



## CONSULTATION PAPER ON THE REGULATORY FRAMEWORK FOR DIRECT LISTING OF SPECIFIED SECURITIES WITHOUT PUBLIC OFFER

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### 1. Objective

- 1.1. The objective of this consultation paper is to seek comments / views from public on the proposed regulatory framework for direct listing of specified securities (i.e. equity shares and convertible securities) without public offer on the recognised stock exchanges in International Financial Services Centres (“IFSC”).

### 2. Background

- 2.1. The [IFSCA \(Listing\) Regulations, 2024](#) (“**Listing Regulations**”) provide the regulatory framework for issue and listing of specified securities, debt securities, depository receipts and other permitted financial products on recognised stock exchanges in IFSC.
- 2.2. While conventional listing of equity shares involves issue of new shares by a company or offer of shares by its existing shareholders, new-age companies are exploring ways to list their equity shares without a traditional initial public offer (**IPO**) process. Companies which have successfully scaled and expanded with the capital provided by their founders and/or institutional investors, may not require additional fund raising in the foreseeable future. However, such companies may still seek to list their securities without undertaking a public offer to enhance their visibility, build investor confidence, improve corporate governance standards, and provide an avenue for price discovery and liquidity for existing shareholders.
- 2.3. Companies that seek listing without undertaking a public offer may do so for one or more of the following reasons:
  - 2.3.1. to enhance transparency, corporate governance standards, and financial disclosures through compliance with the requirements applicable to listed entities, thereby strengthening stakeholder confidence;
  - 2.3.2. to meet regulatory, contractual, or business requirements that necessitate or incentivize listing on a recognised stock exchange;
  - 2.3.3. to avoid dilution of the shareholding of existing shareholders where the company does not require additional capital;
  - 2.3.4. to avoid the costs associated with a traditional initial public offering, including underwriting fees, commissions, and other issuance-related expenses;



2.3.5. to facilitate liquidity and exit opportunities for existing investors, including founders, early-stage investors, private equity and venture capital funds, and holders of employee stock options (ESOPs).

- 2.4. Regulation 40 of the Listing Regulations permits issuer to list its specified securities (i.e. equity shares and convertible securities) on recognised stock exchanges in IFSC without undertaking a public offer. The relevant provision states as under:

*“An issuer may list its specified securities on a recognised stock exchange without making public offer in the manner as may be specified by the Authority.”*

Accordingly, the existing regulatory framework envisages the possibility of listing equity shares and convertible securities without a public offer, subject to the manner specified by the Authority.

- 2.5. While Regulation 40 provides the enabling provision for such listings, the detailed eligibility conditions, procedural requirements, disclosure standards, and regulatory framework governing listing without a public offer have not yet been specified.
- 2.6. Accordingly, this consultation paper proposes a comprehensive regulatory framework to facilitate the listing of specified securities without a public offer on recognised stock exchanges in the IFSC.
- 2.7. In this regard, it is pertinent to refer to the relevant principles of the International Organization of Securities Commissions (“IOSCO”), which provide an internationally recognised benchmark for securities regulation and listing frameworks. The proposed regulatory framework seeks to align with these principles by promoting investor protection, market integrity, transparency, fair and efficient markets, and appropriate disclosure standards, while facilitating listings without a public offer.

### **3. IOSCO Principles relating to Listing**

- 3.1. The relevant IOSCO Principles relating to issuers are Principles 16-18 (mentioned below). These Principles have been appropriately considered in the Listing Regulations and the proposed framework for listing of specified securities without public offer, to the extent applicable.

