PL Capital PRABHUDAS LILLADHER

Canara Robeco Asset Management Company (CRAMC IN)

Q1FY27 Result Update

July 22, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		HOLD	
Target Price	285		280	
Revenue (INR mn)	4,905	5,477	4,614	5,218
% Chng.	*6.3*	*5.0*		
Opex (INR mn)	2,128	2,458	2,124	2,464
% Chng.	*0.2*	*(0.2)*		
Core EPS (INR)	10.3	11.2	9.2	10.2
% Chng.	*12.0*	*9.8*		

Key Data	CANE.BO | CRAMC IN
BSE Code	544580
NSE Code	CRAMC
52-W High / Low	INR 353 / INR 214
Face Value	10
Sensex / Nifty	76,755 / 23,996
Market Cap	INR 53 bn / $ 551 mn
Shares Outstanding	199.42 mn
3M Avg. Daily Value	INR 112.27 mn

Shareholding Pattern (%)

Promoters	75
Foreign	1.27
Mutual Funds	8.54
Domestic Institution	0.81
Public & Others	14.39
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	5.0	(7.7)	1.1	0.0
Relative	5.4	(5.6)	8.4	0.0

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Revenue (INR mn)	3,645	4,249	4,905	5,477
Opex (INR mn)	1,464	1,800	2,128	2,458
Employee (INR mn)	885	1,071	1,293	1,497
Others (INR mn)	528	655	766	889
Core Inc. (INR mn)	2,182	2,449	2,777	3,019
PAT (INR mn)	1,907	2,038	2,461	2,723
Core PAT (INR mn)	1,615	1,818	2,055	2,234
Core EPS (INR)	8.1	9.1	10.3	11.2
Gr. (%)	*42.7*	*12.5*	*13.1*	*8.7*
AAuM (INR bn)	1,033	1,177	1,277	1,434
Growth (%)	*33.8*	*13.9*	*8.6*	*12.3*
Core RoE (%)	*40.0*	*34.7*	*31.8*	*29.1*
P/Core EPS (x)	29.1	26.6	21.5	19.0

Performance and SIP flow a key monitorable

Quick Pointers

- Good quarter as core income beat was led by better yields
- Revenue yields improve due to TER restructuring
- SIP fell by 5% QoQ due to correction; market share at 2.2%

CRAMC saw a good quarter; as core PAT was a beat due to better revenue yield at 39.2bps (PLe 37bps) mainly led by effective control in TER related costs. Company expects blended yields to be within a band of 35-38bps. Cost to income for FY27 is guided to be between 38-42% (41% in FY26). SIP flows fell by ~5% QoQ, which was attributed to industry-wide decline led by volatile markets. We are watchful of equity performance and net flows, as re-rating would hinge on the same. We raise revenue for FY27/28E by avg. ~5.5% as we increase yields. We tweak multiple to 21x from 22x on Mar'28 core EPS but raise TP to INR 285 from INR 280. Retain 'HOLD'.

Core PAT beat driven by better revenue yields: Equity QAAuM was in-line INR 1,089bn (+1% QoQ). Revenue was 5.8% higher at INR 1.16bn (PLe INR 1.10bn) led by better revenue yields at 39.2bps (PLe 37bps). Opex was in-line at INR 465mn (PLe INR 458mn) due to higher staff cost offset by lower other opex. Staff cost came in at INR 282mn (PLe INR 267mn); other opex was lesser at INR 183mn (PLe INR 190mn). Core income was an 8.8% beat at INR 697mn (PLe INR 641mn) resulting in operating yields at 23.5bps (PLe 21.6bps). Other income was ahead at INR 296mn (PLe INR 250mn). Tax rate was in-line at 24%. Core PAT was a 9% beat at INR 530mn; core PAT yields came in at 17.9bps (PLe 16.4bps). PAT was INR 756mn due to higher revenue and other income.

TER restructuring drives better yields; SIP flows decline QoQ: Revenue yields improved QoQ from 38.8bps to 39.2bps driven by (1) likely minor rationalization in distributor commission (2) market correction leading to increase in TER and (3) effective control in other costs that are part of TER. Management highlighted that TER mechanism has been restructured in a way to benefit AMC as well as distributors. CRAMC expects blended yields to be within a band of 35-38bps, while equity yields to range ~36-40bps. SIP flows declined QoQ by 5% in-line with industry due to market volatility. Management efforts are ongoing towards enhancing SIP flows. Market share in SIP is 2.2% as of Jun'26 vs stock equity market share of 2.4%.

