Gaja Alternative Asset Management Ltd. Subscribe

BP WEALTH

IPO Note **18th August 2026**

Company Overview

Gaja Alternative Asset Management Limited is an independent, home-grown alternative asset manager with 20 years of vintage experience, managing India-focused Category I and II AIFs and advising offshore funds. Its independent ownership structure allows shareholders to capture 100% of the economic value generated through management fees, carried interest and sponsor commitments. Gaja has progressively scaled its private equity franchise, with fund sizes increasing from Rs. 21 crores in Prior Investments to Rs. 178 crores in Fund IV, currently under deployment. It has also diversified into the secondary private equity market through its newly launched Eastgate Secondaries Fund. The company focuses on the Indian mid-market, targeting Rs. 50-250 crores investments across EEE, Financial Services, Consumer and Digital Technology B2B platforms. Its proprietary EIBC research framework has enabled 26 of 28 investments to be sourced through proprietary negotiations. Gaja has delivered a strong investment track record across multiple cycles, generating an average 3.3x MOIC across its funds and investments. Prior Investments and Fund II delivered gross MOICs of 5.60x and 3.8x, respectively, while Fund III and IV rank favourably on TVPI and IRR versus vintage peers. The company operates through a 16-member core team, supported by three former CXOs, enabling an active "invest-and-collaborate" approach. Senior leadership has an average tenure of 17 years, with zero KMP and senior management attrition during FY23-FY25. Gaja maintains sponsor commitments averaging 6.41% of fund sizes, well above the 2.5% regulatory minimum, while its proprietary advisor network enables cost-efficient fundraising with limited reliance on third-party distributors. The company plans to launch Fund V with a Rs. 250 crores target corpus in FY27 and a Rs. 125 crores Secondaries Fund, supporting further asset-base expansion. Its capital-efficient model delivered 60.4% PAT margin in FY26 and a virtually debt-free balance sheet.

Objects of the issue

The IPO consists of a fresh issue of Rs. 450 crores and an offer for sale of Rs. 100 crores

The company proposes to utilize the proceeds from the issue towards the following objects:

1. Investing towards our Sponsor Commitments to certain existing and new funds and for repayment of the Bridge Loan Amount in the manner set forth below:

a) Investing towards our balance Sponsor Commitment to the following constituent funds of Fund IV and for repayment of the Bridge Loan Amount:

(i) Gaja Capital India Fund 2020 LLP;

(ii) Gaja Capital India Fund 2021 (formerly known as Gaja Capital India Fund 2020); and

(iii) Bridge Loan Amount.

b) Investing towards our Sponsor Commitment to the proposed Fund V; and

c) Investing towards our Sponsor Commitment to the Secondaries Fund.

2. General corporate purposes

Investment Rationale

Differentiated, high-margin business model with strong sponsor alignment

Gaja operates a clean and unified corporate structure that captures 100% of the economic value generated by its managed and advised funds, providing shareholders direct exposure to management fees, carried interest and sponsor commitment gains. Its low-cost fundraising model, with zero reliance on third-party distributors in FY25 and H1FY26, supports strong operating leverage, while equity ownership within the AMC aids talent retention. This scalability is reflected in consolidated PAT margins, which expanded from 36.31% in FY23 to 60.4% in FY26. Additionally, Gaja's strong "skin-in-the-game" model, with Sponsor Commitments of Rs. 274 crores or 6.4% of total fund size as of September 2025, well above the 2.5% regulatory requirement, strengthens alignment with Limited Partners. With Fund IV sponsor commitment at 8.5% and sponsor-owned portions not subject to management fees or carried-interest sharing, Gaja benefits from higher economic yields on its own capital while enhancing fundraising credibility and investor confidence.

Issue Details	
Offer Period	19th Aug. 2025 - 21st Aug. 2025
Price Band	Rs. 152 to Rs. 162
Bid Lot	93
Listing	BSE & NSE
Issue Size (no. of shares in mn)	34.3
Issue Size (Rs. in bn)	5.5
Face Value	5

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	JM Financial Ltd. IIFL Capital-Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	71.0%	54.2%
Public	29.0%	45.8%
Total	**100%**	**100%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Gaja Alternative Asset Management Ltd.

Long-term performance track record and proprietary deal sourcing platform

Gaja has built a 20-year investment track record across multiple economic and market cycles, including the global financial crisis, demonetisation and the COVID-19 pandemic. Across 28 investments, it has generated an average gross MOIC of 3.3x, with Prior Investments and Fund II delivering strong gross MOICs of 5.60x and 3.83x, respectively. The consistency of performance has also continued across newer vintages, with Fund IV ranking in the 1st quartile on both TVPI and IRR against global vintage peers. This established track record, combined with demonstrated performance across cycles, strengthens Gaja's ability to raise larger successive funds and expand into newer investment strategies. Gaja further differentiates itself through its proprietary EIBC research framework, which enables early identification of attractive sectors and businesses, development of long-term founder relationships and access to opportunities before they enter highly competitive auction processes. As a result, 26 of its 28 investments have been sourced through proprietary, coverage-led channels, supporting disciplined entry valuations and potentially improving return outcomes. Its hands-on post-investment approach is supported by a dedicated operating team and three former CXOs who work closely with portfolio companies across product, sales, HR, finance and M&A to drive operational improvements, professionalise businesses and accelerate growth. This investment and value-creation platform is further strengthened by a highly stable leadership team with an average tenure of 17 years, providing deep institutional knowledge, continuity and strong execution capabilities.