*Principle 16: There should be full, accurate and timely disclosure of financial results, risk and other information which is material to investors’ decisions.*

*Principle 17: Holders of securities in a company should be treated in a fair and equitable manner.*



*Principle 18: Accounting standards used by issuers to prepare financial statements should be of a high and internationally acceptable quality.*

- 3.2. While the IOSCO Principles provide an important benchmark and overarching guidance for the development of a robust regulatory framework, it would also be prudent to examine the regulatory approaches adopted by leading global jurisdictions that permit listing without a public offer. A comparative assessment of such frameworks would help identify international best practices, ensure consistency with evolving global standards, and inform the design of a balanced regime that facilitates listings while maintaining appropriate safeguards for investor protection and market integrity.
- 4. Regulatory framework in global jurisdictions with respect to direct listing without public offering**

**4.1. New York Stock Exchange (NYSE), United States (U.S.)**

4.1.1. Direct listing without a public offer is permitted on the NYSE. In general, companies seeking such a listing are required to satisfy substantially the same quantitative listing standards that apply to companies undertaking a public offering, with the principal distinction being the requirements relating to the aggregate market value of publicly held shares, which are tailored to the direct listing mechanism.

4.1.2. As per Section 102.01B of the NYSE Listed Company Manual<sup>1</sup>, a company undertaking a traditional listing with a public offering is generally required to have an aggregate market value of publicly held shares of at least USD 40 million. In contrast, for a direct listing without a public offer, the NYSE prescribes a higher minimum threshold, requiring either (i) at least USD 100 million in the market value of shares sold by the company in the Exchange's opening auction on the first day of trading, or (ii) at least USD 250 million in the aggregate market value of publicly held shares. This reflects the exchange's approach of imposing more stringent market value requirements in the absence of a capital-raising public offering. The other minimum numerical standards under NYSE Listed Company Manual have been summarized at **Annexure A** for ease of reference and comparison.

**4.2. Nasdaq, U.S.**

4.2.1. Direct listing without a public offer is also permitted on Nasdaq in the U.S. Similar to NYSE, the quantitative listing requirements for traditional listing with

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<sup>1</sup> <https://nyseguide.srorules.com/listed-company-manual/396b18e983e4426093eb7ae01b6f52c6>



public offer and direct listing without public offer are substantially the same, except for market value of publicly held shares.

4.2.2. Rule 5315(f)(2) of the Nasdaq Stock Market LLC Rules<sup>2</sup> specify minimum market value of unrestricted publicly held shares of USD 45 million for companies undertaking traditional listing. In contrast, for a direct listing without a public offer, a higher minimum threshold is specified, requiring either (i) USD 110 million in market value of unrestricted publicly held shares, or (ii) USD 100 million in market value of unrestricted publicly held shares and stockholders' equity of USD 110 million.

4.2.3. The detailed minimum numerical thresholds under the Nasdaq Stock Market LLC Rules for Global Select Market for direct listing without public offer have been summarized at **Annexure A** for ease of reference and comparison.

#### **4.3. London Stock Exchange (LSE), United Kingdom (U.K.)**

4.3.1. Direct listing without capital raising, also known as introduction in U.K., is permitted on LSE in U.K. The Financial Conduct Authority's U.K. Listing Rules<sup>3</sup> (UKLR) specify the requirements for listing. The UKLR specify quantitative criteria for listing in terms of minimum market capitalization and minimum public float which have been summarized at **Annexure A** for ease of reference and comparison.

#### **4.4. Tokyo Stock Exchange (TSE), Japan**

4.4.1. TSE in Japan permits direct listing without a public offering for a Japanese company whose shares are not already listed on any Japanese financial instruments exchanges. As per TSE's New Listing Guidebook 2024<sup>4</sup>, an issuer seeking prime listing through direct listing is not required to undertake a public offering. However, the issuer is required to submit following specified documents and confirmations prepared by its managing trading participant as part of the listing application process. These documents are intended to demonstrate the issuer's compliance with the applicable listing requirements and to facilitate the exchange's assessment of the issuer's suitability for listing:

4.4.1.1. Documents describing the valuation of domestic stocks pertaining to the initial listing application.

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<sup>2</sup> <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules/Nasdaq%205300%20Series>

<sup>3</sup> <https://handbook.fca.org.uk/handbook/uklr1>

<sup>4</sup> <https://www.jpx.co.jp/english/equities/listing-on-tse/new/guide/tvdivq0000002g9b-att/bv22ga0000001ufs.pdf>



4.4.1.2. Documents describing measures to ensure liquidity after the listing of a domestic stock pertaining to an initial listing application.

