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WISDOM TO PROSPERITY

SBI FUNDS MANAGEMENT LIMITED

SBI Funds Management Limited

13th July, 2026

IPO Details

IPO Date	14th to 16th Jul, 2026
Face Value	₹1 per share
Price Band	₹545 to ₹574
Lot Size	26 Shares
Sale Type	OFS only
Total Issue Size	20,37,09,239 shares (agg. up to ₹11,693 Cr)
Employee Discount	₹ 54.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	2,03,68,27,612 shares
Share Holding Post Issue	2,03,68,27,612 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15.0% of the Offer
Retail (Min & Max) shares	26 Shares & 338 shares
Retail (Min & Max) application amount	₹14,924 & ₹1,94,012
S-HNI (Min shares & application amount)	364 shares & ₹2,08,936
S-HNI (Max shares & application amount)	1,742 shares & ₹9,99,908
B-HNI (Min shares & application amount)	1,768 shares & ₹10,14,832
Basis of Allotment	Fri, Jul 17, 2026
Initiation of Refunds	Mon, Jul 20, 2026
Credit of Shares to Demat	Mon, Jul 20, 2026
Listing Date	Tue, Jul 21, 2026
Cut-off time for UPI mandate confirmation	5 PM on Thu, Jul 16, 2026
Promoters	State Bank of India, Amundi India Holding and Amundi Asset Management
Registrar	Kfin. Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

SBI Funds Management Ltd was established in 1992 and is the largest asset management company (AMC) in India based on assets under management (AUM). The company manages the well-known SBI Mutual Fund. It is a joint venture between State Bank of India and Amundi. The company offers a wide range of investment products such as equity funds, debt funds, hybrid funds, ETFs, and portfolio management services (PMS). As of 2025, the company manages around ₹16.32 lakh Cr in assets, which represents about 15.5% of India's total mutual fund AUM. It manages a diversified portfolio of 126 mutual fund schemes, covering different categories such as: Equity and equity-oriented funds, Debt funds, Arbitrage funds, Exchange Traded Funds (ETFs), Index funds, Overseas fund-of-funds, Liquid and overnight funds, India-focused investment mandates for institutional investors in Japan, Australia, and Korea, with AUM of ₹23,209.37 Cr, UCITS India-focused funds sponsored by Amundi, with AUM of ₹8,681.64 million, distributed across Europe, Middle East, South America, and Southeast Asia. The company is the largest asset management company in India by mutual fund AUM, benefiting from strong growth and operating scale. It is the largest PMS provider in India, with 39% market share in PMS and advisory assets. It also runs the largest Specialized Investment Fund (SIF) platform with 61% market share. The company has a 16.09% market share in live SIP accounts, showing strong investor trust and long-term investment participation.

Objects of the Issue

- ❑ Offer for sale : ₹11,693 Cr

Particulars (Amount in Crores.)	FY2026	FY2025	FY2024
Revenue from operations			
Asset management fees	4389	3598	2691
Total revenue from operations (I)	**4389**	**3598**	**2691**
Other income (II)	587	638	736
Total income (III=I+II)	**4976**	**4236**	**3426**
Finance cost	9	9	8
Scheme expenses	72	64	49
Employee benefits expenses	441	421	368
Depreciation and amortisation	44	40	37
Other expenses	405	338	290
Total expenses (IV)	**971**	**872**	**752**
EBITDA	**3463**	**2766**	**1976**
EBITDA margin	**79%**	**77%**	**73%**
Profit before tax (V=III-IV)	**4005**	**3364**	**2674**
Share of profit/(loss) of associate (VI)	**14**	**15**	**12**
Current tax	985	770	551
Deferred tax	-32	68	63
Total tax expense (VII)	**952**	**839**	**613**
Profit for the year (VIII=V+VI-VII)	**3067**	**2540**	**2073**
Profit margin	**70%**	**71%**	**77%**
Basic EPS	15.08	12.53	10.29
Diluted EPS	15.04	12.50	10.23

Key Metrics	FY2026	FY2025	FY2024
Cost-to-Income Ratio (%)	19.50%	20.60%	22.00%
RoNW (%)	42.27%	41.75%	43.02%
PAT as % of QAAUM	0.23%	0.24%	0.25%
Operating Revenue as % of QAAUM	0.29%	0.34%	0.35%
Management Fees as % of Total Income	76.20%	81.20%	85.10%

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Competitive Strengths

- **Market Leadership with Strong Scale -** SBI Funds Management is the investment manager of SBI Mutual Fund, the largest mutual fund in India by Quarterly Average Assets Under Management (QAAUM). As of March 2026, the company managed a QAAUM of ₹12.48 trillion, representing a 15.3% market share. It has maintained its leadership position since March 2021. Its large scale enables operating efficiencies, strong bargaining power, broad product reach, and stable fee-based income, while also strengthening its ability to attract new investors.

- **Strong Parentage and Extensive Distribution Network** - The company benefits from the strong backing of State Bank of India (SBI) and Amundi, Europe's largest asset manager. SBI's extensive banking franchise, comprising over 23,265 branches and 530 million customers, provides a significant distribution advantage and access to one of India's largest retail customer bases. At the same time, Amundi contributes global investment expertise, research capabilities, product innovation, and risk management practices. This combination of domestic reach and international asset management expertise strengthens the company's competitive position.

