Motilal Oswal Financial Services

30 October 2025

2QFY26 Results Update | Sector: Financials

Nippon Life India AMC

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	NAM IN
Equity Shares (m)	637
M.Cap.(INRb)/(USDb)	546.2 / 6.2
52-Week Range (INR)	987 / 456
1, 6, 12 Rel. Per (%)	-7/31/21
12M Avg Val (INR M)	738

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
AAUM	6,595	7,906	9,485
MF Yield (bp)	39.0	37.5	36.0
Rev from Ops	26.1	30.0	34.6
Core PAT	12.5	14.7	17.2
PAT	15.0	17.6	20.2
PAT (bp as AAUM)	23	22	21
Core EPS	19.8	23.4	27.3
EPS	23.9	27.9	32.0
EPS Grw. (%)	17	17	14
BVPS	68	69	71
RoE (%)	35	41	46
Div. Payout (%)	95	95	95
Valuations			
Mcap/AUM (%)	8.3	6.9	5.8
P/E (x)	36.5	31.2	27.2
P/BV (x)	12.8	12.5	12.3
Div. Yield (%)	2.6	3.0	3.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	72.1	72.3	72.5
DII	13.0	13.5	13.5
FII	7.6	7.6	7.7
Others	7.3	6.7	6.3

FII Includes depository receipts

CMP: INR858 TP: INR1,060 (+24%) Buy

Revenue in line, beat on EBITDA

- Nippon Life India AMC's (NAM) operating revenue grew 15%/9% YoY/QoQ to INR6.6b (in line) in 2QFY26. Yields came in at 40.1bp vs. 41.6bp in 2QFY25 and 39.6bp in 1QFY26. For 1HFY26, revenue grew 18% to INR12.6b.
- Total opex grew 16% YoY to INR2.3b (in line) in 2QFY26. As a result, EBITDA rose 15% YoY to INR4.3b (5% beat) for the quarter. This led to an EBITDA margin of 65.3% vs. 65.5% in 2QFY25.
- NAM's PAT stood at INR3.4b in 2QFY26 (in-line), down 4%/13% YoY/QoQ. PAT margin stood at 52.3% in 2QFY26 vs 63% in 2QFY25 and 65.2% in 1QFY26. For 1HFY26, PAT grew 7% to INR7.4b.
- Overall yields are expected to decline ~1-2bp annually, primarily due to the telescopic pricing effect. During the quarter, NAM revised commissions for one additional scheme, taking the total number to four, now accounting for nearly 60% of overall equity AUM.
- **We broadly retain our earnings estimates, with higher expected yields offsetting the increase in expenses. We reiterate our BUY rating on the stock with a TP of INR1,060, based on 35x Sep'27E EPS.**

Market share across categories continues to expand

- Overall MF QAAUM grew 20% YoY/7% QoQ to INR6.6t. The Equity /ETF/ Index/Debt funds grew 17%/24%/34%/38% YoY in 2QFY26.
- NAM's market share for QAAUM rose 22bp YoY to ~8.5%, with equity market share rising 17bp YoY to ~7.1%. ETF market share continues to surge, rising 160bp YoY to 19.8%, with NAM maintaining a dominant position in this space at 50% of overall industry folios.
- The share of Equity/ETF/Debt/Liquid in the overall QAUM stood at ~47.7%/ 27.9%/9.7%/11.4% in 2QFY26 vs. 49.2%/27.0%/8.4%/12.4% in 2QFY25.
- SIP flows were robust during the quarter at INR107.2b compared to INR90.3b in 2QFY25, reflecting a monthly SIP inflow of INR35.7b (+19% YoY). The SIP book grew to INR1.6t (+11% YoY).
- Operating expenses rose 16% YoY to INR2.3b, with opex as a % of AUM at 13.9% vs 14.3% in 2QFY25 and 14.3% in 1QFY26. Employee costs rose 15% YoY to INR1.2b. ESOP costs for the quarter stood at INR90m, of which INR60m pertained to the new scheme. ESOP costs are estimated at ~INR420m-430m/INR260m for FY26/FY27.
- Other expenses grew 21% YoY/11% QoQ to INR855m. The sequential rise was on account of branding expenses, technology investments, and maintenance costs related to new office establishments.
- Other income came in at INR366m (down 70%/75% YoY/QoQ).
- Under the distribution mix, the retail share improved to 54% in 2QFY26 (vs. 50% in 1QFY26), led by a strong retail investor base. Management expects these levels to be sustained, while the corporate/HNI share was 35%/11%.
- On the product front, NAM launched three new ETF products: Nippon India Nifty One Day Rate Liquidity ETF, Nippon India Nifty India Manufacturing ETF, and Nippon India Nifty India Manufacturing Index Fund.

Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Muskan Chopra (Muskan.Chopra@MotilalOswal.com) | **Kartikeya Mohata** (Kartikeya.Mohata@MotilalOswal.com)

- NAM's market share in the industry ETF folio stood at ~50%, while its ETF trading volume share on NSE and BSE was 49%.
- Cumulative AIF commitments reached INR 87.2b as of Sep'25, reflecting a 30% YoY increase; during 2QFY26, NAM raised INR 6.2b across various asset classes. The upcoming product pipeline includes the Nippon India Credit Opportunity AIF Scheme and the Performing Credit Fund.
- On the offshore front, AUM declined to INR161b from INR172b in 2QFY25 and INR166b in 1QFY26 due to geopolitical uncertainties and mark-to-market (MTM) impacts.
- On the GIFT CITY side, NAM operates two feeder funds — Nippon India Large Cap Fund GIFT and Nippon India Nifty 50 Bees GIFT Fund — with combined AUM doubling QoQ to USD31b.The upcoming pipeline includes the Nippon India SHARP Equity Fund and Nippon India Digital Innovation Fund 2B.
- Digital transactions increased 15% YoY in 1HFY26 to 7.8m, contributing 75% of new purchases; notably, 43 new digital purchases/SIPs were initiated every minute during 1HFY26.

Key takeaways from the management commentary

- With respect to the SIF initiative, the team is already in place, and fund launches are in progress. Management highlighted strong inherent demand from the HNI segment and remains highly optimistic about this product category.
- On the offshore front, AUM trended lower due to geopolitical uncertainties and mark-to-market (MTM) impacts. However, management expects a gradual uptick going forward.
- On the debt side, the fixed-income category has started witnessing positive inflows across both short- and long-duration products. With a favorable long-term view on interest rates, NAM expects this momentum to be sustained.

Valuation and view

- NAM, being amongst the fastest-growing AMCs, continues to expand its market share across segments, especially in the passive segment, supported by robust flows, sustained investor stickiness, and new product launches. While yields are expected to decline at a relatively moderate pace, strong net flows are likely to cushion the impact on overall yields.
- **We have broadly maintained our earnings estimates, with higher expected yields offsetting the increase in expenses. We reiterate our BUY rating on the stock with a TP of INR1,060, based on 35x Sep'27E EPS.**

Quarterly Performance **(INR m)**

Y/E March	FY25				FY26				FY25	FY26E	2QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	5,050	5,713	5,879	5,665	6,066	6,581	6,681	6,754	22,307	26,082	6,332	3.9	15.2	8.5
Change YoY (%)	42.6	43.7	38.9	21.0	20.1	15.2	13.6	19.2	35.8	16.9	11			
Fees & Commission	179	192	187	159	186	198	200	207	718	791	190.0	4.2	2.9	6.2
Employee Expenses	1,051	1,069	1,065	1,105	1,226	1,233	1,278	1,323	4,290	5,060	1,261.4	-2.3	15.3	0.5
Other expenses	655	708	770	750	772	855	843	816	2,883	3,286	790.0	8.2	20.8	10.7
Total Operating Expenses	1,886	1,969	2,022	2,014	2,185	2,286	2,321	2,346	7,891	9,138	2,241	2.0	16.1	4.6
Change YoY (%)	24	26	23	13	16	16	15	17	21.5	15.8	14			
EBITDA	3,164	3,744	3,857	3,652	3,881	4,295	4,360	4,407	14,416	16,944	4,090	5.0	14.7	10.7
EBITDA Margin	62.7	65.5	65.6	64.5	64.0	65.3	65.3	65.3	64.6	65.0	64.6	-67 bps	-26bps	128bps
Other Income	1,308	1,208	154	230	1,460	366	775	776	2,900	3,376	600	-39.0	-69.7	-74.9
Depreciation	68	74	77	86	84	88	90	92	306	355	86	2.6	18.7	4.5
Finance Cost	16	17	17	18	18	18	18	18	67	72	18	0.0	8.4	0.0
PBT	**4,388**	**4,861**	**3,917**	**3,778**	**5,239**	**4,555**	**5,027**	**5,072**	**16,943**	**19,893**	**4,586**	**-0.7**	-6.3	-13.1
Tax Provisions	1,066	1,261	965	795	1,282	1,113	1,228	1,231	4,086	4,854	1,122	-0.9		
Net Profit	**3,322**	**3,600**	**2,953**	**2,983**	**3,957**	**3,443**	**3,799**	**3,841**	**12,857**	**15,039**	**3,464**	**-0.6**	-4.4	-13.0
Change YoY (%)	41.1	47.4	4.0	-12.9	19.1	-4.4	28.7	28.8	16.2	17.0	-3.8			
Core PAT	2,331	2,705	2,836	2,801	2,854	3,166	3,213	3,254	10,674	12,487	3,011	5.2	17.0	10.9
Change YoY (%)	59.0	47.9	42.5	8.5	22.4	17.0	13.3	16.2	36	17	11.3			
Key Operating Parameters (%)														
Revenue / AUM (bps)	41.8	41.6	41.3	40.7	39.6	40.1	39.6	38.9	41.3	39.6	38.7	-140 bps	-151bps	50bps
Opex / AUM (bps)	15.6	14.3	14.2	14.5	14.3	13.9	13.8	13.5	14.6	13.9	13.7	-23 bps	-42bps	-34bps
PAT / AUM (bps)	27.5	26.2	20.7	21.4	25.8	21.0	22.5	22.1	23.8	22.8	21.2	20 bps	-525bps	-486bps
Cost to Operating Income Ratio	37.3	34.5	34.4	35.5	36.0	34.7	34.7	34.7	35.4	35.0	35.4	67 bps	26bps	-128bps
EBITDA Margin	62.7	65.5	65.6	64.5	64.0	65.3	65.3	65.3	64.6	65.0	64.6	-67 bps	-26bps	128bps
Tax Rate	24.3	25.9	24.6	21.0	24.5	24.4	24.4	24.3	24.1	24.4	24.5	5 bps	-151bps	-5bps
PAT Margin	65.8	63.0	50.2	52.7	65.2	52.3	56.9	56.9	57.6	57.7	54.7	240 bps	-1070bps	-1292bps
Core PAT Margin	46.2	47.4	48.2	49.4	47.1	48.1	48.1	48.2	47.9	47.9	47.6	-56 bps	75bps	106bps
Opex Mix (%)														
Fees & Commission	9.5	9.8	9.3	7.9	8.5	8.7	8.6	8.8	9.1	8.7	8.5	-18 bps	-111bps	13bps
Employee Expenses	55.8	54.3	52.7	54.9	56.1	53.9	55.1	56.4	54.4	55.4	56.3	234 bps	-35bps	-220bps
Others	34.7	36.0	38.1	37.2	35.3	37.4	36.3	34.8	36.5	36.0	35.2	-216 bps	146bps	207bps
Key Parameters														
QAUM (INR b)	4,838	5,492	5,700	5,572	6,127	6,565	6,749	6,937	5,400	6,595	6,544	0.3	19.5	7.1

