



**INDIA JURIS**  
International Law Firm

# Listing Regulations

IFSCA (Listing) Regulations, 2024

GIFT City

# IFSCA Listing Regulations - Introduction



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- GOI notified Direct Listing Scheme in January, 2024, providing the legal framework for direct listing of equity share of public Indian company on the international exchanges in IFSC.
- In Feb 2024, Standing Committee on Primary Markets advised IFSCA on policy and regulatory matters for the development of primary market in GIFT IFSC and recommended listing of companies should be aligned with other international financial services centres such as Singapore, Hong Kong, USA and UK and replace IFSCA (Issuance and Listing of Securities) Regulations, 2021.
- On **30<sup>th</sup> Aug 2024**, IFSCA issued the Listing Regulations.



# IFSCA Listing Regulations - Objective

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To provide the regulatory framework for listing (IPO and FPO) of

1. specified securities
2. debt securities
3. depository receipts and
4. other permitted financial products like Commercial Papers, Certificate of Deposit etc

on the recognised stock exchanges in the IFSC in India.

IFSCA Listing Regulations enable companies incorporated in India, IFSC and FATF compliant Foreign Jurisdictions to list their securities



# Important concepts under Regulation

- **Special Purpose Acquisition Company (SPAC)** - It refers to a company with no active business operations, created mainly for the purpose to effect a Business Combination;
- **Business Combination** - It refers to a merger, amalgamation, or acquisition of shares or assets of one or more companies with business operations by a Special Purpose Acquisition Company (SPAC).
- **Certificate of Deposit** - It refers to a negotiable, unsecured financial instrument used in money markets, issued either in electronic form or as a Usance Promissory Note. It is based on funds deposited at a bank and has a maturity period of up to one year.



# Important Definitions

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- **Commercial paper**- means an unsecured money market instrument issued in the form of promissory note;
- **Debt Securities** - It refers to non-convertible debt instruments that represent or acknowledge a debt obligation, including debentures, notes, and bonds.
- **Specified securities** - Means equity shares and convertible securities.
- **Depository receipt** - means a negotiable financial instrument representing underlying securities of an issuer in another jurisdiction;
- **Superior Right equity shares** or **SR equity shares** means such class of equity shares of an issuer which grants their holders voting rights superior to the ordinary equity shares issued by that issuer.



# Important Definitions

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- **Secondary Listing** - an issuer, having its specified securities listed in a jurisdiction outside IFSC, may list those specified securities on a recognized stock exchange(s) in IFSC, with or without making public offer.



# Applicability of IFSC Listing Regulation

These regulations shall apply to:

- a) an IPO of **specified securities** by an unlisted entity;
- b) a FPO of specified securities by a Listed Entity;
- c) an IPO of specified securities by a SPAC ;
- d) a rights issue or a preferential issue or a qualified institutions placement of specified securities by a Listed Entity;
- e) issuance & listing of **depository receipts** by an entity;
- f) issue & listing of **debt securities** by an entity;
- g) secondary listing of securities by an entity;
- h) listing of **Commercial Paper** or **Certificates of Deposit** or other financial products as permitted by the Authority

## General Eligibility Criteria

- (a) the issuer is incorporated or set up either in an IFSC or in India or in a Foreign Jurisdiction, in accordance with the relevant laws of its home jurisdiction;
- (b) the issuer operates in conformity with its constitution; and
- (c) the issuer is eligible to issue such securities or other financial products, that are proposed to be listed on the recognised stock exchange, in conformity with the relevant laws of its home jurisdiction.

Provided that a public Indian company proposing to list its equity shares shall also be required to meet the eligibility criteria provided under Schedule XI of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024.

## **Demat Form**

The securities and other permitted financial products listed or proposed to be listed shall be freely transferable and held in dematerialized form

## **Currency**

The securities and other permitted financial products shall be denominated in a specified foreign currency for listing and trading on a recognized stock exchange in IFSC.



