

IPO Note

11th December 2025

Company Overview

ICICI Prudential Asset Management Company, one of the oldest fund houses in India with a legacy of over 30 years, has operated as a joint venture between ICICI Bank and Prudential Corporation Holdings Limited since 1998. Over the years, it has established a leadership position in the industry, and as of September 30, 2025, it is the largest asset manager in the country by active mutual fund QAAUM, equity and equity-oriented QAAUM (Quarterly Average Assets Under Management), hybrid QAAUM, and individual investor MAAUM. The company serves a vast customer base of 15.5 million investors, offering a comprehensive suite of 143 schemes across equity, debt, passive, fund-of-funds, liquid, overnight, and arbitrage categories, making it the most diversified scheme manager in the Indian mutual fund industry. Alongside its core mutual fund franchise, ICICI Prudential AMC has steadily expanded its "Alternates" business, which includes portfolio management services, alternative investment funds, and offshore advisory, thereby broadening its product range and strengthening its presence in higher-yield segments. Its investment philosophy has consistently emphasised disciplined risk management and long-term wealth creation, helping the brand remain trusted and resilient throughout market cycles. The company has established a pan-India presence with 272 offices across 23 states and four union territories, supported by a balanced multi-channel distribution model that combines physical reach with digital platforms and a strong salesforce. In recent years, it has modernized its technology infrastructure through cloud adoption, launched redesigned websites and a mobile app with simplified navigation, and improved distributor portals with enhanced features, all aimed at enhancing investor experiences and operational efficiency. Collectively, these strengths position ICICI Prudential AMC as a market leader with scale, diversity, and innovation at the core of its story.

Issue Details

Offer Period	12th Dec. 2025 - 16th Dec. 2025
Price Band	Rs. 2,061 - Rs. 2,165
Bid Lot	6
Listing	BSE & NSE
Issue Size (no. of shares in crores)	4.9
Issue Size (Rs. in crores)	10,603
Face Value (Rs.)	1

Issue Structure

QIB	50%
NII	15%
Retail	35%

Objects of the issue

The company will not receive any proceeds from the offer.

Investment Rationale

Diversified product portfolio across asset classes

The company relies on its well-diversified product range to meet diverse customer needs and risk-return profiles, while effectively adapting to shifting economic conditions. As of September 30, 2025, it managed 143 mutual fund schemes, the highest number in India. No single scheme accounts for more than 7.1% of mutual fund QAAUM, ensuring diversification and stability. The company has consistently led in product innovation, creating differentiated offerings tailored to long-term investor objectives across various market conditions. Beyond mutual funds, it provides portfolio management services, manages AIFs, and offers offshore advisory. PMS clients benefit from strong risk and governance standards with a personalised, boutique approach, while the AIF business has expanded driven by investor demand for distinctive strategies and proven expertise. The company also advises Eastspring, Prudential's asset management arm, on select equity and debt products distributed across Japan, Taiwan, Hong Kong, and Singapore. This diverse portfolio highlights its ability to serve a broad range of investor needs while maintaining leadership in innovation and global presence.

Pan-India, multi-channel and diversified distribution network

The company has established a pan-India distribution network of 272 offices across 23 states and four union territories, designed to be balanced and multi-channel, covering both physical and digital platforms supported by its salesforce. As of September 30, 2025, this network included 1,10,719 institutional and individual MFDs, 213 national distributors, and 67 banks, including ICICI Bank. Utilising its parent's reach, ICICI Bank serves customers through 7,246 branches nationwide. Alongside its physical presence, the company maintains a strong digital ecosystem with its website and mobile app 'i-Invest'. Digital adoption has grown rapidly, with 11.0 million mutual fund purchase transactions in H1FY26 and 20.9 million in FY25, up from 10.1 million in FY23. Notably, in H1FY26, 95.3% of transactions were executed digitally. The company also engages potential investors through social media content marketing, which has attracted 1.2 million new customers in H1FY26, demonstrating the effectiveness of its multi-channel model.

BRLM	Citigroup, Morgan Stanley, BofA Securities, Axis Capital, CLSA, IIFL, Kotak Bank, Nomura, SBI CAPS, ICICI Securities, Goldman Sachs, Avendus, BNP Paribas, HDFC Bank, JM Financials, Motilal Oswal, Nuvama, USB
Registrar	KFin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.0%	90.1%
Public	0.0%	9.9%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Disciplined investment philosophy and experienced team

The company's investment strength derives from a disciplined philosophy supported by an experienced team, combining a balanced and diversified portfolio approach with strict standards on asset allocation, sectoral exposure, and security selection, underpinned by comprehensive research that includes both quantitative and qualitative analysis. Risk management and internal controls protect investor interests and ensure regulatory compliance, enabling the company to maintain its standing. This framework is reinforced by a stable leadership team with over thirty years of experience, with senior management averaging more than eleven years at the firm and twenty-five years in the industry, complemented by dedicated teams across core fund management, alternates, and research. Collectively, this professional expertise and disciplined approach underpin both the launch of new funds and the effective management of existing ones, fostering sustained long-term performance and industry leadership.

