



Nippon Life

Asset Management

Nippon **india** MUTUAL FUND



Equity Research Report

13th February 2026

Rating



FIN2RESEARCH

Investment Advisor Pvt. Ltd.

Company: Nippon Life AMC Ltd.
NSE Code: Nam-INDIA
Sector: Asset Management Company



CMP: Rs.935.00 | Buy Range: Rs.925-945 | Target 1/2: 1056/1119 | Potential Upside: 19.7%

Stock Info:

Market Cap (Rs.in Cr)	15135.34
52-Weeks High/Low	987/498
Avg. Volume (Lakhs)	7.80
No. of eq. shares (Cr.)	63.74
Face Value	10
BSE Code	540767
NSE Code	NAM-INDIA
Free Float (Cr.)	66.80

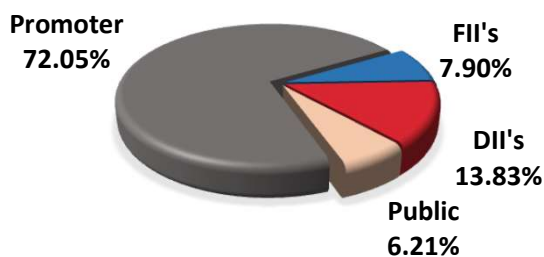
Particulars	2024	2025
P/E	26.83	28.86
EPS(in Rs.)	17.53	20.03
ROCE	34.61%	39.09%
EBIT Margin	58.68%	63.24%
P/B	7.45	8.72
EV/EBITDA	19.21	19.71
EV/EBIT	19.62	20.06
ROE	29.54%	31.39%
Net Profit Margin	67.39%	57.67%

Nippon Life India Asset Management Limited, established in 1995, is a leading asset manager with a strong track record in India. The company is now a subsidiary of **Nippon Life Insurance Company (NLI), Japan**, which holds a **72.3%** stake as of March 31, 2025. Company provides a diverse range of investment products, including Mutual Funds, ETFs, Managed Accounts (including AIF and PMS), Offshore Business and GIFT City products, serving a wide base of investors. NAM INDIA is currently the 4th largest AMC in India by AUM. As on December 31, 2025, NAM India's assets under management stood at INR 8.16 trillion (US\$ 90.7 billion).

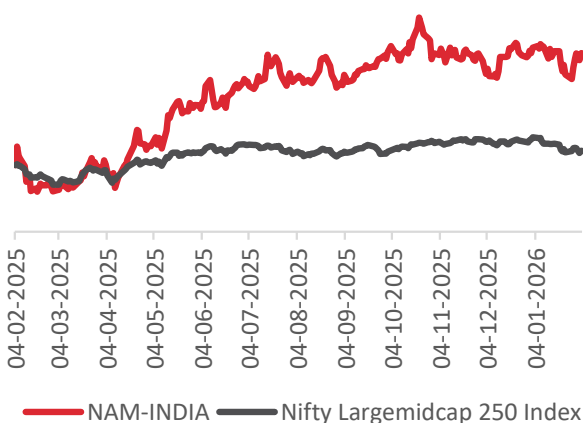
Key Highlights:

- Nippon Life AMC Ltd. (NAM India)**, achieved its highest-ever quarterly Operating Profit of INR 4.58 billion (up 22% YoY and 9% QoQ) and its highest-ever Profit After Tax (PAT) of INR 4.04 billion (up 37% YoY and 17% QoQ). Revenue from operations for Q3 FY26 stood at **INR 7.05 billion**, representing a **20% YoY and 7% QoQ increase**.
- AUM Milestones:** The company crossed two major milestones during the quarter: **INR 8.16 trillion in total AUM** and **INR 7 trillion in Mutual Fund (MF) AUM**. Total Mutual fund market share increased to **8.65%**, the highest since June 2019. The ETF AUM stood at **INR 2.09 trillion**, with a market share of 20.31%. Notably, the combined AUM of Gold and Silver ETFs reached ~INR 688 billion by the end of December and crossed the **INR 1 trillion mark in January 2026**.
- The company's **overall yield stood at 37 basis points**. Management noted that the surge in higher-yielding gold and silver ETFs has positively impacted overall revenue. The company has the largest unique investor base in the industry at **22.7 million**, meaning they cater to 1 in every 3 mutual fund investors in India
- The Board has authorized a **strategic collaboration with DWS Group** (a leading European Asset Manager). Under this non-binding agreement, DWS intends to acquire a **minority stake of up to 40% in Nippon Life India AIF Management Limited**. The deal is expected to boost global flows into India and involve collaboration on passive investment products and global distribution.
- Fundraising is currently underway for two Listed Equity AIFs, a Private Credit fund (NICO 2), and a Direct VC Fund. Management is also bullish on the **Strategic Investment Fund (SIF)** segment, viewing it as a separate future business vertical focused on high profitability rather than just AUM. NAM India has utilized INR 40.65 Crore for upgrading its IT System and INR 13.39 Crore (out of a total planned INR 38.31 Crore) for setting up and relocating branches.

Shareholding Pattern



Stock Performance



Key Risk:

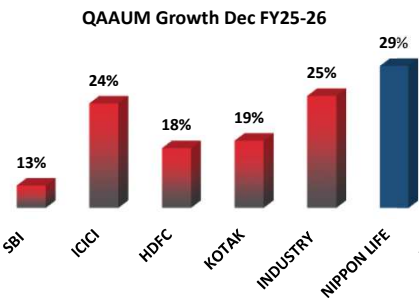
- Intense Industry Competition:** Aggressive competition among over 40 AMCs to garner AUM can lead to **"commission wars,"** which pressure revenue margins.
- Impact of Fee Regulations:** Recent SEBI interventions, such as the **removal of the 5 basis points exit load** and revisions to **Total Expense Ratio (TER) slabs**, are expected to negatively impact the revenue of larger equity schemes.

CMP: Rs.935.00 | Buy Range: Rs.925-945 | Target 1/2: 1056/1119 | Potential Upside: 19.7%

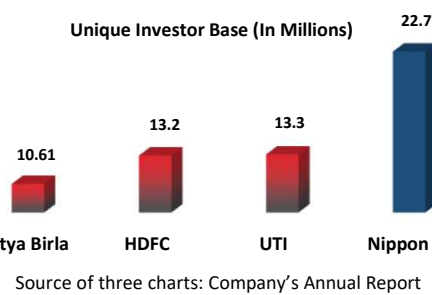
SWOT ANALYSIS

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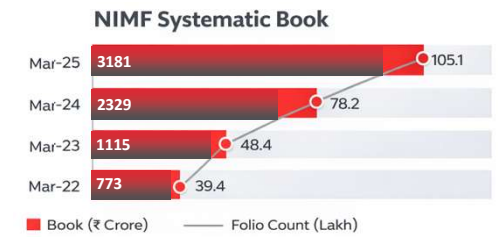
Massive Scale with Continuous Growth: The company has crossed the significant milestone of INR 8 trillion in total AUM and INR 7 trillion in Mutual Fund AUM as of Q3 FY26. It was recognized as the fastest-growing AMC among the Top-10 players in both Q3 FY26 and the overall nine-month period for FY26.



Industry-Leading Investor Base and High Retention Rate: NAM India maintains the largest unique investor base in the mutual fund industry with 22.7 million investors, meaning 1 in every 3 unique investors in India is a NAM India customer. 54% of company's SIP AUM has been continuing for more than 5 years.



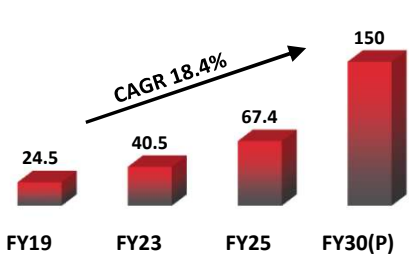
Long Term and Stable Systematic (SIP and STP) Inflows: SIP and STP are among the strongest pillars of the industry, NIMF received ₹ 36,187 Crore in inflows from systematic transactions in FY25, up 72% YoY. In the month of March-2025, NIMF received ₹ 3,181 Crore in inflows from systematic transactions which is a recurring monthly inflow, resulting in annualised inflows of INR 38,200 Crore. The book had 105.1 Lakh SIP and STP folios that have grown by 34% in FY25.



Continued industry growth:

The mutual fund sector is projected to expand rapidly (AMFI/CRISIL estimate ~16-18% CAGR FY25-30) on the back of rising household savings and SIP trends. With only ~4% population currently in MFs, penetration can still climb sharply, especially in smaller cities and among younger investors. ICICI Prudential AMC can tap this growing market.

Mutual Fund Industry Size (INR Crore)

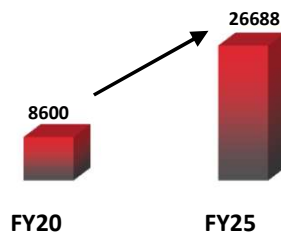


Source of Data: AMFI

Financialization of Savings & Increasing SIPs In India:

An ongoing shift of household savings from physical assets (like gold and real estate) to financial assets is expected to sustain high equity flows with SIPs contributing Rs. 26,688 crore (US\$ 3.03 billion) monthly, and retail investor accounts seeing a 19% increase annually.

Average Monthly SIP Inflows In India

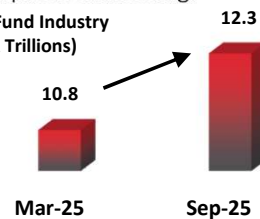


Source of 2 graphs: Company's Annual Report

Leading market position in the passive investment segment:

On account of the increased investor awareness, lower costs and ease of investment, passive funds are gaining popularity. This is evident from increase in QAAUM from Rs. 10.8 trillion by March 2025, and 12.3 trillion as of September 2025. Given its dominant market share of about 19.07% in ETFs and passive products, Nippon India Mutual Fund is well-positioned to be a direct beneficiary of the rising shift toward passive investing.

