SBI Funds Management IPO: Major sovereign funds likely to pump in $1.2 b

Reuters
Mumbai

SBI Funds Management 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 State Bank of India and Europe's largest asset manager Amundi, manages assets worth ₹12.5 lakh crore 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 per cent 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 in the second half of the year, with Reliance Jio and National Stock Exchange (NSE) 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.

According to capital market data provider Prime Database,251 companies are planning to raise ₹4.93 lakh crore ($51.7 billion) and waiting to come to market.

STRONG DEMAND

SBI Funds Management's IPO is drawing strong demand from large domestic institutional investors along with top foreign investors from Singapore and the West Aisa, 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 per cent of the offer reserved for individual investors, the source said.

SBI Funds Management's public offer will be India's largest IPO since early 2026 after the Iran war led to a rise in oil prices, hurting investment sentiment toward the South Asian economy, heavily dependent on imported fuel.