

ICICI Prudential AMC Ltd.

Sensex	84,818
Nifty	25,898

ISSUE DETAILS

Issue opens	12 th Dec 2025
Issue closes	16 th Dec 2025
Issue size	Up to ₹10,603crs
Offer size	Up to 4,89,72,994 shares
Type of issue	Offer for Sale
QIB (Institutional) Share	Not more than 50% of the Net Offer
Non-Institutional Share	Not less than 15% of the Net Offer
Retail Share	Not less than 35% of the Net Offer
Issue Type	Offer for Sale by Prudential Corporation Holdings Ltd
Price band (₹/share)	2,061 - 2,165
Market Lot	6 Shares
Face value	₹ 1 per share
Bid lot	6 Shares and in multiples
Post Issue Implied Market Cap	₹1,01,867crs - ₹1,07,007crs
Listing: BSE & NSE	

Shareholding	Pre-Offer (%)	Post-Offer (%)
Promoter & Promoter Group		
ICICI Bank	51.00%	53%
Prudential	49.00%	37%
Total (Promoters)	100.00%	90%
Public	0.00%	10%
Grand Total	100.00%	100%

Business Overview

Incorporated on June 22, 1993, ICICI Prudential Asset Management Company Limited is among India's oldest and most prominent asset managers, with over three decades of experience. It is the largest asset management company in India by active mutual fund Quarterly Average Assets Under Management (QAAUM), holding a 13.3% market share as of September 30, 2025. The company offers a comprehensive suite of services, including mutual fund management, portfolio management services (PMS), alternative investment funds (AIFs), and offshore advisory solutions.

As of September 30, 2025, ICICI Prudential AMC managed mutual fund QAAUM of ₹10,147.6bn and led the industry in equity and equity-oriented QAAUM with a 13.6% share. It also dominated the equity-oriented hybrid segment with a 25.8% market share across multiple periods. The company's monthly average AUM attributable to individual investors stood at ₹6,610.3bn, the highest in the industry with a 13.7% share.

Beyond mutual funds, ICICI Prudential AMC has a growing alternates business comprising PMS, AIFs, and offshore advisory services. Alternates QAAUM totaled ₹729.3bn, including ₹400.2bn in equity-focused PMS and AIFs. The company provides advisory services to Eastspring Investments, the asset management arm of Prudential plc, for select equity and debt products distributed across Japan, Taiwan, Hong Kong, and Singapore, managing advisory assets of ₹329.1 billion.

ICICI Prudential AMC is the most profitable asset manager in India, commanding a 20% share of operating profit before tax for FY25. It serves 15.5mn customers and manages the largest number of schemes in the industry – 143 schemes spanning equity, debt, passive, fund-of-funds, liquid, overnight, and arbitrage categories. Its diverse product portfolio addresses varied investor objectives, from income generation to long-term wealth creation, supported by strong research capabilities and risk management practices.

