



## 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 preferential issues and qualified institutions placement 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 preferential issues or qualified institutions placement (QIP) 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 a preferential issue or a QIP.

### 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 the issuers with secondary listing on such recognised stock exchange (s).

### DEFINITIONS

4. In this circular, the term(s) defined herein shall bear the meanings as assigned to them below:



- i. “*Preferential issue*” means an issue of specified securities by a listed entity to any select person or group of persons on a private placement basis in accordance with the requirements of this circular;
- ii. “*Qualified institutional buyer*” means,-
  - a) retail scheme or a non-retail scheme or a venture capital scheme, by whatever name called, regulated by a regulator in India, IFSC or Foreign Jurisdiction;
  - b) public financial institution;
  - c) bank;
  - d) non-banking financial company regulated by a regulator in India, IFSC or a Foreign Jurisdiction;
  - e) multilateral or bilateral development financial institution;
  - f) sovereign wealth fund;
  - g) state industrial development corporation;
  - h) insurance company;
  - i) provident fund;
  - j) endowment fund;
  - k) university fund;
  - l) pension fund;
  - m) accredited investor other than individual as specified under the International Financial Services Centres Authority (Fund Management) Regulations, 2025; or
  - n) any other entity, as may be specified by the Authority from time to time;
- iii. “*Qualified institutions placement (QIP)*” means issue of specified securities to qualified institutional buyers on a private placement basis and includes an offer for sale of specified securities by the promoters or controlling shareholders on a private placement basis.

## **GENERAL CONDITIONS FOR PREFERENTIAL ISSUE AND QIP**

### **Eligibility Criteria**

5. Preferential issue or QIP of specified securities shall not be made to any person who has sold or transferred any equity shares of the issuer during the thirty (30) trading days preceding the relevant date.



For the purpose of this circular, “*relevant date*” means –

- i. in the case of a preferential issue of equity shares, the date that is thirty (30) days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
- ii. in the case of a QIP, the date of the meeting in which the Board of Directors of the issuer or a duly authorized committee thereof decides to open the proposed issue.

**Explanation:** Where the relevant date falls on a weekend or a holiday, the immediately preceding day shall be reckoned as the relevant date.

6. An issuer shall not be eligible to make a preferential issue or a QIP if it has any outstanding dues payable to the Authority, or to the stock exchanges on which equity shares are listed, or to the depository in respect of its equity shares:

*Provided* that this restriction shall not apply where such outstanding dues are the subject matter of an appeal or proceeding pending before the appropriate forum.

7. A listed entity making a preferential issue or a QIP of specified securities shall ensure that:
  - i. all equity shares allotted by way of preferential issue or a QIP shall be fully paid up at the time of the allotment;
  - ii. approval of shareholders has been obtained by way of a special resolution or such other resolution in accordance with the applicable laws of the jurisdiction of incorporation of the issuer; and
  - iii. the issuer has obtained an in-principle approval from the recognised stock exchange(s) where its equity shares are listed.

#### **Tenure of convertible securities**

8. The tenure of the convertible securities issued by the issuer shall not exceed –
  - i. eighteen (18) months from the date of allotment, in case of a preferential issue; and
  - ii. sixty (60) months from the date of allotment, in case of a QIP.



9. Upon exercise of the option by the allottee to convert the convertible securities within the tenure specified in para 8 above, the issuer shall ensure that the allotment of equity shares pursuant to such exercise is completed within fifteen (15) days from the date of exercise by the allottee.

### **Payment of Consideration**

10. Full consideration of specified securities, other than warrants, shall be paid by the allottee at the time of allotment of such specified securities, except in cases where shares are issued for consideration other than cash.
11. In the case of warrants, an amount equivalent to at least twenty-five per cent. of the consideration shall be paid against each warrant on the date of allotment of such warrants, and the remaining seventy-five per cent. of the consideration shall be paid at the time of allotment of the equity shares pursuant to exercise of options by the warrant holder:
12. In case the warrant holder does not exercise the option for equity shares against any of the warrants held by such warrant holder, the consideration paid in respect of such warrant, in terms of para 11 above, shall be liable to be forfeited by the issuer.
13. The issuer shall ensure that the consideration of specified securities, if paid in cash, is received through respective allottee's bank account, and in the case of joint holders, through the bank account of the person whose name appears first in the application.

