

NIPPON LIFE INDIA AMC

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	872
12 month price target (INR)	1,090
52 Week High/Low	987/456
Market cap (INR bn/USD bn)	555/6.3
Free float (%)	26.0
Avg. daily value traded (INR mn)	777.2

SHAREHOLDING PATTERN

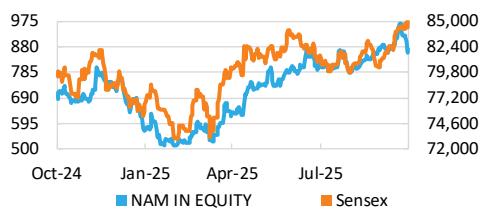
	Sep-25	Jun-25	Mar-25
Promoter	72.1%	72.25%	72.32%
FII	7.65%	7.59%	8.28%
DII	12.95%	13.45%	13.02%
Pledge	0%	0%	0%

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	22,307	26,408	30,723	34,678
EBITDA	14,416	17,385	21,010	24,164
Adjusted profit	13,159	15,679	18,552	21,112
Diluted EPS (INR)	20.7	24.7	29.2	33.3
EPS growth (%)	17.9	19.2	18.3	13.8
RoAE (%)	32.1	33.5	32.7	32.0
P/E (x)	41.9	35.2	29.7	26.1
EV/EBITDA (x)	35.6	29.0	23.5	20.1
Dividend yield (%)	1.1	1.4	2.4	2.7

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	26.4	30.7	2.1	3.8
EBIT	17.0	20.6	3.6	5.5
NOPLAT	12.9	15.6	3.6	5.5
APAT	15.7	18.5	2.9	4.8

PRICE PERFORMANCE



Strong core earnings

Total QAAUM growth of 19.5% YoY/7.1% QoQ helped NAM post Q2FY26 revenue growth of 15.2% YoY/8.5% QoQ to INR6.6bn (1.9% above estimate). Robust SIP-led inflows in Q1 were partially offset by weak MTM action, leading to an 8.7% QoQ uptick in equity QAAUM. Core operating earnings rose 14.7% YoY/10.9% QoQ to INR4.19bn (3.5% above estimate). Higher-than-estimated other income led to APAT of INR3.4bn (-11.6% YoY/-13% QoQ), 4.8% above estimate. Watch out for any potential TER cuts due to regulatory changes.

We are increasing FY26E/27E/28E NOPLAT by 3.6%/5.5%/3.6%; this along with a valuation rollover to Sep-27E yields a TP of INR1,090, i.e. FY27E/28E PE of 37.3x/32.3x (19% discount to HDFCAMC); retain 'BUY'.

Strong SIP inflows and stable blended yields drive revenue beat

Sustained strong SIP-led equity inflows (Q2FY26: INR861bn) were partly offset by weak equity market in Q2FY26 (Nifty50 -3.6%; Nifty Midcap 150/Nifty Smallcap 250 down 4.3%/6.2%) led to QAAUM growth of +19.5% YoY/+7.1% QoQ. Equity QAAUM grew 11.4% YoY/8.7% QoQ. Share of equity in total AUM increased 70bp QoQ while declining 350bp YoY to 47.6%, resulting in blended revenue yields declining 1.5bp YoY/improving 0.5bp QoQ to 40.1bp. This led to revenue growth of 15.2% YoY/8.5% QoQ to INR 6.6bn. Other expense surged 20.8% YoY/10.7% QoQ to INR855mn due to branding campaigns, technology investments, and new office maintenance. Operating leverage resulted in core operating profit growth of 14.7% YoY/10.9% QoQ to INR4.2bn, i.e. 3.5% above estimate. Management guided for ESOP expense of INR400–430mn in FY26E (INR180mn in H1) and INR260mn in FY27E. Treasury income declined (69.7% YoY/74.9% QoQ), driving APAT decline of 10.5% YoY/13% QoQ. On SEBI's consultation paper for TER reduction, management noted it as a constructive move aimed at regulatory clarity and investor protection, and not as damaging as perceived. They refrained from commenting as it is in discussion stage.

