SBI FUNDS MANAGEMENT IPO

July 13, 2026

SBI FUNDS MANAGEMENT LIMITED

SMC Ranking

★★★☆☆ (3/5)

Issue Highlights

Industry	**Mutual fund**
Offer for sale (Shares)	170,956,632
Net Offer to the Public	**170,956,632**
Issue Size (Rs. Cr.)	9317.14-9812.91
Price Band (Rs.)	545-574
Employee discount	Rs.54
Offer Date	14-Jul-25
Close Date	16-Jul-25
Face Value	1
Lot Size	26 Shares

Issue Composition

	In shares
Total Issue for Sale	170,956,632
QIB	85,478,316
NIB	25,643,495
Retail	59,834,821

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	98.19%	89.80%
QIB	1.81%	6.00%
NIB	0.00%	1.26%
Retail	0.00%	2.94%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Part Payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited
2. Inter-Corporate deposits for funding working capital requirement of Falcon Yarns Private Limited
3. General Corporate Purpose

Book Running Lead Manager

- Kotak Mahindra Capital Company Limited
- Axis Capital Limited
- BofA Securities India Limited
- HSBC Securities and Capital Markets (India) Private Limited
- ICICI Securities Limited
- Jefferies India Private Limited
- JM Financial Limited
- Motilal Oswal Investment Advisors Limited
- SBI Capital Markets Limited

Name of the registrar

- KFin Technologies Limited

About the company

SBI Funds Management Ltd., incorporated in 1992, is India's largest asset management company (AMC) by assets under management (AUM) and manages the flagship SBI Mutual Fund. The company is a joint venture between State Bank of India and Amundi, offering a comprehensive range of investment solutions, including equity, debt, hybrid, exchange-traded funds (ETFs), index funds, liquid funds, and portfolio management services (PMS). As of 2025, the company manages assets worth approximately Rs.16.32 lakh crore, accounting for nearly 15.5% of the Indian mutual fund industry's total AUM. As of December 31, 2025, it serves over 1.61 crore investors, comprising both retail and institutional clients. SBI Funds Management oversees a diversified portfolio of 126 mutual fund schemes spanning equity and equity-oriented funds, debt funds, arbitrage funds, ETFs, index funds, overseas fund-of-funds, liquid funds, and overnight funds, catering to a broad spectrum of investor needs. The company also has a significant international presence through India-focused investment mandates for institutional investors in Japan, Australia, and South Korea, with assets under management of approximately Rs.23,209 crore. In addition, it manages UCITS India-focused funds sponsored by Amundi, with AUM of around Rs.8,681.65 crore, distributed across Europe, the Middle East, South America, and Southeast Asia. SBI Funds Management also provides advisory services for Amundi's Global Emerging Markets funds, overseeing India-related assets worth approximately Rs.14,583.97 crore.

Strength

Largest Asset Management Company in India by Mutual Fund AUM: SBI Funds Management Ltd. is India's largest asset management company (AMC) by quarterly average assets under management (QAAUM), holding a 15.3% market share as of March 31, 2026. Its large scale provides significant operating leverage, enabling the company to maintain one of the industry's lowest operating expense ratios while investing extensively in research. Its investment team tracks over 450 listed companies and 250 fixed-income issuers. Between FY2024 and FY2026, mutual fund QAAUM and total QAAUM recorded CAGRs of 16.97% and 14.22%, respectively. A diversified product portfolio, strong active fund franchise, broad revenue base, and favourable structural trends—including increasing SIP adoption, rising household financialisation, growing disposable incomes, and a young investor base—position the company for sustainable long-term growth.

India's Largest Portfolio Management Services Provider: SBI Funds Management is India's largest Portfolio Management Services (PMS) provider, commanding a 39.7% market share by PMS and advisory assets under management as of March 31, 2026. It also operates one of India's largest Specialized Investment Fund (SIF) platforms, with a 28.2% market share. The institutional asset management platform includes PMS,

Alternative Investment Funds (AIFs), SIFs, and advisory mandates, serving pension funds, provident funds, insurance companies, endowments, corporate treasuries, and foreign portfolio investors. The company is also the sponsor and investment manager of the Corporate Debt Market Development Fund (CDMDF), reinforcing its leadership in institutional investing. Supported by diversified revenue streams, strong execution, and rapid expansion in alternative investments, the institutional franchise complements its market-leading mutual fund business.

