

**AVERAGE NUMBER OF DAYS FOR APPROVAL** down to 18-year low of 67 in 2021; changes to capital and disclosure norms and carefully prepared papers have helped expedite process, say bankers

# Sebi's IPO Clearance on the Fast Track This Year with All the Checks in Place

Rajesh.Mascarenhas@timesgroup.com

**Mumbai:** If you have been struggling lately to keep track of the raft of IPOs, you could put it down to careful preparation, top-notch legal drafting, and listing law changes built around raising the 'ease of doing business' quotient.

That should put your mind at ease as an investor: The proposals are being passed with stringent checks still by the Securities and Exchange Board of India (Sebi).

The average number of days taken for IPO approvals in 2021 is at an 18-year low — at just 67 days. That compares with an average of 214 days taken for the IPO approvals in 2008, or 198 days in 2013, or about 100 days in 2018, showed data compiled from primedatabase.com.

The IPO proposal of Mumbai-based realty major Macrotech Developers and Seven Islands Shipping got approvals in just 35 days early this year while the issues of Ami Organics, Vijaya Diagnostics, and Glenmark Life Sciences received regulatory nods in 44-48 days.

Changes in capital and disclosure requirements (ICDR), besides better preparations, have helped.

"Re-writing the ICDR regulations rationalised and standardised disclosure requirements while investment

bankers are now exercising greater due diligence before submitting an offer document, thereby reducing the protracted question-answer correspondence," said Pranav Haldea, MD, Prime Database Group. "This is also a good development and anxiety-killer for the issuers, as they can now time their IPOs much faster, rather than wait for months by which time the markets may become unfavourable."

## DRHP to Debut

### Fastest Approvals in 2021

IPO	No of days*
Seven Islands Shipping	35
Macrotech Developers	35
Ami Organics	44
Vijaya Diagnostic	46
Glenmark Life	48
Nazara Tech	52
Sansera Engineering	58
Chemplast Sanmar	60
Devyani International	60

\*Average no of days taken for approval



## Historical Average

Year	No of Issues	No of days*
2008	52	214
2009	58	131
2010	110	151
2011	64	192
2012	18	173
2013	11	198
2014	17	117
2015	45	89
2016	30	87
2017	49	75
2018	86	97
2019	26	89
2020	22	76
2021 (YTD)	32	67

SOURCE: primedatabase.com

kept in abeyance, while 37 IPOs filed in the last two months are currently under process.

"Sebi has been super-efficient in clearing offer documents of late," said Dharmesh Mehta, MD & CEO, DAM Capital. "The entire IPO process has been simplified, standardised and made process-driven, which sends a positive signal to the investors and also to the corporate planning to raise funds."

In 2018, Sebi amended the ICDR norms by rationalising disclosure requirements and cutting the financial disclosures to three years from five.

Except in the case of Aditya Birla Sun Life AMC, which was kept in abeyance, the maximum days taken for approvals in 2021 was between 90 and 99 days for Tatva Chintan Pharma, Utkarsh Small Finance, Exxaro Tiles, and Jana Small Finance Bank.

In 2020, Sebi cleared 22 IPOs, and the time taken was 76 days on average. A record of 86 IPOs was cleared in 2018 by the market regulator on average 97 days. Between 2007 and 2014, IPOs used to take on average 157 days for the approvals.

"The regulatory officials constantly meet investment bankers and legal experts to understand the problems of filing the IPO papers and had amended the ICDR regulations accordingly," said the head of a leading investment bank.

The regulator in the past has been accused of taking a long time to clear the IPO issues. However, it approved as many as 32 IPO applications in the first eight months of 2021. Only two IPOs, such as Aadhar Housing Finance and Panna Cement Industries, are currently pending over 60 days for clarifications from the bankers. Three IPOs, of Go Airlines, Adani Wilmar, and Gemini Edibles & Fats India, are