

**BUY**  
 TP: Rs 3,175 | ▲ 19%

HDFC AMC

| AMC

| 17 April 2026

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**Lower other income, core revenue impact PAT**

- HDFC AMC reported in line operating performance sequentially, while core revenue declined 2% QoQ
- QAAUM grew 19.8% YoY and 0.3% QoQ to Rs 9,274.5 bn. Equity AUM was up 22.7% YoY (-0.1% QoQ), debt AUM rose 10.8% YoY (-5.6% QoQ)
- We maintain BUY on HDFCAMC with TP of Rs 3,175 (earlier Rs 3,178), implying 36x Mar’28E EPS. HDFC AMC remains among our top picks

**Operating performance in line with estimates sequentially:** HDFC AMC reported core earnings revenue growth of 16.7% YoY (-2.2% QoQ) — in line with our estimates, with revenue yield at 45bps vs. 46bps in Q3FY26, despite the softening of equity markets in Q4FY26. For FY26, core revenue grew 17.8% YoY with revenue yield of 51bps. In terms of share in the overall AUM, equity share was marginally lower at 66.1% vs. 66.9% in Q3FY26 on closing AUM basis, which impacted core earnings. Total market share was at 11.4% vs. 11.5% in Q3FY26, on closing AUM basis. Equity market share remained stable at 13% in Q4FY26.

**Decline in PAT:** The company’s PAT declined by 2.5% YoY (-19.1% QoQ) owing to significant decline in other income, primarily on account of MTM losses in Q4FY26. For FY26, PAT grew 16.2% YoY. Equity yields were stable at 56bps QoQ (60-61bps of actively managed equity). Management plans to expand market share across mutual funds and non-MF businesses as a long-term strategic driver. Additionally, equity market share remained stable at 13% in Q4FY26. This can be primarily due to continued broad-based improvement in fund performance.

**QAAUM:** HDFCAMC’s QAAUM grew 19.8% YoY and 0.3% QoQ to Rs 9,274.5 bn. Equity AUM was up 22.7% YoY (-0.1% QoQ) and debt AUM rose 10.8% YoY (-5.6% QoQ). Overall market share continued to be stable at 13% in Q4FY26. With respect to TER, management foresees no material impact on the P/L, except for a marginal impact of 3-4bps, which it plans to offset by commissions rationalisation. Management expressed confidence in sustained industry growth over the medium to long term, supported by continued strength in SIP inflows and rising investor participation.

**Maintain BUY:** HDFC AMC remains well positioned to deliver steady growth, supported by its strong franchise, high equity mix, and superior profitability, which together justify its premium valuation. We expect PAT to grow by 14-15% over FY27–29E. We maintain BUY with TP of Rs 3,175 (Rs 3,178 earlier), valuing the stock at 36x its Mar’28E EPS. HDFCAMC is one of our top picks.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	HDFCAMC IN/Rs 2,662
Market cap	US\$ 12.2bn
Free float	37%
3M ADV	US\$ 32.6mn
52wk high/low	Rs 2,967/Rs 2,031
Promoter/FPI/DII	63%/8%/18%

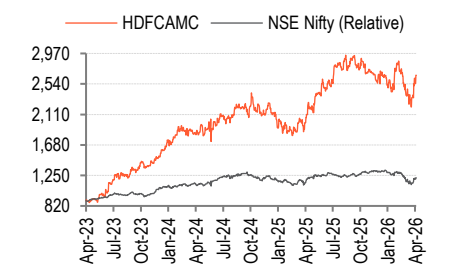
Source: NSE | Price as of 16 Apr 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	32,091	35,928	41,326
Core PBT (YoY)	17.8	12.0	15.0
Adj. net profit (Rs mn)	28,581	32,649	37,354
EPS (Rs)	66.8	76.2	87.2
Consensus EPS (Rs)	66.8	76.3	88.4
MCap/AAAUM (%)	14.1	12.3	10.5
ROAAAUM (bps)	35.4	35.2	34.5
ROE (%)	32.9	34.2	36.6
P/E (x)	39.9	34.9	30.5

