



D. Standing Committee on Primary Markets

5. The draft regulatory framework for rights issue was deliberated in the Standing Committee on Primary Markets (the Committee). The best practices in India and other global markets have been considered during the deliberations in the Committee. The draft regulatory framework for rights issue is based on recommendations of the Committee.

E. Proposed framework

6. The salient features of the proposed framework for rights issue are as under:

I. Definitions

Rights issue means an offer of specified securities by the issuer to its shareholders as on the record date fixed for the said purpose.

II. Eligibility Requirements

Entities not eligible to make a rights issue

- a) 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

- b) The issuer making a rights issue of specified securities shall ensure that:
- i. it has made an application to one or more recognized stock exchanges along with the draft letter of offer to seek an in-principle approval for listing of its specified securities on such recognized stock exchanges and has chosen one of them as the designated stock exchange; and
 - ii. all its existing partly paid-up equity shares have either been fully paid-up or forfeited.
 - iii. it shall file a letter of offer with the Authority for information and dissemination on the website of Authority along with fees as specified by Authority.



III. Record Date

The issuer shall announce a record date for the purpose of determining the shareholders eligible to apply for specified securities in the proposed rights issue for such period as may be specified by the board of directors of the issuer.

IV. Disclosures in letter of offer

- a) The draft letter of offer and letter of offer shall contain all material information and disclosures as specified in regulation 38 of the Listing Regulations.
- b) Further, the issuer shall 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.
- c) The issuer shall also disclose the details of specified investors.

V. Pricing

- a) The board of directors of the issuer shall decide the issue price, before determining the record date.
- b) For deciding the issue price, the issuer may also consult with the designated stock exchange.
- c) The issuer shall disclose the issue price in the letter of offer filed with the Authority and the recognized stock exchange(s).

VI. Issuance conditions and procedures

The proposed framework provides for various conditions and procedures (please see Annex I) related to the following-

- a) Reservations
- b) Availability of letter of offer and other issue materials
- c) Credit of rights entitlements and allotment of specified securities



- d) Renunciation
- e) Prohibition on payment of incentives
- f) Underwriting
- g) Monitoring agency
- h) Minimum subscription
- i) Period of subscription
- j) Payment options
- k) Manner of calls
- l) Allotment procedure and basis of allotment
- m) Allotment, refund and payment of interest
- n) Post-issue responsibilities
- o) Release of subscription money
- p) Reporting of transactions of the promoters or controlling shareholders and other pre-issue transactions
- q) Post-issue reports.

F. Regulatory Objective

7. The objective of this framework is to provide listed companies with a mechanism for raising capital through rights issue in a fast track and streamlined manner.

G. Public Comments

8. Comments are invited from the public on the draft regulatory framework for rights issue as enclosed at **Annex-I**.
9. Comments may be sent by email to **Shri Shubham Goyal**, Assistant General Manager at goyal.shubham@ifsc.gov.in and/or **Shri Hemant Verma**, Manager at verma.hemant56@ifsc.gov.in with a copy to **Shri Arjun Prasad**, General Manager at arjun.pd@ifsc.gov.in with subject line "*Comments on the regulatory framework for Rights Issue by Listed Entities*" latest by **March 27, 2026**.



10. 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 |
| | | | | |

March 06, 2026
Gandhinagar



Annexure-I

CIRCULAR

F. No. _____

March XX, 2026

To

All the Investment Bankers in the IFSC
All the issuers listed on the recognised stock exchanges in the IFSC
All the recognised stock exchanges in the IFSC

Madam/Sir,

Subject: Framework for Rights Issue under the IFSCA (Listing) Regulations, 2024

1. The International Financial Services Centres Authority (Listing) Regulations, 2024 ("Listing Regulations") provide the regulatory framework for listing of securities and other permitted financial products on the recognised stock exchanges in the IFSC. Regulation 57 of the Listing Regulations enables the listed entities on the Stock Exchanges in the IFSC to make rights issue subject to such requirements as may be specified by the IFSCA ("the Authority").
2. A listed entity shall raise capital through rights issue in accordance with the norms and requirements specified in this circular.

APPLICABILITY

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

DEFINITIONS

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

"Rights issue" means an offer of specified securities by the issuer to its shareholders as on the record date fixed for the said purpose.



GENERAL CONDITIONS

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 inconsistency between the applicable laws of its home jurisdiction and the requirements specified under this circular, the issuer shall, to the extent reasonably practicable, harmoniously comply with both legal requirements.

Provided further that, in case any direct conflict cannot be reconciled between the applicable laws of its home jurisdiction and the requirements specified under this circular, the applicable laws of the home jurisdiction of the issuer shall prevail.

ELIGIBILITY REQUIREMENTS

Reference date

6. Unless otherwise provided in this circular, 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 recognized stock exchanges 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.

