IPO Note

BONANZA WEALTH MANAGEMENT RESEARCH

Bonanza

19 August 2026

Gaja Alternative Asset Management Ltd. - SUBSCRIBE

Company Overview

Gaja Alternative Asset Management Ltd. (Gaja Capital), incorporated in 1999, is an independent, promoter-owned Indian alternative asset manager. It manages and advises three India-focused private equity funds across Category I and Category II AIFs and offshore vehicles, with Rs. 4,27,585 Lakh of aggregate fund size and a mid-market investment focus.

Investment Rationale

- **Full Economic Capture of the Platform:** Unlike a sponsored AMC, all three income streams of the funds, being management fee, carried interest and gains on sponsor commitment, accrue entirely to the listed entity.
- **Proven Fund Track Record:** Prior investments fully realised at 5.61x MOIC, Fund II at 3.81x and largely realised, Fund III at 1.88x and Fund IV at 1.74x under deployment. Fund III and Fund IV rank first quartile on both TVPI and IRR against vintage benchmarks.
- **Visible Operating Leverage:** Cost to income improved 767 bps YoY to 44.61% in FY26 from 52.28% in FY25, though it was 47.12% in FY24, so the two-year improvement is 251 bps. PAT margin expanded from 46.78% to 60.74% over two years and PAT compounded at 35%.
- **Skin in the Game Well Above Regulation:** Against a SEBI AIF floor of 2.5% of corpus or Rs. 500 Lakh, whichever is lower, sponsor commitment as a percentage of fund size was 5.98% in Fund II, 4.38% in Fund III and 8.45% in Fund IV.
- **Proceeds Fund the Growth Engine:** Of the Rs. 37,200 Lakh of identified objects, Rs. 35,250 Lakh goes into sponsor commitments and Rs. 1,950 Lakh is repayment of the ICICI Bank bridge loan drawn to fund the Fund IV commitment.
- **Widest Runway in Indian Asset Management:** AIF commitments compounded 29.2% over FY19-FY26 to Rs. 16.90 trillion, with alternative AUM projected to grow at a 25-27% CAGR to Rs. 41-44 trillion by March 2030.

Valuation

At the upper band of Rs. 160 the issue is valued at 22.3x FY26 restated EPS of Rs. 7.17 and 2.9x FY26 NAV of Rs. 53.73, a steep discount to the peer average of 43.5x, even though management fee, carried interest and sponsor gains all accrue entirely to the listed entity. PAT compounded 35% over FY24-26, cost to income improved to 44.61% and Fund III and Fund IV rank first quartile. Fresh proceeds seed Fund V and the Secondaries Fund. We recommend **SUBSCRIBE** for a medium to long term view.

IPO Details	
Industry	Capital Markets
Issue Open Date	19-Aug-26
Issue Close Date	21-Aug-26
Price Band	Rs. 152 – 160
Issue Size*	Rs. 55,000 Lakh
Issue Size (Shares)	3,43,75,000
Bid Lot	93 Shares
Listing Exchanges	BSE, NSE
Face Value	Rs. 5/-

***At highest price band**

Issue Details	
Fresh Issue*	Rs. 45,000 Lakh
Offer for Sale	Rs. 10,000 Lakh
Issue Type	Fresh Capital cum OFS
Lead Manager	JM Financial, IIFL Capital
Registrar	MUFG Intime India
Issue structure	QIB: 50% NII: 15% Retail: 35%
Allotment	24-Aug-26
Credit of Shares	25-Aug-26
Listing Date	26-Aug-26

Objective of Issue

Particular	Estimated Amt (in Lakh)
Sponsor Commitment - Fund IV & Bridge Loan	5,700
Sponsor Commitment - Fund V	21,000
Sponsor Commitment - Secondaries Fund	10,500
General Corporate Purposes	-

Shareholding Pattern

Shareholding (%)	Pre (%)	Post (%)
Promoter	71.03	54.23
Public & Others	28.97	45.77

Business Highlights

- **Three Income Streams (FY26):** Management Fee 38.07% of total income, Carried Interest 47.79% and Income from Sponsor Commitment 10.61%. Carry is approximately 20% of net fund profits above the hurdle rate of return, struck at fund level rather than deal level.
- **Fund Franchise:** Fund II (2007) Rs. 90,243 Lakh, Fund III (2015) Rs. 1,59,838 Lakh and Fund IV (2021) Rs. 1,77,504 Lakh, each vintage larger than the last.
- **Investor Base:** LPs across more than 20 countries, with 63.42% of aggregate commitments raised outside India and 36.58% domestic. Fund IV drew 72 domestic LPs, the highest of any vintage. PRI signatory since 2022.
- **Team and Asset Base:** 37 personnel including 23 permanent, a 15-member core team and a four-person operating team, with senior leadership averaging 17 years of tenure. PPE is only Rs. 176 Lakh against Rs. 36,011 Lakh invested in the funds themselves.

Financials

Profit & Loss Statement:

Particulars (in Lakh)	FY24	FY25	FY26	CAGR (FY24-26)
Revenue from Operations	9,564	12,200	13,553	19%
EBITDA	4,925	6,081	7,205	21%
EBITDA Margin	51.50%	49.84%	53.16%	
PAT	4,474	6,195	8,196	35%
PAT Margin	46.78%	50.78%	60.47%	

- Growth is carry-led, not fee-led. Management fee fell from Rs. 7,585 Lakh in FY24 to Rs. 6,008 Lakh in FY26, while carried interest rose from Rs. 1,840 Lakh to Rs. 7,541 Lakh.
- FY24 management fee was flattered by a one-off, being fee on the subsequent closure of Fund IV received retrospectively from initial closure.
- Cost to income improved to 44.61% from 52.28% as expenses grew 9.18% against 27.97% income growth.