Financials & Valuation (INR b)	New estimates			Old estimates			Change in estimates		
Y/E March	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
AAUM (INRb)	6,595	7,906	9,485	6,579	7,889	9,468	0%	0%	0%
MF Yield (bps)	39.0	37.5	36.0	38.0	36.7	35.4	1bps	1bps	1bps
Rev from Ops	26.1	30.0	34.6	25.4	29.4	34.0	3%	2%	2%
Core PAT	12.5	14.7	17.2	12.1	14.4	16.9	3%	3%	2%
PAT	15.0	17.6	20.2	14.9	17.3	19.9	1%	2%	1%
PAT margin(bp as AAUM)	23	22	21	23	22	21	2bps	4bps	3bps
Core EPS	19.8	23.4	27.3	19.2	22.8	26.8	3%	3%	2%
EPS	23.9	27.9	32.0	23.7	27.4	31.6	0.9%	2.0%	1.4%
EPS Grw. (%)	17	17	14	16	16	15			
BVPS	68	69	71	68	69	71	0%	0%	0%
RoE (%)	35	41	46	35	40	45	3bps	8bps	6bps
Div. Payout (%)	95	95	95	95	95	95	0bps	0bps	0bps

CONFERENCE CALL

Key takeaways from the management commentary

Business

- Both equity sales market share (high single-digit) and SIP market share (>10%) continued to remain well above the overall equity AUM market share of 7.13%.
- With respect to the SIF initiative, the team is already in place, and fund launches are in progress. Management highlighted strong inherent demand from the HNI segment and remains highly optimistic about this product category.
- On the debt side, the fixed-income segment has started witnessing positive inflows across both short- and long-duration products. With a favorable long-term view on interest rates, management expects this momentum to sustain.
- During the quarter, NAM completed the NFO of Nippon India MNC Fund, raising INR 3.8b.
- The retail distribution share improved to 54% in 2QFY26 (vs. 50% in 1QFY26), driven by a strong retail investor base; management expects these levels to sustain.
- On branch expansion, NAM intends to focus on refurbishing existing branches, implying no material impact on operating costs.
- Digital transactions increased 15% YoY in 1HFY26 to 7.8m, contributing 75% of new purchases; notably, 43 new digital purchases/SIPs were initiated every minute during 1HFY26.

