

Rating Subscribe	Issue Opens on August 19, 2026	Issue Closes on August 21, 2026	Listing Date August 26, 2026	Price Band 152 - 160	Issue Size (INR Mn) 5,500
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India's first listed AIF manager, offering investors a direct play on the growth of alternative capital.

Gaja Alternative Asset Management Ltd. (Gaja Capital) is an India-focused alternative asset manager with over two decades of investment experience across multiple cycles. The company manages alternative investment funds, with revenues primarily driven by management fees, carried interest and sponsor commitments. Its investment strategy focuses on growth-oriented Indian businesses across sectors such as financial services, education, healthcare and consumer. The IPO marks a key milestone for Gaja, providing capital to support new fund launches and scale its investment platform.

- Only listed access to Indian GP economics:** Gaja is the first Indian alternative asset manager to list, giving investors direct exposure to GP economics through management fees, 20% carried interest above the hurdle and returns on INR 274 Cr of sponsor capital, equivalent to 6.41% of fund corpus as of Mar-26. Cat II AIFs accounted for 76.4% of total AIF commitments in FY25, while domestic alternatives remain underpenetrated. We see scarcity value supporting the entry multiple, with Cat II growth providing the longer-term runway.
- Fee base steps up on Fund V and the secondaries vehicle:** Revenue growth is driven by step-ups at fund close. Fund V and the debut secondaries fund are being raised, with INR 372 Cr of net IPO proceeds earmarked for sponsor commitments and bridge loan repayment. Secondaries could accelerate fee and carry recognition, although Gaja has no realised track record in the strategy. With 38 employees as of Sep-25, incremental commitments should carry high marginal margins. Fund V's size and timing remain the key swing factors.
- Seasoned book entering harvest, with asset backing:** Carried interest rose to INR 698.6 Mn, or 63.29% of total income, in H1FY26 from INR 644.3 Mn, or 52.25%, in FY25, reflecting active harvesting across Fund II and Fund III. Gaja reports 28 completed investments across all fund vintages at a 3.3x average gross MOIC, with the earliest Prior Investments cohort delivering a standout 5.61x. We estimate post-issue net worth at INR 1,050-1,100 Cr versus a INR 2,256 Cr market cap at INR 160, providing meaningful asset backing. FY26 PAT of INR 79.6 Cr implies 28x FY26 EPS of INR 5.65. However, the current realisation cycle also makes earnings inherently lumpy.

Outlook: Gaja Capital enters the public markets at an inflection point after two decades of operating history and four successive fund cycles, each larger than the previous one. FY24-FY26 total income grew at a 23.2% CAGR to INR 1,578 Mn, while PAT grew at a 35.3% CAGR to INR 820 Mn, with PAT margin expanding 890 bps to 51.9%. The growth model remains supported by fund performance, fundraising, AUM growth and increasing management fees, although carried interest remains inherently lumpy.

Valuation: Gaja trades at 27.5x FY26 PAT on a market-cap basis versus ~37.8x for HDFC AMC and ~32.8x for Nippon Life AMC. The 25-30% discount reflects the company's smaller scale and greater carried-interest volatility. We view the valuation as fair-to-attractive for a high-margin, capital-light AMC with a 35% PAT CAGR. **We recommend SUBSCRIBE.**

Key Risks: Despite FY26 PAT of INR 820 Mn, OCF remained negative at INR 150 Mn, driven by a INR 1,053 Mn investment outflow and a INR 302 Mn increase in other financial assets. OCF/PAT has been negative for two consecutive years. Carried interest accounted for 48% of FY26 income and remains dependent on fund-level IRR hurdles and exit timing. It increased from INR 184 Mn in FY24 to INR 754 Mn in FY26, highlighting significant earnings volatility. A weak exit or valuation markdown in Fund III/IV could defer or eliminate carried interest recognition for multiple quarters.

