

SBI Funds Management draws top sovereign funds in \$1.2 billion IPO

SBI Funds Management, India's largest asset manager, will draw investments from Abu Dhabi Investment Authority (ADIA) and Singapore's GIC as part of its \$1.2 billion initial public offering, two sources with direct knowledge of the matter said.

SBI Funds Management, a joint venture between the country's largest lender State Bank of India and Europe's largest asset manager Amundi, manages assets worth ₹12.5 trillion (\$131.1 billion) as of end-March 2026.

It is expected to be valued at around \$12.3 billion, the sources said, with SBI and Amundi selling a collective 10% of their shares in the joint venture, as part of the issue.

The IPO, likely to open next week, will kick off a busy pipeline of public offerings for India in the second half of the year, with Reliance Jio and National Stock Exchange mega listings expected before the end of 2026.

SBI Funds Management, GIC, Amundi and ADIA declined to comment. SBI did not respond to an emailed request for comment.

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SBI Funds Management's IPO is drawing strong demand from large domestic institutional investors along with top foreign investors from Singapore and the Middle East, the sources said.

"The offering has commitments worth nearly five times of the amount reserved for institutional investors," one of the two sources said.

Despite the strong institutional demand, the fund house plans to keep 50% of the offer reserved for individual investors, the source said.

IPO PIPELINE REBUILDS

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Iran war led to a rise in oil prices, hurting investment sentiment toward the South Asian economy, heavily dependent on imported fuel.

Other IPOs lined up this month include a \$1.2 billion issue from Manipal Health Enterprises and a \$471 million issue from Indo-MIM, two merchant banking sources, separate from those cited earlier, said.

IPOs of the National Stock Exchange of India(NSE) and Reliance Jio with an estimated size of \$3.3 billion and \$3.8 billion, respectively, are expected to open later in the year.

"While the big-name IPOs that are potentially lined up for this month have good traction, the kind of response they receive and listing will decide the fate of the other bigger issues in the pipeline," said Suraj Krishnaswamy, managing director and head of investment banking coverage at Axis Capital.

In 2025, Indian firms raised \$21.8 billion from IPOs. So far in 2026, they have raised \$3.8 billion.

A successful return of large IPOs will also depend on a revival of foreign investor interest in Indian equities. These investors have sold shares worth \$29 billion in the secondary markets so far this year, although selling pressure has eased and investors are giving India a second look, Reuters reported last month.

"We remain optimistic about the \$20 billion IPO fundraise this year despite a subdued first half. Although, a lot of heavy lifting (\$8 billion to \$9 billion) will be done by three to four large IPOs that are in the pipeline," said Bhavesh Shah, managing director and head of investment banking at Equirus.

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