



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 20 AUGUST 2026

Gaja Alternative Asset Management Limited

Mainboard IPO — Research Note

ISSUE DATES	19 – 21 August 2026 · Anchor book 18 August 2026
PRICE BAND	₹152 – ₹160 per share (Face Value ₹5)
LOT SIZE	93 shares · ₹14,880 at the upper band
ISSUE SIZE	₹550.00 Cr · Fresh ₹450 Cr + OFS ₹100 Cr
LISTING	BSE & NSE · Tentative 26 August 2026

SECTOR BFSI — Alternative Asset Management (AIF Cat I & II)	FINANCIALS Income ₹157.8 Cr (FY26) · PAT ₹81.96 Cr · PAT margin 51.9% · 2Y PAT CAGR 35%
VALUATIONS P/E 27.5x post-issue vs peer median ~37x · P/B 2.1x post-issue	DEMAND Anchor 30% of issue · Day-2 overall 2.56x · bHNI 3.29x · QIB 0.10x
GMP ₹23–25 / +14–16% over ₹160 · as of 20 Aug 2026, indicative only	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

1. Executive Summary

Gaja Capital manages ₹3,162 crore of India-focused alternative assets across Category I and II AIFs, and it does so with thirty-seven people. FY26 total income was ₹157.80 Cr against ₹103.96 Cr two years earlier, and PAT was ₹81.96 Cr on a 51.9% net margin. Income compounded at 23% over the two years, profit at 35%. Net worth stands at ₹606.52 Cr against ₹41.56 Cr of borrowings. On the printed numbers this is one of the cleaner P&Ls to come to the mainboard this year.

The complication is where the profit is manufactured. Of ₹135.53 Cr of FY26 operating revenue, ₹75.41 Cr — 56% — was carried interest, which is realised only when portfolio companies are exited. Management fees, the recurring line, were ₹60.08 Cr. Price the company on fees alone and the multiple moves from 27.5x to somewhere north of 70x. That is the whole valuation debate in two sentences. The market, for now, is pricing the headline. The issue is asking 27.5x post-issue FY26 earnings against a listed AMC and wealth-manager set trading around 37x, the OFS is a modest 18% of the issue, and the promoter is retaining 54%. None of that is a stretch on screen.

The setup for the listing print is better than the setup for the business. The anchor book went almost entirely to domestic institutions — Nippon India and Invesco alone took 34.5% of it — and those two have averaged 27% and 21% listing-day gains across 154 and 71 prior mainboard anchor placements. Retail and HNI money arrived early: overall subscription crossed 2.5x by the middle of Day 2, with the bHNI bucket already at 3.29x before the customary final-day funding surge. GMP is holding ₹23–25, about 14–16%. Against that, the two book-runners have had a poor eighteen months, and QIB is still sitting at 0.10x with a day to go. We are underwriting the tape here, not the compounding story.

Recommendation	Listing-Day View	Momentum View (T+2 - T+5)
APPLY (listing gains)	Expect a ₹176 – ₹184 open, i.e. a 10 – 15% listing print	Hold only if the open sustains above ₹176; exit into strength by T+5

Apply across all available PANs. This is a listing-and-momentum call, not a valuation call.

2. Company Overview & Business Model

Gaja Alternative Asset Management Limited is the manager entity behind the Gaja Capital franchise, a mid-market private equity platform that has been investing in India since 2004. It is registered with SEBI as a manager to Category I and Category II AIFs and also advises offshore pools that take exposure to Indian companies. The distinguishing feature, and the one management leans on hardest, is that it is not a captive: no bank, insurer, or industrial group sits on the cap table. The senior team owns the business. Promoters Gopal Jain, Ranjit Jayant Shah, Imran Jafar, Chitra Jain and Mona Ranjit Shah together held 71.03% pre-issue, coming down to 54.23% after the offer.