Market-Leading SIP Franchise: SBI Funds Management has one of India's strongest Systematic Investment Plan (SIP) franchises, with over 1.62 crore live SIP accounts, representing 15.5% of the industry's SIP accounts and 11.4% of total SIP inflows as of March 31, 2026. Its SIP platform offers customer-centric features such as multi-scheme mandates, step-up SIPs, flexible investment frequencies, and investment amounts starting from Rs.250, making mutual fund investing accessible to a wider audience. More than 1.59 crore SIP accounts have remained active for over 37 months, highlighting strong customer loyalty and long-term investor confidence. Continuous financial literacy initiatives, digital convenience, and consistent investment performance have strengthened the company's retail franchise and contributed to steady growth in recurring investments.

Strong Parentage with SBI and Amundi: SBI Funds Management benefits from the combined strengths of its promoters—State Bank of India (SBI) and Amundi Asset Management. SBI provides unmatched domestic reach through its extensive branch network, trusted brand, and digital ecosystem, including the YONO platform, enabling deeper penetration across retail, rural, and NRI investor segments. Amundi contributes global investment expertise, advanced portfolio management capabilities, robust risk management practices, innovative investment solutions, and access to international institutional investors. This strategic partnership has helped the company establish a strong international presence through India-focused investment mandates, UCITS funds, and advisory services while enhancing governance standards, research capabilities, and product innovation, enabling it to effectively serve both domestic and global investors.

Process-Driven Investment Framework and Strong Performance: The company follows a disciplined, research-driven investment process supported by a team of 71 investment professionals with expertise across equity, fixed income, PMS, AIFs, and SIFs. Its collaborative investment approach combines top-down macroeconomic analysis with bottom-up fundamental research and comprehensive risk management, reducing dependence on individual fund managers and ensuring consistency in investment decisions. SBI Funds Management offers diversified strategies across growth, value, quantitative, and thematic investing while continuously introducing innovative products, including India's first Silver ETF and factor-based investment strategies. A strong long-term performance record across equity, hybrid, and debt schemes, supported by a robust investment framework, has strengthened investor confidence and contributed to sustained growth in assets under management.

Pan-India Multi-Channel Distribution Network: SBI Funds Management has established a well-diversified, pan-India distribution network that ensures broad market reach while reducing dependence on any single distribution channel. As of March 31, 2026, the company worked with more than 1.33 lakh mutual fund distributors, including independent financial advisors, banks, national distributors, and SBI's extensive branch network. Digital platforms such as InvesTap and the company's online investment portal further enhance customer accessibility. During

FY2026, over 94% of transactions were completed through digital channels, reflecting strong digital adoption. Supported by partner applications, seamless payment infrastructure, and an effective mix of bank-led, direct, and third-party distribution channels, the company has built a scalable ecosystem that supports growth across urban and rural India.

Robust Technology and Digital Capabilities: SBI Funds Management has developed a scalable technology infrastructure that enhances operational efficiency and customer experience. During FY2026, the company processed approximately 13.10 lakh transactions every month, with 94.25% executed digitally. Its hybrid cloud infrastructure, advanced cybersecurity framework, and internationally certified technology systems ensure secure and reliable operations. The company leverages advanced analytics and artificial intelligence to deliver personalized investment recommendations, improve SIP retention, and optimize customer engagement. Digital innovations such as goal-based SIPs, multilingual voice search, tax estimation tools, and seamless online investing have strengthened the overall customer experience. Combined with digital tools for distributors and the InvesTap platform, these capabilities enhance operational resilience and support long-term business growth.

Strong Governance and Risk Management Framework: SBI Funds Management follows a comprehensive governance and risk management framework supported by an experienced Board, specialized committees, and a robust three-lines-of-defence model. The management team oversees investment, operations, compliance, technology, and enterprise risk functions through clearly defined policies and real-time monitoring systems. Regular stress testing and rigorous risk assessment help manage market, credit, liquidity, operational, and regulatory risks across investment portfolios. The company also integrates environmental, social, and governance (ESG) considerations into its investment philosophy. As a signatory to the UN Principles for Responsible Investment (PRI), it actively engages with investee companies on governance, sustainability, and climate-related issues, reinforcing its commitment to responsible investing, long-term value creation, and prudent asset management.