## **ADDITIONAL REQUIREMENTS FOR PREFERENTIAL ISSUE**

### **Disclosures to shareholders**

14. The issuer shall, in addition to the disclosures required under the laws of the jurisdiction in which it is incorporated, disclose the following in the explanatory statement to the notice for the general meeting proposed for passing the special resolution or such other resolution in accordance with the applicable laws in the jurisdiction of incorporation of the issuer for issuance of capital:
- i. objects of the issue, along with proposed deployment of the funds to be raised;



- ii. intent of the promoters/controlling shareholders, directors or key managerial personnel of the issuer to subscribe to the offer;
- iii. shareholding pattern of the issuer before and after the issue;
- iv. time frame within which the issue shall be completed;
- v. the identity of the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees.

**Explanation:** The definition of beneficial owner shall be as specified under the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022;

- vi. the percentage of post preferential issue capital that may be held by the allottee(s), and the change in control, if any, in the issuer, consequent to the preferential issue;
- vii. pricing of the specified securities.

**Explanation:** Pricing shall be determined pursuant to the valuation report and the manner of arriving the price shall be disclosed in the explanatory statement. The valuation report shall be prepared by a valuer registered with Insolvency and Bankruptcy Board of India, an independent third-party service provider (such as a fund administrator or a custodian) registered with the Authority or a credit rating agency registered with the Authority, or such other person as may be specified by the Authority.

15. The issuer shall place a certificate issued by an independent practicing company secretary, or its equivalent in a foreign jurisdiction in the general meeting of the shareholders considering the proposed preferential issue, certifying that the issue is being made in accordance with the requirements of this circular.

16. The issuer shall also host the certificate on its website and provide a link to the same in the notice for the general meeting of the shareholders considering the proposed preferential issue.

17. Specified securities may be issued on a preferential basis for consideration other than cash:



*Provided* that consideration other than cash shall comprise of only swap of shares pursuant to a valuation report, and the manner in which swap ratio is calculated shall be disclosed as a part of the explanatory statement to the special resolution or such other approval mechanism as may be applicable to the issuer in the jurisdiction of its incorporation.

### **Lock-up**

18. The specified securities allotted on a preferential basis to the promoters and controlling shareholders shall be locked-up for a period of six (6) months from the date of trading approval granted for such specified securities.

### **Allotment**

19. Allotment pursuant to the special resolution or such other resolution as may be applicable in the jurisdiction of incorporation of the issuer for issuance of capital shall be completed within a period of thirty (30) days from the date of passing of such resolution:

*Provided* that where any regulatory approval is required for such allotment, then the allotment shall take place within the later of

- (a) thirty days from the date of passing such resolution; or
- (b) thirty days from the date of receipt of such regulatory approval.

## **ADDITIONAL REQUIREMENTS FOR QIP**

### **Appointment of lead manager**

20. An issuer shall appoint one or more investment bankers registered with the Authority as lead manager(s) to the issue.

### **Placement document**

21. The lead manager(s) shall exercise due diligence and be satisfied with all aspects of the issue, including the veracity and adequacy of disclosures in the offer document.
22. The QIP shall be made on the basis of a preliminary placement document and placement document, which shall contain all material information, including those specified in the jurisdiction in which the issuer is incorporated and the disclosures as specified under regulation 38 of the Listing Regulations.



23. The preliminary placement document and the placement document shall be circulated only to select investors.

24. The preliminary placement document and the placement document shall be placed on the websites of the relevant stock exchange(s) and of the issuer, along with a disclaimer stating that the same is in connection with a QIP and that no offer is being made to the public or to any other category of investors.

### **Allotment**

25. The allotment for issuance of capital shall be completed within a period of one year from the date of passing of special resolution or such other resolution as may be applicable in the jurisdiction of incorporation of the issuer.

### **MISCELLANEOUS**

26. 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](http://www.ifsc.gov.in).

Yours faithfully,

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