# Listing of Specified Securities (IPO + OFS)

S. No.	Particulars	Amount
1.	<b>Eligibility Criteria for IPO</b>	<ul style="list-style-type: none"><li>a. <b>Operating Revenue</b> - At least <b>USD 20 Million</b> in the last financial year or averaged over the last 3 financial years.</li><li>b. <b>Pre-Tax Profit</b> - At least <b>USD 1 Million</b> in the last financial year or averaged over the last 3 financial years.</li><li>c. <b>Post-issue market Capitalization</b> – Min <b>USD 25 Million</b></li></ul>
2.	<b>IPO for SR Equity Shares</b>	<p>An issuer with SR equity shares can conduct an IPO of its ordinary shares if:</p> <ul style="list-style-type: none"><li>-</li><li>a. resolution is passed at a General Meeting.</li><li>b. SR Equity Shares have been held at least <b>3 months</b> before the listing.</li></ul>



# Listing of Specified Securities (IPO + OFS)

S. No.	Particulars	Amount
3.	<b>Eligibility Criteria for Offer for Sale (OFS)</b>	<p>a. Securities must be held by existing holders for at least <b>one year</b> before filing the draft offer document.</p> <p>b. The holding period for equity shares obtained through conversion includes both the convertible securities &amp; depositary receipts, as well as the resulting equity shares.</p> <p>c. The conversion must be completed before filing the draft offer document, with full disclosure provided in the document.</p> <p><b>d. Exception: -</b></p> <ul style="list-style-type: none"><li>○ the shares were acquired through a merger or amalgamation;</li><li>○ if they were issued as a bonus on securities held for one year;</li><li>○ issued from free reserves and share premium as of the end of the financial year preceding the one in which the offer document is filed;</li><li>○ Not issued by utilisation of revaluation reserves or unrealized profits.</li></ul>



# Listing of Specified Securities (IPO + OFS)

S. No.	Particulars	Amount
4.	<b>Eligibility Criteria for Offer for Sale (OFS)</b>	<b>Exception: -</b> <ul style="list-style-type: none"><li>○ the shares were acquired through a merger or amalgamation;</li><li>○ if they were issued as a bonus on securities held for one year;</li><li>○ issued from free reserves and share premium as of the end of the financial year preceding the one in which the offer document is filed;</li><li>○ Not issued by utilisation of revaluation reserves or unrealized profits.</li></ul>
5.	<b>Filing of offer document</b>	If Issue size exceeds US\$ 50 million, issuers shall file offer document along with Due Diligence Certificate with IFSCA for seeking observations (Exemption provided for issuers with proposed issue size of US\$ 50 million or less).



# Listing of Specified Securities

S. No.	Particulars	Amount
6.	<b>Pricing</b>	Issuer shall determine the pricing in consultation with Lead Manager through: - a. Fixed price or Book building mechanism; b. Indian Co. shall also comply with requirements provided in the FEMA Non-debt Rules.
7.	<b>Offer timing</b>	The offer shall be made within a 12 months from: - a. <b>For issue &gt; USD 50 mn</b> – from issuance of observation by IFSCA; b. <b>For issue &lt; USD 50 mn</b> –from issuance of offer document by IFSCA.
8.	<b>Offer Period</b>	IPO shall be open for 1-10 working days.
9.	<b>Minimum public offer and shareholding</b>	a. <b>Indian, including in IFSC</b> - Comply with the provisions of Securities Contract (Regulation) Rules, 1957. b. <b>Foreign Company</b> - The minimum offer and allotment shall be at least 10% of the post issue capital.

