

## India

## IPO Details

Issue Opens	09/10/2025
Issue Closes	13/10/2025
Total Issue Size (m shares)	49.9
OFS (m shares)	49.9
Price Band (Rs)	253-266
Face Value (Rs)	10
Implied Market Cap. (Rs bn)	53

## Canara Robeco AMC

## Modest valuation; high potential

- Canara Robeco AMC focuses on active equity funds, which helped it to sustain its market share at ~1.5% as of Jun 2025.
- Around 87% of its MAAUM as of Jun 2025 was through retail accounts, in line with the management's long-term investment approach.
- At the upper price band of Rs266, we see a higher rerating potential vs. other PSU players, given its retail-focused approach.

## Steady ~1.5% market share fueled by focused active-equity strategy

Canara Robeco Asset Management Company has strategically focused on active equity funds in recent years, and this shift appears to have helped it sustain an overall ~1.5% market share as of Jun 2025 over the last three years with an AUM of Rs1tr. We believe its ability to increase its share in a competitive landscape reflects both its strategic clarity and execution. Its resilience stems from more than just active equity investing, as it is also leveraging Canara Bank's extensive branch network, especially in B-30 cities which have growth potential, and Orix Corporation's expertise in investment, product and risk management. As its equity funds' share is stabilizing, management foresees a rise in yield, thereby strengthening its competitive edge.

## High retail base leads to sticky granular flows

With ~87% of MAAUM contributed by retail and HNI investors, Canara Robeco AMC demonstrates a deeply retail-driven and long-term investor profile. This retail stickiness offers stability against volatile flows and in anchoring client relationships. Around 92% of its AUM is in equity-oriented funds (~80% equity and ~12% hybrid). Around 8% of its AUM comes via Canara Bank. Management sees a comfort zone in keeping that distribution from the parent bank in the range of 8-12%. The strong retail presence and a diversified channel mix enable it to balance its reach, with resilience in client acquisition and retention.

## Performance of its schemes is key to yield movement

With competition intensifying in the mutual fund industry, scheme performance is gaining importance. Our initial analysis indicates that Canara Robeco AMC is having relatively high distribution payout ratios vs. some of the larger peers. We had highlighted a peer comparison over key parameters with the listed peers in an earlier note - Canara Robeco MF: An Overview. Thus, despite a high equity base, its revenue yield stands at 0.39%, leaving a relatively lower buffer to offer further increase in payouts to distributors to stay competitive. However, equity scheme concentration also results in missed flows in fast-growing passive/ETF funds.

## Valuation and outlook

Post Initial Public Offer (IPO), parent Canara Bank's stake will fall from ~51% to ~38%, and under the Reserve Bank of India norms, it must further pare it down to ~30% by FY30. At the upper price band of Rs266, the stock is valued at 28x FY25 EPS, which appears fair relative to peer multiples (Fig. 1). We believe the company is an attractive bet in the small AMC space and has a higher potential to rerate with a slight improvement in the performance of its schemes and yields, as compared to a few other peers, given its retail focus and a higher proportion of equity AUM.