Money reaches the P&L through three doors. The first is management fees — a percentage of committed or invested capital, billed regardless of outcome, and the only line an investor can reasonably forecast. FY26 management fees were ₹60.08 Cr. The second is carried interest, the manager's share of fund profits above a hurdle, recognised when exits happen. FY26 carry was ₹75.41 Cr. The third is the return on the firm's own sponsor commitments into its funds — roughly ₹274 Cr of the balance sheet is invested alongside limited partners, which is real alignment and also the reason the balance sheet is illiquid. Trusteeship fees of ₹0.04 Cr round out the operating line; the gap between ₹135.53 Cr operating revenue and ₹157.80 Cr total income is largely investment and other income.

Operationally the firm is tiny by design. Thirty-seven employees, twenty-eight portfolio investments across two decades, an average senior-team tenure of about seventeen years. Sector focus sits in education and employment, financial services, consumer and digital technology — the mid-market, growth-equity end rather than buyouts. Deployment vehicles include Gaja Capital India Fund 2020 and its LLP counterpart, with Fund V targeting ₹2,500 Cr and a maiden Secondaries Fund both in the pipeline.

What breaks this model is straightforward and worth stating plainly: an inability to raise the next fund. Management fees are a function of committed capital, and committed capital has a finite life. If Fund V undershoots its ₹2,500 Cr target, the recurring line stops growing while the cost base — which is people — does not. Carry then has to do even more of the work, and carry depends on an exit window the firm does not control.

3. Market Position & Client Base

Gaja is a specialist, not a scale player. Against ₹3,162 Cr of active capital under management, the listed comparables run books that are an order of magnitude larger — 360 ONE, Nuvama, and the mutual fund AMCs operate in lakhs of crores. That comparison is unfair in both directions. Gaja earns far more per rupee of AUM than a mutual fund manager does, because AIF economics carry higher fees plus a performance share; it also has far less annuity certainty, because AIF capital is finite-life and lumpy while an equity mutual fund's AUM renews itself through SIP flows.

The client base is institutional and concentrated. The top ten investors in Fund IV account for 63.42% of that fund's commitments — that is a small number of relationships carrying most of the franchise. Roughly 65.31% of FY26 income came from overseas clients, which tells you the LP base is dominated by offshore institutions, development finance institutions and family offices rather than Indian HNI money. Two consequences follow. First, a single large LP declining to re-up in Fund V would leave a visible hole. Second, the revenue line carries currency and cross-border regulatory exposure that a purely domestic AMC does not.

Thirty-seven employees managing ₹3,162 crore and generating ₹157.8 crore of income is the single most striking operating statistic in this offer document. It is also the reason margin has expanded from 43% to 52% in two years without anything heroic happening at the revenue line — the cost base simply did not move.

On moat, the honest answer is track record plus scarcity. Twenty years of continuous vintages in Indian mid-market PE is a genuinely short list, and LPs allocate to managers with realised DPI rather than to brands. The independence angle matters too — an LP allocating to a bank-owned manager is buying into that bank's priorities. What Gaja does not have is a distribution moat, a cost moat, or any structural barrier stopping a competing team from raising a ₹2,500 Cr India fund. In alternatives, the moat is the last fund's exit multiple, and it has to be re-earned every cycle.

4. Geographic Distribution & Revenue Model

Two different geographies matter here, and they point in opposite directions. Capital comes predominantly from outside India — 65.31% of FY26 income was billed to overseas clients. Capital is deployed inside India, and heavily clustered: 77.78% of the portfolio sits in western and southern India, which is where mid-market entrepreneurial businesses of the size Gaja underwrites tend to be. The firm is, in effect, an offshore-funded, west-and-south-India-focused growth equity manager.

Revenue Line (FY26)	₹ Cr	% of Operating Revenue
Carried interest — performance linked	75.41	55.6%
Management fees — recurring	60.08	44.3%
Trusteeship fees	0.04	0.1%
Operating Revenue	135.53	100.0%
Other / investment income	22.27	—
Total Income	157.80	—

Source: company disclosures for FY2025-26. Percentages computed on operating revenue.

