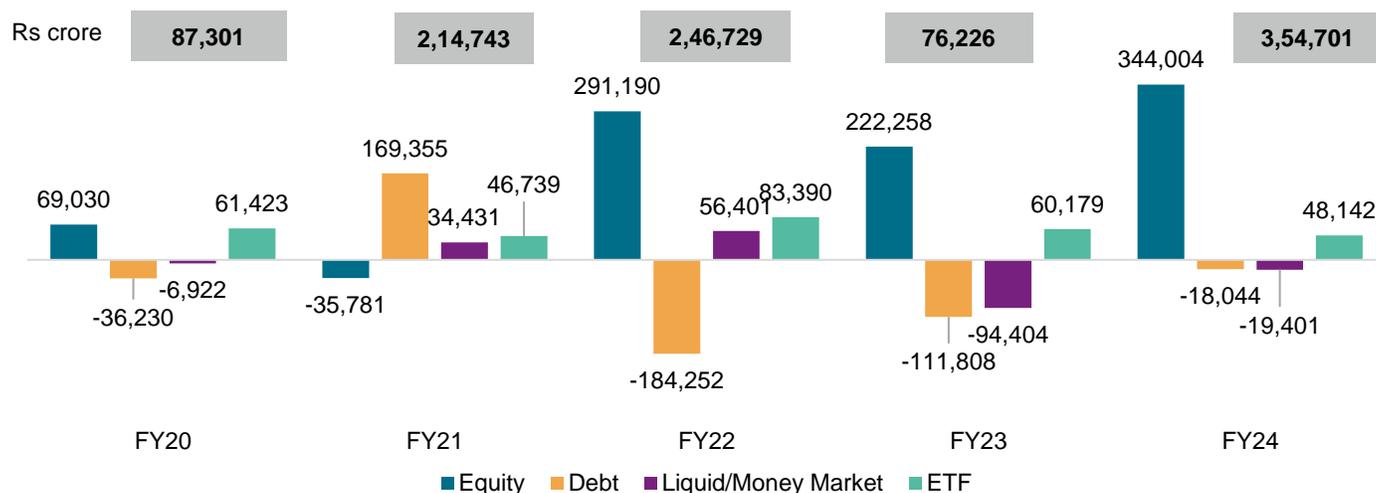
Equity funds (Rs. Crore)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Multi-cap fund	6,476	7,280	10,077	13,069	10,298
Large-cap fund	750	4,336	1,991	5,076	8,011
Large and mid-cap fund	5,920	8,702	7,948	9,514	13,349
Mid-cap fund	6,468	4,887	6,927	7,829	14,660
Small-cap fund	12,052	6,085	7,197	8,389	12,552
Dividend yield fund	849	798	1,307	2,660	1,026
Value fund/contra fund	2,936	5,417	5,418	5,863	6,059
Focused fund	193	(671)	(921)	(977)	1,579
Sectoral/thematic fund	11,866	23,985	46,731	49,758	35,268
ELSS	57	2,661	(839)	(1,192)	1,190
Flexi-cap fund	4,924	7,798	8,387	9,781	14,996
Hybrid scheme except conservative hybrid scheme	38,556	44,381	46,946	32,630	25,253
Solutions-oriented fund	748	638	896	687	979
Index fund	4,145	7,347	16,086	13,227	17,060
Closed-ended EOS	(79)	(252)	(90)	(84)	(57)
Total equity inflow	95,861	123,393	158,061	156,232	162,221

Notes: Equity includes equity funds, ELSS, index funds, solution-oriented funds and balanced funds

Source: AMFI, Crisil Intelligence

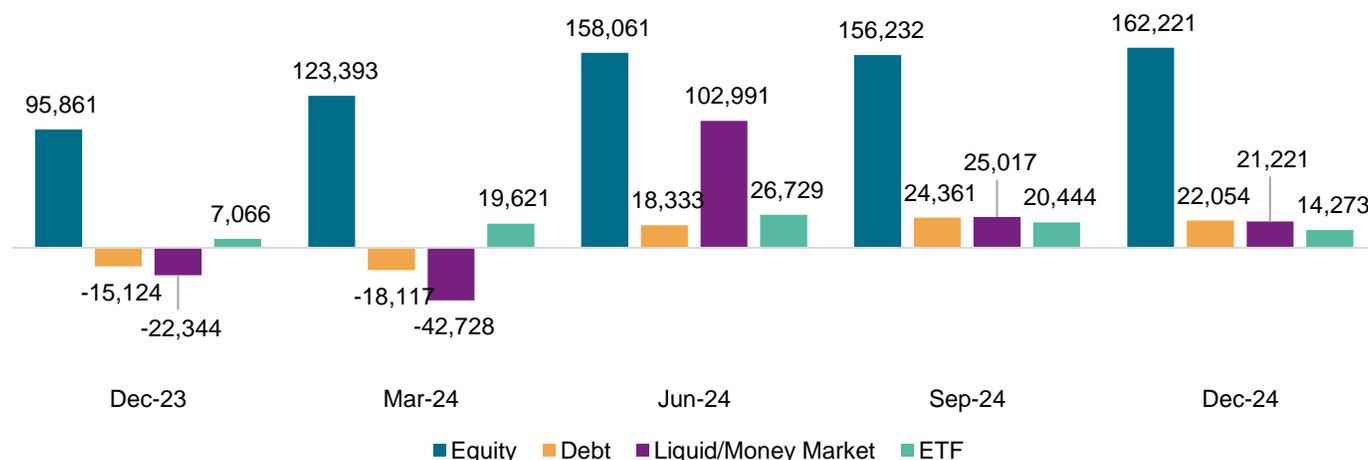
As the industry continues to evolve, analysing key trends and developments — such as AUM growth, investor sentiment, sectoral preferences, and the increasing influence of retail investors — can provide valuable insights for investors to make informed decisions. By staying abreast of these emerging trends, investors can navigate the industry's progress and make optimal investment choices.

Fiscal 2024 witnessed the highest net inflows in last five fiscals



Notes: (1) As per quarterly AUM data. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/money market includes liquid funds, overnight funds, floater fund and money market funds, (2) Figures in the box represent net inflow for the period; Source: AMFI, Crisil Intelligence

Quarterly trends in net inflows (in Rs. crores)



Notes:

1. As per quarterly AUM data. Equity includes equity funds, ELSS, index funds, solution-oriented funds and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/money market includes liquid funds, overnight funds, floater funds and money market funds.

2. Figures in the boxes represent net inflows for the period.

Source: AMFI, Crisil Intelligence

Quarterly inflows as per new classification of mutual funds scheme from Jun-19 to Dec-2024 (In Rs crore)

Quarter ended	Equity	Debt	Hybrid schemes	Solution-oriented	Others	Total
Jun-19	16,565	-3,918	514	469	4,005	17,635
Sep-19	23,582	-13,510	14,367	439	12,958	37,836
Dec-19	11,380	92,232	-1,442	1,286	22,641	126,097
Mar-20	30,069	-115,098	-37,206	260	27,707	-94,267
Jun-20	11,379	90,536	13,213	288	8,663	124,079
Sep-20	-8,883	24,726	-16,340	181	23,484	23,169
Dec-20	-30,116	164,692	-12,863	6	7,020	128,738
Mar-21	-11,707	-83,754	13,055	1,102	20,063	-61,242
Jun-21	15,627	6,293	27,220	222	20,262	69,625
Sep-21	35,256	-10,542	41,775	189	33,296	99,974
Dec-21	40,761	-21,834	20,423	390	40,489	80,229
Mar-22	62,450	-1,16,601	5,803	464	44,787	-3,098
Jun-22	48,797	-1,05,055	10,084	409	41,226	-4,539
Sep-22	28,902	-10,567	-14,436	417	42,963	47,278
Dec-22	18,758	-16,394	-7,041	427	36,053	31,802
Mar-23	48,319	-77,044	-7,420	583	37,247	1,684
Jun-23	16,427	132,477	14,021	419	13,490	176,833
Sept-23	41,496	-70,002	48,153	479	10,115	30,240

Quarter ended	Equity	Debt	Hybrid schemes	Solution-oriented	Others	Total
Dec-23	52,412	-36,708	38,454	748	10,553	65,459
Mar-24	71,027	-60,354	44,326	638	26,532	82,169
Jun-24	94,132	122,614	46,708	896	41,762	306,113
Sept-24	109,688	50,705	32,342	687	32,631	226,053
Dec-24	118,929	43,231	25,357	979	31,274	219,769

Notes: As per net inflows during quarterly AUM. Open-ended, close-ended and interval funds have been considered. 'Others' include gold ETF, other ETFs, index funds and fund of funds investing overseas

Source: AMFI, Crisil Intelligence

Open-ended funds have contributed maximum to India's mutual fund AUM

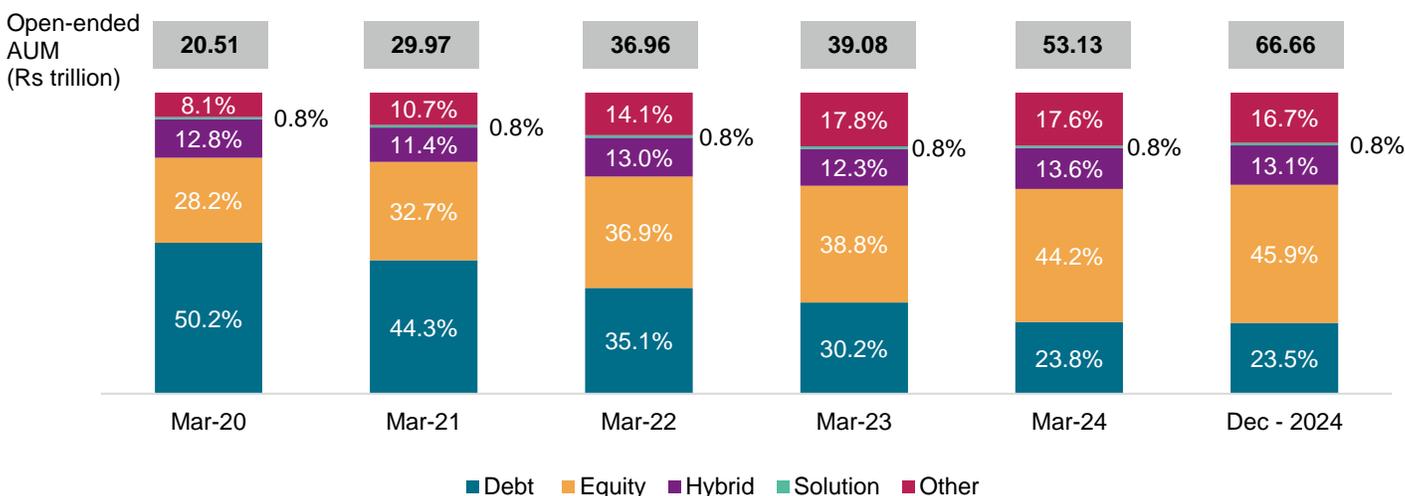
As of December, 2024, open-ended funds made up 99.6% of the total assets under management (AUM). These funds encompass a range of categories, including debt, equity, hybrid solutions, and other funds such as index funds, gold ETFs, other ETFs, and funds of funds that invest overseas. Within open-ended funds, equity-oriented funds held the largest share at 45.9%. This growth can be attributed to ongoing investments from existing mutual fund investors and an increase in retail investors.

On the other hand, debt mutual funds accounted for 23.5% of AUM as of December 2024, down from 23.8% as of March 2024, due to significant outflows resulting from low returns and rising interest rates. Hybrid, solution-oriented and other funds contributed 13.1%, 0.8% and 16.7%, respectively, to the AUM.

In contrast, close-ended funds, which only include debt and equity-oriented schemes, accounted for a mere 0.4% of the total AUM as of December 2024. Within close-ended funds, debt-oriented AUM dominated with an 83.7% share, while equity-oriented AUM stood at 16.3%.

Interval funds, which also offer both debt and equity-oriented schemes, are another component of the mutual fund landscape. Overall, the distribution of AUM across different types of funds reflects the preferences and risk appetites of investors in the market as of December 2024.

Rising share of equity AUM in open-ended funds



Note: Data includes net quarter-end AUM. 'Other' includes index funds, gold ETFs, other ETFs and fund of funds investing overseas

Source: AMFI, Crisil Intelligence

Debt AUM dominates in close-ended funds



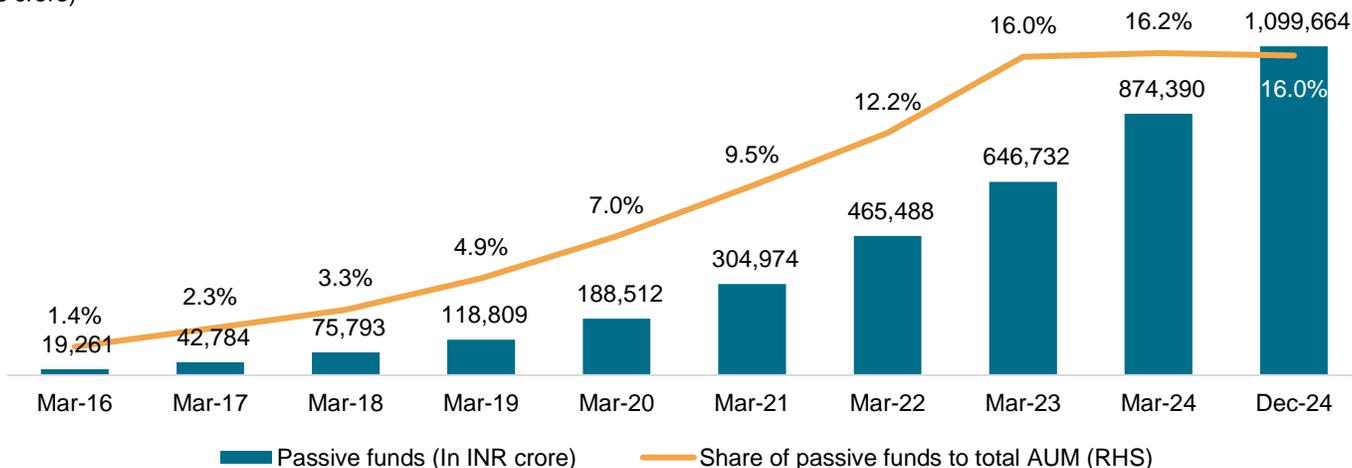
Note: Data includes net quarter-end AUM.
Source: AMFI, Crisil Intelligence

Share of passive funds low in industry AUM, but has risen steadily over a small base

In contrast to the US and other developed nations, where passive asset management dominates, India has been slower to adopt passively managed ETFs and index funds. Nevertheless, as investor awareness grows, and the benefits of lower costs and ease of investment become more apparent, passive funds are gaining popularity. This is evident in the significant increase in their average AUM share, from 1.4% in March 2016 to 16.0% in December 2024. The average AUM of passive funds surged to Rs 10,99,664 crore by December 2024. As of December, 2024, ETFs held assets worth Rs 8.3 lakh crore, while index funds had assets of Rs 2.7 lakh crore.

Share of passive funds in AUM

(Rs crore)



Note: Passive funds include gold ETFs, other ETFs and index funds. QAAUM has been considered.
Source: AMFI, Crisil Intelligence

Index funds and exchange-traded funds (ETFs) have added a record number of investment accounts in 2024. The growth is largely attributed to the increasing popularity of sectoral and thematic investment, 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, fueled by growing awareness and a slew of new fund launches in 2024.

In India, passive investing has been gaining traction for several years, as reflected in the significant increase in assets under management (AUM). The launch of innovative index funds and ETFs in 2024 has further accelerated this growth. 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.

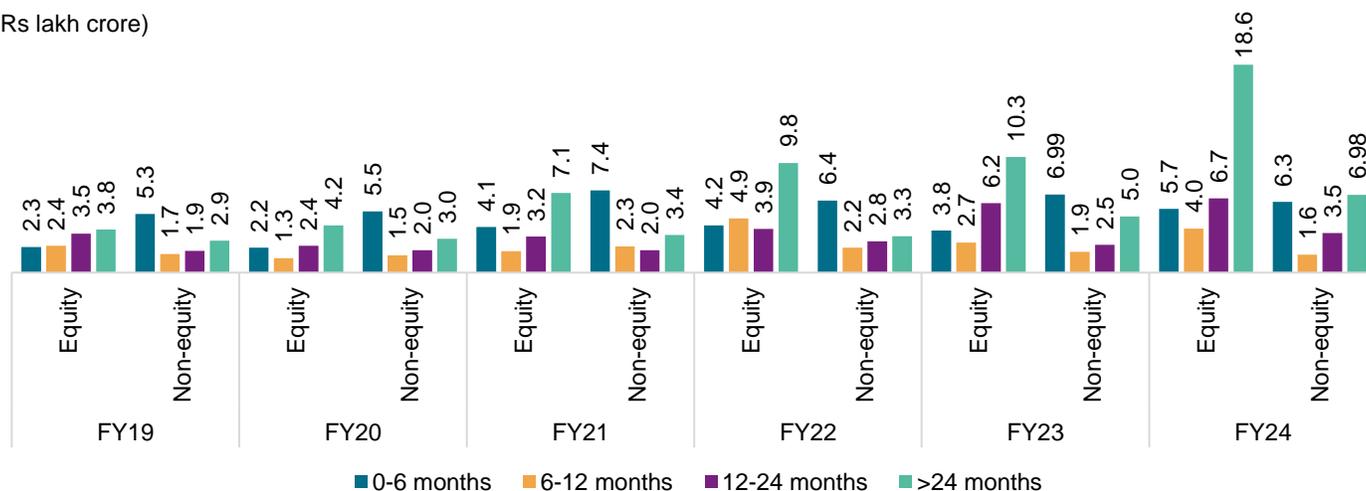
AMCs having higher share of these funds can better cross-sell other products to their retail base and, thus, save on costs incurred for marketing and business acquisition of retail customers. High growth potential of this fund category also makes it an attractive segment for AMCs, and the large chunk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

Ageing of mutual fund AUM

Equity schemes having age of more than 24 months had the highest share of AUM of INR 18,61,810 crore as on 31st March, 2024. It shows that investors are preferring long term investments in equity due to positive returns that equity-oriented schemes have given. Non-equity schemes of age greater than 24 months having a share of INR 6,97,815 crore of AUM was the second highest contributor as investors move towards safer debt mutual funds.

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

(Rs lakh crore)



Source: AMFI, Crisil Intelligence

Systematic investment plan

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 associated with Equity-Linked Savings Schemes (ELSS) through SIPs. By promoting steady and diversified inflows, SIPs have contributed to the growth and stability of the market, reducing overall volatility. The monthly inflows through SIPs have demonstrated a consistent upward trend, rising from Rs 8,055 crore in March 2019 to Rs 25,999 crore in February 2025. Over the longer term, the monthly average SIP inflows have grown at a compound annual growth rate (CAGR) of 21.3%, increasing from

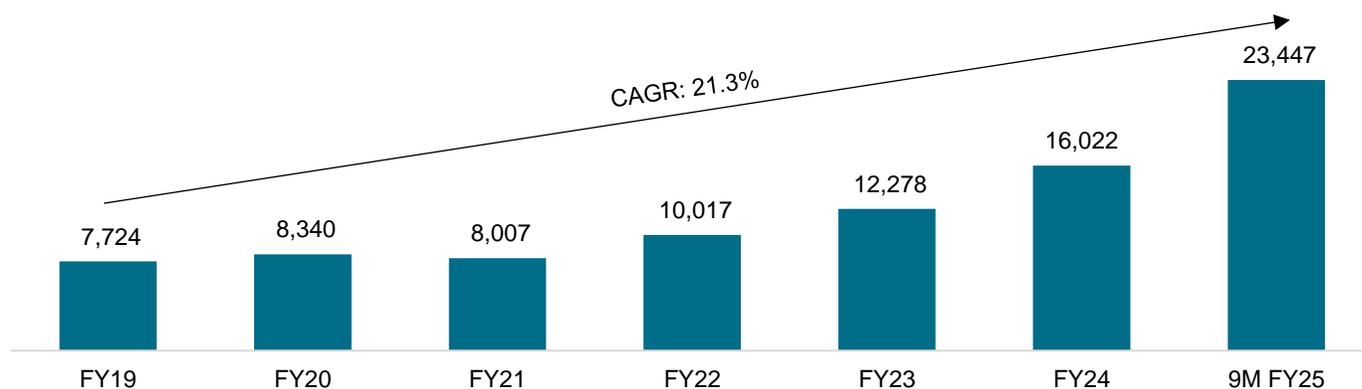
Rs 7,724 crore in fiscal 2019 to Rs 23,447 crore in 9 months ended Fiscal 2025. Furthermore, the yearly SIP contributions have shown significant growth, with a 25.20% year-on-year increase in fiscal 2023, and this momentum has continued into fiscal 2024, which saw a 27.73% jump in yearly SIP contributions.

