



**INDIA JURIS**  
International Law Firm

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# **FRAMEWORK FOR RIGHTS ISSUE (2026)**

Under IFSC Listing Regulations, 2024

# OVERVIEW

## WHAT IS A RIGHTS ISSUE?

A Rights Issue is a method through which a company raises additional capital by offering new shares to its existing shareholders in proportion to their current holdings. This ensures that existing investors get a fair opportunity to maintain their ownership stake in the company.

## PURPOSE OF THIS CIRCULAR

*(Issued by International Financial Services Centres Authority)*

This framework has been introduced to bring clarity and consistency in the rights issue process within IFSC. It aims to:

- Ensure greater transparency in capital raising activities
- Strengthen investor protection and confidence
- Establish a standardized and regulated framework for rights issues

## APPLICABILITY

Applicable to companies whose securities are listed exclusively on recognised stock exchanges in IFSC

Not applicable to companies having dual or secondary listings on other exchanges



# ELIGIBILITY & CONDITIONS

## ELIGIBILITY REQUIREMENTS

### BASIC CRITERIA FOR ISSUERS

- Issuer must be listed on a recognised stock exchange in IFSC
- Securities of the issuer must not be suspended from trading
- Eligibility must be met at the time of filing draft offer
- Conditions must also be satisfied at final offer stage
- All partly paid equity shares must be fully paid or forfeited
- Issuer must comply with requirements specified by the authority

## CONDITIONS & COMPLIANCE

### PROCEDURAL & REGULATORY REQUIREMENTS

- In-principle approval from stock exchange is mandatory
- Draft Letter of Offer must be submitted for review
- Final Letter of Offer must be filed before issue opening
- Issuer must comply with laws of its home jurisdiction
- Must follow guidelines issued by International Financial Services Centres Authority
- In case of conflict, home jurisdiction laws shall prevail

# RECORD DATE & PRICING



## Record Date

The record date is fixed to determine eligible shareholders for the rights issue. Eligibility is based on shareholding as on the specified date.



## Key Rules

Advance notice of the record date must be given to stock exchange(s) with a clear purpose. Withdrawal after announcement restricts fundraising for six months.



## Issue Pricing

The issue price must be decided before fixing the record date. The issuer may consult the stock exchange while determining the price.



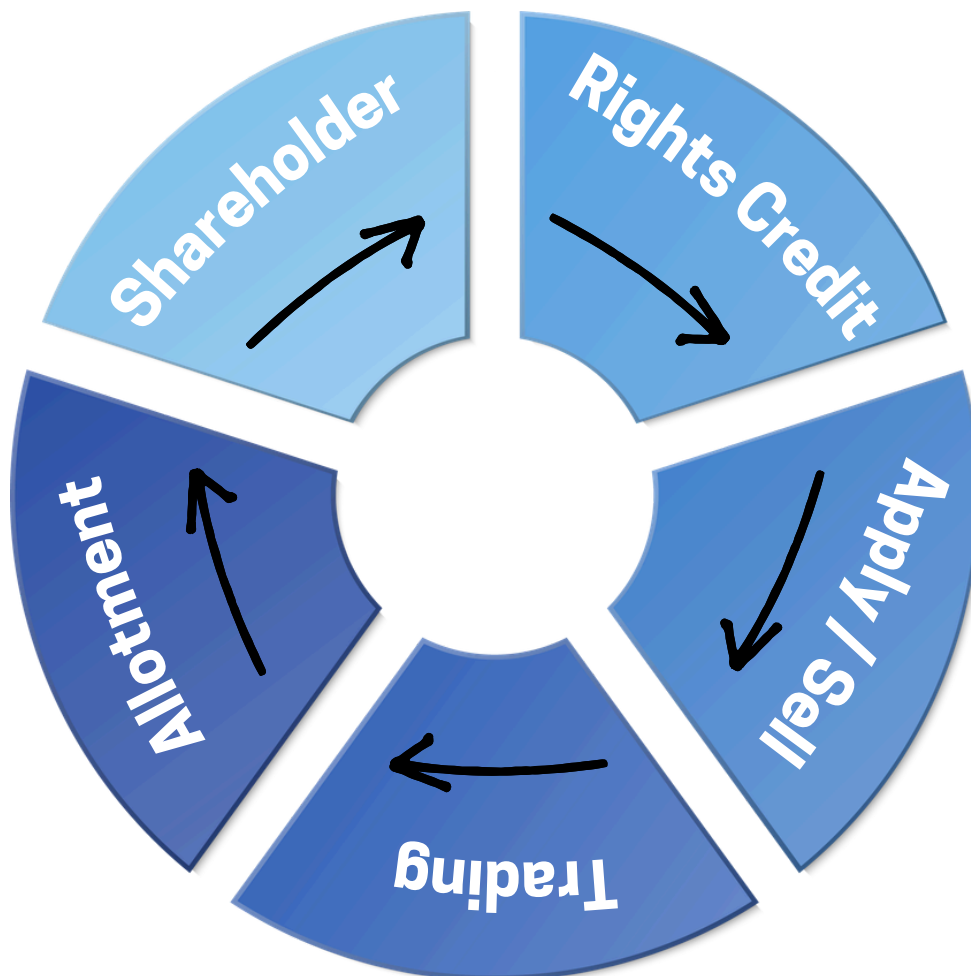
## Price Disclosure

The issue price must be clearly disclosed in the letter of offer. Disclosure should be transparent and in line with regulatory requirements.

# PROCESS FLOW

## HOW RIGHTS ISSUE WORKS

Rights Entitlements are credited to shareholders' demat accounts. Shareholders can either apply for the offered shares or renounce (sell/transfer) their rights. These rights can also be traded on the stock exchange during the issue period, after which the final allotment of shares is completed.



## **X NO INCENTIVES ALLOWED**

No person connected with the issue shall offer any direct or indirect incentives to investors for subscribing.

## **⊘ STRICT TIMELINES**

The issuer must adhere to prescribed timelines for allotment of shares and processing of refunds.



## **REFUND OBLIGATION**

In case the issue fails or listing is not obtained, the issuer must refund application money within 4 days.



## **INTEREST ON DELAY**

Any delay in refund beyond the specified period shall attract an interest of 15% per annum.

# **IMPORTANT RULES & RESTRICTIONS**

# TIMELINE

## RIGHTS ISSUE TIMELINE OVERVIEW

Stage	Activity	Timeline
1	Board Approval	T
2	Draft Offer Filing	T+1
3	In-principle Approval	T+3
4	Record Date	T+8
5	Credit of Rights	T+9
6	Issue Opening	T+14
7	Issue Closing	T+20

# KEY TAKEAWAYS

01

## Enhanced Transparency

The framework ensures greater transparency in fundraising by mandating clear disclosures and defined processes for rights issues.

02

## Stronger Investor Protection

Investor interests are safeguarded through strict eligibility norms, fair allocation procedures, and robust regulatory oversight.

04

## Efficient Capital Markets

The standardized approach promotes efficiency and consistency in capital raising activities within the IFSC ecosystem.

03

## Digital & Time-Bound Process

The entire rights issue process is conducted in a fully digital, demat-based environment with strict timelines for completion.

## POST-ISSUE RESPONSIBILITIES

After completion of the rights issue, the issuer must ensure timely allotment of shares and processing of refunds within 8 working days. The issuer is also required to obtain listing permission from the recognised stock exchange and submit a post-issue report within 15 days, covering details of subscription, allotment, and investor information.

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