SIP Flows and Yields

- Approximately 25% of SIPs were sourced through fintech channels.
- Yields for the quarter: Equity/Debt/Liquid/ETF stood at 54bp/25bp/12bp/17bp. On an overall basis, average yields are ~36bp.
- Overall yields are expected to decline ~1–2bp on a yearly basis, mainly due to telescopic pricing effect.
- During the quarter, NAM rationalized commissions for one additional scheme, taking the total to four rationalized schemes, covering nearly 60% of total equity AUM.

ETFs

- NAM's market share in the industry ETF folio stood at ~50%, while its ETF trading volume share on NSE and BSE was 49%.
- Average daily ETF volumes across key funds remain significantly higher than the industry average.
- Gold ETF and Silver ETF closing AUMs grew 36% QoQ and 89% QoQ, respectively, with a combined AUM of INR 450b.
- During the quarter, NAM launched three new ETF products: Nippon India Nifty One Day Rate Liquidity ETF, Nippon India Nifty India Manufacturing ETF, and Nippon India Nifty India Manufacturing Index Fund.

AIF and Offshore

- Cumulative AIF commitments reached INR 87.2b as of Sep'25, reflecting a 30% YoY increase; during 2QFY26, NAM raised INR 6.2b across various asset classes.

- Ongoing fundraising includes: Nippon India Equity Opportunities AIF Scheme 10, Nippon India Equity Opportunities AIF Scheme 11, Nippon India Digital Innovation AIF Scheme 2A, A direct VC fund targeting early- to growth-stage startups.
- Fund deployment remained robust across all strategies during the quarter.
- Upcoming product pipeline includes the Nippon India Credit Opportunity AIF Scheme and the Performing Credit Fund.
- NAM continues to expand its global footprint across Asia, Europe, and Latin America.
- On the offshore front, AUM trended lower due to geopolitical uncertainties and mark-to-market (MTM) impacts.

GIFT City

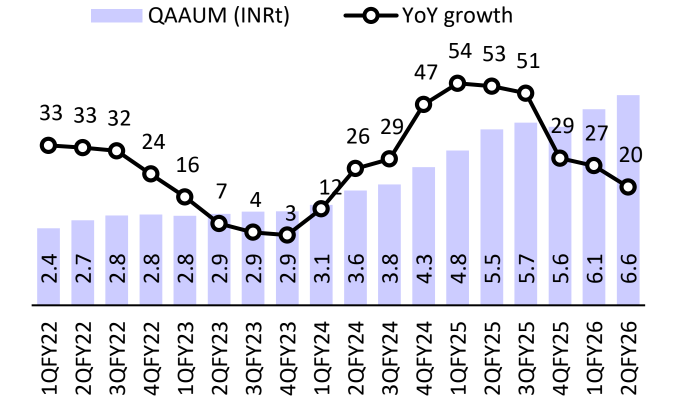
- Currently, NAM operates two feeder funds — Nippon India Large Cap Fund GIFT and Nippon India Nifty 50 Bees GIFT Fund — with combined AUM doubling QoQ to USD 31b.
- The upcoming pipeline includes the Nippon India SHARP Equity Fund and Nippon India Digital Innovation Fund 2B.

Financial Performance

- Other expenses increased 11% QoQ, driven by branding spends, technology investments, and maintenance costs related to new office establishments.
- ESOP expenses for the quarter stood at ~INR 90m, including INR 60m from the newly introduced scheme.
- FY26 ESOP cost guidance stands at INR 420–430m, with INR180–190m already recognized in 1HFY26; for FY27, ESOP costs are projected at ~INR260m.

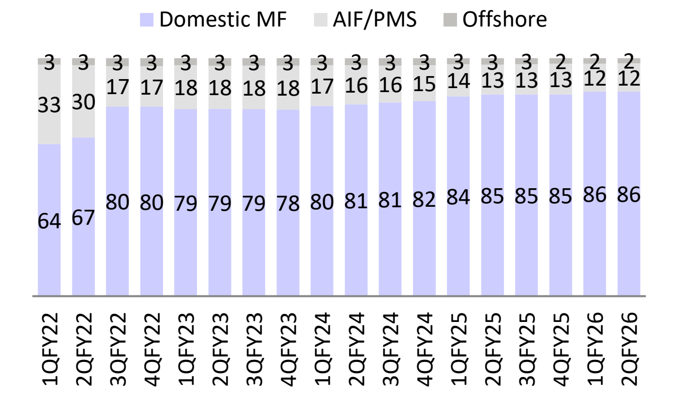
Key exhibits

Exhibit 1: AUM grew 20% YoY in 2QFY26



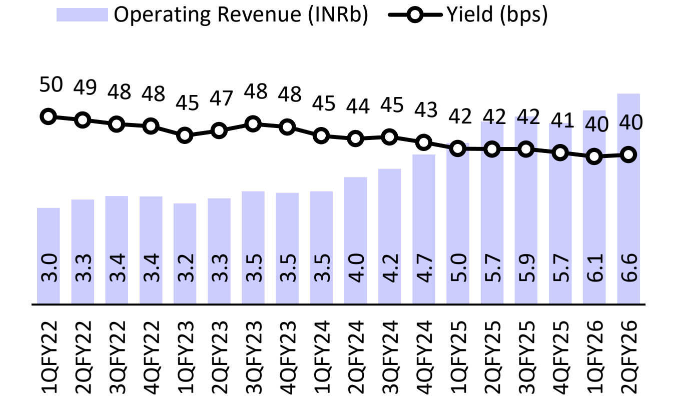
Source: MOFSL, Company

Exhibit 2: Overall AUM mix (%)