# Listing of Specified Securities



S. No.	Particulars	Amount
10.	<b>Anchor investor</b>	Issuer may offer a portion of the issue size to an anchor investor, by providing relevant disclosures in the offer document.
11.	<b>Underwriter</b>	Underwriting arrangements must be disclosed in the offer document.
12.	<b>Allotment</b>	Investors will be allotted shares on a proportionate or discretionary basis.
13.	<b>Green Shoe Option</b>	An issuer may provide a green shoe option for stabilising the post-list price of its specified securities subject to specified conditions.
14.	<b>Monitoring Agency</b>	Optional (issuer may choose to appoint a CRA registered with the Authority or registered with any other regulator as a monitoring agency).

# Listing of Specified Securities



S. No.	Particulars	Amount
15.	Lock-up	<p>a. <b>Pre-issue shareholding of promoters and controlling shareholders - 180 days from the allotment in the IPO.</b></p> <p>b. <b>Shareholding of the SR Equity Shares - Locked-up after IPO, until the later of: -</b></p> <ul style="list-style-type: none"><li>○ Their conversion to ordinary shares;</li><li>○ One year from the date of allotment of IPO.</li></ul>

# Listing of SPAC



S. No.	Particulars	Amount
1.	<b>Eligibility</b>	<ul style="list-style-type: none"><li>a. The target business combination is not identified before IPO.</li><li>b. It includes provisions for redemption and liquidation as per regulations.</li><li>c. The sponsor has a strong track record in SPAC transactions.</li></ul>
2	<b>Offer timing</b>	Within 12 months from the observations by the Authority.
3.	<b>Issue size</b>	<ul style="list-style-type: none"><li>a. <b>Issue size</b> – Minimum of USD 50 Million.</li><li>b. <b>Pre IPO</b> - Sponsor must have an aggregate subscription of at least USD 10 million or at least 2.5% of the issue size.</li><li>c. <b>Post IPO</b> – Sponsor must hold between 15-20% post issue capital.</li></ul>
4.	<b>Pricing</b>	Fixed price mechanism.
5.	<b>Offer period</b>	IPO shall be open for 1-10 working days.

# Listing of SPAC



S. No.	Particulars	Amount
6.	<b>Application size</b>	Minimum application size shall be USD 1,00,000
7.	<b>SPAC specific obligation</b>	<ul style="list-style-type: none"><li>a. SPAC to keep all IPO proceeds in an interest-bearing escrow account managed by an independent custodian.</li><li>b. These proceeds can only be invested in short-term, investment-grade liquid instruments.</li><li>c. SPAC may withdraw interest &amp; other income from the proceeds solely for Payment of taxes &amp; General working capital expenses</li><li>d. SPAC must seek shareholder approval for the proposed business combination <b>(BC)</b> and file a detailed prospectus with the recognized stock exchange.</li><li>e. Prior approval of majority of shareholders is required for BC</li></ul>

# Listing of SPAC



S. No.	Particulars	Amount
		<p>f. Shareholders who vote against the proposal have the right to redeem their shares.</p> <p>g. In the event of a change in control, the SPAC must also offer redemption options to shareholders.</p>
8.	<b>Post business combination</b>	<p>a. Entity shall immediately disclose details regarding completed transactions.</p> <p>b. Entity is required to meet listing eligibility criteria and shall comply with listing obligation.</p>
9.	<b>Lock-up of shares</b>	<p>a. Shares of sponsors shall be locked up for a period of one year from the date of closing of the business combination.</p>



# Listing of Depository Receipts

S. No.	Particulars	Amount
1.	<b>Eligibility</b>	<p>a. Authorized to issue depository receipts according to the laws of its home jurisdiction.</p> <p>b. The underlying securities represented by such depository receipts is in dematerialize form, fully paid and free from all encumbrances.</p>
2.	<b>Offer size</b>	The offer size shall be not less than USD 7,00,000.
3.	<b>Pricing</b>	Fixed price mechanism or book building method.
4.	<b>Offer period</b>	IPO shall be open for 1-10 working days.
5.	<b>Min. subscription</b>	USD seven hundred thousand.
6.	<b>Secondary listing without public offer</b>	An issuer whose security is listed outside IFSC, may list its depository receipts by filing the listing application.