Source: Company, Bloomberg, BOBCAPS Research

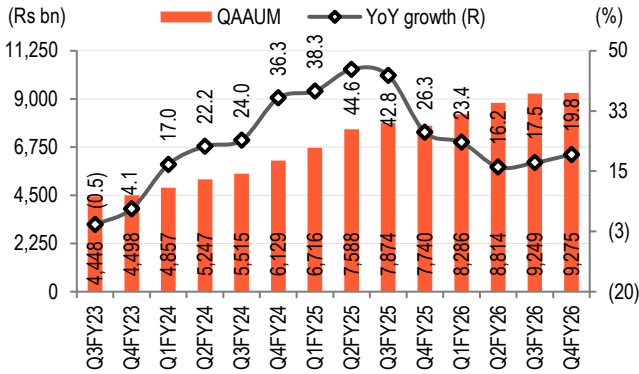
**Stock performance**



Source: NSE

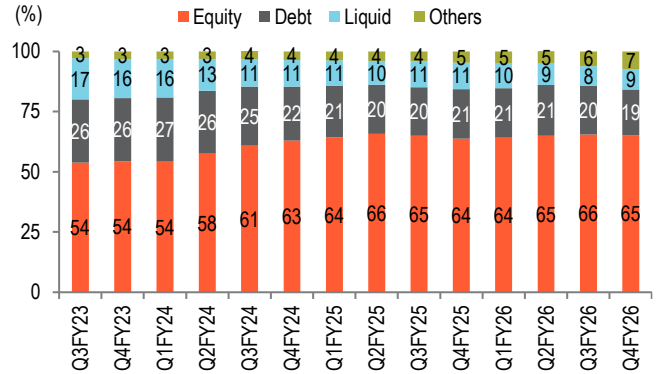


**Fig 1 – QAAUM grew by 19.8% in Q4FY26**



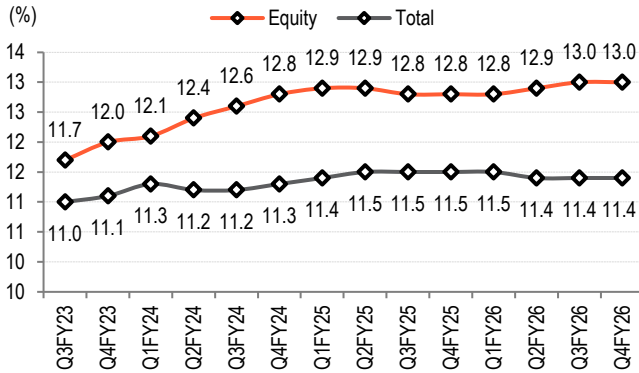
Source: Company, BOBCAPS Research

**Fig 2 – Equity mix remained stable over the past quarters**



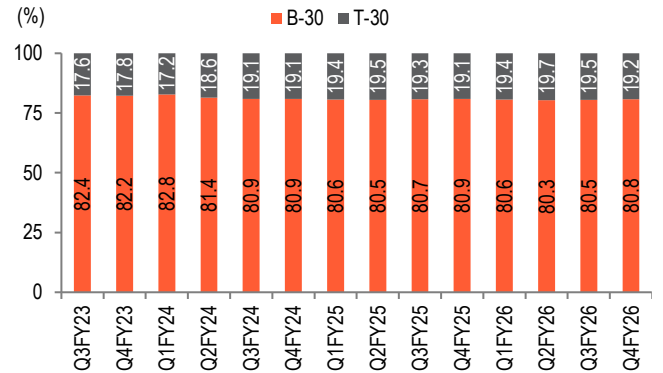
Source: Company, BOBCAPS Research

**Fig 3 – Market share remains at similar levels at 11.4%**



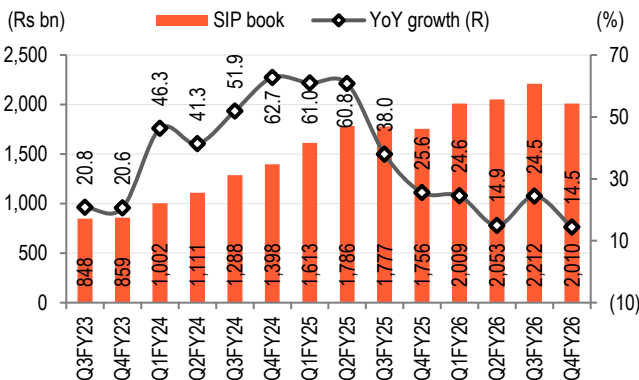
Source: Company, BOBCAPS Research

**Fig 4 – B-30 mix stood at 19.2%**



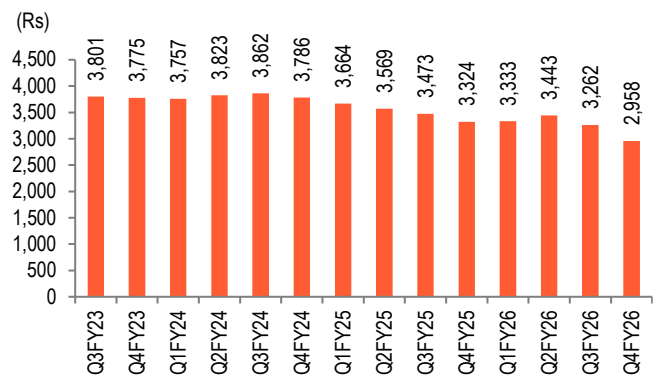
Source: Company, BOBCAPS Research

**Fig 5 – SIP book stood at Rs 2,010 bn with monthly flows reaching Rs 48.8 bn**



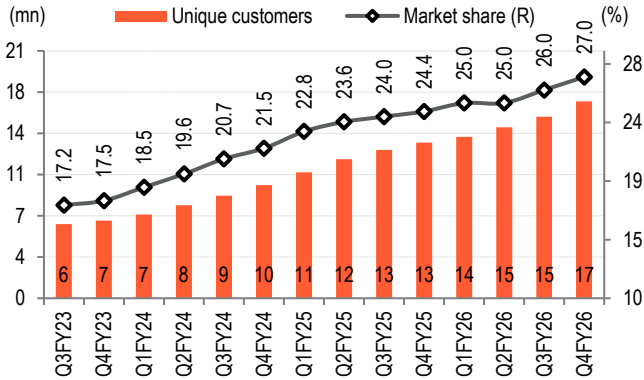
Source: Company, BOBCAPS Research

**Fig 6 – Trend in average ticket size**



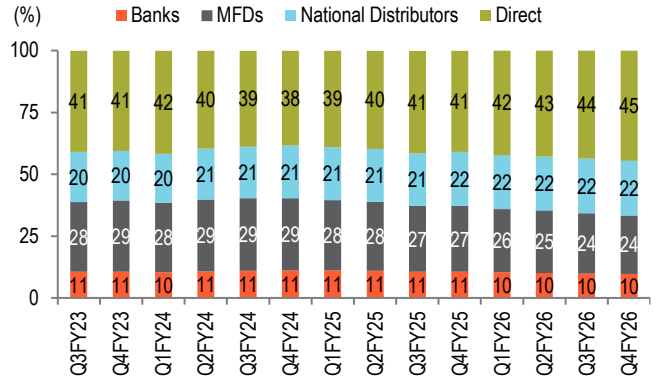
Source: Company, BOBCAPS Research

**Fig 7 – Unique investors’ market share continues to improve with investors reaching 16.7 mn**



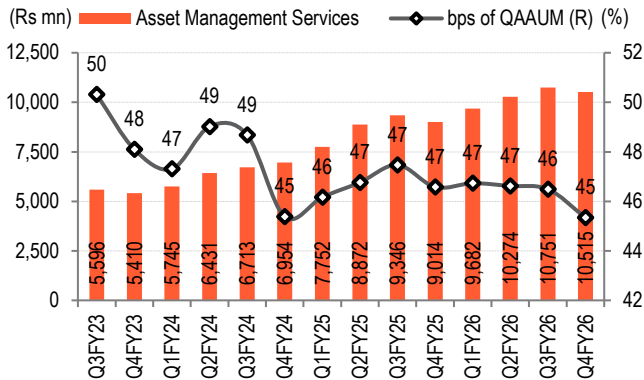
Source: Company, BOBCAPS Research

**Fig 8 – Direct channel mix stands at 45% of total AUM**



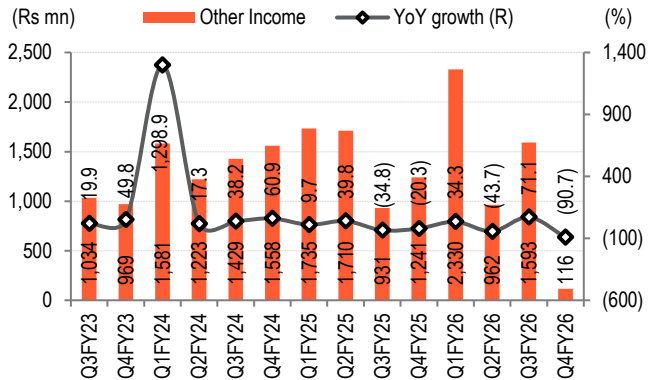