4.4.1.3. Document describing the reference prices of tradable shares pertaining to the initial listing application.

4.4.2. Rule 211 of TSE's Securities Listing Regulations<sup>5</sup> specifies the Initial Requirements for Domestic Companies ("Formal Requirements") which have been summarized at **Annexure A** for ease of reference and comparison.

4.5. Some examples of companies which have listed through direct listing without public offer in foreign jurisdictions are tabulated below:

| Sr. No. | Companies                      | Year of Listing | Stock Exchange                                             | Market capitalization (in USD Billion) *    |
|---------|--------------------------------|-----------------|------------------------------------------------------------|---------------------------------------------|
| 1.      | Spotify Technology             | 2018            | NYSE                                                       | 96.25                                       |
| 2.      | Slack Technologies             | 2019            | NYSE                                                       | <i>Acquired by Salesforce, Inc. in 2021</i> |
| 3.      | Palantir Technologies          | 2020            | NYSE <i>(Transferred to Nasdaq in 2024)</i>                | 307.98                                      |
| 4.      | Roblox Corporation             | 2021            | NYSE                                                       | 36.89                                       |
| 5.      | Coinbase Global                | 2021            | Nasdaq                                                     | 43.01                                       |
| 6.      | Wise (formerly, Transfer Wise) | 2021            | LSE <i>(Primary listing transferred to Nasdaq in 2026)</i> | 11.11                                       |
| 7.      | ZipRecruiter                   | 2021            | NYSE                                                       | 0.25                                        |
| 8.      | Surf Air Mobility              | 2023            | NYSE                                                       | 0.12                                        |
| 9.      | ZenaTech                       | 2024            | Nasdaq                                                     | 0.12                                        |
| 10.     | Cloudatastructure              | 2025            | Nasdaq                                                     | 0.01                                        |
| 11.     | Polaryx Therapeutics           | 2026            | Nasdaq                                                     | 0.12                                        |

\* As on June 21, 2026

## 5. Standing Committee on Primary Markets

5.1. The Standing Committee on Primary Markets ("SCOP") constituted a Sub-Committee to examine the subject matter and submit its recommendations. The recommendations submitted by the Sub-Committee were deliberated in the SCOP meeting held on February 16, 2026. Based on the recommendations of SCOP and subsequent internal deliberations, the draft circular proposing the regulatory framework for direct listing of specified securities without public offering is placed at **Annexure B** for the purpose of seeking feedback from public, market participants and stakeholders.

<sup>5</sup> [https://www.jpox.co.jp/english/rules-participants/rules/regulations/tvdivq0000001vyt-att/listing\\_regs\\_20260401.pdf](https://www.jpox.co.jp/english/rules-participants/rules/regulations/tvdivq0000001vyt-att/listing_regs_20260401.pdf)



## 6. Proposed regulatory framework

- 6.1. The comparative analysis of global jurisdictions indicates that the eligibility criteria relating to financial performance and scale, such as profitability and revenue, are generally similar except the market capitalisation for listings with and without a public offer. This reflects the regulatory approach that companies seeking direct listing should meet substantially the same standards of quality and maturity as those undertaking a traditional initial public offering. The salient features of the proposed regulatory framework for listing of specified securities without a public offer, along with the rationale underpinning each proposal are discussed as under:

### 6.1.1. Eligibility criteria

- 6.1.1.1. **Operating Revenue:** TSE, Japan has specified minimum revenue / sales threshold of ~USD 60 million from the most recent year while Nasdaq, U.S. has specified minimum revenue threshold of ~USD 90-110 million in the last fiscal year. However, the threshold is optional in both jurisdictions and not required if the profit / earnings threshold is satisfied. The IFSCA Listing Regulations specify operating revenue of at least **USD 20 million** on consolidated basis in the last financial year or averaged over the last three financial years as one of the criteria for companies listing with public offer.

Given that the comparative analysis indicates that jurisdictions generally apply substantially similar financial and market based criteria for listing with and without public offer, it is proposed that the same eligibility threshold may be specified for companies seeking listing without public offer on recognized stock exchanges in the IFSCs.

