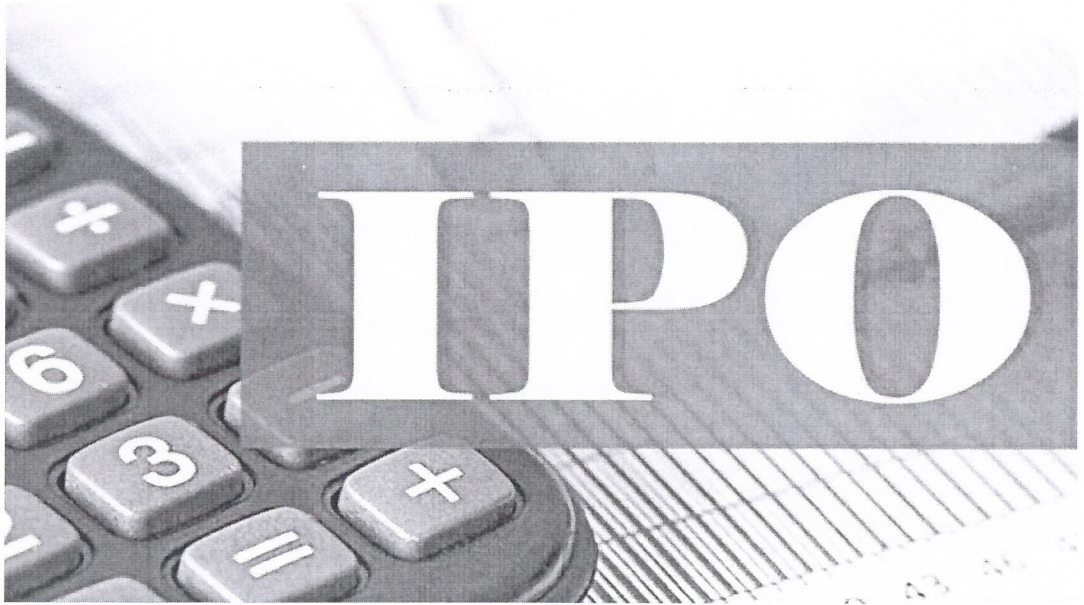


Russia-Ukraine crisis: Companies delay IPO plans amid adverse conditions

By The Bharat Express News - March 10, 2022



Market volatility is partly the result of selling off by foreign investors and now the Russian-Ukrainian war has turned sentiment negative. So far in 2022, Sensex and Nifty have corrected 6.1% and 5.9%, respectively, and REITs have sold shares worth \$13.1 billion over the same period.

A year-long frenzy in primary markets has come to a halt since the beginning of this year, mainly due to market volatility following negative global signals and the outbreak of war between Russia and Ukraine. Several companies have delayed their plans to launch their initial public offerings (IPOs) ahead of the mega LIC public offering that was scheduled for March. So far this year, only three companies – Adani Wilmar, Vedant Fashions and AGS Transact – have raised Rs 7,249 crore in the public markets. However, during the same period last year, 16 companies had launched their IPOs and raised almost Rs 15,000 crore. Overall funds raised through public issuances in 2021 exceeded Rs 1 lakh crore.

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Currently, about 52 companies have been given a green light by the capital markets regulator to launch their IPOs to raise a total of Rs 77,712 crore, according to data from [primedatabase.com](#). Several new-era tech companies, including Delhivery and Mobikwik, which have already received approvals, have delayed their IPO plans amid turbulent market conditions after a sharp decline in tech company stock prices.

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"Companies definitely took a step back because the plans were clearly to launch in January or early February or wait for LIC's mega IPO to hit the market. The second thing is that the overall tech company valuation game has also caused some large companies to delay their plans, and the Russian-Ukrainian crisis has further affected the market," Gopal Agrawal, Managing Director and Head of Investment Banking, Edelweiss Financial Services, told FE. .

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