

Rating: Subscribe for long term

Issue Offer

The IPO is a book-built offering comprising an offer for sale of 4,98,54,357 equity shares with a total issue size of up to INR 1,326.13 Crore.

Issue Summary

Price Band INR	253-266
Employee Discount INR	-
Face Value INR	10
Implied Market Cap (INR Crore.)	5,305
Market Lot.	56
Issue Opens on	Oct 9, 2025
Issue Close on	Oct 13, 2025
No. of share pre-issue	19,94,17,428
No. of share post issue	19,94,17,428
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

MUFG Intime India Private Ltd

Book Running Lead Managers

SBI Capital Market Ltd
Axis Capital Ltd
JM Financial Limited

	Pre-Issue	Post-Issue
Promoters	100.00%	75.00%
Public & Others	-	25.00%

Objects of the issue

- To achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale of up to 49,854,357 Equity Shares.

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Canara Robeco Asset Management Company Limited is India's second oldest asset management company incorporated in 1993. The company operates as a JV between Canara Bank (51% stake) and ORIX Corporation Europe N.V. (49% stake). It manages mutual fund schemes under Canara Robeco Mutual Fund and provides investment advisory services. As of June 30, 2025, the company managed 26 schemes comprising 12 equity schemes, 10 debt schemes, and 4 hybrid schemes, with a quarterly average asset under management (QAAUM) of INR 1,11,052 crore. It held a steady market share of ~1.54% to 1.61% of industry QAAUM between March 2023 and June 2025. As of June 2025, retail customer base with individual customer folios represent 99.01% of total folio. Retail investors (including HNI) contributed INR 1,01,170 crore or 86.87% of total MAAUM. It has a strong equity orientation, with equity-oriented schemes comprising 91.17% of total QAAUM as of June 30, 2025, grew at a CAGR of 30.96% between FY23 to FY25.

Investment Rationale:

Expanding Distribution Footprint and B-30 Market Penetration to Drive Next Growth Phase :

As of June 30, 2025, the company had 52,343 empanelled partners, including Canara Bank, 44 other banks, 548 national distributors, and 51,750 mutual fund distributors (MFDs). The AMC operates across 23 cities in 14 states with 25 branches, backed by a 142-member sales force. The Monthly average asset under Management (MAAUM) from B-30 cities rose from INR 13,388 crore in FY23 to INR 27,924 crore as of June 2025, contributing 23.98% of total AUM; the highest B-30 share among top 10 AMCs. This B-30 expansion aligns with the company's growth strategy to tap emerging wealth pools in smaller cities, driving long-term retail AUM accretion.

Strategy to Diversify AUM Across Asset Classes and Launch New Products :

While equity schemes form over 90% of AUM, the company plans to diversify into debt-oriented products to balance risk and volatility. Debt AUM has grown from INR 7,232 crore in FY23 to INR 9,801 crore as of June 2025 at a CAGR of 8.97%, and it aims to accelerate this growth through new scheme launches. Between FY23–FY25, it introduced 6 new schemes including Multi Cap Fund, Balanced Advantage Fund, and Multi Asset Allocation Fund, covering both equity and hybrid categories. Future product launches will align with market opportunities and investor demand.

Strong and Consistent AUM Growth Driven by Equity-Oriented Schemes :

Canara Robeco AMC has demonstrated strong growth in its asset base, with its Quarterly Average Assets Under Management (QAAUM) increasing from INR 62,485 crore, as of FY23, to INR 1,03,344 crore as of FY25, at a CAGR of 28.6%. The growth has been primarily equity-led, with equity-oriented QAAUM rising at a faster CAGR of 30.96% to INR 94,757 crore during the same period. As of June 30, 2025, the equity share constituted 91.17% of total AUM, showing a strong investor preference for growth-oriented products.

Valuation and View:

The Indian mutual fund industry continues to witness strong structural growth, with AUM expanding at an 18.4% CAGR over FY19-FY25, supported by strong SIP inflows of INR 20,000+ crore/month, rising retail participation, and deeper B-30 city penetration. The company as India's second-oldest AMC, has delivered 28.6% AUM CAGR and 30.9% growth in equity-oriented schemes between FY23-FY25. Backed by strong parentage (Canara Bank and ORIX Group), a wide retail-focused distribution network of 52,000+ partners, and expanding presence across smaller cities, the company is well placed to capture incremental market share. With sustained profitability (PAT margin >47%), RoE (~32%), and focus on diversifying into debt and hybrid products, it is entering its next growth phase. Its technology led initiatives such as digital onboarding, mobile app engagement, and distributor portals along with a research-driven investment approach poised to benefit from India's rising mutual fund penetration. **At the upper band of INR 266, the issue is valued at a Price/AUM of 5.13%, based on a Avg AUM of INR 5,181 per share. We are recommending a "Subscribe for long-term" rating for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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