Passive Fund Industry Size (INR Trillions)

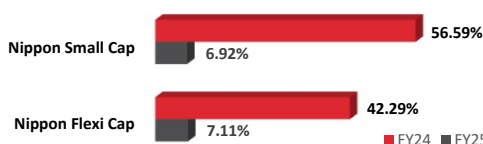


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WEAKNESSES

- Significant Influence:** As a promoter, Nippon Life continues to significantly influence the Company through its shareholding. This level of influence means the Company's strategic direction is heavily dependent on the continued support and reputation of Nippon Life.
- Near-Term Performance Volatility:** While long-term records are strong, some key equity funds (such as the flexi cap and small cap category) have faced short-term performance challenges due to market corrections.

Performance Metric

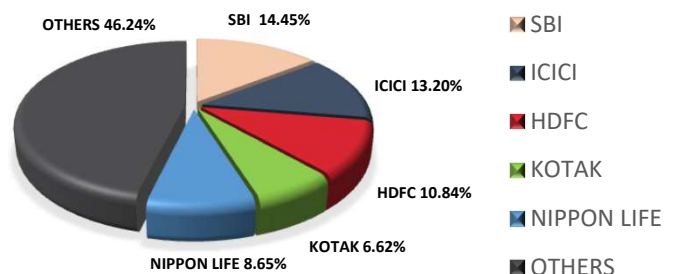


Source: AMFI

THREATS

- Rise in the culture of direct investing** may have a short-term impact on equity flows and earnings of AMCs.
- Impact of **possible higher inflation** on household savings and corporate earnings.

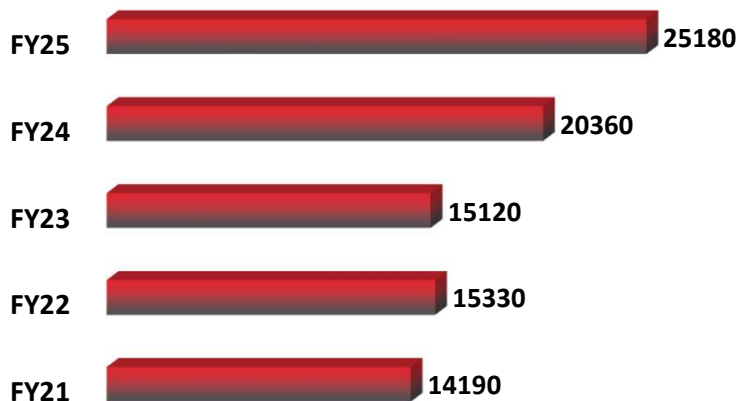
AUM MARKET SHARE



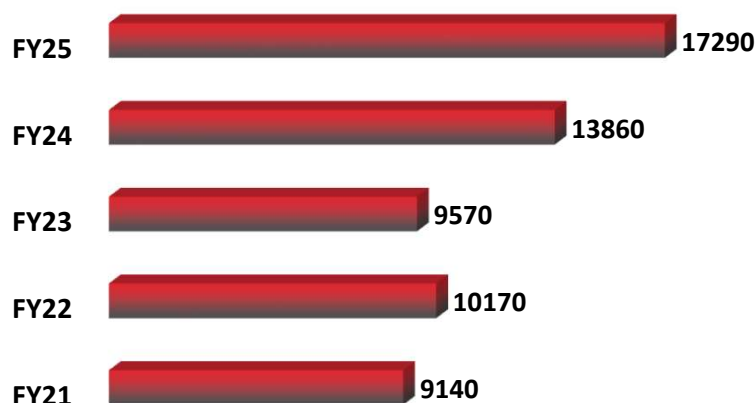
Source: AMFI

Financial Highlights

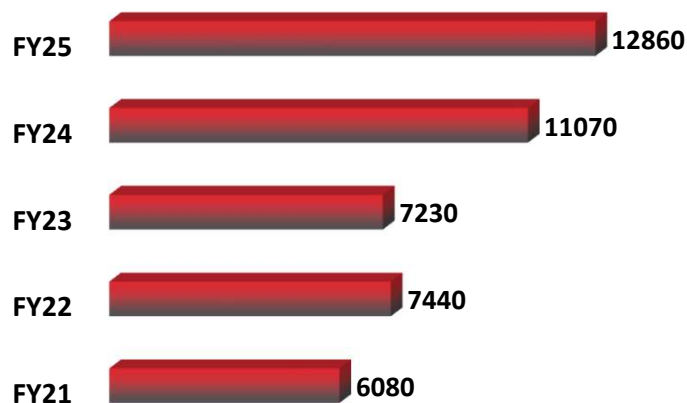
Revenue (in Million ₹)



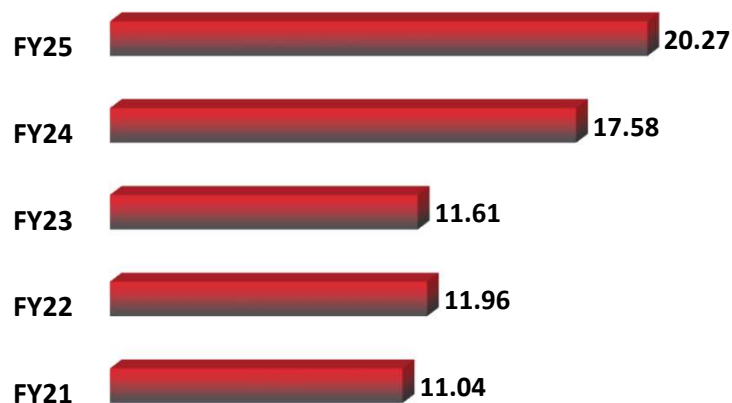
EBITDA (in Million ₹)



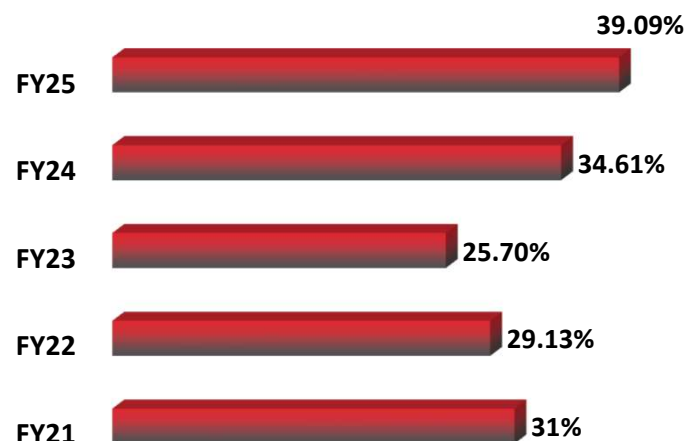
Net Profit (in Million ₹)



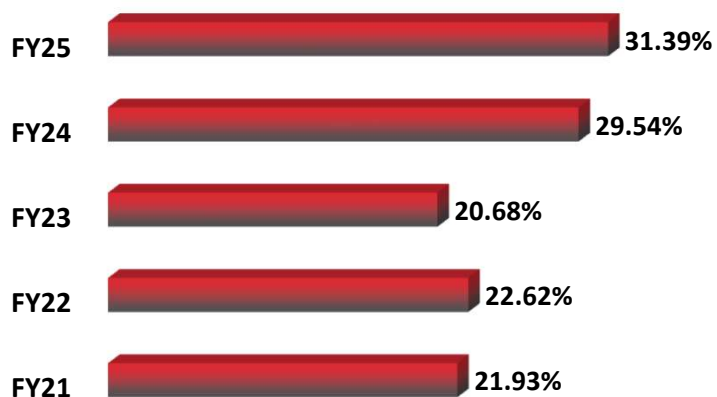
EPS (in ₹)



ROCE (%)



ROE (%)





INDUSTRY OVERVIEW

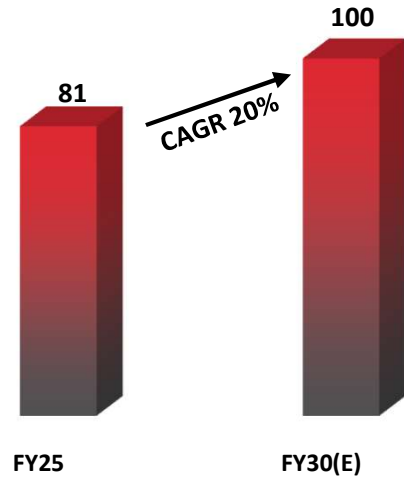
**Navigating Growth in India's
Asset Management Landscape**

Industry Overview

Mutual Fund Industry

- The Indian mutual fund industry is a massive and rapidly expanding pool of savings that has grown at a **20% average annual rate** over the last five years. As of December 2025, the industry manages a staggering **INR 81 trillion** in assets. Even if current growth rates were to drop by half, the industry is projected to reach the **INR 100 Lakh Crore milestone by FY30**.
- Currently, only about **4% of India's population** invests in mutual funds. This shows a huge opportunity for growth as more people move their savings from physical assets like gold into financial assets.

Mutual Fund Industry AUM (In INR Trillions)



Source: Company's Annual Report

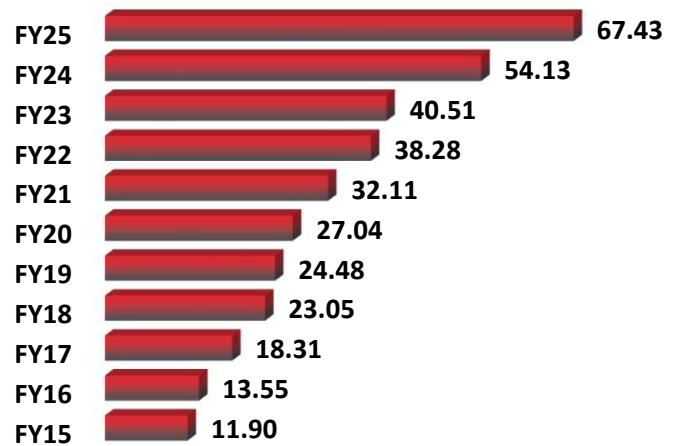
Industry Outlook :

- The current low levels of penetration, the Indian mutual fund industry has a long growth runaway ahead. India's mutual fund penetration (AUM to GDP) is at ~20%, which is much lower than the world average of over 60%. FY25, was another strong year the industry, with AUM growth at 25% YoY. The mutual fund industry, with its several advantages, such as the ability to offer professionally managed, diversified portfolios, with high levels of transparency, liquidity and relatively low cost stands to continue to benefit from the structural growth opportunities over the long term.

