

# Companies delay IPO plans amid unfavourable conditions

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Mumbai, March 9

**A YEAR-LONG FRENZY** in the primary markets has paused since the beginning of this year, mainly due to volatility in the markets following negative global cues and the outbreak of the war between Russia and Ukraine. Several companies have delayed their plans to launch their initial public offerings (IPOs) ahead of the mega LIC public offer that was scheduled for March. So far this year, only three companies — Adani Wilmar, Vedant Fashions, and AGS Transact — have raised ₹7,249 crore from the public markets. However, during the same period last year, 16 companies had launched their IPOs and raised nearly ₹15,000 crore. The overall funds garnered through public issues in 2021 surpassed ₹1 lakh crore.

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## TAKING A PAUSE

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sentiment negative. So far in 2022, Sensex and Nifty have corrected by 6.1% and 5.9%, respectively, and the FPIs have sold shares worth \$13.1 billion during the same period. Currently, around 52 companies have

received a nod from the capital markets regulator to launch their IPOs to raise a total of ₹77,712 crore, data from prime-database.com showed. Several new-age technology companies, including Del-

hivery and Mobikwik, which have already received approvals, have delayed their IPO plans amid unstable market conditions after a sharp fall in share prices of tech companies.

“Companies have definitely taken a back seat as the plans clearly were to launch by January or early February or to wait until the mega LIC IPO hits the market. The second thing is that the overall valuation game of tech companies has also led to a delay in plans of some major companies. Additionally, Russia-Ukraine crisis has further affected the market,” Gopal Agrawal, MD & head, investment banking, Edelweiss Financial Services, told FE.

Experts believe that the primary markets work in tandem with the secondary markets and some clarity can be seen only after directions of the LIC IPO and some relief from the ongoing war between Russia and Ukraine. “We can see some clarity only after clear directions of LIC IPO and some relief on the war front,” Agrawal said.