Balance Sheet:

Particulars	FY24	FY25	FY26	Particulars	FY24	FY25	FY26
Equity & Liabilities				**Assets**			
Net Worth	33,188	38,897	60,652	Investments in Funds	25,148	23,768	36,011
Long Term Debt	102	388	816	PPE	188	120	176
Short Term Debt	250	13	3,340	Trade Rec.	6,289	13,188	13,147
Trade Payables	812	1,557	832	Cash & Bank	2,370	2,528	10,608

- Net Worth rose Rs. 21,755 Lakh in FY26, of which Rs. 12,500 Lakh came from the June 2025 preferential allotment at Rs. 143.95 and Rs. 1,793 Lakh from translation gains, so roughly two-thirds of the step-up is external and about one-third, some Rs. 7,400 Lakh, is retained earnings net of dividend.
- Investments in Funds at Rs. 36,011 Lakh are 51% of total assets. This is sponsor commitment and third-party fund exposure, so the asset base carries investment risk, not fixed asset risk.
- Trade Receivables doubled in FY25 and held flat in FY26 at Rs. 13,147 Lakh, equal to 97% of revenue from operations. This is accrued carried interest awaiting portfolio exits, not ordinary trade credit.
- Short Term Debt jumped from Rs. 13 Lakh to Rs. 3,340 Lakh, taking D/E to 0.07x from 0.01x. Leverage stays negligible and the company was already net cash at 31 March 2026, with cash and bank of Rs. 10,608 Lakh against total borrowings of Rs. 4,156 Lakh.

Cash Flow:

Particulars (Rs. Lakh)	FY24	FY25	FY26
Operating Cash Flow	2,089.10	(875.40)	(1,498.20)
Investing Cash Flow	(618.60)	1,419.90	(10,873.00)
Financing Cash Flow	(558.70)	(676.30)	15,161.70
Net Cash Flow	911.80	(131.80)	2,790.50

- Operating cash flow has been negative in both FY25 and FY26 despite a PAT margin above 50%.
- Cash conversion before working capital is sound at Rs. 7,397 Lakh, or 90% of PAT, so the leakage sits in working capital, not accrual quality.
- Investing outflow of Rs. 10,873 Lakh is the operating model, not discretionary capex, being Rs. 10,530 Lakh of investments acquired against only Rs. 575 Lakh of fixed asset spend. The Rs. 15,162 Lakh financing inflow funded the gap via the placement and net borrowings, and dividends of Rs. 563 Lakh were still paid.

Key Ratios:

Ratio	FY26
Return on Equity	16.47%
Return on Net Worth	13.13%
Debt-Equity Ratio	0.07x
P/BV	2.98
Current Ratio	6.55x
Cost to Income Ratio	44.61%
EPS (Rs.)	7.17
NAV (Rs.)	53.73

- **ROE:** Healthy at 16.47% but down from 17.19%, as the Rs. 12,500 Lakh pre-IPO placement diluted the equity base ahead of deployment. The fresh issue will depress it further in FY27 before Fund V economics arrive.
- **D/E:** At 0.07x, and 0.09x including lease liabilities, the balance sheet is almost unlevered and borrowings are working capital in nature.
- **EPS & NAV:** Both restated for the 2500:1 bonus and the Rs. 10 to Rs. 5 face value split. Post-money book value works out to roughly Rs. 74.90.

Peer Comparison

Company	Revenue (Rs. Lakh)	Basic EPS (Rs.)	NAV (Rs.)	RoNW (%)	P/BV (x)	P/E (x)
Gaja Alternative Asset Mgmt	**13,553**	**7.17**	**53.73**	**13.13**	**2.98**	**22.32**
360 One WAM	4,36,162	30.16	242.17	12.37	4.98	40.01
Aditya Birla Sun Life AMC	1,84,503	33.76	139.94	24.13	7.30	30.28
Anand Rathi Wealth	1,14,883	47.87	120.23	39.64	36.43	91.50
HDFC Asset Management	4,12,216	66.77	215.42	30.97	11.72	37.82
ICICI Prudential AMC	5,76,463	66.73	84.39	79.07	35.88	45.38
Nippon Life India AMC	2,70,874	24.05	73.01	32.83	16.33	49.57
Nuvama Wealth Management	4,63,069	57.59	226.37	25.26	7.74	30.44
SBI Funds Management	4,38,949	15.08	29.28	51.44	19.47	37.80
UTI Asset Management	1,69,805	31.51	350.5	8.97	2.59	28.84
Peer Average P/E						**43.52**

Risk & Concerns

- **Carry Concentration:** Carried interest is 47.79% of FY26 total income and is unpredictable in both timing and quantum.
- **Shrinking Recurring Base:** Management fee of Rs. 6,008 Lakh in FY26 is 20.8% below FY24, so the only annuity-like stream has gone backwards.
- **Negative Operating Cash Flow:** Two consecutive years of cash outflow from operations, with dividends paid throughout.
- **Clawback Exposure:** Fund IV agreements allow LPs to reclaim distributed carried interest if returns fall below the hurdle.

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