In the fiscal year 2024, net inflows through Systematic Investment Plans (SIPs) surged to approximately Rs 2 lakh crore, marking a significant increase from the previous fiscal year's Rs 1.55 lakh crore. As of March 2024, SIP assets totaled Rs 10.71 trillion, comprising over 20% of the industry's total assets up from 9% as of Fiscal 2020. By December 2024, SIP assets had grown to Rs 13.63 trillion constituting 18% of total mutual fund AUM. The number of SIP accounts also witnessed substantial growth, reaching nearly 8.4 crore with an average monthly addition of around 17 lakh accounts. By the end of December 2024, the total number of SIP accounts had further increased to approximately 10.32 crore.

SIPs' stability has proven essential in directing industry flows and giving investors a methodical and disciplined approach. 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

Monthly average SIP contribution clocked a CAGR of 21.3% between fiscal 2019 and nine-month fiscal 2025

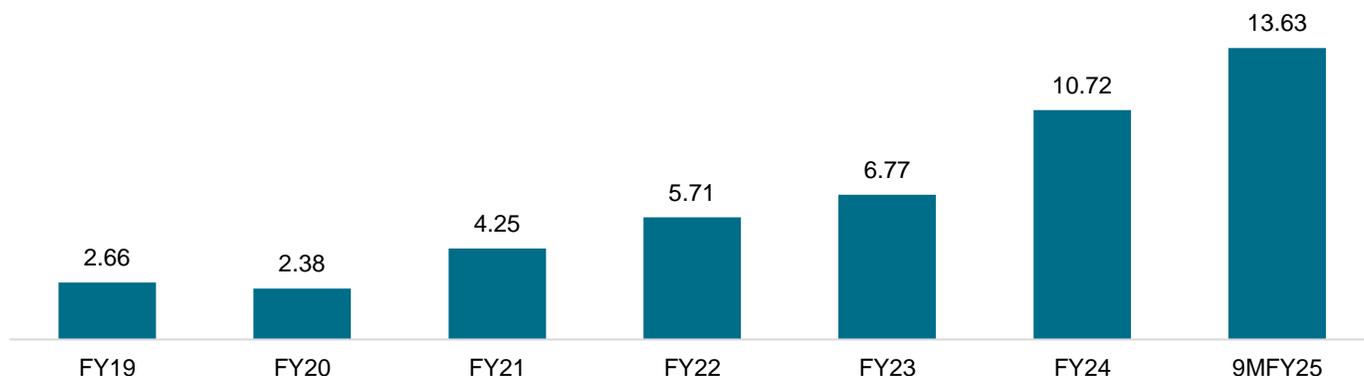
(Rs crore)



Source: AMFI, Crisil Intelligence

SIP AUM clocked a CAGR of 32.1% between fiscal 2019 and fiscal 2024

Rs trillion



Source: AMFI, Crisil Intelligence

Total number of outstanding SIP accounts

(Crore)



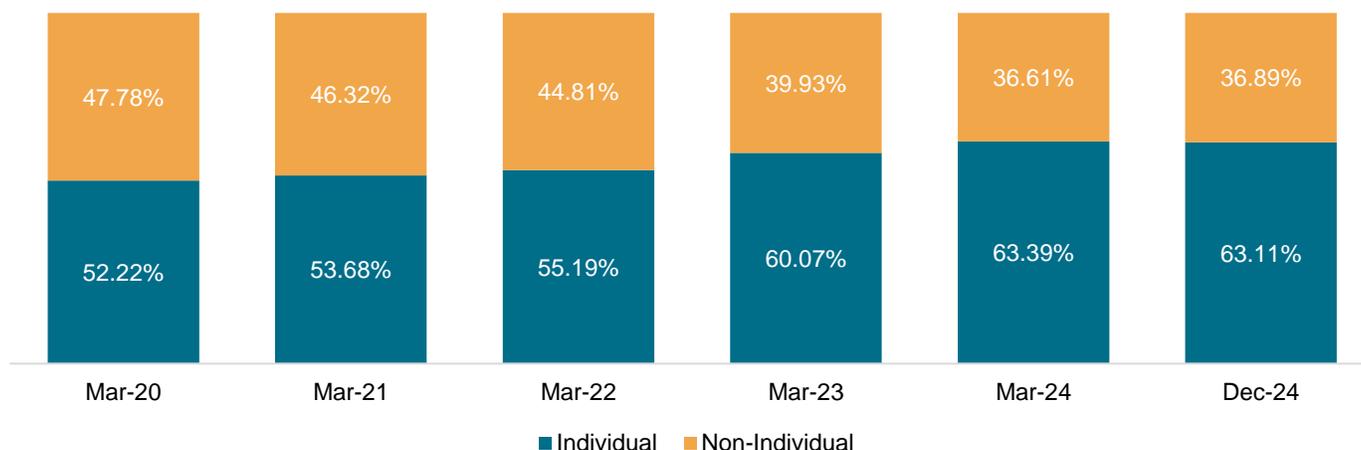
Source: AMFI, Crisil Intelligence

Investor profile of the industry

Individuals outpace institutional investors in terms of AUM

Traditionally, the majority of the industry's assets were controlled by institutional investors, primarily comprising corporates. However, there has been a notable shift in recent years, with the share of institutional investors, including corporates, banks, financial institutions, foreign institutional investors and foreign portfolio investors, declining from 47.78% in March 2020 to approximately 36.89% in December 2024. 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. As a result, individual investors are now playing a more prominent role in the industry, marking a significant change in the investor landscape.

Share of AUM by investor classification



Notes:

1) Average monthly AUM for the period considered, (2) Individual investors include retail and high net worth individuals (“HNI”) investors. Institutional investors include corporates, banks/FIs, and FII/FPIs; Source: AMFI, Crisil Intelligence

Share of AUM by investor classification reflects exponential growth of AUM held by individual investors

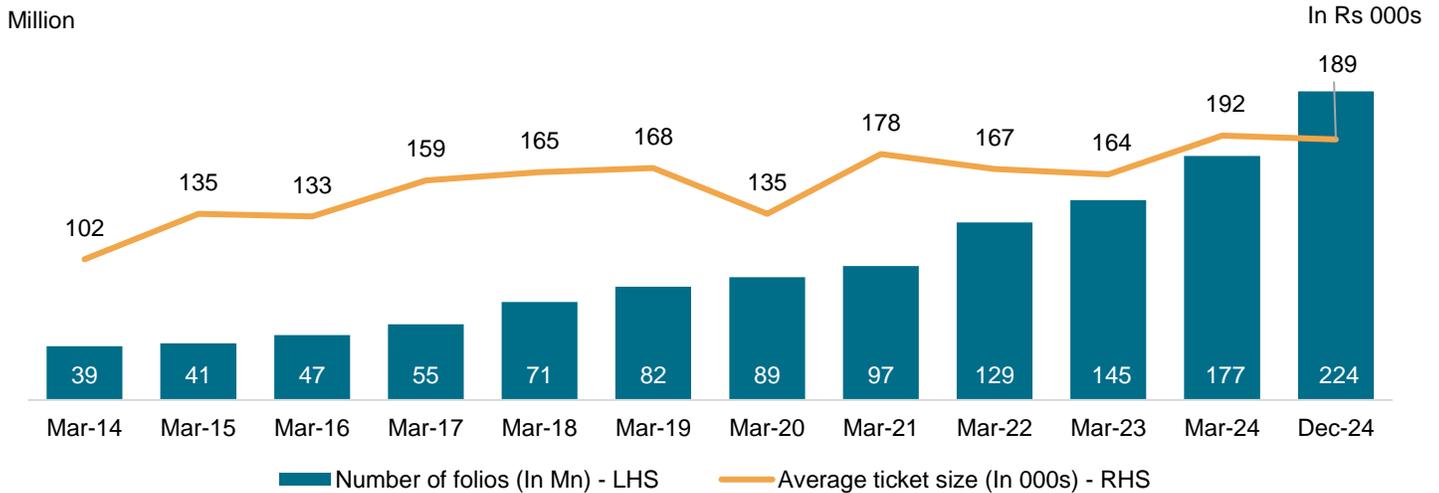
Category (Rs cr)	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Dec - 24
Corporates	1,098,454	1,426,743	1,623,633	1,538,893	1,898,474	2,344,155
Banks/FIs	76,720	57,703	61,313	31,328	52,445	120,625
FIIs/FPIs	5,376	5,782	4,372	4,018	3,884	4,160
Institutional sub-total	1,180,550	1,490,228	1,689,319	1,574,238	1,954,802	2,468,940
Retail Investor	469,630	704,351	880,037	1,007,230	1,493,131	1,881,426
High-net worth individuals	820,703	1,022,616	1,200,940	1,360,562	1,892,261	2,342,665
Individual sub-total	1,290,332	1,726,967	2,080,977	2,367,793	3,385,393	4,224,092
Total	2,470,882	3,217,194	3,770,295	3,942,031	5,340,195	6,693,032

Notes:

(1) Figures are in Rs crore; (2) Average monthly AUM for the period considered, (3) Individual investors include retail and high net worth individuals (“HNI”) investors. Institutional investors include corporates, banks/FIs, and FII/FPIs; Source: AMFI, Crisil Intelligence

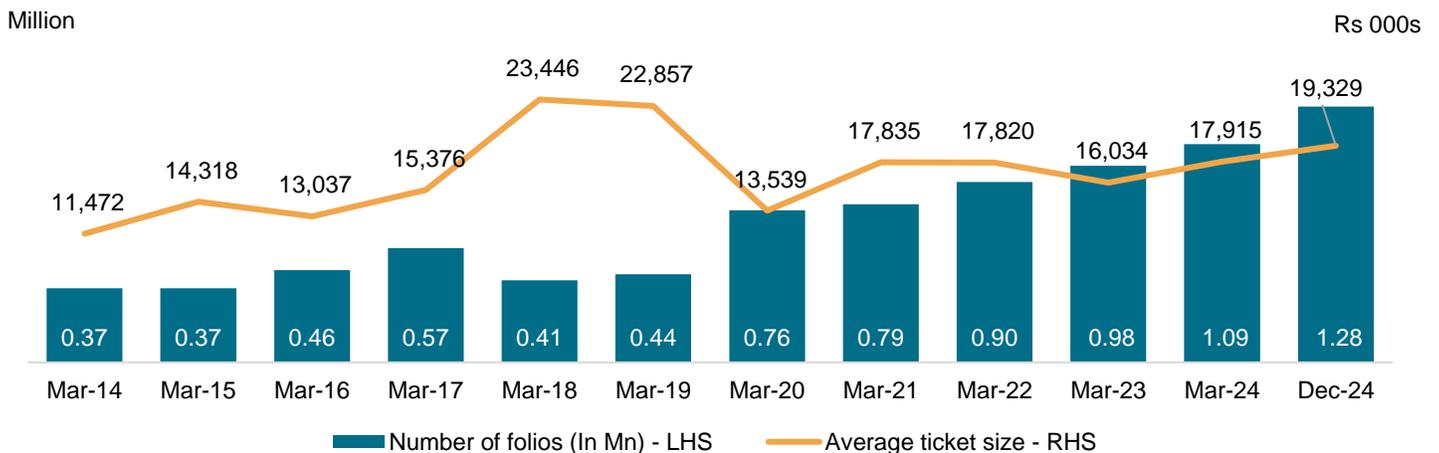
The mutual fund industry has seen increased participation from households in recent years, because of growing awareness, financial inclusion, and improved access to banking channels.

Trend in individual investor folios and average ticket size



Note: Number of folios as on end of fiscal. Average ticket size is calculated as outstanding AUM divided by number of folios
Source: AMFI, Crisil Intelligence

Trend in institutional investor folio and average ticket size



Note: Number of folios as on end of fiscal. Average ticket size is calculated as outstanding AUM divided by number of folios
Source: AMFI, Crisil Intelligence

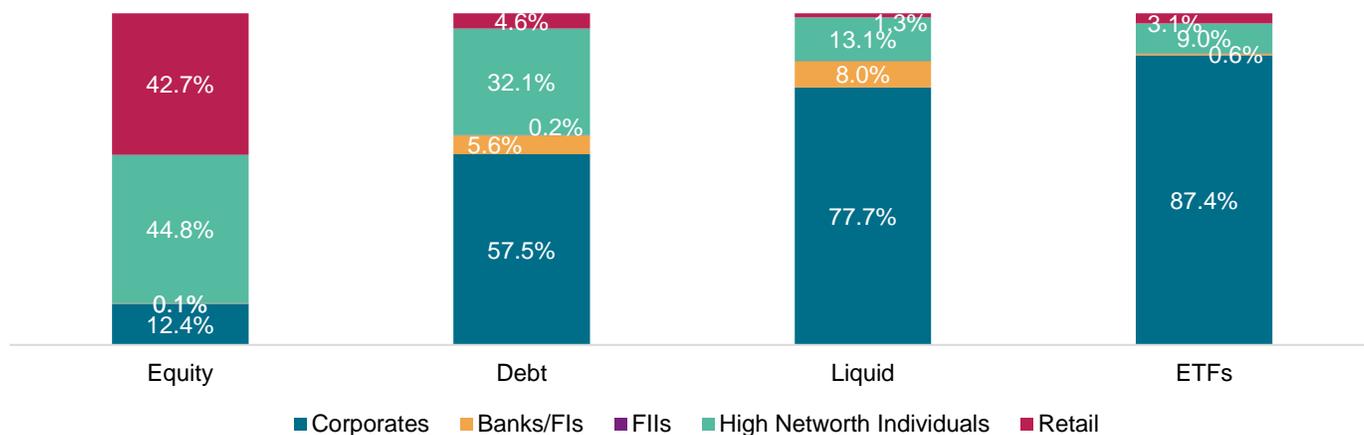
Holding patterns suggests retail investors are at par with high net-worth individuals in equity AUM

High net-worth individuals are the highest contributor in equity mutual funds AUM as of 31st December 2024. Their share in equity AUM has increased from 43.7% as of March 2023 to 44.8% as of December 2024. This was because of a higher push of equity products by AMCs and distributors owing to their relatively higher profitability and expense ratios. The share of retail investors decreased from 43.4% as of March 2023 to 42.7% as of December 2024.

In terms of debt AUM, corporates emerged as the leaders having total share of 57.5%. The share of high net-worth individuals in debt mutual funds AUM has decreased from 40.7% as of March 2023 to 32.1% as of December 2024.

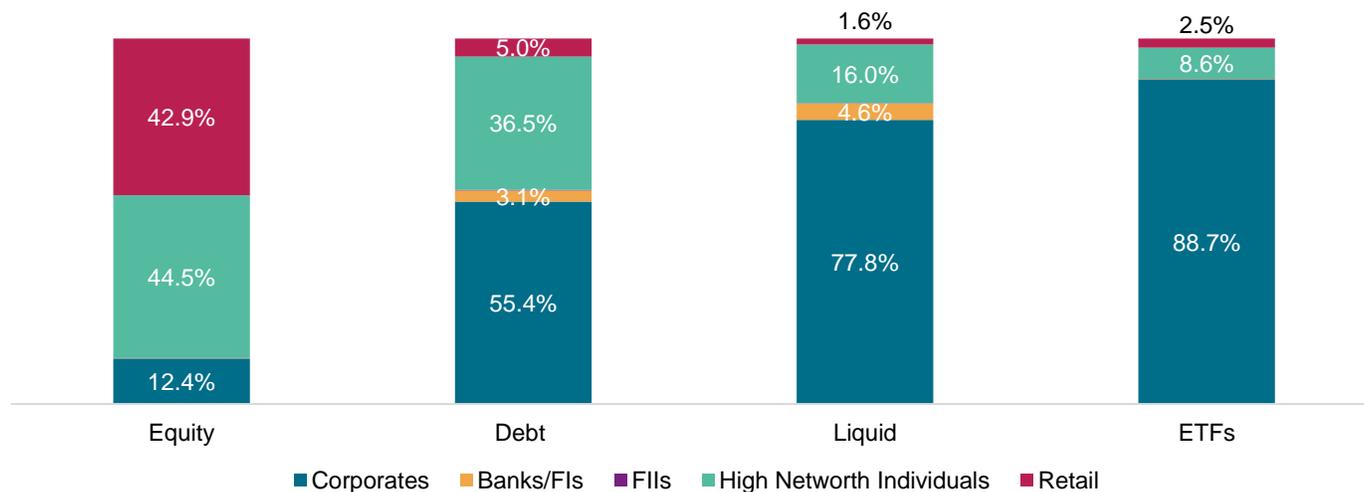
Corporates also had highest share in liquid funds AUM and ETFs AUM with 77.7% and 87.4% of holdings respectively, as of 31st December 2024. FIIs have the minimum holdings across all types of AUM.

Share of retail investors is at par with high net-worth individuals in equity AUM whereas corporates lead in debt, liquid and others' AUM (December 2024)



Notes: (1) As per quarterly AUM data. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/money market includes liquid funds, overnight funds, floater fund and money market funds, Source: AMFI, CRISIL Intelligence

Share of retail investors is at par with high net-worth individuals in equity AUM whereas corporates lead in debt, liquid and others' AUM (March 2024)



Note: As per quarterly aggregate AUM as of March 2024; Equity includes equity-oriented funds, hybrid funds, solution-oriented funds and index funds; Debt includes debt-oriented funds, gilt funds and fund of funds invested overseas; Liquid include liquid funds, money market funds and floater funds; ETFs include Gold ETF and other ETFs. Source: AMFI, CRISIL Intelligence

T30-B30 analysis of mutual fund AUM

As of December 2024, the monthly average AUMs in the top 30 (T30) cities stood at Rs 56.50 trillion compared with Rs 12.83 trillion for beyond the top 30 (B30) cities as per AMFI data. 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 T30 AUM as a proportion of aggregate industry AUM decreased to 81% in December 2024 from 85% in March 2019. Conversely, the share of B30 AUM increased to 19% from 15% over the same period, illustrating the rising importance of higher-growth B30 cities.

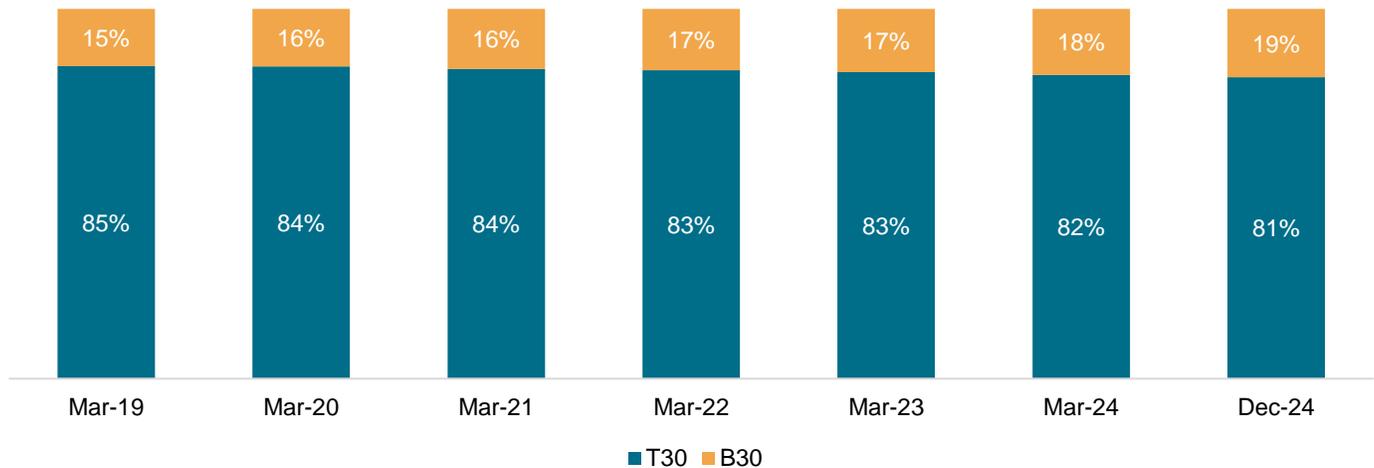
T-30 vs. B-30 MAAUM

In Rs. Bn	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Dec-24	CAGR (FY19-FY24)
T-30	20,785	20,859	26,937	31,459	33,207	45,180	56,502	17%
B-30	3,796	3,850	5,235	6,244	6,839	9,827	12,828	21%

Note: Based on MAAUM

Source: AMFI, Crisil Intelligence

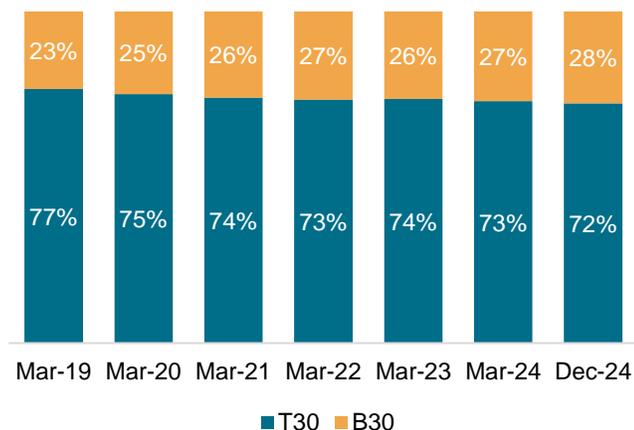
Composition trends of overall T30 and B30 AUMs



