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CM RATING 48 / 100

# ICICI Prudential Asset Management Company

## Largest active mutual fund asset manager

### Leadership with a wide product suite, multi-channel distribution network, strong parentage and industry tailwinds

ICICI Prudential Asset Management Company (ICICI AMC) is one of the oldest asset management companies in India with history of over 30 years in the asset management industry. ICICI AMC is the largest asset management company (AMC) in India in terms of a) active mutual fund Quarterly Average Asset Under Management (QAAUM) of Rs 8.64 lakh crore and a market share of 13.3%, b) equity and equity oriented QAAUM of Rs 5.67 lakh crore with market share of 13.6%, c) equity-oriented hybrid QAAUM of Rs 1.91 lakh crore with market share of 25.8% and d) Individual Investor MAAUM at Rs 6.61 lakh crore with a market share of 13.7% at end September 2025.

ICICI AMC ranks as the second largest asset management company (AMC) in India, in terms of total mutual fund QAAUM at Rs 10.15 lakh crore and a market share of 13.2% end September 2025, which is second to SBI AMC with market share of 15.5%. The company served a customer base of 15.5 million end of September 2025. It offers a range of investment products across multiple financial asset classes, to address a diverse spectrum of clients' objectives and risk appetites, from income accrual to long-term wealth creation.

In addition to mutual fund business, ICICI AMC also have a growing alternates business comprising portfolio management services (PMS), management of alternative investment funds (AIFs) and advisory services to offshore clients (PMS, AIF and advisory, collectively Alternates). Alternates investment product portfolio includes, equity-focused PMS and AIFs, private credit, long-short strategies and office yield funds, which has a QAAUM of Rs 40020 crore at end September 2025.

The company also provide investment advisory services as part of offshore advisory business and are currently advising Eastspring Investments (Eastspring), Prudential plc's (Prudential) asset management arm, on select equity and debt products which are distributed across markets such as Japan, Taiwan, Hong Kong and Singapore. End September 2025, assets under advisory services amounted to Rs 32910 crore. Overall alternates QAAUM amounted to Rs 72930 crore at end September 2025.

ICICI AMC has established a pan-India multi-channel physical and digital distribution network comprising 272 offices across 23 states and four union territories. Mutual fund distributors (MFDs) consist of 110,719 institutional and individual MFDs, 213 national distributors and 67 banks. It has re-engineered and modernized core technology stack with the adoption of cloud-based technology. New websites and a mobile app ('i-Invest', available on both Android and iOS platforms) have been launched with improved user interface.

Nimesh Shah, MD and CEO, has been with the company for over 18 years. He joined the ICICI group in 1993 and has over 32 years of experience in the financial services and asset management sector.

### The Offer and the Objects

The IPO comprises OFS of 4,89,72,994 equity shares, aggregating to Rs 10093 crore at the lower price of Rs 2061 and Rs 10603 crore at the upper price band of Rs 2165.

As on the date of RHP 05 December 2025, ICICI Bank held 51% shareholding in the company and Prudential Corporation Holdings has 49% stake. The entire OFS is from Prudential Corporation Holdings.

In a pre-IPO fund raising, ICICI AMC has conducted private placement of 22,240,841 equity shares at an issue price of Rs 2165 per share raising Rs 4815.1 crore. Through this private placement, Prudential

Corporation Holdings offloaded 2.22 crore equity share representing 4.5% stake in the ICICI AMC. ICICI Bank participated in the private placement acquiring 2% stake from Prudential Corporation Holdings for Rs 2140 crore and various investors acquired balance 2.5% stake.

ICICI Banks stake in ICICI AMC has increased to 53%. The promoter shareholding in ICICI AMC would decline from pre-IPO level of 100% to 87.59% post IPO, including private placement of 2.5% to various investors and IPO of 9.9%. Prudential Corporation Holdings stake in ICICI AMC would decline to 34.6% post IPO.

The IPO includes reservation of 24,48,649 equity shares for shareholders of ICICI Bank amounting to 5.0% of the offer.

The company expects that the listing of the equity shares will enhance visibility and brand image and provide liquidity to Shareholders and will also provide a public market for the Equity Shares in India.

## **Strengths**

ICICI AMC is the largest AMC in India in terms of assets managed under active mutual fund schemes and equity and equity-oriented schemes. In term of overall AUM, the company has ranked as the second largest AMC in India.

ICICI AMC has a diversified product suite enabling to cater to the varying needs and risk-return profiles of customers and navigate changing economic conditions.

