



Back with a bang

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March 7, 2024

Company Initiation

Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
Revenue (Rs m)	13,498	16,344	19,668	22,657
Opex	5,890	6,813	7,502	8,137
Employee	3,004	3,389	3,649	3,941
Others	2,886	3,424	3,852	4,196
Core Inc. (Rs m)	7,609	9,531	12,166	14,520
PAT (Rs mn)	7,228	10,458	11,600	13,505
Core PAT (Rs m)	5,929	7,412	9,461	11,291
Core EPS (Rs.)	9.5	11.9	15.2	18.1
Gr. (%)	3.6	25.0	27.6	19.3
AAuM (Rs bn)	2,877	3,644	4,577	5,540
Gr. (%)	7.5	26.7	25.6	21.0
RoAAuM (bps)*	0.21	0.20	0.21	0.20
RoE (%)*	27.2	36.5	50.3	63.1
P/Core EPS (x)	16.6	19.5	29.9	24.9

*Core

Key Data

NIPF.BO | NAM IN

52-W High / Low	Rs. 543 / Rs. 197
Sensex / Nifty	74,086 / 22,474
Market Cap	Rs. 319.6bn / \$ 3,858m
Shares Outstanding	629.4m
3M Avg. Daily Value	Rs. 611.6m

Shareholding Pattern (%)

Promoter's	73.10
Foreign	5.54
Domestic Institution	14.19
Public & Others	7.18
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.2	58.0	127.5
Relative	0.3	44.7	101.3

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We initiate coverage on NAM with 'BUY' rating given (1) consistent equity outperformance translating to improved net flows and in-turn market share gains (2) focus on stronger investment process and risk management and (3) robust retail franchise as indicated by enhancing SIP AUM and healthy addition of unique investors plus folios over FY19 to 9MFY24. Significant under-penetration in Indian MF industry suggests strong growth prospects of AMC space which could benefit NAM (4th largest player). We expect healthy core earnings CAGR of 23.4% over FY24-26E led by higher than industry equity AAuM growth and operational efficiency. The stock is valued at 25x FY26E core EPS implying 32% discount to HDFC AMC. We assign multiple of 30x to arrive at a TP of Rs610. Initiate with 'BUY'.

- Investment process and risk management bolstered:** Market share declined in debt/equity over FY17-21 due to credit/brand related issues and equity under-performance. After Nippon bought majority stake, focus was on strengthening investment process and risk management. Thrust was to align KPIs with objective performance of the research team, to generate superior alpha with consistent performance. On risk management, various measures such as sector deviation, active share thresholds, stock concentration limits were defined – aligned to the mandates of respective schemes.
- Better performance driving market share gains:** Analysis across top-10 MFs suggests that weighted alpha for NAM in 1-yr bucket materially improved from Feb'21 and NAM has consistently featured in top-3 MFs since May'21. Performance in 3-yr and 5-yr bucket has also been enhancing. Better performance is translating to improved net equity flows resulting in market share gains. Market share in net equity flows enhanced from 0.1% in FY22 to 5.3% in FY23 and 12.9% in 9MFY24. Hence, equity QAAuM market share stabilized post Q4FY22 at 6.0% and improved to 6.7% in Q3FY24. Debt market share has also stabilized near 7.0%.
- Strong retail franchise; SIP market share enhancing:** Being non-bank backed, focus has been on retail segment, which also entailed increasing B-30 presence. Capturing greater mindshare of the retail investor has led to superior SIP contribution. As a result, SIP AuM market share has improved from 8.5% in Q4'23 to 9.2% in Q3'24. Over FY19-23 unique investor base CAGR was 26% (18% for industry) while folios saw a 21% CAGR (15% for industry). As emphasis has been on deeper geographic penetration, concentration risk with respect to distributors is also lower for NAM. Contribution of top 1780 distributors to AuM is lesser at 37.5% (vs 42.6% for industry).
- Strong core earnings growth led by operating leverage:** Basis superior equity performance and further market share gains we expect NAM equity AAuM to outgrow the industry by 6% CAGR over FY24-26E. Driven by healthy equity AAuM CAGR of 26%, we see operating leverage to play out; despite a 2bps reduction in AMC yields, revenue CAGR (17.7%) is likely to surpass that of opex (9.3%). Hence, core income CAGR is expected at 23.4% over FY24-26E with core profitability maintained between at 26-27bps (pre-tax).

Exhibit 1: Peer Comparison

Company	CMP	MCap (Rs bn)	MAAuM (Rs bn)	Mcap/MAAuM	Revenue (Rs bn)				Core Income				Core EPS				Core P/E			
					FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
HDFCAMC	3,764	803.55	5,959	13.5%	21.7	26.1	30.7	35.1	15.5	19.1	23.0	26.6	55.5	69.2	81.8	94.7	24.7	28.5	41.9	35.9
NAM	508	320.57	4,164	7.7%	13.5	16.3	19.7	22.7	7.6	9.5	12.2	14.5	9.5	11.9	15.2	18.1	16.6	19.5	29.9	24.9
ABSLAMC*	518	149.29	3,307	4.5%	12.1	13.1	14.8	16.3	6.6	7.1	8.3	9.2	17.2	18.9	21.9	24.3	18.6	14.6	18.6	16.2
UTIAMC	880	111.95	2,875	3.9%	11.3	11.6	12.9	14.1	4.3	4.2	5.3	6.0	25.2	26.5	32.5	37.4	17.4	17.9	17.3	14.7

Source: Company, PL. *For ABSL AMC estimates are basis Bloomberg consensus

Exhibit 2: Listed AMC financials and du-pont

Particulars (Rs mn)	HDFC AMC			Nippon AMC			Birla AMC			UTI AMC		
	FY22	FY23	9M'24	FY22	FY23	9M'24	FY22	FY23	9M'24	FY22	FY23	9M'24
Du-pont (Rs mn)												
Revenue	21,154	21,668	18,889	13,066	13,498	11,750	12,635	12,052	9,707	11,189	11,314	8,644
Opex	5,779	6,120	5,124	5,470	5,890	4,984	4,967	5,432	4,464	6,671	7,045	5,555
Employee	3,122	3,127	2,303	2,903	3,004	2,453	2,423	2,629	2,252	4,067	4,145	3,228
Others	2,657	2,993	2,822	2,567	2,886	2,531	2,545	2,803	2,212	2,604	2,899	2,327
Core Income	15,375	15,549	13,765	7,597	7,609	6,766	7,667	6,621	5,243	4,518	4,269	3,089
Other income	3,178	3,158	4,226	2,290	1,668	3,018	1,156	1,264	2,119	2,084	1,587	4,600
PBT	18,553	18,706	17,991	9,887	9,276	9,784	8,823	7,884	7,362	6,602	5,856	7,689
Tax	4,622	4,467	3,943	2,453	2,048	2,148	2,219	1,975	1,686	1,256	1,459	1,483
PAT	13,931	14,239	14,048	7,434	7,228	7,636	6,604	5,909	5,676	5,346	4,397	6,206
Core PAT	11,545	11,836	10,728	5,712	5,929	5,287	5,739	4,962	4,039	3,658	3,203	2,498
Du-pont (bps)												
Revenue	48.8	49.8	48.4	48.8	46.9	45.1	43.2	42.9	42.2	51.7	48.3	43.9
Opex	13.3	14.1	13.1	20.4	20.5	19.1	41.7	41.3	19.4	30.8	30.1	28.2
Employee	7.2	7.2	5.9	10.9	10.4	9.4	8.3	9.4	9.8	18.8	17.7	16.4
Others	6.1	6.9	7.2	9.6	10.0	9.7	33.4	32.0	9.6	12.0	12.4	11.8
Core Income	35.4	35.8	35.3	28.4	26.4	26.0	26.2	23.6	22.8	20.9	18.2	15.7
PAT	32.1	32.8	36.0	27.8	25.1	29.3	22.6	21.1	24.7	24.7	18.8	31.5
Core PAT	26.6	27.2	27.5	21.4	20.6	20.3	19.6	17.7	17.6	16.9	13.7	12.7
ROE (%)	27.0	24.5	30.7	22.6	20.7	27.5	33.7	25.1	27.8	15.5	11.7	19.7
Core ROE (%)	27.6	25.6	32.1	26.9	27.2	33.9	38.5	27.7	27.6	15.6	12.8	12.1
Tax rate (%)	24.9	23.9	21.9	24.8	22.1	21.9	25.2	25.0	22.9	19.0	24.9	19.3
Cash + Investments	55,783	60,832	59,650	32,801	32,959	31,166	22,292	24,839	26,767	33,930	36,051	41,996
AAuM (Rs bn)	4,338	4,348	5,206	2,675	2,877	3,473	2,926	2,807	3,064	2,112	2,343	2,626
Equity	1,171	1,370	1,853	880	1,007	1,346	931	963	1,054	637	707	772
Balanced	742	825	1,014	129	139	152	152	168	181	207	206	230
Debt	1,527	1,176	1,271	731	547	604	1,292	947	1,008	312	236	265
Liquid	709	726	694	325	398	361	438	526	543	350	395	355
ETF	41	59	97	481	656	825	10	28	59	481	630	787
Index	70	121	201	11	34	83	18	112	159	70	126	183
Arbitrage	72	62	65	119	96	102	81	59	51	55	44	34
FoF	6	10	10	0	0	0	4	5	7	0	0	0

Source: Company, PL

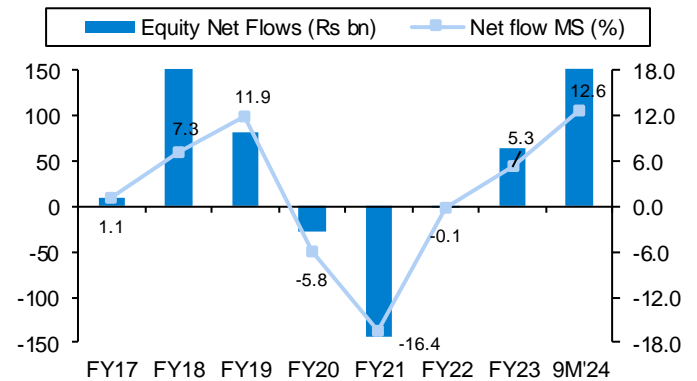
Story in Charts

Exhibit 3: Equity performance materially improved (top-3)

1-yr Alpha	Jun'20	Dec'20	Dec'21	Dec'22	Jun'23	Sep'23	Dec'23
ICICI	-0.9	-2.4	2.2	4.6	1.0	4.3	3.0
HDFC	-9.0	-7.4	4.1	8.6	7.2	7.5	6.2
SBI	-0.8	-2.2	2.4	-0.7	-0.6	-0.7	-1.7
Axis	6.7	2.9	-5.5	-11.7	-4.8	-9.5	-7.2
Nippon	-8.1	-7.8	5.8	4.9	4.5	3.4	4.0
ABSL	-1.2	-2.4	-2.4	-4.0	-1.5	0.8	-0.4
Kotak	1.8	-2.8	-2.4	1.1	-1.5	-2.4	-4.6
Mirae	2.0	0.1	2.8	-3.3	-4.0	-0.6	-3.1
UTI	1.6	4.0	1.4	-7.6	-3.8	-5.0	-3.7
DSP	4.0	-2.0	-4.0	-3.4	-2.5	-1.7	-0.5

