

# CONSULTATION PAPER ON PROPOSED INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (ISSUANCE AND LISTING OF SECURITIES) REGULATIONS, 2021

## Objective

1. The objective of this consultation paper is to seek comments / views from public on the proposed regulations for issuance and listing of various securities in International Financial Services Centres (IFSC) in India.

## Background

2. In Globalised world, Global capital acts as an important driver of economic growth and development. The setting up of the IFSC in India is aimed at tapping global capital flows to meet India's development needs and simultaneously provide international issuers a globally competitive financial platform for the full range of international financial services.
3. The International Financial Services Centres Authority (IFSCA) is a unified regulatory authority for development and regulation of financial products, financial services and financial institutions in the IFSC in India.
4. The Hon'ble Prime Minister in January 2017 had during the inauguration of the first international exchange at Gujarat International Finance Tec-City (GIFT) mentioned that, –  
*“....., it will trade equity instruments of Indian and foreign companies. I am told Masala bonds will also be available for trading here. Many more companies from Asia, Africa and Europe should be able to raise funds from this important International Finance Centre.”*
5. Section 23 (3) of the Companies Act, 2013 has been notified on September 28, 2020 enabling listing of equity shares of public Indian companies in permissible foreign jurisdictions, including IFSC.
6. Currently, the listing of equity in IFSC by companies incorporated in India and foreign jurisdiction is regulated by a combination of SEBI (IFSC) Guidelines, 2015, relevant provisions of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2018, Companies Act, 2013 and Foreign currency depository receipt scheme and circulars issued thereunder. Further, listing of debt securities in IFSC is also currently regulated by SEBI (IFSC) Guidelines, 2015 and the framework provided by the recognised exchanges in IFSC. IFSCA has also provided the regulatory framework for listing of Depository Receipts by way of circular in October 2020.
7. IFSCA, in its endeavour to develop a comprehensive and consistent regulatory framework based on global best practices with a special focus on ease of doing business, proposes to enact an all-encompassing framework to facilitate issuers' access world's capital markets.

8. Through a cross-border listing, a company can reach beyond its home jurisdiction to identify a foreign stock exchange that meets its particular corporate financing needs. There have been changes in market practices and regulatory environment over a period of time with respect to primary market activities across the globe. Hence, a need has been felt to review the existing regulatory framework for listing of securities in IFSC so as to align them with latest market developments and to ensure that the best practices are adopted. In addition, a need has been felt to simplify and prescribe a single regulatory framework for issuance and listing of various types of securities, and prescribe suitable initial and continuous disclosure requirements.
9. The Hon'ble Finance Minister in the Union Budget for the financial year 2021-22, has announced setting up of a '**world-class**' **fintech hub** at GIFT City in a bid to bolster innovation in the fintech industry. In order to provide an ecosystem for Fintech companies, IFSCA is proposing to enable the framework for listing of start-ups in IFSC.
10. Further, recently, innovative methods for raising of capital are being used by companies in some jurisdictions. One example is raising of capital by **Special Purpose Acquisition Companies (SPAC)**. IFSCA is proposing to enable a framework for listing of SPAC on the recognised stock exchanges, in order to facilitate sponsors, raise capital to undertake an acquisition of a company or assets.
11. The countries worldwide are investing into **Environment, Social, Governance (ESG)** projects, pursuant to the Paris Agreement and Sustainable Development Goals. The financial sector has been identified as being instrumental in advancing the zero-carbon energy transition. Considering the importance of Environment, Social and Governance issues and the ESG targets, there is a need for the regulators to provide an ecosystem for sustainable financing. IFSCA aims to move towards becoming a prominent international centre for sustainable finance, supporting the needs for ESG financing. Towards this direction, the proposed framework by IFSCA includes framework for listing of green bonds, social bonds, sustainable bonds and sustainability linked bonds.

### **Listing of securities**

12. IFSCA proposes to issue the regulatory framework for the following types of listing:
  - (a) an initial public offer of specified securities by an unlisted issuer;
  - (b) a follow-on public offer of specified securities by a listed issuer;
  - (c) Listing of specified securities by a start-up company or a SME;
  - (d) Secondary listing
  - (e) An initial public offer of specified securities by a SPAC;
  - (f) Listing of depository receipts;
  - (g) Listing of debt securities (including SMART City bonds); and
  - (h) Listing of ESG focused debt securities.

13. The following entities would be eligible for listing of securities on the recognised stock exchanges in IFSC:

- (a) A company incorporated in an IFSC;
- (b) A company incorporated in India; and
- (c) A company incorporated in a foreign jurisdiction.

14. Further, in respect of listing of debt securities, the following entities are also eligible to list on the recognised stock exchanges in IFSC:

- (a) any supranational, multilateral or statutory organisation/ institution/agency provided such organization/institution/agency is permitted to issue securities as per its constitution; and
- (b) any municipality or any Statutory Body or Board or corporation, Authority, Trust or Agency established or notified by any Central or State Act or any Special Purpose Vehicle notified by the State Government or Central Government including for the purpose of raising fund by the issuer to develop SMART city.

#### **Listing of specified securities through IPO (including Offer for Sale)**

15. The salient features for raising of capital through IPOs on a recognised stock exchange in IFSC are as follows:

**A. Eligibility:** An issuer shall be eligible to make an initial public offer only if:

- a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD 1 million during the preceding three financial years, or
- b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or
- c. any other eligibility criteria that may be prescribed by IFSCA.

**B. Offer size:** The issue shall be of size not less than USD 15 million or any other amount as may be specified by IFSCA from time to time.

**C. Minimum subscription:** The minimum number of subscribers should be 200 and at least 75% of the offer size should be subscribed for the offer to be successful.

**D. Lock-up:** The pre-issue shareholding shall be locked-up for a period of 180 days from the date of allotment in the initial public offer.

#### **Listing of Start-up and Small and Medium Sized Enterprise Companies**

16. The start-up fulfilling the following criteria shall be eligible to list on the recognised stock exchanges in IFSC:

- a) Less than 10 years from the date of incorporation;
  - b) The turnover of the company for any of the financial years since incorporation should not have exceeded USD 20 million.
17. The SME Companies, as defined in their respective home jurisdiction, shall be eligible to list on specified securities on a recognised stock exchange.
18. The salient features for the framework for listing of start-up and SME companies are as follows:
- a. **Direct Listing:** The start-ups and SMEs are also permitted to list on the recognised stock exchanges in IFSC without public offer. This would encourage start-ups (including Fintech companies) to list in IFSC and would be a step towards developing IFSC as a hub for Fintech companies.
  - b. **Offer size in case of public offer:** Not less than USD 2 million or any other amount as may be specified by IFSCA from time to time.
  - c. **Minimum subscription:** The minimum number of subscribers should be 50 and at least 75% of the offer size should be subscribed for the offer to be successful.

### **SPAC Listing**

19. A SPAC shall be eligible to raise capital through IPO of specified securities on the recognised stock exchanges in IFSC, only if:
- a. The primary objective of the issuer is to effect a merger or amalgamation or acquisition of shares or assets of a company having business operations (“business acquisition”);
  - b. The issuer does not have any operating business.
20. The salient features of the framework for listing of SPACs are as follows:
- a. **Offer size:** Not less than USD 50 million or any other amount as may be specified by the Authority from time to time.  
  
Further, the sponsor shall hold at least 20% of the post issue paid up capital.
  - b. **Minimum application:** The minimum application size in an initial public offer of SPAC shall be USD 250,000.
  - c. **Minimum subscription:** At least 75% of the offer size.
  - d. **SPAC specific obligations:** Requirements have also been prescribed with respect to maintenance of escrow account, eligible investments pending utilisation, acquisition timeline of 3 years extendable upto 1 year, right of dissenting shareholders, liquidation provisions, etc.

## **Listing of Depository Receipts**

21. The IFSCA proposes to incorporate the Depository Receipts framework already provided by way of circular in October 2020 in the unified issuance and listing framework.

## **Listing of Debt Securities**

22. It is proposed that the following categories of debt securities (including ESG focused bonds, SMART City bonds) shall be eligible for listing on recognised stock exchanges in IFSC:

- a) Debt securities issued by issuers incorporated in IFSC;
- b) Debt securities issued by issuers incorporated in India or foreign jurisdiction in any currency other than INR;
- c) Masala Bonds;
- d) Any other debt securities as permitted by relevant authority from time to time.

23. The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator.

24. The framework enables listing of -

- a. Public Issue of debt securities; and
- b. Privately placed debt securities

## **Filing of Shelf Disclosure Document.**

25. An issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a Shelf Disclosure Document. An issuer filing a Shelf Disclosure Document shall not be required to file disclosure document, while making subsequent private placement of debt securities for a period of 180 days from the date of filing of the shelf disclosure document.