Key operating parameters hold firm

NAM displayed an improved YoY performance across parameters: equity market share at 7.1% (+18bp/+9bp YoY/QoQ), total AUM market share at 8.5% (+22bp/2bp YoY/QoQ) and SIP market share at 12.4% (-41bp/+22bp YoY/ QoQ). Unique individual investors market share at 38.4% (+70bp YoY/+10bp QoQ) as unique investors reached 21.9mn (largest in the industry). NAM's market share in B30 AUM maintained at 9.1%. Management noted the company's net flows and SIP market shares exceed its equity AUM market share, with inflows coming across a broad range of schemes.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	6,581	5,713	15.2	6,066	8.5
EBITDA	4,295	3,744	14.7	3,881	10.7
Adjusted Profit	3,443	3,894	(11.6)	3,957	(13.0)
Diluted EPS (INR)	5.4	6.1	(11.5)	6.2	(13.0)

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	22,307	26,408	30,723	34,678
Gross profit	0	0	0	0
Employee costs	4,290	4,955	5,222	5,614
Other expenses	3,600	4,068	4,491	4,900
EBITDA	14,416	17,385	21,010	24,164
Depreciation	306	356	388	427
Less: Interest expense	67	85	102	121
Add: Other income	2,900	3,659	3,878	4,594
Profit before tax	16,943	20,602	24,398	28,210
Prov for tax	3,791	4,931	5,856	7,109
Less: Other adj	(295)	0	0	0
Reported profit	12,864	15,679	18,552	21,112
Less: Excp.item (net)	295	0	0	0
Adjusted profit	13,159	15,679	18,552	21,112
Diluted shares o/s	634	634	634	634
Adjusted diluted EPS	20.7	24.7	29.2	33.3
DPS (INR)	10.0	12.6	20.8	23.7
Tax rate (%)	22.4	24.0	24.0	25.2

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	6,347	6,347	6,347	6,347
Reserves	35,782	45,110	55,677	63,566
Shareholders funds	42,129	51,457	62,024	69,913
Minority interest	0	0	0	0
Borrowings	2,052	1,709	2,033	2,420
Trade payables	589	1,085	1,263	1,425
Other liabs & prov	1,932	3,386	3,753	4,090
Total liabilities	46,701	57,637	69,073	77,848
Net block	0	0	0	0
Intangible assets	0	0	0	0
Capital WIP	0	0	0	0
Total fixed assets	8,717	9,030	9,213	9,455
Non current inv	0	0	0	0
Cash/cash equivalent	2,877	9,503	17,459	22,490
Sundry debtors	707	1,447	1,683	1,900
Loans & advances	179	181	183	184
Other assets	34,221	37,476	40,535	43,819
Total assets	46,701	57,637	69,073	77,848

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue as bp of AAUM	41.9	40.6	39.6	37.5
Core Op. Profit as bp of AAUM	26.4	26.1	26.5	25.5
NOPLAT as bp of AAUM	20.5	19.8	20.1	19.1
EBITDA margin (%)	64.6	65.8	68.4	69.7
Net profit margin (%)	59.0	59.4	60.4	60.9
Revenue growth (% YoY)	35.8	18.4	16.3	12.9
EBITDA growth (% YoY)	45.1	20.6	20.9	15.0
Adj. profit growth (%)	18.8	19.2	18.3	13.8

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	12,864	15,679	18,552	21,112
Add: Depreciation	306	356	388	427
Interest (net of tax)	67	85	102	121
Others	(2,907)	(3,667)	(3,887)	(4,606)
Less: Changes in WC	1,027	676	188	173
Operating cash flow	11,358	13,130	15,342	17,228
Less: Capex	(5,695)	(669)	(572)	(669)
Free cash flow	5,662	12,461	14,771	16,559

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.2	7.0	7.0
Repo rate (%)	6.0	5.0	5.0	5.0
USD/INR (average)	84.0	82.0	81.0	81.0
Core Op. Profit (INR mn)	14,042.9	16,943.3	20,520.3	23,615.4
NOPLAT (INR mn)	10,900.6	12,876.9	15,595.4	17,664.4
NOPLAT YoY growth (%)	39.1	18.1	21.1	13.3
AAUM (INR bn)	5,325.9	6,498.6	7,755.5	9,244.7
AAUM growth (%)	44.6	22.0	19.3	19.2
Equity as a % of AAUM	49.8	49.4	51.3	52.6

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	32.1	33.5	32.7	32.0
RoCE (%)	32.1	33.5	32.7	32.0
Inventory days	0	0	0	0
Receivable days	12	20	20	20
Payable days	10	15	15	15
Working cap (% sales)	(1.1)	(3.4)	(3.5)	(3.6)
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(5.8)	(7.3)	(9.0)	(10.3)
Interest coverage (x)	209.4	199.3	202.8	196.2