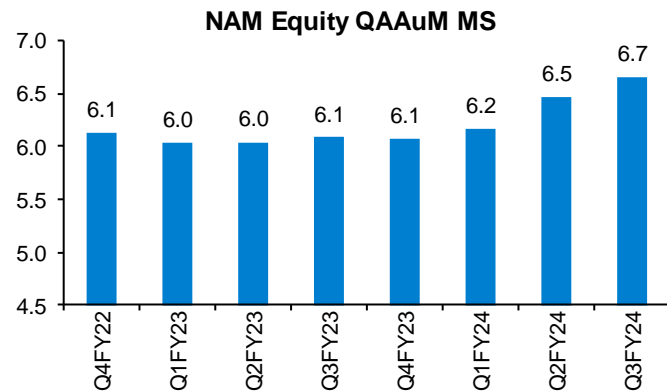
Source: AMFI, PL

Exhibit 4: ...translating to better net equity flows



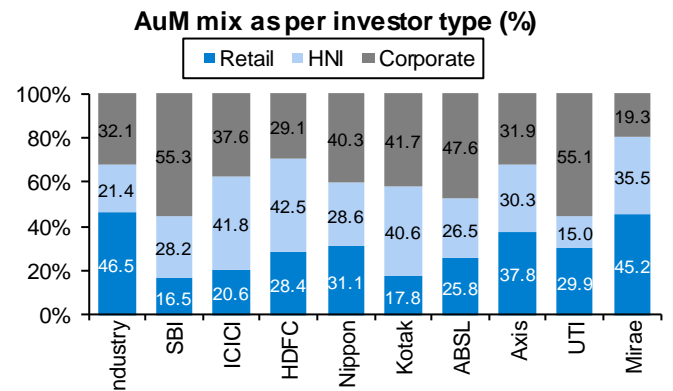
Source: AMFI, Company, PL

Exhibit 5: Equity QAAuM market share enhancing



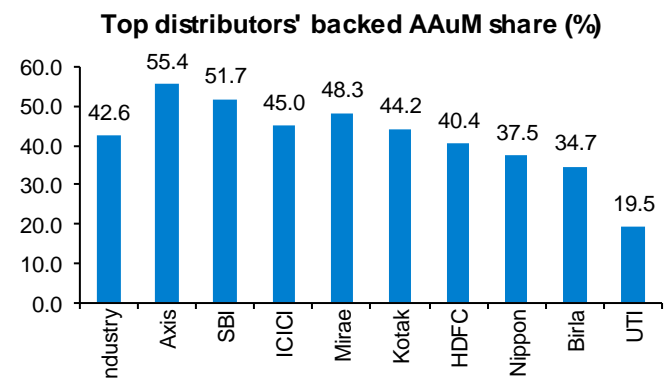
Source: AMFI, Company, PL

Exhibit 6: Retail focus led to greater AuM share



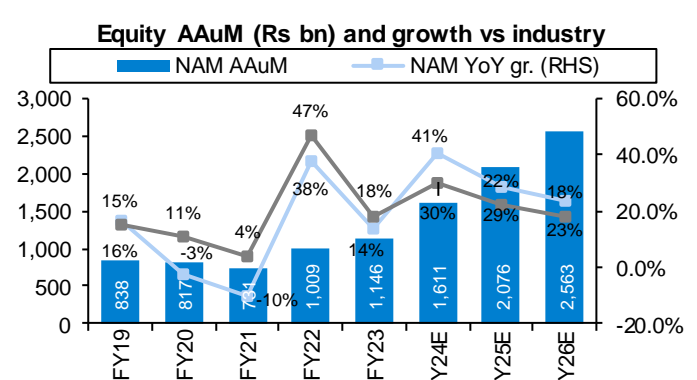
Source: AMFI, Company, PL

Exhibit 7: Top distributor led AuM too is low, due to ticket size



Source: AMFI, Company, PL

Exhibit 8: NAM equity growth to be higher than industry



Source: AMFI, Company, PL

Nippon Life India - A strong domestic franchise

Nippon Life India Asset Management Ltd. (NAM) was incorporated in India on 24th Feb'95 under the name Reliance Nippon Life Asset Management Ltd (changed on 13th Jan'20). Company's principal activity is to act as investment manager to Nippon India MF and provide PMS and advisory services to clients. It is also present in AIF and off-shore businesses via its subsidiaries. As at Dec'23, NLI Japan being the promoter holds 73% while LIC holds 6%. NAM has more than 98,000 distributors and 191 branches across 260 locations.

- Nippon Life Insurance Company ("NLI") is Japan's leading private life insurer (offers individual and group life and annuity policies). Other than Japan- NLI operates in North America, Europe, Oceania and Asia. The company conducts asset management operations globally, through its subsidiary Nissay.
- NAM is currently India's 4th largest mutual fund based on overall/equity QAAUM and the largest Non-Bank sponsored mutual fund. Overall/equity QAAUM as at Dec'23 was Rs3.78/1.69trn with market share of 7.7/6.7%. Company has the highest investor folio base of 21.3mn.

Exhibit 9: A key player with strong presence, distribution and operational parameters

Distribution	<ul style="list-style-type: none"> • Diversified base of 98,000+ distributors inclusive of 88 banks and 78 National Distributors; single distributor concentration of <5% assets. • Distributed assets contribute 48% of which BND share is 43%
Equity AAuM	<ul style="list-style-type: none"> • Share of equity in AAuM has grown from 39% in Q1FY20 to 44.7% in Q3FY23 and has seen a CAGR of 31.2% over Dec'20-Dec'23. • Equity market share improving from 6.1% in Mar'23 to 6.7% in Dec'23.
Retail strength	<ul style="list-style-type: none"> • Highest unique investor/folio base of 15.5/22.5mn suggesting a market share of 37%/13.6% • B-30 locations contribute 20% of overall AUM vs 18% for the industry.
Superior profitability	<ul style="list-style-type: none"> • Due to higher retail presence, core profitability is better at 26-27bps. • Led by stronger equity performance and industry growth potential, profitability would remain superior.

Source: AMFI, Company, PL

Exhibit 10: Strengthening of investment process



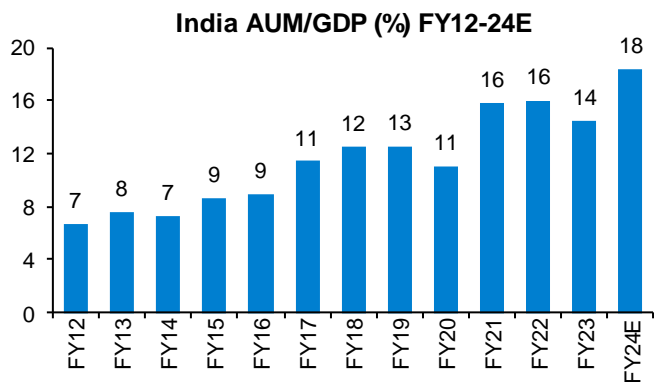
Source: Company

Key Investment Arguments

MF industry still significantly under-penetrated in India

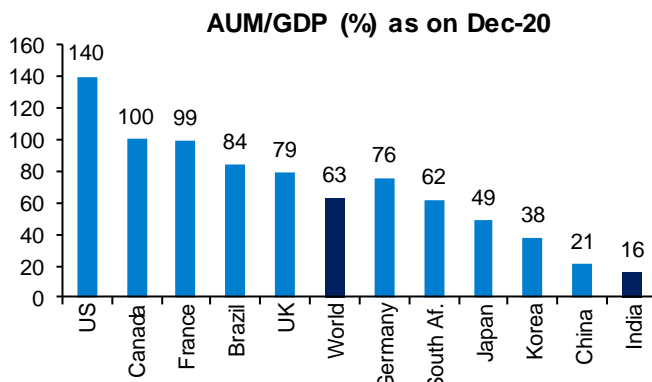
Indian mutual fund industry's AuM as a share of GDP has risen from 4.3% in FY02 to 16% in CY20. However, the industry still has tremendous potential for growth, considering that India is largely an untapped market (unique mutual fund investors in the industry are 40.4mn as at Dec'23, compared to India's population of ~1.4bn).

Exhibit 11: AuM to closing GDP at 14.5% for India in FY23



Source: AMFI, RBI, PL

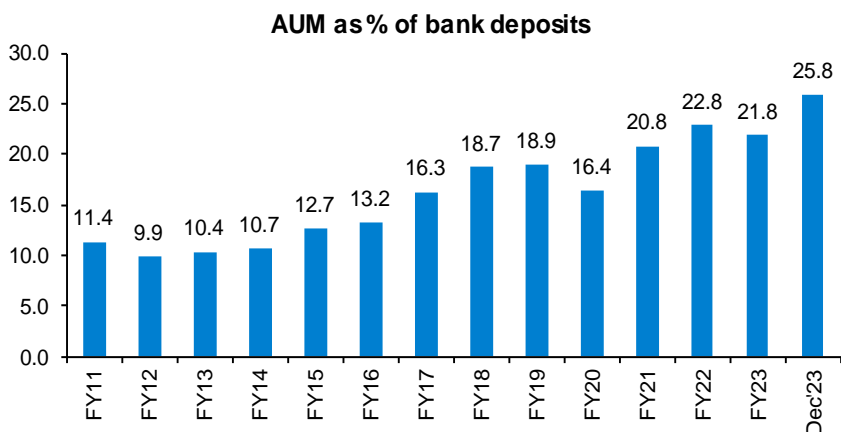
Exhibit 12: AuM to GDP lowest for India at 16%



Source: World Bank, PL

India's AuM to GDP is significantly lower than world average of 63% and also lower than developed economies like US (140%), Canada (100%), France (99%), UK (79%), Germany (76%), Japan (49%) and China (21%). We believe that this relatively low penetration provides a large scope for strong growth ahead.