Growth Drivers:

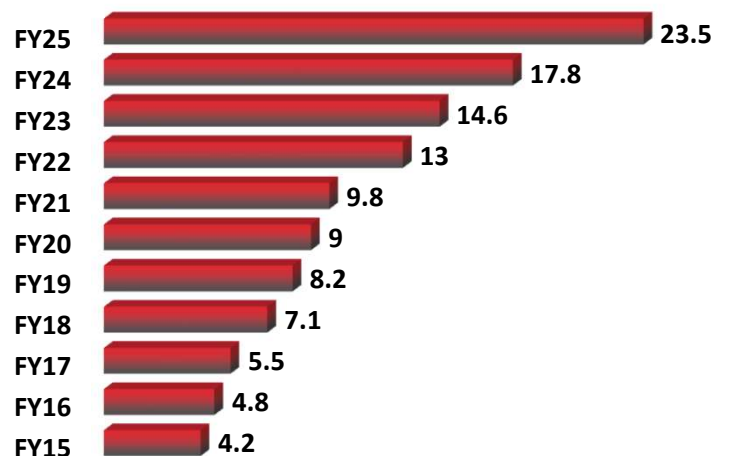
- There are some key drivers that are likely to unlock the fundamental and sustained growth potential of the industry and these include **India's favourable demographic dividend, the formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor awareness, investor-friendly regulations, wide range of transparent and investor-friendly products, ease of investing, tax incentives, expanding distribution coverage, digitalisation, and perception of mutual funds as long-term wealth creators.** The mutual fund industry, with its several advantages, such as the ability to offer professionally managed, diversified portfolios, with high levels of transparency, liquidity and relatively low cost stands to continue to benefit from the structural growth opportunities over the long term.

Industry QAAUM (₹ Lakh Crores)



Source: Company's Annual Report

No. of Folios (Crore)

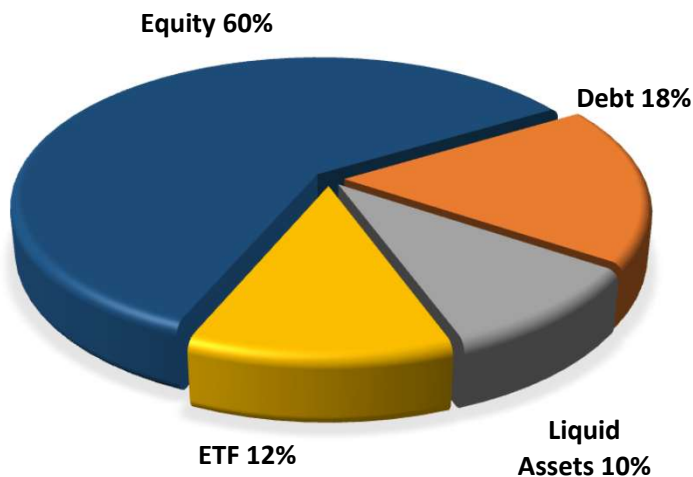


Source: Company's Annual Report

Industry Overview

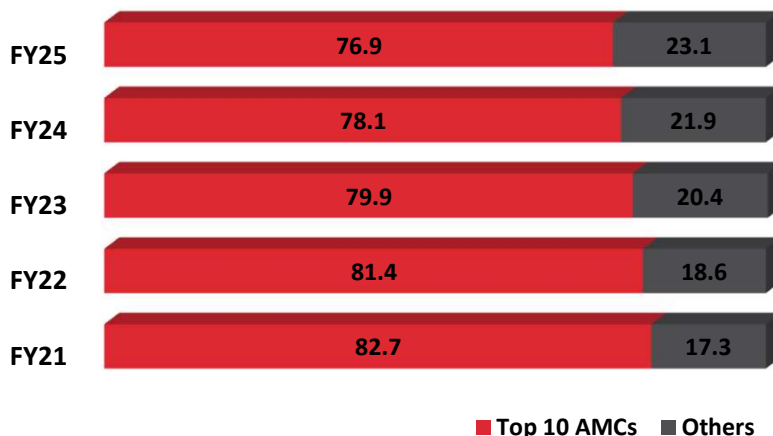
Mutual Fund Industry

AUM MIX (%)



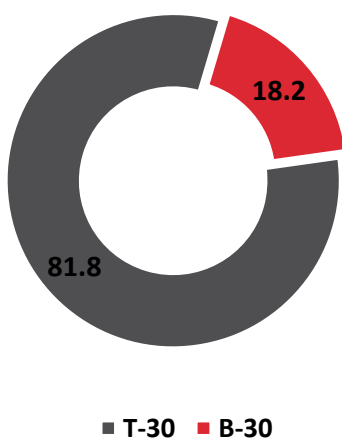
Source: Company's Annual Report

AUM Market Share %



Source: Company's Annual Report

Geography-wise AUM (%)



Source: Company's Annual Report

In the Indian mutual fund industry, the distinction between **T30 (Top 30 cities)** and **B30 (Beyond Top 30 cities)** locations is significant due to differences in investor profiles, asset composition, and overall profitability for the AMC.

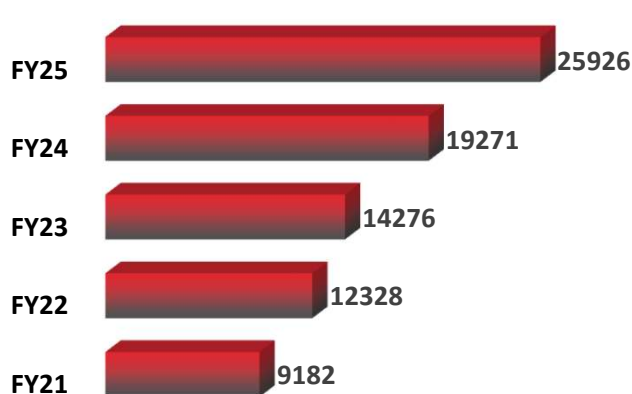
1. Asset Composition: Equity vs. Institutional

- **B30 Equity Dominance:** Investors in B30 locations have a much higher preference for stocks. AUM from B30 locations has a 75% composition of equity assets, whereas T30 cities only have 43% in equity.
- **T30 Institutional Focus:** Historically, AUM has been concentrated in T30 cities because of the presence of institutional investors who prefer non-equity (debt and liquid) schemes.

2. Profitability and Retention (Stickiness)

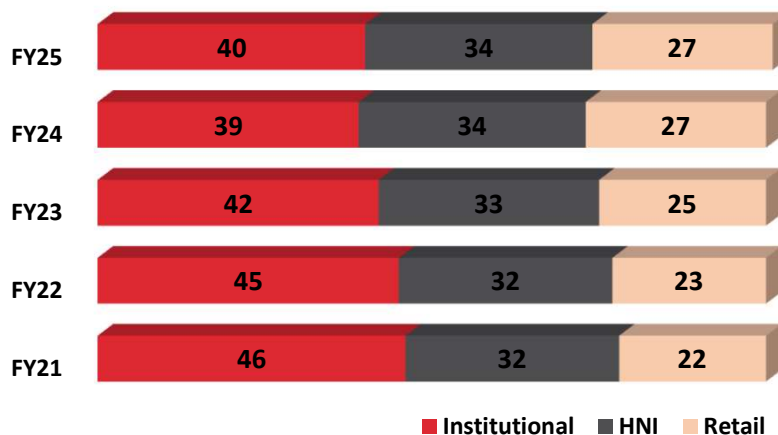
- **Higher Persistency:** Management considers assets from B30 locations to be more persistent (stickier), meaning these investors tend to stay invested for longer periods regardless of short-term market noise.
- **Greater Profitability:** Because B30 locations are dominated by individual retail investors in high-yield equity schemes rather than low-yield institutional debt, they are generally more profitable for the company.

SIP Book (₹ Crore)



Source: Company's Annual Report

Investor Break-up (%)



Source: Company's Annual Report

Industry Overview

AIF Industry

- **Alternative Investment Funds (AIFs)** are pooled investment vehicles that collect funds from sophisticated investors to make investments in nontraditional investment assets (in accordance with a defined investment policy) for the benefit of its investors. The minimum investment amount by any investor in an AIF is INR 1 Crore.
- Over the past decade, capital commitments within the industry have exhibited a CAGR of 50%, fuelled by the active participation of high-net-worth individuals, institutional investors, and FPIs. Furthermore, regulatory advancements, favourable tax structures, and the advent of specialized fund strategies - spanning venture capital, private equity, real estate, and credit funds - have contributed significantly to this success.
- A noteworthy regulatory milestone in the Union Budget 2025 is the reclassification of investments made by Category I and II AIFs as "capital assets." This ensures that income derived from the transfer of securities is now subject to taxation as capital gains, rather than as business income. This amendment resolves long-standing ambiguities, aligns the taxation framework for AIFs with international standards, and provides enhanced clarity to stakeholders.
- SEBI has identified three categories of AIFs based on investments as below:

Category 1:

Funds that have positive spillover effects on the economy for which certain incentives/concessions might be considered, e.g., venture capital funds, angel funds, SME funds, social venture funds, infrastructure funds, etc.

Category 2:

Predominantly includes funds that invest in unlisted securities and includes funds like PE/VC funds, Private Debt funds, etc., and represent the largest AIF category.

Category 3:

Include funds that deploy diverse or complex trading strategies, including the use of debt/leverage through investment in listed or unlisted securities, e.g., hedge funds or funds that invest with a view to earn short-term returns comprise a large part of this segment.