The company manage the largest number of schemes in the mutual fund industry in India end September 2025, with 143 schemes comprising 44 equity and equity-oriented schemes, 20 debt schemes, 61 passive schemes, 15 domestic fund-of-funds schemes, one liquid scheme, one overnight scheme and one arbitrage scheme.

No single mutual fund scheme accounts for more than 7.1% of mutual fund QAAUM end September 2025.

The AMC benefits from strong trusted brand and parentage of ICICI Bank and Prudential Corporate Holdings.

ICICI AMC leverages ICICI Bank's brand and its extensive network of 7246 branches and broad customer base spread across India. ICICI Bank is second largest private bank and leading financial conglomerate with strong presence in banking, life insurance, general insurance, asset management, venture capital and private equity, investment banking, brokering and treasury products and services.

The company also benefits from Prudential's global expertise in investment management. Prudential, which is a part of the Prudential group founded in 1848, is a leading life and health insurer with more than 18 million customers across 24 markets in Asia and Africa at end December 2024.

Equity and equity-oriented schemes account for 55.8% of total mutual fund QAAUM higher than industry mix of 54.2%, which has a higher fee structure as compared to non-equity-oriented schemes helping to achieve higher operating profits.

In addition to mutual fund business, the company also have a growing Alternates business comprising PMS, AIFs and offshore advisory services.

The market leadership position benefits from economies of scale, particularly in the areas of fund management, marketing and distribution.

ICICI AMC is the largest individual investor franchise, which generally attracts higher investment management fees through higher equity-oriented mix and longer held periods.

The company has been focused on building a resilient pipeline of systematic flows, which helps in providing steady and predictable flows to AUM. Monthly flows from Systematic Transactions more than doubled to Rs 4800 crore during September 2025 from Rs 2350 crore in March 2023. About 92.5% of Systematic Transactions have a tenure of over five years.

## Weaknesses

The performance of schemes is critical to retaining existing customers and attracting new customers, which is an important factor in AUM's growth which depends on general market conditions, competition, product offerings, investment decisions.

The MF industry is rapidly evolving and intensely competitive. New players are also entering into the market. The industry is also subject to frequent changes in regulations, evolving investor preferences, and varying market conditions.

The company operates in a highly regulated industry and any changes in laws, rules and regulations as well as legal uncertainties in India may adversely affect business.

Investment activities are subject to market-, liquidity- and other risks and limitations in risk management system, and ability to effectively identify and mitigate such risks may have an adverse effect on business.

There is dependence on third-party distributors accounting for 72.9% of equity and equity oriented QAAUM. Any failure to secure new distribution relationships or maintain the existing relationships might adversely affect competitiveness.

SEBI has prescribed an upper limit on total expense ratio, which can be reviewed and revised from time to time. Any reduction in expense ratio may impact revenue and profitability.

A significant portion of mutual fund AUM is concentrated in a few schemes. Top five equity-oriented schemes account for 53.4% of equity-oriented QAAUM and top five debt-oriented schemes account for 68.4% of debt-oriented schemes' QAAUM at end September 2025. The performance of these schemes may have a significant effect on AUM and business.

## Valuation

ICICI AMC has posted 20% growth in revenue from operations to Rs 2949.38 crore in H1FY2026. The operating profit improved 20% to Rs 2209.87 crore, while the net profit has increased 22% to Rs 1617.74 crore in H1FY2026.

Total QAAUM has grown at strong CAGR of 33%, operating revenue 32% and profit after tax 32.2% over FY2023 to FY2025.

ICICI AMC is the most profitable AMC in India, in terms of operating profit, with a market share of 20.0% for the FY2025. The company has exhibited the highest operating revenue yield of 52 bps and operating profit yield of 36 bps for FY2025.

Among the peers, the operating revenue yield for HDFC Asset Management Company (HDFC AMC) was at 47 bps for FY2025, Nippon Life India Asset Management (Nippon AMC) at 38 bps, Aditya Birla Sun Life AMC at 44 bps and UTI AMC at 35 bps. Among non-listed peers, the operating revenue yield for SBI AMC was at 33 bps, Kotak Mahindra AMC at 27 bps, Axis AMC at 40 bps for FY2025.

In terms of operating profit yield, HDFC AMC was at 36 bps for FY2025, Nippon AMC at 25 bps, Aditya Birla Sun Life AMC at 25 bps and UTI AMC at 18 bps. Further the operating profit yield for SBI AMC stood at 25 bps, Axis AMC at 20 bps and Kotak Mahindra AMC at 17 bps for FY2025.