- 6.1.1.2. **Pre-tax Profit:** The review of global jurisdictions indicates that the prescribed profits threshold vary both in terms of quantum required (ranging from approximately USD 2 million to ~USD 8 million per financial year) and the period over which such profits must be demonstrated typically in the preceding one to three financial years. However, at all the three global exchanges studied, satisfaction of the profit criterion is not mandatory and serves as only one of several alternative eligible pathways. The Listing Regulations specifies pre-tax profit of at least **USD 1 million** on consolidated basis in the last financial year or averaged over the last three financial years as one of the criteria for companies listing with public offer.

Given that the comparative analysis indicates that jurisdictions generally apply substantially similar listing standards for issuers listing with and without a public offer, it is proposed that the same eligibility thresholds be specified for companies seeking to list without a public offer on recognised stock exchanges in the IFSC. This would ensure regulatory consistency,



maintain the quality of listed issuers, and provide a level playing field irrespective of the mode of listing.

#### 6.1.1.3. **Market capitalization:**

The review of jurisdictions indicates that the minimum market capitalisation requirement for listing ranges between **~USD 40 million and USD 850 million**, depending upon fulfilment of other criteria such as earnings / revenue. In contrast, the Listing Regulations prescribe a comparatively lower threshold of **USD 25 million** for listing pursuant to a public offer in the IFSC.

It is also observed that certain jurisdictions impose enhanced market value requirements for listings without a public offer. For instance, the NYSE prescribes higher thresholds relating to the market value of publicly held shares for direct listings, while TSE, Japan requires a significantly higher market capitalisation threshold (approximately **USD 625 million**) for issuers seeking to qualify under the market capitalisation/sales criteria where the specified profits criteria is not met.

Considering that listings without a public offer may present additional challenges in achieving adequate liquidity and price discovery due to the absence of fresh issuance and broad-based distribution, it is proposed to prescribe a higher minimum market capitalisation requirement of **USD 50 million** for companies seeking to list without a public offer on recognised stock exchanges in the IFSC. This calibrated enhancement would strengthen the likelihood of sufficient market depth while remaining proportionate and competitive in the context of the IFSC framework.

#### 6.1.2. **Information Document**

6.1.2.1. It is proposed that the issuers seeking to list their specified securities without public offer be required to file an information document with the recognized stock exchange through one or more investment banker(s) registered with the Authority. The investment banker(s) shall undertake appropriate due diligence in respect of the issuer and the disclosures contained in the information document and submit a due diligence certificate to the recognized stock exchange and the Authority.

6.1.2.2. The Information Document should contain all material disclosures necessary to enable investors to make an informed assessment of the issuer and its specified securities. Such disclosures may include inter-alia details relating to the issuer, including industry and business description, management, material shareholders' agreements, financial statements, material related party transactions, outstanding litigation and regulatory



actions, risk factors and other legal and material information relevant to the issuer.

#### **6.1.3. Minimum public shareholding norms**

6.1.3.1. Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 (“SCRR”) prescribes the minimum offer and allotment to the public in terms of an offer document. It can be interpreted that the said requirement is applicable only in cases involving a public offer through an offer document. Since the proposed regulatory framework does not contemplate a “public offer” or issuance of an “offer document”, the requirements relating to minimum offer and allotment to the public under Rule 19(2)(b) of the SCRR shall not be applicable.

6.1.3.2. Rule 19A of the SCRR mandates that every listed company listed on a recognized stock exchange in the International Financial Service Centre shall maintain the public shareholding of at least ten percent in order to comply with continuous listing requirement.

6.1.3.3. It is proposed that the minimum public shareholding norms under Rule 19A of SCRR shall continue to be applicable for Indian companies. Further, for foreign issuers, the same requirement to maintain public shareholding of at least ten percent may be specified.

#### **6.1.4. Investor Class**

6.1.4.1. Based on the study of practices in other jurisdictions, no restriction has been observed pertaining to investor class permitted to invest and trade in equity shares listed without public offer.