Source: Company's Annual Report



Source: Company's Annual Report

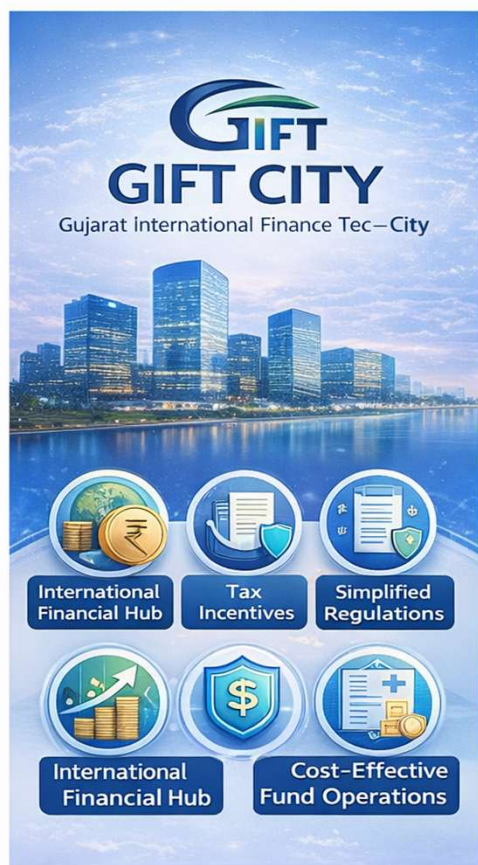
Growth Drivers:

- **Demand from HNIs and Family Offices:** There is an increasing interest from High-Net-Worth Individuals (HNIs) and family offices seeking unique investment strategies and superior risk-adjusted returns compared to traditional assets.
- **Regulatory and Taxation Reforms:** A major regulatory milestone was the reclassification of Category I and II AIF investments as "capital assets," ensuring that income from the transfer of securities is taxed as capital gains rather than business income.
- **Expansion of Specialized Asset Classes:** There is a surge in demand for private credit and structured debt, particularly in segments where traditional financing may be unavailable. The industry is moving toward specialized vehicles such as Real Estate Credit, Tech-focused Venture Capital, and Public Equity.

Industry Overview

PMS And Gift City

- Portfolio Management Services (PMS) is an investment management service offered by asset management companies, brokerage houses and wealth managers to wealthy investors, such as HNIs and institutions. It is one of the most versatile investment vehicles and is best suited for concentrated, benchmark agnostic, bottom-up stock picking. PMS is broadly divided into discretionary and non-discretionary/advisory. The PMS industry AUM as of March 2025 was ~INR 37.80 Lakh Crore in total.
- GIFT CITY Gujarat International Financial Tec-City (GIFT City) is India's flagship financial and IT services hub, envisioned as a world-class International Financial Services Centre (IFSC) to bring offshore financial activities onshore and position India as a global financial powerhouse. Strategically located between Ahmedabad and Gandhinagar, it integrates cutting-edge infrastructure with regulatory efficiency to attract international investors and financial institutions. GIFT City offers significant advantages, including tax incentives, simplified regulations under IFSCA, cost-effective fund operations, and the ability to manage both domestic and international portfolios. This strategic gateway not only enhances global competitiveness but also supports India's vision of becoming a leading international financial hub.



Source: Company's Annual Report

Growth Drivers:

- **Low Market Penetration:** India's Mutual Fund AUM-to-GDP ratio reached an all-time high of approximately 20% in March 2025, yet it remains significantly lower than the global average of 75–80%, signaling vast room for expansion.
- **The SIP Movement:** Systematic Investment Plans (SIPs) have democratized investing, with monthly industry inflows reaching ₹25,926 Crore in March 2025 (35% year-on-year growth). These flows provide a stable "order book" for AMCs; for instance, HDFC AMC reports that 90% of its SIPs are subscribed for tenures exceeding five years.
- **Nippon Life India AMC:** Holds a license as a Registered FME (Non-Retail) and launched the "Nippon India ETF Nifty 50 BeES GIFT" in collaboration with Nissay Asset Management (Japan) to offer Japanese investors access to Indian equity markets through the NISA scheme.
- **Operational Benefits:** GIFT City offers tax incentives, simplified regulations under the IFSCA framework, and cost-effective operations, making it an ideal platform for managing both domestic and international portfolios.

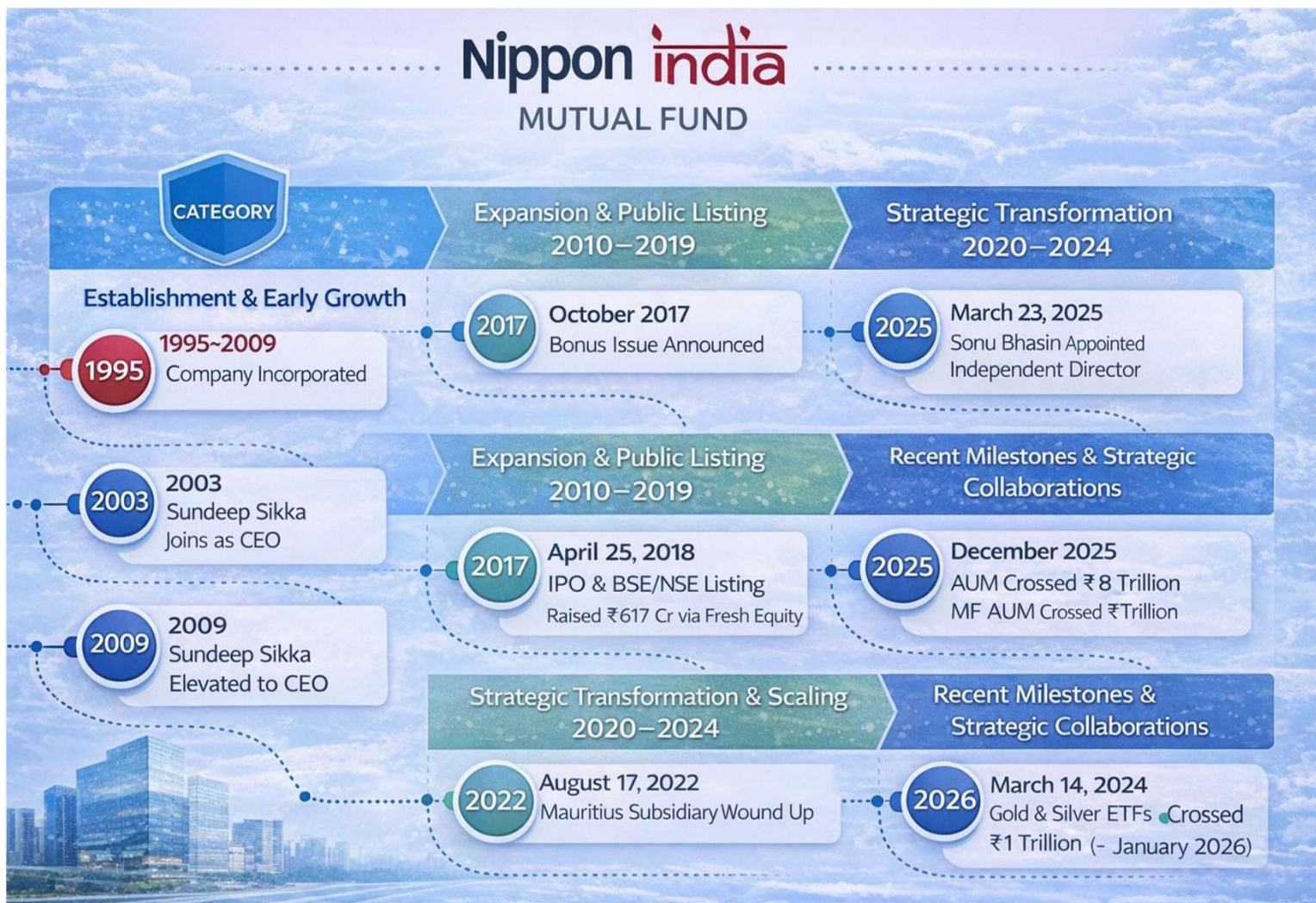


BUSINESS OVERVIEW

**A Market Leader in India's Evolving
Asset Management Landscape**

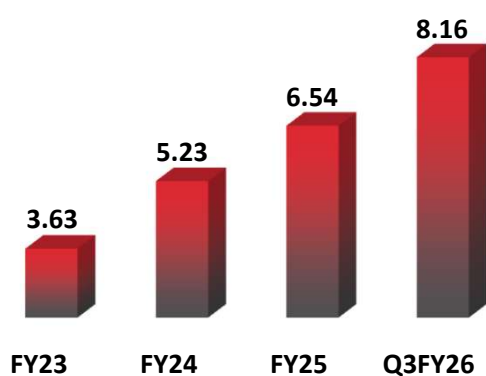
Business Overview

Nippon Life India Asset Management Limited (NAM India), a subsidiary of **Nippon Life Insurance Company, Japan**, is the **fourth-largest AMC in India** with over 30 years of wealth creation legacy with a track record of over 30 years, and a total AUM of **INR 8.16 trillion** as on December, 2025. The Company is involved in managing Mutual funds including Exchange Traded Funds (ETFs), Managed accounts including Portfolio Management Services (PMS), Alternative Investment Funds (AIF) and pension funds, Offshore funds and advisory mandates, Funds via GIFT City. As of March 2025, Nippon Life Insurance holds a dominant 72.32% stake in the company. Company’s core mission is to create a performance-driven, socially responsible ecosystem to foster financialization across India.



Source: Company’s Annual Report

AUM (In INR Trillions)



Source: Company’s Annual Report

AUM Highlights:

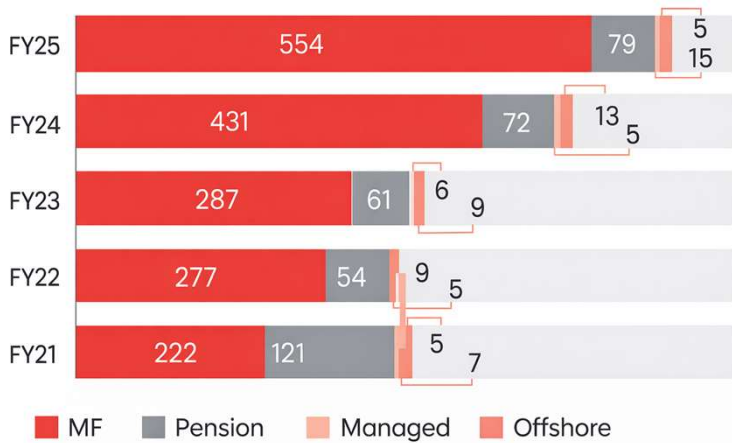
In **Q3 FY26**, the company reported record-breaking performance, achieving its highest-ever quarterly Operating Profit of INR 4.58 billion (+22% YoY) and Profit After Tax of INR 4.04 billion (+37% YoY),. Total AUM surpassed INR 8 trillion, supported by industry-leading retail penetration with 22.7 million unique investors, meaning 1 in every 3 unique mutual fund investors in India chooses NAM India. As the fastest-growing top-10 AMC, it achieved an 8.65% market share and maintained a dominant 20.31% share in the ETF segment, where it facilitates 51% of exchange trading volumes,,. Systematic flows reached an annualized book of INR 451 billion, while the company effectively leveraged its digital muscle, with 77% of new purchase transactions occurring online.