ICICI AMC business model is capital efficient as evidenced from robust RoE of 86.8% for H1FY2026 and 82.8% for FY2025. RoE for peers was far behind with Tata AMC stood at 41.9%, SBI AMC at 33.7%, HDFC AMC at 32.4%, Nippon AMC at 32.0%, Kotak Mahindra AMC at 30.7%, Aditya Birla Sun Life AMC at 27.0%, Axis AMC at 26.1% and UTI AMC at 17.5%

EPS of ICICI AMC on post-issue equity for TTM ended September 2025 works out to Rs 59.5. At the price band of Rs 2061 to Rs 2165, P/E works out to 34.6-36.4 times of EPS for TTM ended September 2025.

Among the peer top AMCs, HDFC AMC (third largest mutual fund) is trading at P/E multiple of 39.9 times EPS for TTM end September 2025 and Nippon AMC (fourth largest mutual fund) is trading at 39.2 times.

Aditya Birla Sun Life AMC (sixth largest mutual fund) is trading at 21.8 times, UTI AMC (seventh largest mutual fund) is trading at 24.5 times and recently listed Canara Robeco (19th largest mutual fund) is trading at 27.8 times of EPS for TTM end September 2025.

ICICI AMC is valued at market capitalization of Rs 107007 crore at upper price band and is offered at M-cap/QAAUM ratio of 10.5%, compared with HDFC AMC trading at M-cap/QAAUM of 12.4%, Nippon AMC at 8.0%, Aditya Birla Sun Life AMC at 5.0%, UTI AMC 3.8% and Canara Robeco at 4.6%.

The mutual fund AUM in India as a percentage of GDP is lower at 20% against the global average of 64% as of September 2024. The mutual fund industry in India is underpenetrated and provides enough growth opportunities. Mutual fund AUM as a percentage of bank deposits has exhibited significant improvement from 13.3% in FY2015 to 19.7% in FY2020 and 27.8% in FY2025. Indias nominal GDP has increased at a CAGR of 12% from FY22 to FY25 and its expected to grow at CAGR of 10-11% for FY25-FY30. The mutual fund industry in India is expected to grow at a CAGR of 16-18% and SIP AUM at a CAGR of 25-27% during FY2025-FY2030.

<b>ICICI Prudential Asset Management Company: Issue highlights</b>	
For Offer for Sale Offer size (in Rs crore)	
- On lower price band	10093.33
- On upper price band	10602.65
Offer size (in no of shares crore)	4.90
Price band (Rs)	2061-2165
Minimum Bid Lot (in no. of shares)	6
Post issue capital (Rs crore)	
- On lower price band	49.43
- On upper price band	49.43
Post-issue promoter & Group shareholding (%)	87.59
Issue open date	12-12-2025
Issue closed date	16-12-2025
Listing	BSE, NSE
<b>Rating</b>	<b>48/100</b>

<b>ICICI Prudential Asset Management Company: Financials</b>					
	<b>2303 (12)</b>	<b>2403 (12)</b>	<b>2503 (12)</b>	<b>2409 (6)</b>	<b>2509 (6)</b>
Income from Operations	2837.35	3758.23	4977.33	2458.20	2949.38
OPM (%)	73.02	73.89	73.02	74.75	74.93
OP	2071.75	2777.03	3634.65	1837.52	2209.87
Other Income	0.83	2.98	2.34	0.03	0.23
PBDIT	2072.58	2780.01	3636.99	1837.55	2210.10
Interest (Net)	14.91	16.19	18.55	8.78	8.72
PBDT	2057.67	2763.82	3618.44	1828.77	2201.38
Depreciation / Amortization	50.50	65.71	85.39	40.68	51.90
PBT before EO	2007.17	2698.11	3533.05	1788.09	2149.48
EO	0.00	0.00	0.00	0.00	0.00
PBT after EO	2007.17	2698.11	3533.05	1788.09	2149.48
Tax Expenses	491.39	648.38	882.39	460.98	531.74
PAT	1515.78	2049.73	2650.66	1327.11	1617.74
EPS * (Rs)	30.7	41.5	53.6	53.7	65.5
*EPS annualised on post issue equity capital of Rs 49.43 crore of face value of Rs 1 each					
Figures in Rs crore					
Source: ICICI Prudential Asset Management Company Issue Prospectus					