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	41.9	35.2	29.7	26.1
Price/BV (x)	13.1	10.7	8.9	7.9
EV/EBITDA (x)	35.6	29.0	23.5	20.1
Dividend yield (%)	1.1	1.4	2.4	2.7

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	17.9	19.2	18.3	13.8
RoE (%)	32.1	33.5	32.7	32.0
EBITDA growth (%)	45.1	20.6	20.9	15.0
Payout ratio (%)	48.2	50.0	70.0	70.0

Source: Company and Nuvama estimates

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Exhibit 1: Core operating profit grows 14.7% YoY/10.9% QoQ

P&L (INR mn)	Q2FY26	Q2FY25	YoY(%)	Q1FY26	QoQ(%)	H1FY26	H1FY25	YoY(%)	FY26E	FY27E	FY28E
Revenue	6,581	5,713	15.2	6,066	8.5	12,647	10,763	17.5	26,408	30,723	34,678
Staff cost	1,233	1,069	15.3	1,226	0.5	2,459	2,120	16.0	4,955	5,222	5,614
Admin & other opex	855	708	20.8	772	10.7	1,627	1,363	19.4	3,314	3,699	4,069
Fee and commission expenses	198	192	2.9	186	6.2	384	372	3.4	754	792	832
Total Exp	2,286	1,969	16.1	2,185	4.6	4,471	3,855	16.0	9,023	9,713	10,515
EBITDA	4,295	3,744	14.7	3,881	10.7	8,177	6,908	18.4	17,385	21,010	24,164
Depreciation	88	74	18.7	84	4.5	173	143	21.0	356	388	427
EBIT	4,207	3,669	14.7	3,797	10.8	8,004	6,765	18.3	17,029	20,622	23,736
Finance cost	18	17	8.4	18	0.0	36	33	9.4	85	102	121
Other Income	366	1,208	(69.7)	1,460	(74.9)	1,826	2,516	(27.4)	3,659	3,878	4,594
PBT	4,555	4,861	(6.3)	5,239	(13.1)	9,794	9,248	5.9	20,602	24,398	28,210
Tax	1,113	966	15.2	1,282	(13.2)	2,395	2,032	17.9	4,931	5,856	7,109
PAT (pre minority interest)	3,443	3,894	(11.6)	3,957	(13.0)	7,399	7,216	2.5	15,671	18,543	21,101
Share of profit/ (loss) in associate	4	1	225.0	4	(11.4)	8	3	196.4	(8)	(10)	(11)
APAT	3,446	3,896	(11.5)	3,961	(13.0)	7,408	7,219	2.6	15,679	18,552	21,112
Core operating profit	4,189	3,653	14.7	3,779	10.9	7,968	6,732	18.4	16,943	20,520	23,615
NOPLAT	3,134	2,732	14.7	2,827	10.9	5,962	5,036	18.4	12,877	15,595	17,664
Margin and tax rate (%)											
Core operating profit	63.7	63.9	(28)bp	62.3	136bp	63.0	62.6	45bp	64.2	66.8	68.1
NOPLAT	47.6	47.8	(20)bp	46.6	102bp	47.1	46.8	35bp	48.8	50.8	50.9
Tax rate	24.4	19.9	455bp	24.5	(5)bp	24.5	22.0	248bp	24.0	24.0	25.2
QAAUM / AAAUM (INR bn)											
Equity	3,125	2,806	11.4	2,874	8.7	2,999	2,533	18.4	3,209	3,978	4,863
Debt	1,017	780	30.5	901	13.0	959	750	27.8	1,001	1,115	1,216
Liquid	433	424	2.2	472	(8.2)	453	418	8.4	387	338	360
ETFs	1,832	1,483	23.5	1,740	5.3	1,786	1,390	28.5	1,902	2,325	2,805
Total	6,565	5,492	19.5	6,127	7.1	6,346	5,165	22.9	6,499	7,756	9,245
As % of QAAUM											
Revenue	40.1	41.6	(2)bp	39.6	1bp	19.9	20.8	(1)bp	40.6	39.6	37.5
Total expense	13.9	14.3	(0)bp	14.3	(0)bp	7.0	7.5	(0)bp	13.9	12.5	11.4
EBITDA	26.2	27.3	(1)bp	25.3	1bp	12.9	13.4	(0)bp	26.8	27.1	26.1
EBIT	0.5	26.7	(26)bp	24.8	(24)bp	12.6	13.1	(0)bp	26.2	26.6	25.7
Operating profits	25.5	26.6	(1)bp	24.7	1bp	12.6	13.0	(0)bp	26.1	26.5	25.5
NOPLAT	19.1	19.9	(1)bp	18.5	1bp	9.4	9.7	(0)bp	19.8	20.1	19.1
PBT	27.8	35.4	(8)bp	34.2	(6)bp	15.4	17.9	(2)bp	31.7	31.5	30.5
PAT	21.0	28.4	(7)bp	25.8	(5)bp	11.7	14.0	(2)bp	24.1	23.9	22.8