Segment Overview

Mutual Funds:

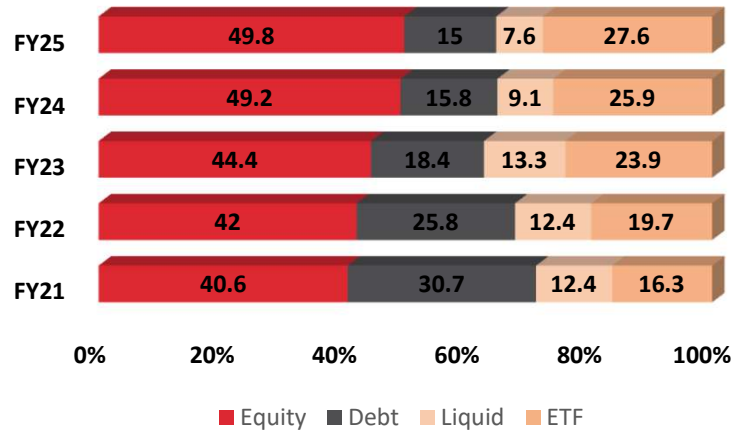
Nippon India Mutual Fund (NIMF) offers a well-rounded portfolio of products, i.e., Equity, Debt, Liquid as well as ETF for investors to meet varying requirements. The Company started its mutual fund operations in 1995. It constantly endeavours to launch innovative products and customer service initiatives to increase value to investors. As of Q4 FY25, the Company managed QAAUM of INR 5.57 Lakh Crore. With 3.25 Crore folios, the Company has the largest base of investors in the industry. As of March 31, 2025, NIMF managed 105 schemes, of which 92 were open-ended (44 active and 48 passive). The Company is promoted by Nippon Life Insurance Company, one of the leading private life insurers in Japan, with assets of over JPY 97 trillion as on March 31, 2025. The following table illustrates the closing AUM of the Company's respective offerings:

NAM India EOP AUM (INR Crore)



Source: Company's Annual Report

NIMF QAAUM (%)



Source: Company's Annual Report

★ ★ Core Segment Highlights ★ ★

Massive Operational Scale
Mutual Fund AUM crossed **INR 7 trillion** in Q3 FY26, with **23% YoY growth**

Retail Dominance
Largest unique investor base in the industry with **22.7 million unique investors**

Systematic Stickiness
INR 451 billion annualized systematic book, **75%** of SIPs below **INR 10,000** ticket size

Passive Powerhouse
Dominant **20.31%** ETF market share, facilitates **51%** of ETF trading volumes

Commodity Milestone
~**INR 1 trillion** Gold & Silver ETF AUM milestone in **January 2026**

Geographic Moat
Leader in **B-30** locations, forming **20%** of total MF AUM

Geographic Moat
Leader in **B-30** locations, forming **20%** of total MF AUM

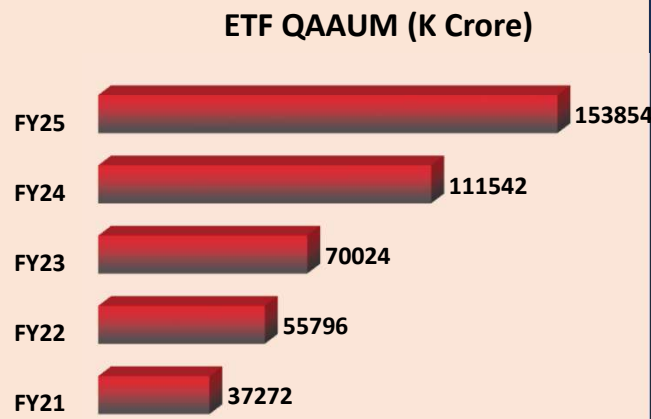
★ Profitability Metrics ★

Segment Yields
Blended yield of **37bps**: Equity ~53bps, Debt 25bps, ETFs 20bps

Source: Company's Annual Report

Segment Overview

The Company offers the most diverse range of passive products in the industry with 24 ETF schemes and 21 Index funds. Passive AUM crossed I 1.50 Lakh Crore during the year. The ETF segment had assets of I 1.54 Lakh Crore and has the largest volume market share in the Industry. Approximately 53% of the exchange volumes are contributed by NIMF's ETF schemes (as of Q4 FY25). With 1.44 Crore folios, NIMF held 53% of the industry's folio market share (Q4 FY25) and added about 30 Lakh folios in FY25. There has been a consistent participation of HNI segment in passive products, indicating greater adoption by an evolved class of investors.

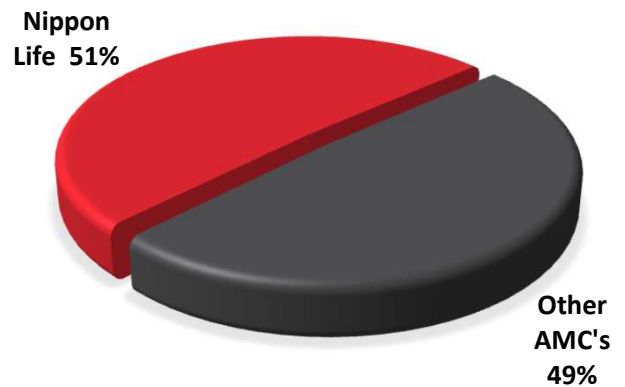


Source: Company's Annual Report



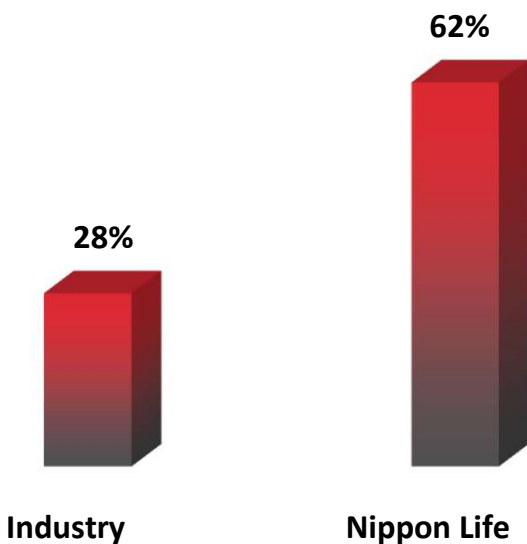
Source: Company's Annual Report

ETF TRADING VOLUME SHARE



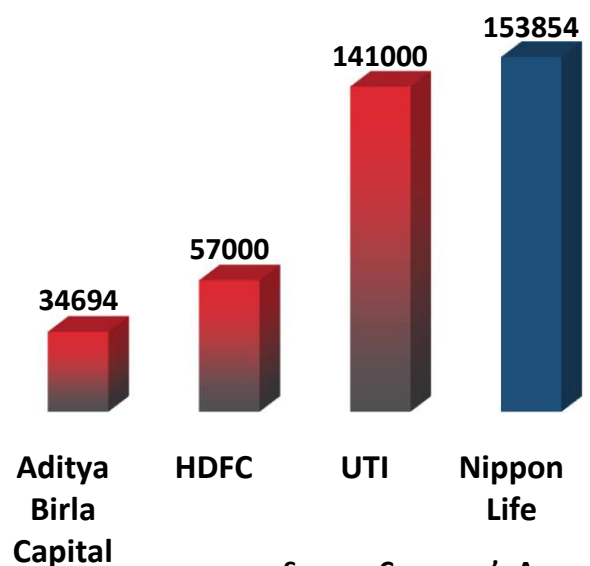
Source: Company's Annual Report

SIP Client Continuation Rate



Source: Company's Annual Report

QAAUM for ETFs (INR Crore)



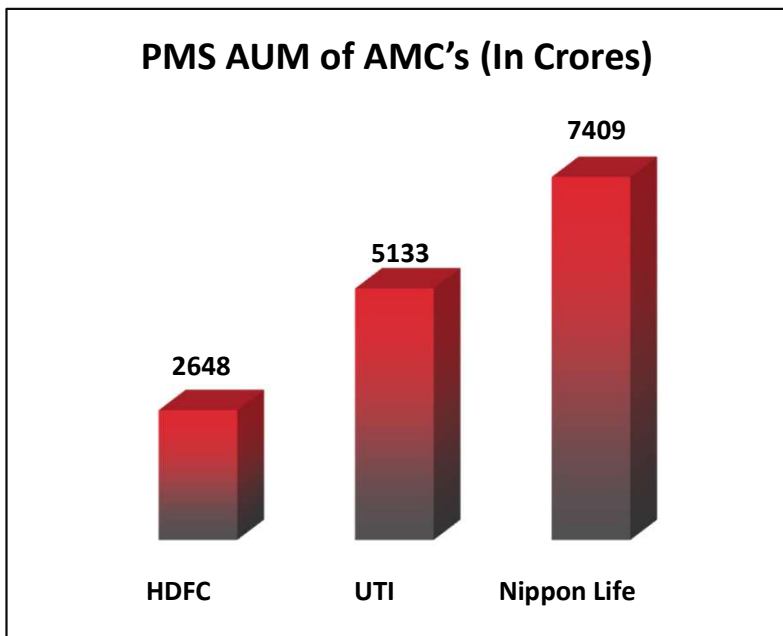
Source: Company's Annual Report

Segment Overview

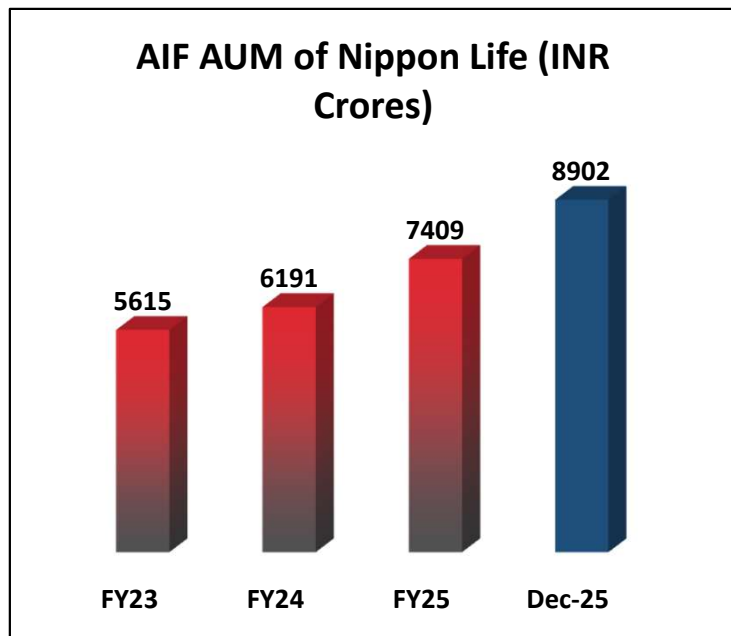
Alternate Investment Fund:

As of March 31, 2025, Nippon India AIF has demonstrated exemplary performance, with total commitments since inception across all asset classes reaching INR 7,409 Crore. FY25 witnessed a record high in commitments, with fresh inflows amounting to INR 1,300 Crore, a 2.2x growth compared to the previous year, reflecting the steadfast confidence of investors in our capabilities. Currently, Nippon India AIF is actively raising funds across the following schemes:

- Nippon India Equity Opportunity AIF Scheme 9 and 10: Category III AIF – Long-Only Equity
- Nippon India Credit Opportunities AIF Scheme 1: Category II AIF – Credit
- Nippon India Digital Innovation Fund 2A: Category II AIF – Direct Tech/VC



Source: Company's Annual Report



Source: Company's Annual Report

Alternate Investment Segment Highlights



Nippon India Equity Opportunities Series (Category III AIF – Long-Only Equity)

- Successfully introduced the 9th and 10th Equity Schemes, collectively raising commitments amounting to ~INR 900 Crore year-to-date.
- Fundraising efforts were enhanced through **expanded direct** channels and distributor partnerships. Regular outreach via investor calls and webinars fostered strong engagement.

Nippon India Digital Innovation Fund (NIDI, Category II AIF – Tech/VC)

- **NIDI Scheme 1:** Portfolio construction is complete, with ~92% of the fund size allocated across 14 diversified funds, providing access to ~378 start-ups.
- **NIDI 1** maintained a top-quartile position among **24 global Fund of Funds**, as per Preqin benchmarking.
- **NIDI Scheme 2A:** NIDI 2A was successfully launched, specializing in direct investments in "Multi Manager Winners" of NIDI Scheme 1 and has achieved its first closure, with an equal focus on Indian and Japanese investors. Meanwhile, prefpelts.

Nippon India Credit Opportunities AIF Scheme 1 (Category II AIF – Credit)

- Fund has achieved total commitments of ~INR 570 Crore and has successfully executed over **11 deals** so far with a strong performance track record.

Others

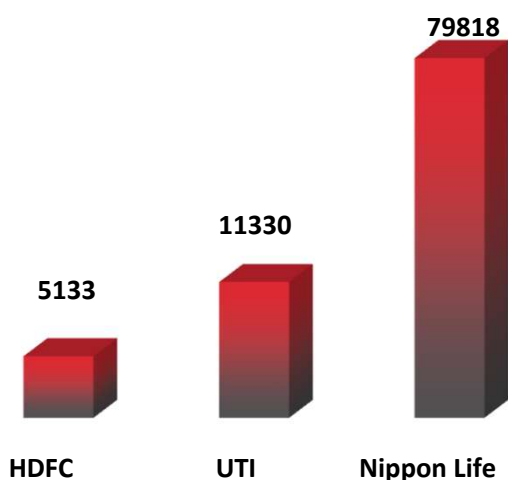
- AIF Closing AUM grew by ~11% YoY.
- Additionally, we have concluded the exit of our **first Real Estate Scheme** exclusively for **Japanese investors** with commendable investment performance.

Segment Overview

Portfolio Management services (PMS):

The Company provides portfolio management services to high-net-worth individuals and institutional investors. It is one of the few AMC's in India who have won and managed various prestigious government mandates. The Company continues to manage the two prestigious government mandates, i.e., Post Office Life Insurance and Rural Post Office Life Insurance. Currently, there are four equity strategies offered to investors, and all investment strategies under PMS continue to outperform their benchmarks and peer groups over the long term. As on March 31, 2025, the Company's total AUM was INR 79,818 Crore, as part of the PMS and managed accounts business.

PMS AUM of AMC's (In Crores)



Source: Company's Annual Report

UTI AMC's PMS business (INR 13,78,389 lakh crore) is approximately **17 times larger** than Nippon Life India AMC's, **121 times larger** than Aditya Birla Sun Life AMC's, and **268 times larger** than HDFC AMC's.

The primary reason for this vast difference in scale is UTI AMC's role in managing massive institutional corporates. While other AMC's primarily target High-Net-Worth Individuals (HNIs) and family offices for their PMS offerings, UTI AMC anchors its business with prestigious discretionary mandates from major government and institutional entities, including:

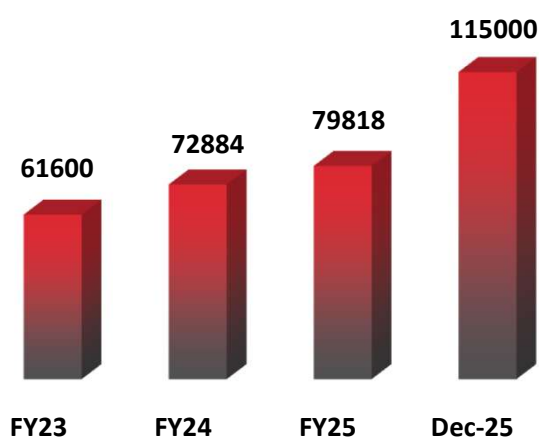
- **Employees' Provident Fund Organisation (EPFO)**
- **Coal Mines Provident Fund Organisation (CMPFO)**
- **Directorate of Postal Life Insurance (PLI)**

In contrast, Nippon Life India AMC also manages government mandates for **Post Office Life Insurance** and **Rural Post Office Life Insurance**, but on a smaller scale relative to UTI's EPFO and CMPFO mandates.

Key Characteristics of PMS Segment:

- **Investor Base:** The company provides discretionary and non-discretionary services to **high-net-worth individuals (HNIs), ultra-HNIs, and institutional investors.**
- **Government Mandates:** NAM India continues to manage two prestigious government mandates under its PMS vertical: **Post Office Life Insurance** and **Rural Post Office Life Insurance.**
- **Performance:** Management reports that all four primary equity strategies offered under PMS have continued to **outperform their benchmarks and peer groups** over the long term.
- **Strategy:** The approach is based on **bottom-up stock picking** driven by fundamental research to create benchmark-agnostic, concentrated portfolios.

PMS AUM of Nippon Life (In Crores)



Source: Company's Annual Report

Expanding Global Reach in Small & Mid-cap Equities



Source: Company's Annual Report

Segment Overview

Gift City:

Nippon Life India Asset Management (NAM India) has strategically established a branch at GIFT-IFSC to expand its international business reach. The company holds a license as a **Registered Fund Management Entity (Non-Retail)**, allowing it to set up and manage Alternative Investment Funds (AIFs) specifically for global clients and Non-Resident Indians (NRIs). Key products launched via GIFT City include:

- **Nippon India Large Cap Fund GIFT:** Launched in January 2025, this acts as a feeder fund giving global investors access to NAM India's flagship domestic Large Cap Fund.
- **Nippon India ETF Nifty 50 BeES GIFT:** A collaboration with **Nissay Asset Management (Japan)** to provide Japanese investors access to Indian markets through the NISA (tax-exempt) scheme in Japan.
- **Future Pipeline:** The company is preparing to launch a **Long-Short Equity Fund** and a second **VC Fund of Funds strategy** through this branch.



Source: Company's Annual Report

Advantages to Nippon India AMC:

- **Tax and Operational Efficiency:** GIFT City offers significant **tax incentives** and a **cost-effective environment** for fund operations, allowing the company to manage international portfolios more efficiently than traditional offshore locations.
- **Simplified Regulatory Framework:** The IFSCA provides a single-window, simplified regulatory regime that facilitates faster product launches and smoother compliance for international mandates.
- **Global Capital Bridge:** It serves as a "Global Investment Expressway," strengthening the financial relationship between **India and Japan**. This enables a two-way flow of capital, particularly helping Japanese investors access Indian equity markets seamlessly.
- **Asset Growth Momentum:** The strategy is already showing rapid results; the AUM in NAM India's GIFT City feeder funds grew by **35% sequentially** to reach **USD 41 million** as of Q3 FY26.

Current Growth Traction:

- **Rapid Asset Growth:** The AUM in NAM India's GIFT City funds grew by 35% on a Quarter-on-Quarter (QoQ) basis.
- **AUM Milestone:** As of December 31, 2025, the total assets in these feeder funds reached USD 41 million.
- **Nissay Collaboration:** The Nippon India ETF Nifty 50 BeES GIFT fund was launched in direct collaboration with Nissay Asset Management Corporation (Japan). Nissay launched the Nissay India Equity Fund in Japan specifically to feed capital into the GIFT City fund, providing Japanese retail investors with seamless access to Indian equity markets through the NISA (tax-exempt) scheme in Japan.

To continue this growth trajectory, the company is preparing to launch several sophisticated products through the GIFT City branch:

- **NIDI 2B:** A specialized Venture Capital Fund of Funds strategy.
- **Long-Short Equity Fund:** Targeted toward global institutional investors.
- **Feeder Expansion:** Continual bolstering of the feeder fund suite to provide international investors and NRIs access to flagship Indian domestic schemes.