Brief profile of directors, senior management

Name	Designation	Experience/Background
Sandeep Batra	Chairman and Nominee Director (of ICICI Bank Limited)	Member of the Institute of Chartered Accountants of India and has over 24 years of experience in the ICICI Group (finance, banking, and insurance). He is currently an executive director at ICICI Bank Limited and chairman of ICICI Prudential Life Insurance Company Limited.
Nimesh Vipinbabu Shah	Managing Director and Chief Executive Officer (MD & CEO)	Over 31 years of experience in banking and financial services, having joined the ICICI Group in 1993. He is a member of the Institute of Chartered Accountants of India. He received the "India CEO of the Year" award at the Asia Asset Management – 2023 Best of the Best Awards.
Sankaran Naren	Executive Director and Chief Investment Officer (CIO)	Over 28 years of experience in the financial services industry, including investment banking, fund management, and equity research. He holds a post-graduate diploma in management from the Indian Institute of Management, Calcutta, and was awarded the "India CIO of the Year" at the Asia Asset Management – 2023 Best of the Best Awards.
Sidharatha Sankar Mishra	Nominee Director (of ICICI Bank Limited)	Over 26 years of experience in the banking sector and currently heads digital channels & partnerships and customer service at ICICI Bank Limited.
Guillermo Eduardo Maldonado-Codina	Nominee Director (of Prudential Corporation Holdings Limited)	Over 31 years of experience in the asset management sector. He holds a Ph.D. from the University of Oxford and previously served as CEO of Eastspring Investments (Singapore) Limited.
Ved Prakash Chaturvedi	Independent Director	Over 20 years of experience in finance and Indian capital markets, holding a post-graduate diploma from IIM, Bangalore. He was previously managing director at Tata Asset Management Private Limited.
Dilip Ganesh Karnik	Independent Director	Over 13 years of experience in the legal and finance sector. He is an arbitrator and legal consultant and was appointed as an additional judge of the Bombay High Court in 2001.
Naved Masood	Independent Director	Over 12 years of experience as an independent director in SEBI-regulated entities. He retired as the Secretary to the Government of India in the Ministry of Corporate Affairs in February 2015.
Antony Jacob	Independent Director	Over 37 years of experience in finance, advisory, and consultancy, and is an associate member of the Institute of Chartered Accountants of India.
Preeti Reddy	Independent Director	Over 13 years of experience advising clients on consumer-led market strategies. She holds a postgraduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur.

INDUSTRY OVERVIEW

The Indian financial services sector is characterized by strong macroeconomic growth projections and rising participation from individual investors, driving significant expansion across the mutual fund, portfolio management services (PMS), and alternative investment fund (AIF) industries.

Indian asset management industry is poised for sustained growth, supported by macroeconomic stability, rising financialization of savings, and increasing investor awareness according to Crisil report. Key growth drivers include expanding retail participation, digital adoption, and the shift toward equity-oriented products, which continue to outperform traditional investment avenues. The industry is also witnessing the emergence of new segments such as passive funds, exchange-traded funds (ETFs), and alternative investment products, catering to evolving investor preferences. These structural trends, combined with favorable demographics and regulatory support, position the asset management sector for long-term expansion and profitability.

Macroeconomic Context and Outlook

- **India's Growth Projections:** India is expected to remain one of the world's fastest-growing economies despite global geopolitical instability. The country's real Gross Domestic Product (GDP) is projected to expand by **7.3%** in FY26, a strong rate anticipated to remain steady until 2030.
- **Monetary and Fiscal Environment:** The Reserve Bank of India (RBI) maintained its policy stance as 'neutral' and reduced the repo rate by 25bps at 5.25% in Dec 2025, aiming to support domestic growth. Consumer Price Index (CPI)-based inflation is expected to moderate to **2.0%** in FY26.

Core Industry Growth Drivers

The growth of the mutual fund and related asset management segments is underpinned by several fundamental domestic factors:

- **Financialization of Savings:** India is expected to remain a **high-savings economy**, with its gross domestic savings rate exceeding the global average. There is an ongoing shift of household savings away from traditional physical assets towards financial assets like mutual funds. Household savings inflow into financial assets reached ₹35.6tn in FY25.
- **Rising Income and Formalization:** The per capita net national income is projected to grow at CAGR of **5.6%** from FY25 to FY27. This rise in disposable income supports growth in investable assets. The number of individual Income Tax Returns (ITR) filed has also increased significantly, rising from 60mn (FY19) to **76mn (FY24)**, reflecting increasing compliance and a shift toward a formal economy.
- **Digitalization and Accessibility:** Increased mobile penetration, coupled with the rapid growth of platforms like UPI (which recorded 185.9bn transactions in volume in FY25), accelerate digitalization and financial inclusion. This has facilitated the adoption of mutual funds by enabling ease of transacting and greater access through various channels, particularly benefiting smaller cities.

