

Recommendation		SUBSCRIBE		BACKGROUND	
Price Band		Rs.253 to Rs. 266		<p>Incorporated in 1993 and rebranded in 2007 as a joint venture between Canara Bank (51%) and Robeco (49%), the Company manages 26 mutual fund schemes with a QAAUM of ₹1,110.52 billion as of June 30, 2025, of which 87% is sourced from retail and HNI investors. Its equity-oriented portfolio includes large &amp; mid-cap, flexi-cap, multi-cap, focused, ELSS, value, and thematic sectoral funds, while its debt portfolio spans liquid, short-duration, corporate bond, gilt, dynamic bond, and hybrid funds. The Company has a strong retail franchise, a diversified scheme mix, and a disciplined investment approach, enabling it to cater to a wide range of investor segments across India.</p> <p><b>Details of the Issue:</b></p> <p>The public issue comprises an Offer for Sale of 4.99 Cr shares, aggregating to Rs. 1,326 Cr.</p> <p><b>Investment Rationale</b></p> <ul style="list-style-type: none"><li>Strong Brand &amp; Legacy</li><li>Diversified Product Mix</li><li>Rising Retail AUM</li><li>Integrated technology-led operations with a well-established digital ecosystem</li></ul> <p><b>Valuation and Recommendation:-</b></p> <p>Canara Robeco AMC, with FY25 QAAUM of Rs. 103,344 Cr growing at a healthy 29% CAGR over FY23–FY25, is a highly equity-focused AMC, with 92% of its AUM in equity-oriented schemes, well above the industry average of 48%. Despite its smaller scale relative to peers like HDFC AMC and Nippon AMC, the company demonstrates strong profitability, with an EBITDA margin of 65.4% and ROE of 32%, supported by a resilient retail base. Its SIP AUM grew at a CAGR of 48%, well above the industry average. Valuation multiples remain attractive, with an EV/EBITDA of 19.9x and P/E of 27.8x, lower than larger AMCs, suggesting upside potential. Given its strong growth trajectory, high equity orientation, and attractive valuation relative to peers, we assign a “<b>Subscribe</b>” rating with positive outlook.</p>	
Bidding Date		09 <sup>th</sup> Oct - 13 <sup>th</sup> Oct			
Book Running Lead Manager		SBI Capital Markets Ltd, Axis Capital Limited, JM Financial Limited.			
Registrar		MUFG Intime India Private Limited			
Sector		Asset Management Company			
Minimum Retail Application- Detail At Cut off Price					
Number of Shares		56			
Minimum Application Money		Rs. 14,896			
Payment Mode		ASBA			
Financials (Rs Cr)		FY24	FY25		
Total Income		318	404		
EBITDA		201	264		
PAT		151	191		
Valuations (FY25)		Upper Band			
Market Cap (Rs Cr)		5,305			
Adj EPS		10			
P/E		28x			
EV/EBITDA		20			
Post Issue Shareholding Pattern					
Promoters		75%			
Public/Other		25%			
Offer structure for different categories					
QIB		50%			
Non-Institutional		15%			
Retail		35%			
Post Issue Equity (cr)		199.42			
Issue Size (Rs in cr)		1,326			
Face Value (Rs)		10			
<p><b>Vrushali Puniwala</b> Research Associate (+91 22 6273 8021) vrushali.puniwala@nirmalbang.com</p>					

Financials (Cr)	FY23	FY24	FY25
Net Revenues	205	318	404
Growth (%)	-	55.5%	26.9%
EBITDA	113	201	264
EBITDA Margin (%)	55.2%	63.2%	65.4%
PBT	107	195	258
Adjusted PAT	79	151	191
EPS	3.96	7.57	9.56
ROE (%)	24.0%	33.2%	31.8%
ROCE (%)	33.2%	43.4%	43.2%
EV/EBITDA	46.6	26.2	19.9
P/E (Post IPO)	67.1	35.1	27.8