## **ESG focused bonds**

26. In addition to the requirements for issuance and listing of debt securities, the additional requirements for ESG focused bonds are as follows:

- a. The funds raised through the issuance of such debt securities shall be utilised exclusively for financing or refinancing projects and/or assets aligned with internationally recognised standards, frameworks, taxonomies, methodologies, principles or guidelines.
- b. Further, external review by Independent Reviewers shall be required to ascertain that the debt securities are in alignment with the above-mentioned standards, frameworks, etc.
- c. Disclosure requirements have been prescribed to monitor actual utilisation of proceeds and its impact.

## **Listing Obligations and Disclosure Requirements**

27. A listed issuer shall be required to comply with the continuous listing obligations and disclosure requirements (event based and periodic).

## **Public Comments**

28. In view of the above, comments and suggestions from public are invited on the proposed IFSCA (Issuance and Listing of Securities) Regulations, 2021 contained in **Annexure-I** to this paper. Comments may be sent by email to Mr. Arjun Prasad, Deputy General Manager, IFSCA at arjun.pd@ifsc.gov.in latest by March 31, 2021.

29. The comments should be in the following format:

<b>Name and occupation of the person</b>			
<b>Sr No</b>	<b>Number of the draft regulation</b>	<b>Proposed changes</b>	<b>Rationale</b>

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## **Annexure - I**

### **INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (ISSUANCE AND LISTING OF SECURITIES) REGULATIONS, 2021**

*In exercise of the powers conferred by sub-section (1) of Section 28 read with sub-section (1) of Section 12 and sub-section (1) of Section 13 of the International Financial Services Centres Authority Act, 2019; and Section 30 and Section 11A read with Section 28C of the Securities and Exchange Board of India Act, 1992, the International Financial Services Centres Authority hereby makes the following regulations, namely:-*

#### **CHAPTER I: PRELIMINARY**

##### **Short title and commencement**

1. (1) These regulations may be called the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021.
- (2) They shall come into force on the date of publication in the Official Gazette.

##### **Definitions**

2. In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly, -
  - (a) "Act" means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
  - (b) "convertible debt instrument" means an instrument which creates or acknowledges indebtedness and is convertible into equity shares of the issuer at a later date at or without the option of the holder of the instrument, whether constituting a charge on the assets of the issuer or not;
  - (c) "convertible security" means a security which is convertible into or exchangeable with equity shares of the issuer at a later date, with or without the option of the holder of such security and includes convertible debt instrument and convertible preference shares;
  - (d) "debt securities" means non-convertible debt securities which create or acknowledge indebtedness and includes debentures and bonds;
  - (e) "DR" or "depository receipt" means a negotiable financial instrument representing underlying securities of a company listed in another jurisdiction;
  - (f) "foreign jurisdiction" means a country, other than India, whose securities market regulator is a signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding (IOSCO's MMOU) (Appendix A signatories) or a signatory to bilateral Memorandum of

Understanding with the IFSCA, and which is not identified in the public statement of Financial Action Task Force as:

- i. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
  - ii. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;
- (g) “follow-on public offer” or “FPO” means an offer of specified securities by a listed issuer to the public for subscription and includes an offer for sale of specified securities to the public by any existing holders of such specified securities in a listed issuer;
- (h) “green shoe option” means an option of allotting equity shares in excess of the equity shares offered in the public issue as a post-listing price stabilizing mechanism;
- (i) “IFSCA” or “Authority” means the International Financial Services Centres Authority established under sub-section (1) of section 4 of the Act;
- (j) “initial public offer” or “IPO” means an offer of specified securities by an unlisted issuer to the public for subscription and includes an offer for sale of specified securities to the public by any existing holders of such specified securities in an unlisted issuer;
- (k) “International Financial Services Centre” or “IFSC” shall have the same meaning as assigned to it under clause (g) of sub-section (1) of Section 3 of the Act;
- (l) “key managerial personnel” means the officers or personnel of the issuer who are members of its core management team (excluding board of directors) and includes members of the management one level below the executive directors of the issuer, functional heads and includes ‘key managerial personnel’ as defined under the Companies Act, 2013 or any other person whom the issuer may declare as a key managerial personnel;
- (m) “lead manager” means a merchant banker appointed by the issuer to manage the issue and in case of a book built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building;
- (n) “listed company” means a company whose specified securities or depository receipts are listed on a recognised stock exchange(s) in IFSC;
- (o) “recognised stock exchange” means a stock exchange in an IFSC recognised by the Authority;
- (p) “specified securities” means equity shares and convertible securities; and

(q) “SR equity shares” means the equity shares of an issuer having superior voting rights compared to all other equity shares issued by that issuer.

3. Words and expressions used and not defined in these regulations but defined in the Act, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act 1996, or any rules or regulations made thereunder shall have the same meanings respectively assigned to them in those Acts, rules or regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

### **Applicability**

4. These regulations shall apply to:

- (i) an initial public offer of specified securities by an unlisted issuer;
- (j) a follow-on public offer of specified securities by a listed issuer;
- (k) Listing of specified securities by a start-up company or a SME;
- (l) An initial public offer of specified securities by a Special Purpose Acquisition Company;
- (m) Listing of depository receipts;
- (n) Listing of debt securities (including SMART City bonds); and
- (o) Listing of ESG focused debt securities.

## **CHAPTER II: GENERAL CONDITIONS**

### **General Principles**

5. The underlying principles for an issuer to list its securities in IFSC are:
- (a) There should be true, correct and adequate disclosure of material information in the offer document to enable the investors to take informed decision.
  - (b) There should be full, accurate and timely disclosure of financial results, risk and other non-financial information which is material to investors' decisions;
  - (c) All holders of listed securities shall be treated in a fair and equitable manner;
  - (d) The issuers shall maintain standards of quality, operations, management experience and expertise, wherever applicable; and
  - (e) The directors of an issuer shall ensure to act in the interests of shareholders as well as other stakeholders.

### **General Eligibility Criteria**

6. (1) The following entities shall be eligible to list its securities under these regulations on a recognised stock exchange:
- (a) A company incorporated in an IFSC;
  - (b) A company incorporated in India; and
  - (c) A company incorporated in a foreign jurisdiction.
- (2) Notwithstanding (1) above, the following entities shall also be eligible in respect of listing of debt securities on a recognised stock exchange, -
- (a) any supranational, multilateral or statutory organisation/ institution/agency provided such organization/institution/agency is permitted to issue securities as per its constitution; and
  - (b) any municipality or any Statutory Body or Board or corporation, Authority, Trust or Agency established or notified by any Central or State Act or any Special Purpose Vehicle notified by the State Government or Central Government including for the purpose of raising fund by the issuer to develop SMART city.
7. An issuer shall be eligible to list its securities under these regulations in IFSC only if-
- (a) the issuer is duly incorporated or established according to the relevant laws of its place of incorporation or establishment;
  - (b) the issuer is operating in conformity with its constitution; and
  - (c) the listing of securities in IFSC is in accordance with the laws of the jurisdiction of incorporation.

- 8.** An issuer shall not be eligible to list securities under these regulations if the issuer or any of its promoters, promoter group, controlling shareholders or directors or selling shareholders is -
  - (a) debarred from accessing the capital market; or
  - (b) a wilful defaulter; or
  - (c) a fugitive economic offender.
- 9.** The securities proposed to be listed on a recognised stock exchange should be fully paid-up and freely transferable. The securities shall be issued and held in dematerialised form.

## **CHAPTER III: PUBLIC OFFER OF SPECIFIED SECURITIES (IPO AND FPO)**

### **PART A: INITIAL PUBLIC OFFER**

#### **Eligibility criteria**

**10.** An issuer shall be eligible to make an initial public offer only if:

- a. the issuer has an average pre-tax profit, based on consolidated audited accounts, of at least USD one million during the preceding three financial years; or
- b. the issuer has an operating revenue of at least USD 20 million in the preceding financial year; or
- c. any other eligibility criteria that may be prescribed by IFSCA.

**11.** The issuer shall have commenced business at least three years prior to the date of filing of prospectus.

**12.** If an issuer has issued SR equity shares or dual class shares to any shareholder, the said issuer shall be allowed to do an initial public offer of ordinary shares for listing on the recognised stock exchange(s) subject to compliance with the following:

- (a) The issue of SR equity shares/ shares with superior voting rights had been authorized by a special resolution passed at a general meeting of the shareholders of the issuer;
- (b) The SR equity shares/ shares with superior voting rights have been held for a period of atleast 6 months prior to the filing of the red herring prospectus;
- (c) The SR equity shares / shares with superior voting rights shall have voting rights in the ratio of a minimum of 2:1 upto a maximum of 10:1 compared to ordinary shares and such ratio shall be in whole numbers only;
- (d) The SR equity shares / shares with superior voting rights shall have the same face value as the ordinary shares; and
- (e) The SR equity shares / shares with superior voting rights shall be equivalent to ordinary equity shares in all respects, except for having superior voting rights.