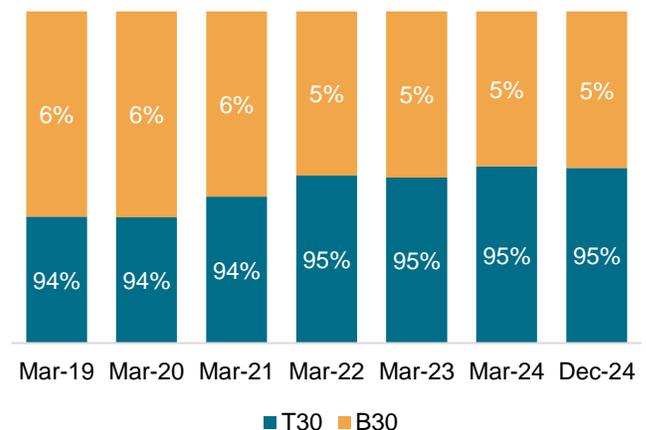
Note: Based on month-end AUM

Source: AMFI, Crisil Intelligence

Composition trends of overall T30 and B30 Individual AUM



Composition trends of overall T30 and B30 Institutional AUM



Note: Based on month-end AUM

Source: AMFI, Crisil Intelligence

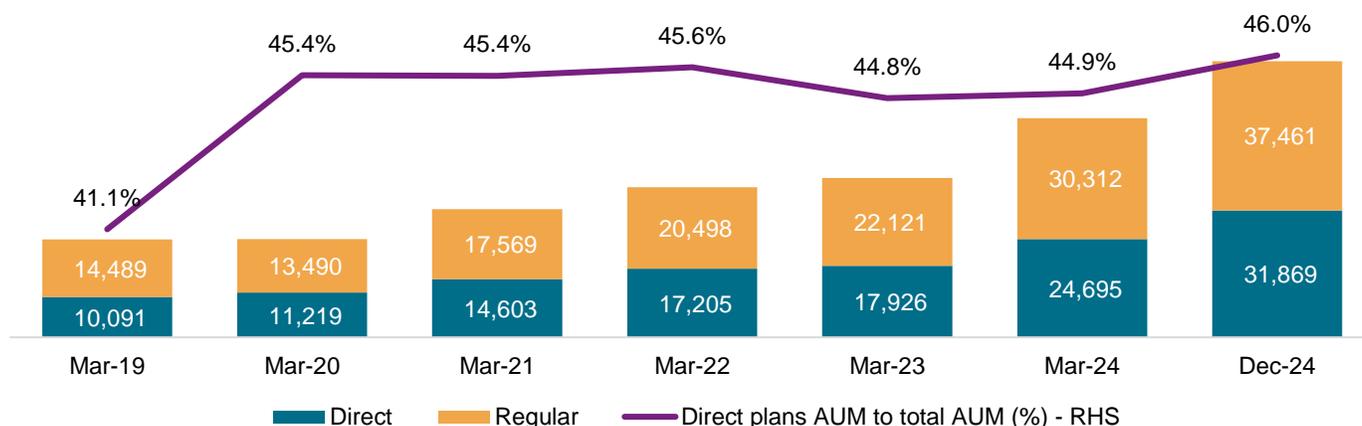
Investment channels

Increasing share of direct sales in Mutual Funds

In September 2012, the SEBI mandated mutual fund houses to offer products through the direct route alongside distributors. Asset managers launched a slew of direct plan offerings from January 2013. Consequently, share of direct plans in overall Mutual Fund AUM increased between March 2015 and December 2024. As of December 2024, AUMs under direct plans now represent 46.0% of aggregate industry AUM, up from 33.9% share as of March 2015. While the direct plans' share in retail has been increasing, regular plans still account for a 54.0% share of overall MF AUM and is expected to maintain its dominance owing to new investors gaining awareness about MFs and increased participation from B30 cities. Though mix of direct channel has increased in both Retail and Institutional segment, increase in retail participation has led to blended direct channel mix being rangebound.

Growth of AUMs through direct plans since March 2014 (Rs billion)

Rs billion

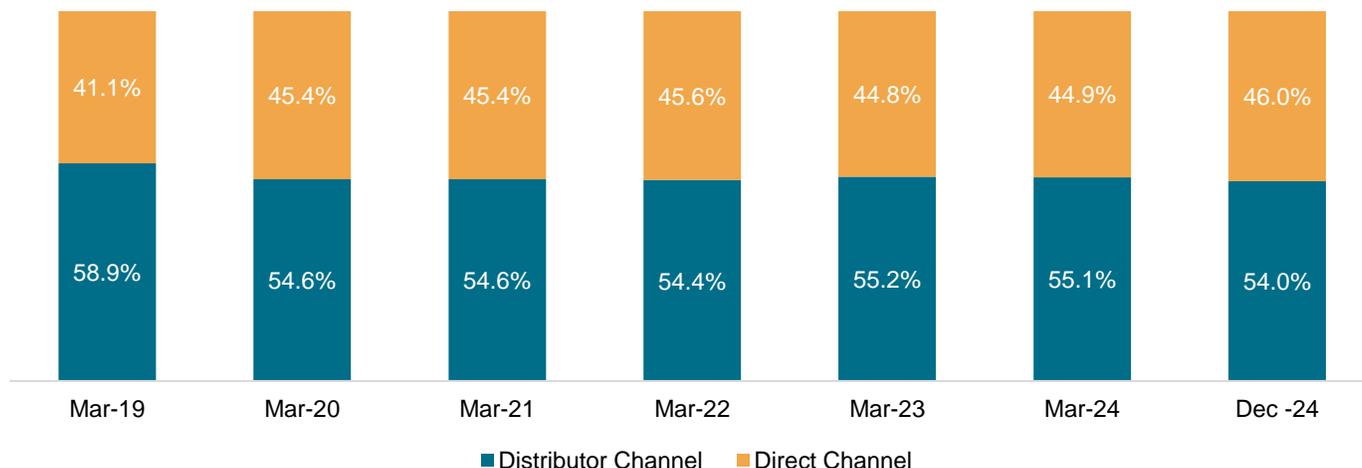


Note: Based on monthly average AUM

Source: AMFI, CRISIL Intelligence

Going forward, we expect increasing investor awareness and integration of user interfaces through digital channels to further growth in direct plan AUMs. Direct plans offer the benefit of lower expense ratios to investors compared with regular plans. They also allow AMCs to directly connect with investors without depending on intermediaries.

Direct plans gain traction, Regular plans continue to dominate mutual fund AUM



Note: Based on monthly average AUM
Source: AMFI, Crisil Intelligence

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 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'16				Dec'24			
	Regular plans	Direct plans	Total	Mix of Direct plan in total AUM	Regular plans	Direct plans	Total	Mix of Direct plan in total AUM
Individual investors	5,350	808	6,158	13.1%	31,270	11,311	42,581	26.6%
Institutional investors	3,000	4,393	7,393	59.4%	6,191	20,557	26,749	76.9%
Total	8,350	5,201	13,551	38.4%	37,461	31,869	69,330	46.0%

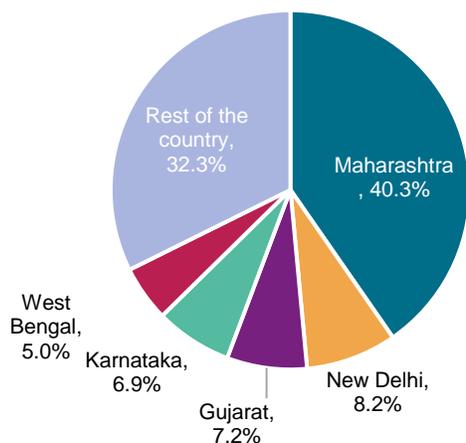
Note: Based on monthly average AUM
Source: AMFI, Crisil Intelligence

Maharashtra has the highest share in total mutual fund AUM in India

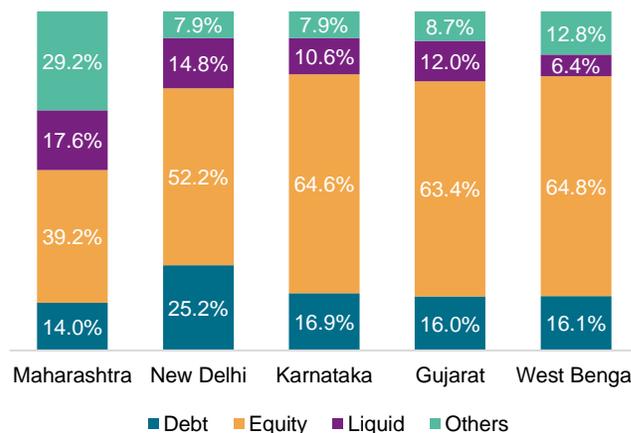
As per the state-wise/union territory-wise contribution to AAUM of category of schemes for December 2024, top 5 states having majority share of Indian mutual fund AUM are Maharashtra, New Delhi, Gujarat, Karnataka, and West Bengal. Maharashtra has the highest share at 40.3% of the total mutual fund AUM of the country with a total of INR 27,96,906 crore AUM, followed by New Delhi at 8.2% with a total of INR 5,66,870 crore AUM, Gujarat at 7.2% with INR 4,99,447 crore AUM, Karnataka at 6.9% with INR 4,79,616 crore AUM, and West Bengal at 5.0% with INR 3,48,186 crore AUM. Together, the top 5 states hold a massive 67.7% of the total mutual fund AUM of the country that amounts to INR 46,91,024 crore AUM. The states of Maharashtra, Karnataka, Gujarat, West Bengal and New Delhi which include cities such as Mumbai, Pune, Bengaluru, Ahmedabad, Kolkata, Vadodara, etc. serve as major hubs for mutual funds' investments as they are driven by factors such as financial prominence (presence of financial hubs, government entities),

investor demographics (growth number of retail investors, presence of HNIs, growing investor awareness, greater technological penetration) and historical significance.

Share of top 5 states in mutual funds AUM in India (Dec 2024)



Category-wise distribution of schemes in top 5 states (Dec 2024)



Note: Data pertains to AAUM for December 2024; 'Others' include balanced scheme, solution scheme, fund of funds investing overseas, Gold ETF and other ETF.

Source: AMFI, Crisil Intelligence

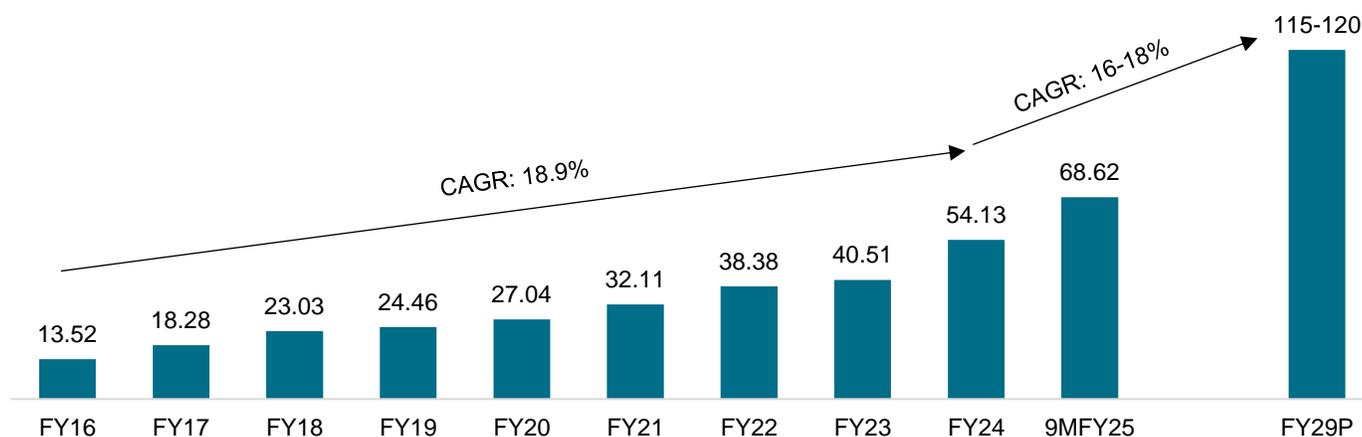
Growth of AUM to continue at a CAGR of 16-18% between fiscal 2024 and fiscal 2029

The Indian mutual fund market is expected to grow rapidly in the future. The sector is still strong because of the financialization of savings, rising financial literacy, structural initiatives by government and faster digital adoption have aided the expansion. The industry is well positioned for future success given the flexibility and resiliency demonstrated over the past year, even in the face of headwinds from the global economy. In the long term, i.e., between fiscal 2024 and fiscal 2029, the overall industry's AUM is projected to sustain a high growth trajectory of 16-18% CAGR, reaching approximately Rs 115-120 lakh crore. This growth in the mutual-fund industry is expected to be driven by:

- Technological advancements, digitalization and rising internet and smartphone penetration facilitating ease of investments and distribution of mutual funds
- Rising popularity of SIPs with the majority of unique investors choosing SIP route for entering mutual funds market
- Rising inflows in thematic or sectoral mutual funds schemes with increased risk appetite of investors
- Higher disposable income and investable household surplus
- Increase in aggregate household share of financial savings within the savings pie
- Increase in per capita disposable income
- Deeper regional penetration as well as better awareness of mutual funds as an investment vehicle
- Perception of mutual funds as long-term wealth creators driven by 'Mutual Fund Sahi Hai' campaign

Mutual fund AUM expected to reach approximately Rs 115-120 lakh crore in fiscal 2029

(in Rs tn)



Note: P: Projected; AUM is the average of last quarter for each fiscal, AUM excluding FoFs – domestic but including FoFs– overseas.

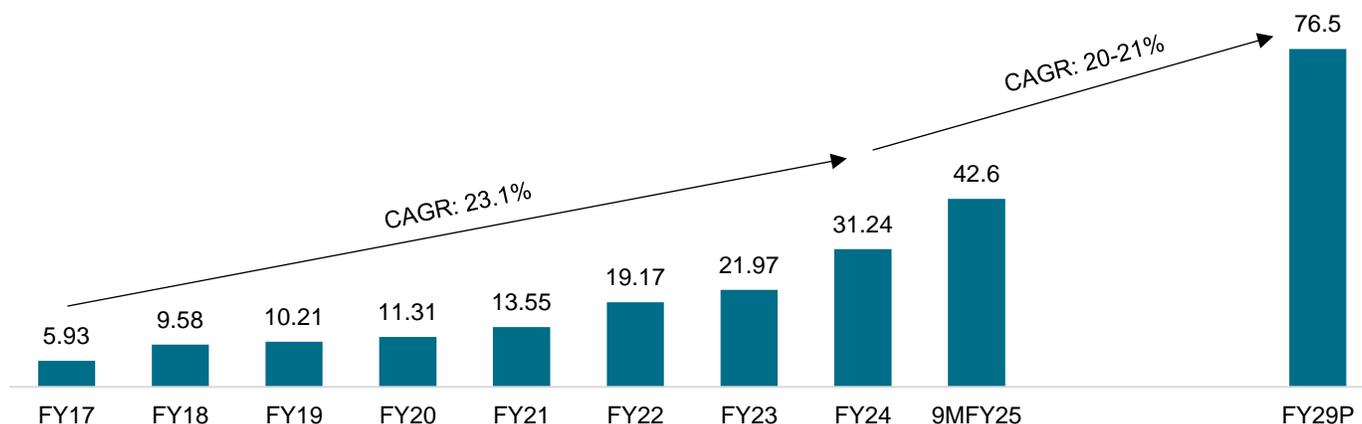
Source: AMFI, Crisil Intelligence

Equity AUM to grow at 20-21% between fiscal 2024 and fiscal 2029

In fiscal 2024, quarterly average equity AUM grew by 42.2% on-year to reach INR 31.24 lakh crore. CRISIL Intelligence expects the Equity AUM to grow at 20-21% CAGR, the second fastest growth amongst all MF categories, over March 2024 to March 2029. ETFs are expected to grow fastest, clocking a ~22-23% CAGR over the next 5 years, as passive investing continues to grow in popularity.

Growth trend shows equity AUM to reach approximately INR 77 lakh crore in fiscal 2029

(in Rs lakh crore)

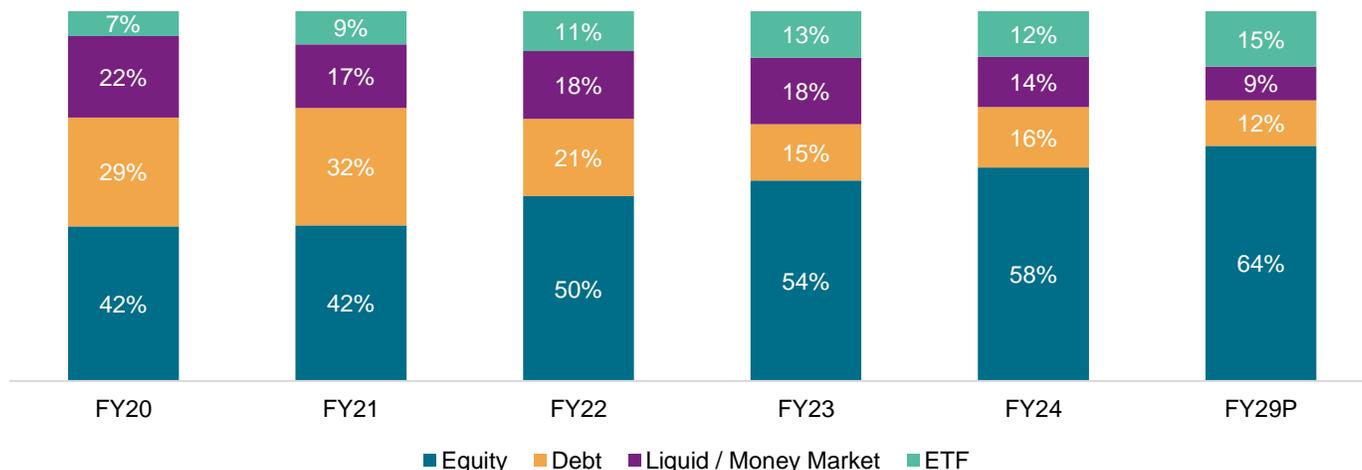


Note: P: Projected, as per quarterly average AUM; equity includes equity funds, ELSS, index funds, solution-oriented funds and balanced funds AUM excluding Fund of Funds – Domestic but including Fund of Funds – Overseas; Source: AMFI, CRISIL Intelligence

From March 2024 to March 2029, CRISIL Intelligence expects the debt mutual segment to grow at a slower rate of 10-11% CAGR as they will continue to get affected due to high-interest rate scenario in the medium term.

CRISIL Intelligence expects liquid/money market segment to grow at approximately 8-9% CAGR between March 2024 to March 2029.

Equity AUM projected to increase from 58% of overall AUM in fiscal 2024 to 64% in fiscal 2029



Note: P: Projected, the data is as per quarterly average AUM. Equity includes equity funds, ELSS, index funds, solution-oriented funds, and balanced funds. Debt funds include gilt, income, conservative hybrid, floater funds, and FoFs investing overseas. ETF includes gold ETFs and other ETFs. Liquid/money market includes liquid funds, overnight funds, and money market funds. Source: AMFI, Crisil Intelligence

Evolving landscape of Mutual Funds:

The advent of technology has revolutionized India's mutual fund industry, vastly expanding its reach, simplifying the investment process, and increasing transparency, thereby driving substantial growth.

The integration of technology has drastically reduced processing times, streamlining tasks that once required days, weeks, or multiple in-person visits into mere seconds, accessible through a smartphone. This paradigm shift has prompted Mutual Fund Distributors (MFDs) to recognize the vast potential of technology in revolutionizing their business models and driving expansion.

By embracing technology, MFDs have been able to boost efficiency, expand their customer base, and provide enhanced services. As a result, technology has become a key driver of growth in industry, bringing about a positive disruption that is propelling mutual funds towards substantial expansion and development.

The mutual fund industry is experiencing a seismic shift as technology continues to advance, revolutionizing the way investments are made. Digital platforms have made it easier for investors to access information and make informed decisions in real-time, while robo-advisors provide personalized investment guidance with ease. Additionally, artificial intelligence (AI) is transforming the fund management landscape by leveraging advanced data analysis and automation. By empowering investors with the knowledge and skills needed to thrive in this new environment, the industry can unlock the full potential of technology and foster a more informed and confident investor base.

Although this growth has introduced new risks, mutual fund companies are proactively mitigating them through ongoing system enhancements, robust security measures, and investor awareness initiatives. As technology continues to penetrate deeper into India, its positive influence on mutual fund investments and financial inclusion is expected to increase exponentially over the next decade.

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 such as Delhi, Mumbai, and

Bengaluru. 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. As of September 2024, while T-30 cities still dominate the MF landscape, B-30 cities are experiencing double-digit annual growth in AUM, surpassing their T-30 counterparts. 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. According to AMFI data, as of December 2024, the mutual fund industry's assets from Beyond 30 (B30) locations accounted for 19% of the total assets. Assets from B30 increased from Rs. 9.08 trillion in Dec 2023 to Rs. 12.83 trillion in Dec 2024, representing an increase of 41%.

