



IPO Note

08th October 2025

Company Overview

Canara Robeco Asset Management Company Limited (CRAMC), India's second-oldest asset management company, primarily focuses on managing mutual funds and providing investment advisory services on Indian equities to Robeco Hong Kong Limited, a member of its promoter group. As of Q1FY26, the company managed 26 schemes, comprising 15 equity-oriented schemes (including 12 equity and 3 hybrid schemes) and 11 debt-oriented schemes (including 10 debt and 1 hybrid scheme), with a quarterly average AUM (QAAUM) of Rs. 1,110.52 billion. CRAMC has recorded robust growth in its AUM, achieving a CAGR of 28.6% from Rs. 624.85 billion in FY23 to Rs. 1,033.44 billion in FY25. According to CRISIL, the company's QAAUM market share remained largely stable, moving from 1.5% in FY23 to 1.6% in FY24 and standing at 1.5% in FY25. Revenue from operations also showed consistent growth, increasing from Rs. 2,046 million in FY23 to Rs. 3,181 million in FY24 and further to Rs. 4,037 million in FY25. CRAMC maintains a strong retail focus, with retail and HNI investors contributing Rs. 1,012 billion to the total Monthly Average AUM (MAAUM), accounting for 86.9% of total MAAUM as of Q1FY26. The company managed 5.05 million investor folios, of which 99.0% were individual investor accounts. As per a CRISIL report, CRAMC held the second-highest share of retail AUM among the top 20 AMCs in India and the highest among the top 10 AMCs. The company has a widespread presence across India, operating through 25 branches in 23 cities across 14 states and two union territories as of Q1FY26. The business is supported by an extensive third-party distribution network of 52,343 partners, including Canara Bank, 44 other banks, 548 national distributors, and 51,750 mutual fund distributors.

Objects of the issue

The company will not receive any proceeds from the offer.

Key Financials

Particulars	FY23	FY24	FY25
Net Sales (Rs. Million)	2,046	3,181	4,037
Sales growth (%)	-	55.5%	26.9%
EBITDA (Rs. Million)	1,129	2,011	2,641
EBITDA (%)	55.2%	63.2%	65.4%
Net profit (Rs. Million)	790	1,510	1,907
P/BV	16.1x	11.7x	8.8x
EV/EBITDA (x)	47.1	26.4	20.1
PE (x)	67.2	35.1	27.8

Investment Rationale

Well-diversified equity product mix backed by a research-driven investment process

CRAMC's well-diversified equity-oriented portfolio, comprising large-cap, mid-cap, small-cap, multi-cap, sectoral, hybrid, and tax-saving schemes, is supported by a disciplined, research-driven investment process. The company integrates macroeconomic and sectoral analysis, theme identification, business cycle tracking, and in-depth stock-level research, complemented by management evaluations and expert insights. The firm's equity-oriented QAAUM has grown at a CAGR of 31.0% between FY23 and FY25, reflecting both strong investor confidence and robust fund performance. Additionally, CRAMC holds the third-largest share of equity (including hybrid equity-oriented schemes) AUM among the top 20 AMCs and the highest proportion among the top 10, underscoring its leadership in India's competitive equity mutual fund landscape. The combination of an experienced, research-driven team, a diversified portfolio, and proven long-term outperformance provides a compelling foundation for sustainable growth and superior investor returns.

Issue Details

Offer Period	09th Oct. 2025 - 13th Oct. 2025
Price Band	Rs. 253 to Rs. 266
Bid Lot	56
Listing	BSE & NSE
Issue Size (no. of shares in mn)	49.8
Issue Size (Rs. in bn)	13.3
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM SBI Capital Markets Limited, Axis Capital Limited, JM Financial Limited

Registrar MUFG Intime India Private Limited

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.0%	75.0%
Public	0.0%	25.0%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Canara Robeco Asset Management Company Ltd.

Pan-India distribution, retail dominance and technology-enabled operations driving asset growth

CRAMC benefits from a comprehensive, multi-channel distribution network and a growing digital ecosystem that enable it to reach both traditional and emerging markets across India. The company's network of 52,343 third-party partners, including banks, national distributors, and mutual fund distributors, complements its 25 branches in 23 cities, supported by dedicated sales and customer service teams. Strategic expansion into Beyond 30 (B-30) cities has fueled growth in MAAUM from these emerging regions, rising from Rs. 133.88 billion in FY23 to Rs. 279.24 billion as of Q1FY26, highlighting increasing financial awareness and strengthened local distribution. The company has also successfully scaled direct investment channels, with individual investor MAAUM reaching Rs. 1,011.70 billion, representing 86.9% of total MAAUM as of June 30, 2025, supported by steady growth in SIP contributions and folio count. CRAMC's technology-led initiatives, including the Canara Robeco mobile app with over 700,000 downloads, the smarTInvestor platform, online eKYC, and digital marketing campaigns across multiple channels, enhance accessibility, engagement, and operational efficiency for both investors and distributors. This combination of robust pan-India reach, retail dominance, and digital enablement positions CRAMC to effectively capture India's growing mutual fund market, ensuring sustained asset growth and customer loyalty in the medium to long term.

