

# Sebi gives one-time relaxation on IPO validity, MPS norms

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**THE SECURITIES AND** Exchange Board of India (Sebi) on Tuesday granted a one-time relaxation on validity of initial public offerings (IPOs) as well as compliance with minimum public shareholding (MPS) norms. The move comes amid weakness in the securities market due to the ongoing West Asia war.

The markets regulator gave a temporary relaxation for firms whose IPO validity will expire between April 1 and September 30, 2026. It granted a one-time extension of validity till September 30, 2026, for such companies, according to a circular.

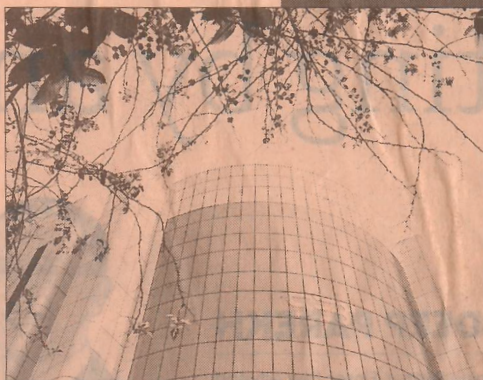
Currently, a public issue must be opened within 12-18 months of getting observation letters from the regulator, as per Sebi's Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018.

As many as 40 issuers will benefit from this decision who

## LENDING SUPPORT

■ Relaxation is for companies whose IPO validity will expire between April 1 and September 30

■ Relief in MPS norms applicable for firms whose due date for compliance falls in the same period



■ IPO relief beneficiaries may include Credila Financial Services, Hero Fincorp and Juniper Green

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are estimated to raise at least ₹43,500 crore in all, according to data from PRIME Database.

Among the beneficiaries are Credila Financial Services, Dorf-Ketal Chemicals India, Continuum Green Energy, Hero Fincorp, and Juniper Green Energy, whose IPO validity were set to expire between April 15 and August 28.

The relief has been provided on the condition that the lead

manager to the issue will provide a written undertaking, confirming the compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to Sebi.

Against the backdrop of the geopolitical tensions in West Asia, industry bodies informed Sebi about issuers' difficulties regarding mobilising resources and accessing the capital market. "This has led to

several issuers to defer, recalibrate or withdraw issuance plans leading to potential lapses in observation letter validity and duplication of regulatory processes," Sebi said.

Primary and secondary markets have been seeing the ripple effect of the war. Since the beginning of the war at the end of February, the secondary market has fallen 8%. Foreign investors pulled out over

\$12 billion, a record outflow.

February saw the second-lowest number of issuances in FY26, with 17 IPOs raising ₹4,650 crore. Some firms had kept their public offers on hold due to market conditions, including the mainboard IPO-bound PhonePe and GIFT City IPO-bound XED Executive Development, which withdrew its issue last week.

Sebi also granted a one-time relief in MPS norms for listed entities. It said the relief will be applicable for firms whose due date for compliance falls between April 1 and September 30.

As a result, recognised stock exchanges and depositories will not take any penal action for non-compliance of norms during this period. Any such action initiated during the specified time period will be withdrawn, Sebi said in another circular. The regulator also advised stock exchanges to make amendments to by-laws, rules and regulations to implement Sebi's decision.