

Regulator grants extension for IPO approvals

Reuters

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MUMBAI: India markets regulator on Tuesday granted a one-time extension for approved initial public offerings (IPOs) that are being deferred due to weak market sentiment as a result of the West Asia war, which has entered the sixth week.

The relief will apply for companies whose regulatory

approval will lapse between April 1 and September 30, the Securities and Exchange Board of India (SEBI) said, extending it to until September 30.

India mandates that companies must go public within 12 to 18 months of regulatory approval.

The regulator said exchanges will not penalize companies that cannot meet the requirement of having a minimum of 25% shares with

the public. This leeway will also be until September 30.

Similar extensions were given during the covid-19 pandemic.

The relaxations follow requests from market participants as the war and the resultant market volatility have led several firms to defer or withdraw share issuance plans.

Regulatory clearances of about 40 companies planning to mobilise capital to the tune

of ₹43,500 crore (\$4.68 billion) would have lapsed by September 30, data from information provider Prime Database showed.

“The extension enables issuers to better assess market conditions and strategically time their IPO launches amid heightened volatility and subdued sentiment,” Mahavir Lunavat, chairman of Association of Investment Bankers of India, said.