MORNINGSTAR

India ETF Flows
Q1 2026 Review

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Morningstar Manager Research

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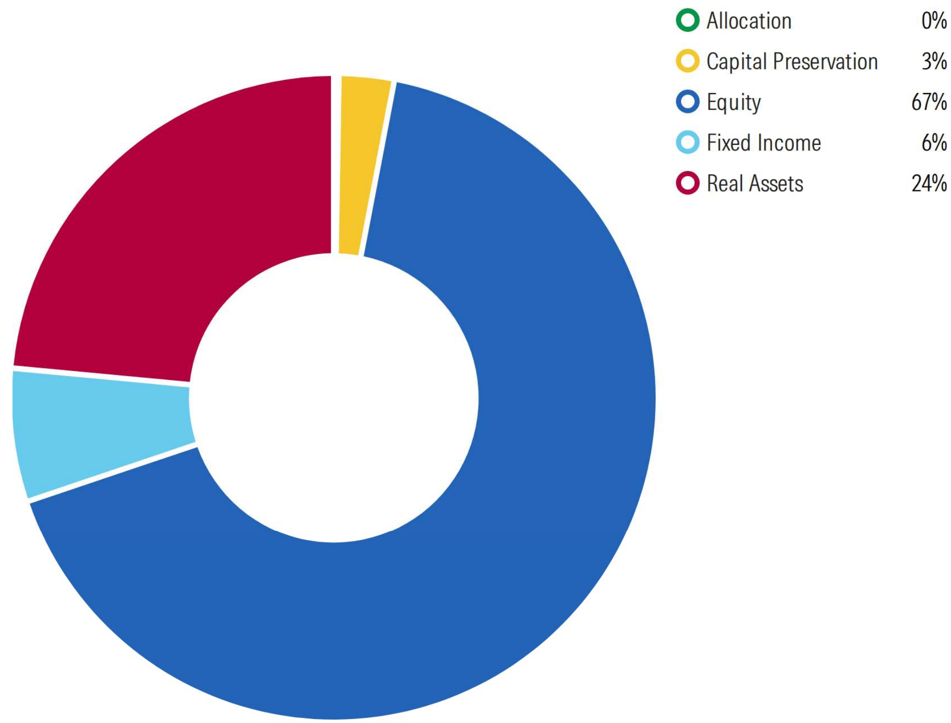
Key Takeaways

- The first quarter of 2026 marked a record quarter for India exchange-traded funds, with net inflows of INR 724.9 billion, surpassing the previous quarter (INR 524.8 billion), although total market assets under management declined slightly to INR 10.7 trillion due to market-driven valuation effects.
- Real assets (precious metals) remained the primary driver of flows, contributing INR 432.8 billion in the first quarter, supported by elevated gold prices and continued demand for portfolio diversification.
- Equity ETFs were the second-largest contributor, with inflows rising to INR 319.4 billion, largely concentrated in large-cap strategies, which recorded their highest quarterly inflows (approximately INR 414 billion).
- Large-cap ETFs saw record inflows in the first quarter of 2026, narrowing the gap with precious metals, with flows driven by tactical allocations during volatility.
- Fund-level flows remained concentrated, with Nippon India ETF Gold BeES (INR 112.8 billion) leading inflows, while CPSE ETF recorded the largest outflows, reflecting continued redemptions in public-sector undertaking-focused strategies.