Offer Details

Particulars	IPO Details
No. of Shares under IPO (Mn)	34.3
Fresh issue # Shares (Mn)	28.12
OFS # Shares (Mn)	6.25
Price Band (INR)	152-160
Post Issue M.Cap (INR Mn)	22,561

Issue	%
QIB	Not Less than 50%
NIB	Not More than 35%
Retail	Not More than 15%

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoter Group	71.03	54.23
Public / Others	28.97	45.77
Total	100	100

Lead Manager(s)	Registrar
JM Financial Ltd.	MUFG Intime India
IIFL Capital Services	

Objectives of the offer	INR Mn
Sponsor commitments to existing & new funds & repayment of bridge loan	3,720
Offer for Sale	<1,000
Total Issue Size	5,500

Indicative Timetable	Date
Offer Closing Date	21st August, 2026
Finalization of Basis of Allotment with Stock Exchange	24th August, 2026
Initiation of Refunds	25th August, 2026
Credit of Equity Shares to Demat accounts	25th August, 2026
Commencement of Trading of Eq. shares	26th August, 2026

Source: IPO Prospectus, Deven Choksey Research

Company Overview

Gaja Alternative Asset Management Limited ("Gaja Capital") is an independent, home-grown alternative asset management company incorporated in 1999 (originally as View Advisors Private Limited), headquartered in Mumbai with a registered office in New Delhi. The company acts as an investment manager to India-focused funds - including Category I and Category II Alternative Investment Funds (AIFs) - and as an advisor to offshore funds that deploy capital into Indian companies. As of March 31, 2026, the firm managed/advised four generations of funds (Prior Investments + Fund II, III, IV) with a total committed capital of ~INR42,740 Mn across the Gaja Capital Funds, and a sponsor commitment of ~INR2,740 Mn (6.41% of total fund size - significantly above the 2.5% regulatory minimum). The team comprised just 37 personnel (23 permanent, 14 contractual). The asset model is asset-light - the business generates returns on human capital and intellectual property, not physical infrastructure.

Gaja Capital makes money through three distinct revenue streams, all captured within the listed entity:

- **Management Fee** - a recurring, AUM-linked fee charged to fund LPs for managing and advising the funds; it is a function of committed/invested capital and provides annuity-like revenue stability (INR759 Mn in FY26, 48% of total income).
- **Carried Interest** - a performance-linked share of profits above a hurdle IRR, calculated at the fund level (not deal-by-deal); this is the highest-margin but most volatile income stream (INR754 Mn in FY26, 48%).
- **Income from Sponsor Commitment** - capital gains earned on the company's own co-investment into its funds (INR167 Mn in FY26, 11%); this links the AMC's balance sheet performance to fund performance. The company's differentiation from traditional mutual fund AMCs is fundamental: it operates in private markets, earns performance fees, and has meaningful skin-in-the-game through sponsor commitments.

The firm does not claim a proprietary AI/data edge - this is a relationship-driven, judgment-intensive business. The proprietary advantage is the invest-and-collaborate framework, under which Gaja works hands-on with portfolio companies across four vectors: product, sales, human resources, and financial management. This operating advisory approach, supported by a network of operating advisors, differentiates Gaja from passive financial sponsors and has contributed to the 3.3x average MOIC and consistent top-quartile performance (on a net IRR basis) across fund vintages. The investment focus has been on mid-market companies in EEE, financial services, consumer, and digital technology sectors.

Business Segments:

Revenue Stream	FY24 (INR Mn)	FY25 (INR Mn)	FY26 (INR Mn)	% of FY26 Total Income	Nature
Management Fee	575.23	600.80	758.54	48.1%	Recurring, AUM-linked
Carried Interest	183.95	644.26	754.11	47.8%	Performance-linked, lumpy
Sponsor Commitment Income	69.32	0.00	167.43	10.6%	Capital gains on co-invest
Other Income	211.10	(11.99)	-102.11	N/M	Forex, interest, other
Total Income	1,039.60	1,233.07	1,577.97	100.0%	

