

**Nippon Life India  
Asset Management Ltd  
Techno Funda  
Stock Outlook**



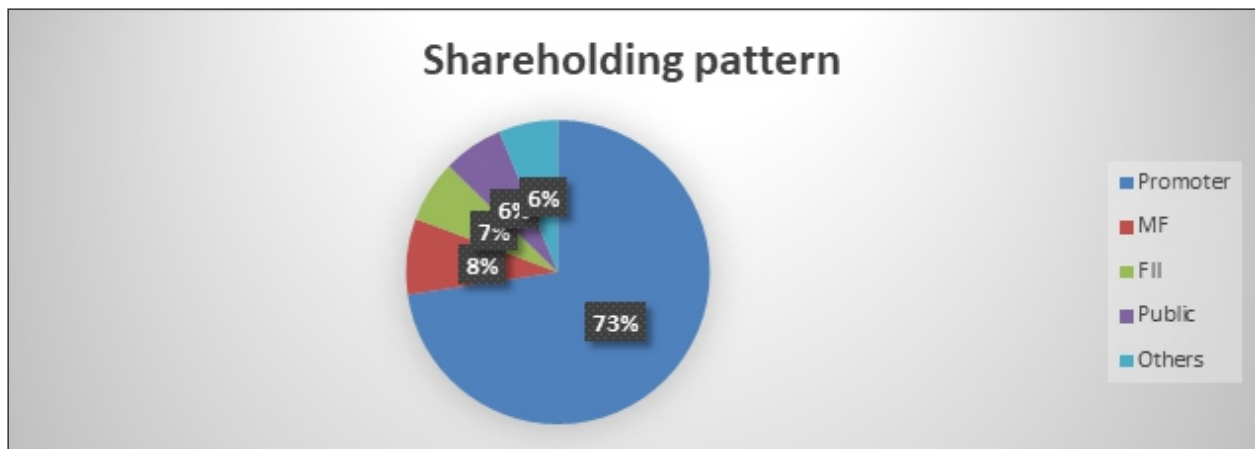
**Indbank**  
Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)

STOCK DETAILS	
NSE Scrip code	NAM-INDIA
BSE Scrip code	540767
Market cap (in Cr)	45,253
52-week High/Low (in Rs)	739 / 318
Current Price	665 (as on 20.09.2024)
Price Target (in Rs)	850

## COMPANY OVERVIEW

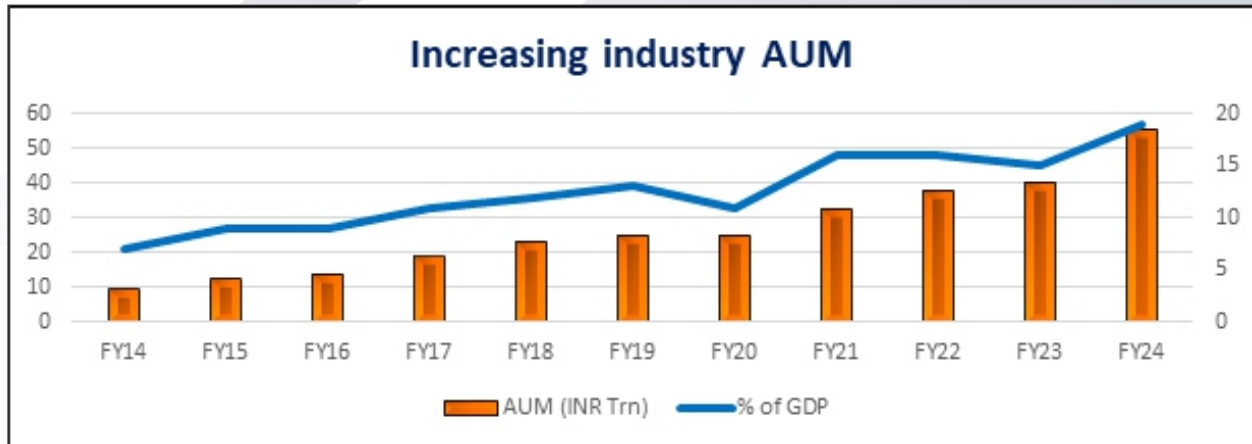
Nippon Life India Asset Management Limited (NAM India or 'the Company'), established in 1995, is an asset management firm holding a total AUM of 6.04 trn, Nippon Life Insurance Company is the promoter of NAM India and holds as 72.86 % in the company.