India ETF Market AUM by Broad Asset Class (Q1 2026)

%



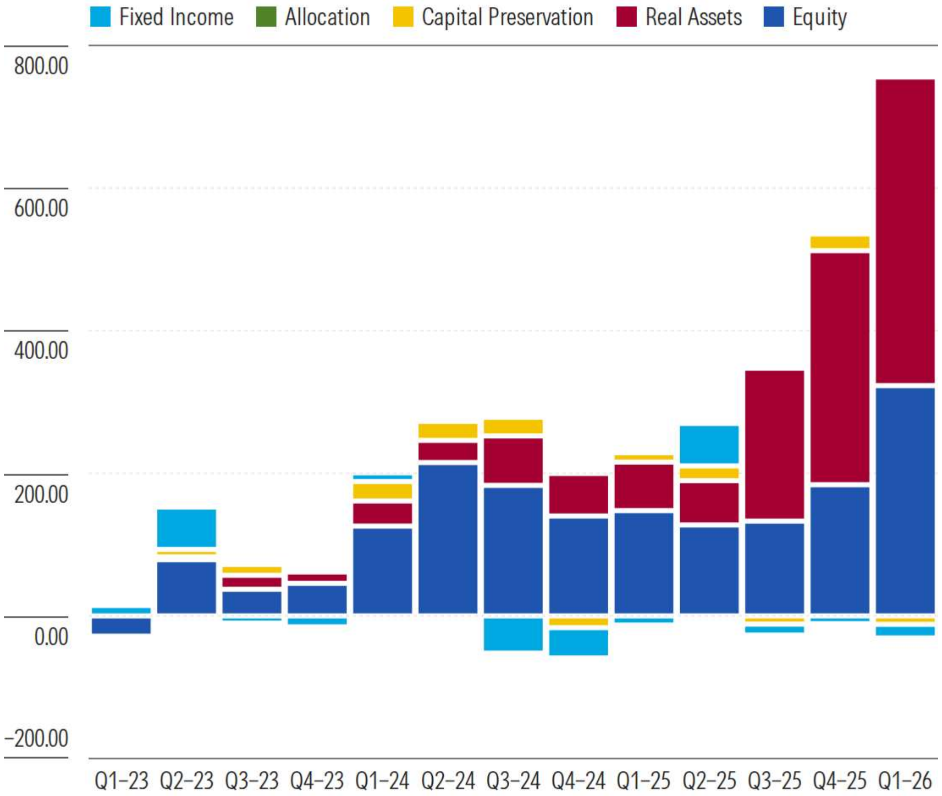
Source: Morningstar Direct. Data as of March 31, 2026.

India ETF Flows Hit Record High in Q1 2026, Driven by Precious Metals and Large Caps

Strong Start to 2026 for India ETFs, Driven by Real Assets and Equities

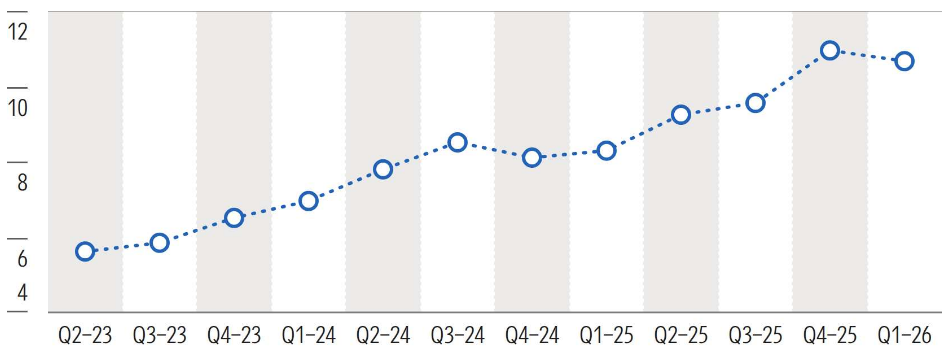
Flows by Broad Asset Class for India ETF Market

INR Billion



- India ETFs saw a strong start to 2026, gathering INR 724.9 billion in the first quarter. This is the highest quarterly inflows on record, up from INR 524.8 billion in Q4 2025.
- Real assets remained the largest contributor to flows at INR 432.8 billion in Q1 2026, up from INR 328.2 billion in Q4 2025, driven by strong demand for gold and silver.
- Equity ETFs recorded INR 319.4 billion net flows in Q1 2026, up from INR 180 billion in the previous quarter, driven by higher allocations to large-cap ETFs.
- Fixed-income ETFs recorded outflows of INR 19.1 billion in Q1 2026, widening from outflows of INR 7.3 billion in Q4, while capital preservation also saw modest outflows of INR 8.3 billion from positive flows of INR 23.5 billion in Q4 2025.
- The India ETF market ended Q1 2026 with AUM at INR 10.7 trillion, down from INR 10.9 trillion in Q4 2025, reflecting market-driven valuation effects despite strong inflows.