Source: Company data, NRRR

Source: Company data, NBRR

## Company Background

### Company Overview

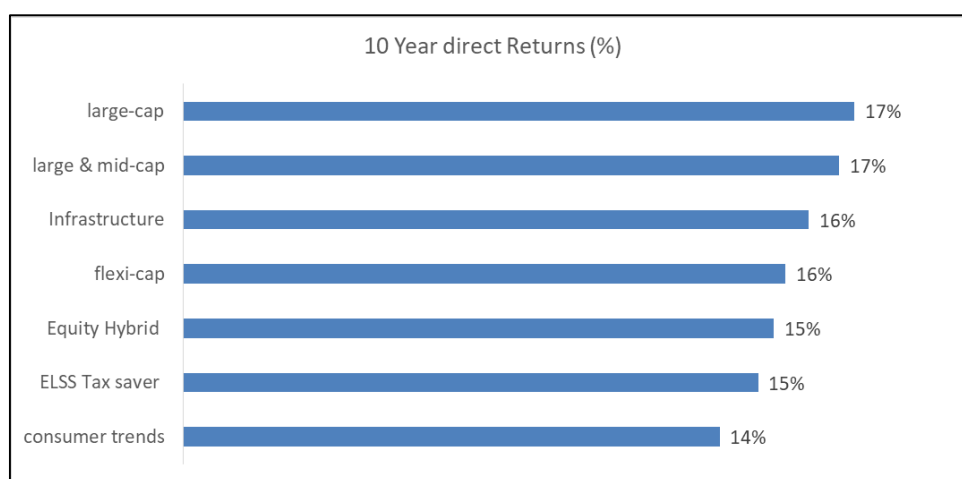
The Company was incorporated in 1993 as Canbank Investment Management Services Limited to manage the assets of Canbank Mutual Fund, with its entire equity share capital held by Canara Bank. In 2007, it was renamed Canara Robeco Asset Management Company Limited following the formation of a joint venture between Canara Bank and ORIX Corporation Europe N.V. (formerly Robeco Groep N.V.). Under this arrangement, Robeco acquired a 49% equity stake in the Company, while Canara Bank retained the remaining 51%.

### Business Operations

- The Company is primarily engaged in the business of managing mutual fund schemes and providing investment advisory services on Indian equities to Robeco Hong Kong Limited. As of June 30, 2025, the Company managed 26 mutual fund schemes, comprising 12 equity schemes, 10 debt schemes, and 4 hybrid schemes, with a Quarterly Average Assets Under Management (QAAUM) of Rs.1,110.52 billion.

### AUM Composition and Scheme Mix

- As of March 31, 2025, equity-oriented schemes constituted 91.69% of the total QAAUM. The Company's equity-oriented portfolio spans across diversified categories, including large & mid-cap, large-cap, flexi-cap, small-cap, mid-cap, multi-cap, focused, ELSS (tax saver), value, and three sectoral/thematic funds focused on consumer trends, infrastructure, and manufacturing. Hybrid offerings include balanced advantage, aggressive hybrid, and multi-asset allocation funds.
- The debt-oriented portfolio comprises a broad spectrum of fixed-income products, including overnight, liquid, ultra-short duration, short-duration, low-duration, corporate bond, banking & PSU debt, gilt, dynamic bond, medium-to-long duration, and conservative hybrid funds.



Source: Company data

## Investment Rationale

### Strong Brand & Legacy

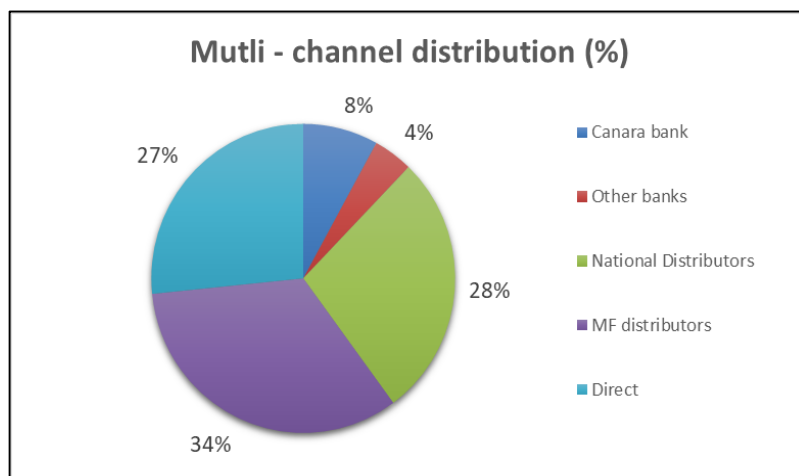
The Company operates as a joint venture between Canara Bank and ORIX Corporation Europe N.V. (OCE), with Canara Bank holding a 51% stake and OCE holding the remaining 49%. The Company leverages Canara Bank's strong brand equity, extensive branch network, and broad customer base to enhance its distribution reach and retail penetration. Under a distribution agreement with Canara Bank, the Company's mutual fund products are marketed and sold through the bank's branch network across India.