Use of Artificial Intelligence and Data Analytics:

Tailored guidance is a key driver of client satisfaction in the financial sector, and mutual funds are now able to offer bespoke investment solutions with the advancements in data analytics and artificial intelligence. AI and Data Analytics are used by mutual funds to help make improved investment decisions for its clients by analyzing large datasets and also offering personalized investment advice.

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 per AMFI data, In the fiscal year 2023-2024, this category saw inflows of Rs 42,000 crore as opposed to the ~Rs 61,000 crore received by the entire passive funds category. 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 AUM share from 12% as of March 2024 to 15% as of Fiscal 2029.

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.

Growing wave of enthusiasm from Millennials and Youth

The Indian mutual fund industry is witnessing a surge in interest from millennials and Gen Z, who are driving the adoption of digital investment platforms. As a tech-savvy generation, they are naturally drawn to online investing tools, mobile apps, and robo-advisors, creating a fertile ground for the industry to tap into. By leveraging digital channels and educational content, mutual fund companies can effectively engage with young investors, introducing them to a range of wealth-building products and services. With their long-term investment horizon, younger investors present a significant opportunity for the industry to build lasting relationships, foster loyalty, and shape their investment habits from an early stage, ultimately paving the way for sustained growth and success.

Pension and Retirement-themed Investment Fund: The demographic shift in India, characterized by an aging population and inadequate pension systems, creates a lucrative opportunity for mutual funds focused on retirement planning. By 2030, retirement funds are expected to play a vital role in catering to the financial requirements of the

expanding elderly population. Long-term SIPs with tax incentives and age-based funds that adjust asset allocation as retirement approaches are likely to gain popularity.

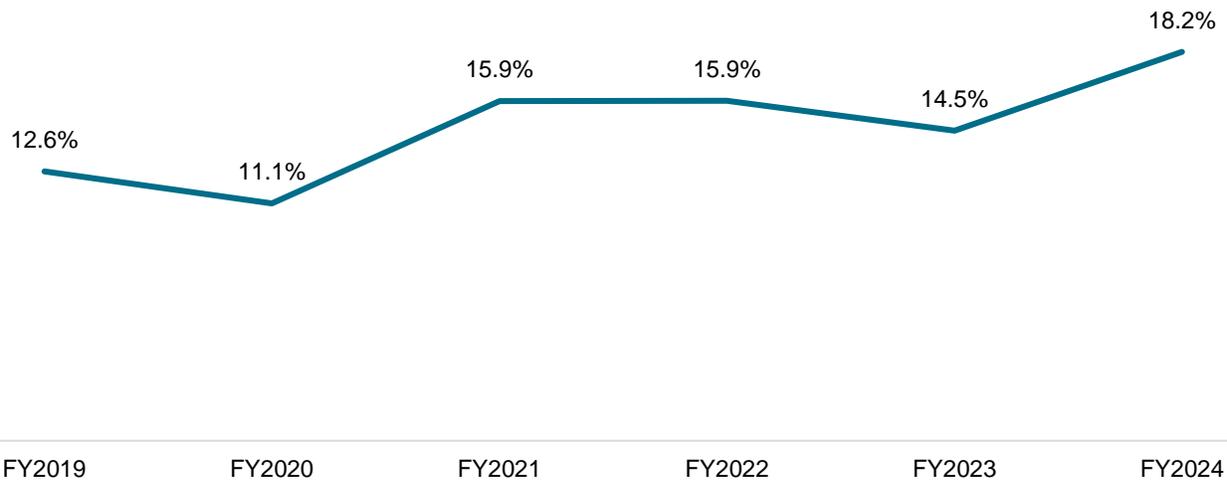
Key growth drivers and enablers for the mutual fund industry

Mutual fund penetration

Mutual fund assets in India have seen robust growth, especially in recent years, driven by a growing investor base due to increasing penetration across geographies, strong growth of the capital markets, technological progress and regulatory efforts aimed at making mutual fund products more transparent and investor-friendly.

Although mutual fund AUM as a percentage of GDP has grown from 4.3% in fiscal 2002 to 18.2% in fiscal 2024, penetration levels remain well below those in other developed and fast-growing peers.

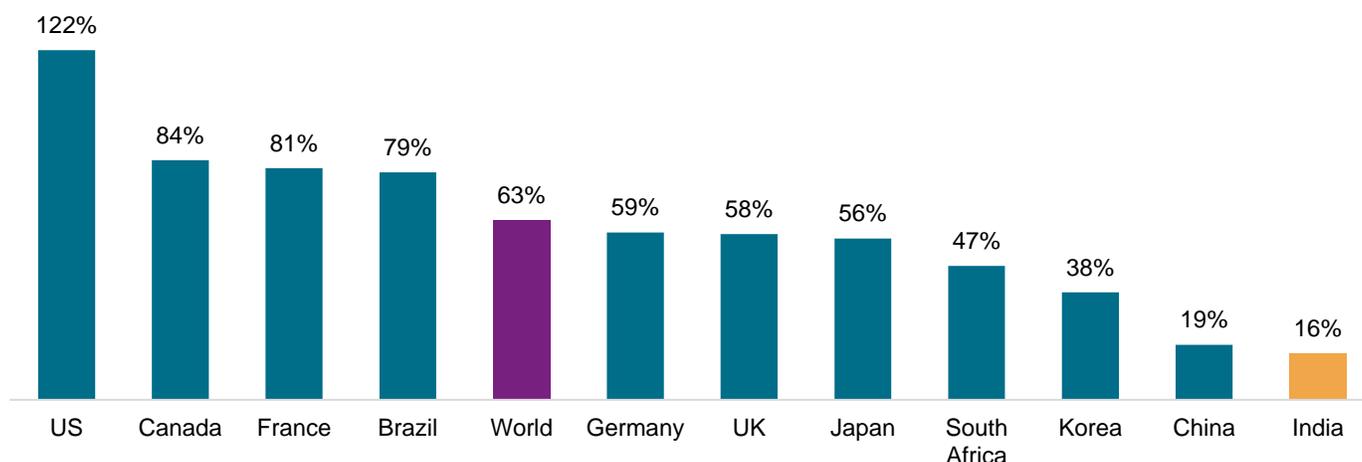
India's Mutual Fund AUM-to GDP ratio picked up to 18.2% in fiscal 2024



*Note: Net month-end AUM and nominal GDP at current prices have been considered
Source: AMFI, Crisil Intelligence*

India's mutual fund penetration (AUM to GDP) is significantly lower than the world average of 63% and also lower than many developed economies such as the US (122%), France (81%), Canada (84%) and the UK (58%) and key emerging economies such as Brazil (79%) and South Africa (47%).

AUM as % of GDP (Q1 CY 2024)



*Note: AUM data as of March 2024 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.
Source: IMF, IIFA, Crisil Intelligence*

Demographic profile to aid folio growth in capital markets

As of calendar year 2024, 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. Crisil Intelligence estimates that approximately 90% of Indians are still below the age of 60 in calendar year 2021 and that 63% of them are between 15 and 59 years. In comparison, in calendar year 2020, the United States (US), China and Brazil had 77%, 83% and 86%, respectively, of their population below the age of 60.

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 investments in capital markets.

Rise in saving capacity of individuals

As per capita income of the country rises, so does the disposable income. 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 indicate the positive growth of the mutual fund industry. ITR filings require individuals to plan their taxes, which can lead to an increased awareness of tax-saving investments, such as ELSS (Equity-Linked Savings Scheme) mutual funds. 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.

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

The Indian capital market penetration is low at ~13% with 188.1 million demat accounts as of January 2025. The total demat accounts increased from 21.84 million in March 2014 to 185.30 million in March 2024, growing at 23.8% CAGR during the period. The demat growth 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.

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

As the wealth of customers and per capita income continues to rise, the demand for wealth advisers is experiencing a significant surge. This trend emphasizes the growing complexity of financial portfolios and the increasing need for personalized 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.

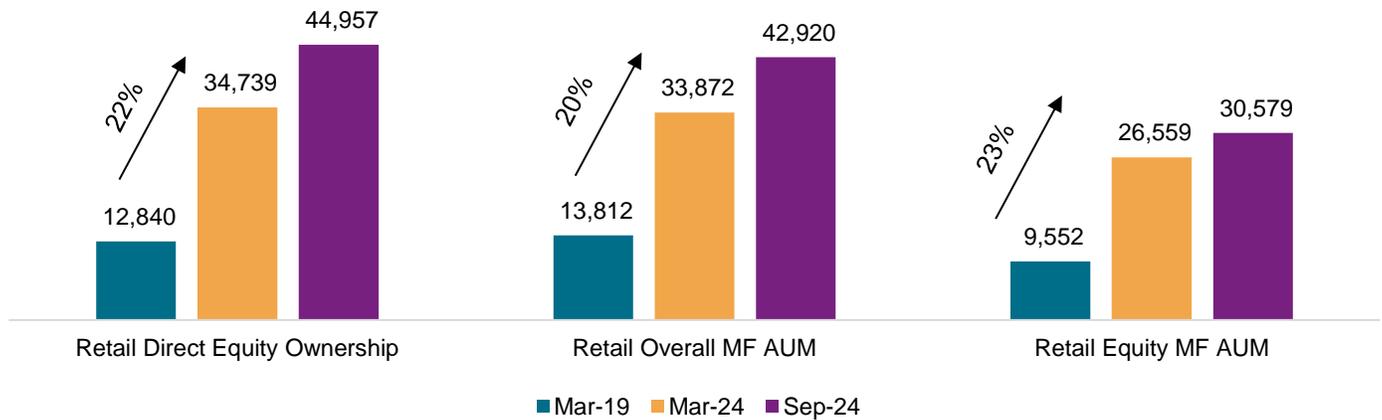
Increasing Share of Non-Institutional and Retail Investors to drive growth for the industry

Individual investors' (i.e., excluding promoters and institutions) ownership in NSE-listed companies has increased steadily over the years, reflecting growing confidence in the Indian equity markets. In terms of market capitalisation, the value of individual investors' direct equity ownership in NSE listed companies has grown at a CAGR of 22% between March 2019 and March 2024. From March 2019 to March 2024, overall retail mutual fund AUM and retail equity mutual fund AUM has increased at a CAGR of 20% and 23% respectively. Moreover, retail investors have been actively investing in IPOs, driven by strong sentiments, the success of several listings and the potential for quick gains. Over the past few years, IPOs have seen significant oversubscriptions as well. Further, the number of IPOs in India has been rising steadily, driven by strong economic growth, favourable market conditions, and a surge in investor participation. In 2023 and 2024, India witnessed 243 and 317 IPOs across various sectors such as technology, financial services, healthcare, and consumer goods.

Going forward, Crisil Intelligence expects a significant potential for direct equity investments as the total addressable market, including mutual fund folios, has seen significant growth in recent times. Moreover, with the increase in financial literacy of investors, equity ownership is expected to see an increase in the future.

Retail participation has increased in direct equity and MFs

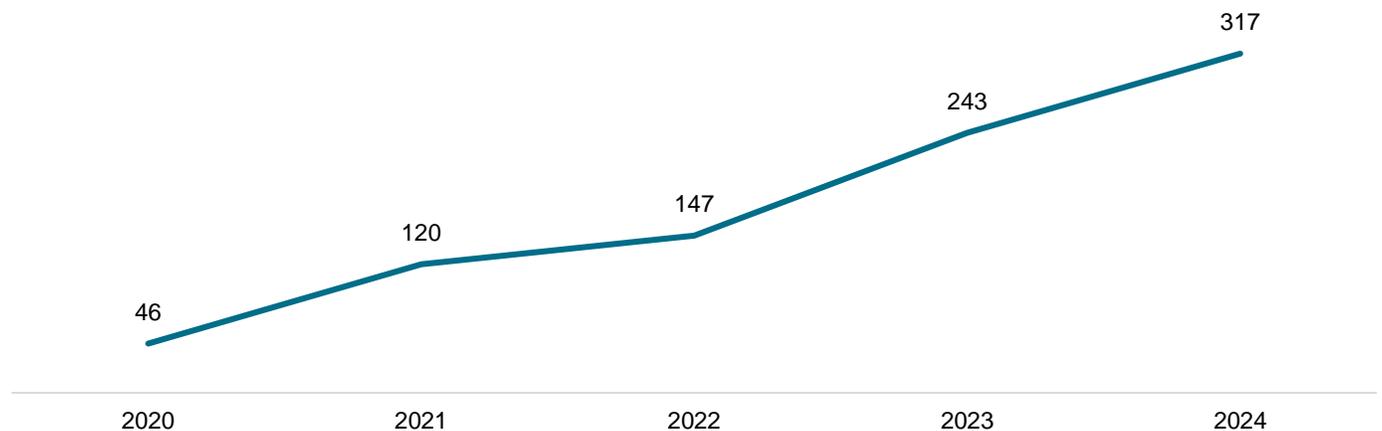
(In Rs, Bn)



Note: Retail direct equity ownership is computed basis market capitalisation of NSE companies and overall shareholding patterns; Net mutual fund AUM as of March 2019, March 2024 and September 2024 is considered

Source: NSE Market Pulse, AMFI, India Ownership Tracker (NSE), Crisil Intelligence

Trend in number of IPOs in India (CY)



Source: Crisil Intelligence

Capital markets to remain an attractive part of financial savings

Between fiscal 2013 and fiscal 2023, the net financial savings increased at a CAGR of approximately 6.8% as compared to approximately 9.0% for saving in physical assets between the same period. This led to a decline in household savings in physical assets from 66% in fiscal 2013 to 71% in fiscal 2023. Due to an increase in financial literacy and awareness, the relative outperformance of financial assets over recent years, and the Indian government's efforts to fight the shadow economy, CRISIL Intelligence expects the share of financial assets as a proportion of net household savings to increase over the next five years. The rise in financial assets is expected to further boost the financial investments under mutual funds ("MFs"), equity, pension schemes, insurance and alternate assets.

Gross domestic savings trend

Parameters (Rs. Billion)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
GDS	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	81,500
Household sector savings (net financial savings, 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	49,632
Household sector savings as proportion of GDS (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,736
Gross financial savings (% of GDS)	33.0%	31.3%	34.9%	33.5%	37.5%	37.7%	39.1%	53.0%	35.5%	36.5%
Financial liabilities	3,587	3,768	3,854	4,686	7,507	7,712	7,747	7,374	8,993	15,572
Savings in physical assets	14,164	15,131	13,176	15,946	19,442	23,095	22,522	21,355	29,683	34,834
Savings in physical assets as a proportion of GDS (%)	39%	38%	31%	33%	35%	38%	38%	37%	40%	43%
Savings in the form of gold and silver ornaments	368	456	465	465	467	427	431	405	613	634

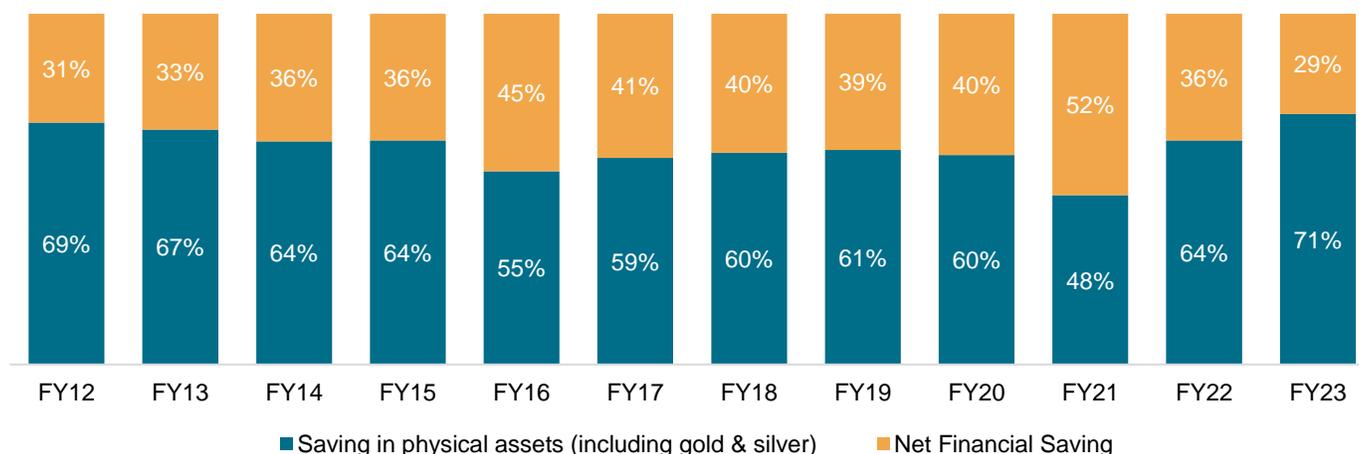
Note: The data is for financial years ending March 31. Physical assets are those held in physical form, such as real estate, etc.

Source: MOSPI, National Accounts Statistics, Crisil Intelligence

Unlike most other countries, where financial savings account for a significant proportion of savings, physical assets including gold and silver account for most household savings in India. Household savings in physical assets witnessed an increase to 71% in FY23 from 64% in FY14. The share of savings in physical assets dipped during FY21 (covid pandemic year) to 48% due to nationwide lockdowns and slowdown in household construction. Post Covid, during FY22 with opening of lockdown's share increased significantly to 64% and further to 71% in FY23, due to rise in construction of houses.

Going forward, Crisil Intelligence expects the share of financial assets as a proportion of 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.

Trend of household savings in India

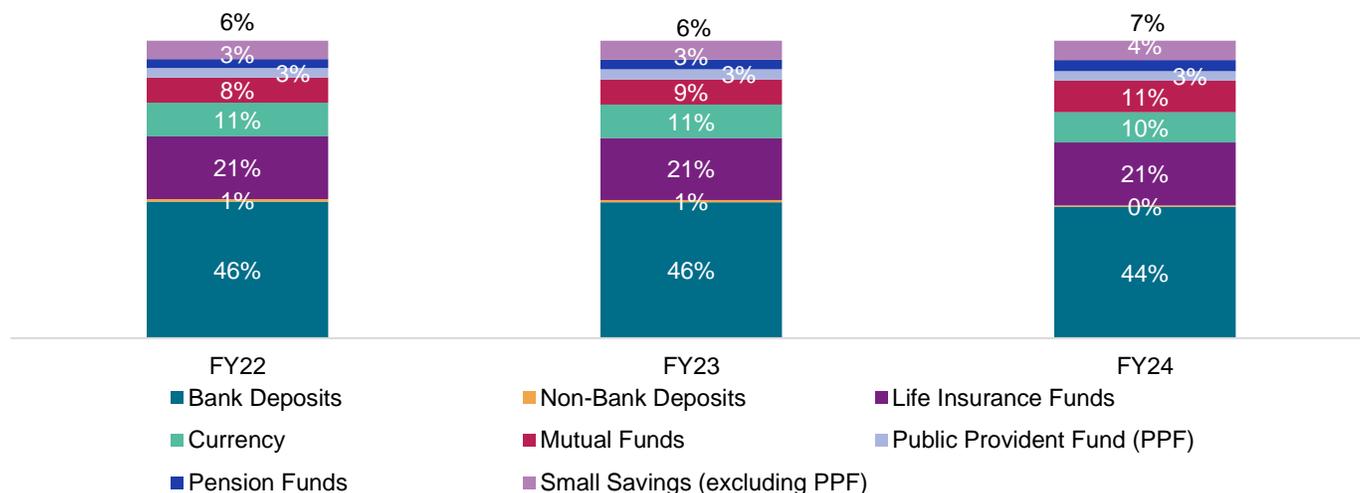


Note: The data is for financial years ending March 31, Source: Handbook of Statistics on Indian Economy 2022-23, RBI, MOSPI, Crisil Intelligence

Annual inflows of household savings into financial assets

As per the latest available data with RBI, annual inflows of household savings into financial assets had increased at CAGR of 40.3% between Fiscal 2020 to Fiscal 2024.

