

BFSI firms line up big ticket IPOs in FY26

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A slew of initial public offers by companies in the BFSI (banking, financial services and insurance) space is expected in FY26, going by the offer documents filed with SEBI.

According to market estimates, fund-raising via IPOs, including both fresh issuance of equity shares or offer-for-sale of equity shares or a combination, by BFSI companies in the current fiscal year could easily top the ₹50,000 crore mark or more than three times the amount BFSI companies raised in FY25. In FY25, eight companies in the BFSI space (against 10 in FY24) raised ₹16,275 crore via IPOs (₹9,655 crore), per primedatabase.com

KEY FACTORS

The surge in the BFSI sector

Proposed IPOs

	(₹ crore)
HDB Financial Services	12,500
Credila Financial Services	5,000
Hero FinCorp	3,668
Avanse Financial Services	3,500
Veritas Finance	2,800
SK Finance	2,200

IPOs is driven by an amalgamation of regulatory, market and business considerations, said Ajay Garg, CEO, SMC Global Securities.

A dozen-odd BFSI companies have lined up to tap the equity capital market in FY26. These include upper layer non-banking finance companies such as HDB Financial Services (₹12,500 crore) and Tata Capital, whose quantum of fund raise has not been disclosed yet, but is expected to be in the region of \$2 billion based on the trading of its unlisted shares. Avanse Financial Services (₹3,500 crore), Credila Financial Services (₹5,000 crore), Hero FinCorp

(₹3,668 crore), SK Finance (₹2,200 crore), and Veritas Finance (₹2,800 crore) will also be raising funds via equity issuance.

The other BFSI companies planning to tap the equity markets but still to disclose the amount they intend to raise include Canara HSBC Life Insurance, Canara Robeco Asset Management Company, National Securities Depository Ltd and Groww.

Narendra Solanki, Head Fundamental Research - Investment Services, Anand Rathi Shares and Stock Brokers, observed that after a long lull, equity markets had bounced back 15-20 per

cent from their lows; this has bolstered the confidence of BFSI companies to take the IPO route to raise funds.

The fund-raise by BFSI companies through IPO is seen helping their promoters, especially banks, to tide over the liquidity crunch, he said. The promoters see IPOs as a strategic opportunity to reduce debt, for fund expansion and to comply with enhanced capital adequacy norms.

SMC Global Securities' Garg observed that many NBFCs, insurers and fintechs were tapping the primary market to raise growth capital, meet regulatory norms and diversify funding sources. He emphasised that a push by the RBI and IRDAI was prompting large NBFCs and insurers to list, which will ensure transparency and governance. However, the market is turning selective, with discerning institutional participation expected to drive demand.