Source: Company, BOBCAPS Research

**Fig 9 – Asset Management services revenue came in at Rs 10,515 mn; YoY growth of 16.7%**



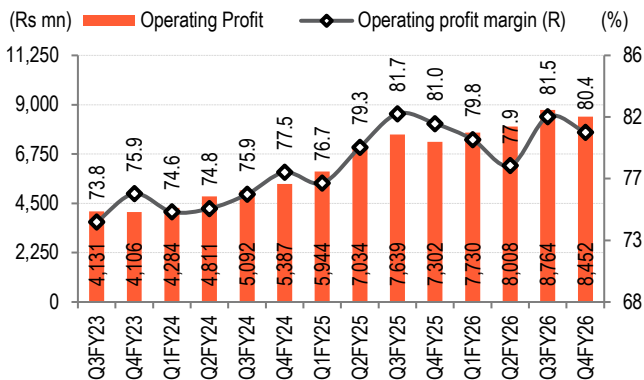
Source: Company, BOBCAPS Research

**Fig 10 – Other Income came in at Rs 116 mn**



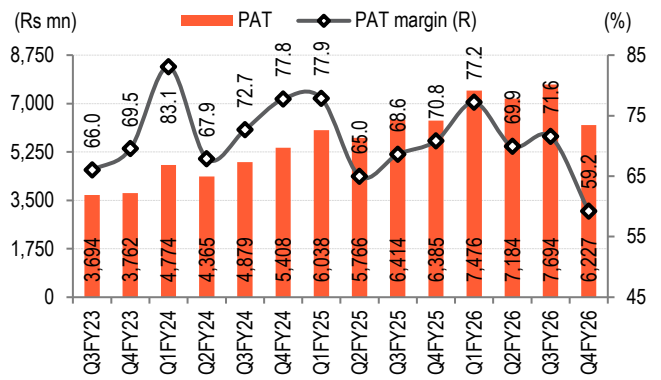
Source: Company, BOBCAPS Research

**Fig 11 – Operating profit margin came in at 80.4% in Q4FY26**



Source: Company, BOBCAPS Research

**Fig 12 – PAT degrew 2.5% to stand at Rs 6,227 mn**



Source: Company, BOBCAPS Research

**Fig 13 – Quarterly result snapshot**

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
<b>Total Revenue</b>					
Asset Management Services	10,515	9,014	16.7	10,751	(2.2)
Other Income	116	1,241	(90.7)	1,593	(92.7)
<b>Total Income</b>	<b>10,631</b>	<b>10,255</b>	<b>3.7</b>	<b>12,344</b>	<b>(13.9)</b>
QAAUM	92,74,513	77,39,981	19.8	92,48,536	0.3
Yields as % of QAAUM (bps)	45.4	46.6	(1bps)	46.5	(1bps)
Yields as % of QAAUM (bps) (total revenue)	45.8	53.0	(7bps)	53.4	(8bps)
<b>Expenses</b>					
Fees and Commission Expenses	27	12	128.4	21	27.4
Employee Benefits Expenses	1,254	969	29.4	1,236	1.4
Other Expenses	783	731	7.1	730	7.3