The revenue model is therefore barbelled rather than balanced. The recurring half is contractual, predictable and grows only with new fund closes. The performance half is episodic — it turns up when exits clear the hurdle and disappears when they do not. FY26 had a good exit year. Nothing in the disclosure guarantees FY27 does. For a business being priced off a single strong year, that asymmetry is the item to hold onto.

Currency exposure is real but second-order. Fees billed to offshore LPs are typically denominated in dollars while the cost base is rupee-denominated, which has been a tailwind rather than a headwind through the recent depreciation cycle. It is not a line we would underwrite either way.

5. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Shares	Amount (₹ Cr)	% of Total
Fresh Issue	2,81,25,000	450.00	81.8%
Offer for Sale (OFS)	62,50,000	100.00	18.2%
Total Issue Size	3,43,75,000	550.00	100.0%

Anchor allocation of 1,03,12,500 shares (₹165.00 Cr) was completed on 18 August 2026 at ₹160 per share — 30% of the issue and 60% of the QIB book.

Use of Proceeds — Fresh Issue

Objective	Amount (₹ Cr)	% of Fresh Issue
Sponsor commitments to existing and new funds, including repayment of the bridge loan availed for such commitments	372.00	82.7%
General corporate purposes	78.00	17.3%
Total	450.00	100.0%

The OFS at 18.2% of the issue is modest and we read it as housekeeping rather than an exit. Promoters step down from 71.03% to 54.23% and remain firmly in control; nothing in the structure says existing owners are cashing out. That is a materially better signal than the OFS-dominated structures that have characterised much of the 2026 mainboard calendar, and it is one of the reasons we are comfortable with the call.

The use of proceeds, though, deserves a harder look. ₹372 Cr of the ₹450 Cr fresh issue goes back into the firm's own funds as sponsor capital — money that leaves the balance sheet as cash and reappears as illiquid fund interests. It is genuine alignment, and LPs increasingly demand it. It is also the reason return on equity is only 16.47% despite a 52% net margin: a growing share of the equity base is parked in commitments that will not generate cash for years. Public shareholders are, in substance, being asked to fund the GP commitment of Fund V.

Category Allocation

Category	Shares	% of Issue	Note
QIB (incl. anchor)	1,71,87,500	50%	Anchor 1,03,12,500
NII — bHNI (> ₹10 L)	34,37,500	10%	Min bid 68 lots
NII — sHNI (₹2-10 L)	17,18,750	5%	Min bid 14 lots
Retail	1,20,31,250	35%	Min bid 1 lot
Total	3,43,75,000	100%	—

Book Running Lead Managers: JM Financial Limited and IIFL Capital Services Limited. Registrar: MUFG Intime India Private Limited. Track records analysed in Section 8.

6. Financial Performance Analysis

Profit & Loss (Consolidated)

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Total Income	103.96	123.31	157.80
EBITDA	49.25	60.81	72.05
EBITDA Margin (%)	47.4%	49.3%	45.7%
Profit After Tax	44.74	61.95	81.96
PAT Margin (%)	43.0%	50.2%	51.9%
EPS — Basic (₹)	—	—	7.17

Two-year CAGR: Total income 23.2% · EBITDA 20.9% · PAT 35.3%.

Balance Sheet & Cash Flow

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Net Worth	331.88	388.97	606.52
Total Assets	388.60	451.87	706.49
Total Borrowings	3.51	4.00	41.56
Debt / Equity (x)	0.01	0.01	0.07
Return on Equity (%)	14.45%	17.19%	16.47%
RoNW (%)	—	15.31%	13.13%
Cash Flow from Operations	—	—	(14.98)

The trajectory is good and the composition is uncomfortable. Income rose from ₹103.96 Cr to ₹157.80 Cr over two years, a 23% CAGR, while PAT rose 35% a year — profit grew faster than revenue because the cost base barely moved. That is the operating leverage of a thirty-seven person firm, and it is real. PAT margin went 43.0% to 50.2% to 51.9%. Note, though, that EBITDA margin actually compressed in FY26, from 49.3% to 45.7%; the improvement at the PAT line came from below EBITDA — investment income on a larger balance sheet and a favourable tax line — rather than from the operating business getting better.