#### **Offer for Sale**

**13.** In case of an offer for sale, the securities must have been held by the sellers for a period of at least one year form the date of filing of draft prospectus.

Provided that in case the equity shares received on conversion or exchange of fully paid-up compulsorily convertible securities including depository receipts are being offered for sale, the holding period of such convertible securities, including depository receipts, as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year.

*Explanation:* If the equity shares arising out of the conversion or exchange of the fully paid-up compulsorily convertible securities are being offered for sale, the conversion or exchange should be completed prior to filing of the offer document, provided full disclosures of the terms of conversion or exchange are made in the draft offer document.

Provided further that the requirement of holding equity shares for a period of one year shall not apply:

- a) If the equity shares offered for sale were acquired pursuant to any scheme of merger or amalgamation in lieu of business and invested capital which had been in existence for a period of more than one year prior to approval of such scheme; or
- b) If the equity shares offered for sale were issued under a bonus issue on securities held for a period of at least one year prior to the filing of the draft offer document with IFSCA and further subject to the following:
  - i. such specified securities being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with IFSCA; and
  - ii. such equity shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.

### **Lead manager**

**14.** The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s).

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

**15.**(1) The issuer shall file an application with the recognised stock exchange(s) seeking in-principle approval.

(2) The stock exchange(s) shall grant an in-principle approval or reject the application for the in-principle approval within thirty days from the date of receipt of complete information from the issuer.

### **Filing of Offer Document**

**16.**(1) The issuer, through the lead manager(s), shall file a draft offer document along with fee as may be specified by IFSCA.

(2) The lead manager(s) shall submit a due diligence certificate along with the draft offer document.

(3) The draft offer document shall be made public, for comments, if any, by hosting it on the websites of IFSCA, stock exchange(s) and lead manager(s) for a period of not less than fourteen days.

(4) The lead manager(s) shall file with IFSCA details of the comments received by them or the issuer from the public on the draft offer document during that period and the consequential changes, if any, that are required to be made in the draft offer document.

**17.** IFSCA may issue observations, if any, on the draft offer document within thirty working days from the later of the following dates:

- a) The date of receipt of the draft offer document; or
- b) The date of receipt of satisfactory reply from the issuer where IFSCA has sought any clarification or additional information from them; or
- c) The date of receipt of clarification or information from any regulator or agency, where IFSCA has sought any clarification or information from such regulator or agency; or
- d) The date of receipt of a copy of in-principle approval letter issued by the stock exchange(s).

**18.** The issuer shall carry out changes specified by IFSCA, if any, in the offer document.

**19.** The issuer shall, through the lead manager(s), file the offer document with the Authority and the stock exchange(s).

### **Offer Timing**

**20.** The offer shall be made by the issuer within a period of not more than one year from the date of issuance of observations by IFSCA:

Provided that if the offer is not made within the specified time period, a fresh draft offer document shall be filed.

### **Initial disclosures in the Offer Document**

**21.** (1) The offer document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.

(2) The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including materiality, veracity and adequacy of disclosures in the offer document.

**22.** The offer document shall contain disclosures relating to the public offer, including the following:

- a) Offer Document Summary

- b) Risk factors
- c) Introduction
- d) General information
- e) Capital Structure
- f) Particulars of the Issue
  - i. Objects of the Issue
  - ii. Requirement of Funds
  - iii. Funding Plan
  - iv. Business/Project Appraisal, if any
  - v. Schedule of Implementation
  - vi. Deployment of Funds
  - vii. Sources of financing of funds already deployed
  - viii. Deployment of balance funds
  - ix. Interim use of funds
  - x. Expenses of the Issue
  - xi. Basis of Issue Price including suitable peer group comparison
  - xii. Tax Implications
- g) About the Issuer
  - i. Industry Overview
  - ii. Business overview
  - iii. Organisational structure
  - iv. Shareholders' Agreements and Other material Agreements
  - v. Management and KMPs
  - vi. Major shareholders
  - vii. Remuneration and benefits
  - viii. Dividend Policy
- h) Financial Statements

- i) Related Party Transactions
- j) Legal and Other Information
  - i. Outstanding litigations and material developments
  - ii. Pending Government/Regulatory approvals
- k) Information with respect to group companies
- l) Other regulatory and statutory disclosures
- m) Any other material disclosures

**23.** The audited financial information of the issuer in the offer document shall be for at least three financial years.

**24.** The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its jurisdiction of incorporation.

**25.** The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed twenty five percent of the amount being raised by the issuer.

#### **Issue size**

**26.** The issue size shall not be less than USD fifteen million or any other amount as may be specified by IFSCA.

**27.** The issuer may make reservations on a competitive basis out of the issue size in favour of the following categories of persons and the same shall suitably be disclosed in the offer document:

- a) employees;
- b) directors; and
- c) shareholders (other than promoters and promoter group) of listed subsidiaries or listed promoter companies.

#### **Pricing**

**28.** The issuer shall determine the pricing in consultation with the lead manager(s). The issue may be through a fixed price mechanism or through book building mechanism and the same shall be suitably disclosed in the offer document.

#### **Offer period**

**29.** The initial public offer shall be kept open for at least three working days and not more than ten working days.

### **Minimum subscription**

**30.** (1) The minimum subscription to be received in the issue shall be at least seventy-five percent of the issue size for the offer to be successful.

(2) The minimum number of subscribers shall be 200 for the offer to be successful.

### **Underwriting**

**31.** A public 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 offer document.

### **Allotment**

**32.** The allotment to investors shall be on proportionate basis or discretionary basis and shall be disclosed in the offer document. No single investor shall be allotted more than 15% of the post issue capital.

**33.** The issuer and lead manager(s) shall ensure that the specified securities are allotted and the payments and refunds are completed within 5 working days from the date of closing of the issue.

### **Listing**

**34.** The specified securities shall list on the stock exchange(s) within the period, as specified by the stock exchange(s).

### **Post-issue report**

**35.** The lead manager(s) shall file a post-issue report with the recognised stock exchange(s) giving details relating to number, value and percentage of all applications received, allotments made, basis of allotment, subscription, details of credit of specified securities, details relating to payments and refunds, date of filing of listing application, etc. within ten working days from the date of closing the issue.

### **Price stabilisation through green shoe option**

**36.** (1) An issuer may provide a green shoe option for stabilising the post listing price of its specified securities, subject to the following conditions:

(a) the draft offer document and offer document shall contain all material disclosures about the green shoe option;

(b) the issuer has appointed a merchant banker as a stabilising agent, who shall be responsible for the price stabilisation process;

(c) the maximum number of specified securities that may be borrowed for the purpose of allotment or allocation of specified securities in excess of the issue size shall not exceed 15% of the issue size.

(2) The stabilisation process shall be available for a period not exceeding thirty days from the date on which trading permission is given by the stock exchanges in respect of the specified securities allotted in the public issue.

(3) The stabilising agent shall open a special account, distinct from the issue account, with a bank for crediting the monies received from the applicants against the over-allotment and a special account with a depository participant for crediting specified securities to be bought from the market during the stabilisation period out of the monies credited in the special bank account

(4) The specified securities bought from the market shall be returned to the pre-issue shareholders immediately, in any case not later than two working days after the end of the stabilization period.

(5) On expiry of the stabilisation period, if the stabilising agent has not been able to buy specified securities from the market to the extent of such securities over-allotted, the issuer shall allot specified securities at issue price to the extent of the shortfall within five working days of the closure of the stabilisation period and such specified securities shall be returned to the pre-issue shareholders by the stabilising agent in lieu of the specified securities borrowed from them and the account with the depository participant shall be closed thereafter.

(6) The issuer shall make a listing application in respect of the further specified securities allotted under sub-regulation (5), to all the stock exchanges where the specified securities allotted in the public issue are listed.

(7) Any monies left in the special bank account after remittance of monies to the issuer and deduction of expenses incurred by the stabilising agent for the stabilisation process shall be transferred to IFSCA and the special bank account shall be closed soon thereafter.

### **Lock-up**

**37.** (1) The pre-issue shareholding of all shareholders of the issuer shall be locked-up for a period of 180 days from the date of allotment in the initial public offer.

Provided that the lock-up provisions shall not apply with respect to the specified securities lent to stabilising agent for the purpose of green shoe option, during the period starting from the date of lending of such specified securities and ending on the date on which they are returned to the lender.

(2) The shareholding of the SR Equity Shares/ shares with superior voting rights shall be locked-up after the initial public offering, until the later of:

- a) their conversion to ordinary shares; and
- b) 2 years from the date of allotment in the initial public offer.