6.1.4.2. In line with global practices, it is proposed that restriction with respect to investor class (whether accredited investor or any specific category of investor) may not be specified.

#### **6.1.5. Pricing**

6.1.5.1. In absence of book building process and underwriting arrangement, determining an appropriate listing price for securities without public offer may present certain challenge. In order to facilitate fair and transparent price discovery, it is proposed that the following measures be adopted:

6.1.5.1.1. The reference or base price for listing may be determined on the basis of a valuation report by an independent, registered valuer using internationally accepted valuation methodologies.



6.1.5.1.2. A special pre-open price discovery session, akin to call auction mechanism, may be conducted on the first day of listing to determine the equilibrium market price based on buy and sell order for efficient price discovery. The detailed mechanism for such a session may be specified by the recognised stock exchange(s).

## 7. Public Comments

- 7.1. Comments are invited from the public on the proposed regulatory framework as enclosed at **Annexure B**.
- 7.2. Comments may be sent by email to Shri Apar Patiyat, Assistant General Manager at [apar.patiyat@ifsc.gov.in](mailto:apar.patiyat@ifsc.gov.in) with a copy to Shri Pawan Kumar Chowdhary, Deputy General Manager at [pawan.kc@ifsc.gov.in](mailto:pawan.kc@ifsc.gov.in) and Shri Arjun Prasad, Chief General Manager at [arjun.pd@ifsc.gov.in](mailto:arjun.pd@ifsc.gov.in) with subject line “*Comments on framework for Direct listing without public offer*” latest by **August 03, 2026**.
- 7.3. The comments should be provided in the following format:

| Name and Designation          |          |                  |                                                  |                    |
|-------------------------------|----------|------------------|--------------------------------------------------|--------------------|
| Contact No. and Email Address |          |                  |                                                  |                    |
| Name of Organisation          |          |                  |                                                  |                    |
| S. No.                        | Para No. | Text of the para | Comments / Suggestions / Suggested modifications | Detailed Rationale |
|                               |          |                  |                                                  |                    |

Issued on July 13, 2026



## ANNEXURE A

### GLOBAL COMPARISON ON MINIMUM THRESHOLDS FOR LISTING

| S. N o. | Minimum Thresholds                               | NYSE, U.S. (NYSE Listing Company Manual <sup>6</sup> )                                                                 | Nasdaq, U.S. (Nasdaq Stock Market LLC Rules <sup>7</sup> )                                                                                                                                                                                                                                                                                                                 | LSE, U.K. (U.K. Listing Rules <sup>8</sup> ) | TSE, Japan (Securities Listing Regulations <sup>9</sup> )                                                                                                                  |
|---------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <b>No. of shareholders</b>                       | 400 (Number of holders of 100 shares or more or of a unit of trading if less than 100 shares)<br><br>(Section 102.01A) | Any one of the following:<br>(i) 550 total holders and an average monthly trading volume over the prior 12 months of at least 1,100,000 shares per month;<br>(ii) 2,200 total holders;<br>(iii) 450 round lot holders and at least 50% of such round lot holders must each hold unrestricted securities with a market value of at least USD 2,500<br><br>(Rule 5315(f)(1)) | -                                            | 800<br><br>(Rule 211)                                                                                                                                                      |
| 2.      | <b>Number of tradable / publicly held shares</b> | 1.1 million shares<br><br>(Section 102.01A)                                                                            | 1.25 million shares<br><br>(Rule 5315(e)(2))                                                                                                                                                                                                                                                                                                                               | 10% of total shares<br><br>(UKLR 5.5.1)      | Any one of the following:<br>(i) 20,000 shares; or<br>(ii) Market capitalization of tradable shares: JPY 10 billion / USD 62.5 million; or<br>(iii) Percentage of tradable |

<sup>6</sup> <https://nyseguide.srorules.com/listed-company-manual/396b18e983e4426093eb7ae01b6f52c6>

<sup>7</sup> <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules/Nasdaq%205300%20Series>

