22 October 2026
2QFY27 Results Update | Sector: Financials

Nippon Life India AMC

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	NAM IN
Equity Shares (m)	640
M.Cap.(INRb)/(USDb)	620.8 / 6.5
52-Week Range (INR)	1270 / 756
1, 6, 12 Rel. Per (%)	-14/-2/12
12M Avg Val (INR M)	1100

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
AAUM	6,738	8,067	9,656
MF Yield (bp)	39.8	39.6	38.2
Rev from Ops	27.1	32.4	37.4
Core PAT	13.5	14.9	18.2
PAT	15.3	17.7	21.2
PAT (bp as AAUM)	22.7	23.1	22.0
Core EPS	21.5	23.7	29.0
EPS	24.3	28.0	33.7
EPS Grw. (%)	19	16	20
BVPS	74	77	81
RoE (%)	34	37	43
Div. Payout (%)	90	88	88
Valuations			
Mcap/AUM (%)	9.1	7.6	6.3
P/E (x)	40.0	34.6	28.8
P/BV (x)	13.1	12.5	11.9
Div. Yield (%)	2.2	2.5	3.0

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	71.7	71.8	72.1
DII	15.6	15.5	13.0
FII	7.0	7.0	7.6
Others	5.7	5.7	7.3

FII Includes depository receipts

CMP: INR970 **TP: INR1,200 (+24%)** **Buy**

Core performance in line; one-off settlement impacts PAT

- Nippon Life India AMC's (NAM) operating revenue came in at INR8b (in line), reflecting 21% YoY/4% QoQ growth. Yield on management fees stood at 40.4bp in 2QFY27 vs 40.1bp in 2QFY26 and 40.8bp in 1QFY27. For 1HFY27, revenue grew 24% YoY.
- Total opex came in at INR2.6b (in line), registering 13% YoY growth/remaining flat QoQ. EBITDA came in at INR5.4b (in line) in 2QFY27 (+25% YoY/6% QoQ) and EBITDA margin at 67.5% in 2QFY27 vs 65.3% in 2QFY26 and 66.2% in 1QFY27.
- Due to the one-off fee payment of INR968m related to investment in Yes Bank AT-1 bonds, PAT stood at ~INR3.2b in 2QFY27 (20% miss), declining 6% YoY/36% QoQ. Excluding the settlement paid, PAT stood at INR3.9b, in line with our estimate. For 1HFY27, PAT grew 12% YoY.
- Newly granted ESOPs worth INR600-800m will be expensed over four years. ESOP expenses stood at INR280m in 1HFY27 and are expected to reach INR580m in FY27. The AIF subsidiary is likely to incur higher expenses over the next 3–6 quarters due to headcount additions.
- We have cut down our earnings estimates for FY27/FY28 by 4%/1% to factor in the exceptional item corresponding to the settlement fee paid. **We reiterate our BUY rating on the stock with a TP of INR1,200, based on 42x FY28E core P/E.**

Market share remains stable QoQ across categories

- NAM's overall MF QAAUM grew 20% YoY/5% QoQ to INR7.9t. Equity/Hybrid/ETFs/Index/Liquid funds posted YoY growth of 18%/35%/36%/19%/12%, while debt funds declined 13% YoY.
- The share of Equity/ETF/Debt/Liquid in the overall QAUM stood at ~47.6%/31.6%/7.0%/10.6% in 2QFY27 vs 47.7%/27.9%/9.7%/11.4% in 2QFY26.
- NAM's market share for QAAUM rose 51bp YoY/declined 1bp QoQ to ~9.0%, with equity market share rising 27bp YoY/2bp QoQ to ~7.4%.
- ETF market share rose 135bp YoY to 21.1%, with NAM maintaining a dominant position in this space at 45% of overall industry folios and 46% of ETF trading volumes on NSE/BSE.
- Gold & Silver ETF average daily volumes remain significantly ahead of industry peers despite moderation in industry-wide gold ETF flows. Combined Gold & Silver ETF AUM account for 32% of ETF AUM and 12% of total MF AUM.
- SIP flows improved sequentially to INR111.4b in 2Q from INR110.3b in 1Q despite market volatility, driven by fintech platforms, B-30 expansion, digital investments, and brand-building initiatives, reflecting a monthly SIP inflow of INR37.1b (+4% YoY). The SIP book grew to INR1.86t (+19% YoY).
- Total opex came in at INR2.6b (in line), growing 13% YoY/remaining flat QoQ. As bp of QAAUM, the cost stood at 13.1bp in 2QFY27 vs 13.9bp in 2QFY26 and 13.8bp in 1QFY27.

