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Fiscal Deficit Widens to 17.9% of Target

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I-T Surveys Nuvama Wealth as part of Jane Street Probe

COMPANIES: PURSUIT OF PROFIT >> 15

Above-normal Rainfall likely During Aug-Sept

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Exit for Early Investors

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"There is general consensus among committee members that an enabling provision should be provided in the regulations to allow promoters to dilute less," said one of the persons cited above.

The capital-markets regulator has formed a sub-group under the primary market advisory committee to look into this proposal. The group is likely to recommend that large companies be allowed to dilute 2.5% and issue shares worth ₹7,500 crore, said four people familiar with the development.

In 2022, Sebi had allowed the go-

vernment to divest 3.5% in Life Insurance Corp's (LIC) IPO, exempting it from the mandatory 5% listing on float. The regulator had also exempted LIC from the lock-in requirement for shares allotted to anchor investors.

LIC, which had a valuation of ₹6 lakh crore, raised ₹21,000 crore through its IPO.

"The rationale is, these are very big companies who don't require so much capital right now but at the same time, they want to provide exit to their early investors," said a top investment banker with a foreign bank. "You can do an IPO with a lower number and give investors ac-

cess to a good company and also meet the minimum public holding norms in a defined timeframe," he said. PhonePe, the country's leading digital payments provider backed by Walmart, is seeking to raise \$1.5 billion in an IPO at a \$15-billion valuation. Depending on when the new rule comes into effect, the move would also help the company.

It could also help Flipkart, another company backed by US retail major Walmart, which may also be looking to list in the domestic market.

The NSE, which is preparing to go public next year, commands a valuation of over \$50 billion, while Mukesh Ambani's Reliance Jio Infocomm, which also plans a listing, is being valued by analysts in excess of \$150 billion, will also be major be-

neficiaries.

"It's a challenge for promoters to create demand for a large public issue. It also sucks out liquidity from the market and causes imbalance," said a managing director at a large domestic investment bank.

Last year, the biggest primary fundraise in an IPO involved Hyundai Motors. The South Korean car-maker picked up ₹27,000 crore in the IPO. Other major IPOs were by Swiggy and NTPC Green, where they raised more than ₹11,300 crore and ₹10,000 crore, respectively.

Last month, HDB Financial Services raised ₹12,500 crore through its public offering.

An initial share sale with an issue size exceeding ₹10,000 crore is cleared only by the Sebi chairman.

SEBI PANEL PROPOSAL

Big Cos may Get to List by Diluting Just 2.5% Equity

Only for companies with valuations more than ₹1 lakh crore

Big on D St

ISSUES OF OVER ₹10,000 CR FROM LAST YEAR

OFFER PRICE (₹)	ISSUE AMOUNT (₹ cr.)
HYUNDAI MOTOR INDIA (Oct, '24)	
1,960	27,859
SWIGGY (Nov, '24)	
390	11,327
NTPC GREEN ENERGY (Nov, '24)	
108	10,000
HDB FINANCIAL SERVICE (June, '25)	
740	12,500

Source: primedatabase.com

Reena Zachariah & George Smith Alexander

Mumbai: India is examining a proposal that could allow large companies, with valuations exceeding ₹1 lakh crore, to dilute only 2.5% of their equity base and issue stock worth ₹7,500 crore in an initial share sale, executives aware of the plan being considered by a top regulatory panel told ET.

The proposal, currently under active consideration by a top Securities and Exchange Board of India (Sebi) panel, would allow entities such as the National Stock Exchange (NSE) and Reliance Jio Infocomm, which command multi-billion dollar valuations, to go public with a smaller float.

Current Sebi rules state that if the post-issue capital of a company is above ₹1 lakh crore, then it is required to offer 5% equity in the initial public offering (IPO) and issue shares worth ₹5,000 crore.

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Overhaul Proposed for