<sup>8</sup> <https://handbook.fca.org.uk/handbook/uklr1>

<sup>9</sup> [https://www.jpix.co.jp/english/rules-participants/rules/regulations/tvdivq0000001vyt-att/listing\\_regs\\_20260401.pdf](https://www.jpix.co.jp/english/rules-participants/rules/regulations/tvdivq0000001vyt-att/listing_regs_20260401.pdf)



| S. N o. | Minimum Thresholds                          | NYSE, U.S. (NYSE Listing Company Manual <sup>6</sup> )                                                                                                                                                                                                                                                                                                                   | Nasdaq, U.S. (Nasdaq Stock Market LLC Rules <sup>7</sup> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | LSE, U.K. (U.K. Listing Rules <sup>8</sup> )           | TSE, Japan (Securities Listing Regulations <sup>9</sup> ) |
|---------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
|         |                                             |                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                        | shares:<br>35%<br><br>(Rule 211)                          |
| 3.      | <b>Market value of publicly-held shares</b> | Any one of the following:<br>(i) USD 100 million in market value of shares sold by the Company in the Exchange's opening auction on the first trading day; or<br>(ii) USD 250 million in aggregate market value of shares should in the opening auction on the first trading day and the shares publicly held immediately prior to the listing.<br><br>(Section 102.01B) | Any one of the following:<br>(i) USD 110 million in market value of unrestricted publicly held shares; or<br>(ii) USD 100 million in market value of unrestricted publicly held shares and USD 110 million in stockholders' equity<br><br>(Rule 5315(f)(2))<br><br>In case of a security that has not sustained recent trading in a Private Placement Market prior to listing, an independent third-party valuation is required evidencing a market value of publicly held shares of at least USD 250 million.<br><br>(Rule IM-5315-1) | -                                                      | -                                                         |
| 4.      | <b>Market Capitalization</b>                | USD 200 million<br><br>(Section 102.01C)                                                                                                                                                                                                                                                                                                                                 | <i>Refer below.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | GBP 30 million / USD 39.60 million<br><br>(UKLR 3.2.7) | JPY 25 billion / USD 156.25 million<br><br>(Rule 211)     |



| S. N o. | Minimum Thresholds             | NYSE, U.S. (NYSE Listing Company Manual <sup>6</sup> )                                                                                                                                                                                                                                                                                                                                                                               | Nasdaq, U.S. (Nasdaq Stock Market LLC Rules <sup>7</sup> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | LSE, U.K. (U.K. Listing Rules <sup>8</sup> ) | TSE, Japan (Securities Listing Regulations <sup>9</sup> )                                                                                                                                                                                                                                                                                                                               |
|---------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.      | <b>Profits / Revenue, etc.</b> | <p>Pre-tax earnings (any one of the following):</p> <p>(i) USD 10 million in aggregate for last 3 fiscal years AND USD 2 million in each of the two most recent fiscal years AND Positive amount in all 3 last fiscal years; or</p> <p>(ii) USD 12 million in aggregate for last 3 fiscal years AND USD 5 million in the most recent fiscal year AND USD 2 million in the next most recent fiscal year.</p> <p>(Section 102.01C)</p> | <p>Any one of the following:</p> <p>(i) Pre-tax earnings of USD 11 million in aggregate for last 3 fiscal years AND USD 2.2 million in each of the two most recent fiscal years AND Positive amount in all 3 last fiscal years; or</p> <p>(ii) Cash flows of USD 27.5 million in aggregate for last 3 fiscal years AND Positive cash flows in all 3 last fiscal years AND Average market capitalization of 550 million over prior 12 months AND Revenue of USD 110 million in previous fiscal year; or</p> <p>(iii) Average market capitalization of 850 million over prior 12 months AND Revenue of USD 90 million in previous fiscal year; or</p> <p>(iv) Market capitalization of USD 160 million AND Total Assets of USD 80 million AND Stockholders' Equity of USD 55 million.</p> <p>(Rule 5315(f)(3))</p> | -                                            | <p>Any one of the following:</p> <p>(i) Profits of JPY 2.5 billion / USD 15.625 million for the last 2 years; or</p> <p>(ii) JPY 10 billion / USD 62.5 million sales in last year and Market capitalization of JPY 100 billion / USD 625 million.</p> <p>Additionally, net assets criteria of at least JPY 5 billion / USD 31.25 million has also been specified.</p> <p>(Rule 211)</p> |

Notes:

- (i) Any one of the two minimum numerical standards specified under Section 102.01C of NYSE Listing Compliance Manual is required to be complied with.
- (ii) Conversion rate of GBP 1 = USD 1.32 has been used.
- (iii) Conversion rate of USD 1 = JPY 160 has been used.