Strategy

Deepening Retail Penetration in Underserved Markets: SBI Funds Management plans to expand its retail investor base by strengthening its presence across tier-II, tier-III, and rural markets, where mutual fund penetration remains relatively low. The company intends to leverage SBI's extensive branch network, a large distributor ecosystem, and digital investment platforms to reach first-time investors and encourage long-term wealth creation through Systematic Investment Plans (SIPs), including the Jan Nivesh SIP initiative. It also aims to improve financial awareness through investor education programmes and enhance distributor productivity using digital tools and training. By offering personalized, goal-based investment solutions supported by data analytics and cross-selling a broader range of investment products, the company seeks to increase customer engagement, improve wallet share, and drive sustainable growth in its retail business.

Strengthening Digital Capabilities: SBI Funds Management aims to enhance customer experience and operational efficiency by further strengthening its digital ecosystem. The company plans to upgrade its InvesTap platform with AI-enabled

customer support, simplified digital onboarding, financial planning tools, and personalized investment recommendations powered by advanced analytics. It also intends to improve investor retention through predictive analytics while equipping distributors with real-time insights and digital solutions to enhance productivity. Greater integration with SBI's digital banking ecosystem and fintech platforms is expected to provide seamless investment experiences across channels. By combining technology-driven convenience with personalized advisory services, the company seeks to deepen investor engagement, improve operational productivity, and strengthen its competitive position in India's rapidly growing digital investment landscape.

Expanding Product Portfolio and Investment Solutions: SBI Funds Management intends to broaden its product portfolio by expanding passive investment products and alternative investment solutions to meet evolving investor preferences and diversify revenue streams. In the passive segment, the company plans to introduce new index funds and Exchange Traded Funds (ETFs) across thematic, sectoral, smart-beta, fixed-income, target-maturity, international, and commodity categories, offering investors greater diversification opportunities. In the alternatives segment, it aims to strengthen its Portfolio Management Services (PMS), Alternative Investment Funds (AIFs), Specialized Investment Funds (SIFs), and institutional advisory business by launching new investment strategies for high-net-worth individuals and institutional investors. Leveraging SBI's distribution network and digital ecosystem, the company expects to strengthen its leadership across both traditional and alternative asset management segments.

Expanding Global Presence and International Investment Opportunities: SBI Funds Management plans to strengthen its international business by leveraging its strategic partnership with Amundi Asset Management and expanding its presence in global investment markets. Through its International Financial Services Centre (IFSC) subsidiary in GIFT City, the company intends to launch new investment products targeting foreign institutional investors, non-resident Indians (NRIs), family offices, and global investors seeking exposure to India. It also plans to expand overseas investment opportunities for Indian investors through global equity funds, feeder funds, and fund-of-funds. By utilizing Amundi's extensive international distribution network across Europe, the Middle East, Asia, and South America, the company aims to diversify its product offerings, increase cross-border investment flows, and reinforce its position as a preferred gateway for investments into and out of India.

Risk factor

- Revenue and QAAUM are concentrated in a few flagship schemes; underperformance or redemptions could materially impact growth and profitability.
- Non-compliance with SEBI regulations or other regulatory requirements could result in penalties, reputational damage, and operational disruptions.
- Future dividend payouts remain uncertain and will depend on profitability, cash flows, regulatory requirements, and board approvals.
- Continued underperformance of several schemes may trigger investor redemptions, lower inflows, reduced market share, and reputational damage.
- Business operations depend on regulatory licences and approvals; any suspension, delay, or non-renewal could adversely affect operations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Nippon Life Ind.	2933.07	1529.38	23.92	50.70	16.63	72.90	10	1212.65	77524.22
Aditya AMC	2059.51	975.06	33.78	33.89	8.20	139.56	5	1144.9	33110.91
ICICI AMC	6000.92	3298.25	53.63	58.92	2.16	1462.94	1	3160.1	156190.63
HDFC AMC	4622.20	2858.06	66.67	41.43	12.83	215.30	5	2762.1	118398.32
UTI AMC	1890.02	404.12	37.44	26.81	2.86	350.48	10	1003.9	12902.66
SBI Funds Management Ltd	**7885.45**	**2550.06**	**15.06**	**38.12**	**19.61**	**29.28**	**1**	**574.00**	**116913.90**

*Peer companies financials are TTM based
*** SBI Funds Management Ltd financials are based on FY26

Valuation

Considering the P/E valuation on the upper price band of Rs.574, FY26 EPS and P/E are Rs.15.06 and 38.12 multiple respectively and at a lower price band of Rs. 545, P/E multiple is 36.19. Looking at the P/B ratio on the upper price band of Rs.574, book value and P/B are Rs. 29.28 and 19.61 multiple respectively and at a lower price band of Rs. 545 P/B multiple is 18.62. No change in pre and post issue EPS and Book Value as the company is not making fresh issue of capital