The FY26 profit is carry-heavy. ₹75.41 Cr of ₹135.53 Cr operating revenue was carried interest. Carry is not recurring by construction — it is recognised as portfolio exits clear their hurdles, and a fund vintage delivers it in bursts. FY26 was a burst year. A reader modelling FY27 off FY26 is implicitly assuming another one. We would not.



Cash conversion

Operating cash flow was negative ₹14.98 Cr in FY26 against ₹81.96 Cr of reported PAT. Some of that is the mechanics of an asset manager whose income accrues ahead of receipt, and some is the

sponsor commitment drawdown cycle. Either way, a business printing a 52% net margin with negative CFO is one where accounting profit and cash profit have separated, and that gap needs to close over the next two or three years for the earnings to be worth the multiple.

Balance sheet quality is otherwise sound. Net worth nearly doubled to ₹606.52 Cr, helped by a pre-IPO capital raise, and debt at ₹41.56 Cr is a bridge facility against sponsor commitments that the fresh issue will retire. Debt-to-equity at 0.07x is immaterial. Return on equity slipping from 17.19% to 16.47% despite higher profit is the arithmetic of a rapidly enlarging equity base — and post-issue, with another ₹450 Cr of equity added, reported RoE will fall further before the deployed capital starts working. Contingent liabilities stood at ₹58.58 Cr as at 31 March 2026. The auditors also flagged, for all three years, that the audit-trail feature in the accounting software was not enabled throughout the period. It is a compliance observation rather than a finding of misstatement, but on a business this dependent on judgement-based revenue recognition, it is not a line we would skip past.

7. Valuation

Company	P/E (x)	P/B (x)	RoNW %	Note
Gaja Alternative AMC @ ₹160	27.5	2.14	13.1%	Post-issue
Anand Rathi Wealth	78.1	—	—	Wealth
Nippon Life India AMC	45.6	—	—	MF AMC
ICICI Prudential AMC	43.9	—	—	MF AMC
360 ONE WAM	38.0	—	12.4%	Alt / wealth
UTI AMC	36.8	2.58	—	MF AMC
HDFC AMC	36.1	—	31.0%	MF AMC
Aditya Birla Sun Life AMC	29.0	—	—	MF AMC
Nuvama Wealth	28.3	—	25.3%	Wealth
SBI Funds Management	21.9	—	—	MF AMC
Peer Median	36.8	—	—	—

Peer multiples as at 14 August 2026, per the issuer's Basis for Issue Price disclosure. Gaja P/E on post-issue diluted FY26 EPS of ₹5.81.

At ₹160 the company is asking 27.5x post-issue FY26 earnings and 2.14x post-issue book, against a peer median around 37x. On the headline, this is the cheapest name in its comparison set apart from SBI Funds Management. Management will point at that discount, and on the face of it they are entitled to.

We do not think the headline multiple is the right one. Strip out carried interest and price the company on its recurring fee stream alone, and the multiple moves to roughly 70–72x. The truth sits between the two, but it sits closer to the fee-only number than to 27.5x, because the peer set being compared against earns overwhelmingly recurring revenue. HDFC AMC at 36x is 36x of an annuity. Gaja at 27.5x is 27.5x of a stream that is 56% event-driven. Those are not the same multiple even when the arithmetic matches.

Our read: fully priced, not mispriced. There is no obvious valuation gap for the market to close in a hurry, and equally nothing so stretched that it should choke the listing print. On a comparison against the ₹152 floor the discount is negligible — the book has been built at the cap, so the band is decorative. For a listing-window call, the relevant conclusion is narrower: at 27.5x headline, the issue does not screen expensive to the marginal buyer on Day 1, and that is what matters to us here.