India ETF Market—Assets Under Management (INR Trillion)



Precious Metals Continues to Lead India ETF Flows, While Large Caps Pick Up Pace in Q1 2026

Precious metals continued to top the ETF flow charts in the first quarter of 2026, with the category drawing INR 432.8 billion in net inflows. A large part of this momentum was driven by strong inflows in January 2026, likely reflecting continued investor demand for gold and silver ETFs as portfolio diversifiers amid market uncertainty and elevated gold prices. At the fund level, Nippon India ETF Gold BeES remained the top-grossing ETF, attracting INR 112.8 billion. Large-cap ETFs also saw strong inflows of INR 414 billion, reflecting tactical allocations during periods of volatility, with investors using ETFs as a liquid and cost-efficient vehicle to deploy capital, particularly on market dips. A significant portion of these flows was concentrated in March 2026. In contrast, India Fund Equity – Other saw the largest net outflows, with the CPSE ETF recording the highest fund-level redemption.

ETF Quarterly Net Flows by Category
INR Billion

Top 5	Net Flow Q1 2026
India Fund Sector - Precious Metals	432.8
India Fund Large-Cap	414.0
India Fund Sector - Technology	12.1
India Fund Mid-Cap	9.6
India Fund Small-Cap	8.2

Bottom 5	Net Flow Q1 2026
India Fund Medium to Long Duration	–6.4
India Fund Government Bond	–8.7
India Fund Sector - Financial Services	–12.1
India Fund Liquid	–16.8
India Fund Equity - Other	–128.8

ETF Quarterly Net Flows by Fund
INR Billion

Top 5	Net Flow Q1 2026
Nippon India ETF Gold BeES	112.8
Nippon India ETF Nifty 50 BeES	89.8
SBI Nifty 50 ETF	55.5
ICICI Pru Gold ETF	53.4
ICICI Pru Nifty 50 ETF	50.7

Bottom 5	Net Flow Q1 2026
Nippon India ETF Nifty SDL 04 26Tp20EqWt	–7.8
Kotak Nifty Bank ETF	–11.6
Nippon India ETF Nifty 1D Rate Liqd BeES	–14.2
BHARAT 22 ETF	–33.6
CPSE ETF	–107.9

Source: Morningstar Direct. Data as of March 31, 2026.

India ETF Market Leadership Remains Concentrated, With SBI Retaining Dominance

Top India ETF Providers

Ranked by AUM (INR Billion) as of Q1 2026

Branding Name	1Y Flow Q1–25	1Y Flow Q1–26	AUM Q1–25	AUM Q1–26	Mkt Share Q1–25 (%)	Mkt Share Q1–26 (%)
SBI Funds	−48.7	362.8	3,151.9	3,423.5	38.0	32.1
Nippon	340.6	384.7	1,648.7	2,305.4	19.9	21.6
ICICI Prudential	270.8	287.1	929.4	1,322.6	11.2	12.4
UTI	95.2	187.4	1,106.3	1,245.7	13.4	11.7
Edelweiss	−69.7	57.0	488.4	580.6	5.9	5.4
HDFC	48.7	141.5	186.4	405.5	2.3	3.8
Kotak	54.2	46.7	210.3	319.4	2.5	3.0
Mirae Asset	53.2	55.9	140.2	214.2	1.7	2.0
Motilal Oswal	8.0	47.7	97.0	175.3	1.2	1.6
Zerodha	34.6	73.0	43.4	123.5	0.5	1.2

Source: Morningstar Direct. Data as of March 31, 2026.