Source: Company, Nuvama Research

Exhibit 2: Equity share in QAAUM declines 350bp YoY while improving 70bp QoQ to 47.6%

Closing AUM (INR bn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Equity	2,806	2,903	2,763	3,219	3,269	16.5	1.5
Debt	780	851	803	966	1,020	30.7	5.6
Liquid	424	318	330	391	317	(25.2)	(18.8)
ETFs	1,481	1,490	1,649	1,816	1,932	30.4	6.4
Total	5,492	5,563	5,545	6,392	6,539	19.1	2.3
Share in AUM (%)							
Equity	51.1	52.2	49.8	50.4	50.0	(110)bp	(37)bp
Debt	14.2	15.3	14.5	15.1	15.6	139bp	49bp
Liquid	7.7	5.7	5.9	6.1	4.9	(287)bp	(126)bp
ETFs	27.0	26.8	29.7	28.4	29.5	258bp	114bp
Total	100	100	100	100	100	-	-
QAAUM (INR bn)							
Equity	2,806	2,913	2,630	2,874	3,125	11.4	8.7
Arbitrage	-	-	145	141	151	NM	7.1
Debt	780	864	836	901	1,017	30.5	13.0
Liquid	424	417	423	472	433	2.2	(8.2)
ETFs	1,483	1,502	1,538	1,740	1,832	23.5	5.3
Total	5,492	5,700	5,572	6,127	6,565	19.5	7.1
Share in QAAUM (%)							
Equity	51.1	51.1	47.2	46.9	47.6	(350)bp	70bp
Arbitrage	-	-	2.6	2.3	2.3	230bp	-
Debt	14.2	15.2	15.0	14.7	15.5	130bp	80bp
Liquid	7.7	7.3	7.6	7.7	6.6	(112)bp	(110)bp
ETFs	27.0	26.4	27.6	28.4	27.9	90bp	(50)bp
Total	100	100	100	100	100	-	-

Source: Company, Nuvama Research

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Exhibit 3: Operating profit yield declines 1bp YoY to 25.5bp of QAAUM

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Core operating profit (INR mn)	3,653	3,763	3,548	3,779	4,189	14.7	10.9
NOPLAT (INR mn)	2,732	2,815	2,654	2,827	3,134	14.7	10.9
Margins (%)							
Operating profits	63.9	64.0	62.6	62.3	63.7	(28)bp	136bp
NOPLAT	47.8	47.9	46.9	46.6	47.6	(20)bp	102bp
APAT	68.2	50.2	52.7	65.3	52.4	(1,582)bp	(1,293)bp
As a % of QAAuM (bps)							
Revenue	41.6	41.3	40.7	39.6	40.1	(2)bp	0bp
Total expenses	14.3	14.2	14.5	14.3	13.9	(0)bp	(0)bp
EBIT	26.7	26.5	0.6	24.8	0.5	(26)bp	(24)bp
Operating Profits	26.6	26.4	25.5	24.7	25.5	(1)bp	1bp
NOPLAT	19.9	19.8	19.1	18.5	19.1	(1)bp	1bp
PBT	35.4	27.5	27.1	34.2	27.8	(8)bp	(6)bp
APAT	28.4	20.7	21.4	25.8	21.0	(7)bp	(5)bp

Source: Company, Nuvama Research

Exhibit 4: Share of direct channel improves 300bp YoY/flat QoQ to 57%

Distribution Share in total AuM (%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
IFA	26.2	25.8	25.0	24.1	24.4	(181)bp	33bp
ND	8.7	8.7	8.3	8.2	8.1	(60)bp	(3)bp
Banks	11.0	11.5	11.0	10.8	10.7	(34)bp	(5)bp
Direct	54.0	54.0	56.0	57.0	57.0	300bp	-
Total	100	100	100	100	100	-	-

