



Duration: 6-9 Months

CMP (Rs)	Target (Rs)	Potential Upside (%)
629	692	10%

**MARKET DATA**

No. of Shares	63.5 Cr
Market Cap	39,916 Cr
52-week High / Low	816/456
BSE Code	540767
NSE Code	NAM-INDIA

**Why NAM-INDIA Ltd?**

- ✓ **Market Share Gains Across Segments**
- ✓ **Healthy Growth Momentum to Continue**
- ✓ **Healthy Revenue Growth Despite Marginal Yield Compression**
- ✓ **Strong ROE Delivery**

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**About the Company**

**Nippon Life India Asset Management Ltd (NAM)** is one of the largest asset management companies in India, with over 26 years of track record and a total AUM of over Rs 5.6 Lc Cr as of FY25. The company is promoted by Nippon Life Insurance Company, one of the leading private life insurers in Japan. The company offers a comprehensive suite of investment products, such as Mutual Funds, ETF, AIF, PMS, and Offshore Funds, catering to a diverse client base.

**Investment Rationale**

- Retail-focused franchise:** NAM has seen a gradual shift from corporate investors towards retail investors in its AUM Mix, with the share of corporate investors declining from 50% in FY22 to 40% in FY25. Going forward, the company will continue to focus on the retail and HNI segments. In the equity portfolio, the management aspires to improve the share of retail to ~90% of the business.
- Focus on SIPS; Market share gains continue:** NAM has seen continued traction in its SIP flows, driving market share gains. The SIP market share improved by ~17 bps QoQ to 10.16% in Mar'25. In the past quarter, the industry witnessed muted growth in the SIP book and higher stoppages owing to market volatility. However, the management highlighted that the company was able to outperform the industry with better-than-industry flows and lower stoppages. NAM remains focused on diversifying the SIP book into multiple categories and building products around SIPs, offering more stability in times of volatility.
- Eyeing product launches in the passive category; averse to large NFOs:** In order to further augment the company's passive offerings, NAM will continue to launch new products. However, in continuation with its previous strategy, it will remain averse to driving growth through mega NFOs. Larger NFO offers do not lend long-term stability in terms of AUMs and also do not improve customer stickiness.
- Focus on Overseas Business:** The company continues to witness strong flows in the offshore business from various geographies. NAM will continue to expand and strengthen its footprint in the Japanese institutional and retail space. During the quarter, the company launched the Nippon India ETF NIFTY 50 BeES GIFT Fund in collaboration with Nissay Asset Management Corporation, enabling Japanese investors to access the Indian markets via the Nissay scheme. Going forward, the company will continue to expand its footprint in newer geographies in the European region.
- Outlook:** We expect NAM to deliver a healthy MF AUM/Revenue/Earnings growth of 18/14/13% CAGR over FY25-27E, driven by (i) diversified product offerings, (ii) strong retail-focused franchise, and (iii) focus on profitable growth. Given the low penetration levels in India vis-à-vis developed countries, NAM is a play on the financialisation of savings in India.
- Recommendation:** We recommend a BUY rating on the stock with a target price of Rs 692/share, implying an upside of 10% from the CMP.

**Financial Summary**

Y/E March	MF AUM (Rs Bn)	Revenues (Rs Cr)	Op. Profit (Rs Cr)	OPM (%)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	RoE (%)
FY24	4,313	1,643	994	60.5	1,106	17.6	35.8	29.5
FY25	5,572	2,231	1,442	64.6	1,286	20.3	31.0	31.4
FY26E	6,496	2,538	1,622	63.9	1,435	22.6	27.8	33.0
FY27E	7,749	2,922	1,863	63.8	1,635	25.8	24.4	35.1

Source: Axis Securities Research. CMP as on 09<sup>th</sup> May, 2025

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