(3) The specified securities held by the promoters and locked-up may be pledged as a collateral security for a loan granted by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance

company or a housing finance company for the purpose of financing one or more of the objects of the issue.

### **Other responsibilities of lead manager**

**38.**(1) The lead manager(s) shall prepare a schedule, listing the activity-wise allocation of responsibilities relating to the issue, the name of the lead manager responsible for each set of activities or sub-activities, and disclose the same in the offer documents.

(2) A lead manager shall be designated for ensuring compliance with these regulations and coordinating with IFSCA.

(3) The designated lead manager shall be responsible for ensuring that all intermediaries fulfil their obligations and functions as specified in their agreements with the issuer.

(4) The responsibility of the lead manager(s) shall continue until completion of the issue process and for any issue related matter thereafter.

(5) The lead manager(s) shall continue to be responsible for post-issue activities till the applicants have received the securities certificates, credit to their demat account or refund of application monies and the listing agreement is entered into by the issuer with the stock exchange and listing or trading permission is obtained.

### **Prohibition on payment of incentives**

**39.** 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 public offer, except for fees or commission for services rendered in relation to the issue.

## **PART B: FOLLOW-ON PUBLIC OFFER**

### **Applicability**

**40.** An issuer listed on a recognised stock exchange may make a follow-on public offer of specified securities in the manner provided in these regulations.

### **Offer for sale**

**41.** In case of an offer for sale, the securities must have been held by the sellers for a period of at least one year from the date of filing of draft prospectus.

Provided that in case the equity shares received on conversion or exchange of fully paid-up compulsorily convertible securities including depository receipts are being offered for sale, the holding period of such convertible securities, including depository receipts, as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year.

*Explanation:* If the equity shares arising out of the conversion or exchange of the fully paid-up compulsorily convertible securities are being offered for sale, the

conversion or exchange should be completed prior to filing of the offer document, provided full disclosures of the terms of conversion or exchange are made in the draft offer document.

Provided further that the requirement of holding equity shares for a period of one year shall not apply:

- a) If the equity shares offered for sale were acquired pursuant to any scheme of merger or amalgamation in lieu of business and invested capital which had been in existence for a period of more than one year prior to approval of such scheme; or
- b) If the equity shares offered for sale were issued under a bonus issue on securities held for a period of at least one year prior to the filing of the draft offer document with IFSCA and further subject to the following:
  - iii. such specified securities being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with IFSCA; and
  - iv. such equity shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.

### **Lead manager**

**42.** The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s).

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

**43.**(1) The issuer shall file an application with the recognised stock exchange(s) seeking in-principle approval.

(2) The stock exchange(s) shall grant an in-principle approval or reject the application for the in-principle approval within thirty days from the date of receipt of complete information from the issuer.

### **Fast track follow-on public offer**

**44.**(1) An issuer may make follow-on public offer through the fast track route, if the issuer satisfies the following conditions:

- (a) equity shares of the issuer have been listed on a recognised stock exchange for a period of at least one year;
- (b) issuer has complied with all the regulatory requirements prescribed by IFSCA and the recognised stock exchange(s) in the preceding three years:

- (c) no show-cause notice has been issued by IFSCA and pending against the issuer or its promoters or controlling shareholders or whole-time directors;
- (d) there is no adverse opinion, disclaimer of opinion, qualified opinion by the auditors on the financial statements of the issuer, or any of the issuer's subsidiaries or associated companies (having a material impact on the issuer's consolidated accounts), in the preceding three years;
- (e) there has not been any disclosure relating to irregularities in the issuer, having a material impact on the issuer, by any director, key management personnel or compliance officer:
- (f) if the issuer is listed for a period of less than three years, the period would be considered from the date of listing for the purpose of clause (b) and (d) above.

(2) The issuer shall file the offer document along with fee as may be specified by IFSCA.

(3) The lead manager(s) shall submit a due diligence certificate along with the offer document.

(4) The issuer shall simultaneously file the offer document with the recognised stock exchange(s).

### **Follow-on public offer without fast track**

**45.** The issuer not meeting the conditions for fast track follow-on public offer, may make follow-on public offer by filing of offer document in the same manner as provided for Initial Public Offers under Part A of this Chapter.

### **Initial Disclosures**

**46.** (1) The offer document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.

(2) The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosures in the offer document.

**47.** The offer document shall contain disclosures relating to the public offer, including the following:

- a) Offer Document Summary
- b) Risk factors
- c) Introduction
- d) General information

- e) Capital Structure
- f) Particulars of the Issue
  - i. Objects of the Issue
  - ii. Requirement of Funds
  - iii. Funding Plan
  - iv. Business/Project Appraisal, if any
  - v. Schedule of Implementation
  - vi. Deployment of Funds
  - vii. Sources of financing of funds already deployed
  - viii. Deployment of balance funds
  - ix. Interim use of funds
  - x. Expenses of the Issue
  - xi. Basis of Issue Price including suitable peer group comparison
  - xii. Tax implications
- g) Financial Statements
- h) Legal and Other Information
  - i. Outstanding litigations and material developments
  - ii. Pending Government/Regulatory approvals
- i) Information with respect to group companies
- j) Other regulatory and statutory disclosures
- k) Any other material disclosures

**48.** The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed twenty-five percent of the amount being raised by the issuer.

### **Issue Process**

**49.** The provisions relating to offer timing, issue size, pricing, offer period, minimum subscription, underwriting, allotment, listing, post-issue report, other responsibilities of lead manager and prohibition on payment of incentives provided for Initial Public Offers under Part A of this Chapter shall *mutatis mutandis* apply to follow-on public offer by a listed issuer. For the purpose of offer document, the

issuer may submit the disclosures in offer document by providing references to a recent prospectus or other disclosures made on the recognised exchange.

## CHAPTER IV - SECONDARY LISTING

### Listing without public offer

**50.** Any company which is having its specified securities listed in India (outside IFSC) or in a foreign jurisdiction may list their specified securities on a recognised stock exchange(s), without public offer, subject to the following conditions:

- a) The company shall file listing application, in the manner prescribed by the stock exchange(s); and
- b) The company shall comply with the listing requirements of the stock exchange(s) and other conditions as may be prescribed by IFSCA.

### Listing with public offer

**51.** Any company which is having its specified securities listed in India (outside IFSC) or in a foreign jurisdiction may list their specified securities on a recognised stock exchange(s) by undertaking public offer.

**52.** The provisions relating to appointment of lead manager, in-principle approval from recognised stock exchanges, filing of offer document, offer timing, initial disclosures in offer document, pricing, offer period, issue size, minimum subscription, underwriting, allotment, listing, post-issue report, other responsibilities of lead manager and prohibition on payment of incentives provided for Initial Public Offers under Part A of Chapter III shall *mutatis mutandis* apply to secondary listing with public offer by such issuer. For the purpose of offer document, the issuer may submit the disclosures in offer document by providing references to a recent prospectus or other disclosures made on the home exchange or regulatory body.

## **CHAPTER V: LISTING OF START-UP AND SME COMPANIES**

### **Eligibility Criteria**

- 53.** A start-up company shall be eligible to list its specified securities on a recognised stock exchange, with or without making a public offer, if it meets the following criteria:
- (a) The offer document of the company should be filed within a period of ten years from the date of incorporation/ registration;
  - (b) The turnover of the company for any of the financial years since incorporation/ registration should not have exceeded USD twenty -million;
- 54.** A company falling under small and medium sized enterprise (SME) as per the definition of their respective jurisdiction of incorporation shall be eligible to list its specified securities on a recognised stock exchange, with or without making a public offer.
- 55.** The provisions of this Chapter shall apply to eligible start-up and SME companies fulfilling the above criteria.

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

- 56.**(1) The issuer shall file an application with the recognised stock exchange(s) seeking in-principle approval.
- (2) The stock exchange(s) shall grant an in-principle approval or reject the application for the in-principle approval within thirty days from the date of receipt of complete information from the issuer.

### **Listing without public offer**

- 57.**(1) The issuer shall file the information document along with fee as may be specified by IFSCA
- (2) The lead manager(s) shall submit a due diligence certificate along with the information document.
- (3) The issuer shall simultaneously file the information document with the recognised stock exchange(s).

### **Initial Disclosures**

- 58.** The information document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
- 59.** The information document shall contain disclosures relating to the issuer, including the following:
- a) Summary

- b) Risk factors
- c) Introduction
- d) General information
- e) About the Issuer
  - i. Industry Overview
  - ii. Business overview
  - iii. Organisational structure
  - iv. Shareholders' Agreements and Other Agreements
  - v. Management
  - vi. Major shareholders
  - vii. Remuneration and benefits
  - viii. Dividend Policy
- f) Capital Structure
- g) Financial Statements
- h) Related Party Transactions
- i) Legal and Other Information
  - i. Outstanding litigations and material developments
  - ii. Pending Government/Regulatory approvals
- j) Information with respect to group companies
- k) Other regulatory and statutory disclosures
- l) Any other material disclosures

**60.** The information document shall be approved by the board of directors of the company and shall be signed by all the directors, the Chief Executive Officer/ Managing Director and the Chief Financial Officer of the company.