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

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Overall operating expenses are guided to grow 18–20% YoY (excluding ESOP) over the next 1–2 years, reflecting continued strategic investments.
- Employee costs rose 13% YoY/remained flat QoQ to INR1.4b. AIF subsidiary is likely to incur higher expenses over the next 3–6 quarters due to headcount additions, while employee expenses are expected to remain flat for the mutual fund business.
- Other income stood at INR231b vs our est. of INR300m. The company paid SEBI settlement of INR968m related to investment in Yes Bank AT-1 bonds.
- Under the investor mix, the retail share stood at 50% in 2QFY27 (vs. 54% in 2QFY26), while HNI/corporate share stood at 37%/13%, respectively.
- Cumulative AIF commitments stood at INR99.8b (+14% YoY), with INR4b raised in 2QFY27. Fundraising is underway for a listed equity fund, a private credit fund, and a direct VC fund. During the quarter, the company launched the second SME-focused Category II/III AIF, the Undiscovered India Opportunity Fund 2.
- Offshore AUM declined to INR135b from INR147b QoQ.
- Under the advisory segment, AUM declined to INR15b from INR19b in 2QFY26.
- On the Gift City front, three feeder funds are operational, with combined AUM growing to USD45m. The AMC is exploring feeder funds through GIFT City into its Indian master funds, along with a potential outbound fund strategy through a strategic partner.
- Digital purchase transactions contributed 78% of total new purchase transactions. The company recorded 4.5m digital transactions in 2QFY27.
- The company had an investor base of 24.3m unique investors (among the largest), with a market share of 38.4%. It added 0.4m folios QoQ, taking the total to 40.6m.

Key takeaways from the management commentary

- Equity net-flow and SIP market shares are both in high single digits, exceeding NAM's equity AUM market share.
- Diversified flows across multi-cap and large-cap schemes, along with a strong SIP book, helped cushion volatility in net sales.
- The decline in equity yields was due to telescopic pricing, which was a result of industry-leading growth in equity AUM.

Valuation and view

- NAM remains well positioned to deliver healthy long-term growth, supported by its strong retail franchise, resilient SIP momentum, expanding digital ecosystem, and continued market share gains. The company continues to invest in technology, workforce, distribution, and branding, while broadening its product offerings across alternative assets and GIFT city.
- We have cut down our earnings estimates for FY27/FY28 by 4%/1% to factor in the exceptional item corresponding to the settlement fee paid. **We reiterate our BUY rating on the stock with a TP of INR1,200, based on 42x FY28E core P/E.**

Quarterly Performance

(INR m)