## SHAREHOLDING

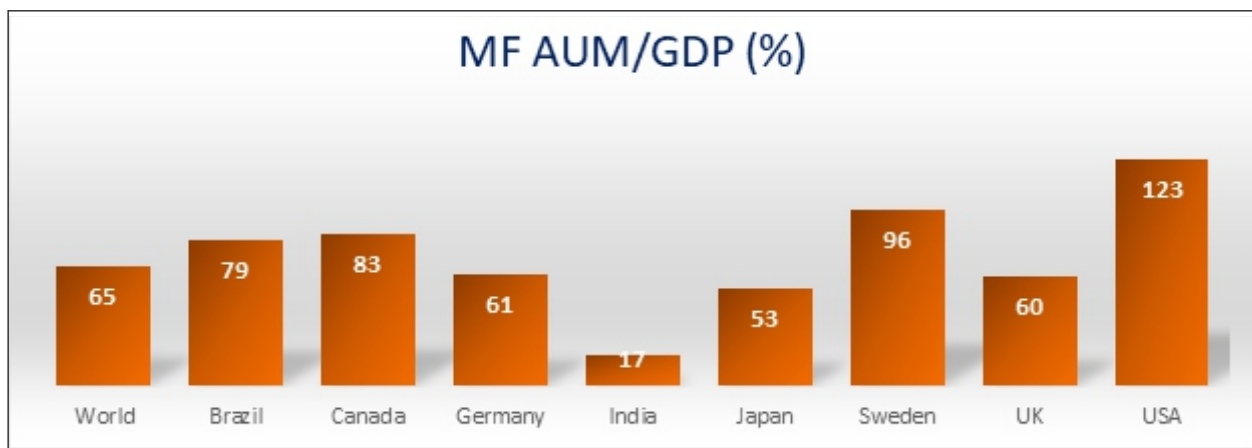


## SECTOR BRIEF

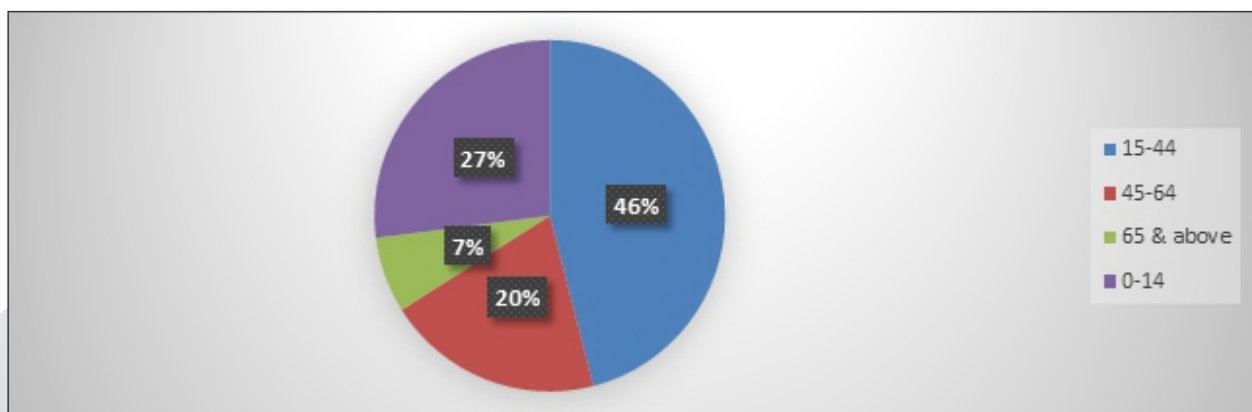
- The Indian mutual fund industry has seen a seven-fold growth in AUM over the last decade with equities accounting for the major portion.
- AMCs have more flexibility in decision-making for growing investors' wealth over other financial service providers.
- The industry QAAUM (quarterly average assets under management) grew by 9% QoQ and 37% YoY in Q1 FY25 to INR 59 trillion.