**61.** The company shall list its specified securities on the recognised stock exchange(s) within thirty days of the approval from the stock exchange(s).

#### **Listing with public offer**

**62.** The provisions relating to filing of offer document, offer timing, initial disclosures in the offer document, pricing, offer period, underwriting, allotment, listing post-issue

report, other responsibilities of lead manager and prohibition on payment of incentives provided for Initial Public Offers under Part A of Chapter III shall *mutatis mutandis* apply to initial public offer by a start-up or SME company under this Chapter.

### **Issue size**

**63.** The issue shall be of size not less than USD two million or any other amount as may be specified by IFSCA.

**64.** The issuer may make reservations on a competitive basis out of the issue size in favour of the following categories of persons and the same shall be suitably disclosed in the offer document:

a) employees;

b) directors; and

c) shareholders (other than promoters and promoter group) of listed subsidiaries or listed promoter companies.

### **Minimum subscription**

**65.**(1) The minimum subscription to be received in the issue shall be at seventy-five percent of the offer size.

(2) The minimum number of subscribers shall be 50 for the offer to be successful.

## **CHAPTER VI - LISTING OF SPECIAL PURPOSE ACQUISITION COMPANY**

### **Eligibility**

- 66.** A Special Purpose Acquisition Company (SPAC) issuer shall be eligible to raise capital through initial public offer of specified securities on the recognised exchange(s), only if:
- (a) The primary objective of the issuer is to effect a merger or amalgamation or acquisition of shares or assets of a company having business operations (“business acquisition”); and
  - (b) The issuer does not have any operating business.

### **IPO Process**

- 67.** The provisions relating to appointment of lead manager, in-principle approval from recognised stock exchange(s) and filing of offer document provided for Initial Public Offers under Part A of Chapter III shall *mutatis mutandis* apply to initial public offer by a SPAC issuer.
- 68.** IFSCA may consider the proposed listing of a SPAC issuer on a recognised stock exchange on a case-by-case basis.

### **Offer Timing**

- 69.** The offer shall be made by the issuer within a period of not more than one year from the date of issuance of observations by IFSCA:
- Provided that if the offer is not made within the specified time period, a fresh draft offer document shall be filed.

### **Initial disclosures in the Offer Document**

- 70.** (1) The offer document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
- (2) The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosures in the offer document.
- 71.** The offer document shall contain disclosures relating to the public offer, including the following:
- a) Offer Document Summary
  - b) Risk factors
  - c) Introduction
  - d) General information
  - e) Capital Structure

- f) Particulars of the Issue
  - i. Objects of the Issue
  - ii. Anticipated allocation of funds for administrative and working capital requirements
  - iii. Deployment of Funds
  - iv. Interim use of funds
  - v. Expenses of the Issue
  - vi. Basis of Issue Price
  - vii. Tax implications
- g) About the Issuer
  - i. Organisational structure
  - ii. Previous acquisition experience
  - iii. The SPAC's target business sector or geographic area for its business acquisition, if applicable;
  - iv. The valuation method(s) intended to be used in valuing the business acquisition, if known
  - v. Management
  - vi. Details of sponsors and their experience in acquisition, if any
  - vii. Remuneration and benefits
  - viii. The limitation, if any, on the exercise of conversion rights for shareholders who vote against a proposed business acquisition
- h) Financial Statements
- i) Related Party Transactions
- j) Legal and Other Information
  - i. Outstanding litigations and material developments
  - ii. Government approvals
- k) Information with respect to group companies
- l) Other regulatory and statutory disclosures
- m) Any other material disclosures.

### **Issue size**

72.(1) The issue shall be of size not less than USD fifty million or any other amount as may be specified by IFSCA from time to time.

(2) The sponsors shall hold at least 20% of the post issue paid up capital.

### **Pricing**

73.The issuer shall determine the price in consultation with the lead manager(s) or through the book building process.

### **Offer period**

74.The initial public offer shall be kept open for at least three working days and not more than ten working days.

### **Minimum subscription**

75.The minimum subscription to be received in the issue shall be at least seventy-five percent of the offer size for the offer to be successful.

### **Underwriting**

76.A public issue of specified securities may be underwritten by an underwriter and in such a case adequate disclosure regarding underwriting arrangements shall be disclosed in the offer document.

### **Application and Allotment**

77.(1) The minimum application size in an initial public offer of SPAC shall be USD 2,50,000.

(2) No single application shall be allotted more than 20% of the post issue capital and the allotment to investors shall be on proportionate basis or discretionary basis, as disclosed in the offer document.

78.The issuer and lead manager(s) shall ensure that the specified securities are allotted and the payments and refunds are completed within 5 working days from the date of closing of the issue.

### **Listing**

79.The specified securities shall list on the stock exchange(s) within the period, as specified by the stock exchange(s).

### **Other provisions**

80.The provisions relating to post-issue report, other responsibilities of lead manager and prohibition on payment of incentives provided for Initial Public Offers under Part A of Chapter III shall *mutatis mutandis* apply to follow-on public offer by a listed issuer.

## **SPAC specific obligations**

**81.**(1) The SPAC issuer shall ensure that at least 90% of the proceeds from the IPO are kept in an interest-bearing escrow account controlled by an independent custodian until consummation of the SPAC's business acquisition.

(2) The escrow funds shall be invested only in instruments disclosed in the offer document and shall include only short-term investment grade liquid instruments.

**82.**(1) The SPAC issuer shall ensure that the proposed business acquisition is approved by majority of the votes cast by shareholders (other than sponsors(s)).

(2) If a shareholder (other than sponsors) votes against a proposed acquisition, he shall have the conversion right for converting its securities into a *pro rata* portion of the aggregate amount deposited in the escrow account.

**83.**(1) The SPAC issuer is expected to complete the business acquisition within 36 months of the date of listing on the recognised stock exchange(s).

(2) If an acquisition is not completed within the time period mentioned in sub-regulation (1), the time period may be extended by upto another 12 months, subject to approval by 75% or more of the total shareholders and majority of the votes cast by shareholders (other than sponsors):

Provided that a shareholder (other than sponsors) that has voted against the extension shall have the conversion right for converting its securities into a *pro rata* portion of the aggregate amount deposited in the escrow account.

Provided further that if the proposed extension is not approved by the shareholders, the SPAC shall be liquidated and the SPAC shall be delisted from the recognised stock exchange(s).

**84.**A SPAC issuer proposing to list its specified securities on recognised stock exchange(s) shall comply with the following requirements:

(a) The SPAC issuer shall have a liquidation distribution provision, pursuant to which, if the business acquisition is not completed within the permitted time frame, the escrow account shall be liquidated. The escrow account shall be liquidated in terms of these regulations and disclosures in the offer document.

(b) In the event of liquidation and delisting, the sponsors shall not participate in the liquidation distribution.

**85.**A sponsor shall not transfer any of his specified securities prior to the completion of a business acquisition.

**86.**The SPAC issuer shall ensure that the businesses acquisition(s) shall have an aggregate fair market value equal to at least 80% of the aggregate amount deposited in the escrow account, excluding deferred underwriting commissions

held in escrow and any taxes payable on the income earned on the escrowed funds.

**87.** IFSCA, from time to time, may prescribe suitable norms on initial cost, maintenance of escrow account, liquidation process, etc.

### **Continuous disclosure requirements**

**88.** The continuous disclosure requirements applicable for listed companies provided under Chapter X of these regulations shall *mutatis mutandis* apply to a SPAC issuer.

### **Post business acquisition**

**89.** (1) The issuer resulting from the completion of the business acquisition by the SPAC shall be required to meet the listing eligibility criteria set out in these regulations within 180 days, in order to continue the listing on the recognised stock exchange(s).

(2) The issuer resulting from the completion of the business acquisition shall comply with the listing obligations and continuous disclosure requirements prescribed under Chapter X of these regulations.

(3) The shareholding of the sponsors in the target company shall be locked up for a period of 180 days from the date of closing of the business acquisition.

## CHAPTER VII - LISTING OF DEPOSITORY RECEIPTS

### Eligibility

90. A company incorporated in India (outside IFSC) or in a foreign jurisdiction shall be eligible to make an issue of depository receipts only if –
- a) the issuer is authorised to issue depository receipts; and
  - b) the issuance of depository receipts by the issuer is in accordance with the laws of its home jurisdiction.
91. The depository receipts shall be eligible to list only if the underlying securities which the depository receipts represent are:
- (a) freely transferable, in dematerialised form and rank pari passu with the existing securities of the same class;
  - (b) fully paid and free from all liens; and
  - (c) listed or will be listed in the home jurisdiction of the issuer before listing of depository receipts on stock exchange(s).
92. All the depository receipts shall be freely negotiable.
93. The issuer shall ensure that it has entered into an agreement with a depository for dematerialisation of the DRs proposed to be issued.