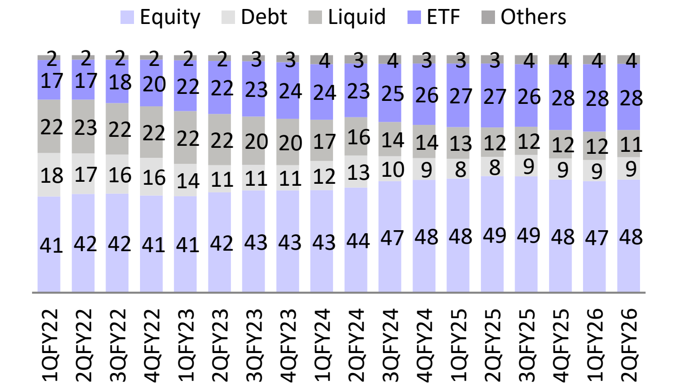
Source: MOFSL, Company

Exhibit 3: Yields on a declining trend on a YoY basis



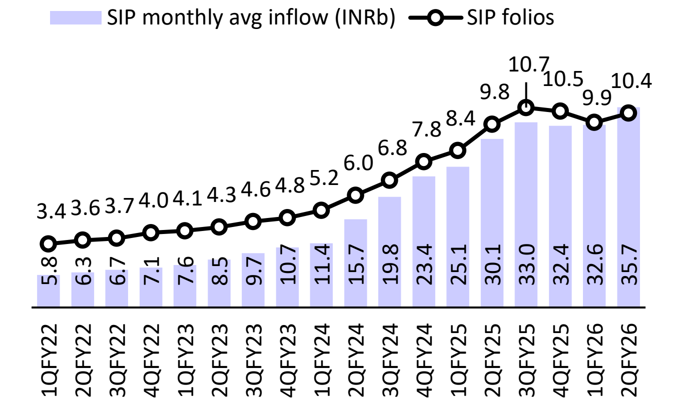
Source: MOFSL, Company

Exhibit 4: Equity mix stood at 48% in MF AUM mix (%)