8. Demand, Application-Wise Breakup, Anchor Quality & BRLM Track Record

8.1 Subscription Trajectory

Category	Day 1 (19 Aug)	Day 2 (20 Aug)	Day 3 (21 Aug)
QIB	0.10x	0.10x	Pending
NII — bHNI (> ₹10 L)	0.83x	3.29x	Pending
NII — sHNI (₹2–10 L)	1.70x	5.83x	Pending
NII — Total	1.12x	4.14x	Pending
Retail	1.27x	3.30x	Pending
Overall	0.90x	2.56x	Pending

Day-2 figures captured mid-session on 20 August 2026 and will move. Exchange multiples are computed on the net offer excluding the anchor portion.

The shape of this book is unusual and needs to be called out. Retail and HNI money came in fast — retail went from 1.27x to 3.30x and the bHNI bucket quadrupled from 0.83x to 3.29x inside a session — while QIB has not moved off 0.10x since Day 1. That is not necessarily a negative. Institutions almost always bid in the final two hours of the last day, and 60% of the QIB book has already been taken out by anchors, so the residual QIB pool is small and will be covered. But it does mean the visible demand today is entirely non-institutional, and anyone reading a 2.56x overall figure as broad-based conviction is reading it wrong.

8.2 Lot Distribution & Application-Wise Breakup

Category	Lot(s)	Qty (Shares)	Amount (₹)	Reserved
Retail	1	93	14,880	1,29,368
sHNI	14	1,302	2,08,320	1,320
bHNI	68	6,324	10,11,840	2,640

Minimum application size per category as disclosed by the exchanges. "Reserved" is the number of reserved allottees in each bucket.

The minimum bHNI ticket on this issue is 68 lots — 6,324 shares, ₹10,11,840 at the ₹160 cap — against 2,640 reserved allottees in the bucket. The sHNI entry sits at 14 lots (₹2,08,320) with 1,320 reserved, and retail at a single 93-share lot of ₹14,880 with 1,29,368 reserved.

Bid across multiple PANs.

8.3 Grey Market Premium

GMP was ₹7 on 18 August, spiked to ₹30 on 19 August, and has settled at ₹23–25 through 20 August — call it 14–16% over the ₹160 cap, implying an indicative open of ₹183–185. Two observations. The premium built after the anchor list went public, which suggests the grey market is reading the same domestic institutional book we are. And it has already faded ₹5–7 off the high, which is the normal decay pattern rather than a warning. Treat all of this as indicative only: the grey market is a thin,

unregulated, unenforceable quote that can be marked anywhere on listing morning, and it has been wrong on direction several times in the last twelve months.

8.4 Anchor Quality — Seven-Year Backtest

Anchor Investor	% of Book	Prior Issues	Avg Listing Gain	Typical P/E Bought
Nippon India Mutual Fund	18.2%	154	27.3%	74.6x
Invesco Mutual Fund	16.4%	71	20.9%	47.9x
JM Financial MF (4 schemes)	7.6%	22	13.1%	121.6x
HDFC Life Insurance	7.6%	91	21.9%	38.4x
SBI Life Insurance	6.1%	96	22.8%	81.8x
Helios Mutual Fund	6.1%	16	13.1%	124.6x
TrustMF (Trust Mutual Fund)	6.1%	12	7.0%	202.3x
Sanshi Fund	6.1%	14	3.5%	33.1x
Bengal Finance & Investment	6.1%	16	9.0%	28.8x
Groww MF (3 schemes)	6.1%	2	(0.7%)	5.5x
Winro Commercial (India)	3.0%	26	18.9%	123.5x
Bajaj Life Insurance	3.0%	64	22.6%	35.9x
Société Générale — ODI	3.0%	140	8.8%	71.8x
Samco Active Momentum Fund	3.0%	3	16.3%	15.6x
Summit Equity Long-Short Fund	1.8%	Not in base	—	—

Source: IPO Research Desk seven-year anchor base (688 anchors, 2020–2026). Averages across each anchor's full prior mainboard participation history.