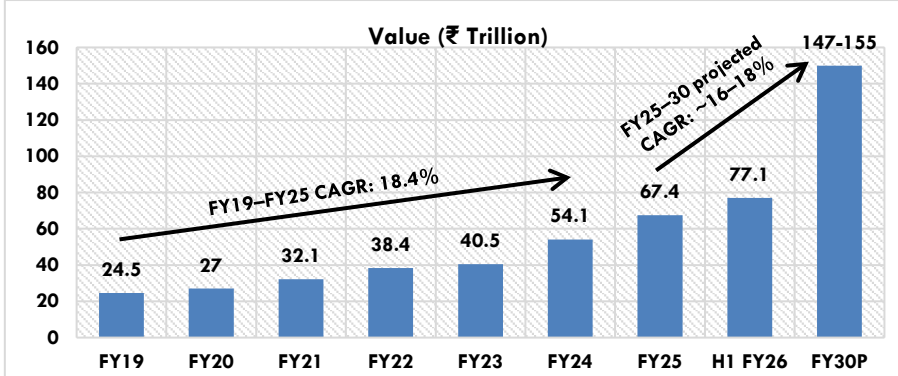
Mutual Fund Industry Landscape

The Indian mutual fund industry has experienced robust expansion:

- **AUM Growth:** The Quarterly Average Assets Under Management (QAAUM) reached **₹77.1tn** as of September 2025. This trend is expected to continue, with industry QAAUM projected to grow at a CAGR of approximately **16–18%** from FY25 to FY30.
- **Individual Investor Dominance:** Individual investors (including retail investors and HNIs) constitute the majority, holding **60.9%** of the total industry AUM as of September 2025.
- **SIP Popularity:** Systematic Investment Plans (SIPs) are a key source of stability, contributing roughly **60% of total equity and equity-hybrid fund flows** in FY25. SIP AUM was **₹15.5tn** as of September 2025 and is projected to grow at a CAGR of **25–27%** from FY25 to FY30.

- **Geographic Expansion:** The share of AUM coming from **Beyond Top 30 (B30) cities** rose to **19%** by September 2025, highlighting the increasing penetration and importance of these growing markets.
- **Product Shift:** There is a steady rise in **passive funds** (ETFs and Index funds), whose share in QAAUM increased to **16.0%** by September 2025, benefiting from their lower cost structure.

Mutual Fund QAAUM to grow at ~16-18% over FY25 to FY30



Specialized Investment Segments (PMS and AIF)

- **Portfolio Management Services (PMS):** The PMS industry has matured over the last nine years, driven by the increasing number of HNIs seeking personalized strategies. The closing AUM for PMS asset managers stood at approximately **₹40.3tn** as of September 2025. **Discretionary PMS** dominates the segment, holding an 83.6% share as of September 2025.
- **Alternative Investment Funds (AIFs):** AIFs have emerged as a significant segment in private markets, offering high-net-worth investors diversification benefits. Total commitments raised by AIFs have grown at a CAGR of approximately 29.8% between March 2019 and March 2025, reaching **₹15.1tn** as of September 2025. **Category II AIFs** represent the largest portion, contributing 74.4% of total commitments raised in H1FY26.

Regulatory Environment and Challenges

The industry faces challenges that include:

- **Low Penetration and Awareness:** Despite rapid growth, mutual fund participation accounts for only about **4% of India's population** as of FY25, indicating low awareness in many areas.
- **Regulatory Uncertainty:** Changes to tax laws, investment rules, and compliance standards can complicate the investment process and create uncertainty. Notably, the removal of **indexation benefits on debt mutual funds** is expected to diminish their appeal to long-term investors and potentially prompt a shift toward bank deposits.
- **Intensified Competition:** Competition is increasing due to new market entrants, financial technology firms (Fintechs), and rival products like ULIPs.