Y/E March	FY26				FY27				FY26	FY27E	2QFY27E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	6,066	6,581	7,053	7,387	7,669	7,958	8,252	8,526	27,087	32,405	7,952	0.1	20.9	3.8
Change YoY (%)	20.1	15.2	20.0	30.4	26.4	20.9	17.0	15.4	21.4	19.6	21			
Fees & Commission	186	198	196	203	203	220	225	239	783	887	215.0	2.4	11.3	8.3
Employee Expenses	1,226	1,233	1,335	1,259	1,388	1,388	1,495	1,576	5,053	5,847	1,454.7	-4.6	12.6	0.0
Other expenses	772	855	821	854	999	974	1,026	1,095	3,302	4,094	1,009.0	-3.4	13.9	-2.5
Total Operating Expenses	2,185	2,286	2,352	2,316	2,591	2,583	2,746	2,909	9,138	10,829	2,679	-3.6	13.0	-0.3
Change YoY (%)	16	16	16	15	19	13	17	26	15.8	18.5	17			
EBITDA	3,881	4,295	4,701	5,071	5,078	5,375	5,506	5,617	17,949	21,576	5,273	1.9	25.1	5.8
EBITDA Margin	64.0	65.3	66.7	68.6	66.2	67.5	66.7	65.9	66.3	66.6	66.3	-123 bps	227bps	132bps
Other Income	1,460	366	753	-335	1,702	231	800	907	2,243	3,640	300	-22.9	-36.8	-86.4
Depreciation	84	88	109	122	120	124	130	141	403	515	135	-8.1	40.7	3.8
Finance Cost	18	18	18	16	16	16	16	22	70	70	18	-8.9	-8.9	4.5
Exceptional item						968				968				
PBT	**5,239**	**4,555**	**5,328**	**4,598**	**6,645**	**4,498**	**6,160**	**6,361**	**19,720**	**23,664**	**5,420**	**-17.0**	-1.3	-32.3
Tax Provisions	1,282	1,113	1,291	753	1,614	1,257	1,540	1,591	4,438	6,001	1,355	-7.3		
Net Profit	**3,957**	**3,443**	**4,037**	**3,845**	**5,031**	**3,241**	**4,620**	**4,770**	**15,281**	**17,663**	**4,065**	**-20.3**	-5.8	-35.6
Change YoY (%)	19.1	-4.4	36.7	28.9	27.1	-5.8	14.4	24.1	18.9	15.6	18.1			
Adjusted PAT	3,957	3,443	4,037	3,845	5,031	3,939	4,620	4,770	15,281	18,360				
Core PAT	2,854	3,166	3,467	4,125	3,742	3,075	4,020	4,090	13,543	14,946	3,840	-19.9	-2.9	-17.8
Change YoY (%)	22.4	17.0	22.2	47.3	31.1	-2.9	16.0	-0.8	27	10	21.3			
Ratios (%)														
Revenue / AUM (bps)	39.6	40.1	40.2	40.8	40.8	40.4	40.0	39.5	40.2	40.2	40.5	-8 bps	34bps	-38bps
Opex / AUM (bps)	14.3	13.9	13.4	12.8	13.8	13.1	13.3	13.5	13.6	13.4	13.6	-52 bps	-80bps	-66bps
PAT / AUM (bps)	25.8	21.0	23.0	21.2	26.8	16.5	22.4	22.1	22.7	21.9	20.7	-424 bps	-450bps	-1030bps
Cost to Operating Income Ratio	36.0	34.7	33.3	31.4	33.8	32.5	33.3	34.1	33.7	33.4	33.7	-123 bps	-227bps	-132bps
EBITDA Margin	64.0	65.3	66.7	68.6	66.2	67.5	66.7	65.9	66.3	66.6	66.3	123 bps	227bps	132bps
Tax Rate	24.5	24.4	24.2	16.4	24.3	27.9	25.0	25.0	22.5	25.4	25.0	294 bps	351bps	365bps
PAT Margin	65.2	52.3	57.2	52.0	65.6	40.7	56.0	56.0	56.4	54.5	51.1	-1039 bps	-1157bps	-2487bps
Core PAT Margin	47.1	48.1	49.2	55.8	48.8	38.6	48.7	48.0	50.0	46.1	48.3	-965 bps	-947bps	-1016bps
Opex Mix (%)														
Fees & Commission	8.5	8.7	8.3	8.8	7.8	8.5	8.2	8.2	8.6	8.2	8.0	50 bps	-13bps	68bps
Employee Expenses	56.1	53.9	56.8	54.4	53.6	53.8	54.4	54.2	55.3	54.0	54.3	-55 bps	-18bps	17bps
Others	35.3	37.4	34.9	36.9	38.6	37.7	37.4	37.6	36.1	37.8	37.7	5 bps	31bps	-85bps
Key Parameters														
QAUM (INR b)	6,127	6,565	7,009	7,250	7,515	7,871	8,244	8,638	6,738	8,067	7,850	0.3	19.9	4.7
Mix (%)														
Equity	47.0	47.7	47.1	45.6	46.7	47.6			46.9	46.8			-10bps	95bps
Debt	9.2	9.7	9.7	8.4	7.6	7.0			9.3	8.8			-267bps	-58bps
Liquid	12.0	11.4	10.1	9.5	10.1	10.6			10.8	10.3			-78bps	47bps
Others	31.7	31.2	33.1	36.5	35.6	34.8			33.1	34.1			355bps	-84bps
SIP Flows (INRm)	32,567	35,733	36,600	36,233	36,767	37,133							3.9	1.0
SIP AUM (INR b)	1,530	1,560	1,660	1,520	1,840	1,860							19.2	1.1
SIP Folios (m)	9.9	10.4	10.6	10.8	10.9	11							5.8	0.9
Distribution mix - Distributed AUM														
IFAs	56.0	57.0	56.0	56.0	56.0	57.0							0bps	100bps
Banking and National Distributors	25.0	25.0	25.0	25.0	25.0	24.0							-100bps	-100bps
National Distributors	19.0	19.0	19.0	19.0	19.0	20.0							100bps	100bps

Financials & Valuation (INR b)	New estimates		Old estimates		Change in estimates	
Y/E March	2027E	2028E	2027E	2028E	2027E	2028E
AAUM (INRb)	8,067	9,656	8,046	9,638	0%	0%
MF Yield (bps)	39.6	38.2	39.6	38.6	0bps	0bps
Rev from Ops	32.4	37.4	32.2	37.7	1%	-1%
Core PAT	14.9	18.2	15.6	18.4	-4%	-1%
PAT	17.7	21.2	18.3	21.4	-4%	-1%
PAT margin(bp as AAUM)	23.1	22.0	22.8	22.2	3bps	-2bps
Core EPS	23.7	29.0	24.7	29.2	-4%	-1%
EPS	28.0	33.7	29.1	33.9	-4%	-1%
EPS Grw. (%)	16	20	20	17		
BVPS	77	81	77	82		
RoE (%)	37	43	38	43		
Div. Payout (%)	88	88	88	88		