### Diversified Product Mix

As of June 30, 2025, the Company managed 15 equity-oriented schemes, including seven equity schemes. Its equity-oriented QAAUM grew at a CAGR of 30.96% between FY2023 and FY2025, reflecting strong fund performance and investor traction. The Company follows a research-driven investment approach combining macro and sectoral analysis, bottom-up stock research, management evaluation, and valuation discipline, supported by inputs from in-house analysts and sector specialists.

### Pan-India multi-channel sales & distribution network

The Company has established a multi-channel sales and distribution network enabling broad customer reach across India. Its distribution model comprises third-party distributors, direct sales through its own branches, and digital platforms. As of June 30, 2025, the Company had a total of 52,343 distribution partners, including Canara Bank, 44 other banks, 548 national distributors (NDs), and 51,750 mutual fund distributors (MFDs).



Source: RHP

### Rising Retail AUM

The Company's MAAUM from individual retail and HNI investors increased from Rs.545.51 billion as of March 31, 2023, to Rs. 784.20 billion as of March 31, 2024, and further to Rs. 887.57 billion as of March 31, 2025, reflecting a CAGR of 27.56% over the period. This segment contributed 87.85%, 89.03%, and 87.11% of total MAAUM as of the respective dates. As of June 30, 2025, MAAUM from individual investors stood at Rs. 1,011.70 billion (86.87% of total MAAUM), compared to Rs. 880.49 billion (88.90%) as of June 30, 2024. As of June 30, 2025, the Company managed a total of 5.05 million investor folios, of which 5.00 million (99.01%) were held by individual investors, underscoring its strong retail-oriented franchise.

## **Integrated technology-led operations with a well-established digital eco-system**

The Company has undertaken several digital initiatives to enhance customer acquisition and engagement. These include an investor mobile application available on Android and iOS platforms, a direct investment platform – “smarTInvestor – Canara Robeco” accessible through its website, and the implementation of eKYC for seamless onboarding. The Company also promotes and facilitates online investments through its website and mobile application. As of June 30, 2025, the Canara Robeco Mutual Fund App had recorded over 700,000 downloads across Android and iOS platforms.

## Concerns / Risks

### Scheme Underperformance:

The performance of the Company's schemes remains a critical driver of investor retention, new client acquisition, and overall, AUM growth. Sustained fund performance enhances brand credibility and distribution efficiency, whereas underperformance can adversely affect investor confidence and net inflows. Investment outcomes are influenced by multiple factors, competitive intensity, product positioning, and portfolio-level investment decisions. Consequently, any deviation in investment strategy or unfavorable market cycle may lead to underperformance relative to benchmarks or peer products, potentially impacting the Company's market share and franchise strength over time.

### Regulatory Compliance Risk

The Company is regulated by SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended, along with applicable guidelines, circulars, and notifications. These regulations govern various aspects of mutual fund operations, including the constitution and management of funds. Under the SEBI Mutual Fund Regulations, any change of control of the Company requires prior approval from SEBI and the trustee, and unitholders must be offered an exit option at the prevailing NAV without any exit load.

### Trademark License Dependency and Transition Risk

The Company licenses the "Canara" and "Robeco" trademarks from Canara Bank and Robeco Holding to brand and distribute its mutual fund schemes. These licenses are time-bound, non-exclusive, and require the Company to transition to a new brand within two years (with a possible one-year extension). Failure to complete this transition or termination of the agreements could materially affect the Company's ability to market and distribute its schemes.