Valuation

Gaja Alternative Asset Management operates a differentiated alternative asset management model, capturing 100% of the economic value generated from its managed and advised funds. Its diversified revenue streams across management fees, carried interest and sponsor commitments provide a balance of recurring income and performance-linked upside, while its Rs. 274 crores sponsor commitments as of September 2025, substantially above regulatory requirements, create strong alignment with investors. With a 20-year track record across multiple investment cycles, Gaja has completed 28 investments and demonstrated strong exit capabilities through IPOs, M&A and secondary sales. Its Prior Investments delivered a 5.6x gross MOIC, while Fund IV ranks in the 1st quartile on both TVPI and IRR versus vintage peers, supporting its ability to raise larger successive funds. Gaja is well positioned to benefit from the rapid expansion of India's alternative investment industry, with AIF commitments growing at 30% CAGR during FY19-FY25 and expected to reach Rs. 53-56 trillion by 2030. Its focus on the growing mid-market segment and sectors such as financial services, consumer and digital technology provides a differentiated opportunity set. The proposed Rs. 250 crores Fund V and Rs. 125 crores Secondaries Fund should further expand its income-generating capital. The business has demonstrated strong operating leverage, with PAT growing at a 35.3% CAGR during FY24-FY26 and PAT margins expanding from 46.7% to 50.7%, reaching 60.4% in FY26. Its lean operating model, low reliance on third-party distributors and 0.07x Debt-to-Equity in H1FY26 support capital-efficient growth. Overall, Gaja's proven investment pedigree, differentiated value-capture model, strong alignment and expanding product pipeline position it well for sustained growth. Larger fund vintages, entry into secondaries and rising alternative investment penetration provide multiple avenues to grow recurring management fees and performance-linked carried interest over the medium to long term. **At the upper price band, the issue is valued at a P/E of around 22.3x based on FY26 earnings. Given Gaja's strong investment track record, differentiated value-capture model, high sponsor alignment, robust operating leverage and expanding fund pipeline, we believe the company is well positioned to benefit from the structural growth in India's alternative asset management industry. Accordingly, we recommend "SUBSCRIBE" to the issue for investors with a medium-to-long-term investment horizon.**

Key Risks:

⇒ The Company's total income is dependent on the performance of the funds managed and advised by it. The Company derives its total income from Management Fee, Carried Interest and Income from Sponsor Commitment. Management Fee contributed 38.07%, 46.65% and 72.96% of the Company's total income during FY26, FY25 and FY24, respectively.

⇒ Historical returns generated by the funds managed and advised by the Company should not be considered indicative of the future performance of such funds or future funds. The returns generated by the Company may be prolonged due to the nature of these funds and may differ materially from the returns generated historically.

Gaja Alternative Asset Management Ltd.

Income Statement (Rs. in millions)

Particulars	FY24	FY25	FY26
Revenue			
Revenue From Operations	956	1,220	1,355
Total Revenue	**956**	**1,220**	**1,355**
Expenses			
Employee Benefits Expenses	217	286	351
Other Expenses	247	326	284
Total Operating Expenses	**464**	**612**	**635**
EBITDA	**493**	**608**	**721**
Depreciation & Amortisation	14	24	29
EBIT	**478**	**584**	**692**
Finance Costs	12	9	40
Other Income	83	13	223
PBT	**550**	**588**	**874**
Tax	102	-31	55
PAT	**447**	**620**	**820**
Diluted EPS (Rs.)	**4.3**	**5.7**	**7.2**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	209	-88	-150
Cash flow from/(used in) investing activities	-62	-142	-1,087
Net cash flows (used in) / from financing activities	-56	-68	-1,516
Net increase/(decrease) in cash and cash equivalents	**91**	**-13**	**279**
Cash and cash equivalents at the beginning of the period	**116**	**237**	**253**
Cash and cash equivalents at the end of the period	**237**	**253**	**711**

Source: RHP, BP Equities Research

Gaja Alternative Asset Management Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY24	FY25	FY26
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	19	12	18
Right Of Use Assets	54	45	104
Intangible Assets	0	0	1
Capital work in progress	0	0	43
Goodwill	4	4	5
Investments	2,515	2,377	3,601
Other Financial Assets	7	6	14
Non-Current Tax Assets (Net)	18	–	–
Other Non-Current Assets	89	69	52
Total Non-Current Assets	**2,705**	**2,514**	**3,836**
Current Assets			
Trade Receivables	629	1,319	1,315
Cash And Cash Equivalents	237	253	711
Bank Balances Other Than Cash & Cash Equivalents	–	–	350
Other Financial Assets	153	175	627
Other Current Assets	162	201	169
Current Tax Assets (Net)	–	58	57
Total Current Assets	**1,181**	**2,005**	**3,229**
TOTAL ASSETS	**3,886**	**4,519**	**7,065**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	0	0	564
Other Equity	3,319	3,889	5,501
Non-Controlling Interest	21	45	68
TOTAL EQUITY	**3,340**	**3,935**	**6,133**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	0	0	564
Other Equity	3,319	3,889	5,501
Non-Controlling Interest	21	45	68
TOTAL EQUITY	**3,340**	**3,935**	**6,133**
LIABILITIES			
Non-Current Liabilities			
Borrowings	10	39	82
Lease Liabilities	52	40	79
Provisions	12	20	16
Deferred Tax Liabilities (Net)	320	267	261
Total Non-Current Liabilities	**395**	**366**	**438**
Current Liabilities			
Borrowings	25	1	334
Lease Liabilities	14	17	37
Trade Payables	81	156	83
Other Financial Liabilities	0	–	2
Other Current Liabilities	19	35	23
Provisions	12	9	14
Total Current Liabilities	**152**	**218**	**493**
TOTAL LIABILITIES	**546**	**584**	**931**
TOTAL EQUITY AND LIABILITIES	**3,886**	**4,519**	**7,065**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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