Key takeaways from the management commentary

Performance

- Equity net-flow and SIP market shares are both in high single digits, exceeding NAM's equity AUM market share.
- Relatively diversified flows across multi-cap and large-cap schemes helped in cushioning net sales volatility along with a strong SIP book.
- SIP folio growth remains positive, and overall investor acquisition continues to be positive with some moderation due to absence of NFOs and weak market conditions.
- NAM is developing its SIF launch strategy, with existing team having the required experience, and is awaiting SEBI clearance.
- Mutual fund costs are expected to remain broadly flat, while the AIF subsidiary is likely to witness higher expenses over the next 3–6 quarters due to headcount additions.
- INR600-800m of newly granted ESOPs will be expensed over four years. ESOP expenses stood at INR280m in 1HFY27 and are expected to reach INR580m in FY27.
- Direct and HNI investors are moving toward SIFs, alternative assets, and direct bonds, partly in response to fund performance during the current market cycle.

Yields

- Blended yield stood at 37bp, with equity yields at 52bp, debt at 25bp, liquid at 12bp, and ETFs at 25bp.
- The decline in equity yields was due to telescopic pricing, which was a result of industry-leading growth in equity AUM.

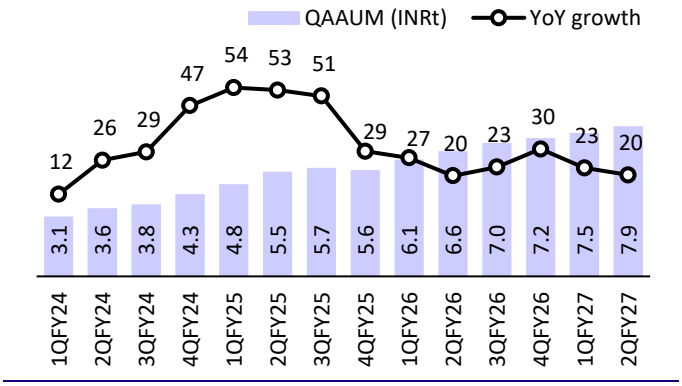
Distribution

- NAM is gaining a higher share of flows through MFDs and digital channels, reflecting its focus on retail investors and partly insulating the franchise from volatility in other investor segments.

- The company is emphasizing distribution of hybrid and multi-asset allocation products, alongside large-cap, multi-cap and fixed-income funds.
- Its strategy focuses on communicating asset diversification and relatively lower-risk propositions to distributors to sustain investor participation amid volatile markets.