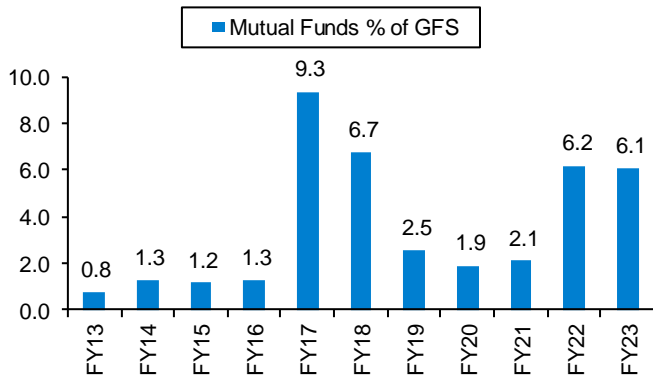
Exhibit 13: MF AUM/SCB deposits increased from 10% to 22% over a decade



Source: RBI, AMFI, PL. Note: SCB – Scheduled Commercial banks

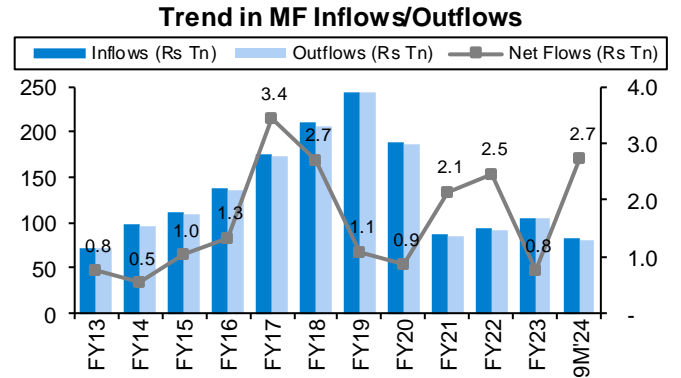
MF AuM as a percentage of bank deposits has grown over 10 years i.e. FY13 to FY23 from ~10% to ~22%. However, India still has tremendous potential for MF AuM growth, since AUM to deposit ratio is significantly lower than global peers. This ratio was 100% for USA, 46% of China and 29% of Japan.

Exhibit 14: MF allocation from GFS is low at ~6%



Source: MOSPI, RBI, PL

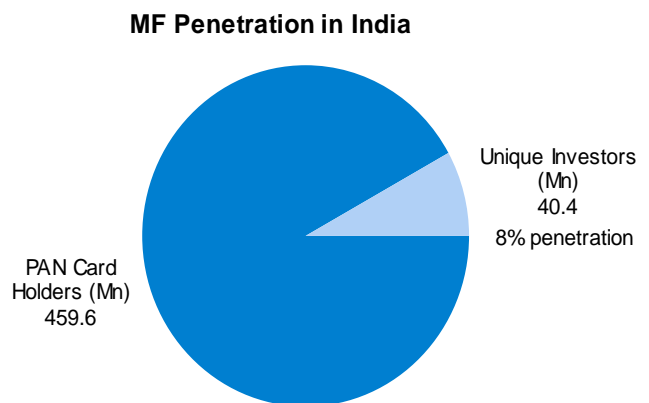
Exhibit 15: Net flows back in reckoning in FY24 at Rs2.7trn



Source: AMFI, PL

Allocation to MFs as a percentage to AuM remains low for India and for FY22 and FY23 it was merely ~6% of gross financial savings (GFS). This ratio fell from 9% in FY17 to 1.9% in FY20 owing to higher redemptions in MFs despite increase in gross flows. Allocation from financial savings towards mutual funds should increase with greater penetration and higher financial literacy.

Exhibit 16: MF penetration in India is roughly 8%



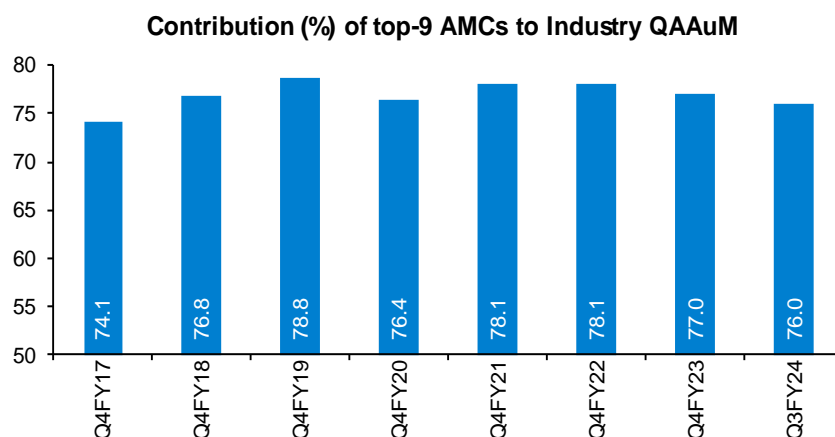
Source: HDFC AMC

Moreover, only 3% of the Indian population invests in stock markets, compared to 13% in case of China and 55% for US. Of the ~1.4bn population, ~500mn held a PAN Card, whereas unique investors in India stood only at 40.4mn i.e. 8% penetration; signifying immense potential for further penetration and growth.

Larger MFs at an advantage due to better distribution

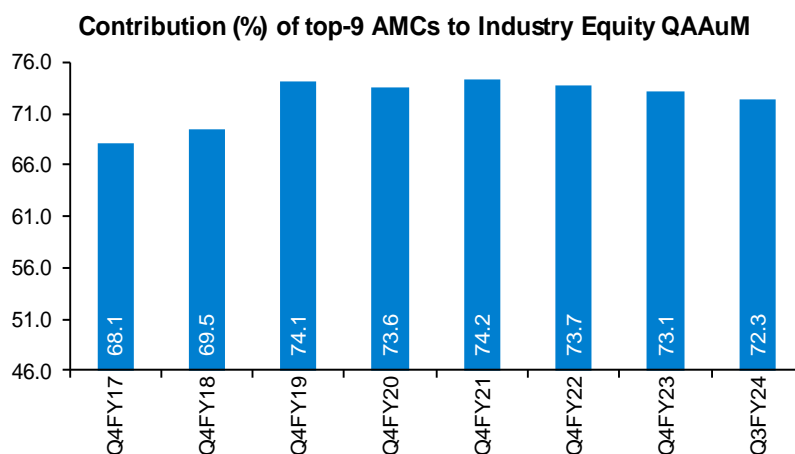
As seen below contribution of top-9 AMC's by size to overall and equity QAAuM has remained between 75-80% suggesting larger AMC's have an advantage due to better brand value. It is not surprising that of the top-9 AMC's, 5 have a bank as holding company.

Exhibit 17: Contribution of top-9 AMC's to industry QAAuM has been 74-79%



Source: AMFI, Company, PL

Exhibit 18: Top-9 AMC's contribute 68-74% to industry equity QAAuM



Source: AMFI, Company, PL

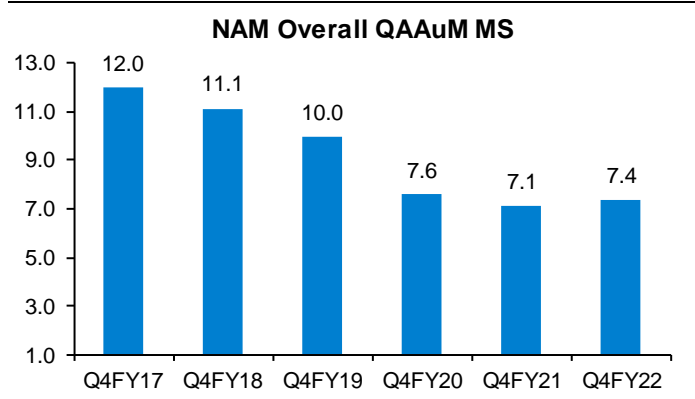
NAM is the 4th largest AMC in terms of MAAuM which stood at Rs4.16trn in Jan'24, while Equity MAAuM (incl. balanced) was at Rs1.9trn suggesting a market share of 7.87% and 6.8% respectively. Being one amongst top-9 AMC's has been advantageous, since larger AMC's have deeper distribution network and a proven track record which enables stickier money to flow-in.

Investing process refined; equity market share improving

Over Q4FY17-Q4FY21, NAM saw a consistent fall in QAAuM market share (MS) which declined from 12.0% to 7.1% mainly due to fall in debt QAAuM from Rs1.07trn to Rs690bn. Debt/equity MS share over same period reduced from 13.5% to 6.6% and 9.3% to 6.6% respectively.

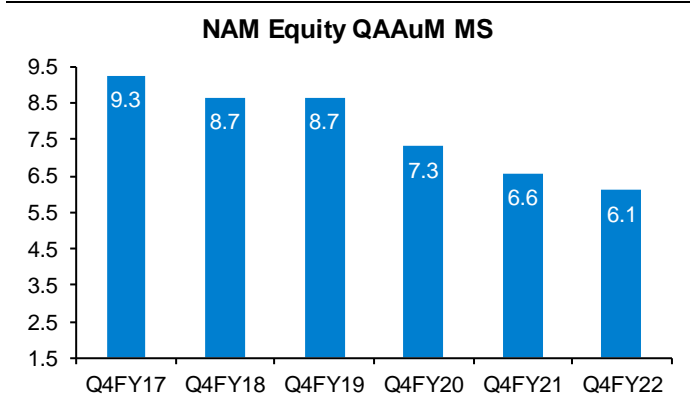
Main reasons for market share loss were: (1) credit related issues exacerbated by NBFC crises in FY19 that led to outflows in debt (2) brand related problems of the erstwhile promoter due to which many HNI clients moved out (3) underperformance across equity schemes (significant in some schemes).

Exhibit 19: MS in industry QAAuM dropped to 7.1%



Source: AMFI, Company, PL. Note: MS – Market Share

Exhibit 20: MS in equity fell from 9.3% to 6.1%



Source: AMFI, Company, PL. Note: MS – Market Share

Hence after NAM bought majority stake from the erstwhile promoter, there were two major focus areas i.e. strengthening investment process and risk management. Historically, there was more focus on alpha generation that depended more on individual fund management styles. However, NAM realized that as size increases, fund management process needs to be more institutionalized and style agnostic.

To address this, NAM adopted various measures which could be bifurcated into 3 main categories: (1) strengthening research-areas of improvement (2) flow of research to fund management – fund casing & portfolio construction and (3) monitoring and review.

Thrust was also to link KPIs to objective performance of the research team. Research was incrementally expected to give super ideas (top picks) for presenting to the entire team. Concept of TMSG was also introduced. Second step was aligning analyst ideas reflected in the portfolios; idea was to achieve a reasonable alignment. The objective was to generate alpha with consistent performance and remain in quartile-1 or quartile-2 without moving towards extremes.

Risk management was also bolstered. NAM witnessed superior performance following a bottom-up approach, rather than a top-down one. Large deviation from sector weights further increased risk, hence sector limits were introduced to mitigate top-down risk.