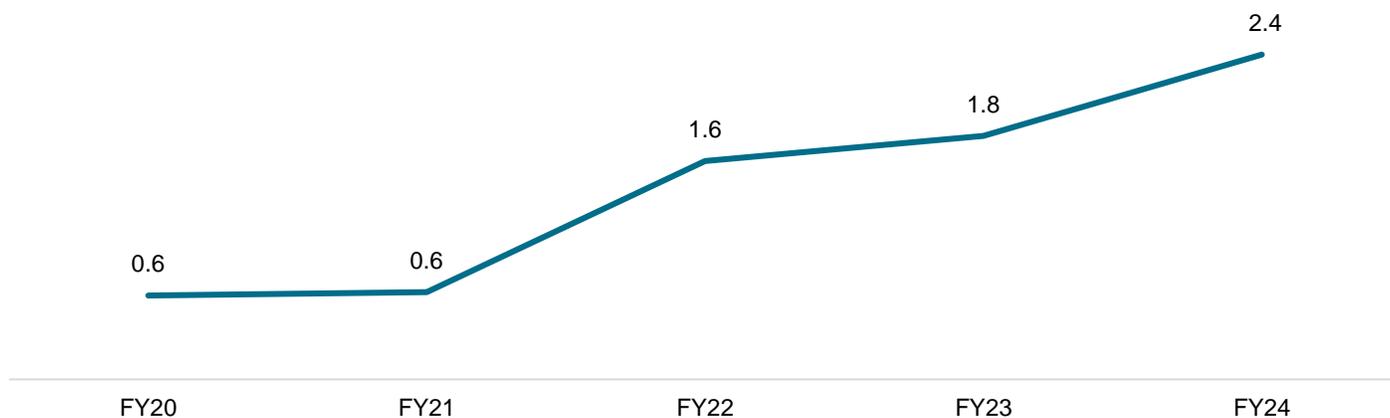
Share of mutual fund rises from 8% in Fiscal 2022 to 11% in Fiscal 2024 in stocks of Financial Assets of Household



Source: RBI, Crisil Intelligence

Inflow of financial savings into mutual funds in fiscal 2024 increased by 33.4%

(In Rs lakh crore)



Note: Above dates represent annual data of financial assets

Source: RBI, Crisil Intelligence

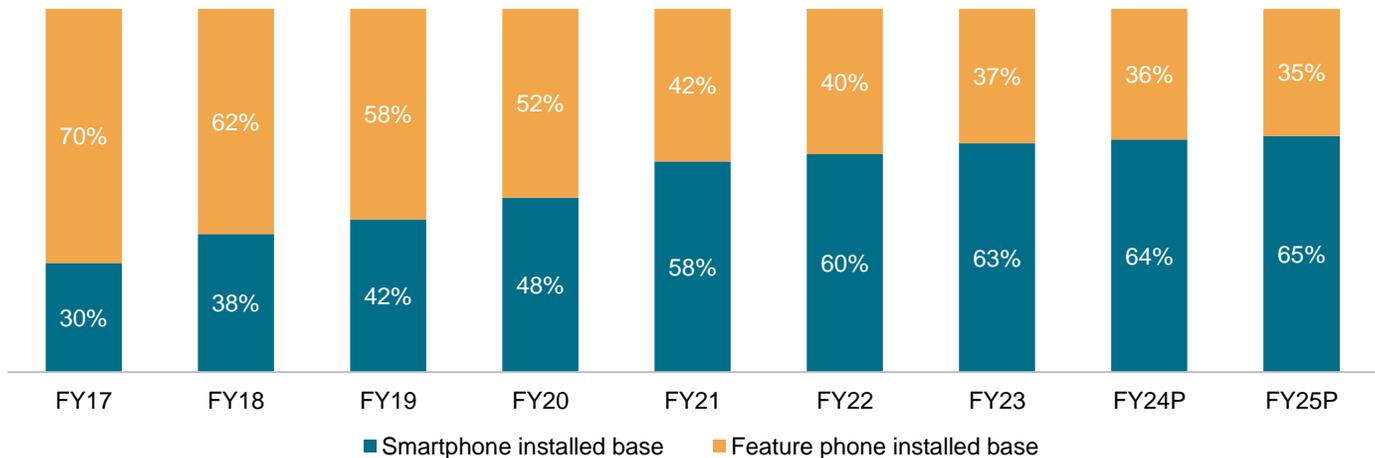
Increased digitalisation to support digital distribution of mutual funds

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, P - projected

Source: Crisil Intelligence

Riding the digital wave: growth of new age fintech brokers and increasing mobile penetration to drive retail participation

The emergence of new age fin-tech brokers started gaining prominence from mid 2010s onwards as rising internet and smartphone penetration acted as a tailwind for the segment. These players have revolutionized the industry with their low-cost digital business model. New age fin-tech brokers due to their low cost of operations have been able to transfer this benefit to their clients by significantly bringing down the cost of investing for them with minimal brokerage fees. Supported by the India's robust digital public infrastructure, cost of onboarding has gone down for the new age fin-techs in addition to enabling them to build and scale their operation at a large scale. Therefore, rising financial literacy of India's young population (expecting to form a majority of the incremental clients for the brokers), coupled with their technological proficiency, almost zero brokerage feature and comfort of transacting through digital platforms is expected to further supplement the strong impact that technology has on the retail investors thereby enabling them to increase participation in the markets.

Inflows in mutual funds to strengthen with retail participation

Total AUM of retail investors stood at INR 18,81,426 crore as on 31st December 2024. It was mainly driven by the interest of retail investors in equity oriented and gold ETF mutual fund schemes. Total AUM of retail investors in equity schemes amounted to INR 15,82,926 crore and accounted for 84.1.% of the total retail investors' AUM at the end of December 2024.

Scheme-wise distribution of aggregate AUM of retail investors and number of folios as of 31st December 2024

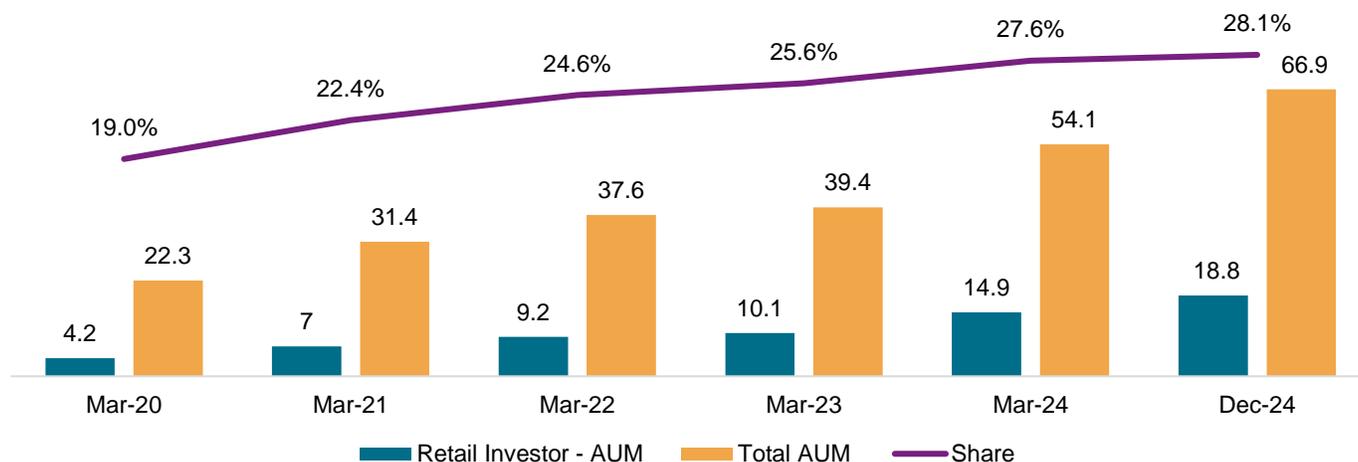
Type of Scheme	AUM (In INR cr.)	% of total	No of Folios	% of total
Liquid Fund/Money Market Fund/ Floater Fund	9,428	0.5%	1,792,464	0.9%
Gilt Fund	1,713	0.1%	175,966	0.1%
Remaining Income/ Debt Oriented Schemes	25,732	1.4%	3,125,466	1.5%
Growth/ Equity Oriented Schemes	1,582,926	84.1%	146,193,886	71.0%
Hybrid Schemes	138,931	7.4%	11,367,948	5.5%
Solution Oriented Schemes	35,128	1.9%	5,883,052	2.9%
Index Funds	55,132	2.9%	11,897,342	5.8%
Gold ETF	4,662	0.2%	6,285,119	3.1%
ETFs (other than Gold)	20,209	1.1%	18,042,765	8.8%
Fund of Funds investing Overseas	7,565	0.4%	1,270,514	0.6%
Total	1,881,426	100.0%	206,034,522	100.0%

Note: Aggregate quarterly AUM data has been considered

Source: AMFI, Crisil Intelligence

Share of retail investors' AUM in total AUM of all investors has been rising since last three years and reached 28.1% as of December 2024

in Rs. trillion



Source: AMFI, Crisil Intelligence

In the long term, with expectations of higher returns from the capital markets, the fund flow into equity funds is expected to be high. 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.

Factors such as financial awareness and retirement planning to further contribute to the growth of Indian mutual fund industry

The low mutual fund penetration in India is largely due to the lack of awareness. However, penetration is increasing owing to various government initiatives towards investor education and awareness. SEBI has directed AMCs 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. Crisil Intelligence believes that investor education, coupled with better risk management and transparency within the mutual fund industry, will boost investor confidence and lead to increased investments and growth in the industry. Moreover, retirement has the potential to significantly improve penetration among households. 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.

Threats and challenges for mutual fund industry

Market volatility

The sentiments surrounding elections, both at the national and state levels, 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. Persistently high inflation, which has been a significant challenge for India and global economies, can further exacerbate market volatility. This increased volatility highlights the importance of long-term investment strategies, diversification, and professional fund management to weather the market turbulence.

Increased competition from exchange traded funds (ETFs)

ETFs are investment vehicles that trade on exchanges like equity stocks while offering diversification and are more economic as they charge lesser fees as compared to actively managed funds. ETFs are passively managed investments. If actively managed funds are not generating desired returns, investors shift to passively managed ETFs which are lower in cost. Shift towards ETFs can lead to slower overall topline growth for AMCs, as they may see a decline in AUM in actively managed funds and a corresponding increase in AUM in ETFs. Hence increase in passive investing might lead to slower growth of AMCs,

Increased competition with new players entering the market

Notably, the industry will see a few more players going forward including Old Bridge Capital Management and Unifi Capital. Also, Jio Financial Services (JFS) joined hands with BlackRock to launch mutual fund business in India. The increased competition will drive fund managers to be more innovative and agile in their investment strategies, as they strive to attract and retain investors. 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.

Removal of indexation benefit on debt mutual funds

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. With effect from 1st April 2023, capital gains made on such 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.

High interest rates will continue to pose a challenge for debt mutual funds in India

Interest rate hikes affect both debt and equity markets. The Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) kept raised policy rates by 40 bps in May 2022. This was followed by 50 bps in June 2022, 50 bps in August 2022, 50 bps in September 2022, 35 bps in December 2022 and another hike of 25 bps in February 2023, thus bringing the repo rate to 6.5%. The Reserve Bank of India's (RBI) MPC in its February 2025 meeting unanimously voted to cut the policy rates by 25 basis points, a first since May 2020. However, high rates would continue to pose risks for mutual funds industry in India.

Low financial literacy keeps clogging the growth of Indian mutual fund industry

The mutual fund industry in India continues to face hindrances arising for the country wide lack of financial literacy. The deficiency of understanding about mutual fund products, schemes and investments impedes potential investors from making informed decisions, thereby restricting the flow of new capital into the sector. Limited channels of information about financial literacy hinder the mutual funds industry from capitalizing the wider populus. Development of newer distribution channels, education initiatives, regular interactions within the wider investor community in English and vernacular languages will play a critical role in building trust, retaining investors and increasing penetration of products.

Competition from other financial instruments such as direct equity investments and 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 their professional management, diversification, wide product choice and risk diversification continue to be competitive with other investment vehicles.

Developing Investor faith:

Despite the significant expansion of the mutual fund industry, many individuals remain uncertain about investment options. As of 2023, a mere 8% of India's population invests in mutual funds, a relatively low percentage compared to developed nations, where traditional investments like fixed deposits and gold are still preferred. 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. To address this, the mutual fund sector must focus on educating investors about the inner workings of mutual funds, their capacity for long-term growth, and the security of investing in funds managed by professionals.

Regulatory challenges

The Indian mutual fund industry operates within a regulatory framework that, while important, can sometimes impede progress. Alterations to tax laws, investment rules, and compliance standards can perplex investors and complicate the investment process. To foster ongoing investor trust, the industry must stay abreast of these regulatory changes while maintaining transparency.

Competition

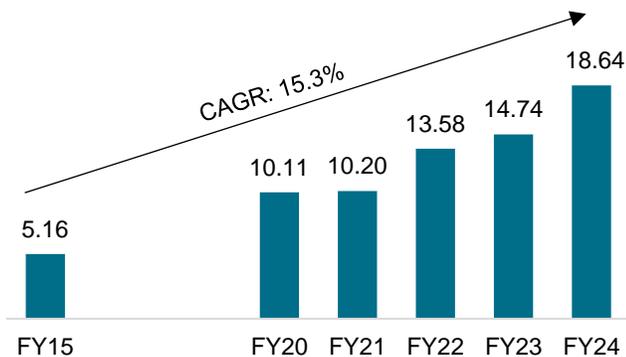
Online AI platforms and AI advisors are one of the challenges in the mutual fund industry. These services provide direct advice at lower costs than traditional distributors. For instance, robo-advisors offer low priced, automated investment advice. This shift creates tough competition for independent distributors. Banks and large firms, with their resources, can easily match these services. They use aggressive marketing and sophisticated technology to offer better prices. This might make it hard for independent distributors to compete with the big names.

Mutual fund distribution industry in India

Market size of Mutual fund distribution industry

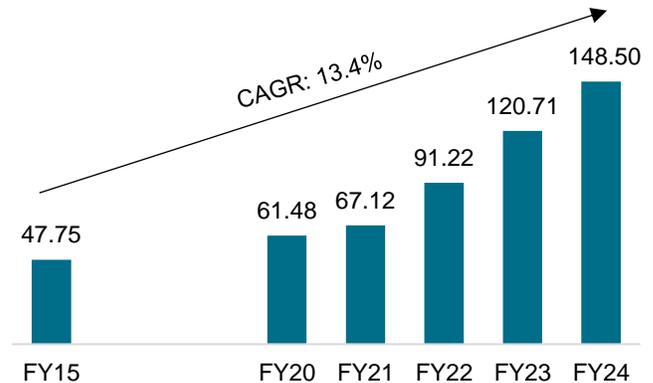
Distributors AAUM recorded a 15.3% CAGR over FY15-FY24

(Rs trillion)



Distributors Commission grew at 13.4% CAGR over FY15-FY24

(Rs billion)



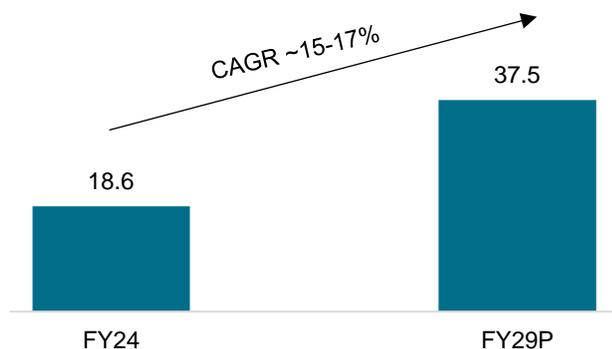
Source: AMFI, Crisil Intelligence

As per AMFI data, Mutual funds distributors average AUM witnessed a healthy growth of ~15.3% CAGR over fiscal 2015 to fiscal 2024 and reached Rs. 18.64 trillion in fiscal 2024. The gross commission paid to distributors increased to Rs 148.50 billion with a CAGR of 13.4% between fiscals 2015 and 2024. 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 2023 and 2024, 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

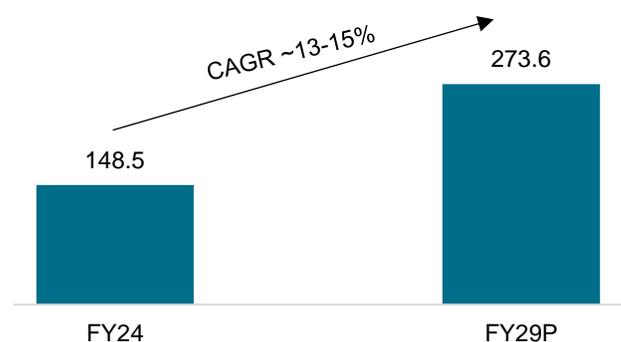
AUM growth outlook for MF distributors

(Rs trillion)



Commission revenue outlook for MF distributors

(Rs billion)



Note: P: Projected

Source: AMFI, Crisil Intelligence

Going forward, Crisil Intelligence expects distributor AUM to grow at an overall CAGR of 15-17% between Fiscal 2024 and Fiscal 2029 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 2024 and Fiscal 2029 to reach Rs. 273.6 billion.

Regulatory scenario in mutual funds and mutual fund distribution industries

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

The segregation of advisory and distribution activities is likely to impact the prospects of few fintech platforms, which provide advisory services to its clients through robo-advisory services or other curated products and also distribute ‘regular’ mutual fund products to earn revenue through commission fees. The revised SEBI regulations would force such platforms to choose between distribution and advisory, and either charge fees for advisory or act only as distributor platform.

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 updation
- Provide services related to report generation to the MF investors
- Provide financial transactions services to MF investors

The implementation of 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.

The Securities and Exchange Board of India (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.

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.

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:

- Lower minimum investment requirements, often as low as Rs 500 or Rs 1,000
- 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.

Other regulatory updates

Securities and Exchange Board of India (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 November 2022, SEBI introduced a similar credit rating based single issuer limit for actively managed mutual fund schemes to avoid any inconsistencies in investment by mutual funds in debt instruments of an issuer.
- In April 2023, SEBI made it compulsory for all AMCs to file all final offer documents only digitally to the dedicated email id, as part of its go green initiatives.
- In May 2023, SEBI issued a circular on mutual funds investment in the name of minor through legal guardian. As per the said circular, SEBI made it mandatory for all AMCs that all the redemption proceeds shall be credited only in the verified bank account of the minor (the account that the minor may hold with the parent/legal guardian after completing all KYC formalities, irrespective of the source of payment for subscription. In May 2023, SEBI also issued a consultation paper on review of total expense ratio charged by Asset Management Companies to help increase transparency to its unitholders.
- 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 Groww, 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 August 2023, Zerodha and Helios Capital received SEBI's nod for launching mutual fund business in India.
- In February 2024, SEBI released a consultation paper to seek comments from stakeholders on proposed ease of doing business initiatives for Mutual Funds. The paper aims to simplify and streamline the processes, reducing the regulatory burden and enhancing the overall efficiency of the mutual fund industry. The feedback sought from the industry and the stakeholders would be useful for SEBI to frame fresh policies, so as to simplify the processes of compliance and operational issues.
- In May 2024, SEBI has released a consultation paper to seek comments from stakeholders on proposals to facilitate investments by Indian Mutual Funds in overseas mutual funds or unit trusts that invest a portion of their assets in Indian securities. The paper aims to provide a framework for Indian Mutual Funds to invest in overseas funds, while ensuring that the investments are made in a transparent and regulated manner.
- 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 financial 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.
- SEBI has issued a circular for mutual funds in 2011 with respect to transaction charges charged by mutual fund distributors.

Wealth management

Overview

Depending on goals and constraints of clients, the wealth management industry provides professional investment advice, financial planning and management services that best suits their requirement. It also provides value-added services, such as investing in art and antiques, and helps clients in philanthropic activities. The wealth management industry has seen robust growth over a low base, because of fresh investments from household savings going into organised financial assets and increasing need for customisation, with clients typically asking advice for asset management, financial planning, tax planning, estate planning, and succession planning.

Type of wealth management services

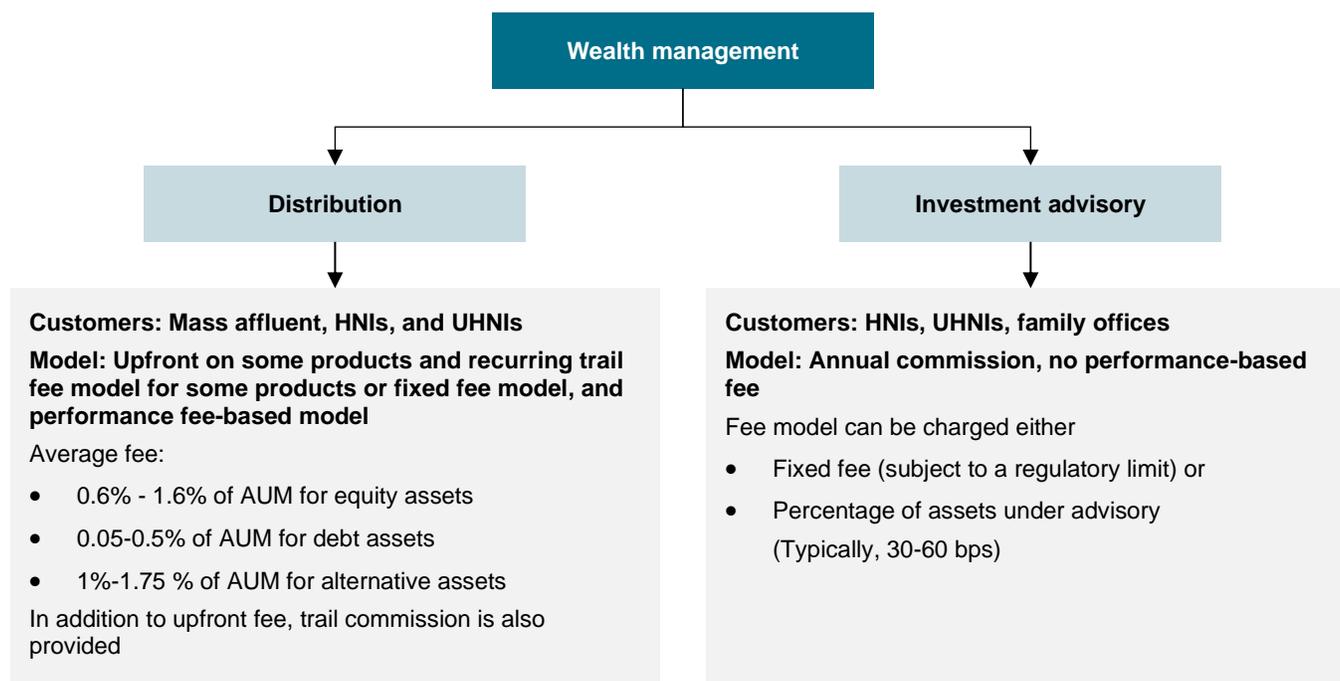
Advisory: In this type of service, investment decisions can be at the wealth management company's discretion or solely taken by the client. This is typically for HNIs and UHNIs. As the smaller investors are not accustomed to paying a fee for wealth management advice, the fee-based advisory model has not yet matured in India. Many wealth managers refrain from offering fee-based advisory services, instead focusing on commission from transactions.

