



CIRCULAR

F. No. IFSCA-PLNP/16/2024-Capital Markets

April 22, 2026

To

**All investment bankers in the International Financial Services Centre (IFSC);
All issuers listed on the recognised stock exchanges in the IFSC;
All recognised stock exchanges in the IFSC.**

Madam/Sir,

Subject: Framework for rights issue under the International Financial Services Centres Authority (Listing) Regulations, 2024

1. Reference is drawn to the International Financial Services Centres Authority (Listing) Regulations, 2024 ("Listing Regulations") which, *inter-alia*, provide the regulatory framework for listing of specified securities, debt securities, depository receipts and other permitted financial products on the recognised stock exchanges in the IFSC.
2. Regulation 57 of the Listing Regulations enables a listed entity to make rights issues subject to compliance with the requirements as may be specified by the International Financial Services Centres Authority ("Authority"). In this regard, the Authority hereby specifies the framework for a listed entity desirous of raising capital through rights issues.

APPLICABILITY

3. This circular shall apply to listed entities whose specified securities are listed solely on the recognised stock exchange(s) in the IFSC and shall not apply to issuers with secondary listing on such recognised stock exchange(s).

DEFINITIONS

4. In this circular the term "rights issue" means an offer of specified securities by the issuer to its shareholders as on the record date fixed for the said purpose.



COMPLIANCE WITH APPLICABLE LAWS

5. The issuer shall abide by all applicable laws of its home jurisdiction and such other requirements as may be specified by the Authority and the recognised stock exchange(s):

Provided that in case of any inconsistency between the applicable laws of its home jurisdiction and the requirements specified under this circular, the issuer shall, to the extent reasonably practicable, comply harmoniously with both sets of requirements:

Provided further that where such inconsistency amounts to any direct conflict which cannot be reconciled, the applicable laws of the home jurisdiction of the issuer shall prevail.

ELIGIBILITY REQUIREMENTS

Reference date

6. An issuer offering specified securities through a rights issue shall satisfy the eligibility criteria and other conditions specified in this circular at the time of filing the draft letter of offer with the recognised stock exchange(s) and at the time of filing the letter of offer with the Authority and the recognised stock exchange(s).

Entities not eligible to make a rights issue

7. An issuer shall not be eligible to make a rights issue of specified securities if the equity shares of the issuer are suspended from trading as a disciplinary measure.

General Conditions

8. The issuer making a rights issue of specified securities shall:
 - i. make an application to one or more recognised stock exchanges, along with the draft letter of offer to seek an in-principle approval for listing of its specified securities on such recognised stock exchange(s) and, in case it applies for listing to more than one recognised stock exchange, choose one of them as the designated stock exchange;



- ii. ensure that all of its existing partly paid-up equity shares have either been fully paid-up or have been forfeited; and
- iii. file a letter of offer with the Authority for information and dissemination on the website of Authority, along with such fees as may be specified by Authority.

RECORD DATE

9. The issuer shall announce a record date for the purpose of determining the shareholders eligible to apply in the proposed rights issue.
10. The issuer shall give notice in advance to the recognised stock exchange(s) of the record date, specifying the purpose of the record date in accordance with sub-regulation (2) of regulation 101 of the Listing Regulations.
11. If the issuer withdraws the rights issue after announcing the record date, it shall not be eligible to make an application for listing of any of its specified securities on any recognised stock exchange for a period of six months from the record date announced under para 10 of this circular:

Provided that the issuer, during such period of six months, may seek listing of its equity shares allotted pursuant to conversion or exchange of convertible securities, Employee Stock Option Plan (ESOP) or exercise of warrants issued prior to the announcement of the record date, on the recognised stock exchange where its securities are listed.

DISCLOSURES IN DRAFT LETTER OF OFFER AND LETTER OF OFFER

12. The draft letter of offer and letter of offer shall contain all material information and disclosures as specified under regulation 38 of the Listing Regulations.
13. The issuer shall also disclose the process of credit of rights entitlements in the demat account, renunciation of rights entitlements and trading thereof in the draft letter of offer and letter of offer.
14. The issuer shall also disclose the details of specified investors as stated in para 34(iv) of this circular.



PRICING

15. The issuer shall decide the issue price before determining the record date. For deciding the issue price, the issuer may also consult with the designated stock exchange.
16. The issuer shall disclose the issue price in the letter of offer filed with the Authority and the recognised stock exchange(s).