<b>Total Operating Expenses</b>	<b>2,064</b>	<b>1,712</b>	<b>20.6</b>	<b>1,987</b>	<b>3.9</b>
Fees and Commission Expenses as % of QAAUM (bps)	0.1	0.1	0bps	0.1	0bps
Employee Benefits Expenses as % of QAAUM (bps)	5.4	5.0	0bps	5.3	0bps
Other Expenses as % of QAAUM (bps)	3.4	3.8	(0bps)	3.2	0bps
Total Operating Expenses as % of QAAUM (bps)	8.9	8.8	0bps	8.6	0bps
<b>EBITDA</b>	<b>8,452</b>	<b>7,302</b>	<b>15.7</b>	<b>8,764</b>	<b>(3.6)</b>
EBITDA Margin (%)	80.4	81.0	(63bps)	81.5	(114bps)
Depreciation, Amortisation and Impairment	194	166	16.7	184	5.5
Finance Costs	37	26	42.3	34	10.1
Impairment on Financial Instruments	-	-	-	-	-
<b>Profit Before Tax</b>	<b>8,336</b>	<b>8,351</b>	<b>(0.2)</b>	<b>10,139</b>	<b>(17.8)</b>
<b>Tax Expense</b>					
Current Tax	2,126	1,944		2,232	
Deferred Tax	(17)	22		214	
<b>Total Tax Expense</b>	<b>2,109</b>	<b>1,966</b>	<b>7.3</b>	<b>2,445</b>	<b>(13.7)</b>
Tax Rate (%)	25.3	23.5		24.1	
<b>Profit After Tax</b>	<b>6,227</b>	<b>6,385</b>	<b>(2.5)</b>	<b>7,694</b>	<b>(19.1)</b>
As % of QAAUM (bps)	26.9	33.0	(6bps)	33.3	(6bps)
<b>Core PAT</b>	<b>6,140</b>	<b>5,436</b>	<b>13.0</b>	<b>6,485</b>	<b>(5.3)</b>

Source: Company, BOBCAPS Research

