

Sebi breather for IPO aspirants

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MUMBAI

In a significant relief to companies headed for listing on India's public markets amid heightened market volatility, the Securities and Exchange Board of India (Sebi) has opened a six-month window to adjust issue sizes by up to 50% without triggering fresh regulatory filings, for compa-

nies opening their public issues before 30 September 2026.

"Sebi has decided to permit issuer company to increase or decrease issue size up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board on a case to case basis," read an email dated 13 April sent by the market regulator to industry body Association of Investment Bankers of India

(AIBI), a copy of which was seen by *Mint*.

The move could come as a relief for companies aiming to go public before September, provided they list before their IPO approvals lapse. Some upcoming issues include the Munjal family's ₹3,600-crore Hero Fincorp Ltd, Morgan Stanley-backed Continuum Green Energy Ltd's ₹3,650-

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crore plan, and Norwest Venture Partners-backed Veritas Finance Ltd's proposed ₹2,800-crore IPO, according to data from Prime Database.

The relaxation comes with guardrails: the main object of the issue must remain unchanged, and lead managers must certify compliance with Sebi regulations. Issuers are also required to seek approval from Sebi with justification for the change in issue size by up to 50%.

Under current Sebi rules, if the issue size in a fresh issue is changed by more than 20%, the company is mandated to file fresh draft offer documents. That threshold changes to 50% in an offer for sale (OFS).

The changes come after Sebi said it received representations from Aibi. "Sebi has received representation from the industry body on difficulties faced by the issuers in mobilizing resources and accessing the capital market in the backdrop of ongoing geopolitical tensions in the Middle East," the email to AIBI said.



The main object of the issue must remain unchanged. REUTERS

Sebi did not immediately respond to *Mint's* queries.

Dharmesh Anil Mehta, managing director and chief executive officer at DAM Capital Advisors, said Sebi's move is timely and pragmatic. "It gives issuers much needed flexibility to align their issue size with current market conditions and demand," he said. "The timeline is sufficient for now and provides immediate relief to the issuers. If volatility continues, there may be merit in extending the timelines further."

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