Conditions

8. The issuer making a rights issue of specified securities shall ensure that:
 - i. It has made an application to one or more recognized stock exchanges along with the draft letter of offer to seek an in-principle approval for listing of its specified securities on such recognized stock exchanges and has chosen one of them as the designated stock exchange; and



- ii. All its existing partly paid-up equity shares have either been fully paid-up or forfeited.
- iii. The issuer shall file a letter of offer with the Authority for information and dissemination on the website of Authority along with fees as specified by Authority

RECORD DATE

9. The issuer shall announce a record date for the purpose of determining the shareholders eligible to apply for specified securities in the proposed rights issue for such period as may be specified by the board of directors of the issuer.

Provided that, the issuer shall give notice in advance to stock exchange(s) of record date specifying the purpose of the record date, in accordance with Regulation 101(2) of the Listing Regulations.

10. The issuer shall not withdraw its rights issue after announcement of the record date. However, 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 recognized stock exchange for a period of three months from the record date announced under para (9) above.

Provided that the issuer 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 stock exchange where its securities are listed.

DISCLOSURES IN AND FILING OF DRAFT LETTER OF OFFER AND LETTER OF OFFER

11. The draft letter of offer and letter of offer shall contain material information and disclosures as specified in regulation 38 of the Listing Regulations.
12. Further, the issuer shall 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.



13. The issuer shall also disclose the details of specified investors as stated in para 34 (iv) of this circular.

PRICING

14. The board of directors of 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.

15. The issuer shall disclose the issue price in the letter of offer filed with the Authority and the recognized stock exchange(s).

ISSUANCE CONDITIONS AND PROCEDURE

Reservations

16. The issuer shall make a rights issue of equity shares only if it has made 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.

17. 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 issue materials

18. The issuer shall ensure availability of the letter of offer and other issue material including application forms with recognized stock exchanges, and all its existing shareholders before the opening of the issue.

19. The letter of offer, along with 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.

20. The rights entitlements shall be credited to the demat account of the shareholders before the date of opening of the issue.
21. Allotment of specified securities shall be made in the dematerialised form only.

Renunciation

22. *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 Stock Exchanges through a registered broker dealer in the same manner as trading / selling equity shares of the issuer.
23. *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 on or prior to the Issue Closing Date.
24. Investors holding rights entitlement shall be able to renounce their entitlements only to person eligible to acquire such rights specified securities.

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 disclosed 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 recognized 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 recognized 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 or such period as specified in the letter of offer.

Payment options

31. The issuer shall give 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 in calls; or
 - ii. full payment on application

Provided that payment of balance money in calls, outside the issue period, may be through electronic banking modes

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 in the issue and if any applicant fails to pay the call money within the said twelve months, the equity shares on which there are calls in



arrears along with the subscription money already paid on such shares shall 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 16 and 17 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 renounce(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 having 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 renounces, who having applied for the specified securities renounced in their favour and also applied for additional specified securities, provided there is an under-subscribed portion after making full allotment specified in (i) and (ii) above. The allotment of such additional specified securities may be made on a proportionate basis.
- iv. Allotment 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).

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 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.
37. 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 basis of allotment is finalized.
38. Any act of omission or commission on the part of any of the intermediaries noticed by the recognized stock exchange shall be duly reported by them to the Authority.

Release of subscription money

39. The issuer shall confirm to the bankers to the issue that all formalities in connection with the issue have been completed and that the banker is free to release the money to the issuer or release the money for refund in case of failure of the issue.
40. In case the issuer fails to obtain listing or trading permission from the recognized stock exchanges where the specified securities were listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from recognized 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.
41. The recognized stock exchange shall ensure that the monies received in respect of the rights issue are released to the issuer shall be kept in a separate bank account in an IFSC Banking Unit and shall be utilized for the purposes of:
 - i. for adjustment against allotment of securities where the securities have been permitted to be dealt with in the stock exchange or stock exchanges specified in the prospectus; or



- ii. for the repayment of monies within the time specified by the Authority, received from applicants in pursuance of the prospectus, where the company is for any other reason unable to allot securities

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

42. The issuer shall ensure that all transactions in securities by the promoters or controlling shareholders between the date of filing of the draft letter of offer or letter of offer, as the case may be, and the date of closure of the issue shall be reported to the recognized stock exchanges 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 shall be reported to the stock exchange(s), within twenty- four hours of such pre- issue transactions (in part or in entirety).

Post-issue reports

44. The issuer, shall submit a post-issue report with the recognized stock exchange(s) giving details including relating to number, value and percentage of all applications received, allotments made, basis of allotment, subscription, details of credit of specified securities, details of renunciation of shares, details of split (if any), details relating to payments and refunds, and the date of filing of listing application, within fifteen working days from the date of closing of the rights issue.

Timelines

45. An indicative timeline for completion of the various activities involved in rights issue process from the date of board of directors of the issuer approving the rights issue till the date of closure of rights issue are placed at **Annexure A**.

Restriction on further capital issues

46. An issuer shall not make 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, the details of which are adequately disclosed in the letter of offer, during the period between the



date of filing the letter of offer with the recognized 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 with the sanction of a special resolution passed at a meeting of the holders of the specified securities of that class.
48. The circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 read with regulations 57 and 130 of the Listing Regulations.

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 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 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 Stock Exchanges and SEBI | 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 (Issue to be kept open for minimum 7 days as per Companies Act, 2013) | 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.*