

Market Hot, Cos Cut IPO Launch Time After Sebi Nod

Average days taken to roll out an IPO down from 137 in 2022 to 81 in 2024

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ET Intelligence Group: Rallying markets have ensured that companies along with merchant bankers become more efficient in rolling out IPOs.

Though the time market regulator Securities and Exchange Board of India (Sebi) takes to approve IPOs has increased to a 11-year high in calendar year 2024, the time companies take to roll out IPOs on receiving regulatory approval has been steadily declining over the past three years.

According to data from Prime Database, the average time taken to roll out the IPO after Sebi approval has decreased from 137 days in 2022 to 123 days in 2023 and fallen further to 81 days in 2024 year-to-date. A company can launch its IPO within a year of getting Sebi's nod.

Incidentally, several companies in 2023 took more days to list despite receiving Sebi approval. For instance, Senco Gold took 364 days to roll out an IPO, Yatharth Hospital took 358 days, Innova Captab 344 days, HMA Agro Industries 348 days and Yatra Online 302 days.

Similarly, in 2022, companies such as Radiant Cash Management Services, Fusion Micro Finance, Tracxn Technologies, Electronics Mart India, Global

Moving Fast

Calendar Year	Average number of days taken to roll out IPO after receiving Sebi approval	No. of IPOs
2019	148	16
2020	151	15
2021	63	63
2022	137	40
2023	123	57
2024*	81	42

*till date



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Health, Five Star Business Finance and Elin Electronics took more than 300 days to roll out their IPOs.

In contrast, there are only two companies — J G Chemicals and Rashi Peripherals — that took longer than 300 days to roll out their IPOs this year. In fact, of the 42 companies planing to roll out their IPOs this year, 17 managed to roll it out in under 40 days. For instance, Bharti Hexacom, Juniper Hotels and TBO Tek have each rolled out their IPOs in 23 days of receiving Sebi approval.

"The process has become more efficient now," said Dharmesh Mehta, MD, Dam Capital. "A lot of IPO-related planning which was earlier done after recei-

ving the Sebi approval, is now done before the approval. This enables the companies to roll out IPOs sooner," he said.

"The number of days taken to roll out an IPO can differ from company to company," said an investment banker who did not wish to be identified.

"It is a function of several factors — company's preparedness, promoter expectation on the valuations, how the broader markets have functioned, and how quickly bankers have been able to build the book."

With stock markets rallying to record highs, investors are more than willing to bet on IPOs making it easier for the company to raise funds.