Exhibit 21: 1-year weighted average equity performance to benchmark improving since Feb'21

Name	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23
ICICI	-0.9	-1.8	-2.4	-2.1	-2.4	-0.4	2.2	4.3	5.7	3.5	4.6	4.8	1.0	4.3	3.0
HDFC	-9.0	-9.8	-7.4	-2.9	3.4	7.1	4.1	3.3	4.2	5.7	8.6	9.1	7.2	7.5	6.2
SBI	-0.8	-4.2	-2.2	-5.7	-0.8	1.5	2.4	0.4	0.7	1.4	-0.7	0.7	-0.6	-0.7	-1.7
Axis	6.7	-0.2	2.9	-21.2	-7.9	-3.1	-5.5	-4.4	-6.8	-7.0	-11.7	-7.5	-4.8	-9.5	-7.2
Nippon	-8.1	-6.3	-7.8	-4.3	3.6	7.0	5.8	4.1	5.2	5.3	4.9	5.1	4.5	3.4	4.0
ABSL	-1.2	-1.6	-2.4	-7.4	-4.3	-5.5	-2.4	-3.2	-3.9	-4.0	-4.0	-2.1	-1.5	0.8	-0.4
Kotak	1.8	-0.1	-2.8	-4.8	-2.7	-5.7	-2.4	-3.4	-0.7	1.1	1.1	2.4	-1.5	-2.4	-4.6
Mirae	2.0	3.1	0.1	1.3	3.3	-0.1	2.8	-1.2	-1.1	-3.0	-3.3	-1.4	-4.0	-0.6	-3.1
UTI	1.6	2.3	4.0	-0.3	3.2	2.1	1.4	-3.0	-3.6	-3.6	-7.6	-3.7	-3.8	-5.0	-3.7
DSP	4.0	-0.8	-2.0	-11.7	-7.3	-7.2	-4.0	-4.6	-4.2	-3.1	-3.4	-0.8	-2.5	-1.7	-0.5

Source: AMFI, PL

Exhibit 22: 3-year weighted average equity performance to benchmark improving since Jan'21

Name	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23
ICICI	0.1	0.5	0.1	-0.1	-0.1	-0.3	0.6	0.8	1.7	1.4	2.3	4.2	3.4	4.4	4.0
HDFC	-3.5	-4.0	-4.2	-2.6	-1.1	-2.3	-2.7	-2.5	-1.3	0.2	2.0	5.1	5.8	7.3	6.4
SBI	-0.6	-1.1	-1.4	-0.9	0.3	0.6	1.4	0.6	0.3	-0.3	-0.4	-0.9	0.3	1.0	-0.1
Axis	3.8	2.8	4.1	2.2	1.6	2.7	1.6	1.1	-2.1	-4.3	-5.7	-10.4	-7.0	-7.2	-8.0
Nippon	-3.7	-2.8	-3.9	-1.8	-0.7	-0.9	-1.4	-0.4	-0.2	0.9	1.2	3.0	4.6	5.3	5.2
ABSL	-3.0	-3.3	-3.5	-3.5	-2.8	-2.4	-2.3	-2.5	-2.4	-2.7	-2.9	-2.5	-2.2	-1.7	-2.3
Kotak	0.5	0.4	0.2	1.0	1.4	0.7	-0.2	-0.3	-0.4	-1.4	-1.5	-1.3	-1.5	-1.7	-1.7
Mirae	0.8	1.0	0.3	1.9	2.6	2.3	1.8	1.0	1.1	-0.2	-0.6	-0.8	-1.0	-1.4	-1.7
UTI	-0.8	0.0	0.8	0.4	0.3	1.3	1.8	0.2	0.2	-0.1	-1.7	-2.9	-2.0	-2.7	-3.8
DSP	0.7	0.3	0.2	0.0	1.2	0.8	0.5	-0.8	-1.1	-2.9	-3.1	-4.6	-4.0	-3.2	-2.9

Source: AMFI, PL

Exhibit 23: 5-year weighted average equity performance to benchmark improving since Jan'22

Name	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23
ICICI	-0.4	-0.7	-0.9	-0.6	-0.9	-0.4	0.0	-0.4	0.4	0.2	0.5	0.7	0.9	0.9	1.1
HDFC	-1.3	-2.1	-1.7	-0.7	-0.6	-1.3	-1.9	-1.5	-0.9	-0.3	-0.1	0.8	1.3	1.4	1.4
SBI	-0.4	-1.1	-1.2	-1.1	-0.9	-1.0	0.2	0.1	0.2	0.3	-0.4	-0.1	0.5	0.8	0.2
Axis	2.0	1.4	1.8	1.4	1.7	2.0	2.1	1.5	0.7	0.5	0.1	-0.4	-1.1	-1.8	-2.5
Nippon	-2.0	-1.8	-2.4	-0.8	-0.5	-0.5	-0.7	-0.2	0.2	0.6	0.2	1.1	1.8	1.6	1.5
ABSL	-0.9	-1.5	-1.7	-1.9	-2.1	-2.9	-2.5	-3.0	-3.0	-3.4	-3.2	-2.8	-2.4	-1.8	-2.3
Kotak	1.5	0.8	0.5	1.0	0.7	0.0	-0.7	-0.5	-0.1	0.0	0.6	0.7	0.3	0.1	-0.5
Mirae	2.0	1.7	1.8	2.4	2.2	1.6	1.5	0.8	0.6	0.1	0.1	0.8	0.8	0.7	0.1
UTI	-1.5	-1.8	-0.9	-1.2	-0.9	-0.7	0.1	-0.6	-0.6	-0.4	-1.1	-1.2	-1.4	-1.2	-1.6
DSP	1.0	0.5	0.1	-0.2	-0.5	-1.2	-1.5	-1.6	-1.2	-1.3	-1.2	-0.9	-0.4	-0.2	-0.4

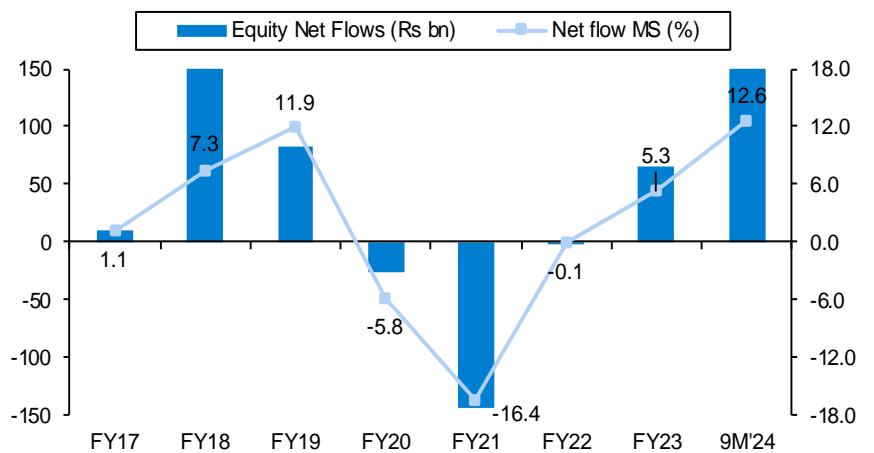
Source: AMFI, PL

Percentage deviation to index construction (active share) was also defined for various funds while analysts too rate stocks on the basis of risk assessment (business and management risk).

Equity performance (1-yr bucket) consistently enhanced over Feb'21 to Nov'23 and since Jun'21 NAM has been among top 3 performing mutual funds. Since 1-yr performance is lead indicator, the 3-yr and 5-yr buckets also started improving since Jan'21 and Jan'22 respectively. As a consequence, Market share across segments started stabilizing.

However, despite strong performance there was a slight delay in pick-up of net equity flow market share due to concerns about 1) brand NAM since it is a foreign brand and 2) consistency of processes and procedures.

Exhibit 24: MS in net equity flows rose from -0.1% in FY22 to 12.9% 9MFY24

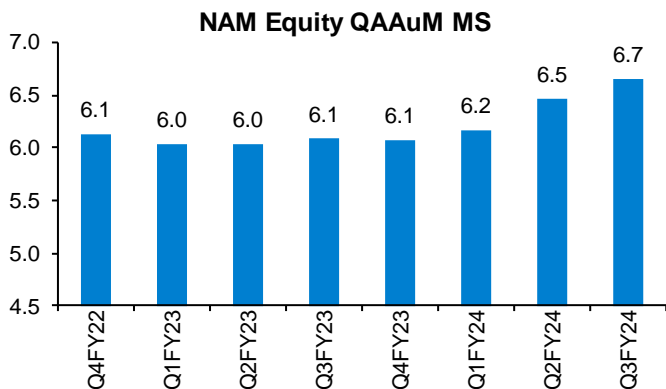


Source: AMFI, Company, PL. Note: MS – Market Share

Although later, but NAM is seeing better net flows in equity. Post Jan'19 the company saw negative net flows which turned positive only from Nov'21 suggesting a lag of almost 8-9months post better performance in the 1-yr bucket.

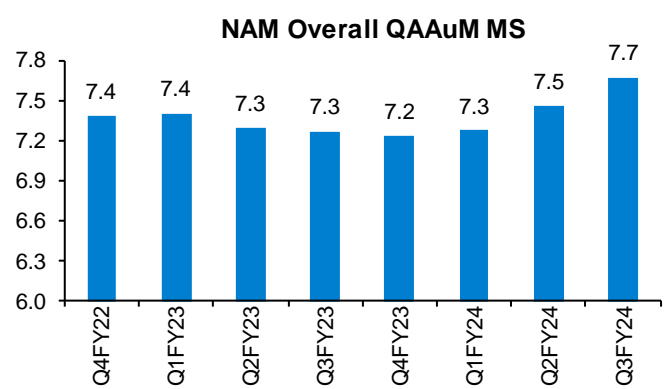
Net equity flow market share enhanced from -0.1% in FY22 to 5.3% in FY23 which has further improved to 12.9% for 9MFY24, driven by superior performance leading to better gross flows and lesser redemptions. Hence equity market share enhanced from 6.1% in Q2FY22 to 6.7% in Q3FY24.

Exhibit 25: Better net flows driving equity MS gains...



Source: AMFI, Company, PL Note: MS – market share

Exhibit 26: ...leading to gains in overall QAAuM MS



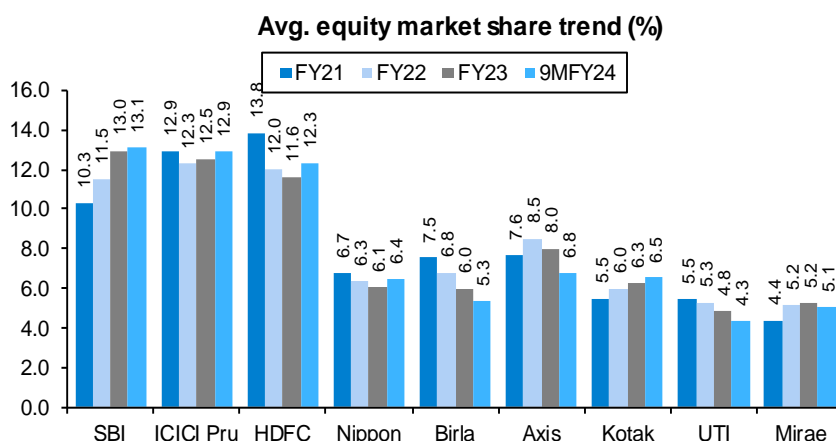
Source: AMFI, Company, PL Note: MS – market share

Among top-9 AMC's, HDFC AMC, ICICI Pru AMC, NAM and Kotak AMC have seen increase in average equity market share while remaining MF's except SBI have lost the same.