Cost to income to remain steady; focus on equity scheme launches: Other opex fell to INR 183mn from INR 219mn in Q4FY26, that included NFO related one-off expenses. C/I for Q1FY27 stands at ~40%, with FY27 C/I expected at 38-42%, giving headroom for tech related costs. NFOs are planned in next 2-3months with general target of 2 NFOs in a year; passive/SIF launch would happen post MF scheme launches.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Revenue (INR mn)	1,098	1,162	*5.8*	971	*19.7*
MF Yields (bps)	*37.0*	*39.2*	*2.2*	*35.0*	*4.2*
Opex (INR mn)	458	465	*1.6*	415	*12.1*
Core PAT (INR mn)	487	530	*9.0*	424	*25.0*

Source: Company, PL

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Q1FY27 Conference Call Highlights

Industry

- Industry QAAuM stood at INR 83.1trn for Q1FY27, (+15% YoY), while CLAuM grew 10.5% YoY to INR 82.2trn driven by growing retail participation, wider geographical penetration, diversification across asset classes and expanding investor base.
- Industry AUM growth was concentrated in arbitrage, small cap and midcap segments.
- Monthly SIP inflows declined to INR 318bn in Jun'26 from INR 321bn in Mar'26, driven by market volatility.

Financial Performance

- CLAuM stood at INR 1.2trn reflecting 12% QoQ /1.7% YoY growth; QAAuM growth at 1% QoQ lagged industry growth of 2%, due to equitable growth across funds vs concentrated industry growth.
- Equity:Debt mix stood at 91:9, with individual investors contributing 86% of overall AUM; B-30 contributes 23.5% of total AUM.
- Treasury book stood at INR 7.35bn, of which equity investments constitute ~INR 1.76bn.
- Revenue yields improved sequentially from 38.8bps to 39.2bps driven by TER restructuring, higher TER supported by market corrections, and effective cost control across schemes.
- Overall revenue grew by 20% YoY, of which ~12% growth was driven by improved yields, while ~8% was attributable to AUM growth.
- Management expects overall yields in the range of 35-38bps while equity yields are to be in the range of 36-40bps.
- Segment wise yield - 39-40bps for equity, 28-29bps for debt and 2-3bps for liquid; Blended yield stood at 37-38bps.
- Management highlighted that TER mechanism has been restructured in a way to benefit AMC as well as distributors.
- Other expenses normalised to INR 183mn in Q1FY27 vs higher expenses of INR 219mn in Q4FY26, which included NFO related one-off expenses.
- C/I for Q1FY27 stands at ~40%, with FY27 C/I expected at 38-42%, giving headroom for tech related costs.
- Other income during the quarter amounted to INR 296mn which includes 8.5% realised gain on debt and MTM gain on equity book.
- Count of SIP accounts declined QoQ from 2.04mn at Mar'26 to 2.0mn at Jun'26, driven by market volatility. SIP AUM grew to INR 415bn from INR 359bn. Mgmt. continues its efforts towards enhancing the SIP flows.
- NFO is planned in next 2-3months with general target of 2 NFOs in a year, while passive and SIF launch to be sequenced post MF scheme launches.
- CRAMC continues its strategy of being equity focused fund house while diversifying into other spaces. Management highlighted that AMC is well positioned to capitalise from the growth story of MF industry given the construct of asset mix.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Revenue	1,162	19.7	1,204	15.8	1,247	13.6	1,292	13.1
Core income	697	25.4	695	12.2	693	17.9	691	0.8
MF yields (bps)	39.2	4.2	38.7	3.9	38.2	2.3	37.7	-1.1
Core PAT	530	25.0	519	13.6	508	15.5	497	0.3