Distribution: This type of service is primarily transaction-oriented, where the client assigns the wealth manager to execute specific transactions related to his/her wealth management. However, investment planning, decisions and further management remain vested with the client. This service is offered for products, such as mutual funds, ETFs, portfolio management services, alternative investment funds, tax-free bonds, and fixed deposits. These services are also offered by brokerage firms, apart from the wealth management firms.

Custody, servicing, and safekeeping of assets: A wealth manager is only entrusted with management, administration, and oversight of the process of investment. All investment planning, investment decisions, and execution are done by the client.

Family office: Family office services provide large businesses and families with customized solutions to manage their wealth better, and aid in succession planning. It offers services, such as tax planning and wealth management, philanthropy, will execution, and estate planning. Family offices charge fees based on the percentage of assets managed above the fixed amount of fees. Approximately 25-30 bps is the typical yield charged. Family offices is ideal if the portfolio is over ₹ 1 billion.

Revenue model in wealth management services



Source: Crisil Intelligence

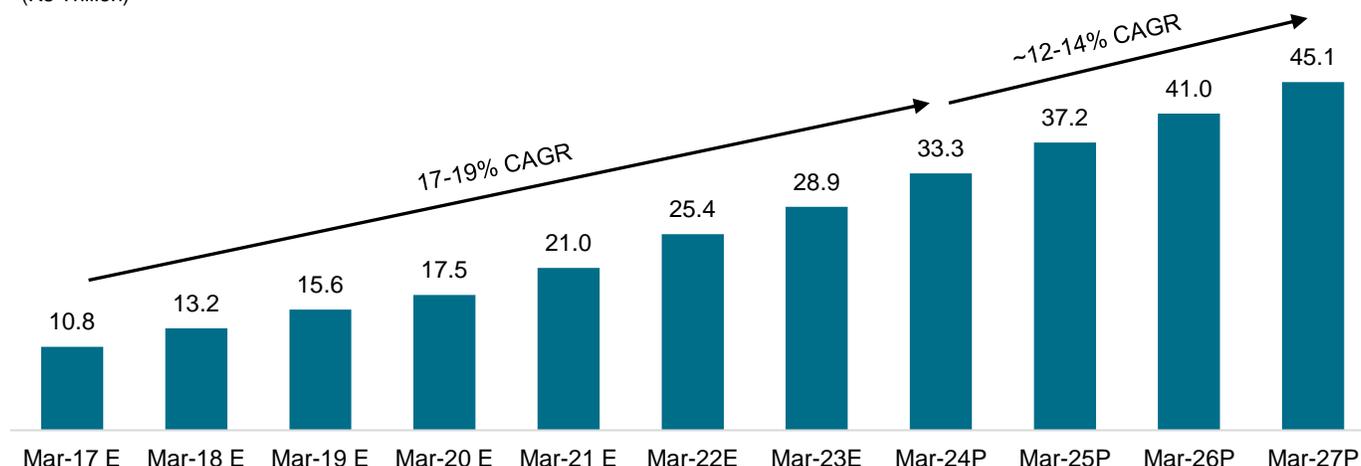
Industry outlook for wealth management in India

The wealth management industry in India is still at a very nascent stage. It has huge potential to become a high-growth market supported by a young affluent investor base, improving wealth levels, strengthening regulatory environment, and an increasing share of organised players, including banks, independent wealth advisors, and brokers, who act as financial advisors. The thrust on customisation, technology dependence, rising awareness, and thrust on financial assets as against physical assets are expected to create large opportunities for the wealth management industry in India. In terms of offerings, family office solutions and estate planning have been seeing increasing demand in recent years.

Crisil Intelligence estimates India's wealth management industry, including banks and broking companies offering such services, assets to be at around ₹ 33.3 trillion in Fiscal 2025. Crisil Intelligence projects the market to grow at a CAGR of 12-14% over March 2024 to March 2027 and cross ₹ 45.1 trillion by Fiscal 2027. This is expected to be supported by significant under penetration compared to other developed economies, increasing population of affluent clients, increase shift from physical assets to financial assets and increasing complexity of assets amid rising competition.

Wealth management industry AUM to grow at 12-14% CAGR over Fiscals 2024 to 2027

(Rs Trillion)



E: Estimated; P: Projected, Source: Crisil Intelligence

The net average fees earned by the advisory services is in the range of 30-50 bps of AUA, with the fees being on the higher side for mass affluent and HNI customers compared with UHNIs. Sometimes, these advisory fees are capped up to a fixed amount for HNIs and UHNIs customers. For distribution, the average fee is approximately 1-1.5% of the AUA for equity products with similar or marginally lower trail yields and 0.1-0.5% of AUA for debt products. For alternative assets, the average upfront distribution fee is 2-3% of AUA, with no trail commission. Firms have been trying to optimise their cost to income ratios through appropriate investments in talent acquisition, technology, and tools.

The AIF Industry has displayed a strong growth trajectory between Fiscal 2019 and September 2024

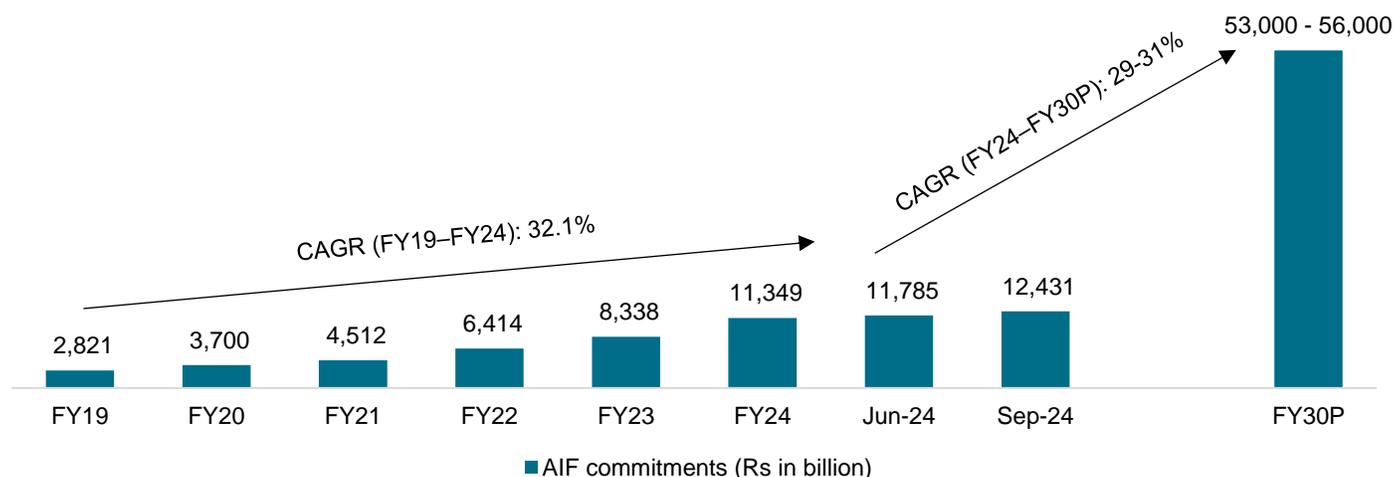
Over the past five years, AIF has become one of the key segments in private markets in India. AIF commitments have been growing at a steady pace seeing a 32% CAGR between March 2019 and March 2024, with a total commitment of Rs 11,349 billion as on March 31, 2024, and Rs 12,431 billion as on September 30, 2024. 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 diversify and generate better returns on their investments.

As of September 30, 2024, the AUM for alternative investments in India stood at Rs 12.4 trillion and is expected to grow at ~29-31% between March 2024 and March 2030 and reach ~Rs 53 - 56 trillion by March 2030.

Category II AIFs have been at the forefront in the AIF space, contributing to 79% of AIF commitments raised, 69% of the funds raised, and 64% of the investments made by the end of September 2024. This denotes their prominence and influence within the AIF market. Moreover, the registration of 195 new AIFs during fiscal 2024 further magnifies the growing interest and participation in this sector, bringing the total number of registered AIFs to 1,283 by the end of Fiscal 2024. This indicates a robust and expanding landscape for alternative investments in India.

Investments made refer to the amount invested by the AIFs. Investments made as a percentage of funds raised rose from 82% as of March 2017 to 90% as of September 2024. 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.

AIF commitments to grow at 29-31% in the long term



Source: SEBI, 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, 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.

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. 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 benefit beyond traditional asset classes and may generate higher returns due to their exposure to a wider range of assets and specialised investment strategies

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. 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

Supply surplus

Over the last few years, the start-up culture in India has been thriving. As per the government data, since the launch of startup India initiative in 2016 the total number of recognised start-ups in the country stands at over 146,000 entities as on September 15, 2024. The PE industry has shown strong growth over the last decade with new investors rushing to invest in start-ups in India. The dynamic nature of the underlying supply will also ensure there are enough exit options which will also boost investor confidence.

Financial deepening

Along with the advantage of demographics in the country, there is a flourishing financial ecosystem as well. Increasing credit penetration encourages growth in start-ups 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.

Increasing investment opportunities in cities beyond Tier 1

Tier 1 cities are usually the hub for majority of the VC and PE investments in India as they have well-developed infrastructure, stable and growing economy, better technology, and many other advantages. While AIFs have preferred Tier 1 cities for making investments, lately, they have started shifting their focus to cities beyond Tier 1 as the activity has increased considerably mainly due to rise in entrepreneurship and talent in these cities and towns.

Peer benchmarking

In this chapter, we have analysed the top 20 AMC's in India based on quarterly average AUM as of December 2024. SBI Mutual Fund is the largest player, followed by, ICICI Prudential Mutual Fund, HDFC Mutual Fund, Nippon India Mutual Fund, Kotak Mahindra Mutual Fund, Aditya Birla Sun Life Mutual Fund, UTI Mutual Fund, Axis Mutual Fund, Mirae Asset Mutual Fund, DSP Mutual Fund, Tata Mutual Fund, Bandhan Mutual Fund, Edelweiss Mutual Fund, HSBC Mutual Fund, Franklin Templeton Mutual Fund, Canara Robeco Mutual Fund, Invesco Mutual Fund, PPFAS Mutual Fund, Quant Mutual Fund, and Sundaram Mutual Fund. Canara Robeco Asset Management Company is the second oldest AMC in India, incorporated in March 1993, after SBI Mutual Fund.

Canara Robeco Mutual Fund has the fifth highest CAGR growth rate of 48.4% among top 20 AMC's between FY20-FY24

As of December 2024, SBI Mutual Fund has the largest average AUM of Rs. 11,140 bn followed by ICICI Prudential Mutual Fund with Average AUM of Rs. 8,740 bn. Canara Robeco has the 16th largest average AUM of Rs. 1,084 bn. Between fiscal 2020 and fiscal 2024, Canara Robeco has the fifth highest CAGR growth rate of 48.4%. Canara Robeco registered highest CAGR growth rate compared to top 10 AMC's

Average Asset under management and growth

AMCs	QAAUM (Bn.)						
	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Dec'24	CAGR (FY20-24)
SBI Mutual Fund	3,735	5,045	6,471	7,172	9,144	11,140	25.1%
ICICI Prudential Mutual Fund	3,507	4,054	4,682	4,996	6,831	8,740	18.1%
HDFC Mutual Fund	3,698	4,156	4,321	4,498	6,129	7,874	13.5%
Nippon India Mutual Fund	2,049	2,286	2,833	2,932	4,313	5,700	20.5%
Kotak Mahindra Mutual Fund	1,861	2,338	2,846	2,893	3,810	4,887	19.6%
Aditya Birla Sun Life Mutual Fund	2,475	2,693	2,958	2,752	3,317	3,839	7.6%
UTI Mutual Fund	1,515	1,829	2,238	2,388	2,909	3,524	17.7%
Axis Mutual Fund	1,384	1,965	2,598	2,414	2,743	3,261	18.6%
Mirae Asset Mutual Fund	432	696	1,009	1,163	1,617	1,943	39.1%
DSP Mutual Fund	804	973	1,078	1,147	1,480	1,927	16.5%
Tata Mutual Fund	531	621	867	984	1,472	1,879	29.0%
Bandhan Mutual Fund	1,039	1,221	1,210	1,169	1,372	1,685	7.2%
Edelweiss Mutual Fund	245	468	786	1,006	1,251	1,427	50.4%
HSBC Mutual Fund*	109	100	122	833	1,098	1,309	78.2%
Franklin Templeton Mutual Fund	1,163	826	629	631	879	1,126	-6.8%
Canara Robeco Mutual Fund	179	283	480	625	871	1,084	48.4%
Invesco Mutual Fund	257	368	439	464	743	1,083	30.4%
PPFAS Mutual Fund	31	87	231	337	643	958	112.8%
Quant Mutual Fund	2	7	65	188	589	967	292.4%

AMCs	QAAUM (Bn.)						
	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Dec'24	CAGR (FY20-24)
Sundaram Mutual Fund	314	321	431	446	567	687	15.9%
Top 20 AMCs	25,332	30,335	36,294	39,038	51,778	65,039	19.6%
Total AMC Industry	27,026	32,095	38,368	40,504	54,131	68,617	19.0%

Notes: Players are arranged in the descending order based on quarterly average AUM. * HSBC acquired L&T in FY'23 which spiked their AUM. Based on quarterly average AUM for the last quarter of the respective financial year.

Source: Company reports, AMFI, Crisil Intelligence

Market Share of AMCs as % of Overall QAAUM

AMCs	Market Share as % of Total QAAUM						
	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Dec'24	
SBI Mutual Fund	13.8%	15.7%	16.9%	17.7%	16.9%	16.2%	
ICICI Prudential Mutual Fund	13.0%	12.6%	12.2%	12.3%	12.6%	12.7%	
HDFC Mutual Fund	13.7%	12.9%	11.3%	11.1%	11.3%	11.5%	
Nippon India Mutual Fund	7.6%	7.1%	7.4%	7.2%	8.0%	8.3%	
Kotak Mahindra Mutual Fund	6.9%	7.3%	7.4%	7.1%	7.0%	7.1%	
Aditya Birla Sun Life Mutual Fund	9.2%	8.4%	7.7%	6.8%	6.1%	5.6%	
UTI Mutual Fund	5.6%	5.7%	5.8%	5.9%	5.4%	5.1%	
Axis Mutual Fund	5.1%	6.1%	6.8%	6.0%	5.1%	4.8%	
Mirae Asset Mutual Fund	1.6%	2.2%	2.6%	2.9%	3.0%	2.8%	
DSP Mutual Fund	3.0%	3.0%	2.8%	2.8%	2.7%	2.8%	
Tata Mutual Fund	2.0%	1.9%	2.3%	2.4%	2.7%	2.7%	
Bandhan Mutual Fund	3.8%	3.8%	3.2%	2.9%	2.5%	2.5%	
Edelweiss Mutual Fund	0.9%	1.5%	2.0%	2.5%	2.3%	2.1%	
HSBC Mutual Fund	0.4%	0.3%	0.3%	2.1%	2.0%	1.9%	
Franklin Templeton Mutual Fund	4.3%	2.6%	1.6%	1.6%	1.6%	1.6%	
Canara Robeco Mutual Fund	0.7%	0.9%	1.2%	1.5%	1.6%	1.6%	
Invesco Mutual Fund	0.9%	1.1%	1.1%	1.1%	1.4%	1.6%	
PPFAS Mutual Fund	0.1%	0.3%	0.6%	0.8%	1.2%	1.4%	
Quant Mutual Fund	0.0%	0.0%	0.2%	0.5%	1.1%	1.4%	
Sundaram Mutual Fund	1.2%	1.0%	1.1%	1.1%	1.0%	1.0%	
Top 20 AMCs	93.7%	94.5%	94.6%	96.4%	95.7%	94.8%	
Total AMC Industry	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Note: Players are arranged in the descending order based on quarterly average AUM. * HSBC acquired L&T in FY'23 which spiked their AUM. Based on quarterly average AUM for the last quarter of the respective financial year.

Source: Company reports, AMFI, Crisil Intelligence

Canara Robeco Mutual Fund has the second highest share of B30 AUM of 23.8% as of December 2024 as compared to top 20 AMCs and highest share of B30 AUM as compared to the top 10 AMCs

As of December 2024, Quant Mutual Fund has the highest share of B30 AUM of 29.6% (Rs. 286 bn) followed by Canara Robeco Mutual Fund with B30 AUM share of 23.8% (Rs. 261 bn).

Split of AUM (B30)

AMCs	B30 AAUM (Rs. Bn)					CAGR (FY21-FY24)
	FY21	FY22	FY23	FY24	9MFY25	
SBI Mutual Fund	1,119	1,331	1,464	2,012	2,547	21.6%
ICICI Prudential Mutual Fund	573	674	771	1,123	1,426	25.1%
HDFC Mutual Fund	611	686	792	1,190	1,538	24.8%
Nippon India Mutual Fund	413	478	557	862	1,181	27.8%
Kotak Mahindra Mutual Fund	210	265	306	443	618	28.3%
Aditya Birla Sun Life Mutual Fund	438	460	448	578	690	9.7%
UTI Mutual Fund	433	513	526	663	707	15.2%
Axis Mutual Fund	357	476	427	536	660	14.5%
Mirae Asset Mutual Fund	102	156	169	252	313	35.1%
DSP Mutual Fund	133	157	167	232	302	20.3%
Tata Mutual Fund	98	137	169	244	334	35.5%
Bandhan Mutual Fund	80	89	99	134	193	18.7%
Edelweiss Mutual Fund	26	38	43	64	93	34.4%
HSBC Mutual Fund	8	7	105	144	193	162.5%
Franklin Templeton Mutual Fund	131	119	125	179	234	11.0%
Canara Robeco Mutual Fund	75	114	134	202	261	39.4%
Invesco Mutual Fund	50	57	61	86	125	19.8%
PPFAS Mutual Fund	15	47	73	146	228	112.1%
Quant Mutual Fund	2	15	49	177	286	333.7%
Sundaram Mutual Fund	83	82	80	112	141	10.8%
Top 20	4,957	5,902	6,563	9,380	12,071	34.5%

Notes: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM for the last month of the respective financial year

Source: Company reports, AMFI, Crisil Intelligence

Share of B30 AAUM in Overall AAUM (%)

AMC	Share of B30 AAUM in Overall AAUM (%)				
	FY21	FY22	FY23	FY24	9MFY25
SBI Mutual Fund	22.1%	20.8%	20.8%	21.6%	22.8%
ICICI Prudential Mutual Fund	14.1%	14.5%	15.6%	16.1%	16.1%

AMC	Share of B30 AAUM in Overall AAUM (%)				
	FY21	FY22	FY23	FY24	9MFY25
HDFC Mutual Fund	14.9%	16.5%	17.8%	19.1%	19.3%
Nippon India Mutual Fund	17.9%	17.2%	19.0%	19.5%	20.4%
Kotak Mahindra Mutual Fund	9.0%	9.5%	10.6%	11.4%	12.5%
Aditya Birla Sun Life Mutual Fund	16.1%	15.9%	16.8%	17.5%	18.0%
UTI Mutual Fund	23.4%	23.2%	22.4%	22.6%	20.0%
Axis Mutual Fund	18.1%	18.6%	18.0%	19.3%	20.1%
Mirae Asset Mutual Fund	14.2%	15.7%	14.7%	15.5%	15.9%
DSP Mutual Fund	13.7%	14.8%	15.0%	15.8%	15.5%
Tata Mutual Fund	15.9%	15.8%	17.1%	16.6%	17.6%
Bandhan Mutual Fund	6.6%	7.5%	8.6%	9.6%	11.3%
Edelweiss Mutual Fund	5.4%	4.8%	4.2%	5.0%	6.5%
HSBC Mutual Fund	7.8%	6.0%	12.7%	13.2%	14.6%
Franklin Templeton Mutual Fund	16.6%	19.6%	20.1%	20.1%	20.4%
Canara Robeco Mutual Fund	25.2%	23.8%	21.6%	22.9%	23.8%
Invesco Mutual Fund	13.3%	13.2%	13.4%	11.1%	11.4%
PPFAS Mutual Fund	16.4%	20.1%	20.9%	21.7%	23.0%
Quant Mutual Fund	26.8%	21.9%	25.0%	27.4%	29.6%
Sundaram Mutual Fund	26.0%	19.5%	18.2%	19.6%	20.3%

Notes: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM for the last month of the respective financial year.