**Fig 14 – Quarterly result snapshot**

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
<b>QAAUM</b>					
Equity	56,57,000	46,09,000	22.7	56,61,000	(0.1)
Debt	17,58,000	15,87,000	10.8	18,63,000	(5.6)
Liquid	7,85,000	8,52,000	(7.9)	7,71,000	1.8
ETF	4,22,000	1,72,000	145.3	3,13,000	34.8
Others	6,53,000	5,19,981	25.6	6,40,536	1.9
<b>Total</b>	<b>92,75,000</b>	<b>77,39,981</b>	<b>19.8</b>	<b>92,48,536</b>	<b>0.3</b>
Market Share (%)	11.4	11.5	(10bps)	11.4	-
<b>QAAUM Mix (%)</b>					
Equity	65.2	63.8	140bps	65.5	(30bps)
Debt	19.0	20.5	(150bps)	20.1	(110bps)
Liquid	8.5	11.0	(250bps)	8.3	20bps
Others	7.3	4.7	260bps	6.0	130bps
<b>Total</b>	<b>100</b>	<b>100</b>		<b>100</b>	

Source: Company, BOBCAPS Research

**Fig 15 – Quarterly result snapshot**

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Number of live individual accounts (Rs mn)	30	23	29.9	28	9.2
Individual MAAUM (Rs bn)	6,150	5,307	15.9	6,445	(4.6)
Unique Investors (mn)	17	13	26.5	15	8.4
Systematic Transactions (Rs bn)	49	37	33.7	47	3.2
SIP AUM (Rs bn)	2,010	1,756	14.5	2,212	(9.1)
B-30 share in AUM (%)	19.2	19.1	10bps	19.5	(30bps)
<b>Geographical Spread (%)</b>					
T-30	80.8	80.9	(10bps)	80.5	30bps
B-30	19.2	19.1	10bps	19.5	(30bps)