₹165 Cr of anchor money across twenty investors, and the composition is the story. Domestic mutual funds took roughly 63% of the book and domestic life insurers another 17% — about four-fifths in resident institutional hands. There is exactly one foreign name on the list, and it is Société Générale via the ODI route at 3%. No long-only FPI, no sovereign pool, no global alternatives specialist. For a company whose own LP base is 65% offshore, the absence of foreign institutional participation in its own IPO is the one thing on this list that gives us pause.

The quality at the top is real. Nippon India has anchored 154 mainboard issues since 2020 with a 27.3% average listing-day gain and has been on a tear lately — ten issues in 2026 averaging a 52.6% listing print. Invesco's 71 placements average 20.9%, HDFC Life's 91 average 21.9%, SBI Life's 96 average 22.8%, and all three have had strong 2026 vintages (46.4% and 48.8% average listing gains for HDFC Life and SBI Life respectively). Those four names hold 48.2% of this book. That is the tier you want anchoring a listing-gain trade.

The valuation-fit test is where this book scores best. Nippon typically buys issues at an average 74.6x, SBI Life at 81.8x, Invesco at 47.9x, Helios at 124.6x, TrustMF at 202.3x. This issue is at 27.5x. Every one of these anchors is buying materially cheaper than its own historical habit — the median issue in our 688-anchor base carries a 26.3x average P/E, and Gaja sits almost exactly on that median. Anchors stretching upward on valuation is a warning; anchors buying below their usual band is the opposite. Read it as a considered allocation rather than a reach.

The weaker end is worth naming honestly. Sanshi Fund (3.5% average listing gain across 14 issues), TrustMF (7.0% across 12), Bengal Finance (9.0% across 16) and Groww MF (two prior placements, negative on average) collectively hold 24.2% of the book. These are not names whose participation moves our probability estimate. Summit Equity Long-Short Fund does not appear in our seven-year base at all — a first-time mainboard anchor, with no history to score.

8.5 BRLM Track Record — Seven-Year Backtest

Book Runner	IPOs (7Y)	Positive	Hit Rate	Avg Listing Gain	2025-26 Hit Rate
JM Financial Ltd.	104	75	72.1%	18.5%	3 of 7 (43%)
IIFL Capital Services Ltd.	100	68	68.0%	17.1%	2 of 6 (33%)

Source: IPO Research Desk seven-year lead manager base (78 book runners, 2020–2026).

Over seven years both houses look respectable: JM at a 72% hit rate on 104 mainboard issues with an 18.5% average listing gain, IIFL at 68% on 100 issues with 17.1%. Those are the numbers a pitch deck would quote. The last eighteen months are a different picture, and we weight it more heavily. JM ran 21 issues in 2024 with 17 positive — 81%, an excellent year — then 5 in 2025 with 3 positive, and 2 in 2026 with none. IIFL went 22 issues in 2024 with only 12 positive (55%), then 3 in 2025 with 2 positive, and 3 in 2026 with none. Combine the two across 2025 and 2026 and you get 5 positive listings out of 13, against a 2020–2023 combined hit rate above 70%. That is a genuine deterioration, and it is the clearest negative in the backtest.

Strong anchor participation and a serviceable BRLM track record reduce listing risk. They do not eliminate it.

The two backtests disagree, and the disagreement is the analysis. The anchor book says a considered domestic institutional allocation at a below-habit valuation. The book runners say two houses whose last thirteen issues produced five positive listings. Anchors price the security; book runners price the deal — and on a 27.5x issue with a modest OFS, the anchor read carries more weight for a listing-day outcome. We are not ignoring the second signal. We are capping the horizon because of it.

9. Risk Factors

[PRIMARY CONCERN] Carried interest dependency — the earnings are not what they look like.

