

# Sign of a revival in IPO mkt after SBI Funds' robust show

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**AFTER A RELATIVELY** slow start to the calendar year, the initial public offering (IPO) market received a major boost last week when the SBI Funds Management issue was subscribed 41.66 times. The strong response has raised expectations for other marquee listings, notably NSE and Jio Platforms, which are expected to tap the market in the second half of the year.

According to Prime Database, the IPO pipeline remains exceptionally strong. As many as 177 companies have already received approval from the Securities and Exchange Board of India (Sebi) to raise nearly ₹2.94 lakh crore. Another 71 companies, seeking to mobilise ₹1.84 lakh crore, are awaiting regulatory clearance. In all, close to ₹5

## PRIMARY MARKET ACTIVITY

Fund raising\*  
(in ₹ crore)



\*till July 19

Prominent issues in the pipeline  
Estimated issue size (in ₹ crore)



lakh crore is likely to be raised through the IPO route. The pending list includes highly anticipated offerings such as NSE, Jio Platforms and Zepto, prompting market experts to remain optimistic about the primary market's near-term prospects.

Against this backdrop, the success of SBI Funds Management IPO comes as a signifi-

cant relief for companies waiting to launch their public issues. It broke several records, becoming the third-most subscribed issue among ₹10,000 crore or above issues and registering the second-highest retail participation since the Reliance Power IPO in 2008.

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# High demand for SBI Funds hints...

FUNDRAISING THROUGH THE primary market has remained subdued so far this year. Despite the successful SBI Funds issue, companies have raised ₹34,343 crore through IPOs so far in 2026, compared with ₹52,213 crore during the corresponding period last year, a decline of 34%, according to Prime Database. Excluding SBI Funds Management, the slowdown would have been even more pronounced.

The successful issue has lifted sentiment among market participants.

A Balasubramanian, MD & CEO, Aditya Birla Sun Life AMC said, "Generally, a well-priced IPO improves investor participation and market sentiment, provided it leaves some money on the table for listing gains. SBI Funds has been fairly priced in this context."

He added that upcoming large IPOs such as NSE and Jio Platforms are also likely to benefit from Sebi's relaxed listing

norms, which allow large issuers to initially divest only 2.5% of their equity instead of the earlier 10% requirement.

Balasubramanian expects Jio Platforms to price its IPO attractively, as Reliance has historically done, leaving adequate listing gains for investors. "This could further improve market sentiment and also trigger a reversal in foreign fund flows, supporting a gradual market uptrend," he said.

Nilesh Shah, MD, Kotak Mahindra Asset Management, said a correctly priced large IPO can revive investor interest, much like the Maruti Suzuki IPO did in the early 2000s.

"The most important factor for a successful IPO is to leave money on the table for investors while building a book of long-term shareholders," he said. Dhiraj Relli, managing director and chief executive officer of HDFC Securities, said the success of the SBI Funds issue would improve pricing confidence among

issuers and investors, strengthen anchor book placements and encourage companies waiting on the sidelines to proceed with their listings.

He said the response also reflected strong investor appetite for businesses with visible earnings, strong brands and financial-sector linkages.

Vaqarjaved Khan, senior fundamental analyst at Angel One, described the issue as a 'sentiment reset' for the primary market.

"The oversubscription of such a large issue shows that retail and institutional investor appetite never disappeared; it was simply waiting for the right quality at the right valuation," he said.

Kamraj Singh Negi, managing director and chief executive officer, Investment Banking, Pantomath Capital, said strong institutional participation and healthy post-listing performance could reinforce investor confidence and provide a posi-

itive benchmark for upcoming issuers. However, he cautioned that one successful IPO alone cannot determine the direction of the market. "It can, however, improve sentiment and encourage companies waiting on the sidelines to revive their listing plans, provided market stability continues," he said.

Khan attributed the slowdown in the first half of the year to the nearly 10% decline in the Nifty from its January peak and the 25-30% correction in the mid- and small-cap indices from their December 2025 highs. "As a result, promoters and private equity investors were unwilling to accept the valuations available in the first half of 2026," he said. He also pointed to foreign institutional investor (FII) outflows of around ₹2.2 lakh crore between October 2025 and March 2026, which weakened institutional demand for large IPOs and made qualified institutional buyer (QIB) subscriptions less certain.