Source: Company, Nuvama Research

Exhibit 5: Share of MFDs highest at 43% in equity AUM

Distribution Share in equity AuM (%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Direct	NA	NA	NA	24	25	NA	100bp
MFDs	NA	NA	NA	44	43	NA	(100)bp
Banking Dist.	NA	NA	NA	17	17	NA	50bp
NDs	NA	NA	NA	16	16	NA	50bp
Total	NA	NA	NA	100	101	-	-

Source: Company, Nuvama Research

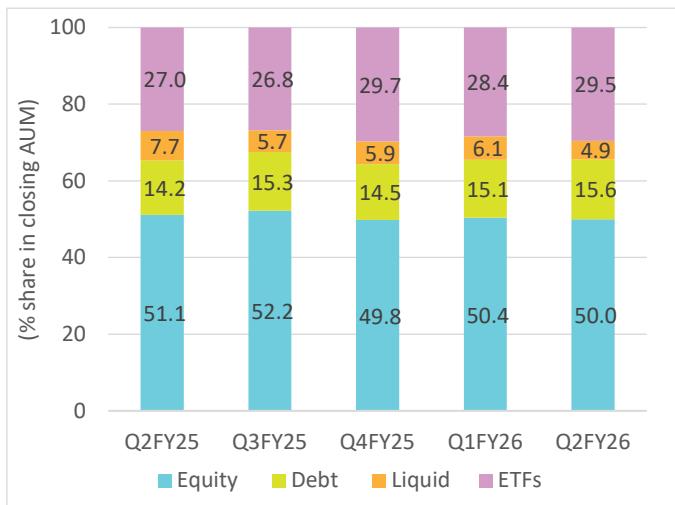
Exhibit 6: Equity QAAUM market share increases 18bp YoY to 7.1%, SIP market share at 12.4% (-41bp YoY)

Other operating metrics	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (% / bp)	QoQ (% / bp)
Market share in Total QAAUM (%)	8.3	8.3	8.3	8.5	8.5	22bp	2bp
Market share in Equity QAAUM (%)	7.0	7.0	6.9	7.0	7.1	18bp	9bp
Market share in Arbitrage QAAUM (%)	NA	NA	6.0	5.3	4.9	NM	(39)bp
Market share in Debt QAAUM (%)	6.8	6.9	6.6	6.9	10.3	350bp	336bp
Market share in market ETF (%)	18.2	18.1	19.1	19.8	19.8	157bp	1bp
Market share in SIP (%)	12.8	12.7	12.3	12.2	12.4	(41)bp	22bp
SIP book (INR bn)	31.4	33.6	31.8	33.2	36.4	15.9	9.6
SIP AUM (INR bn)	1,400	1,400	1,300	1,530	1,560	11.4	2.0
B-30 cities MAAUM(INR bn)	1,150	1,181	1,114	1,256	1,322	15.0	5.3
B-30 cities MAAUM in total MAAUM (%)	20.5	20.4	20.0	19.6	19.8	(70)bp	20bp

Source: Company, Nuvama Research

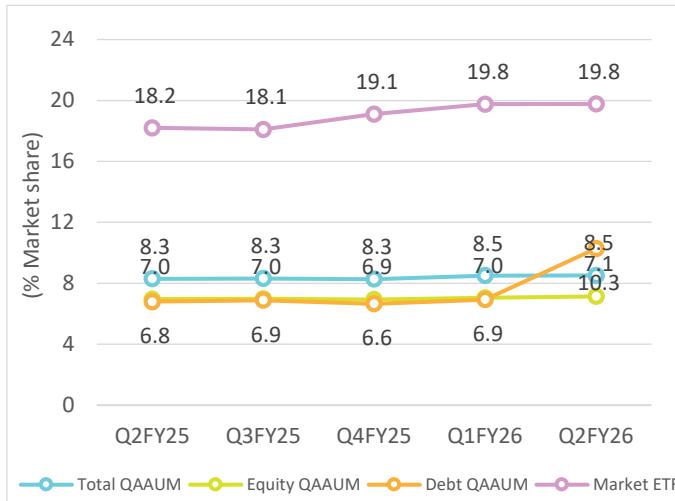
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Exhibit 7: Equity share declines 110bp YoY in closing AUM mix