₹75.41 Cr of ₹135.53 Cr of FY26 operating revenue, 56%, was carried interest. Carry is recognised when portfolio exits clear their hurdle, which makes it episodic by construction rather than annual. FY26 was a strong exit year; FY27 may not be. Price the company on management fees alone and the multiple moves from 27.5x to roughly 70x — the entire valuation case rests on carry recurring at something close to FY26 levels. Nothing in the disclosure supports that assumption, and the company does not control the exit window. What would change our view: two consecutive years of carry at similar levels, or a fee base large enough to carry the multiple on its own.

Listing volatility.

Even with a domestically well-anchored book and a serviceable book-runner record, mainboard listings in the current regime have swung hard on the open and through the first two or three sessions. A soft broader market on 26 August, a weak QIB final print, or thin momentum can undo the setup independent of anything in this company's fundamentals. The grey market premium has already faded from ₹30 to ₹23–25 in a session, which is a reminder of how quickly the sentiment component reprices. This is not a risk-free recommendation.

3. Book runner form has deteriorated.

JM Financial and IIFL Capital together delivered 5 positive listings out of 13 mainboard issues across 2025 and 2026, against combined seven-year hit rates of 72% and 68%. Both houses posted zero positive listings from their 2026 issues to date. This is the single strongest argument for a tight exit discipline on this trade rather than a widening of the holding window.

4. Fund-raising risk on Fund V.

Management fees scale with committed capital, and committed capital has a finite life. Fund V is targeting ₹2,500 Cr and the Secondaries Fund is unproven. If either close undershoots, the recurring line stagnates while a fixed people cost continues. The ₹372 Cr sponsor commitment being funded by this issue is a bet on those closes happening.

5. LP concentration.

The top ten investors in Fund IV account for 63.42% of that fund's commitments. A handful of relationships carry the franchise. A single large LP declining to re-up in Fund V would be visible in the fee line within a year, and LP decisions are driven by their own allocation cycles rather than by Gaja's performance alone.

6. Negative operating cash flow.

CFO was negative ₹14.98 Cr in FY26 against ₹81.96 Cr of reported PAT. Part of that reflects accrual-ahead-of-receipt mechanics normal to asset managers, part the sponsor drawdown cycle. Either way,

reported earnings and cash earnings have separated, and on a business valued off earnings quality that gap matters.

7. Offshore revenue concentration.

65.31% of FY26 income came from overseas clients. That brings cross-border regulatory exposure, withholding and treaty risk, and currency translation into a P&L whose costs are entirely rupee-denominated. It also means the domestic AIF growth narrative being used to sell this issue is not actually where most of the current revenue comes from.

8. Structurally modest return on equity.

RoE at 16.47% and RoNW at 13.13% look thin next to a 51.9% net margin, because an increasing share of equity sits in illiquid sponsor commitments that do not generate near-term cash. Post-issue, with ₹450 Cr of fresh equity added, reported RoE mechanically falls further before deployment starts contributing.

9. Portfolio geographic clustering.

77.78% of portfolio exposure sits in western and southern India. This is a characteristic of the mid-market opportunity set rather than a strategy error, but it concentrates the exit outcomes — and therefore the carry — on the economic conditions of two regions.

10. Audit trail and contingent liabilities.

Auditors noted for FY24, FY25 and FY26 that the accounting software's audit-trail feature was not enabled throughout the reporting period. Contingent liabilities stood at ₹58.58 Cr as at 31 March 2026. Neither is a finding of misstatement, but on a business this dependent on judgement-based revenue recognition, the audit trail observation is not a footnote we would wave through.

10. Investment Strengths & Positive Indicators

1. Exceptional operating leverage, already realised.

Thirty-seven employees produced ₹157.80 Cr of income and ₹81.96 Cr of profit in FY26. PAT margin moved from 43.0% to 51.9% in two years without the cost base doing anything dramatic. This is not a promise of future leverage — it is leverage that has already shown up in the numbers.

2. A twenty-year vintage record in a short-listed industry.

Continuous India mid-market PE vintages since 2004, 28 portfolio investments, an average senior-team tenure of about seventeen years. LPs allocate to realised track record, and the number of independent Indian managers with two decades of it is small.