# Listing of Debt Securities



S. No.	Particulars	Amount
1.	<b>Applicability with respect to ESG Debt Securities</b>	Applicable on Environmental, Social and Governance (ESG) labelled debt securities including “green”, “social”, “sustainability linked” debt securities or any other ESG labelled debt securities.
2.	<b>Additional disclosure requirements for ESG labelled debt securities other than sustainability-linked debt securities</b>	<ol style="list-style-type: none"><li>a. A statement on ESG objectives.</li><li>b. Details of process followed by the issuer for evaluating and selecting the project and / or assets.</li><li>c. Proposed use of the proceeds.</li><li>d. Details of the systems and procedures to be employed for tracking the deployment of the proceeds of the issue.</li></ol>

# Listing of Debt Securities



S. No.	Particulars	Amount
3.	<b>Additional disclosure requirements for Sustainability-linked debt securities</b>	<p>a. Issuer shall disclose the rationale for issuance of sustainability-linked debt securities and consistency with issuers' overall sustainability and business strategy.</p> <p>b. The issuer shall adhere to pre-issuance and post-issuance obligations in accordance with relevant international standards.</p>
4.	<b>Filing of document</b>	<p>The issuer must file the listing application along with a copy of the offer document or information memorandum with the recognized stock exchange.</p>

# Listing of Debt Securities



S. No.	Particulars	Amount
5.	<b>Credit Rating</b>	<p>Credit rating is mandatory and shall disclose the details of ratings in the offer document.</p> <p><b>Note</b> – From April 01, 2025, the issuer shall obtain a credit rating from at least one CRA registered with IFSCA or any foreign jurisdiction.</p>
6.	<b>Public issue</b>	<p>The issuer shall comply with requirements such as appointment of trustee, creation of debenture redemption reserve.</p>

# Disclosures in Offer Document

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The issuer shall provide 'material policy', if applicable, and ensure the disclosure of all the following material disclosures are mentioned in the offer document: -

- Offer Document Summary;
- Risk factors;
- Introduction providing a brief overview of the offer details;
- General information;
- Capital Structure;
- Particulars of the Issue;
- Underwriting;
- Tax implications for investors;
- About the Issuer
- Financial Statements;
- Material Related Party Transactions;



- Legal and Other Information
  - Details of major group entities including their business
- 
- Declaration as specified by the Authority.
  - Audited financial information of the issuer for at least the last three financial years shall be disclosed. If the issuer has been in existence for less than a year, the financial information provided shall be audited.

# Process of Listing



Appointment of Lead Manager and Compliance Officer.

File application with recognized stock exchange for seeking in-principle approval.

Lead Manager shall submit draft offer document along with Due Diligence Certificate.

The draft offer document shall be hosted on website of Authority, recognized stock exchange, issuer and lead manager.

The Authority may issue observations, if any, within twenty-one working days, which shall be incorporated in offer document.

# Process of Listing



The issuer, in consultation with the lead manager, will determine pricing through either a fixed price or a book-building process.

IPO shall be open for 1-10 working days.

The issuer through lead manager shall file a post-issue report with the recognized stock exchange, within ten working days from the date of closing of the issue.

The issuer shall make the offer within twelve months from the date of issuance of observations by the Authority.

The Authority may issue observations, if any within twenty-one working days, which shall be incorporated in offer document.

The issuer through lead manager shall file a post-issue report with the recognized stock exchange, within 10 working days from the date of closing of the issue, indicating the following: -

- a. number, value and percentage of all applications received;
- b. allotment made;
- c. basis of allotment;
- d. subscription;
- e. details of credit of specified securities;
- f. details relating to payments and refunds;
- g. date of filing of listing application.

Making business  
decisions easier

# Decoding IFSCA (Listing) Regulations 2024 GIFT City

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