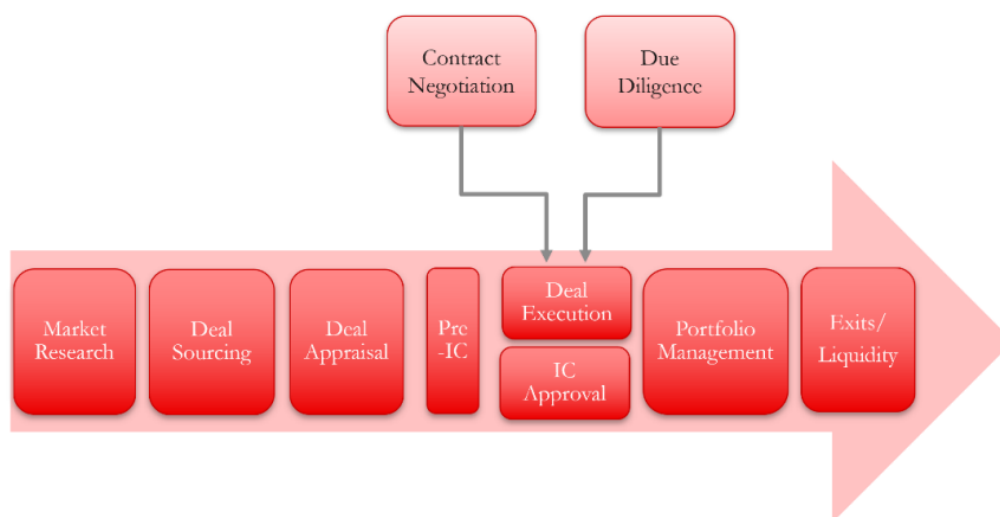
Source: RHP/ Deven Choksey Research

Revenue Model

- Gaja operates a **hybrid fee model** comprising: (a) a base management fee that is annuity-like, linked to committed or invested capital of each fund; (b) carried interest that is performance-linked and crystallizes only when the fund's net IRR exceeds a predefined hurdle rate, calculated on a whole-fund basis (not deal-by-deal - this is conservative and LP-friendly); and (c) sponsor commitment gains that arise from Gaja's own capital deployed into its funds. The management fee provides revenue visibility - so long as funds remain deployed, fee income accrues. Management fee grew from INR575 Mn in FY24 to INR759 Mn in FY26, a 14.8% CAGR, driven by Fund IV's larger corpus and deployment pace.
- Carried interest is the high-octane revenue line - it jumped from INR184 Mn in FY24 to INR754 Mn in FY26, a 102.5% CAGR, as Fund II completed full realization and Fund III entered harvest mode. However, this metric is inherently lumpy: in FY25, carried interest was INR644 Mn vs. INR184 Mn in FY24 - a 3.5x year-on-year surge. Investors must model carried interest as episodic, not linear. The sustainability of this revenue stream depends on Fund III and Fund IV's exit multiples, which are yet to fully crystallize.

Investment Strategies:

- Focus on high-growth sectors in the mid-market segment in the Indian economy** - They use the use our Economy-Industry-Business-Company ("EIBC") framework, a thematic, top-down research-based framework for systematic coverage of opportunities in the chosen sectors.
- Value addition through scale and transformation:** Their Operating Team and Operating Advisors Group help manage the Portfolio Companies. They aim to add value to the Portfolio Companies by taking ownership of select deliverables, board representation, advising on business strategies, governance, fund-raising (equity or debt) and strategic or financial sale, among others.
- Investing in Privately owned & VC backed portfolio companies** : 27 out of 28 investments (including fully realized investments) across the Prior Investments and the Gaja Capital Funds have been in privately owned unlisted companies which helps in achieving pricing power, greater engagement and influence over the portfolio company, and stronger rights including exit rights. 13 of the last 16 investments made across Fund III and the Fund IV have been in portfolio companies that were venture capital backed which helps with relevant companies within their portfolios for potential new investments and also help maintain a M&A pipeline for existing or future portfolio companies.



Source: RHP/ Deven Choksey Research

Fund Ecosystem & LP Base

- Gaja has raised and managed/advised four generations of capital: Prior Investments (deal-by-deal, 2005–2007), Fund II (2007), Fund III (2015), and Fund IV (2021). Each fund has been larger than its predecessor, demonstrating LP confidence and the fundraising flywheel. Total capital committed across Gaja Capital Funds was ~INR42,740 Mn as of March 31, 2026. The LP base spans 20+ countries including India, the US, Europe, and the Middle East. Institutional investors include HDFC Life Insurance, SBI Life Insurance, and Wealthwave Capital - names that lend credibility and suggest institutional-grade due diligence has been passed.
- The company does not separately disclose customer concentration metrics in the traditional sense - there is no "top 10 customer" revenue breakdown - because LPs are not revenue customers in the FMCG sense. However, the structural concentration risk is real: a single large LP withdrawal from a future fund-raises or refusal to re-up could materially impact the subsequent fund's size and therefore management fee income.

