

Lock-in of ₹1.5 trn shares set to end

66 companies will see the end of lock-in period in the next four months

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LOCK-IN PERIOD EXPIRY

Name of the issue	Issue size (₹ cr)	Lock-in shares (mn)
Tata Tech	3,000	262
JSW Infra	2,800	103
Bharat Highways InvIT	2,500	83
Global Health	2,200	54
IREDA	2,200	1,478
Cello World	1,900	124
Juniper Hotels	1,800	11
Honasa Consumer	1,700	158
Entero Healthcare	1,600	3
5 Star Business	1,600	58

Source: Nuvama Institutional Equities

ted to them in IPOs for at least 90 days. Similar restrictions are also placed on promoter shares in the IPO companies.

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THE MARKET REGULATOR had introduced lock-in periods to safeguard the interest of small investors by ensuring stability in the share prices of the newly-listed companies, at least for some time. The regulations also help restrict promoters and institutional investors from early exit if the stock gets listed at lofty valuations.

Added Jasani, "If some stock has not performed since listing and is below listing or issue price, the selling pressure might be higher as the pre-IPO investors may not be willing to wait out more."

On several occasions earlier, shares of companies with lock-in period expiry have come

under intense selling pressure. Most notable among these are Zomato, FSN E-Commerce, PB Fintech and Delhivery.

Most notably, shares of Zomato saw significant selling with major investors like Alibaba, Moore Strategic Ventures and Uber selling stake in the company after the expiry of lock-in period.

However, things seem to have stabilised significantly now as the fear of sky high valuations seem to have receded amid market players.

The lock-in period of Zomato and other new age companies coincided with the period when startups were undergoing a massive valua-

tion correction. Shares of many of these companies, which were yet to turn profitable during their listing, were also listed at lofty valuations, exacerbating the selling pressure.

Of the 75 stocks that got listed in FY24, as many as 14 are trading at a price 10% lower than the issue price, data from Prime Database showed. These include Gopal Snacks, Flair Writing Industries, Fedbank Financial Services and Credo Brands Marketing. Among the biggest IPO gainers were Indian Renewable Energy Development Agency, Tata Technologies, Netweb Technologies, Cyient DLM, BLS E-Services, and Tata Technologies.

New Delhi



AS MANY AS 66 companies will see the end of the lock-in period of their shares worth ₹1.48 trillion in the next four months. Market experts said this could lead to some selling pressure on these stocks.

Among the big names whose anchor and other investors will get an opportunity to exit include Tata Technologies, Mamaearth-promoter Honasa Consumer, Cello World, and Jana Small Finance Bank, according to a report by Nuvama Wealth Management.

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On April 1, the lock-in period of some shares of Global Surfaces, Sai Silks, JSW Infrastructure, Platinum Industries, and Exicom Technologies, will expire.

Deepak Jasani, head of retail research at HDFC Securities said that while there could be some selling across the counters where lock-in periods will expire, it may not impact the share price so much if the stock has performed well since its initial public offering (IPO).

As per the Securities and Exchange Board of India (Sebi) regulations, anchor investors have to hold at least 50% of the shares allot-