## ANNEXURE B

### DRAFT CIRCULAR

IFSCA-PLNP/44/2026-Capital Markets

July \_\_, 2026

To,

**All investment bankers in the International Financial Services Centre (“IFSC”);  
All issuers proposing to list their specified securities on the recognised stock exchange(s)  
in the IFSC;  
All Market Infrastructure Institutions in the IFSC**

Madam / Sir,

**Subject: Direct listing of specified securities without public offer**

#### **A. Background**

1. Reference is drawn to the International Financial Services Centres Authority (Listing) Regulations, 2024 (“**Listing Regulations**”) which, *inter-alia*, provide the regulatory framework for issue and listing of specified securities, debt securities, depository receipts and other permitted financial products on recognised stock exchanges in IFSC.
2. Regulation 40 of the Listing Regulations permits an issuer to list its specified securities (i.e. equity shares and convertible securities) on recognised stock exchanges in IFSC without making a public offer in the manner as may be specified by the International Financial Services Centres Authority (“**IFSCA**”). In this regard, framework for direct listing of specified securities without public offer is specified by this circular.

#### **B. Applicability**

3. This circular shall apply to an issuer which has not listed its specified securities with any stock exchange whether in India, IFSC or any foreign jurisdiction and proposes to list its specified securities on the recognised stock exchange(s) in the IFSC without making public offer.

#### **C. Eligibility Requirements**

4. An issuer shall be eligible to list its specified securities on a recognised stock exchange without making public offer, only if:
  - (a) the issuer has an operating revenue, based on consolidated audited accounts, of at least USD twenty million in the last financial year or averaged over the last three financial years; or



- (b) the issuer has a pre-tax profit, based on consolidated audited accounts, of at least USD one million in the last financial year or averaged over the last three financial years; or
  - (c) the issuer has a post listing market capitalization of at least USD fifty million.
5. An issuer, which has issued Superior Right (“SR”) equity shares, shall be allowed to list its specified securities on a recognised stock exchange in the IFSC without making public offer, subject to the conditions that:
- (a) The issue of SR equity shares had been authorised by a resolution passed at a general meeting of the shareholders of the issuer; and
  - (b) The SR equity shares have been held for a period of at least three months prior to the filing of the information document.

**D. In-principle approval from recognised stock exchange(s)**

6. The issuer shall file an application with a recognised stock exchange seeking in-principle approval for listing of specified securities:

*Provided that* where the application is made to more than one recognised stock exchange, the issuer shall choose one of them as the designated stock exchange.

7. The recognised stock exchange shall grant an in-principle approval or reject the application within fifteen days from the date of receipt of complete details from the issuer.

*Provided that* no such rejection shall be made by the recognised stock exchange without giving the issuer an opportunity to make written submissions on the grounds on which the in-principle approval is proposed to be refused.

**E. Filing of Information Document**

8. The issuer, through an investment banker(s) registered with the Authority, shall file an information document with the Authority and the recognised stock exchange along with the applicable fee as may be specified by the Authority.
9. The investment banker(s) shall also submit a due diligence certificate along with the information document.
10. The information document shall be hosted on the websites of the Authority, the recognised stock exchanges(s) where the specified securities are proposed to be listed, the issuer and the investment banker(s).

**F. Disclosures in Information Document**

11. The information document shall contain all material disclosures which are true, correct and adequate to enable the investors to take an informed investment decision.