## Valuation and Recommendation

Incorporated in 1993 and rebranded in 2007 as a joint venture between Canara Bank (51%) and Robeco (49%), the Company manages 26 mutual fund schemes with a QAAUM of ₹1,110.52 billion as of June 30, 2025, of which 87% is sourced from retail and HNI investors. Its equity-oriented portfolio includes large & mid-cap, flexi-cap, multi-cap, focused, ELSS, value, and thematic sectoral funds, while its debt portfolio spans liquid, short-duration, corporate bond, gilt, dynamic bond, and hybrid funds. The Company has a strong retail franchise, a diversified scheme mix, and a disciplined investment approach, enabling it to cater to a wide range of investor segments across India.

Canara Robeco AMC, with FY25 QAAUM of Rs. 103,344 Cr growing at a healthy 29% CAGR over FY23–FY25, is a highly equity-focused AMC, with 92% of its AUM in equity-oriented schemes, well above the industry average of 48%. Despite its smaller scale relative to peers like HDFC AMC and Nippon AMC, the company demonstrates strong profitability, with an EBITDA margin of 65.4% and ROE of 32%, supported by a resilient retail base. Its SIP AUM grew at a CAGR of 48%, well above the industry average. Valuation multiples remain attractive, with an EV/EBITDA of 19.9x and P/E of 27.8x, lower than larger AMCs, suggesting upside potential. Given its strong growth trajectory, high equity orientation, and attractive valuation relative to peers, we assign a **“Subscribe”** rating with positive outlook.

## Listed Peers

FY 25 (Cr)	HDFC AMC	Nippon AMC	Aditya Birla sun life	UTI AMC	Average	Canra Robeco
Mutual fund QAAUM	773,998	557,199	381,724	339,750	513,168	103,344
CAGR (FY23-FY25)	31%	38%	18%	19%		29%
Equity-oriented QAAUM	478,827	267,743	166,740	127,236	260,137	94,757
Equity -oriented QAAUM / Mutual fund QAAUM	62%	48%	44%	37%	48%	92%
Revenue	3,498	2,231	1,685	1,851	2,316	404
SIP Month end AUM	175,600	130,000	NA	37,591	114,397	33,504
SIP CAGR (FY23-FY25)	43%	50%	NA	32%	42%	48%
EBITDA Margin	95.6%	79.8%	76.4%	59.5%	78%	65.4%
PAT	2461	1286	925	813	1,371	190.704
ROE	31%	31%	26%	18%	26%	32%
EV/EBITDA	36.2	31.0	18.4	14.8	25	19.9
P/E	46.4	40.9	24.3	23.6	34	27.8
Price/Sales	34.6	24.8	14.0	9.1	20.6	0.7
SIP/AUM (%)	23%	23%	NA	11%	19%	32%
Yield (%)	0.45%	0.40%	0.44%	0.54%	0.46%	0.39%

Source: Company Data, NBRR

## Financials

P&L (Rs. Cr)	FY23	FY24	FY25	Q1FY26
Net Revenue	205	318	404	121
% Growth	-	55%	27%	19%
Employee Cost	60	76	89	25
% of Revenues	29.2%	23.8%	21.9%	20.5%
Other expenses	32	41	51	14
% of Revenues	15.7%	12.9%	12.7%	11.9%
EBITDA	113	201	264	82
EBITDA Margin	55.2%	63.2%	65.4%	67.5%
Depreciation	4	5	5	2
Other Income	0	1	0	0
Interest	2	2	2	0
Exceptional item	0	0	0	0
PBT	107.0	195.2	257.6	79.9
Tax	28	44	67	19
Tax rate	26%	23%	26%	24%
Adj PAT	79.0	151.0	190.7	61.0
% Growth	-	91%	26%	19%
EPS (Post Issue)	4.0	7.6	9.6	3.1

Ratios & Others	FY23	FY24	FY25	Q1FY26
EBITDA Margin (%)	55%	63%	65%	68%
PAT Margin (%)	39%	47%	47%	50%
ROE (%)	24%	33%	32%	37%
ROCE (%)	33%	43%	43%	49%

Valuation Ratios	FY23	FY24	FY25	Q1FY26
Price/Earnings (x)	67	35	28	22
EV/EBITDA (x)	47	26	20	16
EV/Sales (x)	26	17	13	11
Price/BV (x)	16	12	9	8