Key Competitive Moat

- **Track Record Compounding - 3.3x Average MOIC Across 20 Years of Fund Vintages** - Gaja has delivered a 3.3x average gross MOIC across the Prior Investments and all Gaja Capital Funds. Fund II, which is fully realized, delivered consistent top-quartile performance. This track record is the single most powerful fundraising tool - LPs allocate to alternatives based on historical returns, and a 20-year track record spanning multiple market cycles (2008 GFC, 2013 taper tantrum, 2020 COVID) is extremely difficult for a new entrant to replicate. The 5.61x MOIC across prior investments is especially notable. For context, the global median PE MOIC is approximately 1.6-1.8x - Gaja's numbers are in the top decile.
- **Sponsor Commitment as a Capital Moat - 6.41% vs. 2.5% Regulatory Minimum** - Gaja has committed INR2,740 Mn as sponsor capital into its funds - 6.41% of total fund corpus, versus the 2.5% SEBI AIF regulatory minimum. This is the highest skin-in-the-game metric among independent Indian PE managers. The strategic significance is twofold: (a) it directly aligns management incentives with LP returns, reducing agency risk and making the offering more attractive to institutional allocators; and (b) it creates a capital barrier for smaller competitors who cannot match this commitment level from their own balance sheets. Post-IPO, with INR3,720 Mn of fresh issue proceeds earmarked for additional sponsor commitments, this moat deepens further.
- **Operating Leverage - 51.9% PAT Margin on a 37-Person Team** - Gaja's PAT margin expanded from 43.0% in FY24 to 51.9% in FY26 while total income grew 52%. The cost-to-income ratio improved from 48.98% (FY23) to 44.61% (FY26). This is a function of the asset-light model: incremental management fees from a larger fund (Fund IV, Fund V) flow almost entirely to the bottom line because the investment team does not need to scale proportionally. With 37 employees generating INR1,578 Mn of total income, revenue per employee is ~INR42.6 Mn - among the highest for any Indian financial services company.
- **LP Stickiness and Re-Up Rates - 20+ Country Global Investor Base** - Gaja's LPs span 20+ countries including India, the US, Europe, and the Middle East. Institutional investors such as HDFC Life and SBI Life are repeat allocators. In the alternatives world, LP re-up rates are the strongest leading indicator of franchise durability - a new fund-raise is vastly easier when 60–80% of capital comes from existing LPs who already know the manager. The fact that Gaja has successfully raised four consecutive fund vintages (each larger than the prior one) is empirical evidence of high LP satisfaction and stickiness.
- **Mid-Market Focus - Structural Under-competition in the INR500–2,500 Mn Deal Segment** - Gaja operates in the mid-market PE segment (deal sizes INR500–2,500 Mn), which is structurally under-penetrated by large global PE firms (who target deals >INR5,000 Mn) and too large for angel/early-stage investors. The mid-market category's share rose from 16% by volume in FY20 to 22% in FY26. This creates a naturally defensible hunting ground: large firms cannot economically deploy capital in INR500 Mn deals, and smaller domestic GPs lack the operational capabilities and LP relationships that Gaja has built over two decades.
- **Invest-and-Collaborate Framework - Operational Value Creation Beyond Capital** - Unlike passive financial sponsors, Gaja deploys a structured invest-and-collaborate framework focusing on four vectors: product, sales, human resources, and financial management. This is supported by an operating advisors group that works alongside portfolio company management teams. The tangible outcome is visible in exit multiples - companies that received operational support tend to realize higher valuations at exit, which in turn drives carried interest and MOIC. This approach is a competitive moat because it requires deep sector expertise and a network of domain advisors that cannot be assembled overnight.