### Offer size

94. The issue of depository receipts shall be of size not less than USD 700,000 (or equivalent in foreign currency), or any other amount as may be specified by the Authority from time to time.

### Filing of Offer Document

95. The filing of offer document shall be in the manner as provided for filing of offer document for initial public offer under Chapter III of these Regulations.

### Initial disclosures in the Offer Document

96. (1) The offer document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
- (2) The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosures in the offer document.
97. The offer document shall contain disclosures relating to the public offer, including the following:

#### (a) Issuer Disclosure

- i. General information
- ii. Statutory auditor
- iii. Risk factors
- iv. Information about the issuer
- v. Business overview
- vi. Organisational structure
- vii. Management
- viii. Remuneration and benefits
- ix. Capital structure
- x. Major shareholders
- xi. Related party transactions
- xii. Financial information
- xiii. Material contracts
- xiv. Material outstanding litigations and defaults
- xv. Approvals of the government/regulatory authorities, if applicable
- xvi. Foreign investment and exchange controls of the jurisdiction of incorporation/ where the underlying securities are listed.

**(b) Securities Disclosures**

- i. Information about the underlying securities
- ii. Information about the DRs
- iii. Rights of the DR holders including dividend rights, voting rights etc.
- iv. Information relating to the depository

**(c) Issue related Disclosures**

- i. Objects of the issue
- ii. Interim use of proceeds
- iii. Pricing

- iv. Plan of distribution and allotment
- v. Placing and Underwriting
- vi. Taxation

*Explanation:* Since the underlying securities of the issuer are listed on its home exchange, the issuer may incorporate the information required in this clause by providing references to a recent prospectus or other disclosures made on the home exchange or regulatory body.

**98.** The audited financial information of the issuer in the offer document shall be for at least three financial years:

*Provided* that the financial information may be provided for a lesser period if the issuer has not completed 3 years since incorporation:

*Provided further* that the latest financial statements provided in the offer document shall not be more than 12 months old.

**99.** The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its home jurisdiction.

### **Pricing**

**100.** The issuer may determine the price of the DRs in consultation with the lead manager(s) or through the book building process.

### **Offer period**

**101.** The initial public offer of DRs shall be kept open for at least three working days and not more than ten working days.

### **Minimum subscription**

**102.** The listing of DRs shall be permitted only if the subscription in the offer is not less than USD 700,000 (or equivalent in foreign currency) or any other amount as may be specified by IFSCA from time to time.

### **Allotment**

**103.** The issuer and lead manager(s) shall ensure that the DRs are allotted and the payments and refunds are completed within 5 working days from the date of closing of the issue.

### **Listing**

**104.** The DRs shall list on the stock exchange(s) within the period, as specified by the stock exchange(s).

### **Listing and Trading (without public offer)**

**105.** Any company which is having its securities or depository receipts listed in India (outside IFSC) or in a foreign jurisdiction may list their depository receipts on a stock exchange, subject to the following conditions:

- a) The company shall file listing application, in the manner prescribed by the stock exchange(s); and
- b) The company shall comply with the listing requirements of the stock exchange(s).

### **Permitted to Trade (without listing)**

**106.** The stock exchange(s) may permit trading of depository receipts listed on an exchange in India or in a foreign jurisdiction, subject to the following conditions:

- a) Such trading of depository receipts, without listing on the stock exchange(s), is in accordance with the laws of the jurisdictions in which the depository receipts and the underlying securities are listed; and
- b) The stock exchange(s) shall ensure clearing and settlement of the depository receipts.

**107.** Such depository receipts that are permitted to trade by the stock exchange(s), without listing by the company, shall not be considered as listed on the stock exchange(s) in IFSC for the purpose of these regulations.

**108.** The "Permitted to Trade" framework is available to the stock exchange(s) initially till December 31, 2023.

## **CHAPTER VIII: LISTING OF DEBT SECURITIES**

**109.** The following categories of debt securities are eligible for listing on recognised stock exchange(s):

- a) Debt securities issued by issuers incorporated in IFSC;
- b) Debt securities issued by issuers incorporated in India or foreign jurisdiction in any currency other than INR;
- c) Masala Bonds;
- d) Any other debt securities as permitted by IFSCA from time to time.

**110.** An issuer of debt securities shall enter into an agreement with a depository or custodian, registered in IFSC, for the purpose of issuance, holding and safekeeping of such securities and also to facilitate transfer, redemption and other corporate actions in respect of such securities.

### **Public Issue of debt securities on recognised stock exchange**

**111.** The issuer shall appoint one or more merchant bankers as lead manager(s) to the issue and shall also appoint other intermediaries in consultation with the lead manager(s).

**112.** (1) The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator.

(2) The credit ratings obtained from all the credit rating agencies shall be disclosed in the offer document.

**113.** (1) The issuer shall file an application with the stock exchange(s) seeking in-principle approval.

(2) The draft offer document filed with the stock exchange shall be made public by posting the same on the website of the stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.

(3) The draft offer document may also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the debt securities are proposed to be listed.

(4) The Lead Merchant Banker shall ensure that all comments received on the draft offer document are suitably addressed prior to the filing of the final offer document.

(5) A copy of draft and final offer document shall also be forwarded to IFSCA for its records, along with regulatory fees as specified by IFSCA, simultaneously with filing of these documents with the stock exchange.

- 114.** The lead manager(s) shall submit a due diligence certificate along with the final offer document.
- 115.** (1) The issuer shall appoint one or more debenture trustees.
- (2) The debenture trustee shall, prior to the opening of the public issue, furnish to IFSCA a due diligence certificate.
- (3) A trust deed for securing the issue of debt securities shall be executed by the issuer in favour of the debenture trustee within three months of the closure of the issue.
- (4) The trust deed shall not contain a clause which has the effect of –
- (a) limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the investors;
- (b) limiting or restricting or waiving the provisions of the Act , these regulations and circulars or guidelines issued by the IFSCA;
- (c) Indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.
- (5) IFSCA may prescribe the obligations of debenture trustee from time to time.

### **Initial disclosures in the Offer Document**

- 116.** The offer document shall contain all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision. The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosures in the offer document.
- 117.** The offer document shall contain disclosures relating to the public offer, as specified by the stock exchange(s).

### **Pricing**

- 118.** The issuer may determine the price of debt securities in consultation with the lead manager and the issue may be at fixed price or the price may be determined through book building process.

### **Minimum subscription**

- 119.** (1) The issuer may decide the amount of minimum subscription which it seeks to raise by issue of debt securities and disclose the same in the offer document.
- (2) In the event of non-receipt of minimum subscription all application moneys received in the public issue shall be refunded forthwith to the applicants

## **Allotment**

**120.** (1) The Issuer shall ensure that in case of listing of debt securities issued to public, allotment of securities offered to public shall be made within thirty days of the closure of the public issue.

(2) Where the debt securities are not allotted and/or application moneys are not refunded within the stipulated period in sub-regulation (1), the issuer shall undertake to pay interest at the rate of fifteen per cent per annum.

(3) Credit to demat accounts of the allottees shall be made within two working days from the date of allotment.

## **Listing**

**121.** The specified securities shall list on the stock exchange(s) within the period, as specified by the stock exchange(s).

## **Underwriting**

**122.** A public issue of debt securities may be underwritten by an underwriter and in such case adequate disclosures regarding underwriting arrangements shall be disclosed in the offer document.

## **Creation of security**

**123.** (1) The issuer shall give an undertaking in the Offer Document that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or *pari-passu* charge on the assets of the issuer has been obtained from the earlier creditor.

(2) The issue proceeds shall be kept in an escrow account until the documents for creation of security as stated in the offer document, are executed.

## **Listing of debt securities issued on a private placement basis**

**124.** An issuer may list its debt securities issued on private placement basis on a recognised stock exchange.

**125.** (1) The issuer shall obtain credit rating from at least one credit rating agency registered with any financial sector regulator.

(2) The credit ratings obtained from all the credit rating agencies shall be disclosed in the disclosure document.

## **Filing of Shelf Disclosure Document.**

**126.** (1) An issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a Shelf Disclosure Document containing disclosures as prescribed by the recognised stock exchange;

(2) An issuer filing a Shelf Disclosure Document under sub-regulation (1), shall not be required to file disclosure document, while making subsequent private placement of debt securities for a period of 180 days from the date of filing of the shelf disclosure document:

Provided that the issuer while making any private placement under Shelf Disclosure Document, shall file with the concerned stock exchange updated disclosure document with respect to each tranche, containing details of the private placement and material changes, if any, in the information provided in Shelf Disclosure Document.