Over FY23 to 9MFY24 it has improved (1) for HDFC AMC from 11.6% to 12.3% for HDFC (2) for ICICI Pru AMC from 12.5% to 12.9% (3) for NAM from 6.1% to 6.4% and (4) for Kotak AMC from 6.3% to 6.5%. SBI has also seen a slight improvement.

Mirae MF, UTI MF, ABSL AMC and Axis MF saw loss in market share due to weaker performance also leading to negative net flows. They have lost market share between 10-120bps.

Exhibit 27: Market share enhancing for ICICI, HDFC, NAM and Kotak



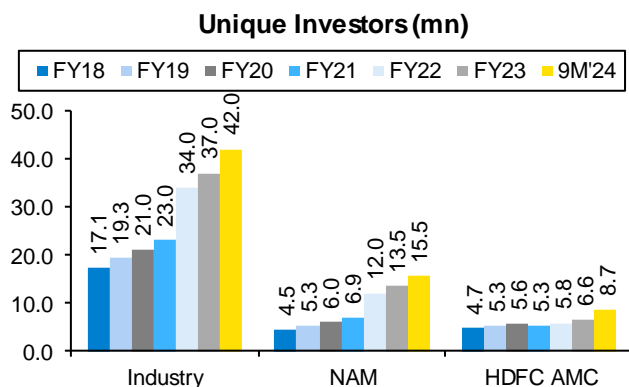
Source: AMFI, Company, PL

Being non-bank backed, focus is on retail

As NAM has been a non-bank backed AMC, focus was always to expand in the retail segment since ticket size based growth would not to be easy. This strategy boded well for NAM since over FY19-23 unique investor base CAGR was 26% as compared to 18% for the industry and 5.6% for HDFC AMC.

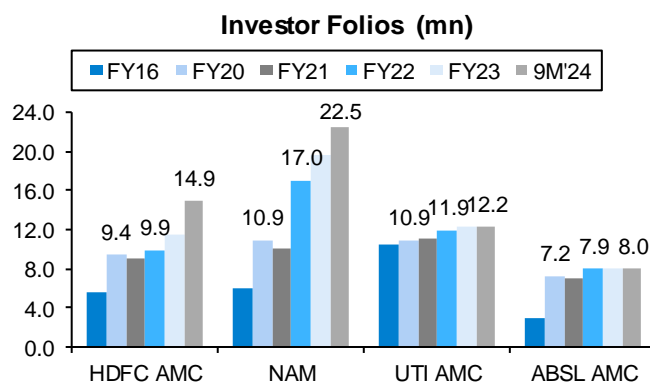
Retail focused strategy has also delivered in terms of folio additions. NAM has seen superior growth compared to the industry and peers. Over FY19-23, folios for NAM witnessed a 21% CAGR compared to 15% for industry and 5.8% for HDFC AMC.

Exhibit 28: Unique investor CAGR greater for NAM



Source: HDFC AMC, Company, PL

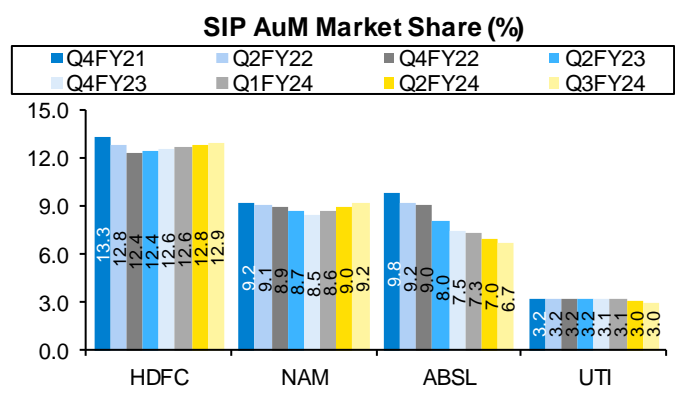
Exhibit 29: Investor folio CAGR superior for NAM



Source: Company, PL

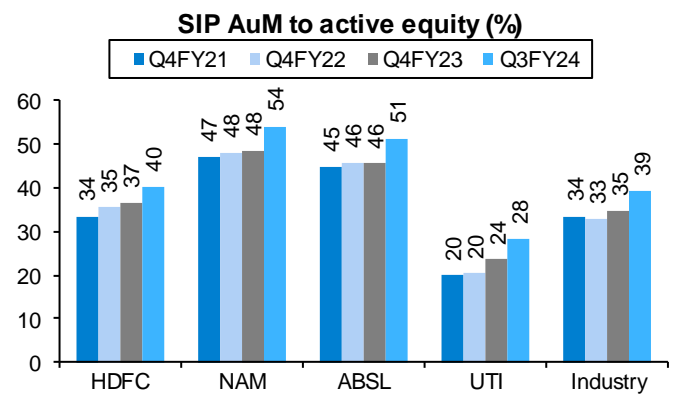
Targeting retail segment coincides with SIP growth. Capturing greater mindshare of the retail investor has led to superior SIP contribution for NAM. A higher SIP share improves quality of AuM, since it is stickier money which reduces redemption that bodes well during tough times. SIP book contributes 54% to active equity compared to 39% for industry. Kindly note that for HDFC, NAM and ABSL, SIP means systematic (SIP + STP).

Exhibit 30: MS in SIP AuM increasing for HDFC and NAM



Source: AMFI, Company, PL. Note: MS – Market Share

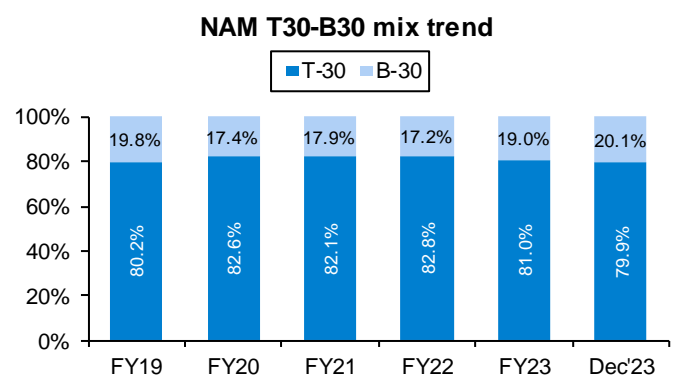
Exhibit 31: SIP share in equity highest for NAM



Source: AMFI, Company, PL. Note: MS – Market Share

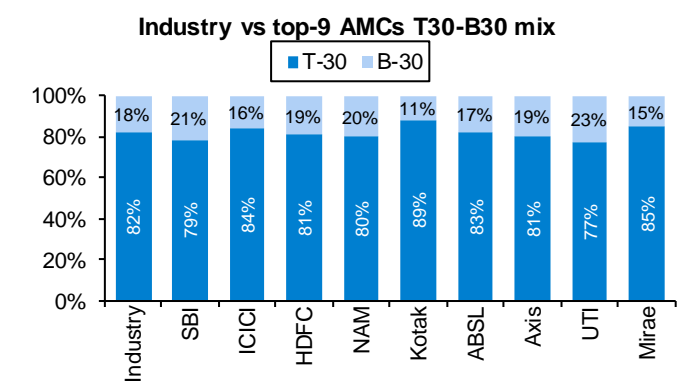
Being non-bank backed the idea was to dig deeper geographically. As a result, the company expanded in B-30 which resulted in better B-30 share (as a percent to active equity) as compared to some peers. In terms of B-30 market share too NAM has seen consistent improvement. Over Mar'22 to Dec'23 market share enhanced from 17% to 20%.

Exhibit 32: B-30 contribution increasing post FY20



Source: Company, PL

Exhibit 33: B-30 superior for UTI, SBI and NAM

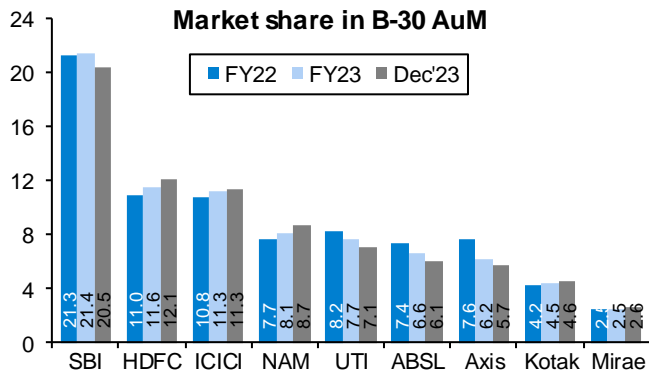


Source: AMFI, Company, PL

Since emphasis has been on deeper geographic penetration, concentration risk with respect to distributors is also lower for NAM. None of the distributors account for more than 5% of assets and as a result contribution of top 1780 distributors to overall AuM is lesser for NAM compared to peers.

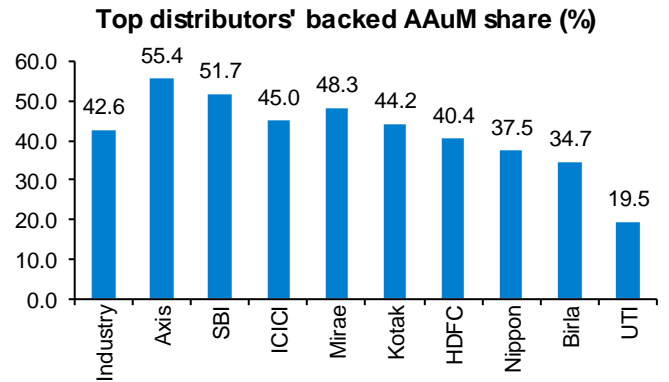
Hence dependency is relatively lower on larger distributors lower which allows NAM to charge higher yields. Blended yield for NAM is comparable to HDFC AMC, despite equity share being lower and ETF share being much higher.