CONDITIONS AND PROCEDURE FOR ISSUANCE

Reservations

17. The issuer shall make a rights issue of equity shares only if it has made a reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments, if any, in proportion to the convertible part thereof.
18. The equity shares so reserved for the holders of fully or partly compulsorily convertible debt instruments shall be issued to the holder of such convertible debt instruments, at the time of conversion of such convertible debt instruments, on the same terms at which the equity shares offered in the rights issue were issued.

Availability of letter of offer and other material related to issue

19. The issuer shall ensure availability of the letter of offer and other material related to issue including application forms with recognised stock exchanges, and all its existing shareholders before the opening of the issue.
20. The letter of offer, application form, along with the form of renunciation/nomination or the form of acceptance, shall be sent through electronic mode to all the existing shareholders at least three days before the date of opening of the issue.

Credit of rights entitlements and allotment of specified securities

21. The rights entitlements shall be credited to the demat account of the shareholders before the date of opening of the issue.



22. Allotment of specified securities shall be made in the dematerialised form only.

Renunciation

23. *On market renunciation:* The shareholders may renounce the rights entitlements credited to their respective demat accounts by trading/selling them on the secondary market platform of the recognised stock exchanges through a registered broker dealer in the same manner as trading / selling equity shares of the issuer.

24. *Off market renunciation:* The shareholders may renounce the rights entitlements credited to their respective demat accounts by way of an off-market transfer through a depository participant. The rights entitlements can be transferred in dematerialised form only. The renunciation through off market transfer shall be completed in such a manner that the rights entitlements are credited to the demat account of the renounees prior to the Issue Closing Date.

Prohibition on payment of incentives

25. Any person connected with the issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an application in the rights issue, except for fees or commission for services rendered in relation to the issue.

Underwriting

26. A rights issue of specified securities may be underwritten by an underwriter and in such a case, adequate disclosures regarding underwriting arrangements shall be made in the letter of offer.

Monitoring agency

27. The issuer may choose to appoint a credit rating agency registered with the Authority or a globally recognised credit rating agency which is registered with a regulator in India or a regulator in a foreign jurisdiction, as a monitoring agency for monitoring the use of proceeds of the issue.

28. Where a monitoring agency has been appointed, the issuer shall, within forty-five days from the end of each quarter, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting



the same to the recognised stock exchange(s) on which its specified securities are listed.

Minimum subscription

29. The rights issue shall be considered successful only if the minimum subscription as disclosed in the letter of offer is received.

Period of subscription

30. The rights issue shall be kept open for subscription for minimum seven days .

Payment options

31. The issuer shall provide one of the following payment options to all the shareholders for each type of instrument:

- i. part payment on application with balance money to be paid on call(s); or
- ii. full payment on application.

Manner of calls

32. If the issuer proposes to receive subscription monies in calls, it shall ensure that the outstanding subscription money is called within twelve months from the date of allotment, and in case an applicant fails to pay the call money within the said period of twelve months, the equity shares on which there are calls in arrear along with the subscription money already paid on such shares shall be liable to be forfeited.

Allotment procedure and basis of allotment

33. The issuer shall not make any allotment in excess of the specified securities offered through the letter of offer, except as provided in para 17 and 18 of this circular.

34. Allotment shall be made in the following manner:

- i. Full allotment to those eligible shareholders who have applied for their rights entitlement either in full or in part and also to the renouncee(s) who



has/have applied for the specified securities renounced in their favour, in full or in part, as adjusted for fractional entitlement.

- ii. Allotment to eligible shareholders who have applied for the specified securities in full to the extent of their rights entitlement and have also applied for additional specified securities shall be made as far as possible on an equitable basis having due regard to the number of specified securities held by them on the record date, provided there is an under-subscribed portion after making allotment in (i) above.
- iii. Allotment to the renouncees who have applied for the specified securities renounced in their favour and have also applied for additional specified securities may be made on a proportionate basis, provided there is an under-subscribed portion after making full allotment specified in (i) and (ii) above.
- iv. Allotment may be made to any specific investor(s) disclosed by the issuer in terms of this circular before opening of the issue, provided that there is an under-subscribed portion after making full allotment as per para (i), (ii) and (iii) above.

Allotment, refund and payment of interest

35. The issuer shall ensure that the specified securities are allotted and the payments and refunds are completed within eight working days from the date of closing of the issue.

Post-issue responsibilities

36. The designated stock exchange shall regularly monitor redressal of investor grievances arising from any issue related activities.
37. The issuer shall continue to be responsible for post-issue activities till the applicants have received credit to their demat account or refund of application monies and listing or trading permission is obtained.
38. The issuer shall be responsible for and co-ordinate with the registrars to the issue and with various intermediaries at regular intervals after the closure of the issue till the listing of securities.