Offshore Funds and Advisory Mandates:

The Company manages offshore funds and distribution through its subsidiary Nippon Life India Asset Management (Singapore) Pte. Ltd. (NAM Singapore) in Singapore. The overseas subsidiary helps to cater to institutional, retail, and high net worth investors across Asia, Middle East, UK, US, Latin America, and Europe. As on March 31, 2025, NAM Singapore managed a total AUM of USD 1.78 bn as part of its international offshore managed portfolio. NAM Singapore serves the requirement of overseas retail, institutional and high-net worth investors who are keen to invest into India, by offering both the Equity and the Fixed Income offerings investing into India. The Company also acts as an Investment Advisor for India-focused equity and fixed income funds in Japan and Korea. Further, as on March 31, 2025, the Company had a total AUM of USD 233 mn as international advisory mandates. NAM Singapore acts as an investment manager for the fixed-income fund 'Xtrackers India Government Bond Fund,' which was launched in collaboration with Xtrackers (DWS)- one of the largest European AMCs.



MANAGEMENT OVERVIEW

Leading with Strategy and Vision

Board Of Directors



Mr. Upendra Kumar Sinha (Chairman)

Mr. Upendra Kumar Sinha is a 1976-batch IAS officer with over three decades of experience in financial regulation and public policy, having led institutions such as SEBI and UTI Asset Management Company. He played a key role in major capital market reforms including FPIs, AIFs, REITs, InvITs, corporate governance, and pioneered the micro-pension movement in India.

Mr. Sundeep Sikka (Executive Director & CEO)

Mr. Sundeep Sikka has over 30 years of experience in asset management and financial services and has led the company's growth through its partnership with Nippon Life Insurance, acquisition of Goldman Sachs Asset Management (India), and stock exchange listing. He is a Harvard Business School alumnus and works closely with key regulators such as RBI and SEBI.



Kosuke Kuroishi (Associate Director *w.e.f. April 28, 2025*)

Mr. Kosuke Kuroishi has over 25 years of experience in asset management, corporate planning, and risk management. He leads the Global Asset Management Business Unit at Nippon Life Insurance Company and has previously headed corporate planning at Nissay Asset Management.



Hiroki Yamauchi (Associate Director)

Mr. Hiroki Yamauchi has over 20 years of experience in asset management and corporate planning with Nippon Life Insurance Company and leads its Global Asset Management Business Department. He brings international investment experience as a former Fund Manager in Europe and has also headed Nippon Life's life insurance and asset management business in India.



Tomohiro Yao (Associate Director *ceased w.e.f. April 28, 2025*)

Mr. Tomohiro Yao has over 25 years of experience in the life insurance industry and served as Regional CEO for Asia Pacific at Nippon Life, leading regional strategy and operations. He also headed the India business and drove global business planning and international M&A across key overseas markets.



Minoru Kimura (Associate Director)

Mr. Minoru Kimura has over 30 years of experience in global insurance and asset management and leads Nippon Life's global business as Director & Managing Executive Officer. He has held senior leadership roles across Asia Pacific, the Americas, and Europe, including CEO positions in European asset management entities.



B. Sriram (Independent Director)

Mr. B. Sriram is an Honors graduate and Master's degree holder in Physics from St. Stephen's College, Delhi University. He has over 37 years of experience in banking and finance, with extensive leadership roles at State Bank of India.



Sonu Bhasin (Independent Director)

Mrs. Sonu Bhasin has over 30 years of experience across financial and non-financial sectors in India and overseas and is the Founder of FAB. She has held senior roles at the Tata Group, Axis Bank, YES Bank, and ING Vysya Bank and is an award-winning business author and *The Economic Times* columnist.



Ved Prakash Malik (Independent Director)

General Ved Prakash Malik (Retd.) served as Chief of the Army Staff (1997–2000), commanding over 1.2 million personnel and advising the Government of India on national security. He is a highly decorated leader, awarded the Ati Vishisht Seva Medal and Param Vishisht Seva Medal.



Ashvin Parekh (Independent Director)

Mr. Ashvin Parekh is a Chartered Accountant and founder of Ashvin Parekh Advisory Services LLP, with extensive experience advising boards and management in the financial services sector. He is a former senior partner at EY and Deloitte and has served on committees of the Ministry of Finance, RBI, IRDA, and SEBI, with global exposure across multiple markets.





FINANCIAL & VALUATIONS

Empowering Your Financial Success

Income Statement | Balance Sheet | Cash Flow

Quarterly Income Statement (In Millions)

Particulars	Q3FY26	Q3FY25	YOY Growth	Q2FY26	QoQ Growth
Operating Revenue	7050	5880	19.89%	6580	7.14%
Operating Expenses Excl. Depreciation	(2350)	(2020)	16.33%	(2290)	2.62%
Operating EBITDA	4700	3860	21.76%	4290	9.55%
EBITDA margin	66.67%	65.64%		65.19%	
Depreciation	(110)	(80)	37.5%	(90)	22.22%
Operating Profit	4590	3780	21.42%	4200	9.28%
OP margin	65.10%	64.28%		63.83%	
Finance Cost	(20)	(20)	0%	(20)	0%
Operating PBT	4570	3760	21.54%	4180	9.33%
Operating PBT Margin	64.82%	63.94%		63.53%	
Tax (24%)	(1097)	(902)	21.61%	(1003)	9.37%
Operating PAT	3473	2858	21.52%	3177	9.31%
Operating PAT Margin	49.26%	48.61%		48.28%	
Other income	750	150	500%	370	102%
PAT inc. Other Income	4223	3008	40.39%	3547	19.05%
PAT Margin	60%	51.16%		53.90%	
No. of Shares (in millions)	666	645.49	3.17%	655.63	1.68%
EPS	6.34	4.66	36.05%	5.41	2.70

Source: Company's Annual Report

NAM India delivered a **solid Q3FY26 performance**, with operating revenue rising to ₹7,050 mn, up 19.9% YoY and 7.1% QoQ, driven by sustained business growth. Operating expenses grew at a slower 16.3% YoY, resulting in EBITDA increasing 21.8% YoY to ₹4,700 mn and EBITDA margin expanding to 66.7%. Operating profit stood at ₹4,590 mn, up 21.4% YoY, with margins remaining resilient at 65.1%, while finance costs stayed negligible, underscoring a low-leverage balance sheet. Operating PAT increased 21.5% YoY to ₹3,473 mn, supported by stable tax outgo and strong cost discipline. A sharp rise in other income further boosted reported PAT to ₹4,223 mn, marking a 40.4% YoY growth and expanding PAT margin to 60%. Consequently, EPS rose 36.1% YoY to ₹6.34, reflecting healthy earnings growth and improved shareholder value. Overall, the quarter underscores the company's strong earnings visibility, disciplined cost structure, and operating leverage. Sustained margin, higher ancillary income, and robust EPS growth position the business well for consistent profitability and long-term value creation.

Financial Statements

Income Statement (In Millions)

Particulars	FY25	FY24	FY23
Revenue	25180	20360	15120
Operating Expenses	7890	6490	5550
EBITDA	17290	13870	9570
EBITDA margin	68.67%	68.12%	63.29%
Depreciation	310	290	300
Operating Profit	16980	13580	9270
OP margin	67.43%	66.69%	61.31%
Finance Cost	70	60	40
Operating PBT	16910	13520	9230
Operating PBT Margin	67.50%	66.40%	61.04%
Tax (24%)	4056	3245	2215
Operating PAT	12854	10275	7015
Operating PAT Margin	51.05%	50.47%	46.40%
Other income	30	20	50
PAT inc. Other Income	12884	10295	7065
PAT Margin	51.17%	50.56%	46.73%
No. of Shares (in millions)	635.61	585.60	608.53
EPS	20.27	17.58	11.61

Cash Flow Statement (In Millions)

Particulars	FY25	FY24	FY23
Profit Before Tax	16943	13524	9277
Operating Cash Flow Before WCC Changes	14790	10007	8173
Total WCC Changes	956	273	(608)
Cash Flow From Operations	15746	10280	7565
Taxes Paid	(3751.30)	(2506.30)	(1700)
Net Cash Flow From Operations	11995	7774.80	5865
Purchase of PPE	(815)	(1038)	984
Net Cash Flow From Investing	(815)	(1038)	984
Proceeds/(Repayment) of Borrowings	(96.4)	93.8	(172)
Interest Paid	(67)	(62)	(40)
Dividend Paid	(12015)	(8111)	(7161)
Proceeds from Equity	1209	1552	262
Net Cash Flow From Financing	(11156)	(6707)	(7116)
Net Increase/(Decrease) in Cash	23.2	29.7	(266)
Cash at Beginning of Year	243	212	479
Cash at End of Year	265.5	242	212

Balance Sheet (In Millions)

Particulars	FY25	FY24	FY23
Cash & Bank Balance	2870	2710	2730
Loans	1.6	0.3	0.5
Receivables	700	1300	970
Financial Assets	33230	35126	30230
Other Financial Assets	189	714.38	816.37
Total Financial Assets	37012	39320	34166
Right To Use Assets	810	735	605
PPE	5440	167	115
Other Non Financial Assets	790	847	1163
Capital Work in Progress	40	16	25
Non Financial Assets	9688	4430	4442
Total Assets	46700	43750	38600
Common Share Capital	6340	6300	6231
Other Equity	35780	33521	28925
Total Equity	42129	39821	35156
Payables	590	500	660
Lease Liabilities	880	785	659
Other Financial Liabilities	1170	1769	1235
Total Financial Liabilities	2640	2270	1897
Current Tax Liabilities	-	269.95	309.91
Provisions	121	84	126
Deferred Tax Liabilities	1200	1422.16	672.03
Other Non Financial Liabilities	606	777.40	874.19
Total Non Financial Liabilities	42120	1658	1555
Total Equity And Liabilities	46700	43750	38600

Source of all 3 financial statements: Company's Annual Report

The company delivered steady financial performance in FY25, with revenue increasing to ₹25,180 mn from ₹20,360 mn in FY24, reflecting resilient demand and business momentum. EBITDA rose to ₹17,290 mn, with margins improving to 68.7%, highlighting strong operating leverage and cost efficiency. Operating profit increased to ₹16,980 mn, while operating PAT stood at ₹12,854 mn, translating into a healthy operating PAT margin of 51.1%. Net profit remained stable at ₹12,884 mn despite higher tax outgo, supported by consistent operating performance. EPS improved sharply to ₹20.27, aided by stable share count and earnings growth. On the balance sheet, total assets expanded to ₹46,700 mn, driven by higher cash balances and investments, strengthening financial flexibility. Cash flows from operations remained healthy at ₹9,643 mn, supporting ongoing investments and dividend payouts. Overall, the financials indicate strong profitability, ample liquidity, and a conservative balance sheet, positioning the company well for sustainable growth ahead.

