



SEBI has allowed companies to revise IPO fresh issue sizes by up to 50% without refiling a draft offer document, according to sources. The move aims to ease capital raising in volatile markets. Currently, firms must refile if the issue size changes by more than 20% from the original plan.

Sebi allows companies to resize fresh issue size sans new IPO papers

India's market regulator Wednesday permitted companies to increase or decrease the fresh issue size of the initial public offerings (IPO) by up to 50% without filing a fresh draft offer document, two people familiar with the development told ET. The regulatory latitude seeks to support capital raising in a volatile market.

At present, the Securities and Exchange Board of India (Sebi) rules require companies to refile their draft prospectus if the issue size changes by more than 20% from the original estimate.

“Sebi has received representation from the industry on difficulties faced by the issuers in mobilising resources and accessing the capital market in the backdrop of ongoing geopolitical tensions in West Asia,” the regulator said in a letter to the Association of Investment Bankers of India (AIBI).

An email query sent to Sebi remained unanswered.

The relaxation will be available for IPOs opening before September 30, 2026. Any company looking to revise its issue size by up to 50% must submit a request to the regulator, explaining the reasons for the change, the regulator said in a letter to AIBI.

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“By allowing increased flexibility in changing the IPO size, the regulator has provided much-needed relief to the issuers who were genuinely ready to access the markets but were waiting for geopolitical concerns to subside, without the burden of filing fresh DRHPs,” said Abhinav Kumar, partner — Capital Markets, TT&A.

Last week, Sebi gave one-time relaxation to IPO-bound companies by giving more time to launch their IPOs where deadlines were set to expire between April 1 and September 30. These companies can now launch the IPO until September 30.

“It’s a timely and proactive move by Sebi, especially in the context of heightened global volatility,” said Dharmesh Mehta, MD and CEO of DAM Capital Advisors Ltd. “In such an environment a pragmatic and responsive regulatory approach is essential which facilitates capital raising activity while maintaining strong standards of governance,” he said.

As of April 2, Sebi has given consent to 143 companies to launch their IPOs, they could collectively raise ₹1.75 lakh crore, according to Prime Database. According to a securities lawyer, Sebi is allowing greater flexibility in deal sizes amid volatile conditions, particularly for issues delayed during the Iran war period, while maintaining disclosure standards and investor protection.

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