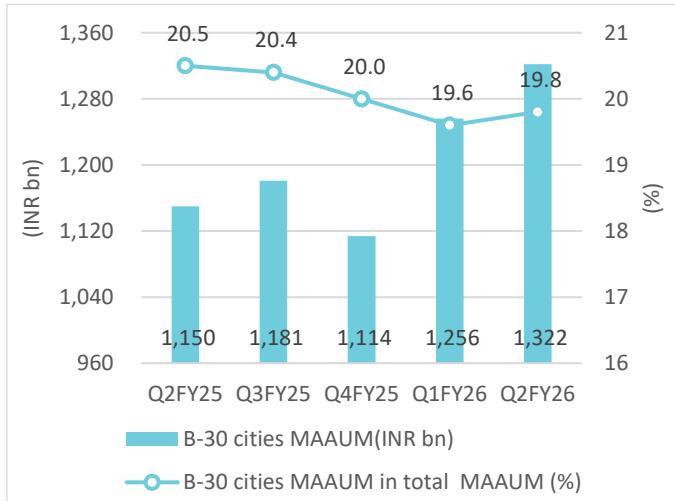
Source: Company, Nuvama Research

Exhibit 9: Equity market share improves 18bp YoY to 7.1%



Source: Company, Nuvama Research

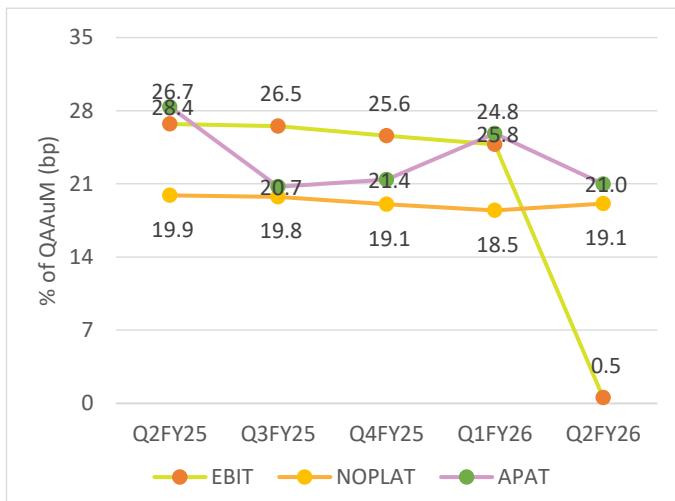
Exhibit 11: B-30 MAAUM share declines 70bp YoY