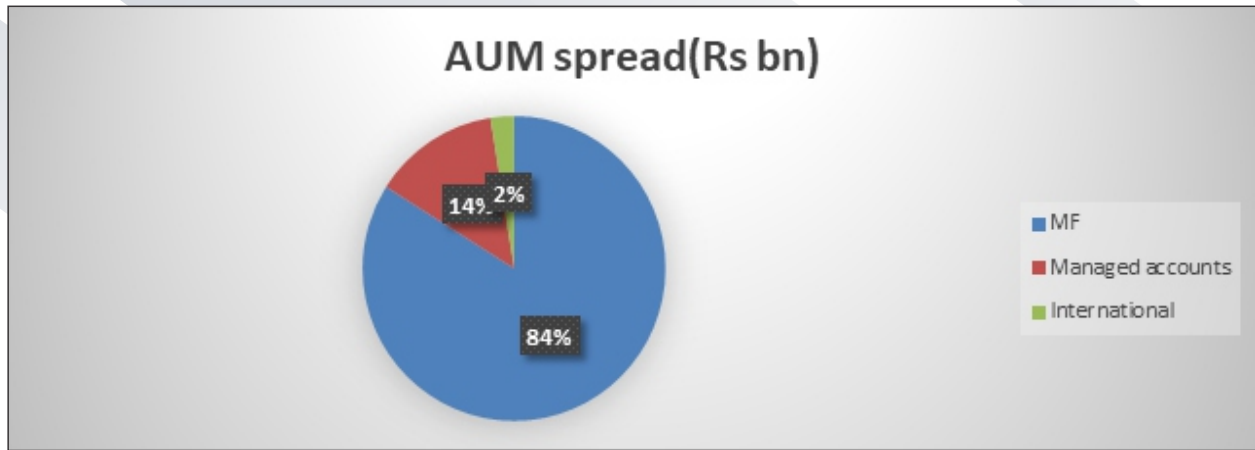
- Industry AUM has grown rapidly over the last decade powered by increase in the per capita income and financial awareness. Mutual fund AUM in India has grown to a considerable percentage of total GDP which makes it key driver of the economy.



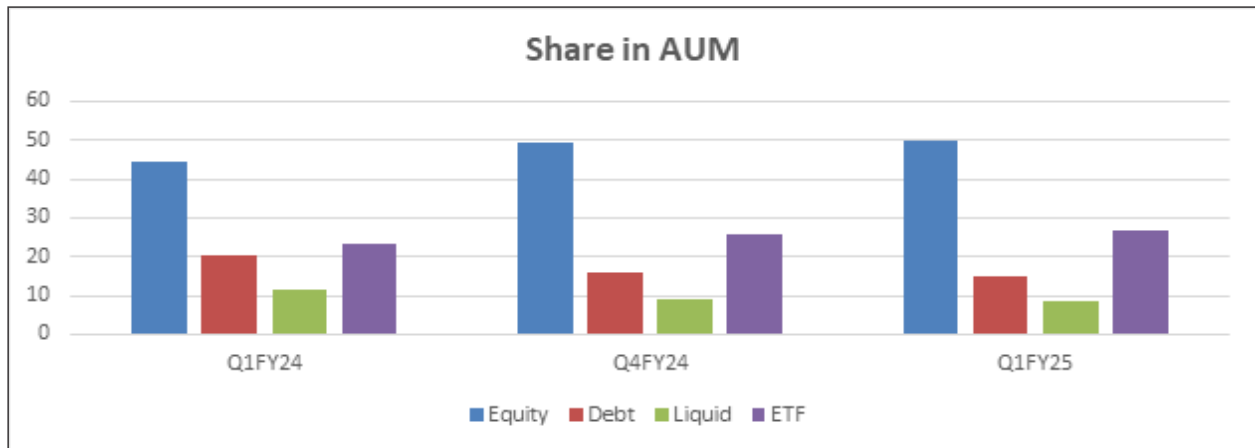
- The under-penetration of mutual fund investments in India compared to peers offers a tremendous scope for growth.