- **Diversified Product Portfolio and Well-Established Investor Base -** SBIFM offers a comprehensive range of investment products across equity, debt, hybrid, passive funds, ETFs, solution-oriented schemes, PMS, AIFs, and offshore funds. As of March 2026, it managed 293 mutual fund schemes catering to retail, institutional, corporate, and international investors. The diversified product mix reduces dependence on any single asset class or customer segment, while its large investor base and strong SIP franchise support recurring inflows and long-term growth in assets under management.

- **Strong Financial Performance and Asset-Light Business Model** - The company has consistently delivered strong financial performance, reporting a Profit After Tax (PAT) of ₹3,067 Cr in FY2026, reflecting a 31.8% CAGR during FY2023–FY2026. As an asset management company, it operates an asset-light business model with limited capital expenditure requirements and generates recurring fee income based on AUM. This results in high operating margins, robust cash generation, and strong return ratios, supporting sustainable long-term profitability.

Key Risk Factors

- **Revenue is Highly Dependent on Capital Market Performance -** The company's primary source of income is management fees, which are directly linked to its Assets Under Management (AUM). A prolonged downturn in equity markets, adverse macroeconomic conditions, higher investor redemptions, or lower SIP inflows could reduce AUM and consequently lower management fee income. Since profitability is closely tied to market performance, periods of market volatility may significantly impact earnings.

- **Significant Dependence on SBI Mutual Fund Business** - SBIFM derives a substantial portion of its revenue from managing schemes of SBI Mutual Fund, which contributed approximately 95.5% of its FY2026 operating revenue (₹4,193 Cr). Any decline in the performance of SBI Mutual Fund schemes, changes in the existing business arrangement, or deterioration in investor confidence could adversely affect the company's revenue, profitability, and future growth prospects.

- **Intense Competition in the Asset Management Industry -** The Indian asset management industry is highly competitive, with several domestic and global AMCs competing for investor assets. In addition, the growing popularity of passive investment products, ETFs, fintech investment platforms, and wealth management firms has intensified competition. Sustained competitive pressure may lead to lower management fees, increased marketing and distribution expenses, and slower growth in market share.

- **Regulatory and Reputation Risks** - The company's operations are subject to regulations issued by SEBI, AMFI, and other regulatory authorities. Changes in regulations relating to expense ratios, commission structures, investment norms, or taxation could affect profitability and business operations. Additionally, the company's ability to attract and retain investors depends on maintaining strong investment performance and brand reputation. Any compliance failures, governance issues, or prolonged underperformance of its schemes could negatively impact investor confidence, resulting in lower fund inflows and higher redemptions.

Comparison with Listed Peers

Name of the company	Market price (Rs.)	Face Value (₹)	P/E Ratio	EPS Basic	EPS Diluted	RoNW (%)	NAV per equity share (₹)
SBI Funds Management Ltd.	NA	1	38.16*	15.08**	15.04**	43.02	29.28
Peers							
ICICI Prudential Asset Management Company Limited	3295	1	49.38	66.73	66.73	85.8	84.39
HDFC Asset Management Company Limited	2773	5	41.71	66.77	66.5	32.9	215.42
Nippon Life India Asset Management Limited	1207	10	51.1	24.05	23.63	34.5	73.01
Aditya Birla Sun Life Asset Management Company Limited	1161	5	34.46	33.76	33.68	25.53	139.94
UTI Asset Management Company Limited	992	10	31.57	31.51	31.41	11.22	350.5

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

The Indian asset management industry has witnessed robust growth, supported by increasing financialization of household savings, rising investor awareness, growing participation through Systematic Investment Plans (SIPs), and favourable regulatory initiatives. The industry's Quarterly Average Assets Under Management (QAAUM) increased from ₹32.1 trillion in March 2021 to ₹81.5 trillion in March 2026, registering a 20.5% CAGR. During the same period, monthly SIP inflows rose from ₹81 billion in FY2020 to ₹310 billion in December 2025, reflecting strong retail participation. Going forward, the industry is expected to maintain healthy long-term growth, supported by increasing disposable incomes, greater mutual fund penetration beyond metro cities, digital distribution channels, and the continued shift from physical to financial assets. Additionally, mutual fund distributor AUM is projected to grow at a CAGR of 14–16% during FY2025–FY2030, driven by sustained retail inflows and expanding financial inclusion.

Incorporated in 1992, SBI Funds Management Limited (SBIFM) is the investment manager of SBI Mutual Fund, the largest mutual fund in India by QAAUM. Promoted by State Bank of India (SBI) and Amundi, Europe's largest asset manager, the company offers a diversified portfolio comprising 293 mutual fund schemes, along with portfolio management services (PMS), alternative investment funds (AIFs), and offshore fund management services. As of March 2026, the company managed a QAAUM of ₹12.48 trillion with a 15.3% market share, supported by SBI's extensive distribution network and a strong retail investor franchise.

The company has delivered consistent financial performance, reporting a PAT of ₹30.67 billion in FY2026, reflecting a 31.8% CAGR during FY2023–FY2026, backed by its asset-light, fee-based business model and strong operating margins. Given its market leadership, strong parentage, diversified product portfolio, robust profitability, and favourable long-term outlook for the Indian asset management industry, the company appears well positioned for long-term growth.

Therefore, we recommend "Subscribe" to the issue for long-term investment, considering its growth potential and valuations.

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