Source: Company, Nuvama Research

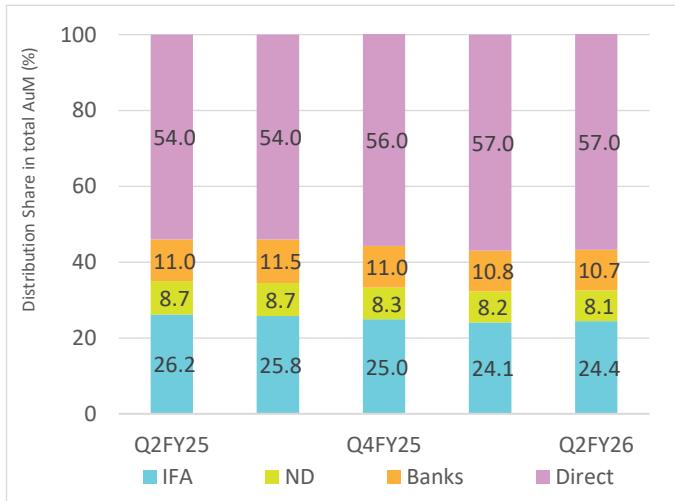
Exhibit 13: Estimates revisions

Exhibit 8: NOPLAT yield declines 1bp YoY to 19.1bp



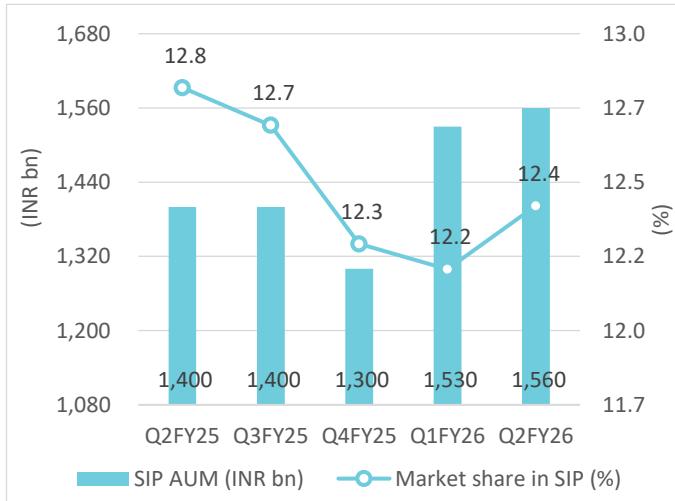
Source: Company, Nuvama Research

Exhibit 10: Direct share increases 300bp YoY in total AUM



Source: Company, Nuvama Research

Exhibit 12: SIP market share down 41bp YoY to 12.4%



Source: Company, Nuvama Research

(INR bn)	Earlier			Revised			Change (%/bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Equity AUM	3,656	4,483	5,448	3,570	4,387	5,340	(2.4)	(2.2)	(2.0)
Revenue	25.9	29.6	33.7	26.4	30.7	34.7	2.1	3.8	2.9
EBIT	16.4	19.5	22.9	17.0	20.6	23.7	3.6	5.5	3.5
EBIT margin (%)	63.6	66.0	68.0	64.5	67.1	68.4	91bp	110bp	45bp
NOPLAT	12.4	14.8	17.1	12.9	15.6	17.7	3.6	5.5	3.6
NOPLAT margin (%)	48.1	49.9	50.6	48.8	50.8	50.9	70bp	85bp	34bp
APAT	15.2	17.7	20.5	15.7	18.5	21.1	2.9	4.8	3.2
EPS	24.0	27.9	32.3	24.7	29.2	33.3	2.9	4.8	3.2
ROE (%)	32.7	31.6	31.5	33.5	32.7	32.0	80bp	108bp	46bp
Target Price (INR)	1,010			1,010			7.9		
Rating	Buy			Buy					

Source: Company, Nuvama Research

Q2FY26 earnings call highlights

Yields: Management indicated yields by asset class: equity: 54bp, debt: 25bp, liquid: 12bp, ETF: 17bp. Blended yield was about 36bp. The company has already rationalised commissions across four equity schemes, covering ~60% of equity AUM. Non-MF products earn yields in the 60–120bp range, depending on product type.

Regulation: On SEBI's consultation paper for TER reduction, management noted it as a constructive move aimed at regulatory clarity and investor protection but not as damaging as perceived.

Performance: Management highlighted that it is the fastest-growing AMC among the top 10 in H1FY26, with the highest increase in AUM market share. Its market share improved to 8.5%, the highest since June 2019, while equity market share rose to 7.1%.

SIP: SIP market share stood at 10% in Q2FY26, while SIP contribution from fintech channels was about 25%. Management emphasised that brand strength, performance, and risk management are key differentiators driving flows from fintech, rather than commission-based selling.

ETF: Management highlighted that NAM retained its position as one of the largest ETF players with a 19.8% market share. Management highlighted that gold ETF yields are higher than average ETF yields, with average ETF yield at 17bp.

Other expense: Other expenses rose 10.7% QoQ due to branding campaigns, technology investments, and new office maintenance. It opened five new branches in Q2 and is refurbishing existing ones into investor-friendly formats in cities such as Jaipur and Surat.

ESOP: Management guided for ESOP expense of INR400–430mn in FY26 (INR180mn in H1) and INR260mn in FY27.

NFO: NAM completed the NFO of Nippon India MNC Fund, which collected INR3.8bn.

AIF: Total commitment raised as of Sep-25 is INR87.2bn. Currently offers products across four business lines namely Public Equity, Real Estate, Private Credit & Venture Capital. Fund raising currently underway for: i) Public Equity AIFs "Nippon India Equity Opportunities AIF Scheme 10" & "Nippon India Equity Opportunities AIF Scheme 11" 2) Venture Capital AIF "Nippon India Digital Innovation AIF Scheme 2A"; a direct VC fund targeting investments in early to growth stage start-ups. Offshore AUM declined 7.2% YoY in Q2FY26 to INR180bn due to MTM impact and global geopolitical volatility.

Debt business: Management continues to build scale in fixed-income products, with positive inflows across short- and long-duration categories. Management expects a positive long-term rate environment to support further retail participation and portfolio diversification.

Company Description

Founded in 1995 as Reliance Capital Asset Management, the company was later renamed as Nippon India Asset Management Company after Nippon Life Insurance acquired a majority stake in the company with a holding of ~72.3%. NAM currently commands an equity market share of 6.9% as at the end of FY25.

NAM India manages a diverse range of investment products, including mutual funds, exchange-traded funds (ETFs), alternative investment funds (AIFs), and offshore funds. The company offers a variety of investment options across different asset classes, including equity, debt, hybrid, and solution-oriented funds.