Exhibit 34: MS in Industry B-30 AuM rising for HDFC/NAM



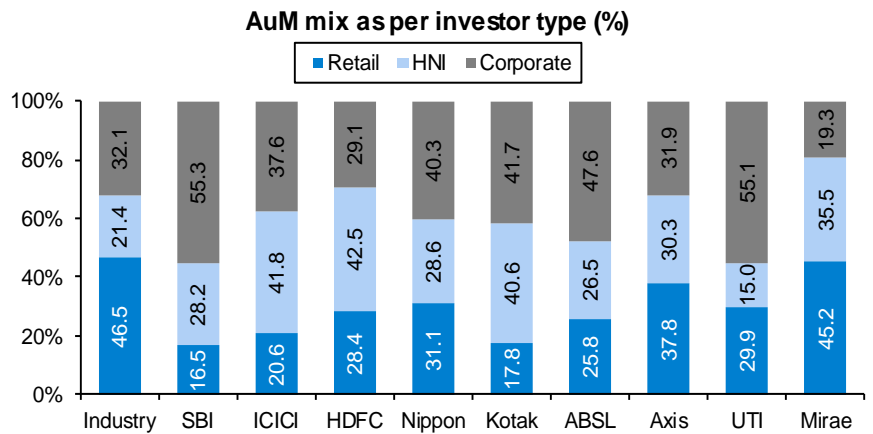
Source: Company, PL. Note: MS – Market Share

Exhibit 35: Top 1780 distributors' AuM share lower for NAM



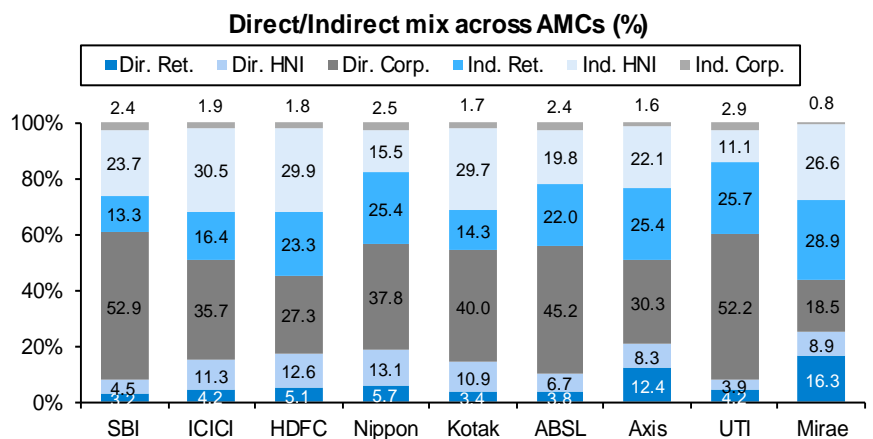
Source: AMFI, Company, PL

Exhibit 36: Retail share of NAM in overall AuM at 31% (vs 27.5% for industry)



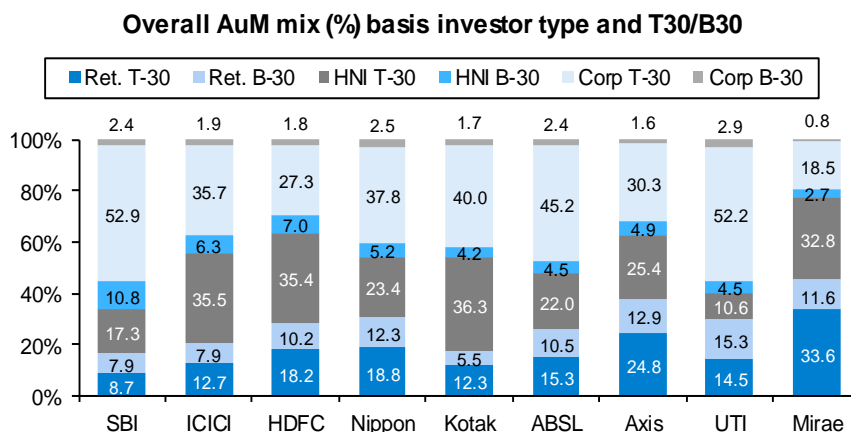
Source: AMFI, Company, PL

Exhibit 37: NAM share in direct retail/HNI is superior to some large AMCs



Source: Company, PL

Exhibit 38: Retail share in B-30 AuM superior at 61.5%

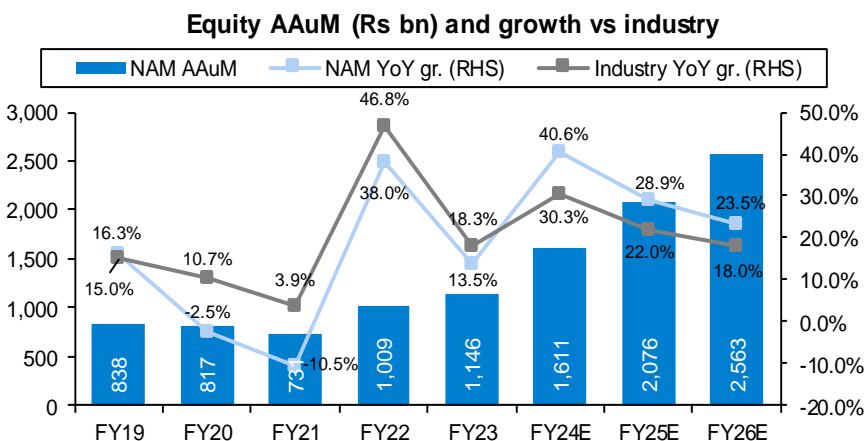


Source: Company, PL

Operating leverage to cushion profitability

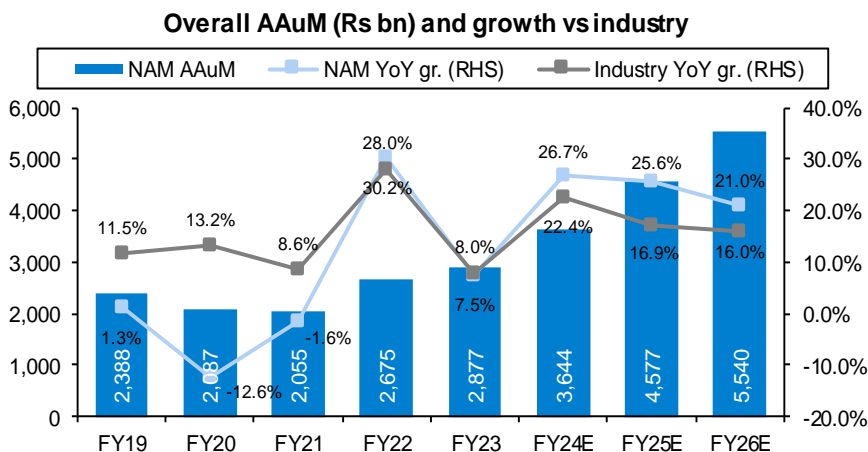
Basis superior performance of NAM that is driving market share gains in equity and overall AuM and given that AAuM growth for FY25E could be higher than that of closing AuM due to jump in equity markers in FY24, AAuM growth for NAM would most likely be superior to industry over FY24-26E. We expect NAM equity AAuM CAGR to be 5% higher to industry by over FY24-26E.

Exhibit 39: NAM could see higher equity CAGR vs industry over FY24-26E



Source: AMFI, Company, PL

Exhibit 40: Higher equity AAuM growth to lead overall AAuM accretion



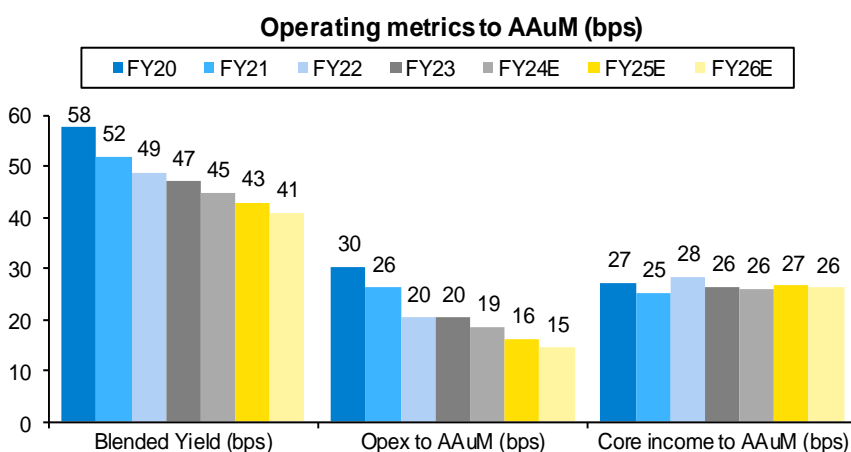
Source: AMFI, Company, PL

Blended yields for MF business have shrunk from 46bps to 42bps over FY21-23 driven by strong AuM growth. Overall AAuM for NAM grew by 18.3% from Rs2,055bn in FY21 to Rs2,877bn in FY23 led by 25.2% growth in equity AAuM from Rs731bn to Rs1,146bn.

Moreover, industry commission data suggests that in FY21 distributor payouts increased due to higher redemption pressure, while FY22 saw higher payouts as gross equity flows saw a sharp jump and almost doubled over FY21 to FY22 from Rs2.76tn to Rs5.49tn.

For FY22, money which came in was lower yielding and due to increased gross inflows, competition intensified giving distributors higher bargaining power resulting in more distributor payouts. Hence overall blended yields declined across AMCs which also affected NAM.

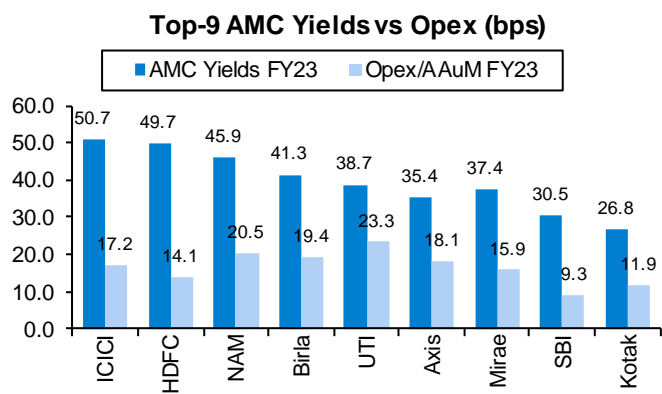
Exhibit 41: Yield compression to be offset by reducing opex to AuM



Source: Company, PL

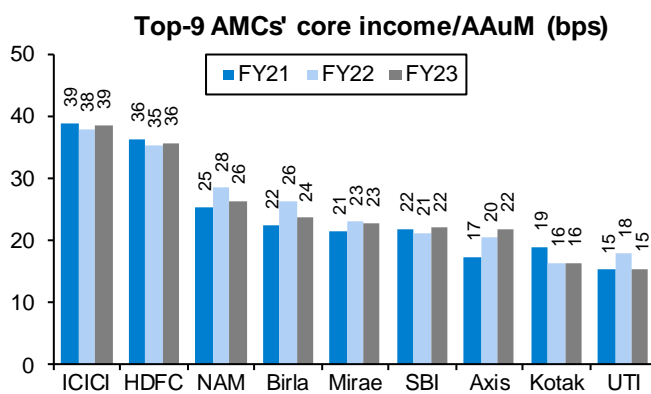
Going forward, we expect a contraction in AMC yields of 2bps per annum largely driven by reduction in equity yields due to (1) strong AuM growth and (2) faster growth in ETF since incremental money to the tune of Rs120-150bn would flow to NAM annually.