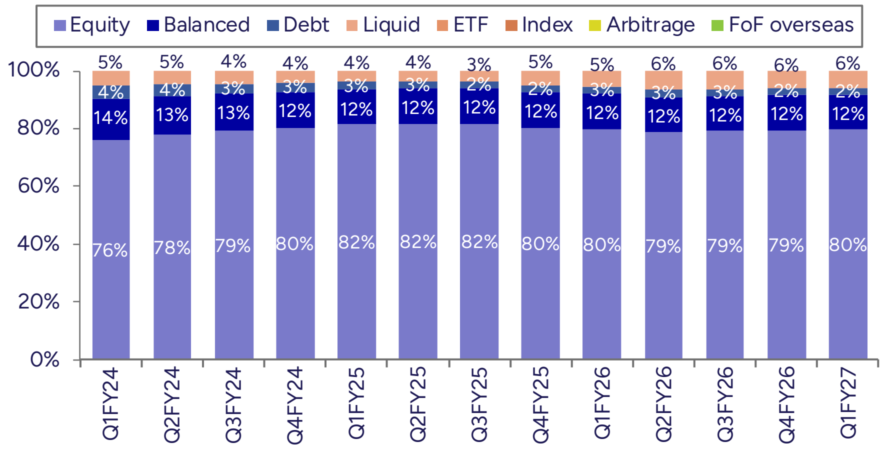
Source: Company, PL

Exhibit 2: Core PAT beat driven by better revenue yields

Financials (INR mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Revenue	**1,162**	**971**	**19.7**	**1,098**	**5.8**	**1,142**	**1.7**
Total Expenses	**465**	**415**	**12.1**	**458**	**1.6**	**456**	**1.9**
Employees	282	249	13.2	267	5.3	238	18.4
Other expenses	183	166	10.5	190	(3.7)	219	(16.1)
Operating Income	**697**	**556**	**25.4**	**641**	**8.8**	**686**	**1.7**
Other Income	296	243	22.1	250	18.6	(104)	(386.2)
Profit before tax	**994**	**799**	**24.4**	**891**	**11.6**	**582**	**70.7**
Tax	237	189	25.6	214	11.1	169	40.9
Profit after tax	**756**	**610**	**24.0**	**677**	**11.7**	**414**	**82.8**
Core PAT	**530**	**424**	**25.0**	**487**	**9.0**	**496**	**7.0**
Profitability ratios (bps)							
Revenue yield	39.2	35.0	4.2	37.0	2.2	38.8	0.3
Employee to AuM	9.5	9.0	0.5	9.0	0.5	8.1	1.4
Opex to AuM	6.2	6.0	0.2	6.4	(0.2)	7.4	(1.3)
Core income/AuM	23.5	20.0	3.5	21.6	1.9	23.3	0.2
PAT/AuM	25.5	22.0	3.5	22.8	2.7	14.1	11.4
Core PAT/AuM	17.9	15.3	2.6	16.4	1.5	16.9	1.0
QAAuM (INR mn)	**11,87,196**	**11,10,566**	**6.9**	**11,87,275**	**-**	**11,75,848**	**1.0**
Equity	9,46,796	8,87,062	6.7	9,46,869	-	9,34,020	1.4
Balanced	1,42,745	1,34,902	5.8	1,42,750	-	1,44,878	(1.5)
Debt	25,660	29,552	(13.2)	25,658	-	29,183	(12.1)
Liquid	71,995	59,050	21.9	71,999	-	67,767	6.2
ETF	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	-
FoF overseas	-	-	-	-	-	-	-

Source: Company, PL

Exhibit 3: Equity + Bal share steady at ~92 %; debt & liquid share stable at 2%/6%