## Research Analyst(s)

Meghna LUTHRA

T (91) 22 4161 1553

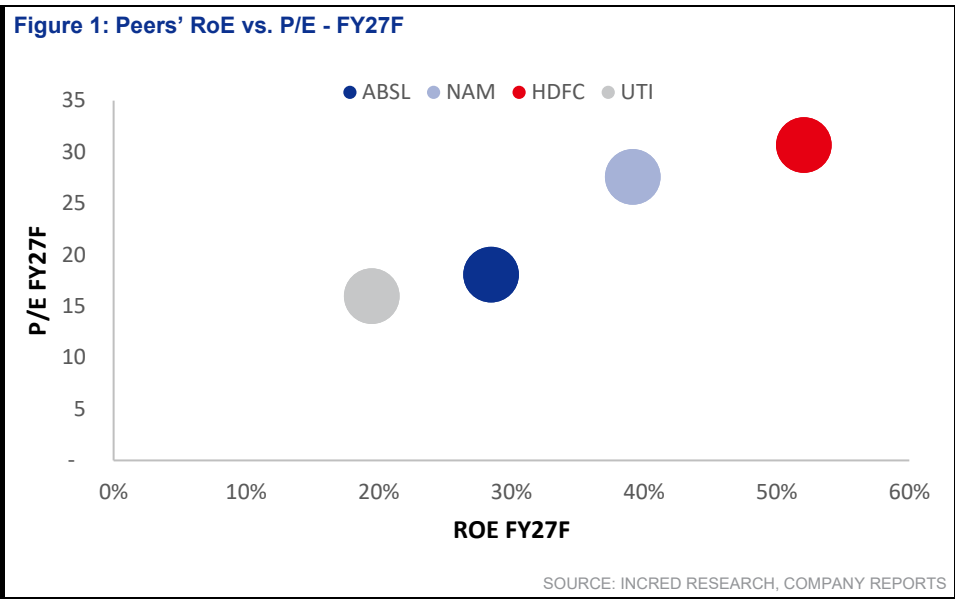
E meghna.luthra@incredresearch.com

## Financial Summary

	Mar-23A	Mar-24A	Mar-25A	1QFY26
Revenue (Rsm)	2,046	3,181	4,037	1,211
Total Income (Rsm)	2,048	3,188	4,040	1,213
Net Profit (Rsm)	790	1,510	1,907	610
EPS (Rs)	4.0	7.6	9.6	3.1
AUM(Rsbn)	625	871	1,033	1,111
ROE (%)	26.3%	38.6%	36.3%	9.2%*

\*NON ANNUALISED

SOURCE: INCRED RESEARCH, COMPANY REPORTS



## BY THE NUMBERS

### Profit & Loss

(Rs m)	Mar-23A	Mar-24A	Mar-25A	1QFY26
Revenue from Operations	2,046	3,181	4,037	1,211
Other Income	2	7	3	3
<b>Total Income</b>	<b>2,048</b>	<b>3,188</b>	<b>4,040</b>	<b>1,213</b>
Total Expenses	978	1,236	1,464	415
<b>Pre-tax Profit</b>	<b>1,070</b>	<b>1,952</b>	<b>2,576</b>	<b>799</b>
Taxation	280	442	669	189
<b>Reported Profit After Tax</b>	<b>790</b>	<b>1,510</b>	<b>1,907</b>	<b>610</b>

### Balance Sheet

(Rs m)	Mar-23A	Mar-24A	Mar-25A	1QFY26
Cash And Equivalents	14	18	3	116
Investments	3,296	4,569	6,041	6,494
Fixed Assets	171	163	153	183
Other Financial Assets	248	362	451	464
Other Non-Financial Assets	52	56	92	94
<b>Total Assets</b>	<b>3,780</b>	<b>5,168</b>	<b>6,740</b>	<b>7,351</b>
Total Financial Liabilities	207	210	209	255
Total Non-Financial Liabilities	287	413	531	490
<b>Total Liabilities</b>	<b>494</b>	<b>623</b>	<b>740</b>	<b>745</b>
Equity Share Capital	499	499	1,994	1,994
Other Equity	2,787	4,046	4,006	4,612
<b>Total Equity</b>	<b>3,285</b>	<b>4,545</b>	<b>6,001</b>	<b>6,606</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. 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 IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or 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 the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

- a) Received any compensation/other benefits from the subject company,
- b) Managed or co-managed public offering of securities for the subject company,
- c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
- d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

#### **Analyst declaration**

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

---

#### **InCred Research Services Private Limited**

##### **Research Analyst SEBI Registration Number: INH000011024**

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05<sup>th</sup> floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Mayuresh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

## Recommendation Framework

### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.