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YOUR FRIENDLY FINANCIAL ADVISORS



IPO Note:

**CANARA ROBECO ASSET MANAGEMENT COMPANY
LIMITED- SUBSCRIBE**

The second-oldest asset management company ("AMC") in India is **Canara Robeco Asset Management Co. Ltd. (CRAMCL)**. Its main duties include **administering mutual funds and advising Robeco Hong Kong Limited ("Robeco HK")**, a Promoter Group member, on investments in Indian stocks. With a quarterly average asset under management ("QAAUM") of **₹1,110.52 billion** as of June 30, 2025, it controlled 26 schemes, including 12 equity schemes, 10 debt schemes, and four (4) hybrid schemes.

Canara Bank **owns all of the equity share capital** of the corporation, which was established in 1993 as Canbank Investment Management Services Limited to **handle the assets of Canbank Mutual Fund**. It then changed its name to Canara Robeco Asset Management Company Limited, a joint venture, in 2007 after **Canara Bank and ORIX Corporation Europe N.V.** (formerly known as Robeco Grope N.V. ("Robeco")) ("OCE") reached an agreement whereby Robeco purchased a **49% stake** in the company while Canara Bank kept the remaining **51%**.

It has a strategic investment process for both debt-oriented and equity-oriented schemes. For equity-oriented schemes, **the company invests in companies** with strong business fundamentals, growth-oriented businesses, and competent management; for debt-oriented schemes, it focuses on safety, liquidity, and return, and aims to provide risk-adjusted returns. Numerous industry honors, like as **Best Fund House (Equity) at the Morningstar Fund Awards 2021**, have recognized its track record of scheme performance.

As of June 30, 2025, **75.83% of the debt portfolio was invested in AAA/A1+ rated instruments** in India, with the rest portion being split between corporate debt market development funds, cash and cash equivalents, and sovereign funds. With **a network of 25 branches** as of June 30, 2025, it has a geographical presence throughout India, directly serving clients in over 23 cities in 14 states and two union territories. Third-party distribution partners additionally assist its branch presence throughout India. **Its 52,343 empaneled distribution partners** in India as of June 30, 2025, were **51,750 mutual fund distributors ("MFDs")**, Canara Bank, **44 other institutions, and 548 national distributors ("ND")**.

It has been **able to draw in new clients** from a wide range of risk profiles thanks to its varied product mix, brand name, varied presence, history of reliable returns, emphasis on creating a digital platform that makes customer onboarding simple, and customer-centric approach. About 87% of its segment-wise MAAUM as of June 30, 2025, was made up of individuals, with the remaining portion being corporate or institutional. **Seven of the fifteen equity-oriented schemes** were handled for more than ten years as of June 30, 2025.

Investment Recommendation and Rationale:-

Canara Robeco Asset Management Company Ltd. (CRAMCL) is India's second-oldest AMC, jointly promoted by Canara Bank and ORIX Corporation Europe N.V. It manages ₹1.11 lakh crore AUM across 26 mutual fund schemes, backed by a strong track record of consistent returns and prudent risk management. With a nationwide presence through 25 branches and over 52,000 distributors, the company benefits from its trusted Canara Bank brand, Robeco's global expertise, and growing retail investor base, making it a strong player in India's expanding mutual fund market. At the upper price band of ₹266, the issue is valued at a P/E multiple of ~27.82x on its FY25 EPS of ₹9.56 post IPO. We give a 'SUBSCRIBE' rating to the issue for the following reasons:-

1. CRAMCL combines global asset management experience and credibility with an Indian market presence, supported by Canara Bank and Robeco Group.
2. A track record of consistent AUM growth and excellent fund performance in both the debt and equity categories.
3. Offers 26 well-balanced schemes across equity, debt, and hybrid categories, catering to a wide range of investor needs.
4. keeps a healthy debt portfolio, with more than 75% of its assets in AAA/A1+ rated securities, demonstrating careful risk management and a commitment to security.
5. With 87% of AUM from individual investors, it benefits from growing retail participation in mutual funds.