Valuation

The company's valuation strength is based on its leadership across asset management categories and consistent profitable growth. As of September 30, 2025, it was the largest asset manager in India with a 13.3% share of active mutual fund QAAUM, 13.6% in equity and equity-oriented QAAUM, and 25.8% in equity-oriented hybrid QAAUM. Equity and equity-oriented QAAUM increased to Rs. 4,876 billion, achieving a 40% CAGR over FY23-25, surpassing the industry's 36% growth. This equity-heavy mix, which has higher fee structures than non-equity schemes, has supported superior operating profitability. The company also leads in individual investor assets, with mutual fund MAAUM of Rs. 6,610 billion and a 13.7% market share as of September 30, 2025. Individual investors accounted for 61% of total mutual fund MAAUM and 86% of equity- and equity-oriented scheme MAAUM, indicating a preference for higher-fee equity products. Systematic flows provide resilience and predictability, with monthly inflows increasing to Rs. 48.0 billion in September 2025 from Rs. 23.5 billion in March 2023. Of the 15.5 million individual investors, 6.4 million held at least one systematic transaction folio, emphasising the depth of engagement and long-term stability. Between FY23-25, AAUM, operating revenue, and PAT grew at CAGRs of 32.7%, 32.0%, and 32.2%, respectively. Capital efficiency remains exceptional, with an annualised ROE of 86.8% in FY2025 and 82.8% for H1FY26. **At the upper end of the price band of Rs. 2,165 per share, the issue is valued at a P/E of 40.4x based on FY25 earnings. The valuation is broadly in line with other large listed asset management companies, making the multiple justified. Supported by industry leadership, strong profitability, and sustained value creation, we recommend a "Subscribe" rating for this issue.**

Key Risks:

- ⇒ The company's performance is sensitive to market and economic conditions. Downturns or weak product performance could reduce AUM, fee income, and cash flows.
- ⇒ Intense competition, dependence on promoter brand reputation, and the risk of counterparties terminating agreements make future growth and revenues unpredictable; These factors coupled with challenges in scaling new products, could materially impact market share, profitability, and long-term sustainability.
- ⇒ Operating in a regulated industry, the company faces risks from policy changes, compliance lapses, cyber-attacks, credit losses, and contingent liabilities that could disrupt operations and financials.
- ⇒ The performance of the company's equity-oriented schemes has a significant impact on its assets under management (AUM) and consequently its revenue from operations. Any underperformance in performance could disproportionately impact business and earnings.

PhysicsWallah Ltd.

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue from operations:				
Asset management services	2,734	3,435	4,752	2,766
Net gain on fair value changes	103	323	226	183
Total revenue from operations	2,837	3,758	4,977	2,949
Expenses				
Employee benefits	412	522	614	341
Fees and commission expense	96	153	319	199
Other expenses	258	307	409	199
Total operating expenses	766	981	1,343	740
EBITDA	2,072	2,777	3,635	2,210
Depreciation & amortization	51	66	85	52
EBIT	2,021	2,711	3,549	2,158
Finance costs	15	16	19	9
Other Income	1	3	2	0
Exceptional items	0	0	0	0
PBT	2,007	2,698	3,533	2,149
Current tax	510	612	870	513
Deferred tax	-18	36	12	19
Total tax	491	648	882	532
Net Profit	1,516	2,050	2,651	1,618
Diluted EPS	30.7	41.5	53.6	32.7

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Cash Flow from/(used in) operating activities	1,400	1,765	2,574	1,598
Cash flow from/(used in) investing activities	-129	-246	-513	-369
Net cash flows (used in) / from financing activities	-1,264	-1,527	-2,068	-1,237
Net increase/(decrease) in cash and cash equivalents	6	-8	-8	-8
Cash and cash equivalents at the beginning of the period	252	315	231	154
Cash and cash equivalents at the end of the period	315	231	154	73

Source: RHP, BP Equities Research

PhysicsWallah Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Assets				
Financial Assets				
(a) Cash and cash equivalents	31	34	28	20
(b) Trade receivables	112	196	237	172
(c) Investments	2,287	2,883	3,285	3,794
(d) Other financial assets	53	50	52	37
Total Financial Assets	2,485	3,163	3,603	4,024
Non-Financial Assets				
(a) Tax assets	44	46	63	64
(b) Property, plant and equipment	132	172	269	573
(c) Capital work-in-progress	5	3	284	11
(d) Intangible assets under development	2	3	5	4
(f) Other intangible assets	18	28	40	42
(g) Other non-financial assets	119	139	120	110
Total Non-Financial Assets	320	391	781	804
Total Assets	2,805	3,554	4,384	4,827
Equity and Liabilities				
Equity Share Capital	18	18	18	18
Other Equity	2,295	2,865	3,499	3,904
Total Equity	2,313	2,883	3,517	3,922
Liabilities				
Financial Liabilities				
(a) Trade Payables	85	122	175	200
(b) Other financial liabilities	292	376	462	417
Total Financial Liabilities	376	497	637	617
Non-Financial Liabilities				
(a) Provisions	14	19	24	24
(b) Tax liabilities	32	74	105	162
(c) Other non-financial liabilities	70	81	101	102
Total Non-Financial Liabilities	115	174	230	289
Total Liabilities	492	671	867	906
Total Equity and Liabilities	2,805	3,554	4,384	4,827

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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