12. For the purpose of ‘materiality’ of disclosure under this circular, the issuer shall provide the details of its ‘materiality policy’, wherever applicable, in the information document and ensure the disclosure of all material information post filing of information document and prior to listing.
13. The information document shall contain the requisite disclosures relating to the issuer, including the following:
- (a) Document Summary;
  - (b) Risk Factors;
  - (c) General Information;
  - (d) Capital Structure;
  - (e) About the Issuer:
    - i. Industry Description;
    - ii. Business Description;
    - iii. Organisational structure, Management, Key Managerial Personnel and Remuneration;
    - iv. Shareholders’ Agreements and Other material Agreements;
    - v. Dividend Policy;
  - (f) Financial Statements;
  - (g) Material Related Party Transactions;
  - (h) Legal and Other Information:
    - i. Outstanding material litigation, regulatory actions and material developments;
    - ii. Pending material Government/Regulatory approvals;
  - (i) Details of major group entities including their business;
  - (j) Other regulatory and statutory disclosures;
  - (k) Any other material disclosures.

14. Disclaimer: The Information Document shall contain the following disclaimer in bold:

*“It is to be distinctly understood that filing of the information document with IFSCA is for the purpose of record and should not in any way be deemed or construed that the same has been cleared or approved by IFSCA. IFSCA does not take any responsibility either for the financial soundness of the issuer or for the correctness of the statements made or opinions expressed in the information document. The issuer and the investment*



*banker(s) have certified that the disclosures made in the information document are true, correct and adequate and are in conformity with the IFSCA (Listing) Regulations, 2024. This requirement is to facilitate investors to take an informed decision for making investment. The Issuer shall at all times be responsible for the correctness, adequacy and disclosure of all relevant information in the information document.”*

15. Audited financial information of the issuer for at least last three financial years shall be disclosed in the information document:

*Provided that* where the issuer has been in existence for less than three years, audited financial information shall be provided for such period of existence:

*Provided further* that where financial information is provided for part of a financial year such financial information can be limited reviewed.

16. Notwithstanding para 15 above, if the issuer has been in existence for less than one year, financial information provided shall be audited.

17. Financial information provided in the information document shall not be older than six months from the date of information document.

18. The issuer shall prepare its financial statements in accordance with International Financial Reporting Standards (“IFRS”) or US generally accepted accounting principles (“US GAAP”) or Indian Accounting Standards (“Ind AS”) or other accounting standards as may be applicable in its home jurisdiction:

*Provided that* an issuer preparing financial statements as per the accounting standards of its home jurisdiction (other than IFRS, US GAAP and Ind AS) shall be required to reconcile the same with IFRS.

#### **G. Applicability of minimum public shareholding norms**

19. Where the issuer is a company incorporated in India, including in an IFSC, such issuer shall comply with the minimum public shareholding norms prescribed under Rule 19A of the Securities Contracts (Regulation) Rules, 1957.
20. Where the issuer is a company incorporated outside India, such issuer shall maintain the minimum public shareholding of ten per cent. of the post listing capital on a continuous basis.

#### **H. Pricing**

21. The issuer shall determine base price of listing on the basis of a valuation report, not older than three months from the date of filing of the information document, from an independent valuer registered under the International Financial Services Centres Authority (TechFin and Ancillary Services) Regulations, 2025, or as a valuer with the Insolvency and Bankruptcy Board of India, or similarly registered service provider in its home jurisdiction, by whatever name called.



22. The audited financial statements relied upon for the purpose of valuation shall not be older than three months from the date of valuation report.

**I. Listing**

23. The issuer shall list its specified securities on the recognised stock exchange(s) within such period, as specified by the recognised stock exchange(s).

24. The recognised stock exchanges shall specify a mechanism for special pre-open session on the first day of listing for price discovery.

25. The issuer may appoint one or more market makers in order to improve liquidity in the secondary market.

**J. Miscellaneous**

26. This circular is issued in exercise of powers conferred under sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 read with regulations 40 and 130 of the Listing Regulations, and shall come into force with immediate effect.

A copy of this circular is available on the website of IFSCA at [www.ifsc.gov.in](http://www.ifsc.gov.in).

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