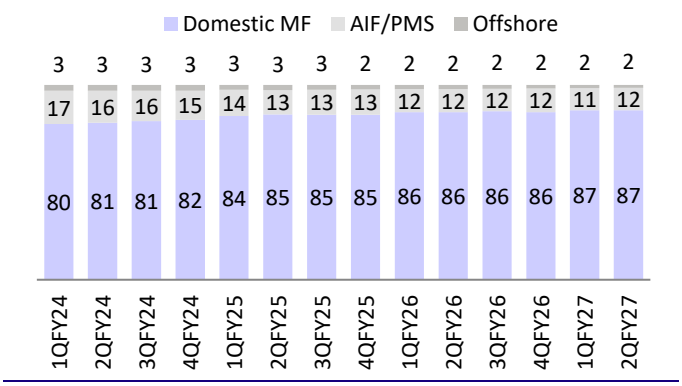
Key exhibits

Exhibit 1: AUM grew 20% YoY in 2QFY27



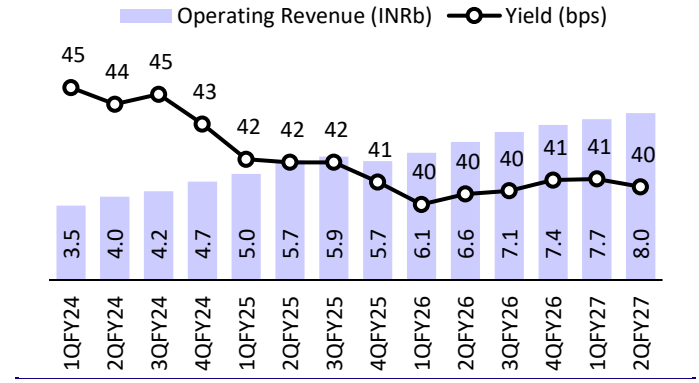
Source: MOFSL, Company

Exhibit 2: Overall AUM mix (%) dominated by MF segment



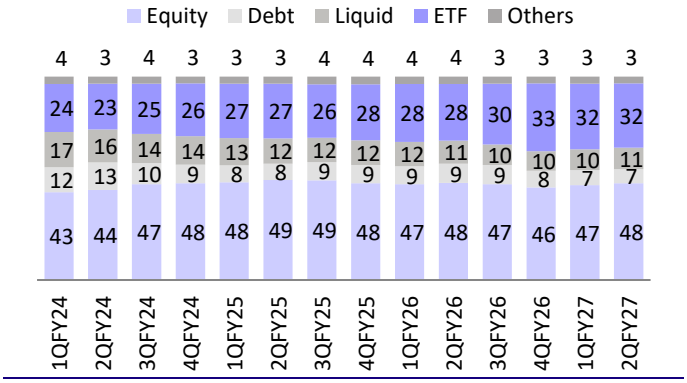
Source: MOFSL, Company

Exhibit 3: Yields declined slightly on a QoQ basis



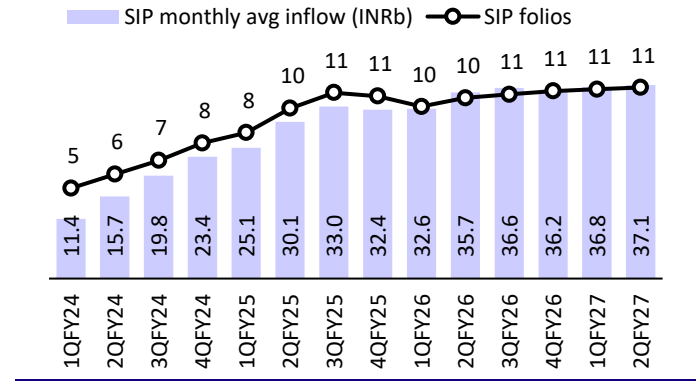
Source: MOFSL, Company

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



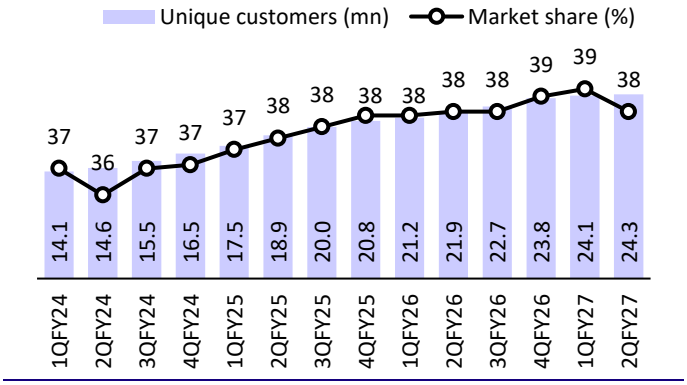
Source: MOFSL, Company

Exhibit 5: SIP monthly average inflows and folios trend



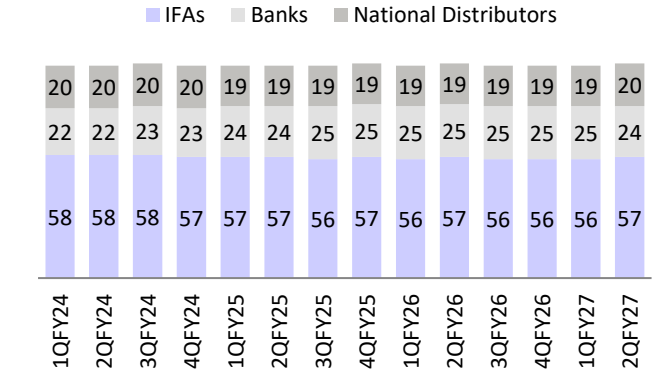
Source: MOFSL, Company

Exhibit 6: Unique customers' market share fell slightly



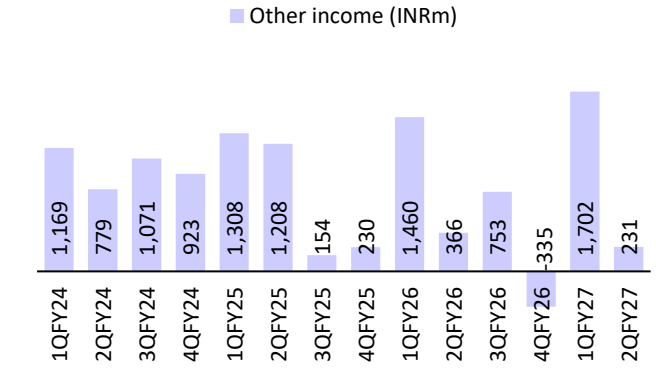
Source: MOFSL, Company

Exhibit 7: Stable distribution mix (%)