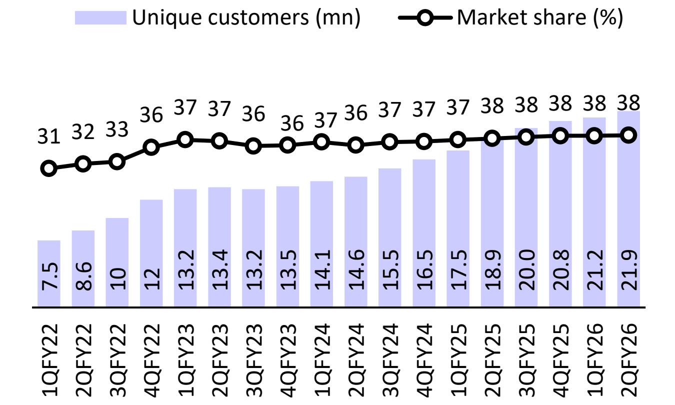
Source: MOFSL, Company

Exhibit 5: SIP monthly average inflows and folios trends



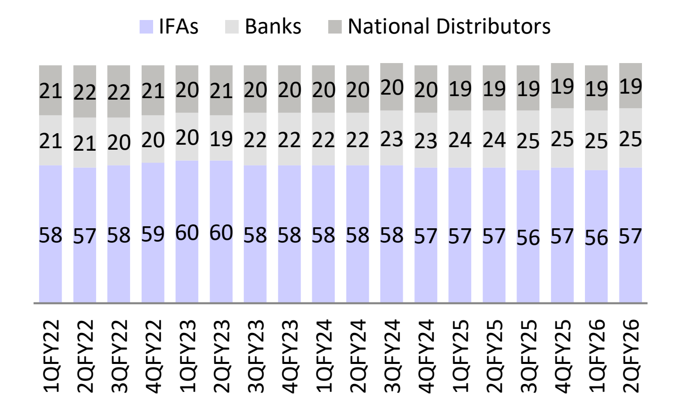
Source: MOFSL, Company

Exhibit 6: Unique customers' market share remained stable sequentially



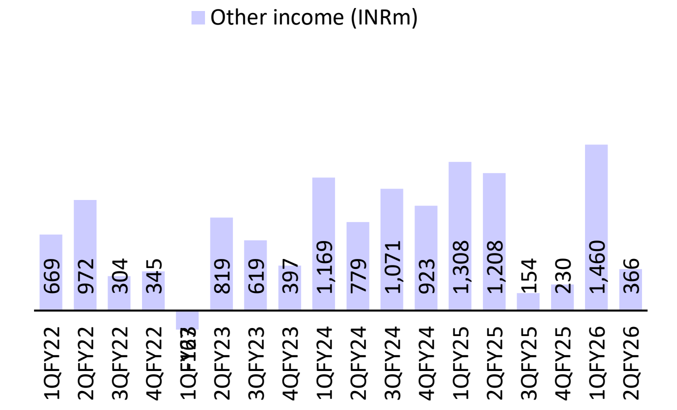
Source: MOFSL, Company

Exhibit 7: Stable distribution mix (%)



