06th February 2026

HDFC Asset Management Company Ltd.

BSE: 541729 | NSE: HDFCAMC

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**2,705/-**	**3,110/-**	**15.0%**

HDFC Asset Management Company is India's leading investment manager, managing a vast portfolio of schemes across equity, debt, liquid fund and other assets classes. As of Dec'25, Quarterly Average AUM stood at Rs 9.3 tn with a market share of 11.4%. Equity market share stood at 13.0% as of Dec'25.

Investment Rationale:

- **AUM growth likely to be in double digit:** AUM growth for HDFC AMC is likely to be ~18% CAGR during FY26-28E period. Given the granularity of the business and focus on strong retail franchise, the company will be able to maintain a strong net sales growth. Furthermore, MF penetration in India is low at ~17% of GDP vs the global average of 65% which augurs well for strong industrial growth in long term. During 3QFY26, QAAUM registered healthy growth of 18% YoY to Rs 9.25 tn, translating into market share of 11.4%. Market share in fresh flows as well as SIP flows continues to remain strong backed by strong product offerings across asset class. SIP AUM grew 25% YoY to Rs 2.2 tn and accounts for ~39% of actively managed equity AUM.
- **Yields stable:** The blended yield (calc.) declined marginally to 46 bps in 3QFY26, with PAT yield at 33 bps, despite the impact of telescopic pricing and a rising share of passive products. Equity yields were largely stable at ~56-57 bps, while debt yields and liquid yields stood at ~27-28 bps and ~12-13 bps, respectively. Management reiterated confidence in sustaining operating margins within the guided ~33-36 bps range.
- **Multiple levers to offset regulatory impact:** Regulatory changes effective Apr'26 are expected to be meaningful, including the removal of 5 bps additional TER on exit load and a new expense ratio construct, will impact larger schemes with reduced TER, while smaller schemes may see increased TER. Management plans to optimize its operations to offset the impact of the recent regulatory changes, drawing on its experience from 2019, noting the current magnitude of impact is much smaller than previous changes.
- **Reasonable valuation:** At CMP of Rs 2,705, the stock trades at FY26E/FY27E P/E multiple of 39x/35x respectively, based on Bloomberg consensus estimates. We value the company at 41x FY27E EPS to arrive at a target price of Rs 3,110, underpinned by steady AUM growth, SIP inflows and sustained retail participation.

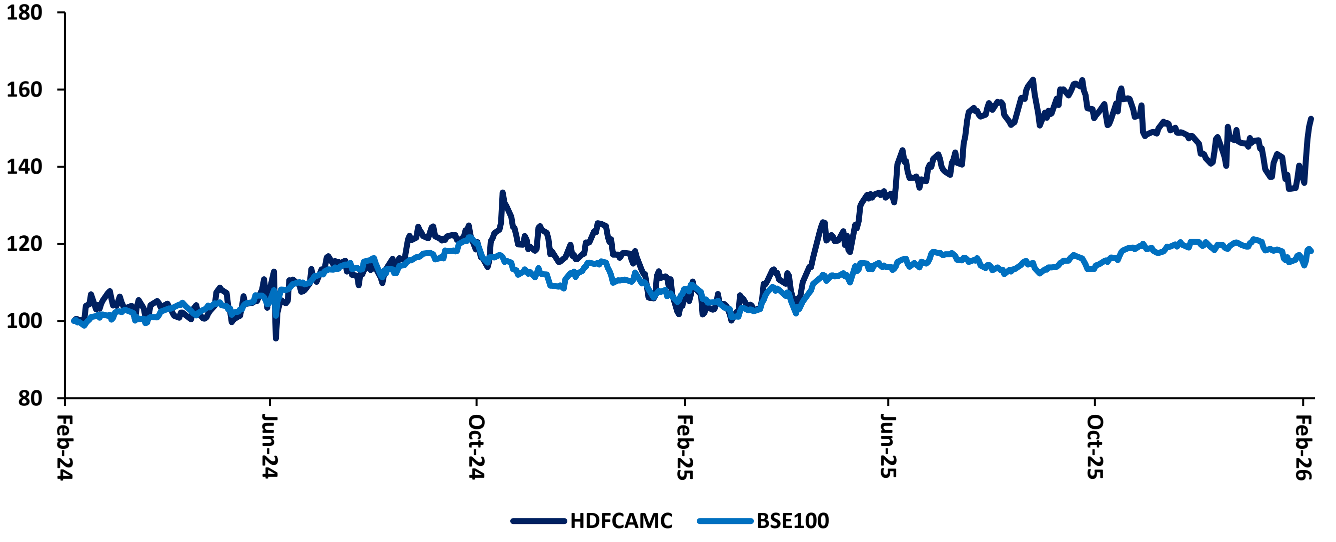
Key Risks: Moderation in SIP flows, Yields compression

Financial Summary

Particulars (Rs cr)	FY24A	FY25A	FY26A	FY27A
Revenue	2,584	3,498	4,471	5,186
EBITDA	1,957	2,792	3,307	3,838
Net Profit	1,943	2,460	2,948	3,316
Total AUM	6,12,900	7,74,000	9,25,003	10,95,860
Growth % YoY	*40*	*26*	*20*	*18*
RoE (%)	29.5	32.4	34.7	35.7
PE (x)	59.5	47.1	39.1	35.4
PB (x)	16.3	14.2	12.9	9.8

Source: Bloomberg, SBICAP Research

Stock Performance (2-Years)



Source: Ace Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
-	-	-	-	-

Disclaimer

SBI Securities
Investment aur Trust, Dono

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017| Research Analyst : INH000000602

IRDA : CA0103 | PFRDA Registration No: POP 26092018

Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg, Mafatlal Mill Compound, Lower Parel East, Mumbai 400013

For any information contact us:

(022) 6854 5555 | E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in

DISCLOSURES & DISCLAIMERS:

Analyst Certification: The views expressed in this research report ("Report") accurately reflect the personal views of the research analysts ("Analysts") employed by SBICAP Securities Limited (SSL) about any and all of the subject issuer(s) or company(ies) or securities. This report has been prepared based upon information available to the public and sources, believed to be reliable. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

The Analysts engaged in preparation of this Report or his/her relative:-

(a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report:-

(a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c)have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst - Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

For other Disclosures please visit: https://bit.ly/R_disclaimer02

Sunny Agrawal

Sunny Agrawal
DVP – Fundamental Research

Sudeep Shah.

Sudeep Shah
VP – Technical & Derivative Research