

# Sebi fast-tracks IPO approvals

**Average time taken for nods falls by 17% YoY to 107 days in FY24**

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**THE SECURITIES AND** Exchange Board of India (Sebi) has continued to fast-track approvals for initial public offerings (IPOs), keeping up with the buzzing primary market in India. The market regulator took 107 days on an average to accord its approval to IPOs filed in FY24, down 17% from 129 days in FY23, according to data from PRIME Database.

Some of the reasons behind faster approval are the increase in the number of Sebi employees, use of artificial intelligence (AI) tools and self-certifications by merchant bankers, investment bankers said.

In fact, in some cases, IPOs have been approved in less than two months. In the past couple of years,

## BUZZING PRIMARY MARKETS

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■ Sebi now keeps merchant bankers and lawyers in the loop on what is expected in the draft document

public issues of Ideaforge Technologies, Aadhar Housing Finance, Brainbees Solutions, Bharti Hexacom, Cello World, and Indian Renewable Energy Development Agency have received the regulator's nod in less than two months.

"This depends a lot on how much work has gone into filing the DRHP. Typically, before filing the DRHP, better-quality bankers and lawyers take a lot of care with regard to the rejection criteria that Sebi looks for. So, when the document comes to Sebi, its observations are

softer," said Ramnish Kochgave, president of investment banking at Elara Capital. The quality of document plays an important role and it has significantly improved over the years, he added.

There has been a sharp increase in the primary market activity over the last three years. A total of 72 DRHPs filed with Sebi in FY24 received its final observations, compared to 63 in FY23. The number is set to increase in FY25, as per market experts.

The market regulator has made a

lot of improvements over the years in the way it deals with the IPO process, an investment banker said. Sebi now requires more self-certifications from merchant bankers, which act as an additional level of compliance, apart from certifications from company secretaries.

Moreover, the regulator has made it a point to keep merchant bankers and lawyers in the loop on what is expected in a draft IPO document, which has helped make the process faster, the investment banker said.