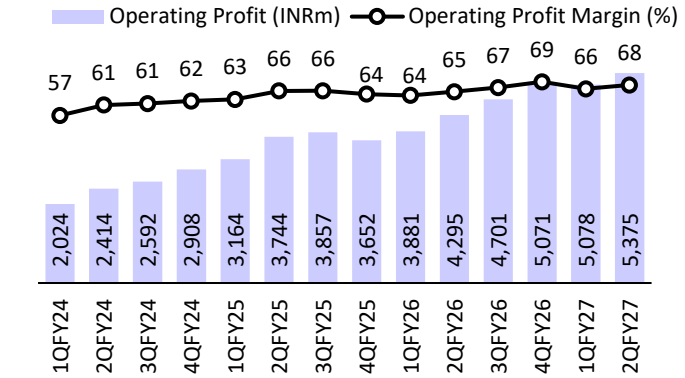
Source: MOFSL, Company

Exhibit 8: Other income trends



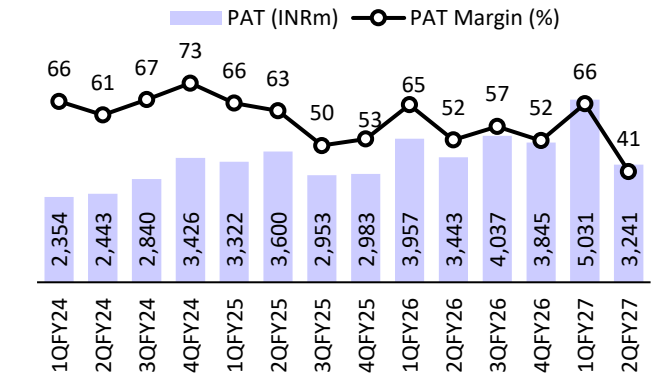
Source: MOFSL, Company

Exhibit 9: Operating margins rose on a sequential basis in 2QFY27



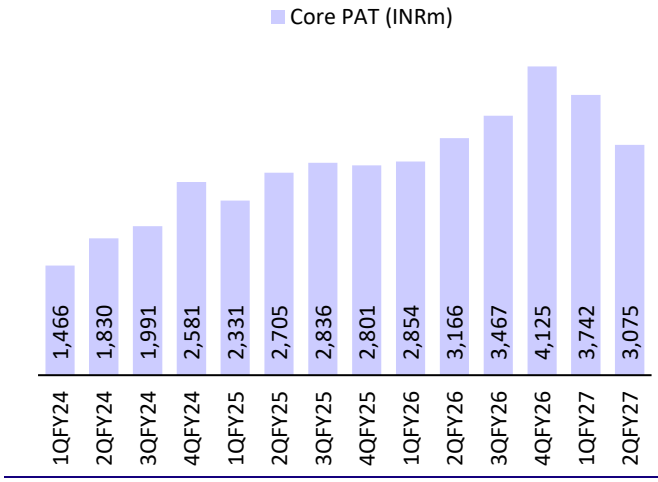
Source: MOFSL, Company

Exhibit 10: PAT margins fell sharply due to a one-time settlement fee payment



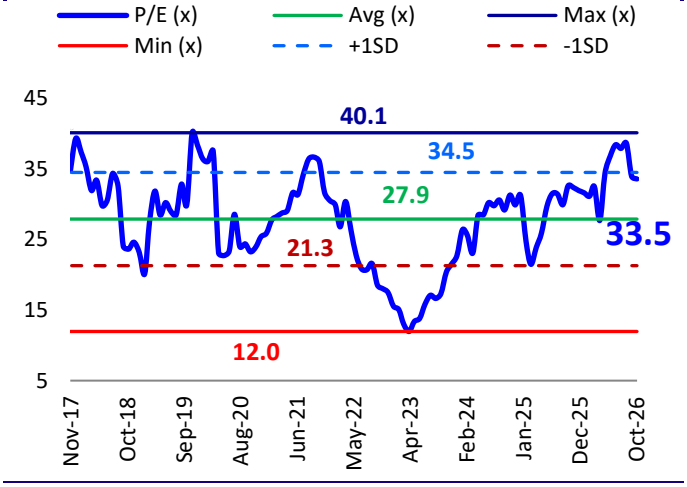
Source: MOFSL, Company

Exhibit 11: Core PAT trend



Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement									INRm
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Investment management fees	12,030	10,621	13,066	13,498	16,432	22,307	27,087	32,405	37,436
Change (%)	(18.6)	(11.7)	23.0	3.3	21.7	35.8	21.4	19.6	15.5
Operating Expenses	5,945	5,046	5,159	5,551	6,495	7,891	9,138	10,829	12,516
Core Operating Profits	**6,085**	**5,575**	**7,907**	**7,947**	**9,937**	**14,416**	**17,949**	**21,576**	**24,920**
Change (%)	12.9	-8.4	41.8	0.5	25.0	45.1	24.5	20.2	15.5
Dep/Interest/Provisions	389	377	310	338	354	373	473	585	596
Core PBT	**5,696**	**5,198**	**7,597**	**7,609**	**9,584**	**14,043**	**17,476**	**20,991**	**24,324**
Change (%)	7.7	-8.7	46.1	0.2	25.9	46.5	24.4	20.1	15.9
Other Income	-98	3,572	2,290	1,668	3,941	2,900	2,243	3,640	4,006
PBT	**5,598**	**8,770**	**9,887**	**9,277**	**13,525**	**16,943**	**19,720**	**23,664**	**28,331**
Change (%)	-20.1	56.7	12.7	-6.2	45.8	25.3	16.4	20.0	19.7
Tax	1,441	1,976	2,472	2,048	2,462	4,086	4,438	6,001	7,083
Tax Rate (%)	25.7	22.5	25.0	22.1	18.2	24.1	22.5	25.4	25.0
PAT	**4,158**	**6,794**	**7,415**	**7,229**	**11,063**	**12,857**	**15,281**	**17,663**	**21,248**
Change (%)	-14.6	63.4	9.1	-2.5	53.0	16.2	18.9	15.6	20.3