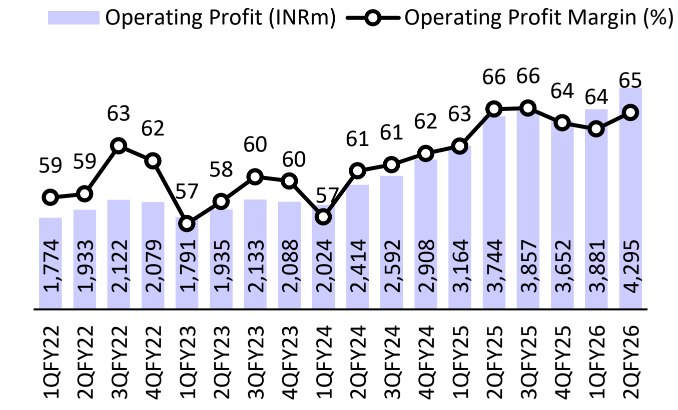
Source: MOFSL, Company

Exhibit 8: Other income declined to INR366m in 2QFY26



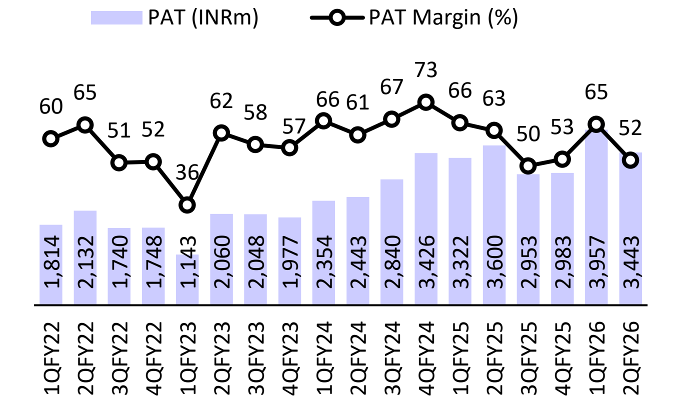
Source: MOFSL, Company

Exhibit 9: Operating profit trends



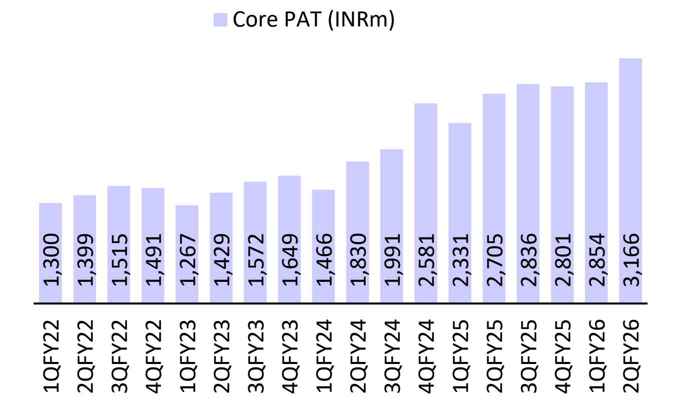
Source: MOFSL, Company

Exhibit 10: PAT trends



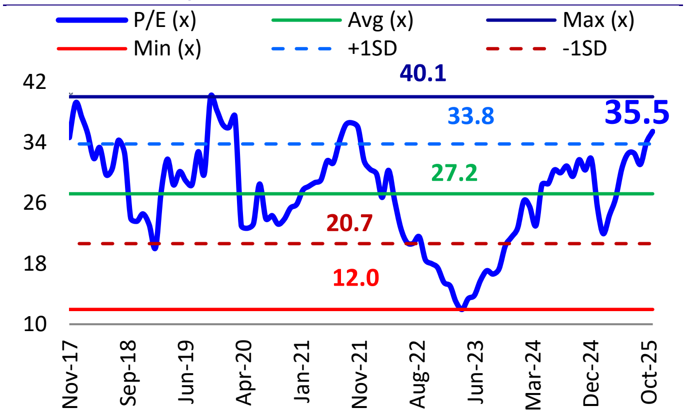
Source: MOFSL, Company

Exhibit 11: Core PAT trend



Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
									INRm
Investment management fees	12,030	10,621	13,066	13,498	16,432	22,307	26,082	30,048	34,592
Change (%)	(18.6)	(11.7)	23.0	3.3	21.7	35.8	16.9	15.2	15.1
Operating Expenses	5,945	5,046	5,159	5,551	6,495	7,891	9,138	10,129	11,395
Core Operating Profits	**6,085**	**5,575**	**7,907**	**7,947**	**9,937**	**14,416**	**16,944**	**19,920**	**23,198**
Change (%)	12.9	-8.4	41.8	0.5	25.0	45.1	17.5	17.6	16.5
Dep/Interest/Provisions	389	377	310	338	354	373	427	435	443
Core PBT	**5,696**	**5,198**	**7,597**	**7,609**	**9,584**	**14,043**	**16,517**	**19,485**	**22,755**
Change (%)	7.7	-8.7	46.1	0.2	25.9	46.5	17.6	18.0	16.8
Other Income	-98	3,572	2,290	1,668	3,941	2,900	3,376	3,803	3,907
PBT	**5,598**	**8,770**	**9,887**	**9,277**	**13,525**	**16,943**	**19,893**	**23,288**	**26,662**
Change (%)	-20.1	56.7	12.7	-6.2	45.8	25.3	17.4	17.1	14.5
Tax	1,441	1,976	2,472	2,048	2,462	4,086	4,854	5,682	6,505
Tax Rate (%)	25.7	22.5	25.0	22.1	18.2	24.1	24.4	24.4	24.4
PAT	**4,158**	**6,794**	**7,415**	**7,229**	**11,063**	**12,857**	**15,039**	**17,606**	**20,156**
Change (%)	-14.6	63.4	9.1	-2.5	53.0	16.2	17.0	17.1	14.5
Core PAT	4,230	4,027	5,698	5,929	7,839	10,656	12,487	14,730	17,203
Change (%)	15.0	-4.8	41.5	4.1	32.2	35.9	17.2	18.0	16.8
Proposed Dividend	3,061	4,932	6,839	7,167	10,395	12,059	14,294	16,732	19,155

Balance Sheet

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
									INR m
Equity Share Capital	6,121	6,165	6,220	6,232	6,300	6,347	6,347	6,347	6,347
Reserves & Surplus	19,809	24,844	28,566	28,925	33,522	35,782	36,534	37,415	38,423
Net Worth	**25,931**	**31,009**	**34,786**	**35,156**	**39,822**	**42,129**	**42,881**	**43,762**	**44,770**
Borrowings	0	0	0	0	0	0	0	0	0
Other Liabilities	2,878	2,914	3,179	3,453	3,929	4,572	5,260	6,010	6,908
Total Liabilities	**28,808**	**33,922**	**37,965**	**38,609**	**43,750**	**46,701**	**48,141**	**49,772**	**51,678**
Cash and Investments	23,479	29,106	32,802	32,959	37,832	36,114	36,982	37,959	39,118
Change (%)	28.1	24.0	12.7	0.5	14.8	-4.5	2.4	2.6	3.1
Loans	**1,006**	**781**	**842**	**1,164**	**848**	**795**	**970**	**1,163**	**1,395**
Change (%)	-76.9	-22.4	7.8	38.3	-27.2	-6.3	22.1	19.9	20.0
Net Fixed Assets	3,256	3,021	2,961	3,073	3,328	8,717	8,876	9,076	9,276
Current Assets	1,067	1,015	1,361	1,413	1,743	1,076	1,313	1,575	1,889
Total Assets	**28,808**	**33,922**	**37,965**	**38,609**	**43,750**	**46,701**	**48,141**	**49,772**	**51,678**

E: MOSL Estimates

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
AAAUM (INR B)	**2,086**	**2,054**	**2,672**	**2,876**	**3,702**	**5,400**	**6,595**	**7,906**	**9,485**
Change (%)	-12.6	-1.5	30.1	7.6	28.7	45.9	22.1	19.9	20.0
Equity (Including Hybrid)	42.7	38.6	41.2	42.3	45.7	48.5	47.7	47.7	47.7
Debt	23.1	20.6	17.4	12.0	11.6	8.6	9.2	8.7	8.3
Liquid	20.0	24.8	22.1	20.9	15.3	12.4	11.5	10.9	10.4
Others	14.2	16.0	19.3	24.8	27.4	30.6	31.7	32.7	33.6