**127.** (1) The issuer making a private placement of debt securities and seeking listing thereof on a recognized stock exchange shall make disclosures in an information memorandum.

(2) The issuer shall file the information memorandum with the recognised stock exchange(s) along with the regulatory fee as may be specified by IFSCA.

Explanation: The regulatory fee collected by the recognised stock exchange(s) shall be remitted to IFSCA on a monthly basis.

(3) The issuer shall also submit a copy of the latest Annual Report to the stock exchanges.

(4) The issuer shall submit additional documents as may be specified by the stock exchanges.

### **Creation of security**

**128.** The issuer shall give an undertaking in the Information Memorandum that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or *pari-passu* charge on the assets of the issuer has been obtained from the earlier creditor.

## **CHAPTER IX – ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) FOCUSED DEBT SECURITIES**

### **Applicability**

**129.** This chapter shall apply to “green”, “social”, “sustainable” or “sustainability-linked” debt securities. The requirements under this chapter shall be in addition to the requirements detailed in Chapter VIII for listing of debt securities.

**130.** (1) A debt security shall be labelled as “green”, “social”, “sustainable” or “sustainability-linked” if the funds raised through the issuance of debt security are to be utilised exclusively for financing or refinancing projects and/or assets aligned with any of the following recognised standards, frameworks, taxonomies, methodologies, principles or guidelines:

- a) International Capital Market Association’s Green Bond Principles;
- b) International Capital Market Association’s Social Bond Principles;
- c) International Capital Market Association’s Sustainability Bond Guidelines;
- d) International Capital Market Association Sustainability-Linked Bond Principles;
- e) Climate Bonds Initiative;
- f) ASEAN Green Bonds Standards;
- g) European Union taxonomy;
- h) Any framework, methodology, etc., prescribed by a competent authority in India;
- i) Other international standards

*Explanation:* Other international standards may be considered on a case-by-case basis by the exchange or IFSCA.

(2) Any issuer desirous of listing “green” or “social” or “sustainable” or “sustainability-linked” debt securities on the recognised stock exchanges shall obtain an independent external review to ascertain that the debt securities are in alignment with the recognised standards, frameworks, taxonomies, methodologies, principles or guidelines mentioned at sub-regulation (1).

(3) The entity appointed by the Issuer to conduct such an external review shall meet the following criteria:

- a) Reviewer should be independent of the entity issuing the bond, its directors, senior management and advisers.
- b) Reviewer should be remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure.

- c) Reviewer should be an entity specialising in assessing the framework of the bonds intended objectives, with sufficient financial and market-specific expertise to perform a comprehensive assessment of the use of proceeds.

(4) The issuer shall not raise funds for sectors which are excluded:

- a) by the respective Governments or regulators of the jurisdictions in which the investments are to be made;
- b) deemed illegal under international conventions and agreements, or subject to international bans.

### **Additional disclosures in Offer document or Information Memorandum**

**131.** The issuer shall make the following additional disclosures in the offer document or information memorandum, as the case may be:

- a) A statement on objectives of the issue of Debt Securities
- b) The process for evaluation and selection of eligible project(s) and/or asset(s) including towards refinancing of existing project(s) and/or asset(s), if any
- c) Issuer shall provide the details of the system/procedures to be employed for tracking the deployment of the proceeds of the issue.

**132.** The issuer may obtain third party certification for its debt securities by a qualified third party/certifier and such third party certification shall be disclosed in the offer document or information memorandum.

**133.** An issuer of debt securities, if follows any globally accepted standard(s) for the issuance of debt securities including measurement of the ESG impact, shall disclose the same in the offer document/information memorandum.

### **Additional Continuous Disclosure Requirements**

**134.** An issuer shall provide information about the intended use and actual utilisation of proceeds from the issue, at least on an annual basis, after verification by the report of an external auditor:

*Explanation:* The aim of such reporting shall be to inform the public about how funds are being allocated to projects and, where feasible, the expected environmental, social and sustainable impacts.

**135.** The following additional disclosures shall be provided along with the annual report, until full allocation of the proceeds:

- a) *Allocation Report:* List of project(s) and/or asset(s) to which proceeds of the debt securities have been allocated/invested including a brief description of such project(s) and/or asset(s) and the amounts disbursed:

*Explanation:* However, where confidentiality agreements limit the amount of detail that can be made available about specific project(s) and/or asset(s), information shall be presented in generic terms or on an aggregated portfolio basis.

- b) *Impact Report:* Qualitative performance indicators and, where feasible, quantitative performance measures of the ESG impact of the project(s) and/or asset(s).

*Explanations:*

- (i) If the quantitative benefits/impact cannot be ascertained, then the said fact may be appropriately disclosed along with the reasons for non-ascertainment of the benefits/impact on the ESG.
- (ii) The methods and the key underlying assumptions used in preparation of the performance indicators and metrics shall be disclosed.

## **CHAPTER X - LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS**

### **PART A: GENERAL OBLIGATIONS**

#### **Applicability**

**136.** The provisions of Part A of this Chapter shall apply to all listed securities on the recognised stock exchange(s) under these regulations.

#### **Principles governing disclosures and obligations**

**137.** The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

- a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.
- b) The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
- c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
- d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.
- e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
- f) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- g) The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by IFSCA and the recognised stock exchange(s) in this regard and as may be applicable.
- h) The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.

- i) Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information and shall be filed within the timelines prescribed.
- j) Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

### **General obligation of compliance**

**138.** The listed entity shall ensure that key managerial personnel, directors, promoters, controlling shareholders or any other person dealing with the listed entity, complies with responsibilities or obligations, if any, assigned to them under these regulations.

### **Compliance Officer and his Obligations**

**139.** (1) A listed entity shall appoint a qualified company secretary as the compliance officer.

(2) The compliance officer of the listed entity shall be responsible for-

- (a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit;
- (b) co-ordination with and reporting to IFSCA, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time; and
- (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

## **PART B: COMPANIES WITH SPECIFIED SECURITIES LISTED ON RECOGNISED STOCK EXCHANGES AS A PRIMARY LISTING**

### **Event based disclosures**

**140.** A listed company shall promptly, but not later than 24 hours, make disclosure of any event or information concerning it or any of its subsidiaries or associated companies which, in the opinion of the board of directors of the listed company, is material or price sensitive.

*Explanation:* The listed entity shall consider the following criteria for determination of materiality of events/ information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

**141.** The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

**142.** A listed company shall immediately disclose to the stock exchanges any amendment to memorandum or articles of association of listed entity.

**143.** The listed company shall give prior intimation about the meeting of the board of directors and promptly disclose outcome of the meeting of the board of directors, to the stock exchange(s) in respect of any of the following proposals:

- (a) dividends;
- (b) buyback of securities;
- (c) decision with respect to fund raising or change in capital;
- (d) financial results; and
- (e) decision on voluntary delisting by the listed entity from stock exchange(s).

**144.** A listed company shall immediately disclose to the stock exchanges the proceedings of Annual and extraordinary general meetings of the listed entity.

**145.** (1) A listed company shall immediately disclose to the stock exchanges change in directors, key managerial personnel, Auditor and Compliance Officer.

(2) In case of a resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

(3) In the case of a resignation of any director, key managerial personnel or compliance officer, such person shall inform to the stock exchange(s), in writing if he is aware of any irregularities in the issuer which would have a material impact on the issuer company, including financial reporting, as soon as possible but not later than twenty four hours.

**146.** A listed company shall immediately disclose to the stock exchanges any adverse opinion, disclaimer of opinion, qualified opinion by the auditors on the financial statements of, -

- i. the issuer; or
- ii. any of the issuer's subsidiaries or associated companies, if the adverse opinion, disclaimer of opinion, qualified opinion has a material impact on the issuer's consolidated accounts.

**147.** (1) IFSCA or the stock exchange may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the stock exchange or the issuer's Audit Committee.

(2) The issuer may be required by IFSCA or the stock exchange to immediately disclose the appointment of special auditor or disclose the findings of the special auditor.

### **Periodic Disclosures**

**148.** The listed company shall submit to the stock exchange(s) shareholding pattern of the company, in the format specified by the IFSCA or the stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter.

**149.** The listed company shall disclose to the stock exchange(s) the audited standalone and consolidated financial statements for the full financial year immediately after finalisation of the accounts.

**150.** The listed company shall disclose to the stock exchange(s) the financial statements for each of the first three quarters of its financial year immediately after the finalisation of the accounts, but in any event not later than 45 days after the quarter end.

