

# Sebi Ready with Speed Gun on IPO St

**SAFETY FIRST** Avg approval time for public offers in 2024 up at 125 days, most in 11 years

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**Mumbai:** As companies flood the primary market, the Securities and Exchange Board of India (Sebi) has intensified surveillance of initial public offerings (IPOs), slowing approvals, as it looks to safeguard investors.

The average approval time for IPOs in calendar year 2024 has lengthened to 125 days, the most in 11 years, according to primedatabase.com data. Out of the 44 IPOs approved by Sebi this year, 18 have taken more than 125 days, data showed.

Bankers said Sebi has become stringent on key performance indicators (KPIs), the number of pre-IPO shareholders, and

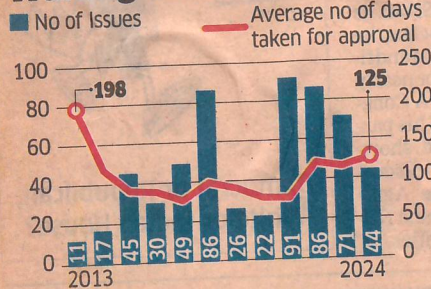
other disclosures. This has resulted in delays, with some draft papers being sent back for revisions or approvals having got stalled, they said.

The market regulator denied this. "The statement that average approval time for IPOs in 2024 has increased to 125 days is not borne out by the data available with Sebi," it said in an email.

The regulator said in the financial year 2023-24, the average time taken to issue observation letters for public issues was 114 calendar days. It however did not provide data on the days taken for approval in calendar year 2024.

In 2020 and 2021, Sebi cleared 113 IPOs, with average approval time down to a record 75 days, according to primedatabase.com data. It increased to 120 days for the approval of 86 IPOs in 2022 and 114 days in 2023. Between 2015 and 2021, IPOs took an average of 84 days for approval, compared with 157 days between 2007 and 2014.

## Waiting Game



## IPOs Approved in 2024

No of days between filing and nod

Go Digit General	336
Akme Fintrade	202
Asirvad Micro Finance	200
Northern Arc Capital	184
Saraswati Saree Depot	176
Emcure Pharma	173
Unicommerce Eolutions	172
Ola Electric Mobility	167
Tbo Tek	150
JNK India	147

Source: primedatabase.com

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## Approval Pending for 36 Cos

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"With the markets in a buoyant mood, the regulator may be focusing more on disclosures relating to performance and justification of valuation, in the interest of investors," said investment banker Ravi Sardana.

Out of 44 IPOs that have received approval so far this year, 11 got it within 100 days. The rest took between 100 and 336 days to get approval.

Sebi took 336 days to approve Fairfax-backed Go Digit General Insurance's IPO due to concerns over the legality of some share issuances. The company re-filed its IPO papers in March 2023.

According to Sebi, Go Digit General Insurance and Ebix Cash "are outliers in terms of time taken to issue observation letters" as these IPOs had regulatory issues with their respective regulators.

Non-banking financial company Akme Fintrade (India), which re-filed its draft papers last year, received Sebi approval after 202 days. Asirvad Micro Finance, a subsidiary of Manappuram Finance, received approval from the regulator after 200 days.

Changes in the Issue of Capital and Disclosure Requirements (ICDR) and more carefully prepared draft documents by investment bankers and securities lawyers had helped reduce the approval period over the years. In 2018, Sebi amended the ICDR norms by ratio-

nalising disclosure requirements and cutting financial disclosures to three years from five. The latest delays in approvals have raised concerns among investment bankers.

"The regulatory officials are constantly raising issues related to valuations and key performance indicators with the investment bankers," said the head of leading investment banking.

"For some IPOs, Sebi raises objections while some are kept pending without citing any reasons."

According to the latest Sebi status report, approval is pending for 36 companies, of which 12 have been held up for more than 100 days. Waaree Energies filed its IPO papers on December 29 but has yet to receive Sebi's nod while approval for the One Mobikwik Systems IPO has been pending since January 6. Some March filers such as Transrail Lighting, Baazar Style Retail, Stallion India Fluorochemicals and PN Gadgil are yet to receive the Sebi nod.

Approval for the National Securities Depository Ltd (NSDL) issue has been pending since July 2023. The regulator has sought clarifications from 16 companies, including NSDL, in all.



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