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR mn)								
Revenue	**868**	**960**	**1,013**	**971**	**1,039**	**1,098**	**1,142**	**1,162**
Expenses	**383**	**323**	**426**	**415**	**420**	**510**	**456**	**465**
Employee	208	198	263	249	257	328	238	282
Others Expenses	163	112	149	149	145	162	199	159
Depreciation	12	13	14	17	18	20	20	25
Core Income	**485**	**637**	**586**	**556**	**620**	**588**	**686**	**697**
Other Income	178	6	(3)	243	41	117	(104)	296
PBT	**663**	**643**	**583**	**799**	**660**	**705**	**582**	**994**
Tax	162	164	166	189	173	177	169	237
PAT	**500**	**479**	**417**	**610**	**487**	**528**	**414**	**756**
Core PAT	**366**	**474**	**419**	**424**	**457**	**440**	**496**	**530**
QAAuM	**1,068,784**	**1,083,443**	**1,033,153**	**1,110,566**	**1,197,458**	**1,222,585**	**1,175,848**	**1,187,196**
Equity	874,583	885,348	829,987	887,062	942,397	967,650	934,020	946,796
Balanced	128,331	133,641	126,551	134,902	144,790	147,940	144,878	142,745
Debt	27,982	26,693	24,393	29,552	34,489	31,018	29,183	25,660
Liquid	37,888	37,761	52,222	59,050	75,781	75,977	67,767	71,995
ETF	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	-	-
FoF overseas	-	-	-	-	-	-	-	-
Market share (%)								
Equity	3.0	2.9	2.9	2.8	2.8	2.7	2.7	2.6
Balanced	1.8	1.8	1.7	1.7	1.8	1.7	1.6	1.6
Eq+Bal	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.4
Debt	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.2
Liquid	0.6	0.6	0.8	0.9	1.1	1.1	0.9	0.9
ETF	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-
QAAuM Growth (%)	**12.9**	**1.4**	**(4.6)**	**7.5**	**7.8**	**2.1**	**(3.8)**	**1.0**
Equity	13.2	1.2	(6.3)	6.9	6.2	2.7	(3.5)	1.4
Balanced	15.0	4.1	(5.3)	6.6	7.3	2.2	(2.1)	(1.5)
Eq+Bal	13.4	1.6	(6.1)	6.8	6.4	2.6	(3.3)	1.0
Debt	7.7	(4.6)	(8.6)	21.2	16.7	(10.1)	(5.9)	(12.1)
Liquid	3.0	(0.3)	38.3	13.1	28.3	0.3	(10.8)	6.2
ETF	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	-	-
FoF overseas	-	-	-	-	-	-	-	-
Dupont (bps)								
Revenue yield	32.5	35.4	39.2	35.0	34.7	35.9	38.8	39.2
Opex to AuM	14.3	11.9	16.5	14.9	14.0	16.7	15.5	15.7
Staff cost	7.8	7.3	10.2	9.0	8.6	10.7	8.1	9.5
Other opex	6.1	4.1	5.8	5.4	4.8	5.3	6.8	5.3
Core income/AuM	18.2	23.5	22.7	20.0	20.7	19.2	23.3	23.5
PAT/AuM	18.7	17.7	16.2	22.0	16.3	17.3	14.1	25.5
Core PAT/AuM	13.7	17.5	16.2	15.3	15.3	14.4	16.9	17.9
Profitability (%)								
Staff cost/revenue	24.0	20.7	26.0	25.6	24.7	29.9	20.8	24.2
Other opex/revenue	18.7	11.7	14.7	15.4	13.9	14.8	17.4	13.7
Core income/revenue	55.9	66.3	57.9	57.3	59.6	53.6	60.0	60.0
Tax rate	24.5	25.5	28.4	23.7	26.3	25.2	28.9	23.9
PAT margin	57.7	49.9	41.2	62.8	46.8	48.1	36.2	65.1
Core PAT margin	42.2	49.4	41.4	43.7	44.0	40.1	43.4	45.7