Source: RHP, Deven Choksey Research

SCOT ANALYSIS

STRENGTHS	CHALLENGES
- PAT margin of 51.9% in FY26 - highest among alternative AMCs and competitive with the best traditional AMCs (HDFC AMC at 66.5%). 3.3x average gross MOIC across all fund vintages - consistent top-quartile fund performance. - Sponsor commitment at 6.41% of total fund size vs. 2.5% SEBI minimum - highest skin-in-the-game among independent Indian PE managers. - Revenue per employee of ~INR 42.6 Mn - reflecting extreme operating leverage of the human-capital-intensive model. 20-year vintage with 28 investments completed (including fully realized) as of March 31, 2026 - track record through multiple market cycles. - Cost-to-income ratio improved from 48.98% (FY23) to 44.61% (FY26) despite 52% income growth - demonstrating scalability. - PAT CAGR of 35.34% between FY24 and FY26 - growth rate superior to most listed AMCs.	- OCF is negative in both FY25 (-INR 88 Mn) and FY26 (-INR 150 Mn) despite reported profitability - fair value gains on investments inflate P&L but do not generate cash. - Extreme key-person risk: only 37 employees, three promoter-directors drive all investment decisions and LP relationships. Average senior leadership tenure of 17 years is a strength but also signals thin bench depth. - Carried interest income is inherently lumpy - swung from INR 184 Mn in FY24 to INR 754 Mn in FY26 - making quarterly earnings unpredictable for listed-equity investors. - Trade receivables surged from INR 629 Mn (FY24) to INR 1,319 Mn (FY25) and remained elevated at INR 1,315 Mn (FY26) - representing accrued but uncollected fees. - Current borrowings jumped from INR 25 Mn (FY24) to INR 334 Mn (FY26) - pre-IPO balance sheet leveraging for sponsor commitments. - No proprietary technology or data advantage - business moat is entirely relationship- and judgment-driven, difficult to scale beyond the founding team's capacity.
OPPORTUNITIES	THREATS
- AUM for alternative investments in India is expected to grow at 25–27% CAGR between March 2026 and March 2030, reaching INR 41-44 trillion. - Mid-market PE share (INR 500–2,500 Mn deals) grew from 16% by volume in FY20 to 22% in FY26 and is expected to rise further - Gaja's sweet spot - Fund V launch (pipeline) - if raised at INR 15,000-20,000 Mn, this would step-change management fee income by 40-60% over 3-4 years. - Secondaries Fund entry - expands the addressable market and adds a new fee stream without cannibalizing the core PE business. - Listing creates currency for talent retention (ESOPs), enables capital access for larger sponsor commitments, and achieves parity with listed AMC peers. - India's allocator base for alternatives is expanding - domestic insurance companies, family offices, and UHNI pools are increasing AIF allocations structurally.	- Global PE firms (KKR, Blackstone, Bain Capital) are increasing India allocations and moving down-market - deal sizes in Gaja's territory may see competition from better-capitalized managers. - Domestic alternative AMCs are proliferating - SEBI data shows AIF registrations growing rapidly, compressing management fees and making fund-raises more competitive. - Regulatory risk: SEBI has been actively tightening AIF regulations (valuation norms, conflict-of-interest rules) - any adverse change could restrict Gaja's investment flexibility. - Market cycle risk: a prolonged equity market downturn would compress portfolio company valuations, delay exits, defer carried interest recognition, and make fund-raises harder. - LP concentration risk: if key institutional LPs (HDFC Life, SBI Life) decide not to re-up in Fund V, the fund-raise target could be materially impaired.

Industry & Macro Assessment

Gaja Capital operates at the intersection of three structural forces: (1) India's rapidly growing alternative asset management industry, (2) the deepening of the mid-market PE segment as institutional capital flows down the market-cap curve, and (3) the formalization and digitization of India's mid-sized enterprises, which creates a widening pool of investable companies for PE capital.

Alternative Investment Industry Growth

The AUM for alternative investments in India is expected to grow at 25-27% CAGR from March 2026 to March 2030, reaching INR41-44 trillion. This is a faster growth rate than traditional mutual fund AUM, driven by: (a) increasing allocations from domestic institutional investors (insurance companies, pension funds, family offices); (b) global allocators' structural shift towards India as a growth-oriented PE destination; and (c) regulatory maturation (SEBI AIF framework) that has increased investor confidence in the governance standards of Indian AIFs. The private equity segment within alternatives continues to dominate, with PE investments in India reaching record levels.