Source: Company, BOBCAPS Research

## Key takeaways

### Financial performance

- Overall QAAUM grew 19.8% YoY to Rs 9.3 trn, while equity-oriented AUM reached Rs 5.7 trn.
- Asset Management services revenue grew 17.8% for FY26 at Rs 41.2 bn. Operating profit came in at Rs 33.0 bn, a YoY growth of 18%.
- Management highlighted that cost management remains disciplined, with employee costs growing at a ~12.5% YoY (ex-ESOPs) and other expenses at 5Y CAGR of ~13.5%. Focus remains on managing costs while continuing to invest in growth rather than cutting costs.
- Systematic transactions continued being robust, with monthly SIP and STP flows reaching Rs 48.8 bn in March 2026, growing 31.7% YoY across 97 mn contributing accounts.
- Unique investors with HDFC AMC reached 16.7 mn, adding 3.5 mn in FY26. Investor penetration rose from 17.6% in FYF23 to 27% in FY26.

### Product Mix

- Yields for the quarter stood at: Equity: 56 bps (60-61 bps for only equity schemes), Debt: 28 bps, Liquid: 13 bps. Blended yield stood at 45 bps. Management clarified there was no yield compression - the difference was due to Q4 being a 90-day quarter vs Q3's 92-day quarter.
- Yields on discretionary PMS are similar to that of equity yields.
- Yields on AIF are marginally higher than equity yields.

### Distribution Channel

- Fintech channels have seen exponential growth over the last 4-5 years, with new investor additions growing from under 1 mn in FY20 to over 30 mn recently. Flow market share through the fintech channel is higher than the book share, reflecting a strong platform presence.

- HDFC Bank continues to be a key distribution partner, with strong SIP flows through the bank.
- Direct plans now account for ~31% of equity AUM.
- Digital adoption now accounts for 97% of all transactions, rising from 81% 3 years ago and 69% 6 years ago.

### **Regulatory Impact**

- The 5 bps previously available in lieu of exit loads has been removed, representing a straight reduction to distribution commissions. Management has responded by revising commission structures downward to that extent.
- For the existing book, gross impact is estimated at 3-4 bps, which the company intends to largely offset through optimisation of commission structures and prudent management of both direct and indirect costs. Targeted net impact on P&L is not expected to be material.
- Larger schemes bear the primary impact of TER reductions, whereas smaller schemes may experience some markup.

### **PMS and Alternatives**

- On the PMS side, the company was awarded 2 marquee mandates during the year — from EPFO and SPFO - both on fixed income.
- On the alternatives front, first close of the private credit/structured credit fund was completed, with IFC as a partner and anchor investor committing up to Rs 2,200 mn.
- Management views the alternatives business as a long-term strategic opportunity requiring upfront investment in talent and infrastructure.

### **Others**

- The company's international business, operating out of GIFT City via a 100% owned subsidiary, now has 5 live funds, with 2 new inbound funds launched in FY26.
- On the SIF front, all regulatory approvals have been obtained. Management is taking a measured, investment-led approach, prioritising genuine client needs over speed to market. The SIF offering is considered more strategic than immediately revenue accretive.

## Valuation Methodology

HDFC AMC remains well positioned to deliver steady growth, supported by its strong franchise, high equity mix, and superior profitability — which together justify the premium valuation. We expect PAT to grow by 14-15% over FY27–29E. We maintain BUY with TP of Rs 3,175 (Rs 3178 earlier), valuing the stock at 36x its Mar'28E EPS. HDFCAMC is one of our top picks.

**Fig 16 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total revenue	52,151	60,228	68,685	52,958	60,999	-	(1.5)	(1.3)	-
Operating profit	36,277	42,069	47,892	37,493	43,673	-	(3.2)	(3.7)	-
PAT	32,649	37,354	42,795	32,391	37,554	-	0.8	(0.5)	-