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	FY23	FY24	FY25	Q1FY26
Share Capital	50	50	199	199
Other Equity	279	405	401	461
<b>Networth</b>	<b>329</b>	<b>454</b>	<b>600</b>	<b>661</b>
Other non-curr liab.	29	41	53	49
Other Current Liab	21	21	21	26
<b>Total Equity &amp; Liab.</b>	<b>378</b>	<b>517</b>	<b>674</b>	<b>735</b>
Property, Plant and Equipment	2	2	3	3
CWIP	0.0	0.1	0.0	0.2
Goodwill/Other Intangible assets / Right of use	17	15	16	19
Non Current Financial assets	0.3	0.2	0.4	0.0
Other non Curr. assets	4	4	6	5
cash and cash equivalents	1.35	1.84	0.289	12
Investments+loans	330	457	604	649
Trade receivables(debtor)	23	35	42	37
Other Current assets	1	2	3	10
<b>Total Assets</b>	<b>378</b>	<b>517</b>	<b>674</b>	<b>735</b>
Cash Flow (Rs. Cr)	FY23	FY24	FY25	Q1FY26
Profit Before Tax	107	195	258	80
Provisions & Others	-11	-45	-35	-23
<b>Op. profit before WC</b>	<b>96</b>	<b>150</b>	<b>222</b>	<b>57</b>
Change in WC	-1	-0	-1	-12
Less: Tax	-27	-43	-64	-10
<b>CF from operations</b>	<b>69</b>	<b>107</b>	<b>157</b>	<b>35</b>
Payment for acquisition of property	-2	-1	-5	-2
Purchase of Investments	-903	-1,394	-1,948	-567
Proceeds from sale/ disposal of property	0	0	0	0
Proceeds from Sale of Investments	860	1,314	1,840	546
<b>CF from Investing</b>	<b>-46</b>	<b>-81</b>	<b>-113</b>	<b>-24</b>
Principal Element of Lease Payments	1	1	0	-0
Interest Element of Lease Payments	-2	-2	-2	-0
interest & div paid	-22	-25	-45	0
<b>CF from Financing</b>	<b>-23</b>	<b>-26</b>	<b>-46.1</b>	<b>-0.6</b>
<b>Net Change in cash</b>	<b>(1)</b>	<b>0</b>	<b>(2)</b>	<b>(27)</b>
Cash & Bank at beginning	2	1	2	0
Cash & Bank at end	1	2	0	12

## Disclosure:

Research Reports that are published by Nirmal Bang Securities Private Limited (hereinafter referred to as "NBSPL") are for private circulation only. NBSPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001766. NBSPL is also a registered Stock Broker with National Stock Exchange of India Limited, BSE Limited, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and , National Commodity and Derivative Exchange Limited in Capital Market , Equity and Commodities derivatives segments and Currency Derivatives Segment .

NBSPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBSPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market since last 20 years. NBSPL, its associates or analyst or his relatives do not hold any financial interest (Except Investment) in the subject company. NBSPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBSPL or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBSPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBSPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company. NBSPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** The research analysts and authors of these reports, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendation.



## Disclaimer:

The Research Report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice. NBSPL is not soliciting any action based upon it. Nothing in the research report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing the research report, we did not take into account the investment objectives, financial situation and particular needs of the reader.

The research report has been prepared for the general use of the clients of NBSPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in the research report in any way. Though disseminated to all the customers simultaneously, not all customers may receive the research report at the same time. NBSPL will not treat recipients as customers by virtue of their receiving the research report. The research 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 NBSPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBSPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the research report. NBSPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of the research report should rely on their own investigations.

This information is subject to change without any prior notice. NBSPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBSPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of research report, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBSPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of the research report and/or further communication in relation to the research report. Here it may be noted that neither NBSPL, nor 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 profit that may arise from or in connection with the use of the information contained in the research report.

Copyright of this document vests exclusively with NBSPL.

Our reports are also available on our website [www.nirmalbang.com](http://www.nirmalbang.com)

Registration granted by SEBI and certification from NISM in no way guarantee performance of NBSPL or provide any assurance of returns to investors.

### Nirmal Bang Research (Division of Nirmal Bang Securities Pvt. Ltd.)

B-2, 301/302, Marathon Innova,  
Opp. Peninsula Corporate Park  
Off. Ganpatrao Kadam Marg  
Lower Parel (W), Mumbai-400013  
Board No. : 91 22 6723 8000/8001  
Fax. : 022 6723 8010