**151.** The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its jurisdiction of incorporation.

**152.** (1) The listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders.

(2) The annual report shall contain the following:

- a) Audited standalone and consolidated financial statements;
- b) Directors report
- c) Management discussion and analysis report
- d) Corporate Governance practices
- e) Sustainability Report, if applicable; and

- f) Mandatory requirements as specified in the laws of the jurisdiction of incorporation

### **Statement of deviation(s) or variation(s)**

**153.** (1) The listed entity shall submit to the stock exchange the statement(s) of deviation (indicating category wise variation between projected utilisation of funds made by it in its offer document), if any, in the use of proceeds from the objects stated in the offer document on a quarterly basis for public issue:

Provided that the start-up companies shall be required to submit the statement of deviation(s) or variations(s) on half yearly basis.

(2) The statement(s) specified in sub-regulation (1), shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

(3) The statement(s) specified in sub-regulation (1), shall be placed before the audit committee for review and after such review, shall be submitted to the stock exchange(s).

(4) The listed company shall furnish an explanation for the variation specified in sub-regulation (1), in the directors' report in the annual report.

### **Corporate Governance**

**154.** The listed company shall describe its corporate governance practices in its annual report, in the manner prescribed by the laws of the jurisdiction of its incorporation.

### **Sustainability Reports**

**155.** The listed company shall disclose to the stock exchanges a sustainability report with respect to environmental, social and governance factors for its financial year, no later than 5 months after the end of the financial year:

Provided that this clause shall not apply to companies having market capitalisation less than USD 50 million.

### **Corporate actions**

**156.** The listed company shall inform the stock exchange(s) in advance of any proposed corporate action.

**157.** The listed company shall give notice of the record date to the stock exchange(s), wherever applicable, in advance of at least three working days specifying the purpose of the record date.

## **Meetings of shareholders and voting**

**158.** (1) The listed company shall provide the facility of remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

(2) The listed company shall submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results.

(3) The listed company shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against each resolution.

(4) The listed company shall provide one-way live webcast of the proceedings of the annual general meetings.

## **Website**

**159.** The listed company shall maintain a functional website containing the basic information about the company including details about business, board of directors, key management personnel, compliance officer, financial statements, e-mail address for grievance redressal and annual reports.

## **Dissemination by stock exchanges**

**160.** The stock exchanges shall ensure that the disclosures made by the listed companies are immediately disseminated on their websites.

## **PART C: SECONDARY LISTING**

**161.** The issuer with secondary listing on a recognised stock exchange (s) shall comply with the following requirements:

- a) maintain the listing of the specified securities on its home exchange and abide by the listing (or other) rules of such exchange and regulator;
- b) release all disclosures in English to the recognised stock exchange(s) at the same time as they are released to its home exchange or regulator where it has a primary listing; and
- c) comply with such other requirements as may be prescribed by IFSCA or recognised stock exchange(s) from time to time.

## **CHAPTER XI - LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS FOR COMPANIES HAVING DEPOSITORY RECEIPTS LISTED ON A RECOGNISED STOCK EXCHANGE**

### **Financial Statements**

- 162.** The listed company shall disclose to the stock exchange(s) the audited financial statements for the full financial year immediately after the finalisation of accounts.
- 163.** The listed company shall disclose to the stock exchange(s) the financial statements for each of the first three quarters of its financial year immediately after the finalisation of accounts, but in any event not later than 45 days after the quarter.
- 164.** The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its jurisdiction of incorporation.

### **Disclosure of material or price sensitive events**

- 165.** The listed company shall promptly, but not later than 24 hours, disclose to the stock exchange(s) all events which are material or price sensitive.

### **Shareholding pattern**

- 166.** The listed company shall submit to the stock exchange(s) shareholding pattern of the company, in the format specified by IFSCA or the stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter.

### **Corporate Governance**

- 167.** The listed company shall describe its corporate governance practices in its annual report, in the manner prescribed by the laws in its home jurisdiction.

### **Change of depository**

- 168.** Any change of depository by the listed company shall be with the prior approval of the stock exchange(s). The listed company shall disclose the change of depository within 24 hours.

### **Corporate actions**

- 169.** The listed company shall inform the stock exchange(s) in advance of any proposed corporate action pertaining to the depository receipts or the underlying securities.
- 170.** The listed company shall give notice of the record date to the stock exchange(s), wherever applicable, in advance of at least three working days specifying the purpose of the record date.

### **Other compliances**

- 171.** The listed company shall comply with the following requirements:

- a) maintain the listing of the underlying equity securities on its home exchange and abide by the listing (or other) rules of such exchange and regulator;
- b) release all disclosures in English to the stock exchange(s) at the same time as they are released to its home exchange or regulator where it has a primary listing; and
- c) comply with such other requirements as may be prescribed by the Authority or stock exchange(s) from time to time.

### **Voting**

**172.** The voting rights of the DR holders shall be exercised in accordance with the depository agreement.

### **Dissemination by stock exchanges**

**173.** The recognised stock exchanges shall ensure that the disclosures made by the listed companies are immediately disseminated on their websites.

## **CHAPTER XII - LISTING OBLIGATIONS AND CONTINUOUS DISCLOSURE REQUIREMENTS FOR DEBT SECURITIES**

### **Disclosure of material or price sensitive events**

**174.** (1) The issuer shall promptly, but not later than 24 hours, disclose to the stock exchange(s) all events which are material or price sensitive.

(2) The issuer shall promptly, but not later than 24 hours, disclose to the stock exchange(s) the following events:

- a) any redemption or cancellation of the debt securities;
- b) details of any interest payment(s) to be made (except if the debt securities are fixed rate);
- c) any buy back or put option exercised; and
- d) any delay in payment of principal and/or interest amount

### **Financial Statements**

**175.** The issuer shall disclose to the stock exchange(s) the audited financial statements for the full financial year immediately after the finalisation of accounts.

**176.** The issuer shall disclose to the stock exchange(s) the financial statements for each of the first three quarters of its financial year immediately after the finalisation of accounts, but in any event not later than 45 days after the quarter end.

**177.** The issuer shall prepare their statement of accounts in accordance with IFRS or US GAAP or Ind AS or accounting standards as applicable in its jurisdiction of incorporation.

### **Annual Report**

**178.** The issuer shall submit to the recognised stock exchange a copy of the annual report immediately after the finalisation of the same.

### **Credit Rating**

**179.** The issuer shall promptly disclose to the stock exchange any revision in the credit rating.

### **Record Date**

**180.** The issuer shall disclose the record date relevant for the holders of debt securities in a timely manner.

## **CHAPTER XIII - MISCELLANEOUS**

### **Listing agreement**

**181.** The company desirous of listing its specified securities on a stock exchange(s) in IFSC shall execute a listing agreement with such stock exchange(s), in the manner provided by the stock exchange(s).

### **Refusal of admission to list**

**182.** The stock exchange(s), in its discretion, may reject an application for admission to list securities if it considers that-

- a) listing of securities would be detrimental to investors' interests; or
- b) the issuer does not comply or will not comply with any requirement prescribed by IFSCA or the recognised stock exchange(s).

### **Suspension**

**183.** The stock exchange(s) may suspend the trading of securities where it appears that:

- a) the issuer is in non-compliance with the regulatory provisions prescribed by the Authority or the recognised stock exchange(s); or
- b) the issuer has been suspended for trading of its specified securities by any other exchange;
- c) the suspension is required for ensuring orderly operation of its market.

**184.** The stock exchange(s) may restore trading of securities that have been suspended if it considers that the suspension is no longer required.

### **Voluntary Delisting**

**185.** The stock exchange(s) may delist securities, based on request received from the company, in the manner that may be prescribed by the recognised stock exchange(s) or IFSCA.

### **Compulsory Delisting**

**186.** The stock exchange(s) may compulsorily delist securities of the issuer on the following conditions:

- a) The securities have remained suspended for a period of more than six months;
- b) the securities have been compulsorily delisted from another exchange;
- c) if the exchange is satisfied that there are special circumstances that require delisting of the securities; or

- d) it is directed to do so by IFSCA or any other relevant authority or any court order of applicable jurisdiction.

### **Submission of information**

**187.** The issuer shall provide any information sought by IFSCA or the stock exchange(s) relating to securities market.

### **Power to relax strict enforcement of the regulations**

**188.** (1) IFSCA may, in the interest of investors or for the development of the securities market, relax the strict enforcement of any requirement of these regulations.

(2) For seeking relaxation under sub-regulation (1), an application, giving details and the grounds on which such relaxation has been sought, shall be filed with IFSCA.

(3) The application referred to under sub-regulation (2) shall be accompanied by a non-refundable fee in the manner as may be specified by IFSCA.

### **189. Power to remove difficulty**

In order to remove any difficulties in the application or interpretation of these regulations, IFSCA may issue clarifications through guidance notes or circulars after recording reasons in writing.