39. In case there is a devolvement on underwriters, the designated stock exchange shall ensure that the notice for devolvement containing the obligation of the underwriters is issued within ten days from the date of closure of the issue.

Release of subscription money

40. The issuer shall confirm to the bankers to the issue that all formalities in connection with the issue have been completed and thereupon the banker shall release the money to the issuer, or release the refund in case of failure of the issue.

41. In case the issuer fails to obtain listing or trading permission from the recognised stock exchange(s) where the specified securities were listed, it shall refund, through verifiable means, the entire monies received within four days of receipt of intimation from recognised stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

Reporting of transactions of the promoters or controlling shareholders and other pre-issue transactions

42. The issuer shall ensure that all transactions in its securities by the promoters or controlling shareholders during the period commencing from the date of filing of the draft letter of offer or letter of offer, as the case may be, till the date of closure of the issue, are reported to the recognised stock exchange(s) where the specified securities of the issuer are to be listed, within twenty-four hours of such transactions.

43. The issuer shall also ensure that any proposed pre-issue placement disclosed in the draft letter of offer is reported to the recognised stock exchange(s), within twenty-four hours of such pre- issue transactions, whether in part or in entirety.

Post-issue reports



44. The issuer shall submit a post-issue report with the recognised stock exchange(s) within fifteen working days from the date of closing of the rights issue. Such report shall *inter-alia* provide details of:

- i. number, value and percentage of all applications received,
- ii. allotments made, basis of allotment,
- iii. subscription,
- iv. credit of specified securities,
- v. renunciation of shares,
- vi. payments and refunds, and
- vii. the date of filing of listing application.

Timelines

45. An indicative timeline for completion of various activities involved in rights issue process is placed at **Annexure A**.

Restriction on further capital issues

46. An issuer shall not undertake any further issue of specified securities in any manner – whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise – except pursuant to any subsisting share based employee benefits scheme, during the period between the date of filing the letter of offer with the recognised stock exchange and the listing of the specified securities offered through the letter of offer or refund of application monies; unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such letter of offer.

Alteration of rights of holders of specified securities

47. The issuer shall not alter the terms, including the terms of issue of specified securities, which may adversely affect the interests of the holders of those specified securities, except with the consent, in writing, of the holders of not less than three-fourths of the specified securities of that class or by approval through a special resolution passed at a meeting of the holders of the specified securities of that class.

MISCELLANEOUS



48. The circular is issued in exercise of powers conferred by sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulations 57 and 130 of the Listing Regulations and shall come into force with immediate effect.

A copy of the circular is available on the website at www.ifsc.gov.in.

Yours faithfully,

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Annexure A

Indicative timeline of broad activities involved in Rights Issue from the date of approval of Board of Directors of the Issuer till the date of closure of Rights Issue

Sr. No.	Broad activities performed during Rights Issue Process	Timelines (Working Days)
1.	1 st Board meeting for approval of rights issue	T (T being the date of meeting of Board of Directors of the Issuer approving the Rights Issue)
2.	Notice for 2 nd Board meeting to fix record date, price, entitlement ratio etc. <i>Subject to Board's/ shareholders' approval*</i>	T*
3.	Application by the issuer for seeking in-principle approval along with filing of Draft Letter of Offer with recognised stock exchanges	T+1
4.	Receipt of in-principle approval from Stock Exchanges	T+3
5.	2 nd Board meeting for fixing record date, price, entitlement ratio etc.	T+4
6.	Filing of Letter of Offer with recognised stock exchanges and the Authority	T+5 to T+7
7.	Record Date	T+8
8.	Receipt of BENPOS on Record date (at the end of the day)	T+8
9.	Credit of Right Entitlements (REs)	T+9
10.	Dispatch / Communication to the shareholders of Letter of Offer	T+10
11.	Issue opening and commencement of trading in REs	T+14
12.	Validation of Bids	T+14 to T+20
13.	Closure of REs trading (3 working days prior to issue closure date)	T+17
14.	Closure of off-market transfer of REs	T+19
15.	Issue closure	T+20

**If the Issuer is making a Rights Issue of convertible debt instruments, wherein shareholder's approval is required, then the notice for 2nd Board meeting to fix record date, price, entitlement ratio etc. would be given on the date of receiving shareholders' approval and the remaining timeline would be adjusted accordingly.*