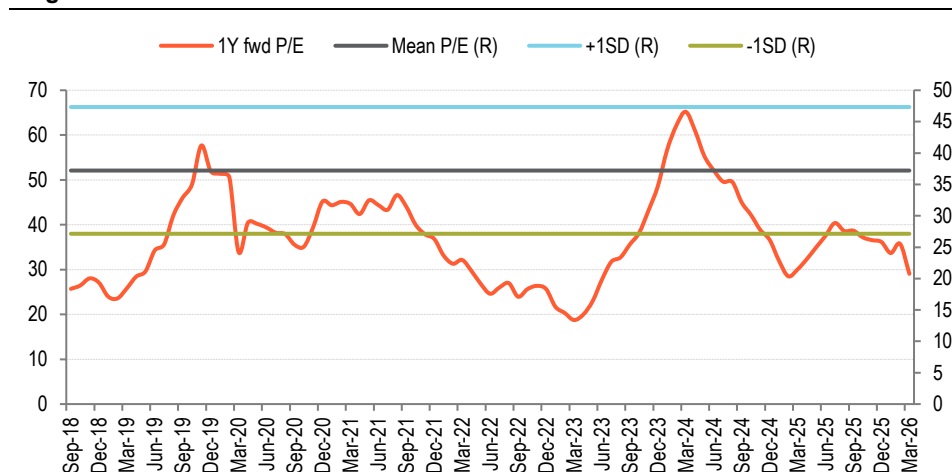
Source: BOBCAPS Research

**Fig 17 – Actual vs Estimates**

(Rs mn)	Q4FY26A	Q4FY26E	Variance (%)
QAAUM (Rs bn)	9,275	9,275	-
Revenue from operations	10,515	10,407	1.0
Operating Profit	8,452	8,321	1.6
PAT	6,227	6,424	(3.1)

Source: Company, BOBCAPS Research

**Fig 18 – P/E chart**



Source: Company, BOBCAPS Research

## Key Risks

Key downside risks to our estimates are:

- Equity market correction
- Shifts in regulatory landscape
- Intensifying industry competition

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
<b>Investment mgmt. fees</b>	<b>34,984</b>	<b>41,222</b>	<b>45,707</b>	<b>53,076</b>	<b>60,220</b>
YoY (%)	35.4	17.8	10.9	16.1	13.5
Operating expenses	7,066	8,268	9,430	11,007	12,327
Core operating profits	27,919	32,953	36,277	42,069	47,892
Core operating profits growth (%)	42.6	18.0	10.1	16.0	13.8
Depreciation and Interest	680	862	349	743	819
Core PBT	27,239	32,091	35,928	41,326	47,074
Core PBT growth (%)	43.7	17.8	12.0	15.0	13.9
Other income	5,617	5,000	6,444	7,152	8,465
PBT	32,856	37,092	42,372	48,478	55,539
PBT growth (%)	32.7	12.9	14.2	14.4	14.6
Tax	8,254	8,511	9,722	11,124	12,744
Tax rate (%)	25.1	22.9	22.9	22.9	22.9
<b>Reported PAT</b>	<b>24,602</b>	<b>28,581</b>	<b>32,649</b>	<b>37,354</b>	<b>42,795</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	1,069	2,142	2,142	2,142	2,142
Reserves & surplus	80,231	90,145	96,389	1,03,534	1,11,718
Net worth	81,300	92,287	98,531	1,05,676	1,13,860
Borrowings	0	0	0	0	0
Other liab. & provisions	6,207	7,627	7,072	7,341	7,637
<b>Total liab. &amp; equities</b>	<b>87,507</b>	<b>99,914</b>	<b>1,05,604</b>	<b>1,13,017</b>	<b>1,21,498</b>
Cash & bank balance	82,966	94,167	1,00,691	1,08,090	1,16,313
Other assets	4,540	5,747	4,913	4,926	5,185
<b>Total assets</b>	<b>87,507</b>	<b>99,914</b>	<b>1,05,604</b>	<b>1,13,017</b>	<b>1,21,498</b>

### Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	57.6	66.8	76.2	87.2	99.9
Dividend per share	90.0	54.0	61.6	70.5	80.8
Book value per share	189.8	215.5	230.0	246.7	265.8

### Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	46.2	39.9	34.9	30.5	26.6
P/BV	14.0	12.4	11.6	10.8	10.0
Dividend yield (%)	3.4	2.0	2.3	2.6	3.0