Core PAT	4,230	4,027	5,698	5,929	7,839	10,656	13,543	14,946	18,243
Change (%)	15.0	-4.8	41.5	4.1	32.2	35.9	27.1	10.4	22.1
Proposed Dividend	3,061	4,932	6,839	7,167	10,395	12,059	13,720	15,554	18,709

Balance Sheet									INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Equity Share Capital	6,121	6,165	6,220	6,232	6,300	6,347	6,381	6,381	6,381
Reserves & Surplus	19,809	24,844	28,566	28,925	33,522	35,782	40,210	42,331	44,882
Net Worth	**25,931**	**31,009**	**34,786**	**35,156**	**39,822**	**42,129**	**46,591**	**48,712**	**51,264**
Other Liabilities	2,878	2,914	3,179	3,453	3,929	4,572	5,331	0	0
Total Liabilities	**28,808**	**33,922**	**37,965**	**38,609**	**43,750**	**46,701**	**51,923**	6,102	6,977
Cash and Investments	23,479	29,106	32,802	32,959	37,832	36,114	40,692	**54,814**	**58,240**
Change (%)	28.1	24.0	12.7	0.5	14.8	-4.5	12.7	43,003	45,746
Loans	**1,006**	**781**	**842**	**1,164**	**848**	**795**	**904**	5.7	6.4
Change (%)	-76.9	-22.4	7.8	38.3	-27.2	-6.3	13.7	**1,082**	**1,295**
Net Fixed Assets	3,256	3,021	2,961	3,073	3,328	8,717	9,185	19.7	19.7
Current Assets	1,067	1,015	1,361	1,413	1,743	1,076	1,142	9,362	9,562
Total Assets	**28,808**	**33,922**	**37,965**	**38,609**	**43,750**	**46,701**	**51,923**	1,368	1,637

E: MOSL Estimates

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
AAAUM (INR B)	**2,086**	**2,054**	**2,719**	**2,876**	**3,702**	**5,400**	**6,738**	**8,067**	**9,656**
Change (%)	-12.6	-1.5	32.3	5.8	28.7	45.9	24.8	19.7	19.7
Equity (Including Hybrid)	42.7	38.6	42.2	42.3	45.7	48.5	46.8	47.5	47.6
Debt	23.1	20.6	17.1	12.0	11.6	8.6	8.9	6.8	6.3
Liquid	20.0	24.8	21.7	20.9	15.3	12.4	10.7	10.4	9.6
Others	14.2	16.0	19.0	24.8	27.4	30.6	33.5	35.2	36.5