Investment Rationale

ICICI Prudential Asset Management Company Limited stands out as India's largest active mutual fund manager, commanding a QAAUM of ₹10.88tn and a 13.3% market share as of September 2025. Its leadership extends to equity-oriented schemes and hybrid funds, where it holds the highest market share among peers. The company's diversified product portfolio—143 mutual fund schemes across equity, debt, hybrid, passive, and fund-of-funds categories—combined with a growing alternates business (PMS, AIFs, and offshore advisory) ensures resilience and multiple growth levers. Supported by strong promoters, ICICI Bank and Prudential Corporation Holdings, the company benefits from global best practices and robust governance.

Financially, ICICI Prudential AMC is the most profitable asset manager in India, contributing 20% of the industry's operating profit before tax in FY25. It boasts superior return on net worth (82.8%) and strong operating margins compared to listed peers such as HDFC AMC, Nippon Life India AMC, UTI AMC, and Aditya Birla Sun Life AMC. While peers report RoNW in the range of 16–32%, ICICI Prudential AMC's efficiency and scale set it apart. Additionally, its Individual Investor MAAUM of ₹6,610.3bn is the highest in the industry, reflecting deep retail penetration – a critical advantage in a market where SIP flows and financialization trends are accelerating.

The Indian asset management industry is projected to grow at 16 – 18% CAGR, reaching ₹147–155tn by FY30. ICICI Prudential AMC's leadership in active equity, strong brand equity, and diversified offerings position it to capture this growth better than peers. Its combination of scale, profitability, and operational efficiency makes it a compelling investment opportunity relative to competitors.

Valuation

At the upper price band of ₹2,165, ICICI Prudential AMC's post-offer market cap of ~₹1,07,000 crore positions it among India's most valuable asset managers, supported by leadership in active mutual fund management with ₹10.88tn QAAUM and 13.3% market share. Valuations appear reasonable with a P/E of ~40.4× (FY25 EPS ₹53.6), competitive versus Nippon Life AMC (41×) and below HDFC AMC (45×), despite superior profitability and scale. The company boasts the highest RoNW of 82.8% among peers, strong financial metrics, diversified product portfolio, and dominance in equity and hybrid schemes, aided by industry tailwinds and robust promoter backing. These factors justify the current valuation, making the IPO an attractive investment opportunity to **subscribe for long term**.

Peer Comparison

Company Name	Closing Price on Dec 3, 2025 (₹)	Revenue from Operations FY25 (₹ crs)	Face Value (₹)	EPS (₹) Basic	EPS (₹) Diluted	Return on Net Worth	NAV per Share (₹)	P/E
ICICI Prudential AMC	•	4977	1	53.6	53.6	82.80%	71.2	38.5/40.4
Listed Peers								
HDFC Asset Management Company Limited	2,596	3498	5	57.6	57.4	32.40%	189.8	45.2
Nippon Life India Asset Management Limited	821	2231	10	20.3	20	31.40%	66.4	41
UTI Asset Management Company Limited	1,131	1851	10	57.4	57.1	16.30%	359.4	19.8
Aditya Birla Sun Life AMC Limited	723	1685	5	32.3	32.2	27.00%	129.2	22.5

Company Name	Total MF QAAUM (₹ Bn) (As of H1FY26/ Sept 30, 2025)	Equity QAAUM (₹ Bn) (As of H1FY26/ Sept 30, 2025)	Equity Hybrid QAAUM (₹ Bn) (As of H1FY26/ Sept 30, 2025)	3-Year Operating Revenue CAGR (%) (FY23-FY25)
ICICI Prudential AMC	10,148	5,666	1,912	32.00%
SBI AMC	11,995	5,277	1,309	29.00%
HDFC AMC	8,814	5,357	1,374	27.10%
Nippon Life India AMC	6,565	3,004	211	28.10%
Aditya Birla Sun Life AMC	4,252	1,675	210	17.30%
UTI AMC	3,784	1,169	162	13.90%