Source: Company reports, AMFI, Crisil Intelligence

Canara Robeco Mutual Fund has the third highest share (75.4%) of AUM through Regular plan after Franklin Templeton Mutual Fund and Sundaram Mutual Fund, as of December 2024

As of 9MFY25, Franklin Templeton Mutual Fund has the highest share of AUM (80.2%) through regular plan followed by Sundaram Mutual Fund (78.5%) and Canara Robeco Mutual Fund with 75.4% share.

Split of Direct & Regular Plans (Dec'24)

AMCs	Dec'24			
	Direct Plan	Regular Plan	Direct Plan (Share %)	Regular Plan (Share %)
SBI Mutual Fund	6,313	4,833	56.6%	43.4%
ICICI Prudential Mutual Fund	4,181	4,648	47.4%	52.6%
HDFC Mutual Fund	3,331	4,641	41.8%	58.2%
Nippon India Mutual Fund	3,146	2,630	54.5%	45.5%
Kotak Mahindra Mutual Fund	2,394	2,564	48.3%	51.7%
Aditya Birla Sun Life Mutual Fund	1,932	1,898	50.4%	49.6%

AMCs	Dec'24			
	Direct Plan	Regular Plan	Direct Plan (Share %)	Regular Plan (Share %)
UTI Mutual Fund	989	2,556	27.9%	72.1%
Axis Mutual Fund	1,551	1,741	47.1%	52.9%
Mirae Asset Mutual Fund	740	1,227	37.6%	62.4%
DSP Mutual Fund	801	1,148	41.1%	58.9%
Tata Mutual Fund	949	955	49.8%	50.2%
Bandhan Mutual Fund	905	813	52.7%	47.3%
Edelweiss Mutual Fund	366	1,069	25.5%	74.5%
HSBC Mutual Fund	514	807	38.9%	61.1%
Franklin Templeton Mutual Fund	227	917	19.8%	80.2%
Canara Robeco Mutual Fund	270	828	24.6%	75.4%
Invesco Mutual Fund	526	569	48.0%	52.0%
PPFAS Mutual Fund	647	343	65.3%	34.7%
Quant Mutual Fund	537	429	55.6%	44.4%
Sundaram Mutual Fund	149	545	21.5%	78.5%

Note: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM, Regular plan include AUM through associate / non associate at Mar'24 and Dec'24.

Source: Company reports, AMFI, Crisil Intelligence

Split of Direct & Regular Plans (Mar'24)

AMCs	Mar'24			
	Direct Plan	Regular Plan	Direct Plan (Share %)	Regular Plan (Share %)
SBI Mutual Fund	5,362	3,936	57.7%	42.3%
ICICI Prudential Mutual Fund	3,122	3,843	44.8%	55.2%
HDFC Mutual Fund	2,464	3,774	39.5%	60.5%
Nippon India Mutual Fund	2,386	2,034	54.0%	46.0%
Kotak Mahindra Mutual Fund	1,830	2,045	47.2%	52.8%
Aditya Birla Sun Life Mutual Fund	1,583	1,721	47.9%	52.1%
UTI Mutual Fund	779	2,151	26.6%	73.4%
Axis Mutual Fund	1,241	1,532	44.8%	55.2%
Mirae Asset Mutual Fund	589	1,039	36.2%	63.8%
DSP Mutual Fund	563	904	38.4%	61.6%
Tata Mutual Fund	719	756	48.7%	51.3%
Bandhan Mutual Fund	735	663	52.6%	47.4%
Edelweiss Mutual Fund	320	953	25.2%	74.8%
HSBC Mutual Fund	451	643	41.2%	58.8%
Franklin Templeton Mutual Fund	180	712	20.2%	79.8%

AMCs	Mar'24			
	Direct Plan	Regular Plan	Direct Plan (Share %)	Regular Plan (Share %)
Canara Robeco Mutual Fund	209	672	23.8%	76.2%
Invesco Mutual Fund	357	414	46.3%	53.7%
PPFAS Mutual Fund	429	245	63.6%	36.4%
Quant Mutual Fund	347	301	53.5%	46.5%
Sundaram Mutual Fund	117	456	20.4%	79.6%

Note: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM, Regular plan include AUM through associate / non associate at Mar24 and Dec24.

Source: Company reports, AMFI, Crisil Intelligence

As on December 2024, Canara Robeco Mutual Fund has the third highest share (93.3%) of equity (including equity-oriented hybrid Funds) AUM after Quant Mutual fund and PPFAS Mutual Fund

As on December 2024, Canara Robeco Mutual Fund has the third highest share (93.3%) of equity-oriented AUM after Quant Mutual fund and PPFAS Mutual Fund with equity-oriented share of 94.5% and 93.8% respectively. The higher share of equity-oriented AUM aids in the margins for the AMCs. As compared to the Top 10 AMCs, Canara Robeco Mutual Fund has the highest share of equity-oriented AUM.

Category-wise share mix and share of peers (Dec'24)

AMCs	Dec'24 (Rs. Bn)				Dec'24 (Share %)			
	Equity	Debt	Liquid/ Money Market	ETFs	Equity	Debt	Liquid/ Money Market	ETFs
SBI Mutual Fund	5,269	1,361	1,164	3,352	47.3%	12.2%	10.4%	30.1%
ICICI Prudential Mutual Fund	5,470	1,591	925	843	62.0%	18.0%	10.5%	9.5%
HDFC Mutual Fund	5,400	1,297	1,116	157	67.7%	16.3%	14.0%	2.0%
Nippon India Mutual Fund	2,971	873	416	1,516	51.4%	15.1%	7.2%	26.2%
Kotak Mahindra Mutual Fund	3,062	996	728	172	61.8%	20.1%	14.7%	3.5%
Aditya Birla Sun Life Mutual Fund	1,797	1,153	803	77	46.9%	30.1%	21.0%	2.0%
UTI Mutual Fund	1,556	361	499	1,128	43.9%	10.2%	14.1%	31.8%
Axis Mutual Fund	2,114	523	616	39	64.2%	15.9%	18.7%	1.2%
Mirae Asset Mutual Fund	1,619	51	167	130	82.3%	2.6%	8.5%	6.6%
DSP Mutual Fund	1,314	291	286	57	67.4%	15.0%	14.7%	2.9%
Tata Mutual Fund	1,180	158	553	13	62.0%	8.3%	29.1%	0.7%
Bandhan Mutual Fund	727	813	178	0	42.3%	47.3%	10.4%	0.0%
Edelweiss Mutual Fund	576	192	80	587	40.2%	13.4%	5.6%	40.9%
HSBC Mutual Fund	865	214	242	0	65.5%	16.2%	18.3%	0.0%
Franklin Templeton Mutual Fund	1,023	67	54	0	89.4%	5.8%	4.7%	0.0%
Canara Robeco Mutual Fund	1,024	36	38	0	93.3%	3.2%	3.5%	0.0%

AMCs	Dec'24 (Rs. Bn)				Dec'24 (Share %)			
	Equity	Debt	Liquid/ Money Market	ETFs	Equity	Debt	Liquid/ Money Market	ETFs
Invesco Mutual Fund	782	120	191	3	71.4%	11.0%	17.4%	0.2%
PPFAS Mutual Fund	928	38	23	0	93.8%	3.8%	2.3%	0.0%
Quant Mutual Fund	913	33	20	0	94.5%	3.4%	2.0%	0.0%
Sundaram Mutual Fund	574	46	74	0	82.6%	6.7%	10.7%	0.0%

Note: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM. Equity includes equity-oriented schemes and balanced schemes; Debt includes debt-oriented schemes - Gilt, FMP, debt (assured return), infrastructure debt funds, other debt funds and funds of funds investing overseas, ETFs includes gold ETF and other ETFs

Source: Company reports, AMFI, Crisil Intelligence

Category-wise share mix and share of peers (Mar'24)

AMCs	Mar'24 (Rs. Bn)				Mar'24 (Share %)			
	Equity	Debt	Liquid/ Money Market	ETFs	Equity	Debt	Liquid/ Money Market	ETFs
SBI Mutual Fund	4,065	1,212	1,052	2,968	43.7%	13.0%	11.3%	31.9%
ICICI Prudential Mutual Fund	4,185	1,470	725	585	60.1%	21.1%	10.4%	8.4%
HDFC Mutual Fund	4,095	1,153	877	113	65.7%	18.5%	14.1%	1.8%
Nippon India Mutual Fund	2,165	681	403	1,171	49.0%	15.4%	9.1%	26.5%
Kotak Mahindra Mutual Fund	2,293	865	587	129	59.2%	22.3%	15.2%	3.3%
Aditya Birla Sun Life Mutual Fund	1,533	1,039	667	66	46.4%	31.4%	20.2%	2.0%
UTI Mutual Fund	1,247	329	426	929	42.5%	11.2%	14.5%	31.7%
Axis Mutual Fund	1,779	470	489	36	64.2%	16.9%	17.6%	1.3%
Mirae Asset Mutual Fund	1,397	38	118	74	85.8%	2.4%	7.3%	4.6%
DSP Mutual Fund	999	246	196	26	68.1%	16.8%	13.3%	1.7%
Tata Mutual Fund	901	117	449	8	61.1%	7.9%	30.5%	0.5%
Bandhan Mutual Fund	499	730	169	0	35.7%	52.2%	12.1%	0.0%
Edelweiss Mutual Fund	392	209	67	605	30.8%	16.4%	5.3%	47.5%
HSBC Mutual Fund	655	211	227	0	59.9%	19.3%	20.8%	0.0%
Franklin Templeton Mutual Fund	790	61	41	0	88.6%	6.9%	4.6%	0.0%
Canara Robeco Mutual Fund	812	37	33	0	92.1%	4.1%	3.7%	0.0%
Invesco Mutual Fund	557	71	142	2	72.2%	9.2%	18.4%	0.2%
PPFAS Mutual Fund	633	21	20	0	93.8%	3.2%	3.0%	0.0%
Quant Mutual Fund	608	18	22	0	93.8%	2.8%	3.3%	0.0%
Sundaram Mutual Fund	475	39	59	0	82.8%	6.9%	10.3%	0.0%

Note: Players are arranged in the descending order based on quarterly average AUM. Based on monthly average AUM. Equity includes equity-oriented schemes and balanced schemes; Debt includes debt-oriented schemes - Gilt, FMP, debt (assured return), infrastructure debt funds, other debt funds and fund of funds investing overseas, ETFs includes gold ETF and other ETFs

Source: Company reports, AMFI, Crisil Intelligence

As on December 2024, Canara Robeco Mutual Fund has the third highest share (50.5%) of retail AUM after Quant Mutual Fund and Franklin Templeton Mutual Fund

As on December 2024, Canara Robeco Mutual Fund has the third highest share (50.5%) of retail AUM after Quant Mutual Fund with retail AUM share of 53.1% and Franklin Templeton Mutual Fund with retail AUM share of 50.9%.

As of December 2024, Canara Robeco Mutual Fund has highest share of retail AUM compared to top 10 AMC's (basis AUM). This shows AMC's constant focus on catering to the retail segment and creating granular customer base.

Investor category and retail AUM % (Dec'24)

AMCs	Dec'24 (Rs. Bn)					Share of Retail AUM (%)
	Banks/FIs	Corporates	FIs/FPs	High Net Worth Individuals	Retail Investor	
SBI Mutual Fund	276.3	5,482.2	4.3	3,319.9	2,063.4	18.5%
ICICI Prudential Mutual Fund	149.3	3,221.2	7.2	3,640.5	1,810.4	20.5%
HDFC Mutual Fund	116.8	2,247.2	8.2	3,354.9	2,244.5	28.2%
Nippon India Mutual Fund	95.9	2,208.1	4.9	1,692.3	1,775.1	30.7%
Kotak Mahindra Mutual Fund	123.1	1,931.2	4.1	1,976.2	924.0	18.6%
Aditya Birla Sun Life Mutual Fund	141.4	1,708.9	6.8	967.5	1,005.8	26.3%
UTI Mutual Fund	78.8	1,871.0	0.0	610.7	983.9	27.8%
Axis Mutual Fund	87.1	1,037.2	0.4	914.4	1,252.2	38.0%
Mirae Asset Mutual Fund	29.8	390.6	5.5	652.5	887.9	45.2%
DSP Mutual Fund	36.2	560.0	0.8	667.7	684.3	35.1%
Tata Mutual Fund	62.9	762.5	0.0	546.4	532.6	28.0%
Bandhan Mutual Fund	38.1	760.8	0.0	609.9	309.5	18.0%
Edelweiss Mutual Fund	20.5	783.7	0.0	462.2	168.7	11.8%
HSBC Mutual Fund	32.2	394.2	0.0	433.7	460.7	34.9%
Franklin Templeton Mutual Fund	7.7	107.0	0.0	447.6	582.0	50.9%
Canara Robeco Mutual Fund	14.0	108.5	0.0	420.5	554.9	50.5%
Invesco Mutual Fund	30.0	433.6	0.0	366.6	265.7	24.2%
PPFAS Mutual Fund	0.2	88.1	0.0	425.4	475.8	48.1%
Quant Mutual Fund	0.0	68.8	0.0	384.9	512.6	53.1%
Sundaram Mutual Fund	13.8	127.3	1.2	247.6	304.1	43.8%

Note: Players are arranged in the descending order based on quarterly average AUM.

Source: Company reports, AMFI, Crisil Intelligence

Investor category and retail AUM % (Mar'24)

AMCs	Mar'24 (Rs. Bn)					Share of Retail AUM (%)
	Banks/FIs	Corporates	FIs/FPs	High Net Worth Individuals	Retail Investor	
SBI Mutual Fund	206.9	4,794.5	0.3	2,711.4	1,584.5	17.0%
ICICI Prudential Mutual Fund	66.6	2,508.9	4.3	2,928.9	1,456.8	20.9%
HDFC Mutual Fund	46.4	1,759.9	17.0	2,644.2	1,770.7	28.4%
Nippon India Mutual Fund	63.5	1,770.9	7.7	1,243.0	1,334.9	30.2%
Kotak Mahindra Mutual Fund	43.2	1,558.7	3.8	1,572.6	696.1	18.0%
Aditya Birla Sun Life Mutual Fund	96.7	1,469.4	5.7	869.4	863.0	26.1%
UTI Mutual Fund	49.8	1,557.7	0.0	429.7	892.8	30.5%
Axis Mutual Fund	84.0	823.3	0.0	816.3	1,049.2	37.8%
Mirae Asset Mutual Fund	26.1	283.1	0.7	575.5	742.8	45.6%
DSP Mutual Fund	24.0	402.4	0.1	495.8	545.0	37.1%
Tata Mutual Fund	35.4	613.3	0.0	432.7	393.3	26.7%
Bandhan Mutual Fund	25.6	641.6	0.0	495.1	236.1	16.9%
Edelweiss Mutual Fund	15.4	788.2	0.0	359.4	110.7	8.7%
HSBC Mutual Fund	22.8	368.5	0.0	343.0	359.4	32.9%
Franklin Templeton Mutual Fund	5.0	81.3	0.0	329.7	475.7	53.3%
Canara Robeco Mutual Fund	8.9	87.7	0.0	354.3	429.9	48.8%
Invesco Mutual Fund	20.8	302.7	0.0	254.2	193.6	25.1%
PPFAS Mutual Fund	0.0	61.3	0.0	293.8	319.5	47.4%
Quant Mutual Fund	0.0	46.8	0.0	278.1	322.9	49.9%
Sundaram Mutual Fund	15.3	95.6	0.8	204.5	257.2	44.9%

Note: Players are arranged in the descending order based on quarterly average AUM.

Source: Company reports, AMFI, Crisil Intelligence

Cost to income ratio (FY21, FY22, FY23 and FY24)

AMC	Total Cost to Income Ratio			
	FY21	FY22	FY23	FY24
SBI Mutual Fund	29.6%	28.5%	26.5%	21.9%
ICICI Prudential Mutual Fund	25.8%	26.8%	29.3%	28.3%
HDFC Mutual Fund	20.6%	23.8%	24.7%	21.6%
Nippon India Mutual Fund	36.4%	33.8%	35.9%	31.0%
Kotak Mahindra Mutual Fund	33.7%	39.3%	38.0%	32.6%
Aditya Birla Sun Life Mutual Fund	41.8%	36.0%	40.8%	38.0%
UTI Mutual Fund	51.4%	50.4%	49.7%	42.9%
Axis Mutual Fund	50.7%	43.2%	43.6%	44.0%
Mirae Asset Mutual Fund*	36.3%	38.0%	35.2%	NA

AMC	Total Cost to Income Ratio			
	FY21	FY22	FY23	FY24
DSP Mutual Fund	43.6%	41.8%	44.6%	51.1%
Tata Mutual Fund	59.5%	60.2%	61.2%	52.7%
Bandhan Mutual Fund	48.5%	44.7%	68.6%	61.6%
Edelweiss Mutual Fund	96.0%	87.9%	91.8%	85.2%
HSBC Mutual Fund	75.4%	66.7%	82.6%	53.6%
Franklin Templeton Mutual Fund#	60.3%	49.8%	49.0%	35.7%
Canara Robeco Mutual Fund	59.5%	50.5%	47.7%	38.8%
Invesco Mutual Fund	86.9%	76.0%	77.1%	66.3%
PPFAS Mutual Fund	60.6%	38.1%	29.5%	33.4%
Quant Mutual Fund	73.3%	41.3%	38.7%	18.3%
Sundaram Mutual Fund	68.2%	59.7%	67.7%	62.2%

Note: Players are arranged in the descending order Based on quarterly average AUM * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Cost to Income= Total Expense / Total Income

Source: Company reports, AMFI, Crisil Intelligence

Employee cost as % of total revenue (FY21, FY22, FY23 and FY24)

AMC	Employee Cost as a % of Total Revenue				
	FY21	FY22	FY23	FY24	Change (FY21-FY24)
SBI Mutual Fund	14.8%	14.5%	13.5%	10.8%	4.1%
ICICI Prudential Mutual Fund	12.1%	12.6%	14.1%	13.9%	-1.8%
HDFC Mutual Fund	10.3%	12.8%	12.6%	11.2%	-0.9%
Nippon India Mutual Fund	18.8%	18.8%	19.2%	16.0%	2.7%
Kotak Mahindra Mutual Fund	18.1%	22.6%	19.2%	15.9%	2.2%
Aditya Birla Sun Life Mutual Fund	19.1%	17.6%	19.7%	19.0%	0.1%
UTI Mutual Fund	36.3%	34.2%	32.5%	27.5%	8.9%
Axis Mutual Fund	24.2%	20.0%	19.0%	21.7%	2.5%
Mirae Asset Mutual Fund*	27.1%	27.9%	23.4%	NA	NA
DSP Mutual Fund	25.1%	23.6%	24.4%	35.3%	-10.3%
Tata Mutual Fund	34.3%	36.7%	33.9%	28.4%	5.9%
Bandhan Mutual Fund	25.0%	24.5%	36.7%	29.6%	-4.7%
Edelweiss Mutual Fund	50.8%	45.7%	33.7%	38.5%	12.3%
HSBC Mutual Fund	48.8%	38.1%	38.9%	25.6%	23.2%
Franklin Templeton Mutual Fund#	28.2%	25.2%	24.5%	19.1%	9.1%
Canara Robeco Mutual Fund	38.9%	31.1%	29.1%	23.8%	15.1%
Invesco Mutual Fund	50.2%	46.7%	46.3%	39.5%	10.7%
PPFAS Mutual Fund	35.2%	23.1%	18.9%	23.3%	11.9%
Quant Mutual Fund	28.8%	11.8%	7.5%	5.5%	23.2%

AMC	Employee Cost as a % of Total Revenue				
	FY21	FY22	FY23	FY24	Change (FY21-FY24)
Sundaram Mutual Fund	29.7%	26.2%	26.9%	27.3%	2.4%

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Formula = (Employee expense) / Total revenue

Source: Company reports, AMFI, Crisil Intelligence

Revenue from operation as % of AAAUM (FY21, FY22, FY23 and FY24)