Mid-Market PE: Gaja's Sweet Spot

The mid-market category (deal sizes INR500-2,500 Mn) increased its market share to 22% by volume as of March 2026, up from 16% in FY20 and 19% in FY25. This segment is expected to grow faster than large-cap PE because: (a) India's formalization drive (GST, UDYAM, digital payments) is creating a larger universe of INR500-2,500 Cr revenue companies with strong unit economics but limited access to growth capital; (b) large global GPs structurally cannot deploy INR500 Mn tickets efficiently (their fund sizes and team structures are optimized for INR3,000+ Mn deals); and (c) mid-market companies offer higher alpha potential - the value creation from operational improvement is proportionally larger in a INR1,000 Cr company than in a INR50,000 Cr company

Category II AIF Regulatory Framework

Gaja's funds are primarily structured as Category II AIFs under SEBI regulations. The regulatory framework mandates minimum sponsor commitment (2.5% of corpus or INR50 Mn, whichever is lower), restricts leverage, and requires periodic NAV disclosures. SEBI has been progressively tightening governance standards - including valuation norms, related-party transaction disclosures, and compliance requirements - which benefit established managers like Gaja (who already comply) and raise barriers for newer entrants. However, regulatory changes can also constrain investment flexibility and increase operational costs.

Peer Analysis

Note: There are no direct listed peers. There is a difference between AMCs and an AIF in terms of fee income and revenue streams, comparison might be distorted. *

Table 1: Company Overview Comparison

Parameter	Gaja Capital	360 One WAM	Anand Rathi Wealth	Nuvama Wealth
Business Model	Alt asset mgmt (PE)	Wealth + Alt Asset Mgmt	Wealth Management	Wealth + IB
Founded	1999	2005	2002	2017 (demerger)
Asset Model	Asset-light(humancapital)	Asset-light	Asset-light	Asset-light
FY26 Net Worth (INR Mn)	6,133	98,356	10,119	41,232
Employees	37	~1,400+	~1,000+	~3,000+

Source: RHP/ Choksey Research

Table 2: Financial Snapshot (FY26)

Metric	Gaja Capital	HDFC AMC	ICICI Pru AMC	Nippon Life AMC	360 One WAM
Total Income (INR Mn)	1,578	41,222*	57,646*	27,087*	43,616*
PAT Margin (%)	51.94	~66.5	~66.7	~24.1	~30.2
Cost-to-Income (%)	44.61	19.77	26.56	32.77	64.78
D/E Ratio	0.01x	Nil	Nil	Nil	1.57x
ROE (%)	~16.5	~37.8	~45.4	~49.6	~29.2
Book Value/Share (INR)	53.73	431.65	84.39	73.01	242.20

Source: RHP/ Deven Choksey Research

About Management



Mr. Gopal Jain
(Managing Director & CEO)

- Associated with the company since incorporation in 1999. Has been the driving force behind Gaja Capital's evolution from a single-advisor practice (View Advisors) to a multi-fund alternative AMC with a 20+ year track record. He serves as the Managing Director and Chief Executive Officer and is the primary investment decision-maker
- Under his leadership, Gaja Capital Funds have delivered a 3.3x average MOIC across all fund vintages, with Fund II fully realized at attractive returns. He has personally overseen the investment and exit of multiple portfolio companies across EEE, financial services, consumer, and digital technology sectors. His longevity - 27 years with the firm - is both a strength (institutional memory, LP trust) and a risk (succession planning is critical).



Ranjit Jayant Shah
(Executive Vice-Chairman)

- Associated with Gaja Capital since 2006 (20 years). Designated as Executive Vice-Chairman. Director on the board of Suryoday Small Finance Bank Limited (listed). Prior experience spans service-oriented industries. Based in Mumbai. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Bombay, Maharashtra and a master's degree in business administration from the University of Michigan, United States of America.
- Plays a key role in LP relationship management, fund governance, and strategic direction. His two-decade association provides continuity and institutional credibility with global LPs.



Abhinav Jain
(CFO)

- He is responsible for investor relations, deals execution and overall portfolio management in the Company. He holds a master's degree in management from the Indian School of Business, Hyderabad.
- He is an associate of the Institute of Chartered Accountants of India and is a company secretary. Prior to joining the Company, he was associated with ICICI Bank. He has over 16 years of experience in private equity.