Ratio Analysis

Profitability Ratios

Particulars	FY25	FY24	FY23
Sales Growth	23.67%	34.65%	(1.37)%
EBITDA Growth	24.74%	44.82%	(5.90)%
EBIT Growth	25.26%	45.69%	(6.17)%
PAT Growth	-17.15%	87.95%	-28.45%
EBITDA Margin	77.63%	84.46%	71.23%
Net Profit Margin	57.67%	67.39%	53.53%
ROE	31.39%	29.54%	20.68%
ROCE	39.09%	34.61%	25.70%

Liquidity Ratios

Particulars	FY25	FY24	FY23
Current Ratio	15.6x	20.36x	13.66x
Quick Ratio	15.6x	20.36x	13.66x
Cash Ratio	14.71x	18.89x	12.58x

Cash Ratios

Particulars	FY25	FY24	FY23
CFO/Revenue	0.05x	0.07x	0.08x
CFO/EBITDA	0.35x	0.43x	0.72x
CFO/PAT	0.45x	0.55x	1.12x

Leverage Ratios

Particulars	FY25	FY24	FY23
Debt to Equity	0.02x	0.02x	0.02x
Debt to Capital	0.02x	0.02x	0.01x
Interest Coverage Ratio	209.31x	154.54x	192.84x

Valuation Ratios

Particulars	FY25	FY24	FY23
Enterprise Value	₹ 341286	₹ 266633	₹ 130804
EV/EBITDA	19.71x	19.21x	10.75x
P/E	28.86x	26.83x	18.2x
Price/Sales	16.65x	18.08x	9.75x
Price/Book Value	8.71x	7.44x	3.72x

Efficiency Ratios

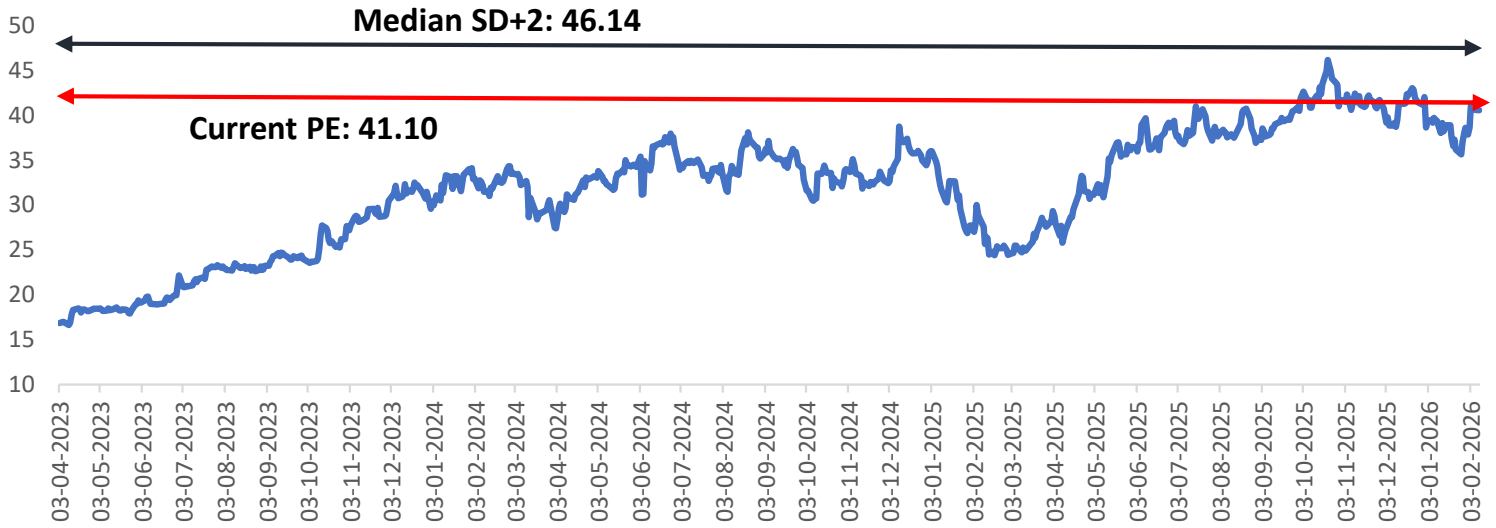
Particulars	FY25	FY24	FY23
Asset Turnover	0.49x	0.40x	0.35x
Receivable Turnover	0.23x	0.15x	0.15x
Payable Turnover	0.15x	0.16x	0.24x

Source of data used in ratio analysis: Company's Annual Report

NAM India's financial ratios reflect a business with strong profitability, and improving return metrics. Sales growth rebounded to 23.7% in FY25 after a muted FY23, while EBITDA and EBIT growth remained healthy at 24.7% and 25.3% respectively, highlighting operating leverage. Despite a decline in PAT growth in FY25, profitability margins stayed elevated, with EBITDA margin at 77.6% and net profit margin at 57.7%, underscoring superior cost efficiency. Return ratios improved meaningfully, with ROE at 31.4% and ROCE at 39.1%, reflecting efficient capital deployment. Leverage remains negligible, with debt-to-equity at just 0.02x and interest coverage strengthening to over 200x, indicating minimal financial risk. Liquidity remains extremely strong, supported by high current and quick ratios of 15.6x, along with a solid cash ratio of 14.7x. Cash flow metrics moderated in FY25 but continue to remain healthy relative to earnings. On valuation, the stock trades at 19.7x EV/EBITDA and 28.9x P/E, reflecting a premium for quality and consistency, while efficiency ratios show steady improvement in asset and receivables turnover, pointing to better operational utilization. Overall, the ratios highlight a fundamentally strong company with high margins, low leverage, and superior returns on capital. While valuations appear rich, they are supported by balance sheet strength, operational efficiency, and long-term earnings.

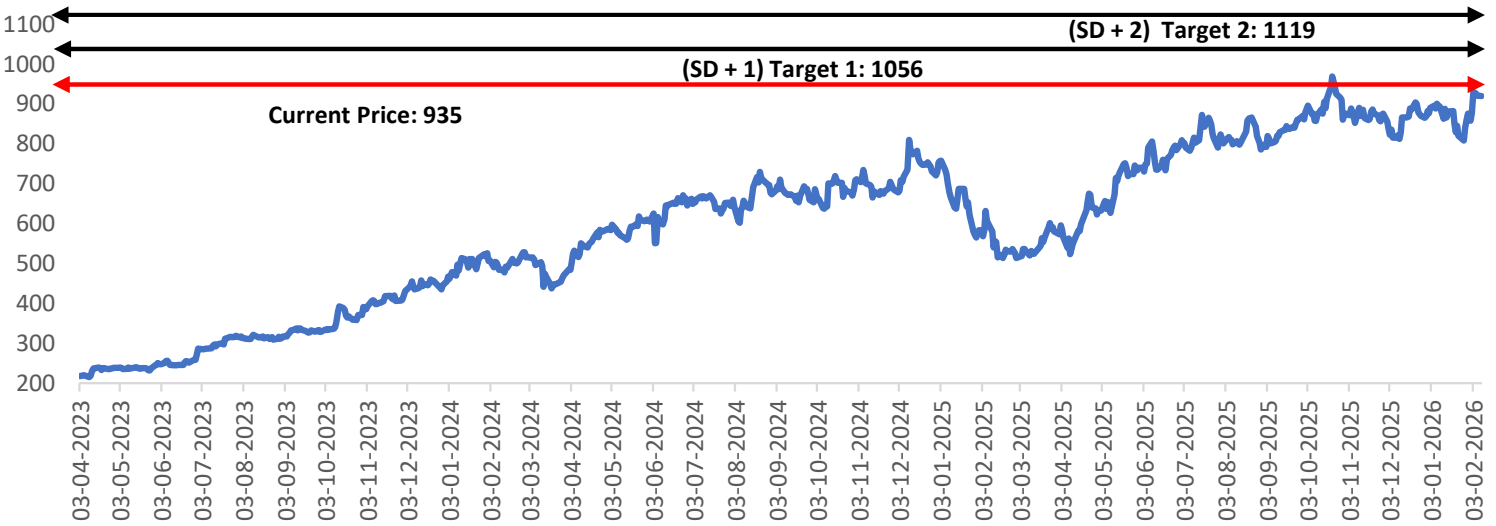
Valuation Analysis

P/E Ratio



The chart shows that the NAM India’s current P/E of 41.10 is below the upper valuation band represented by the Median +2 SD level of 46.14, indicating it is not trading at an extreme valuation. Historically, the stock has oscillated within this range, with periodic peaks and corrections, suggesting valuations have normalized over time. The present P/E, close to but still below past highs, reflects healthy market confidence while remaining within a reasonable and justifiable valuation zone.

Target Price



The stock is currently trading at around ₹935, indicating a phase of consolidation after a strong multi-year uptrend supported by consistent earnings growth and improving business fundamentals. Our target price of ₹1,056 (SD +1) is driven by expectations of steady revenue momentum, margin normalisation, and operating leverage as demand conditions improve. The upside target of ₹1,119 (SD +2) reflects the potential for valuation re-rating supported by strong execution, healthy deal inflows, and sustained profitability improvement. The company’s strategic focus on digital transformation, next-generation technologies, and large deal ramp-ups is expected to support medium-term earnings growth. Management commentary points to confidence in maintaining growth momentum, backed by a robust order pipeline and improving client spending outlook. While near-term volatility may persist, the overall trend remains constructive, supported by strong fundamentals. Hence, we believe the current price offers a favourable risk-reward profile, and we maintain a positive outlook on the stock.

DISCLAIMER

RATING SCALE: DEFINITION OF RATINGS

- **BUY** –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** –We expect the stock to deliver 5% -12% returns over the next 9 months.
- **REDUCE** –We expect the stock to deliver 0% -5% returns over the next 9 months.
- **SELL** –We expect the stock to deliver negative returns over the next 9 months.
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- **NM** –Not Meaningful. The information is not meaningful and is therefore excluded.
- **NOTE** –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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