Jio Platforms' anchor book sees 30x demand

Draws record bids worth ₹2.5 trn for ₹8,110 cr on offer

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New Delhi/Mumbai, 19 October

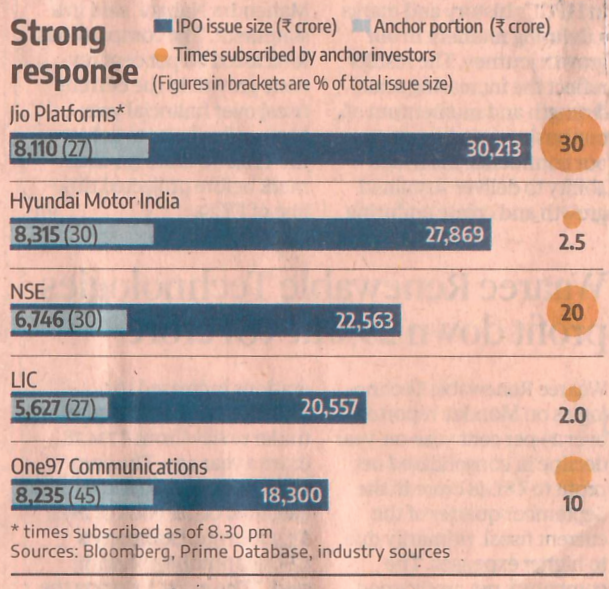
The ₹8,110 crore anchor book of Jio Platforms Ltd's (JPL's) upcoming initial public offering (IPO) was oversubscribed more than 30 times, with institutional bids crossing ₹2.5 trillion, setting a record for demand, according to bankers.

JPL, which houses the Mukesh Ambani-led Reliance group's telecom and digital businesses, seeks to raise ₹30,213 crore at the upper end of the price band. The issue opens for public subscription on October 21 and closes on October 23.

Leading global institutional asset managers, sovereign wealth funds, domestic mutual funds, insurers and pension funds have placed bids, people familiar with the details said, requesting anonymity. The anchor book is expected to feature the largest-ever list of global funds, they added.

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Strong response



* times subscribed as of 8.30 pm
Sources: Bloomberg, Prime Database, industry sources

smaller allocations of ₹10-20 crore," one of the people said, requesting anonymity.

Market sources said the strong anchor book could translate into record participation in the main book and gains on listing, while renewing interest in Indian equity markets.

JPL has seen the strongest anchor demand among the country's mega IPOs. Previous issues by NSE and Swiggy had also attracted strong anchor demand, with private equity funds looking to exit to a large extent.

In contrast, JPL's IPO is a fresh issue where strategic investors are not selling their stakes.

"Anchor demand of ₹2.5 trillion against an ₹8,110 crore book reflects indicative bids, not committed capital. The substantive read is the investor mix. LIC, private insurers, and pension funds anchor the domestic core, while global allocations are driven by expected MSCI, FTSE and Nifty inclusion at a ₹10.3 trillion market cap," said Apurva Sheth, head of research at Samco Securities.

The issue size means mutual funds are likely to subscribe heavily to the IPO, given that JPL's expected market capitalisation exceeds ₹10 trillion.

"Very few companies are of that size. So that means it becomes like an India proxy. Right now, all mutual funds benchmarking the Nifty50 are going to make sure that they have it in their portfolio. I think the IPO will break the last record for IPO collection, and then retail investors will jump in if there is arbitrage to play, because they like to make quick money. The grey market premium is quite active," said Abhay Agarwal, founder and fund manager at Piper Serica.

Reliance Industries (RIL), India's most valuable company with a current market capitalisation of ₹16.28 trillion, has been listed since 1977 and holds a 66.43 per cent stake in JPL.

Meta, Google, KKR, Silver Lake, General Atlantic and other investors collectively invested $20 billion in JPL in 2020. Together, they hold 30.89 per cent of the company, with Meta and Google owning 9.98 per cent and 7.73 per cent, respectively.

The IPO will allow RIL, the group's flagship company, to unlock value in JPL, which houses Reliance Jio Infocomm, India's largest telecom services provider, with more than 533 million subscribers.

Jio is also among the world's largest telecom operators by subscriber base, with its networks carrying more than 60 per cent of India's wireless data traffic in FY26.

After listing, JPL is expected to rank among India's largest listed companies by market capitalisation, alongside rival Bharti Airtel (₹11.69 trillion), HDFC Bank (₹10.97 trillion) and ICICI Bank (₹9.92 trillion). Motilal Oswal has pegged JPL's implied market capitalisation at ₹10.3 trillion.

Brokerages have recommended the IPO to clients, citing JPL's market leadership, pricing power, execution record and growth prospects. These include a capex-light strategy to launch 6G services, the next generation of connectivity with native artificial intelligence (AI), through software upgrades in the early 2030s rather than fresh infrastructure investments.

"Its network runs on a 'Made in India' 5G technology stack developed in-house, including its own 4G+5G core and Operations Support Systems/Business Support Systems, along with India's first fixed wireless service over unlicensed band radio (UBR). JPL logged 15.8 per cent revenue compound annual growth rate (CAGR) over FY24-26, with average revenue per annum increasing from ₹181.7 to ₹214 and subscriber additions of 42.6 million. Its growth strategy builds on this base," said analysts at Emkay Global.

Within 10 years of launch, JPL has scaled to FY26 revenue of Rs 1.47 trillion, Ebitda of ₹73,380 crore with a 50 per cent margin.

Revenue grew at a 15.8 per cent CAGR over FY24-26, which as per Analysys Mason report made it the largest business created in India, in revenue terms, within such a timeframe.

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"Sovereign wealth fund Abu Dhabi Investment Authority (ADIA), which is also an existing investor, has put in bids. It is the only exception in this case where an existing investor has sought additional shares through the open market," one of the bankers said.

ADIA owns 1.16 per cent in JPL through its subsidiary Platinum Jasmine A 2018 Trust, which acquired the stake through a private placement in July 2020.

Global asset managers including BlackRock, Capital Group, Fidelity, T. Rowe Price, Schroders, JPMorgan Asset Management, Franklin Templeton, Invesco and Janus Henderson have bid for the institutional quota. Sovereign investors include Singapore's GIC, Qatar Investment Authority and Norway's Norges Bank Investment Management.

Leading Indian mutual funds, including SBI MF, ICICI Prudential MF, HDFC MF, Aditya Birla Sun Life MF, Nippon India MF and Kotak MF, have also bid for the quota. Insurers and pension funds such as LIC, HDFC Life, SBI Life, SBI Pension, HDFC Pension and ICICI Prudential are among the bidders.

Bankers said large overseas investors and domestic institutions had bid for allocations ranging from $750 million to more than $1 billion each. "Most of the bidders will take a long position on the stock. Given the interest, most Tier-1 funds may get shares worth ₹400 crore to ₹450 crore apiece, while many funds may receive