Large-Cap ETF Flows Strengthen, Narrowing Gap With Precious Metals

- Precious metals continued to lead overall ETF inflows, while within equities, large-cap ETFs remained the dominant category, with inflows picking up further in the first quarter of 2026.
- Large-cap ETFs attracted INR 414.0 billion in net flows in the first quarter of 2026, marking the highest quarterly inflow for the category and continuing to account for the majority of equity ETF flows.
- The increase in flows appears to be driven by tactical allocations during periods of market volatility, with investors using large-cap ETFs as a liquid and cost-efficient deployment tool.
- Despite these record inflows, large-cap ETF AUM declined compared with the previous quarter, reflecting the effect of market movements.

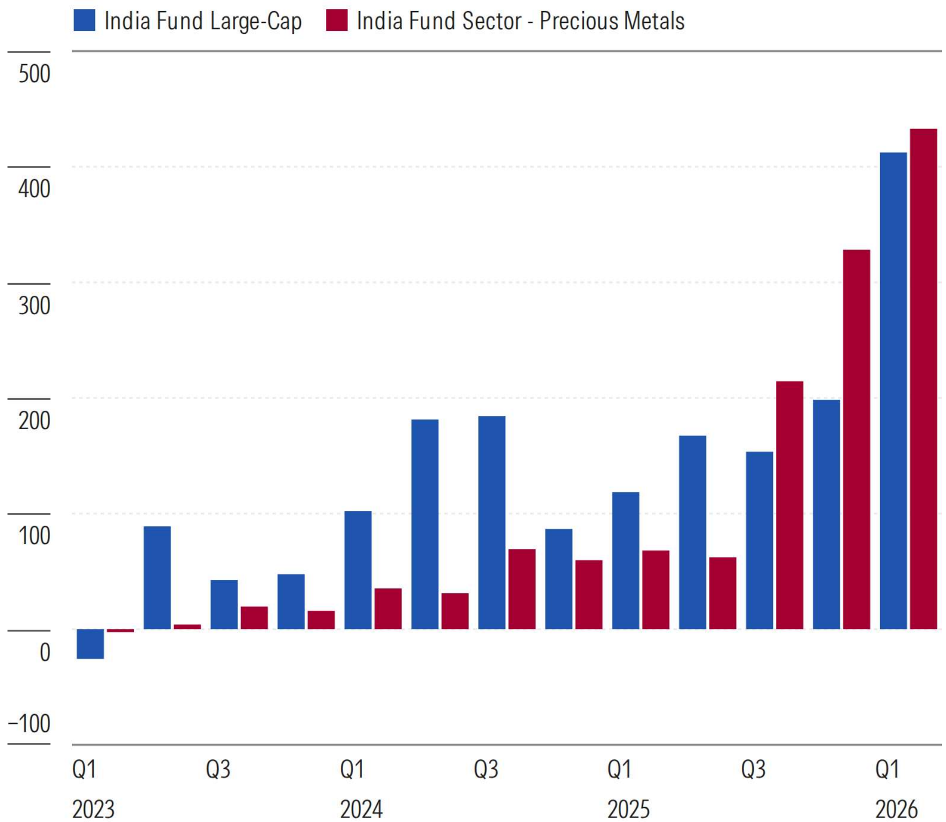
Largest ETFs in the Large-Cap Category

INR Billion

Top 5	Fund Size	Net Flows Q1 2026
SBI Nifty 50 ETF	1,919.1	55.5
SBI S&P BSE Sensex ETF	1,098.5	33.4
UTI Nifty 50 ETF	640.1	40.6
Nippon India ETF Nifty 50 BeES	570.3	89.8
UTI BSE Sensex ETF	497.1	33.5

ETF Quarterly Net Flows in Large-Cap and Precious Metals Categories

INR Billion



Source: Morningstar Direct. Data as of March 31, 2026.

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