### DuPont Analysis

Y/E 31 Mar (bps of AAAUM)	FY25A	FY26A	FY27E	FY28E	FY29E
Operating income	51.1	51.0	49.3	49.0	47.2
Operating expenses	10.3	10.2	10.2	10.2	9.7
EBITDA	40.8	40.8	39.1	38.8	37.5
Depreciation and Others	1.0	1.1	0.4	0.7	0.6
Core PBT	39.8	39.7	38.7	38.2	36.9
Other income	8.2	6.2	6.9	6.6	6.6
PBT	48.0	45.9	45.7	44.8	43.5
Tax	12.1	10.5	10.5	10.3	10.0
<b>ROAAAUM</b>	<b>35.9</b>	<b>35.4</b>	<b>35.2</b>	<b>34.5</b>	<b>33.5</b>

### Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
<b>YoY growth (%)</b>					
Investment mgmt. fees	35.4	17.8	10.9	16.1	13.5
Core operating profit	42.6	18.0	10.1	16.0	13.8
EPS	(36.7)	16.0	14.2	14.4	14.6
<b>Profitability &amp; Return ratios (%)</b>					
Operating income to Total inc.	86.2	89.2	87.6	88.1	87.7
Cost to Core income ratio	20.2	20.1	20.6	20.7	20.5
EBITDA margin	79.8	79.9	79.4	79.3	79.5
Core PBT margin	77.9	77.9	78.6	77.9	78.2
PBT margin (on total inc.)	80.9	80.2	81.2	80.5	80.9
ROE	32.4	32.9	34.2	36.6	39.0
<b>Dividend payout ratio</b>	<b>156.3</b>	<b>80.9</b>	<b>80.9</b>	<b>80.9</b>	<b>80.9</b>

### Annual Average AUM

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
AAAUM (Rs bn)	6,847	8,084	9,273	10,830	12,769
YoY Growth (%)	30.6	18.1	14.7	16.8	17.9
<b>% of AAAUM</b>					
Equity	67	66	66	67	68
Debt	21	19	18	16	15
Liquid	8	7	7	6	6
Others	5	7	9	10	12

Source: Company, BOBCAPS Research

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### Recommendation scale: Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

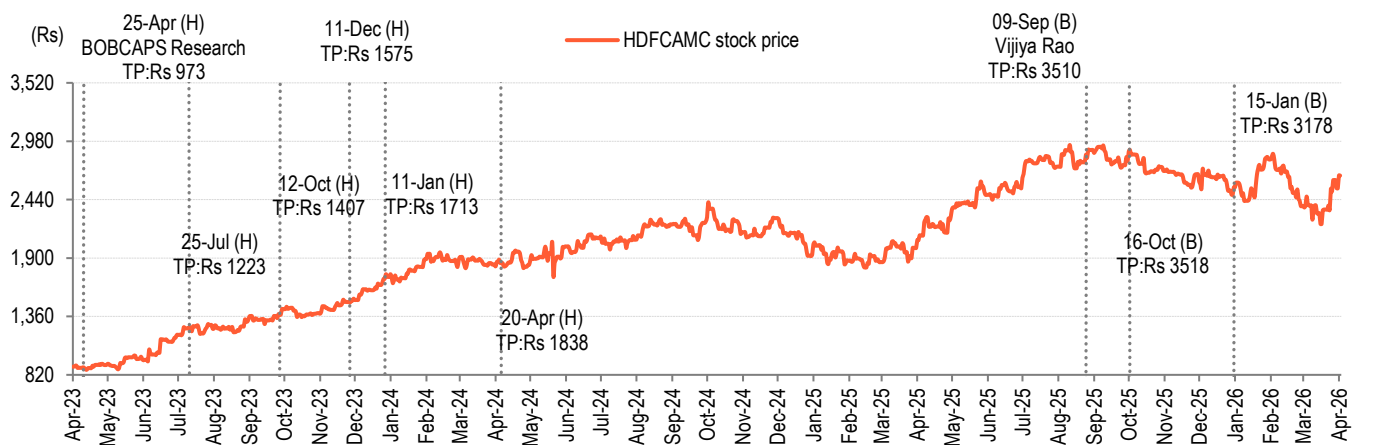
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

### Ratings and Target Price (3-year history): HDFC AMC (HDFCAMC IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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