Source: RHP, Deven Choksey Research

Key Risks

- **Negative Operating Cash Flow Despite Reported Profitability - Earnings Quality Risk** - OCF was negative at -INR88 Mn in FY25 and -INR150 Mn in FY26 despite reported PAT of INR620 Mn and INR820 Mn respectively. The disconnect arises because: (a) carried interest is accrued in the P&L based on fund NAV/IRR calculations but is not received in cash until distributions occur; (b) fair value changes on investments (INR167 Mn in FY26) flow through profit but are unrealized; and (c) working capital expanded significantly (trade receivables jumped from INR629 Mn in FY24 to INR1,315 Mn in FY26). The OCF/PAT ratio has been negative for two consecutive years - for context, a healthy AMC should maintain OCF/PAT above 0.8x. This is the most material forensic flag in the financials. Investors should track the conversion of accrued carried interest to cash as the primary leading indicator.
- **Extreme Key-Person Concentration - Franchise Risk** - The investment philosophy, deal sourcing, LP relationships, and portfolio monitoring are concentrated across three promoter-directors: Gopal Jain (55), Ranjit Shah (68), and Imran Jafar. With only 37 total personnel (23 permanent), there is no visible bench of next-generation investment professionals who could independently source, diligence, and execute deals at the same quality level. If any one of the three promoters were to leave or become incapacitated, it would: (a) impair the ongoing management of Funds III and IV; (b) jeopardize the Fund V raise; (c) trigger LP concern and potential advisory agreement renegotiations; and (d) compress the management fee line. The average tenure of senior leadership is 17 years - which is a double-edged sword: high institutional memory but no evidence of successful knowledge transfer.
- **Receivables Growth Could Erode Working-Capital Advantage** - Carried interest constituted 48% of FY26 total income. This revenue stream is recognized when the fund's net IRR exceeds the hurdle rate, calculated on a whole-fund basis. The timing depends on: (a) exit valuations of portfolio companies; (b) market conditions at the time of exit (IPO window, strategic buyer appetite); (c) LP clawback provisions if early distributions exceed final entitlement. In FY24, carried interest was just INR184 Mn; in FY26, it was INR754 Mn - a 4.1x swing. A single bad exit or valuation markdown in Fund III/IV could eliminate carried interest recognition for multiple quarters. For listed-equity investors accustomed to the smooth fee income of mutual fund AMCs, this volatility will require a different valuation framework.
- **Trade Receivables Build-Up - Collection Risk** - Trade receivables ballooned from INR629 Mn in FY24 to INR1,319 Mn in FY25 (110% YoY increase) and remained elevated at INR1,315 Mn in FY26. As a percentage of revenue, receivables stood at 97.0% of FY26 revenue from operations - an extremely high ratio for an asset-light business. This likely represents accrued but unpaid management fees and/or carried interest from the funds. While the receivables are from entities managed by Gaja itself (reducing credit risk), the delayed conversion to cash strains the balance sheet and contributes to the negative OCF trend.
- **Pre-IPO Balance Sheet Leveraging - Short-Term Liquidity Pressure** - The Current borrowings surged from INR25 Mn in FY24 to INR334 Mn in FY26, including a INR195 Mn bridge loan from ICICI Bank specifically for funding sponsor commitments in Fund IV. Total borrowings (NC + Current) increased from INR35 Mn to INR416 Mn. While the D/E ratio remains low at 0.01x (due to the large equity base), the absolute quantum of short-term debt and the purpose of borrowing (sponsor commitments that are illiquid, long-duration investments) creates a maturity mismatch. The IPO proceeds will resolve this, but the pattern reveals that the AMC's sponsor commitment obligations exceed its organic cash generation - a structural issue that will recur with Fund V.
- **Fund Performance Dependency - Single-Strategy Risk** - Gaja's total income is 100% dependent on the performance of the funds it manages. Unlike diversified AMCs (360 One WAM, Nuvama Wealth) with multiple business lines (wealth management, investment banking, broking), Gaja has a single revenue engine: PE fund management. If the mid-market PE strategy underperforms over a cycle - whether due to sector misjudgment, adverse macro, or poor exit timing - there is no offsetting revenue stream. The proposed Secondaries Fund represents an attempt at diversification, but it is in its nascent stage and will take 3-4 years to generate meaningful fee income.