Source: Company, PL

Financials

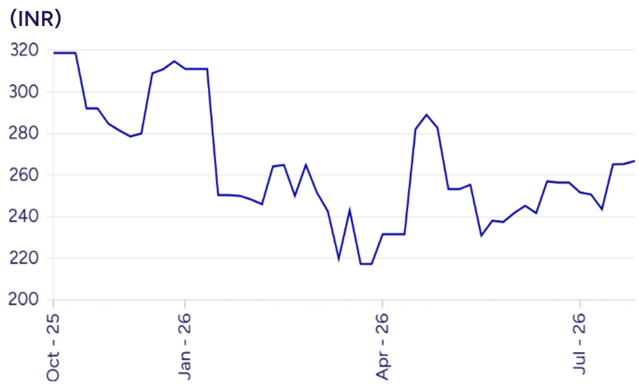
Y/e Mar	FY25	FY26	FY27E	FY28E
Profit & Loss (INR mn)				
Revenue	**3,645**	**4,249**	**4,905**	**5,477**
Investment mgmt.	3,481	4,069	4,500	5,024
PMS / Advisory	165	180	405	452
Expenses	**1,464**	**1,800**	**2,128**	**2,458**
Employee	885	1,071	1,293	1,497
Other Expenses	528	655	766	889
Depreciation	50	74	68	72
Core Income	**2,182**	**2,449**	**2,777**	**3,019**
Other Income	395	297	548	661
PBT	**2,576**	**2,746**	**3,326**	**3,680**
Tax	669	708	865	957
PAT	**1,907**	**2,038**	**2,461**	**2,723**
Core PAT	**1,615**	**1,818**	**2,055**	**2,234**
Dividend	**449**	**598**	**862**	**981**
Growth ratios (%)				
Revenue	**35.1**	**16.6**	**15.4**	**11.7**
Opex	**18.4**	**23.0**	**18.2**	**15.5**
Employee	16.8	21.0	20.7	15.7
Others	28.7	24.0	17.1	16.0
Core income	**49.2**	**12.2**	**13.4**	**8.7**
PAT	26.3	6.9	20.8	10.6
Core PAT	**42.7**	**12.5**	**13.1**	**8.7**
DuPont analysis (%)				
Revenue	**0.35**	**0.36**	**0.38**	**0.38**
Expenses	**0.14**	**0.15**	**0.17**	**0.17**
Employee	0.09	0.09	0.10	0.10
Others	0.05	0.06	0.06	0.06
Core Income	**0.21**	**0.21**	**0.22**	**0.21**
Other Income	0.04	0.03	0.04	0.05
PBT	**0.25**	**0.23**	**0.26**	**0.26**
Tax	0.06	0.06	0.07	0.07
PAT (RoAAuM)	**0.18**	**0.17**	**0.19**	**0.19**
Core RoAAuM	**0.16**	**0.15**	**0.16**	**0.16**
ROE	36.2	30.3	29.8	27.4
Core RoE	40.0	34.7	31.8	29.1
Other Ratios (%)				
Staff cost/revenue	24.3	25.2	26.4	27.3
Other opex/revenue	14.5	15.4	15.6	16.2
Core Income/revenue	**59.9**	**57.6**	**56.6**	**55.1**
Other Income/revenue	10.8	7.0	11.2	12.1
Yield on Investments	7.4	4.3	7.0	7.0
Effective tax rate	26.0	25.8	26.0	26.0
PAT margin	52.3	48.0	50.2	49.7
Core PAT margin	**46.4**	**44.7**	**45.7**	**44.5**
Dividend payout (%)	**23.5**	**29.4**	**35.0**	**36.0**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR mn)				
Net Worth	**6,001**	**7,458**	**9,059**	**10,802**
Capital	1,994	1,994	1,994	1,994
Reserves	4,006	5,464	7,064	8,808
Employee benefit	306	208	249	299
Other liabilities	433	520	569	623
Total Liabilities	**6,740**	**8,186**	**9,877**	**11,724**
Cash and Bank	3	22	22	22
Investment	6,041	7,352	8,974	10,745
Fixed assets	185	231	243	255
Other assets	512	581	639	703
Total Assets	**6,740**	**8,186**	**9,877**	**11,724**
AuM Data (INR bn)				
AAuM	**1,033**	**1,177**	**1,277**	**1,434**
Equity	841	933	1,016	1,154
Balanced	125	143	160	180
Debt	26	31	32	33
Liquid	41	70	70	68
ETF	-	-	-	-
Index	-	-	-	-
Arb & FoF	-	-	-	-
Mix (%)				
Equity	81.4	79.3	79.6	80.5
Balanced	12.1	12.2	12.5	12.5
Debt	2.5	2.6	2.5	2.3
Liquid	4.0	5.9	5.4	4.7
ETF	-	-	-	-
Index	-	-	-	-
Arb & FoF	-	-	-	-
Growth (%)				
Overall	**33.8**	**13.9**	**8.6**	**12.3**
Equity	38.6	11.0	8.9	13.6
Balanced	22.9	14.5	11.6	12.5
Debt	(7.3)	18.3	2.6	2.8
Liquid	16.0	69.2	(0.1)	(2.5)
ETF	-	-	-	-
Index	-	-	-	-
Valuations				
EPS (INR)	**9.6**	**10.2**	**12.3**	**13.7**
Core EPS (INR)	**8.1**	**9.1**	**10.3**	**11.2**
CPS (INR)	30.3	37.0	45.1	54.0
DPS (INR)	2.2	3.0	4.3	4.9
Dividend yield (%)	0.8	1.1	1.7	1.9
BVPS (INR)	30.1	37.4	45.4	54.2
P/B (x)	8.8	7.5	5.9	4.9
P/E (x)	27.8	27.4	21.6	19.5
P/core EPS	**29.1**	**26.6**	**21.5**	**19.0**

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	HOLD	280	252
2	28-Apr-26	Hold	280	268
3	10-Apr-26	ACCUMULATE	280	255
4	08-Jan-26	BUY	325	311
5	31-Oct-25	BUY	350	317
6	15-Oct-25	BUY	320	266

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1550	1329
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	345	349
8	HDFC Asset Management Company	BUY	3040	2729
9	HDFC Bank	BUY	1040	820
10	ICICI Bank	BUY	1850	1444
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	301
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	190	172
20	UTI Asset Management Company	HOLD	975	992

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Gaurav Jani CA, Passed CFA Level II, Mr. Adarsh Shetty CA, Mr. Tarang Nandwana CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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