Valuation

CRAMC is one of India's oldest and most established asset management companies, with a diversified portfolio spanning equity, hybrid, and debt schemes. The company's research-driven investment process, combining top-down and bottom-up fundamental analysis, has enabled its equity-oriented schemes to consistently outperform benchmarks over long-term horizons, delivering superior risk-adjusted returns. The company plans to continue delivering strong medium to long-term investment performance through its disciplined, research-backed process. Growth initiatives include expanding geographical reach, increasing AUM contributions from debt-oriented schemes, launching new equity and multi-asset products, and leveraging Canara Bank's branch network to capture opportunities in B-30 cities. CRAMC also aims to enhance its digital platforms, offering seamless onboarding, transaction capabilities, and distributor support, alongside new CRM, cash management, and vendor management solutions to improve operational efficiency. Financially, CRAMC has delivered strong performance over FY2023-25 period, with revenue, EBITDA, and PAT growing at a CAGR of 40.5%, 52.9%, and 55.4%, respectively, while maintaining healthy margins and a robust RoE of 31.8% in FY25. With a conservative investment approach, strong retail penetration, technology-enabled distribution, and clearly defined strategic initiatives, CRAMC is well-positioned to benefit from the projected 16-18% CAGR growth in India's mutual fund industry over FY2025-30 period. **At the upper band of the issue price range, the company trades at a P/E of 27.8x based on FY25 earnings. Given its strong fundamentals, long legacy, and execution-focused strategies, we recommend a "SUBSCRIBE" rating from a medium- to long-term perspective.**

Key Risks:

- ⇒ One of the company's equity schemes and nine of its debt schemes underperformed relative to their respective benchmark indices over the one calendar year ended June 30, 2025. If the investment schemes underperform, the AUM could decrease, thereby negatively impacting the results of operations.
- ⇒ The company's business is subject to extensive regulation, including periodic inspections by the SEBI. The company's non-compliance with existing regulations or SEBI's observations could expose it to penalties and restrictions on the business that it can undertake.
- ⇒ The performance of the company's equity-oriented schemes has a significant impact on its assets under management (AUM) and consequently its revenue from operations. Underperformance by the company's equity-oriented schemes may therefore have a disproportionate adverse impact on its business and revenue.

Canara Robeco Asset Management Company Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue from operations:			
Asset management services	1,907	2,699	3,645
Net gain on fair value changes	139	482	392
Total revenue from operations	2,046	3,181	4,037
Expenses			
Employee benefits	596	758	885
Other expenses	321	411	511
Total operating expenses	917	1,169	1,396
EBITDA	1,129	2,011	2,641
Depreciation & amortization	42	48	50
EBIT	1,087	1,964	2,591
Finance costs	19	19	17
Other Income	2	7	3
Exceptional items	0	0	0
PBT	1,070	1,952	2,576
Current tax	272	430	637
Deferred tax	9	12	32
Total tax	280	442	669
Net Profit	790	1,510	1,907
Diluted EPS	4.0	7.6	9.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	689	1,073	1,575
Cash flow from/(used in) investing activities	-461	-805	-1,129
Net cash flows (used in) / from financing activities	-235	-262	-461
Net increase/(decrease) in cash and cash equivalents	-7	5	-16
Cash and cash equivalents at the beginning of the period	20	14	18
Cash and cash equivalents at the end of the period	14	18	3

Source: RHP, BP Equities Research

Canara Robeco Asset Management Company Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Financial Assets			
(a) Cash and cash equivalents	14	18	3
(b) Trade receivables	234	347	416
(c) Investments	3,296	4,569	6,041
(d) Other financial assets	14	16	35
Total Financial Assets	3,557	4,950	6,495
Non-Financial Assets			
(a) Current tax assets (Net)	3	2	4
(b) Property, plant and equipment	16	19	27
(c) Capital work-in-progress	0	1	0
(d) Intangible assets under development	0	1	22
(e) Right of use Assets	155	143	126
(f) Other intangible assets	13	8	9
(g) Other non-financial assets	35	45	57
Total Non-Financial Assets	223	219	245
Total Assets	3,780	5,168	6,740
Equity and Liabilities			
Equity Share Capital	499	499	1,994
Other Equity	2,787	4,046	4,006
Total Equity	3,285	4,545	6,001
Liabilities			
Financial Liabilities			
(a) Lease Liabilities	173	168	157
(b) Other financial liabilities	34	42	52
Total Financial Liabilities	207	210	209
Non-Financial Liabilities			
(a) Provisions	9	12	16
(b) Deferred tax liabilities (Net)	14	26	57
(c) Other non-financial liabilities	264	375	458
Total Non-Financial Liabilities	287	413	531
Total Liabilities	494	623	740
Total Equity and Liabilities	3,780	5,168	6,740

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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