

Sebi speeds up IPO nod with AI help

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THE SECURITIES AND Exchange Board of India (Sebi) is speeding up clearances of initial public offerings (IPOs), boosting an already-strong pipeline of share sales that could hit a record this year, regulatory and investment banking sources said.

Sebi will try to approve a majority of the IPOs within three months of filing, the sources said. Previously, such clearances sometimes took up to six months.

Continued on Page 7

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SHORTENING IPO APPROVAL timelines is among the changes that new Sebi chief Tuhin Kanta Pandey is bringing as part of a goal to ease regulation. Disclosure requirements on companies were significantly tightened before Pandey took over the reins, which increased the timelines for companies to go public.

Sebi is using artificial intelligence to scan documents for shortcomings and engaging with merchant bankers to speed up clarifications needed, the regulatory sources said.

"In a market that is overcrowded with issuers wanting to catch the right window to list, Sebi's approach in recent times has helped ease the pres-



sure," said Madhurima Mukherjee Saha, partner at JSA Advocates & Solicitors.

"We expect around Rs 1.5-1.75 lakh crore worth of fundraisings through IPOs in 2025 — possibly higher than the record-breaking fundrais-

ings seen in 2024," said Bhavesh Shah, MD and head of investment banking at Equirus.

In 2024, companies raised \$20.5 billion via public offerings, making India the world's second-biggest IPO market in terms of funds raised after the US. It has retained that position so far in 2025, LSEG data shows.

Public offerings worth nearly \$13 billion have already been approved by the regulator, while another \$18.7 billion worth are pending approval, according to data provided by PRIME Database.

In addition, 17 companies have opted for the confidential filing route, which allows for

limited initial disclosures, so far this year, compared to just four between 2022 and 2024, according to the data.

While the primary market remains strong despite geopolitical tensions, the pricing will have to be "accommodative" given the correction in secondary market valuations, said Neha Agarwal, managing director and head of equity capital markets group at JM Financial.

The benchmark Nifty 50 is up 5% so far this year and has substantially underperformed most emerging market peers, with MSCI's broadest index for Asia-Pacific stocks outside Japan rising about 18%.

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