Source: RHP

Business Strategies

1. **Expand Retail Participation:** Continue driving penetration in Tier-II and Tier-III cities through digital platforms, distributor partnerships, and financial literacy initiatives. Focus on increasing SIP flows and systematic transactions to build a stable AUM base.
2. **Strengthen Digital Ecosystem:** Enhance technology-driven solutions for investors and distributors, including mobile apps, online onboarding, and AI-based advisory tools, to improve customer experience and operational efficiency.
3. **Diversify Product Offerings:** Introduce innovative mutual fund schemes and expand alternates business (PMS, AIFs, offshore advisory) to cater to evolving investor needs, including thematic funds, passive products, and private credit strategies.
4. **Leverage Brand & Promoter Network:** Utilize ICICI Bank's extensive branch network and Prudential's global expertise to deepen distribution reach and adopt international best practices in risk management and governance.
5. **Focus on Profitability & Operational Efficiency:** Maintain industry-leading margins through cost optimization, scalable operations, and disciplined expense management while sustaining superior return on equity.
6. **Capture Industry Growth:** Align with macro trends such as financialization of savings, rising disposable income, and regulatory support to consolidate leadership in India's fast-growing asset management industry.

Key Strengths

1. **Market Leadership:** Largest active mutual fund manager in India with ₹10.88tn QAAUM and 13.3% market share as of September 2025; leadership in equity-oriented and hybrid schemes.
2. **Diversified Product Portfolio:** 143 mutual fund schemes across equity, debt, hybrid, passive, and fund-of-funds categories, plus a growing alternates business (PMS, AIFs, offshore advisory).
3. **Strong Financial Performance:** Highest operating profit share (20% of industry) and superior RoNW (82.8%) compared to peers; consistent profitability and scalability.
4. **Deep Retail Penetration:** Largest Individual Investor MAAUM (₹6,610.3bn), supported by strong distribution network and digital platforms.
5. **Promoter Backing & Brand Equity:** Supported by ICICI Bank and Prudential Corporation Holdings, ensuring global best practices and governance standards.

Key Risks

1. **Market Volatility:** Adverse economic or market conditions can reduce AUM and management fees.
2. **Investment Performance:** Underperformance of schemes may lead to investor redemptions and lower inflows.
3. **Regulatory Environment:** Highly regulated industry; any breach or change in SEBI norms could impact operations.
4. **Fee Compression & Competition:** Intense competition from existing players and fintech platforms may pressure margins.
5. **Dependence on Key Agreements:** Termination or renegotiation of investment management agreements could affect revenue.

Financials

	(₹ crs)				
Particulars	FY23	FY24	FY25	H1FY25	H1FY26
Revenue from Operations	2,837	3,758	4,977	2,458	2,949
Fees and commission income	2,689	3,376	4,683	2,187	2,733
Interest Income	44	58	68	28	32
Dividend Income	1	1	1	0	1
Net gain on fair value changes	103	323	226	242	183
Other Income	1	3	2	0	0
Total Income	2,838	3,761	4,980	2,458	2,950
Total Expenses	831	1,063	1,447	670	800
Finance cost	15	16	19	9	9
Fees and commission expense	96	153	319	143	199
Employee Benefits expense	412	522	614	304	341
Depreciation and amortization expense	51	66	85	41	52
Other expenses	258	307	409	174	199
Profit before tax	2,007	2,698	3,533	1,788	2,149
Tax expense					
Current tax	510	612	870	428	513
Deferred tax Charge/(Credit)	-18	36	12	33	19
Profit after Tax	1,516	2,050	2,651	1,327	1,618
Basic & Diluted EPS (in ₹)	30.7	41.5	53.6	26.9	32.7

Source: RHP

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Disclosure of Interest Statement: ICICI Prudential AMC Ltd. as on 12th December 2025

Name of the Security	ICICI Prudential AMC Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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