Issue Opens	09th October 2025
Issue Closes	13th October 2025
Type of Issue	Offer for sale of 4,98,54,357 shares of ₹10 (aggregating up to ₹1,326.13 Crores)
Issue size	₹1,326.13 Crores
Price Band	₹253 to ₹266 per share
Bid lot/ Bid Size	56 shares/ Rs. 14,896
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	19,94,17,428 shares
Promoters and Promoter Group Public	Pre Issue – 100.00% Post Issue –75.00% Pre issue –0.00% Post Issue- 25.00%
Post issue implied market cap	₹5,304.50 Crores
BRLMs	SBI Capital Markets Limited,Axis Capital Limited,JM Financial Limited.
Registrar to the issue	MUFG Intime India Private Limited

Financial Summary (in ₹ billions, unless otherwise indicated)

Particulars	Three months ended June 30,	Fiscal		
	2025	2025	2024	2023
Financial Metrics				
Revenue from operations	1.21	4.04	3.18	2.05
Revenue yield %	0.11%	0.39%	0.41%	0.36%
Operating margin %	0.07%	0.26%	0.26%	0.19%
Total expense %	0.04%	0.14%	0.16%	0.17%
Profit before tax	0.80	2.58	1.95	1.07
Profit after tax	0.61	1.91	1.51	0.79
PAT yield	0.05%	0.18%	0.20%	0.14%
RONW	9.67%	36.17%	38.57%	26.30%
Operational metrics – SIP				
No. of outstanding SIP accounts (Mln)	2.14	2.37	2.29	2.32
SIP Monthly Contribution (SIP includes STP)	7.47	7.51	7.64	8.13
SIP Month end AUM	386.25	335.04	266.73	153.78
Operational metrics - MAAUM/QAAUM				
Mutual fund QAAUM	1,110.52	1,033.44	870.70	624.85
B-30 MAAUM	279.24	243.14	201.98	133.88
B-30 MAAUM / Total MAAUM %	23.98%	23.86%	22.93%	21.56%
MAAUM through Direct Plans / Total MAAUM %	26.55%	26.37%	23.76%	21.96%
Equity-oriented QAAUM	1,012.51	947.57	798.11	552.53
Equity -oriented QAAUM/Mutual fund QAAUM %	91.17%	91.69%	91.66%	88.43%

Source: RHP



Objects of the issue

Offer for Sale of 4,98,54,357 shares of ₹10 (aggregating up to ₹1,326.13 Crores)

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹) (on a fully diluted basis)*
Canara Bank	PSS	Up to 25,924,266 Equity Shares of face value of ₹10 each	2.01
ORIX Corporation Europe N.V	PSS	Up to 23,930,091 Equity Shares of face value of ₹10 each	12.87

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of the Company	Revenue from operations FY 2025 (in ₹ million)	Face value per equity share (₹)	EPS Basic (₹ per share)	EPS Diluted (₹ per share)	RoNW (%)	NAV (₹ per share)	P/E Ratio (x)
Canara Robeco Asset Management Company Ltd.	4,036.95	10	9.56	9.56	31.78	30.09	NA
Listed Peers							
HDFC Asset Management Company Ltd.	34,984.40	5	115.16	114.75	32.36	380.27	48.21
Nippon Life India Asset Management Ltd.	22,306.90	10	20.34	20.03	31.38	66.38	43.35
Aditya Birla Sun Life AMC Ltd.	16,847.80	5	32.26	32.18	26.99	129.19	24.60
UTI Asset Management Company Ltd.	18,510.90	10	57.35	57.11	16.04	403.22	22.83

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. Supported by ORIX Corporation Europe and Canara Bank, which offer credibility, financial stability, and international experience..
2. Provides a well-balanced mix of equity, debt, and hybrid mutual fund schemes to suit a variety of investment profiles.
3. Among the fastest-growing asset management firms, with a proven track record of AUM growth.
4. Integrated technology-led operations with a well-established digital eco-system.
5. Adheres to high standards of transparency, compliance, and corporate governance.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. Focus on growing retail investor penetration, particularly in Tier II and Tier III cities.
2. Improve digital platforms and internet distribution to entice tech-savvy investors.
3. Launch new and innovative mutual fund schemes across equity, debt, and hybrid segments to meet evolving investor needs.
4. Increase collaboration with banks, IFAs, and distributors to expand market reach.
5. Improve employee value proposition to recruit and retain top people.

Source: Red Herring Prospectus (RHP)

Key Risks

1. The company's revenue and profitability are directly linked to capital market movements; any prolonged market downturn could adversely affect AUM and income.
2. Operations, fee structures, or profitability may be impacted by any unfavorable modifications to SEBI or AMFI laws, as well as non-compliance.



3. Results could be considerably impacted by redemptions or underperformance since a sizable amount of AUM is concentrated in a small number of schemes or investor segments.
4. Relying too much on outside distributors and middlemen to bring in new investors could be dangerous if ties deteriorate.
5. Lack of appropriate investment opportunities or the choice to end particular schemes could negatively impact the assets under managed, which could have an effect on business, operating revenue, and profitability.

Source: Red Herring Prospectus (RHP)

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