Source: RHP/ Deven Choksey Research

Profit & Loss Statement :

Particulars	FY2024	FY2025	FY2026
Revenue from Operations	956.40	1,219.99	1,355.31
Other Income	83.20	13.08	222.66
Total Income	1,039.60	1,233.07	1,577.97
EXPENSES			
Employee Benefit Expenses	216.65	285.61	351.24
Finance Costs	11.52	8.95	40.12
Depreciation & Amortisation	14.42	23.85	28.97
Other Expenses	247.22	326.29	283.55
Total Expenses	489.81	644.70	703.88
Profit Before Tax	549.79	588.37	874.09
Tax Expense	102.37	(31.14)	54.50
Profit for the Year	447.42	619.51	819.59
Profit Attributable to Owners	445.18	595.32	796.55
Profit Attributable to NCI	2.24	24.19	23.04
EPS - Basic Restated (INR)	4.28	5.71	7.17
EPS - Diluted Restated (INR)	4.28	5.71	7.17

Source: RHP, Deven Choksey Research

Balance Sheet:

Particulars	FY2024	FY2025	FY2026
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	18.84	12.03	17.59
Right of Use Assets	54.00	45.24	103.54
Intangible Assets	0.01	0.01	0.62
Capital Work-in-Progress	-	-	43.31
Goodwill	4.13	4.24	4.69
Investments	2,514.75	2,376.77	3,601.09
Other Financial Assets	6.83	6.22	13.62
Non-current Tax Assets (net)	17.52	-	-
Other Non-current Assets	88.87	69.29	51.50
Total Non-Current Assets	2,704.95	2,513.80	3,835.96
Current Assets			
Trade Receivables	628.85	1,318.80	1,314.66
Cash & Cash Equivalents	237.00	252.82	710.74
Bank Balances (Other)	-	-	350.10
Other Financial Assets	152.94	322.44	627.42
Other Current Assets	162.12	53.16	168.95
Current Tax Assets (net)	-	57.70	57.02
Total Current Assets	1,180.91	2,004.92	3,228.89
Assets Held for Sale	0.10	-	-
TOTAL ASSETS	3,885.96	4,518.72	7,064.85

Source: RHP, Deven Choksey Research

Balance Sheet:

Particulars	FY2024	FY2025	FY2026
EQUITY AND LIABILITIES			
Share Capital	0.21	0.21	564.43
Other Equity	3,318.56	3,889.46	5,500.72
Non-Controlling Interest	20.75	44.95	68.34
TOTAL EQUITY	3,339.52	3,934.62	6,133.49
Non-Current Liabilities			
Borrowings	10.18	38.75	81.56
Lease Liabilities	52.13	40.46	79.12
Provisions	11.88	20.03	16.00
Deferred Tax Liabilities (net)	320.48	266.53	261.35
Total Non-Current Liabilities	394.67	365.77	438.03
Current Liabilities			
Borrowings	24.96	1.27	334.00
Lease Liabilities	14.24	17.30	36.85
Trade Payables	81.23	155.71	83.22
Other Financial Liabilities	0.10	-	2.11
Other Current Liabilities	19.35	35.26	22.95
Provisions	11.89	8.79	14.20
Total Current Liabilities	151.77	218.33	493.33
TOTAL LIABILITIES	546.44	584.10	931.36
TOTAL EQUITY AND LIABILITIES	3,885.96	4,518.72	7,064.85

Source: RHP, Deven Choksey Research

Cashflow Statement:

Particulars	FY2024	FY2025	FY2026
Operating Cash Flow before WC changes	500.51	612.65	739.65
Change in Working Capital	(267.60)	(637.79)	(741.41)
Cash Generated from Operations	232.48	(25.14)	(97.76)
Income Tax Paid (net)	(23.57)	(62.40)	(52.06)
Net Cash from Operating Activities (A)	208.91	(87.54)	(149.82)
Net Cash from Investing Activities (B)	(61.86)	141.99	(1,087.30)
Net Cash from Financing Activities (C)	(55.87)	(67.63)	1,516.17
Net Increase/(Decrease) in Cash (A+B+C)	91.18	(13.18)	279.05
Cash at Beginning of Year	116.31	237.00	252.82
FX / Adjustments	29.51	29.00	178.87
Cash at End of Year	237.00	252.82	710.74

Source: RHP, Deven Choksey Research

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