Exhibit 42: ICICI/HDFC have the highest yields



Source: Company, PL

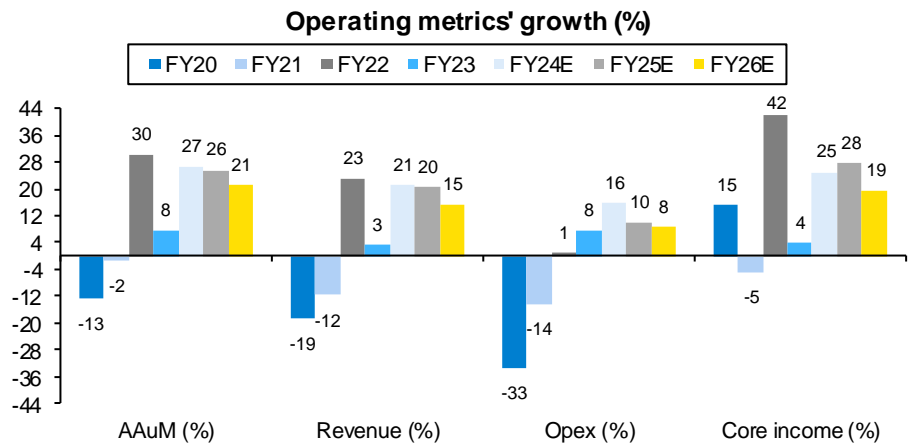
Exhibit 43: HDFC/ICICI are the most profitable AMCs



Source: Company, PL

Led by tailwind of strong equity performance which would translate to better market share in net flows, NAM would continue to gain market share over FY24-26E in equity AuM. Basis AAuM CAGR of 23.3% over FY24-26E, we expect a revenue CAGR of 17.7% over the same time period. Non-MF revenue (PMS, AIF, offshore and advisory) contribution is 10% and the management would like to increase the same over the medium term.

Exhibit 44: We expect a 23.4% CAGR in core income over FY24-26E for NAM



Source: Company, PL

Opex is divided into 2 main categories i.e. fixed and discretionary; part of staff cost and other opex is fixed in nature and company is working hard to control these costs by looking at alternatives for eg. focusing on a low cost model for opening branches.

Discretionary spends like advertisement, IT related improvement, digital prowess etc. can be volatile depending on headroom available. Hence staff cost and non-discretionary spends may only grow in tandem with inflation. However, discretionary spends will be made when equity markets are performing well. Over next 5 years, opex to AuM is likely to decline driven by operating efficiency.

We expect operating leverage to play out for NAM over FY24-26E since AuM growth is expected to remain strong which would lead to revenue growth (17.7%) surpassing opex growth (9.3%) over the same time period. Hence we see core income to grow by 23.4% over FY24-26E while core profitability would be maintained between 26-27bps (pre-tax) and 20-21bps (post-tax).

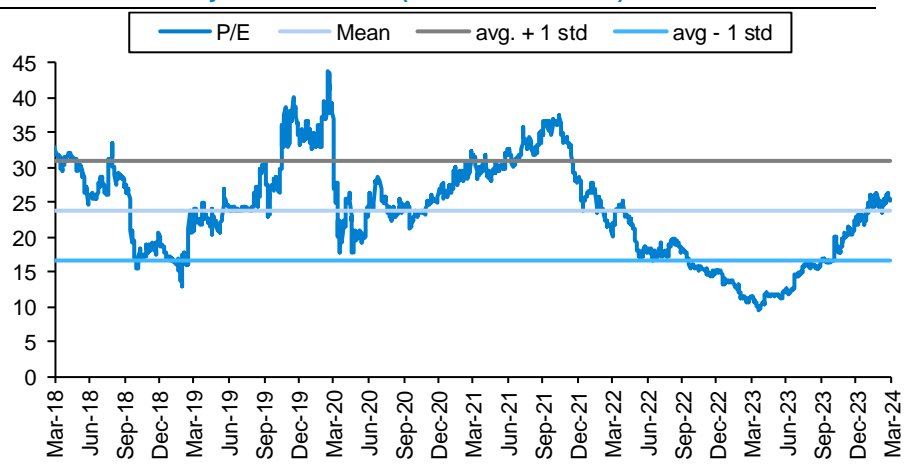
Valuation & Risks

Valuation

We are optimistic on NAM as (i) it is the 4th largest player with stable franchise that would benefit from better than industry growth due to superior performance (ii) share in net equity flows (~13% as at 9MFY24) would continue to remain healthy also aided by strong distribution (iii) expanding retail presence has been a priority which is reflected in highest market share in unique investors and folios (iv) it has one of the best in-class profitability with core income at 26bps.

Over FY24-26E we expect 26%/23% CAGR in equity/overall AAUM compared to 20%/17% for industry which would translate to revenue, opex, core income CAGR of 18%, 9% and 23%. Core income to AAUM should be maintained at 26-27bps. We assign a multiple of 30x on FY26E core EPS to arrive at a TP of Rs610. Initiate coverage with 'BUY'.

Exhibit 45: NAM 1-yr fwd P/E is 25x (37x for HDFC AMC) i.e. a discount of 32%



Source: Company, PL

Key Risks

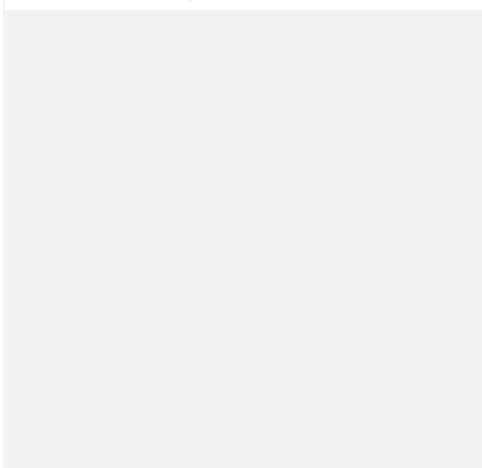
- We expect a 20% and 26% CAGR growth in equity (incl. balanced) for MF industry and NAM respectively. However, if there is a market correction leading to sluggish equity market performance, it would impact AAUM growth of the industry and NAM as equity contributes 70-80% to industry revenues.
- Secondly, underperformance in equity and debt could also affect net flows.
- Sharper yield correction each year due to higher distributor payouts.

Experienced Management Team

Exhibit 46: Management team details

Name	Designation	Brief Profile
Mr. Sundeep Sikka	ED&CEO	Mr. Sundeep Sikka is the Executive Director & Chief Executive Officer of Nippon Life India Asset Management Limited. He is an alumnus of Harvard Business School. He has held both Vice-Chairman and Chairman positions of the industrial body AMFI. Mr. Sundeep joined NAM India in 2003, holding various leadership positions before being elevated in 2009, when he became one of the youngest CEOs of India. Possessing rich experience in the financial services sector, Mr. Sundeep went on to lead NAM India towards tremendous growth of assets and to emerge as one of the most trusted mutual fund houses in India.
Mr. Saugata Chatterjee	CBO – Sales & Distribution	Mr. Saugata Chatterjee leads and manages all the segments of the sales function - Retail, Institutional & EPCG. Mr. Saugata has also successfully built the SME & HNI segment. Under his different roles and leadership responsibilities over the last 18 years, the distribution team has come a long way with increased focus on opportunities strategic approach and sharper execution.
Mr. Sailesh Raj Bhan	CIO – Equity Investments	Mr. Sailesh Raj Bhan is CIO - Equity Investments at Nippon India Mutual Fund. He has over 27 years of experience in Indian Equity Markets with over 19 years at Nippon Life India Asset Management Limited. He has been managing multiple flagship funds namely, Nippon India Large Cap Fund, Nippon India Multi Cap Fund & Nippon India Pharma Fund for over 15 years.
Mr. Amit Tripathi	CIO – Fixed Income	Mr. Amit Tripathi has 25 years of experience in Capital Markets. He has been with NIMF for around 20 years. He has successfully managed various fixed income and hybrid funds which have been recognized for superior performance both nationally and internationally. In his current role, he leads a team of 20 highly motivated and experienced fixed income professionals.
Mr. Amol Bilagi	Interim CFO	Mr. Amol Bilagi joined NAM ~10 years ago and was National Lead – Finance & Accounts prior to being appointed as CFO. He is a qualified CA & CFA (Level III) with experience of 19 years in areas namely Financial Strategy & Planning, Business Planning, Company Financials, Budgeting, Financial Reporting, Audit & Compliance, etc. He is appointed as an Interim-CFO till the joining date of the new CFO and hence his term of appointment is not fixed.
Mr. Arun Sundaresan	Head - ETF	Mr. Arun Sundaresan has a total work experience around 20 years in financial services, with the last 19 years in NAM. He has held various positions in the Sales & Distribution function and has had a stint at the corporate strategy function. He is responsible for the development and growth of passive business – ETFs and Index Funds. He has done his BE (Hons) Chemical from BITS, Pilani Post Graduate Diploma in Entrepreneurial Management (PGDEM) from T.A.Pai Management Institute, Manipal and is a charter holder, CFA Institute, USA.
Mr. Milind Nesarikar	Chief Officer – Operations & Customer Service	Mr. Milind Nesarikar has over 25 years of experience spanning various industries, organizations & geographies. He has worked in Sales, Operations, Digital Initiatives & Assurance. He has worked in the asset management business, both in the domestic & on the overseas front.
Mr. Arpan Saha	Chief Digital Officer	Mr. Arpan Saha completed his MBA from FMS Delhi, University of Delhi and is an alumnus of the prestigious St. Xavier's Collegiate School, Calcutta. He has over 23 years of experience in business and marketing roles across diverse industries ranging from e-Commerce, BFSI to Retail. The last 17 years of his career have been specifically in Digital Business and Transformation mandates in Financial Services and e-Commerce start-ups.
Mr. Rishi Garg	Chief Risk Officer	Mr. Rishi Garg is an IIM Lucknow alumnus and B.E. from Sardar Vallabhbhai National Institute of Technology. He comes with over 25 years of experience across all facets of Risk Management, including Market Risk, Credit Risk, Enterprise Risk, Liquidity Risk, Operational Risk, Reputation Risk, and Environmental & Social Risk.
Mr. Muneesh Sud	Chief Legal & Compliance Officer	Mr. Muneesh Sud joined Nippon Life India Asset Management Limited in 2008 as Head of Legal. Subsequently, he went on to take additional responsibilities of Compliance & Secretarial functions. Mr. Muneesh has around 30 years of diversified experience across sectors such as Asset Management, Financial Services, Capital Markets, Real Estate & Hospitality, Telecom, IT & ITES, Oil & Gas, and Manufacturing.