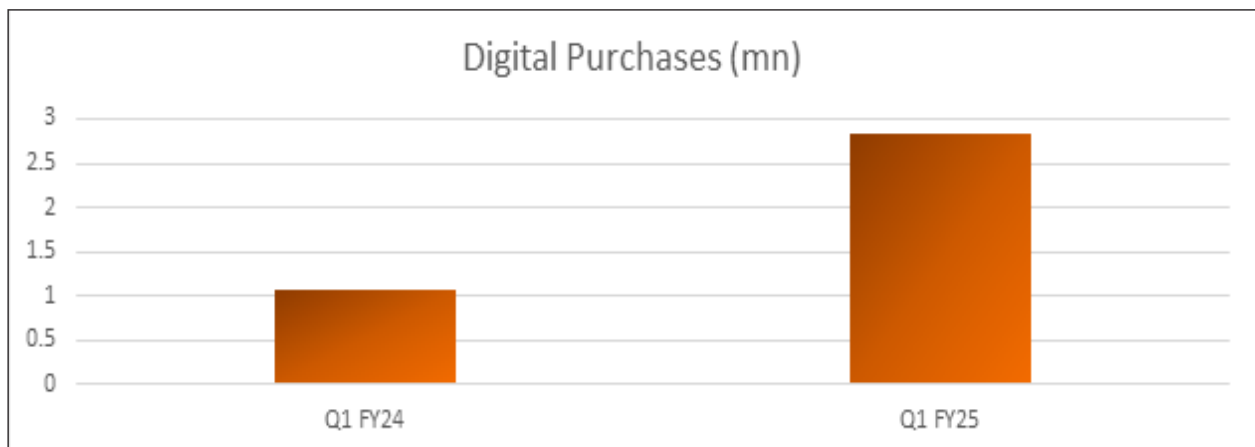
- Nearly 60% of India's population falls under the working age group creating a huge investable pool.



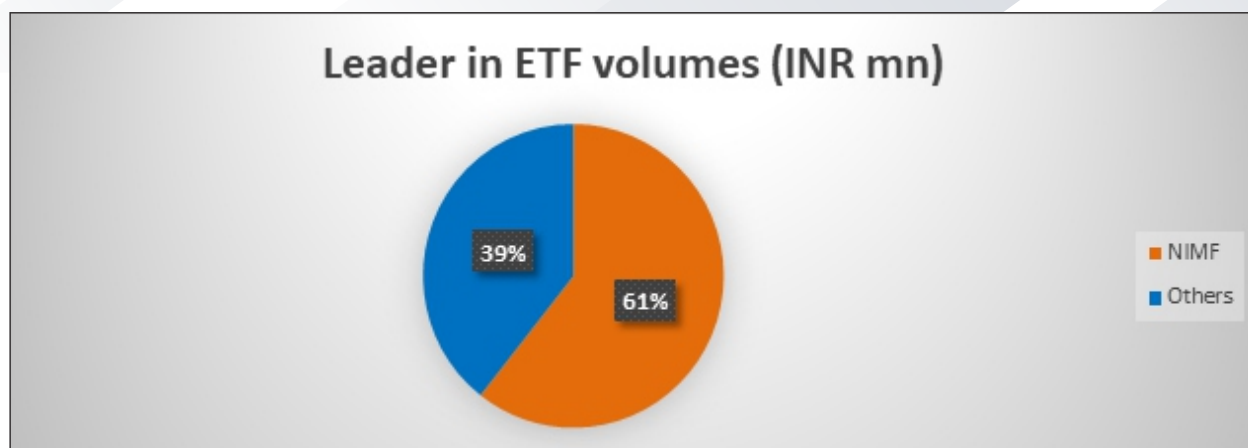
- NAM India derives majority of its AUM from the mutual fund segment.



- The share of equity in overall AUM showed robust to 59.4% for Q1 FY25, up from 51.8% for Q1 FY24.



- The share of digital purchases in total MF purchases & new SIP registrations witnessed 2.8x surge over last year.



- NIMF maintained its leadership position in the ETF category for Q1FY25.
- Highest increase in QAAUM market share on a YoY basis among all AMCs and second highest increase QoQ.