Industry Overview

The Indian asset management industry is poised for strong long-term growth, driven by rising financial literacy, increasing retail participation, rapid digitalisation, and a gradual shift from traditional savings to market-linked investment products. The mutual fund industry's QAAUM reached Rs.81.5 trillion in FY2026 and is expected to grow at a 16–18% CAGR through FY2030, supported by rising SIP inflows, expanding participation from Tier II and Tier III cities, and growing investor awareness. Digital platforms, fintech innovation, AI-driven advisory, and UPI-enabled investing are improving accessibility and customer experience, while increasing demat accounts reflect deeper equity market participation. Low mutual fund penetration relative to GDP and household financial assets offers significant growth potential. Rising demand for passive funds, alternative investments, and global investment products, coupled with favourable demographics, higher disposable incomes, supportive regulations, and expanding digital distribution, is expected to sustain robust industry growth in the coming years.

Outlook

SBI Funds Management is well positioned to benefit from India's expanding asset management industry, supported by its market leadership, strong parentage, extensive distribution network, digital capabilities, and diversified product portfolio. Its focus on deepening retail penetration, expanding passive and alternative offerings, and strengthening global presence should support long-term growth. However, investors should monitor scheme performance, regulatory compliance, and concentration risks, which could affect future asset growth and profitability.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Thursday, July 9, 2026
IPO Close Date	Monday, July 13, 2026
Tentative Allotment	Tuesday, July 14, 2026
Initiation of Refunds	Wednesday, July 15, 2026
Credit of Shares to Demat	Wednesday, July 15, 2026
Tentative Listing Date	Thursday, July 16, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	4389.49	3597.76	2690.56
Total expenditure	917.66	823.21	707.26
Operating Profit	**3471.83**	**2774.55**	**1983.30**
OPM%	79.09	77.12	73.71
Other Income	586.62	638.39	735.52
Total Net Income	4058.44	3412.94	2718.82
Interest	9.12	8.60	7.71
PBDT	**4049.33**	**3404.34**	**2711.11**
Depreciation	43.84	40.00	37.49
Profit/ (loss) before Share of profit / (loss) of associate & tax	**4005.49**	**3364.34**	**2673.62**
Share of profit / (loss) of associate	14.32	14.62	12.49
PBT	**4019.81**	**3378.96**	**2686.11**
Tax	952.44	838.81	613.32
Profit & Loss	**3067.38**	**2540.15**	**2072.79**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-26	As on 31-Mar-25	As on 31-Mar-24
Financial Assets			
Cash and Cash Equivalents	19.74	15.46	3.68
Bank balance other than (a) above	88.67	76.89	54.72
Trade receivables	88.22	122.89	107.70
Loans	0.20	0.25	0.24
Investments	5632.88	8054.28	6602.87
Investments accounted for using equity method	71.50	57.18	42.55
Other financial assets	19.48	9.10	8.04
Sub-total - Financial assets	**5920.67**	**8336.04**	**6819.80**
Non-Financial Assets			
Current Tax Assets (Net)	39.36	4.43	1.06
Property, Plant And Equipment	389.51	266.47	253.24
Capital Work-in-Progress	0.00	109.97	0.00
Other intangible assets	1.49	3.44	5.93
Other non-financial assets	69.42	51.53	26.91
Sub-total - Non-financial assets	**499.78**	**435.82**	**287.14**
Total Assets	**6420.45**	**8771.86**	**7106.93**
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.27	2.47	0.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	20.59	17.77	19.08
Other Financial Liabilities	136.78	127.90	111.97
Total Finacial liabilities	**160.64**	**148.14**	**131.59**
Financial Liabilities			
Current tax liabilities (Net)	0.11	0.10	0.04
Provisions	157.13	157.68	130.20
Deferred tax liabilities (Net)	105.53	139.72	74.30
Other non-financial liabilities	33.97	28.68	23.06
Total - Current Liabilities	**296.74**	**326.18**	**227.59**
Total Liabilities	**457.39**	**474.33**	**359.18**
Net worth represented by:			
Equity share capital	203.68	50.79	50.58
Other equity	5759.38	8246.75	6697.17
Total Equity	**5963.06**	**8297.53**	**6747.75**

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