Investment Theme

Traditionally strong and granular retail franchise and now looking to grow HNI/Institutional presence. In retail, NAM is gaining market share in SIPs. Dominant player in passives with an estimated market share of 19.1%. NAM has been selected as one of the mutual fund houses to manage ETF allocation of EPFO starting July-23.

Key Risks

- Lower inflows and revenues from protracted weakness in equity markets.
- Regulatory changes – increased taxation, or further reduction in TER threshold.
- Further shift towards ETFs/index funds may hurt revenues as this segment commands significantly lower fees. Any rise in AUMs on the alternatives side may result in cannibalisation of revenues and growth prospects.
- Greater offtake of insurance savings products and alternative investment products (AIFs, PMS), mainly ULIPs and NPAR products, may result in lower-than anticipated revenues.
- NAM is a non-bank-owned asset management company; and non-bank-owned asset managers have been losing market share.
- Exit of key personnel such as CEO, CIO, and/or star fund managers

Additional Data

Management

CEO	Sundeep Sikka
CRO	Rishi Garg
CFO	Parag Joglekar
Auditor	M/s. S. R. Batliboi & Co. LLP

Holdings – Top 10*

	% Holding		% Holding
Life Insurance	3.63	Norges Bank	1.34
HDFC AMC	1.86	Government Pens	1.21
L&T Mutual Fund	1.85	Vanguard Group	1.11
HSBC Asset Mana	1.60	Baron Capital	0.74
DSP Investment	1.41	UTI AMC	0.50

*Latest public data

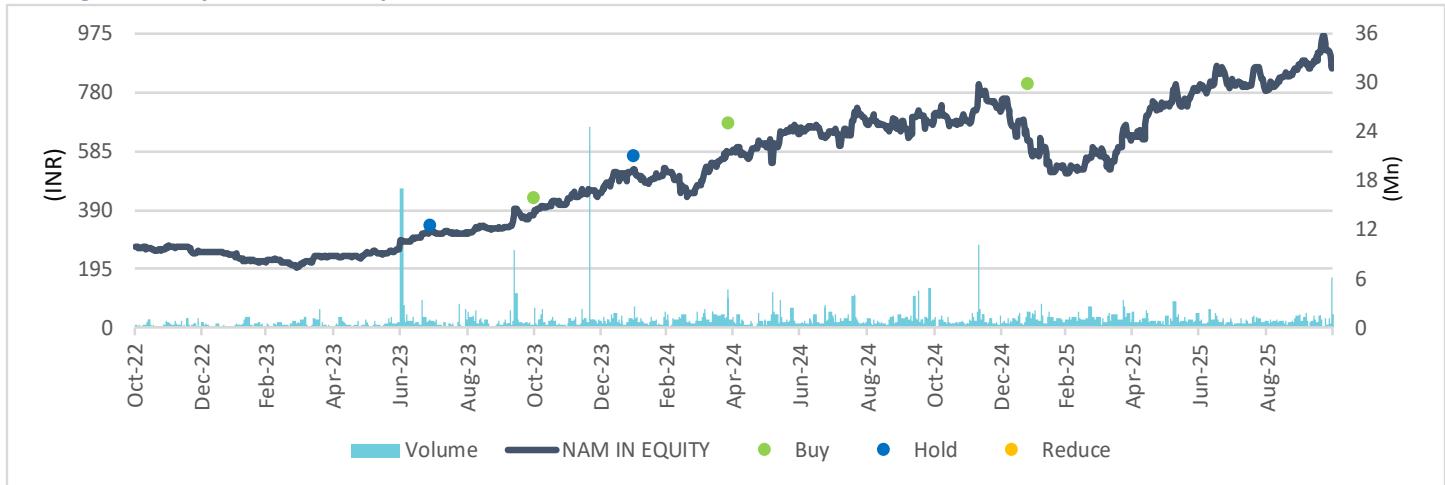
Recent Company Research

Date	Title	Price	Reco
28-Jul-25	Steady sailing; <i>Result Update</i>	810	Buy
28-Apr-25	Strong core performance; <i>Result Update</i>	636	Buy
23-Jan-25	Robust performance; <i>Result Update</i>	660	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
29-Oct-25	CAMS	MF stabilises, non-MF improves; <i>Result Update</i>
28-Oct-25	Kfin Technologies	Steady yields drive outperformance ; <i>Result Update</i>
24-Oct-25	Aditya Birla Sun Life AMC	Cost control drives profitability; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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