AMC	Revenue from operations as % of AAAUM			
	FY21	FY22	FY23	FY24
SBI Mutual Fund	0.37%	0.33%	0.33%	0.39%
ICICI Prudential Mutual Fund	0.61%	0.59%	0.59%	0.62%
HDFC Mutual Fund	0.48%	0.49%	0.50%	0.48%
Nippon India Mutual Fund	0.48%	0.45%	0.44%	0.41%
Kotak Mahindra Mutual Fund	0.32%	0.30%	0.31%	0.33%
Aditya Birla Sun Life Mutual Fund	0.43%	0.43%	0.43%	0.43%
UTI Mutual Fund	0.59%	0.50%	0.47%	0.50%
Axis Mutual Fund	0.39%	0.39%	0.42%	0.48%
Mirae Asset Mutual Fund*	0.38%	0.42%	0.43%	NA
DSP Mutual Fund	0.54%	0.59%	0.58%	0.62%
Tata Mutual Fund	0.50%	0.44%	0.40%	0.42%
Bandhan Mutual Fund	0.30%	0.32%	0.31%	0.30%
Edelweiss Mutual Fund	0.32%	0.25%	0.24%	0.22%
HSBC Mutual Fund	0.99%	1.00%	0.45%	0.51%
Franklin Templeton Mutual Fund#	0.67%	0.82%	0.71%	0.70%
Canara Robeco Mutual Fund	0.50%	0.40%	0.36%	0.41%
Invesco Mutual Fund	0.50%	0.44%	0.44%	0.39%
PPFAS Mutual Fund	0.54%	0.50%	0.49%	0.40%
Quant Mutual Fund	0.45%	0.42%	0.40%	0.33%
Sundaram Mutual Fund	0.65%	0.61%	0.56%	0.55%

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Formula = Total Revenue from operations / Average Annual AUM

Source: Company reports, AMFI, Crisil Intelligence

Total cost as % of AAAUM (FY21, FY22, FY23 and FY24)

AMC	Total Cost as % of AAAUM			
	FY21	FY22	FY23	FY24
SBI Mutual Fund	0.11%	0.10%	0.09%	0.09%
ICICI Prudential Mutual Fund	0.16%	0.16%	0.17%	0.18%
HDFC Mutual Fund	0.12%	0.13%	0.14%	0.13%

AMC	Total Cost as % of AAAUM			
	FY21	FY22	FY23	FY24
Nippon India Mutual Fund	0.23%	0.18%	0.18%	0.16%
Kotak Mahindra Mutual Fund	0.11%	0.12%	0.12%	0.11%
Aditya Birla Sun Life Mutual Fund	0.20%	0.17%	0.19%	0.20%
UTI Mutual Fund	0.30%	0.25%	0.23%	0.21%
Axis Mutual Fund	0.20%	0.17%	0.18%	0.21%
Mirae Asset Mutual Fund*	0.14%	0.16%	0.15%	NA
DSP Mutual Fund	0.30%	0.25%	0.26%	0.32%
Tata Mutual Fund	0.30%	0.26%	0.25%	0.22%
Bandhan Mutual Fund	0.16%	0.15%	0.22%	0.23%
Edelweiss Mutual Fund	0.32%	0.22%	0.22%	0.19%
HSBC Mutual Fund	0.80%	0.70%	0.37%	0.28%
Franklin Templeton Mutual Fund#	0.45%	0.44%	0.43%	0.32%
Canara Robeco Mutual Fund	0.32%	0.20%	0.17%	0.16%
Invesco Mutual Fund	0.44%	0.35%	0.35%	0.29%
PPFAS Mutual Fund	0.33%	0.19%	0.14%	0.14%
Quant Mutual Fund	0.99%	0.21%	0.17%	0.06%
Sundaram Mutual Fund	0.50%	0.40%	0.43%	0.38%

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Formula = Total Expense / Average Annual AUM

Source: Company reports, AMFI, Crisil Intelligence

Total profit as % of AAAUM (FY21, FY22, FY23 and FY24)

AMC	Profit as % AAAUM				PAT CAGR (FY21-FY24)
	FY21	FY22	FY23	FY24	
SBI Mutual Fund	0.20%	0.18%	0.19%	0.25%	33.7%
ICICI Prudential Mutual Fund	0.34%	0.32%	0.31%	0.34%	18.1%
HDFC Mutual Fund	0.35%	0.32%	0.33%	0.36%	13.6%
Nippon India Mutual Fund	0.32%	0.27%	0.25%	0.28%	17.3%
Kotak Mahindra Mutual Fund	0.16%	0.14%	0.15%	0.17%	22.2%
Aditya Birla Sun Life Mutual Fund	0.21%	0.23%	0.21%	0.25%	14.5%
UTI Mutual Fund	0.22%	0.20%	0.18%	0.22%	19.5%
Axis Mutual Fund	0.15%	0.17%	0.17%	0.21%	31.8%
Mirae Asset Mutual Fund*	0.18%	0.20%	0.21%	NA	NA
DSP Mutual Fund	0.30%	0.26%	0.25%	0.23%	6.2%
Tata Mutual Fund	0.15%	0.13%	0.12%	0.15%	32.0%
Bandhan Mutual Fund	0.12%	0.14%	0.07%	0.11%	-0.3%
Edelweiss Mutual Fund	0.01%	0.03%	0.02%	0.03%	99.4%
HSBC Mutual Fund	0.26%	0.25%	0.03%	0.19%	100.4%

AMC	Profit as % AAAUM				PAT CAGR (FY21-FY24)
	FY21	FY22	FY23	FY24	
Franklin Templeton Mutual Fund#	0.22%	0.33%	0.33%	0.47%	40.8%
Canara Robeco Mutual Fund	0.16%	0.15%	0.14%	0.20%	60.8%
Invesco Mutual Fund	0.06%	0.11%	0.10%	0.15%	72.0%
PPFAS Mutual Fund	0.15%	0.22%	0.26%	0.20%	123.6%
Quant Mutual Fund	0.29%	0.22%	0.19%	0.22%	307.9%
Sundaram Mutual Fund	0.19%	0.22%	0.19%	0.18%	18.1%

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Formula = (Total profit for the year) / Average Annual AUM
 Source: Company reports, AMFI, Crisil Intelligence

As of March 2024, Canara Robeco Mutual Fund has fifth highest return of equity (38.6%) as compared to top 20 AMCs whereas it has the second highest return on equity as compared to top 10 AMCs (basis AUM).

Return on Equity (FY21, FY22, FY23 and FY24)

AMC	Return of Equity			
	FY21	FY22	FY23	FY24
SBI Mutual Fund	38.3%	34.8%	31.9%	35.8%
ICICI Prudential Mutual Fund	80.3%	76.9%	70.0%	78.9%
HDFC Mutual Fund	30.1%	27.0%	24.5%	29.5%
Nippon India Mutual Fund	23.3%	22.2%	21.1%	29.0%
Kotak Mahindra Mutual Fund	35.2%	30.4%	27.1%	29.3%
Aditya Birla Sun Life Mutual Fund	33.6%	33.7%	25.1%	27.3%
UTI Mutual Fund	12.8%	13.8%	13.0%	17.1%
Axis Mutual Fund	43.1%	45.4%	33.2%	31.2%
Mirae Asset Mutual Fund*	70.9%	53.0%	43.3%	NA
DSP Mutual Fund	19.1%	27.1%	37.3%	29.8%
Tata Mutual Fund	28.6%	28.3%	26.2%	37.3%
Bandhan Mutual Fund	42.6%	58.9%	41.8%	51.3%
Edelweiss Mutual Fund	3.0%	11.8%	9.3%	17.2%
HSBC Mutual Fund	14.4%	14.7%	0.7%	5.2%
Franklin Templeton Mutual Fund#	11.7%	13.6%	12.9%	21.2%
Canara Robeco Mutual Fund	17.0%	23.9%	26.3%	38.6%
Invesco Mutual Fund	19.2%	37.0%	26.1%	38.1%
PPFAS Mutual Fund	12.9%	41.5%	51.5%	44.2%
Quant Mutual Fund	2.2%	14.3%	32.9%	62.1%
Sundaram Mutual Fund	23.7%	25.8%	20.9%	22.2%

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years. Formula = (Total profit for the year) / Average Total Equity
 Source: Company reports, AMFI, Crisil Intelligence

Net worth (FY21, FY22, FY23 and FY24)

AMC	Net worth (Rs bn)			
	Mar'21	Mar'22	Mar'23	Mar'24
SBI Mutual Fund	25.7	35.7	47.7	67.6
ICICI Prudential Mutual Fund	17.6	20.2	23.1	28.8
HDFC Mutual Fund	47.8	55.3	61.1	70.8
Nippon India Mutual Fund	30.3	33.7	34.1	38.2
Kotak Mahindra Mutual Fund	10.9	14.1	17.7	22.5
Aditya Birla Sun Life Mutual Fund	17.2	22.0	25.1	31.5
UTI Mutual Fund	29.1	31.6	33.5	36.9
Axis Mutual Fund	6.9	10.8	15.1	20.7
Mirae Asset Mutual Fund*	2.9	5.1	7.8	NA
DSP Mutual Fund	14.9	6.1	8.8	11.9
Tata Mutual Fund	3.4	4.0	4.5	5.9
Bandhan Mutual Fund	3.8	2.2	2.0	3.5
Edelweiss Mutual Fund	1.6	1.8	2.0	2.4
HSBC Mutual Fund	1.8	2.0	36.5	38.5
Franklin Templeton Mutual Fund#	14.0	16.1	18.3	22.5
Canara Robeco Mutual Fund	2.3	2.7	3.3	4.5
Invesco Mutual Fund	1.0	1.5	1.9	2.9
PPFAS Mutual Fund	0.8	1.1	1.8	2.8
Quant Mutual Fund	0.6	0.7	0.9	1.8
Sundaram Mutual Fund	2.5	3.5	4.3	3.9

Note: Players are arranged in the descending order based on quarterly average AUM. * Data is as of December of respective calendar years, # data is as of September of respective calendar years.

Source: Company reports, AMFI, Crisil Intelligence

Annexure

As of December 2024, out of all the equity-oriented schemes of Canara Robeco Mutual Fund which have been in existence for more than 10 years, a total of 7 equity-oriented schemes outperformed their respective benchmark indices in a 10-year return horizon (for direct).

Equity Oriented schemes include equity schemes and hybrid schemes excluding conservative hybrid schemes.

Scheme-wise performance details of equity schemes (December 2024)

Scheme Name	Canara Robeco Blue-chip Equity Fund	Canara Robeco Emerging Equities Fund	Canara Robeco Flexi Cap Fund
Benchmark	BSE 100 Total Return Index	NIFTY Large Midcap 250 Total Return Index	BSE 500 Total Return Index
Risko meter Scheme	Very High	Very High	Very High
Risko meter Benchmark	Very High	Very High	Very High
NAV Date	2024-12-31	2024-12-31	2024-12-31
NAV Regular	60.39	254.40	326.44
NAV Direct	69.33	289.66	363.81
Return 1 Year (%) Regular	17.63	26.08	17.72
Return 1 Year (%) Direct	19.04	27.38	19.07
Return 1 Year (%) Benchmark	13.20	18.51	15.67
Return 3 Year (%) Regular	13.21	15.49	12.49
Return 3 Year (%) Direct	14.68	16.77	13.88
Return 3 Year (%) Benchmark	13.96	18.03	15.35
Return 5 Year (%) Regular	17.32	21.30	18.19
Return 5 Year (%) Direct	18.95	22.69	19.70
Return 5 Year (%) Benchmark	16.94	22.17	19.04
Return 10 Year (%) Regular	13.48	16.40	13.44
Return 10 Year (%) Direct	14.91	17.72	14.56
Return 10 Year (%) Benchmark	13.07	15.84	14.03
Return Since Launch Regular	13.33	17.74	17.77
Return Since Launch Direct	15.65	21.54	15.52
Return Since Launch Benchmark	12.36	-	16.65
Daily AUM (Rs. Bn)	147.99	248.87	128.05

Source: AMFI

Scheme Name	Canara Robeco Multi Cap Fund	Canara Robeco Mid Cap Fund	Canara Robeco Small Cap Fund	Canara Robeco Value Fund
Benchmark	Nifty 500 Multicap 50:25:25 Total Return Index	BSE 150 MidCap Total Return Index	NIFTY Smallcap 250 Total Return Index	BSE 500 Total Return Index
Risko meter Scheme	Very High	Very High	Very High	Very High
Risko meter Benchmark	Very High	Very High	Very High	Very High
NAV Date	2024-12-31	2024-12-31	2024-12-31	2024-12-31
NAV Regular	14.18	16.58	40.25	17.87
NAV Direct	14.49	17.09	44.17	18.84
Return 1 Year (%) Regular	21.32	27.00	23.03	17.18
Return 1 Year (%) Direct	23.11	28.71	24.55	18.92
Return 1 Year (%) Benchmark	19.17	26.55	26.96	15.67
Return 3 Year (%) Regular	-	-	20.30	20.26
Return 3 Year (%) Direct	-	-	22.02	22.16
Return 3 Year (%) Benchmark	-	-	22.66	15.35
Return 5 Year (%) Regular	-	-	33.32	-
Return 5 Year (%) Direct	-	-	35.40	-
Return 5 Year (%) Benchmark	-	-	30.66	-
Return 10 Year (%) Regular	-	-	-	-
Return 10 Year (%) Direct	-	-	-	-
Return 10 Year (%) Benchmark	-	-	-	-
Return Since Launch Regular	27.66	27.48	26.72	19.05
Return Since Launch Direct	29.61	29.35	28.74	20.96
Return Since Launch Benchmark	27.16	30.7055	26.32	14.31
Daily AUM (Rs. Bn)	39.44	27.82	125.44	12.49

Source: AMFI

Scheme Name	Canara Robeco ELSS Tax Saver	Canara Robeco Focused Equity Fund	Canara Robeco Consumer Trends Fund	Canara Robeco Infrastructure Fund
Benchmark	BSE 500 Total Return Index	BSE 500 Total Return Index	BSE 100 Total Return Index	BSE India Infrastructure Total Return Index
Risko meter Scheme	Very High	Very High	Very High	Very High
Risko meter Benchmark	Very High	Very High	Very High	Very High
NAV Date	2024-12-31	2024-12-31	2024-12-31	2024-12-31
NAV Regular	49.31	19.26	107.54	157.55
NAV Direct	189.57	20.41	122.79	175.90
Return 1 Year (%) Regular	17.38	23.33	20.15	34.94
Return 1 Year (%) Direct	18.71	25.21	21.64	36.70
Return 1 Year (%) Benchmark	15.67	15.67	13.20	29.74

Scheme Name	Canara Robeco ELSS Tax Saver	Canara Robeco Focused Equity Fund	Canara Robeco Consumer Trends Fund	Canara Robeco Infrastructure Fund
Return 3 Year (%) Regular	13.21	15.70	17.28	27.65
Return 3 Year (%) Direct	14.62	17.55	18.81	29.25
Return 3 Year (%) Benchmark	15.35	15.35	13.96	34.03
Return 5 Year (%) Regular	20.07	-	20.40	28.75
Return 5 Year (%) Direct	21.51	-	21.96	30.20
Return 5 Year (%) Benchmark	19.04	-	16.94	31.65
Return 10 Year (%) Regular	14.18	-	15.75	16.17
Return 10 Year (%) Direct	15.28	-	17.15	17.33
Return 10 Year (%) Benchmark	14.03	-	13.07	15.49
Return Since Launch Regular	15.29	19.80	16.79	15.54
Return Since Launch Direct	16.57	21.74	18.15	18.46
Return Since Launch Benchmark	-	18.08	12.76	-
Daily AUM (Rs. Bn)	86.96	25.55	17.51	8.72

Source: AMFI

Scheme-wise performance details of hybrid schemes (December 2024)

Scheme Name	Canara Robeco Equity Hybrid Fund	Canara Robeco Conservative Hybrid Fund
Benchmark	Crisil Hybrid 35+65 Aggressive Index	Crisil Hybrid 85+15 Conservative Index
Riskometer Scheme	Very High	Moderately High
Riskometer Benchmark	Very High	Moderately High
NAV Date	2024-12-31	2024-12-31
NAV Regular	346.16	93.59
NAV Direct	389.18	106.74
Return 1 Year (%) Regular	15.23	10.07
Return 1 Year (%) Direct	16.53	11.36
Return 1 Year (%) Benchmark	12.81	9.88
Return 3 Year (%) Regular	11.91	7.42
Return 3 Year (%) Direct	13.22	8.71
Return 3 Year (%) Benchmark	11.85	7.55
Return 5 Year (%) Regular	15.53	9.18
Return 5 Year (%) Direct	16.89	10.49
Return 5 Year (%) Benchmark	14.59	8.74
Return 10 Year (%) Regular	12.34	8.03
Return 10 Year (%) Direct	13.62	9.27
Return 10 Year (%) Benchmark	11.98	8.78
Return Since Launch Regular	12.74	10.58
Return Since Launch Direct	15.08	9.97

Scheme Name	Canara Robeco Equity Hybrid Fund	Canara Robeco Conservative Hybrid Fund
Return Since Launch Benchmark	-	-
Daily AUM (Cr.)	10,747.36	951.54

Note: Scheme performance details of Canara Robeco Balanced Advantage Fund (launched in Feb 2024) are not available on the AMFI website, hence not included in the above table.

Source: AMFI

Scheme-wise performance Details of debt-oriented schemes (December 2024)

Scheme Name	Canara Robeco Income Fund	Canara Robeco Short Duration Fund	Canara Robeco Savings Fund	Canara Robeco Ultra Short-Term Fund	Canara Robeco Liquid Fund
Benchmark	Crisil Medium to Long Duration Debt A-III Index	Crisil Short Duration Debt A-II Index	Crisil Low Duration Debt A-I Index	Crisil Ultra Short Duration Debt A-I Index	Crisil Liquid Debt A-I Index
Riskometer Scheme	Moderate	Moderate	Low to Moderate	Low to Moderate	Low to Moderate
Riskometer Benchmark	Moderate	Low to Moderate	Low to Moderate	Low to Moderate	Low to Moderate
NAV Date	2024-12-31	2024-12-31	2024-12-31	2024-12-31	2024-12-31
NAV Regular	53.48	24.38	40.54	3,667.64	3,036.13
NAV Direct	59.66	26.51	41.60	3,890.20	3,051.94
Return 1 Year (%) Regular	7.56	7.14	7.31	6.73	7.36
Return 1 Year (%) Direct	8.82	7.78	7.63	7.33	7.44
Return 1 Year (%) Benchmark	8.71	7.85	7.63	7.62	7.30
Return 3 Year (%) Regular	4.90	5.42	6.13	5.68	6.41
Return 3 Year (%) Direct	6.11	6.05	6.42	6.26	6.47
Return 3 Year (%) Benchmark	5.94	6.11	6.50	6.66	6.46
Return 5 Year (%) Regular	5.30	5.58	5.57	4.83	5.22
Return 5 Year (%) Direct	6.49	6.23	5.85	5.41	5.27
Return 5 Year (%) Benchmark	6.87	6.35	6.06	5.91	5.41
Return 10 Year (%) Regular	6.35	6.33	6.63	5.81	6.20
Return 10 Year (%) Direct	7.40	7.04	6.88	6.42	6.24
Return 10 Year (%) Benchmark	7.76	7.27	7.10	6.83	6.29
Return Since Launch Regular	7.81	6.72	7.31	6.79	6.97
Return Since Launch Direct	7.82	7.20	7.26	6.90	6.73
Return Since Launch Benchmark	7.66	7.76	7.23	7.43	6.81
Daily AUM (Cr.)	120.61	343.26	830.2	582.59	*3,672.90

Note: * Previous month average AUM, Source: AMFI

Scheme Name	Canara Robeco Overnight Fund	Canara Robeco Corporate Bond Fund	Canara Robeco Banking and PSU Debt Fund	Canara Robeco Gilt Fund	Canara Robeco Dynamic Bond Fund
Benchmark	Crisil Liquid Overnight Index	Crisil Corporate Debt A-II Index	Crisil Banking and PSU Debt A-II Index	Crisil Dynamic Gilt Index	Crisil Dynamic Bond A-III Index
Riskometer Scheme	Low	Moderate	Moderate	Moderate	Moderate
Riskometer Benchmark	Low	Low to Moderate	Low to Moderate	Moderate	Moderate
NAV Date	2024-12-31	2024-12-31	2024-12-31	2024-12-31	2024-12-31
NAV Regular	1,297.60	20.92	11.60	72.83	28.37
NAV Direct	1,298.79	22.34	11.69	78.16	31.12
Return 1 Year (%) Regular	6.60	7.44	7.60	8.68	7.63
Return 1 Year (%) Direct	6.61	8.13	7.96	9.47	8.80
Return 1 Year (%) Benchmark	6.74	7.75	7.52	9.89	8.96
Return 3 Year (%) Regular	5.96	5.45	-	5.81	5.25
Return 3 Year (%) Direct	5.97	6.13	-	6.55	6.40
Return 3 Year (%) Benchmark	6.08	6.07	-	6.54	6.00
Return 5 Year (%) Regular	4.88	5.73	-	5.88	5.28
Return 5 Year (%) Direct	4.90	6.41	-	6.63	6.37
Return 5 Year (%) Benchmark	4.98	6.59	-	6.90	6.88
Return 10 Year (%) Regular	-	6.57	-	7.08	6.30
Return 10 Year (%) Direct	-	7.26	-	7.78	7.21
Return 10 Year (%) Benchmark	-	7.80	-	7.52	7.68
Return Since Launch Regular	4.90	7.00	6.49	8.26	6.91
Return Since Launch Direct	4.92	7.65	6.82	8.16	7.84
Return Since Launch Benchmark	5.00	8.24	6.98	8.51	7.82
Daily AUM (Cr.)	*216.57	133.09	238.48	138.66	125.23

Note: * Previous month average AUM, Source: AMFI

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