3. The valuation does not screen rich on the headline.

27.5x post-issue FY26 earnings and 2.14x post-issue book against a listed peer median near 37x. We have argued above that the headline overstates the case, but for a listing-window trade the relevant point is that the marginal Day-1 buyer is not being asked to pay a visible premium.

4. Modest OFS and a promoter staying in.

OFS is only 18.2% of the issue and promoters retain 54.23% post-listing. In a calendar dominated by exit-heavy structures, this reads as a capital raise rather than a cash-out, and the fresh-issue proceeds are being committed back into the funds alongside LPs.

5. A domestically well-anchored book bought below its own habit.

Domestic mutual funds and insurers took roughly 80% of the ₹165 Cr anchor allocation. Nippon India, Invesco, HDFC Life and SBI Life together hold 48.2% and average 20–27% listing-day gains across 154, 71, 91 and 96 prior placements respectively — and each is buying this issue well below its historical average P/E.

6. Clean balance sheet with real skin in the game.

Net worth of ₹606.52 Cr against ₹41.56 Cr of debt that this issue retires. Roughly ₹274 Cr of the firm's own capital is committed alongside limited partners, which is the alignment structure LPs now demand and most listed asset managers do not have.

7. Sector tailwind is genuine.

The Indian AIF industry is growing at an estimated 25–27% annually through the end of the decade as domestic institutional and family-office capital shifts into alternatives. Gaja is a small, focused participant in a category expanding faster than traditional asset management.

8. Demand momentum through the issue has been strong.

Overall subscription moved from 0.90x at Day 1 close to 2.56x by mid-Day 2, with bHNI quadrupling and retail more than doubling in a single session. Momentum into the final day is the pattern that historically precedes a firm listing print.

11. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

Apply from all PANs · Expected listing gains 10 – 15%

Run the five pillars and the picture is coherent enough to act on. Financial quality is high on the printed numbers — 23% income CAGR, 35% PAT CAGR, 51.9% net margin, effectively no debt — with the caveat that 56% of FY26 operating revenue was carried interest and cash flow from operations was negative. Valuation at 27.5x post-issue against a ~37x peer median is not demanding on the headline, even though the fee-only multiple near 70x tells you the discount is optical rather than real. GMP is holding ₹23–25, roughly 14–16%, and has already faded from a ₹30 high — indicative only, and we treat it as a sentiment gauge, nothing more. Demand is running well ahead of the calendar's average: 2.56x overall by mid-Day 2 with bHNI at 3.29x and retail at 3.30x, though QIB at 0.10x means every institution except the anchors is still on the sidelines with a day to go. And the OFS at 18.2% is modest — the promoter is raising capital, not leaving.

The two backtests are what tip this. The anchor book is 80% domestic institutional, with Nippon India, Invesco, HDFC Life and SBI Life holding 48.2% between them, and every one of those names is buying this issue at 27.5x when their own seven-year habit runs at 47x to 82x. Anchors buying below their usual valuation band is a different signal from anchors reaching. Against that, JM Financial and IIFL Capital have converted only 5 of their last 13 mainboard issues into positive listings, and neither has a positive listing in 2026. We resolve the conflict by taking the trade and capping the horizon: apply across all PANs, target the listing print, and do not let this become a position by accident.

Our expectation is a ₹176 to ₹184 open, a 10 to 15% listing gain, subject to the final-day QIB print holding up and the broader market not gapping down into 26 August. Exit on listing day. Hold into the T+2 to T+5 window only if the open sustains above ₹176 and volumes confirm; below that level the momentum thesis is invalidated and there is nothing else here we are being paid to wait for. This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains)	Apply from all PANs	Listing day; roll to T+5 only above ₹176

IPO Research Desk operates a BHNI-only mandate. The desk trades the listing print and the immediate momentum window and does not carry a long-term view on this security.

12. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.