Source: Company, PL



Financials

Exhibit 47: Quarterly Financials (Consolidated)

Particulars (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Revenue	3,385	3,380	3,161	3,316	3,538	3,483	3,542	3,975	4,233
Expenses	1,335	1,381	1,448	1,459	1,494	1,488	1,611	1,650	1,723
Employee	729	745	781	765	747	712	780	799	875
Others	541	566	599	623	669	695	750	779	784
Depreciation	65	69	68	71	77	82	81	72	65
Core Income	2,051	1,999	1,713	1,857	2,045	1,995	1,931	2,325	2,510
Other Income	304	345	-167	819	619	397	1,169	779	1,071
PBT	2,355	2,344	1,546	2,676	2,664	2,392	3,099	3,104	3,581
Tax	615	595	403	615	616	415	746	661	741
PAT	1,740	1,748	1,143	2,060	2,048	1,977	2,354	2,443	2,840
Core PAT	1,515	1,491	1,267	1,430	1,572	1,649	1,466	1,830	1,991
QAAuM	28,06,368	28,33,535	27,94,764	28,51,110	29,28,422	29,32,258	31,36,285	35,06,854	37,76,159
Equity	33.6%	33.1%	32.9%	34.8%	36.2%	36.0%	36.6%	38.9%	40.4%
Balanced	4.8%	4.8%	4.8%	4.9%	4.9%	4.8%	4.6%	4.3%	4.3%
Debt	26.8%	25.5%	22.6%	19.1%	17.3%	17.3%	18.7%	17.5%	16.2%
Liquid	11.7%	12.5%	13.6%	14.4%	14.0%	13.3%	11.4%	11.0%	9.0%
ETF	18.4%	19.7%	21.5%	22.4%	23.3%	23.9%	23.5%	23.0%	24.6%
Index	0.4%	0.5%	0.7%	1.0%	1.2%	1.6%	2.4%	2.4%	2.4%
Market share (%)	7.35	7.38	7.40	7.30	7.27	7.24	7.28	7.46	7.67
Equity	7.11	6.99	6.90	6.89	6.94	6.95	7.05	7.40	7.63
Balanced	3.43	3.32	3.25	3.21	3.18	3.12	3.07	3.04	3.01
Eq+Bal	6.27	6.13	6.04	6.04	6.08	6.07	6.17	6.46	6.65
Debt	2.92	2.56	2.79	2.99	3.08	3.47	4.39	4.61	4.72
Liquid	7.16	7.44	7.27	6.83	6.64	6.61	7.01	6.92	6.92
ETF	6.87	6.86	7.19	7.34	7.44	7.02	6.32	6.65	6.29
Index	13.2	13.5	14.1	13.8	13.5	13.7	13.9	14.0	15.4
QAAuM Growth (%)	5.7	1.0	-1.4	2.0	2.7	0.1	7.0	11.8	7.7
Equity	7.6	-0.5	-1.9	7.9	6.8	-0.2	8.7	18.6	12.0
Balanced	6.9	0.5	-1.4	4.0	2.8	-2.2	1.9	6.7	6.0
Eq+Bal	7.5	-0.4	-1.9	7.4	6.3	-0.4	7.9	17.3	11.4
Debt	2.2	7.8	7.8	7.8	0.3	-5.2	-8.5	7.7	-11.1
Liquid	15.0	8.3	7.7	6.3	7.0	2.5	5.4	9.5	15.0
ETF	19.3	16.2	55.2	40.7	23.9	31.2	58.9	9.6	7.8
Index	-4.0	-7.1	-4.3	-9.2	-11.1	3.1	-3.2	16.6	14.3
Dupont (bps)									
Revenue yield	48.3	47.7	45.2	46.5	48.3	47.5	45.2	45.3	44.8
Opex to AuM	19.0	19.5	20.7	20.5	20.4	20.3	20.5	18.8	18.3
Staff cost	10.4	10.5	11.2	10.7	10.2	9.7	9.9	9.1	9.3
Other opex	7.7	8.0	8.6	8.7	9.1	9.5	9.6	8.9	8.3
Depreciation	0.9	1.0	1.0	1.0	1.1	1.1	1.0	0.8	0.7
Core income/AuM	29.2	28.2	24.5	26.0	27.9	27.2	24.6	26.5	26.6
PAT/AuM	24.8	24.7	16.4	28.9	28.0	27.0	30.0	27.9	30.1
Core PAT/AuM	21.6	21.1	18.1	20.1	21.5	22.5	18.7	20.9	21.1
Profitability (%)									
Staff cost/revenue	21.5	22.1	24.7	23.1	21.1	20.4	22.0	20.1	20.7
Other opex/revenue	16.0	16.8	18.9	18.8	18.9	20.0	21.2	19.6	18.5
Core income/revenue	60.6	59.2	54.2	56.0	57.8	57.3	54.5	58.5	59.3
Tax rate	26.1	25.4	26.0	23.0	23.1	17.3	24.1	21.3	20.7
PAT margin	51.4	51.7	36.2	62.1	57.9	56.8	66.5	61.4	67.1
Core PAT margin	44.8	44.1	40.1	43.1	44.4	47.3	41.4	46.0	47.0

Source: Company, PL

Exhibit 48: Summary Financials (Consolidated Rs mn)

Particulars	FY23	FY24E	FY25E	FY26E	Particulars	FY23	FY24E	FY25E	FY26E
Profit & Loss					Balance Sheet				
Revenue	13,498	16,344	19,668	22,657	Net Worth	35,156	36,202	37,362	38,713
Investment mgmt.	12,190	14,758	17,718	20,243	Capital (FV Rs5)	6,232	6,232	6,232	6,232
PMS / Advisory	1,309	1,586	1,950	2,414	Reserves	28,925	29,970	31,130	32,481
Expenses	5,890	6,813	7,502	8,137	Employee benefit	127	152	183	219
Employee	3,004	3,389	3,649	3,941	Others	2,365	2,432	2,501	2,573
Others	2,588	3,141	3,552	3,886	Total Liabilities	37,648	38,786	40,046	41,505
Depreciation	298	283	301	310	Cash and Bank	2,727	2,780	2,833	2,888
Core Income	7,609	9,531	12,166	14,520	Investment	30,231	30,885	31,943	33,194
Other Income	1,668	3,918	2,750	2,847	Fixed assets	3,073	3,165	3,260	3,358
PBT	9,276	13,449	14,916	17,367	Others	1,616	1,956	2,010	2,065
Tax	2,048	2,991	3,317	3,862	Total Assets	37,648	38,786	40,046	41,505
PAT	7,228	10,458	11,600	13,505	AuM Data				
Core PAT	5,929	7,412	9,461	11,291	AAuM	28,76,638	36,44,319	45,76,864	55,39,569
Dividend	7,161	9,413	10,440	12,155	Equity	10,06,676	14,52,215	18,93,297	23,56,209
Growth ratios (%)					Balanced	1,39,257	1,58,475	1,82,525	2,06,700
Revenue	3.3	21.1	20.3	15.2	Eq+bal	5,47,342	6,05,734	7,01,908	8,00,175
Opex	7.7	15.7	10.1	8.5	Index	3,97,911	3,56,247	3,96,905	4,28,657
Employee	3.5	12.8	7.7	8.0	Debt	6,55,664	8,78,899	11,65,847	14,72,396
Others	12.8	21.4	13.1	9.4	Liquid	33,562	87,190	1,15,821	1,44,589
Core income	0.2	25.3	27.6	19.3	ETF	96,227	1,05,559	1,20,561	1,30,844
PAT	-2.8	44.7	10.9	16.4	Mix (%)				
Core PAT	3.8	25.0	27.6	19.3	Equity	35.0	39.8	41.4	42.5
DuPont analysis (%)					Balanced	4.8	4.3	4.0	3.7
Revenue	0.47	0.45	0.43	0.41	Debt	19.0	16.6	15.3	14.4
Expenses	0.20	0.19	0.16	0.15	Liquid	13.8	9.8	8.7	7.7
Employee	0.10	0.09	0.08	0.07	ETF	22.8	24.1	25.5	26.6
Others	0.09	0.09	0.08	0.07	Index	1.2	2.4	2.5	2.6
Depreciation	0.01	0.01	0.01	0.01	Arb+FoF	3.3	2.9	2.6	2.4
Core Income	0.26	0.26	0.27	0.26	Growth (%)				
Other Income	0.06	0.11	0.06	0.05	Overall	7.5	26.7	25.6	21.0
PBT	0.32	0.37	0.33	0.31	Equity	14.3	44.3	30.4	24.5
Tax	0.07	0.08	0.07	0.07	Balanced	8.0	13.8	15.2	13.2
PAT (RoAAuM)	0.25	0.29	0.25	0.24	Eq+bal	13.5	40.6	28.9	23.5
Core RoAAuM	0.21	0.20	0.21	0.20	Debt	-25.1	10.7	15.9	14.0
ROE	20.7	29.3	31.5	35.5	ETF	36.4	34.0	32.6	26.3
Core RoE	27.2	36.5	50.3	63.1	Index	218.3	159.8	32.8	24.8
Other Ratios (%)					Valuations				
Staff cost/revenue	22.3	20.7	18.6	17.4	EPS	11.6	16.8	18.6	21.7
Other opex/revenue	19.2	19.2	18.1	17.2	Core EPS	9.5	11.9	15.2	18.1
Core Income/revenue	56.4	58.3	61.9	64.1	CPS	52.9	54.0	55.8	57.9
Other Income/revenue	12.4	24.0	14.0	12.6	DPS	19.0	23.7	28.0	32.4
Yield on Investments	5.0	11.7	8.0	8.0	Dividend yield	7.6	6.8	5.4	6.2
Effective tax rate	22.1	22.2	22.2	22.2	BVPS	98	106	115	125
PAT margin	53.6	64.0	59.0	59.6	P/B (x)	2.4	3.3	4.4	4.1
Core PAT margin	48.6	50.2	53.4	55.8	P/E (x)	14.9	20.9	27.4	23.5
Dividend payout (%)	99.1	90.0	90.0	90.0	P/core EPS (x)	16.6	19.5	29.9	24.9

Source: Company, PL



Notes



Notes

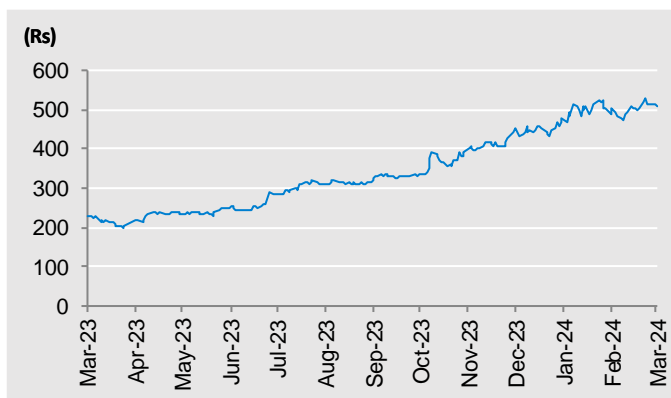


Notes



Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,660	1,484
2	Axis Bank	BUY	1,250	1,089
3	Bank of Baroda	BUY	270	248
4	Can Fin Homes	BUY	900	725
5	City Union Bank	Accumulate	160	144
6	DCB Bank	BUY	160	144
7	Federal Bank	BUY	180	150
8	HDFC Asset Management Company	BUY	3,900	3,501
9	HDFC Bank	BUY	2,000	1,679
10	ICICI Bank	BUY	1,300	1,009
11	IndusInd Bank	BUY	1,740	1,613
12	Kotak Mahindra Bank	BUY	2,250	1,807
13	LIC Housing Finance	Hold	540	640
14	State Bank of India	BUY	770	650
15	UTI Asset Management Company	BUY	900	875

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: >15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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