E: MOFSL Estimates

Financials and valuations

Cash flow statement									INR m
INR m	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Cash flow from operations	**10,582**	**7,309**	**7,562**	**7,450**	**11,125**	**14,305**	**15,547**	**18,145**	**20,770**
PBT	5,598	8,770	9,887	9,277	13,525	16,943	19,893	23,288	26,662
Depreciation and amortisation	333	333	272	298	291	306	355	363	371
Tax Paid	-1,441	-1,976	-2,472	-2,048	-2,462	-4,086	-4,854	-5,682	-6,505
Deferred tax	0	396	386	-73	186	310	0	0	0
Interest, dividend income (post-tax)	-592	-221	-183	-181	-235	-260	-259	-265	-272
Interest expense (post-tax)	42	34	29	31	51	51	54	54	54
Changes in working capital	6,643	-26	-357	146	-231	1,041	357	387	461
Cash from investments	**-7,244**	**-6,466**	**-4,036**	**-1,198**	**-4,869**	**-3,497**	**-1,273**	**-1,436**	**-1,586**
Capex	-1,021	-97	-213	-410	-546	-5,695	-514	-563	-571
Interest, dividend income (post-tax)	592	221	183	181	235	260	259	265	272
Investments	-6,815	-6,590	-4,006	-969	-4,558	1,939	-1,017	-1,138	-1,287
Cash from financing	**-4,259**	**-1,821**	**-3,690**	**-6,903**	**-6,212**	**-10,590**	**-14,207**	**-16,632**	**-19,025**
Equity	-126	49	58	6	66	47	0	0	0
Debt	-164	-120	-82	-19	170	-36	134	147	178
Dividend paid	-3,061	-4,932	-6,839	-7,167	-10,395	-12,059	-14,294	-16,732	-19,155
Interest costs	-42	-34	-29	-31	-51	-51	-54	-54	-54
Others	-867	3,216	3,202	308	3,998	1,509	7	7	7
Change of cash	**-920**	**-978**	**-163**	**-651**	**44**	**218**	**67**	**77**	**159**
Op Cash	5,428	4,633	3,606	3,385	2,728	2,706	2,877	2,944	3,021
Cl Cash	4,633	3,606	3,385	2,728	2,706	2,877	2,944	3,021	3,180
FCFF	**9,562**	**7,212**	**7,350**	**7,040**	**10,578**	**8,610**	**15,033**	**17,582**	**20,199**

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Margins Analysis (%)									
Operating income to total income	100.8	74.8	85.1	89.0	80.7	88.5	88.5	88.8	89.9
Cost to Core Income Ratio	**49.4**	**47.5**	**39.5**	**41.1**	**39.5**	**35.4**	**35.0**	**33.7**	**32.9**
EBITDA Margins	50.6	52.5	60.5	58.9	60.5	64.6	65.0	66.3	67.1
Core PBT Margins	**47.3**	**48.9**	**58.1**	**56.4**	**58.3**	**63.0**	**63.3**	**64.8**	**65.8**
PBT Margins (On total income)	46.9	61.8	64.4	61.2	66.4	67.2	67.5	68.8	69.3
Profitability Ratios (%)									
RoE	16.1	23.9	22.5	20.7	29.5	31.4	35.4	40.6	45.5
Dividend Payout Ratio	73.7	72.5	92.1	99.1	93.9	93.7	95.0	95.0	95.0

Valuations	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
BVPS (INR)	41	49	55	56	63	67	68	69	71
Change (%)	0.9	19.6	12.2	1.1	13.3	5.8	1.8	2.1	2.3
Price-BV (x)	**21.2**	**17.7**	**15.8**	**15.6**	**13.8**	**13.0**	**12.8**	**12.5**	**12.3**
EPS (INR)	6.6	10.8	11.8	11.5	17.6	20.4	23.9	27.9	32.0
Change (%)	-14.6	63.4	9.1	-2.5	53.0	16.2	17.0	17.1	14.5
Price-Earnings (x)	**132.0**	**80.8**	**74.0**	**75.9**	**49.6**	**42.7**	**36.5**	**31.2**	**27.2**
Core EPS (INR)	6.7	6.4	9.0	9.4	12.4	16.9	19.8	23.4	27.3
Change (%)	15.0	-4.8	41.5	4.1	32.2	35.9	17.2	18.0	16.8
Core Price-Earnings (x)	**129.7**	**136.3**	**96.3**	**92.5**	**70.0**	**51.5**	**43.9**	**37.3**	**31.9**
DPS (INR)	5.0	8.0	11.0	11.5	16.5	19.0	22.5	26.4	30.2
Dividend Yield (%)	**0.6**	**0.9**	**1.3**	**1.3**	**1.9**	**2.2**	**2.6**	**3.0**	**3.5**

E: MOSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

****

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.