## CONSOLIDATED INCOME STATEMENT (FY 2023-24)

	Mar-22	Mar-24	Y-O-Y
Sales	1511.69	2035.65	34.7%
Expenses	555	649	17.0%
Operating Profit	956.58	1,386.17	44.9%
Other Income	4.92	1.69	-65.7%
Depreciation	29.79	29.14	-2.2%
Interest	3.97	6.24	57.2%
Profit before tax	927.74	1,352.48	45.8%
Tax	204.81	246.23	20.2%
Net profit	723.33	1,107.32	53.1%
EPS	11.61	17.58	51.4%
OPM	63%	68%	

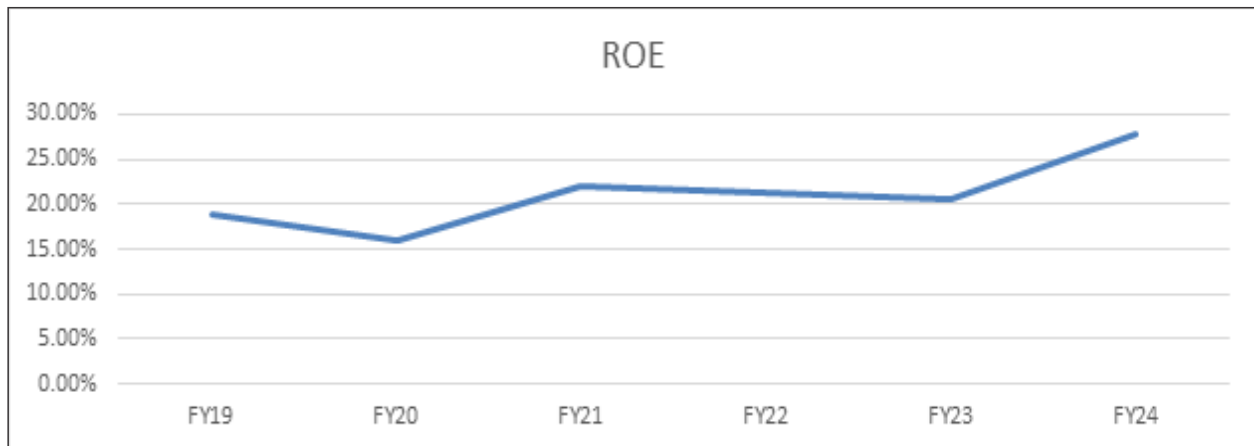
## CONSOLIDATED INCOME STATEMENT Q1FY25

QUARTERS (In Rs. Cr) (Consolidated)

	Jun-22	Mar-24	Jun-24	Y-O-Y
Revenue	354.15	468.27	504.96	42.6%
Expenses	151.71	177.52	188.55	24.3%
Operating Profit	202.44	290.75	316.41	56.3%
Other Income	116.87	92.30	130.80	11.9%
Depreciation	8.09	7.34	6.83	15.6%
Interest	1.29	1.60	1.63	-26.4%
Profit before tax	309.93	374.11	438.75	41.6%
Tax	74.56	31.48	106.58	42.9%
Net profit	235.72	342.92	332	41.0%
OPM	57%	62%	63%	

### Q1FY25 HIGHLIGHTS

- Revenue was up 43% YoY to INR 5.05 bn.
- PAT stood at INR 3.32 bn.
- Recorded highest ever quarterly operating profit at INR 3.08 bn.
- Quarterly Average Assets Under Management (QAAUM) was at INR 4,838 bn, up 54% YoY.
- Company's ROE is on a rising trend indicating management's efficiency to employ shareholder funds.





## INVESTMENT RATIONALE

- Steady increase in SIP flows and company's expansion plans to aid growth.
- The company holds a strong retail franchise with AUM from the retail segment at 30%, surpassing the industry average of 27%.
- With digital purchases now accounting for 68% of total purchases, the company stands to benefit from operational efficiency.
- FII/FPI and mutual funds have increased holdings in the company during Q1FY25.
- Process driven approach in managing money is yielding better result for the company.
- Majority mutual funds schemes in various category are ranked in top quartile for the AMC and this is expected to continue.
- Adoption of mutual funds as an investment option is picking up pace amongst Indian households. This growing trend to benefit the company and industry as a whole.

## TECHNICAL CHART

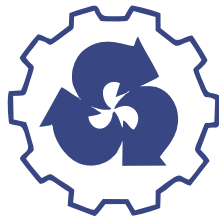


- Stock is currently trading near lower band and has taken support. Post the price correction from 730-740 levels, stock is rising from support levels. This up move can take the stock to levels of 830-850 in near term. Stock can be entered in the range of 660-680 levels for a short-medium term target of 830-850. Investors entering the stock can keep a stop loss below 600 levels and consider buying the stock at the said levels.

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**Indbank**  
Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)

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