E: MOFSL Estimates

Financials and valuations

Cash flow statement

INR m

INR m	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Cash flow from operations	**10,582**	**7,309**	**7,562**	**7,450**	**11,125**	**14,305**	**15,866**	**18,326**	**21,944**
PBT	5,598	8,770	9,887	9,277	13,525	16,943	19,720	23,664	28,331
Depreciation and amortisation	333	333	272	298	291	306	403	515	526
Tax Paid	-1,441	-1,976	-2,472	-2,048	-2,462	-4,086	-4,438	-6,001	-7,083
Deferred tax	0	396	386	-73	186	310	86	0	0
Interest, dividend income (post-tax)	-592	-221	-183	-181	-235	-260	-276	-311	-323
Interest expense (post-tax)	42	34	29	31	51	51	54	52	53
Changes in working capital	6,643	-26	-357	146	-231	1,041	318	408	441
Cash from investments	**-7,244**	**-6,466**	**-4,036**	**-1,198**	**-4,869**	**-3,497**	**-5,096**	**-1,789**	**-2,451**
Capex	-1,021	-97	-213	-410	-546	-5,695	-871	-692	-726
Interest, dividend income (post-tax)	592	221	183	181	235	260	276	311	323
Investments	-6,815	-6,590	-4,006	-969	-4,558	1,939	-4,501	-1,407	-2,048
Cash from financing	**-4,259**	**-1,821**	**-3,690**	**-6,903**	**-6,212**	**-10,590**	**-10,592**	**-15,427**	**-18,550**
Equity	-126	49	58	6	66	47	34	0	0
Debt	-164	-120	-82	-19	170	-36	247	167	199
Dividend paid	-3,061	-4,932	-6,839	-7,167	-10,395	-12,059	-13,720	-15,554	-18,709
Interest costs	-42	-34	-29	-31	-51	-51	-54	-52	-53
Others	-867	3,216	3,202	308	3,998	1,509	2,900	13	13
Change of cash	**-920**	**-978**	**-163**	**-651**	**44**	**218**	**179**	**1,111**	**943**
Op Cash	5,428	4,633	3,606	3,385	2,728	2,706	2,877	3,021	4,132
Cl Cash	4,633	3,606	3,385	2,728	2,706	2,877	3,021	4,132	5,075
FCFF	**9,562**	**7,212**	**7,350**	**7,040**	**10,578**	**8,610**	**14,996**	**17,634**	**21,219**

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Margins Analysis (%)									
Operating income to total income	100.8	74.8	85.1	89.0	80.7	88.5	92.4	89.9	90.3
Cost to Core Income Ratio	**49.4**	**47.5**	**39.5**	**41.1**	**39.5**	**35.4**	**33.7**	**33.4**	**33.4**
EBITDA Margins	50.6	52.5	60.5	58.9	60.5	64.6	66.3	66.6	66.6
Core PBT Margins	**47.3**	**48.9**	**58.1**	**56.4**	**58.3**	**63.0**	**64.5**	**64.8**	**65.0**
PBT Margins (On total income)	46.9	61.8	64.4	61.2	66.4	67.2	67.2	65.7	68.4
Profitability Ratios (%)									
RoE	16.1	23.9	22.5	20.7	29.5	31.4	34.4	37.1	42.5
Dividend Payout Ratio	73.7	72.5	92.1	99.1	93.9	93.7	89.7	88.0	88.0

Valuations	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
BVPS (INR)	41	49	55	56	63	67	74	77	81
Change (%)	0.9	19.6	12.2	1.1	13.3	5.8	10.6	4.6	5.2
Price-BV (x)	**27.9**	**23.3**	**20.8**	**20.6**	**18.2**	**17.2**	**15.5**	**12.5**	**11.9**
EPS (INR)	6.6	10.8	11.8	11.5	17.6	20.4	24.3	28.0	33.7
Change (%)	-14.6	63.4	9.1	-2.5	53.0	16.2	18.9	15.6	20.3
Price-Earnings (x)	**174.0**	**106.5**	**97.5**	**100.0**	**65.4**	**56.3**	**47.3**	**34.6**	**28.8**
Core EPS (INR)	6.7	6.4	9.0	9.4	12.4	16.9	21.5	23.7	29.0
Change (%)	15.0	-4.8	41.5	4.1	32.2	35.9	27.1	10.4	22.1
Core Price-Earnings (x)	**171.0**	**179.6**	**126.9**	**122.0**	**92.3**	**67.9**	**53.4**	**40.9**	**33.5**
DPS (INR)	5.0	8.0	11.0	11.5	16.5	19.0	21.5	24.4	29.3
Dividend Yield (%)	**0.4**	**0.7**	**1.0**	**1.0**	**1.4**	**1.7**	**1.9**	**2.5**	**3.0**

E: MOFSL Estimates

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

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

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

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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