

Difference between ICDR and IFSC Regulations

Pertains to	IFSC Regulations	ICDR Regulations	Remarks
IPO			
Eligibility requirements	<p>Reg. 10 - Eligible to make IPO if Issuer has</p> <p>a. Operating revenue of at least USD 20 million in preceding FY</p> <p>b. Avg pre tax profit of at least USD one million based on consolidated audited accounts during the 3 preceding FY.</p> <p>Reg. 11 - Commenced business at least 3 years prior to the date of filing of the prospectus</p>	<p>Reg. 6 - Eligible to make IPO if Issuer has</p> <p>a. Avg operating profit of at least 15 crore in each of the preceding 3 years with operating profit in each year</p> <p>Further, there are other requirements of having minimum Net Tangible Assets, Networth, additional conditions in case of a change of name in the ICDR regulations</p>	<p>An eligible issuer intending to list in Indian Stock Exchanges is required to have a minimum average operating profit of Rs. 15 crores in preceding 3 years whereas if the issuer intends to list in IFSC, it should have operating revenue of at least Rs. 166.66 Cr. (considering conversion rate of Rs. 83.12/dollar) in preceding FY and average pre-tax profit of atleast Rs. 8.31 Crore (considering conversion rate of Rs. 83.12/dollar) in preceding 3 FY.</p> <p>There are no corresponding provisions in IFSC regarding Net Tangible Assets, Networth, or name change conditions.</p> <p>Further, there are similar conditions in case of entities having SR Equity shares. ICDR has certain additional conditions in case SR equity shares such as networth of SR shareholder, SR to be issued to only promoter/founder holding executive positions, etc</p>
Issue Size	Reg. 26 - Issue Size shall not be less than USD 15 million or any other amount specified by IFSCA.	-	Issue size is not provided in ICDR
Offer for sale	Reg. 13 - Minimum holding of selling	Reg. 8 - Minimum holding of selling	ICDR grants exemption from minimum holding

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	shareholders to be 1 year.	shareholders to be 1 year.	period in case of govt. company/statutory authority or corporation or any SPV formed by them, engaged in the infrastructure sector
Promoter contribution	-	Reg. 14 - The promoters of the issuer shall hold at least 20% of the post-issue capital.	No such corresponding requirement in IFSC Regulations.
Lock In	Reg. 37 - The entire pre-issue capital held by shareholders shall be locked-in for 180 days from the date of allotment	Reg. 17 - The entire pre-issue capital held by persons other than the promoters shall be locked-in for six months from the date of allotment.	The requirement of lock-in is same in both the regulations.
Pricing	Reg. 28 - The issuer may determine the price of equity shares, and in case of convertible securities, the coupon rate and the conversion price, in consultation with the lead manager(s) or through the book building process, as the case may be.	Reg. 28 - The issuer may determine the price of equity shares, and in case of convertible securities, the coupon rate and the conversion price, in consultation with the lead manager(s) or through the book building process, as the case may be.	Same pricing methodology is used in both the regulations
Differential Pricing	-	Reg. 30 - ICDR provides for differential pricing in case of retail individual investors or retail individual shareholders or employees	No corresponding provision in IFSC regulations
Minimum Subscription	Reg. 30 - Minimum subscription - atleast 75 % of issue size and Minimum number of subscriber - 200 or any other number as specified	Reg. 45 - Minimum subscription - at least 90% of the offer, except in case of an offer for sale of specified securities Minimum number of subscriber - at least 1000 [Reg 49(1)]	ICDR Regulations is more stringent in terms of quantum of minimum subscription however, in IFSC Regulations both the conditions i.e. issue size & number of subscribers to be fulfilled.
Green shoe option	Reg. 36 Minimum number of specified securities that can be borrowed for the purpose of allotment in case of green shoe option shall not exceed 15% of the issue size	ICDR does not prescribe for borrowing limit under green shoe option.	No such requirement in ICDR.

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Allotment	Reg. 32 - No single investor shall be allotted more than 10% of the post issue capital	Reg. 49 -Value of specified securities that can be allotted to Retail investors - not more than Rs. 2 L Eligible employee - not more than Rs. 5 L	The allotment size in ICDR is smaller than IFSC Regulations. There are other operational compliance requirements under both the regulations such as filling of offer document, offer timing, initial disclosure in offer documents, etc
Appointment of lead manager	Reg. 14 - The issuer shall appoint one or more merchant bankers as lead managers to the issue	Reg 23 - The issuer shall appoint one or more merchant bankers as lead managers to the issue	The requirement of appointing Lead manager is provided in both the regulations.
FPO			
Eligibility for fast track FPO	Reg. 44 - Equity Shares of the issuer have to be listed on recognised stock exchange for a period of at least 18 months . There are other conditions such as compliance with regulatory requirements by SE & IFSCA, no show cause notice, no adverse opinion by statutory auditor, etc	Reg. 99 - Equity shares of the issuer have been listed on any stock exchange for a period of at least three years immediately preceding the reference date. There are other conditions relating to market capitalisation, annualised trading turnover, redressal of investor grievances, etc are to be complied with	IFSC regulations is more lenient than ICDR regulations.
Conditions for FPO other than fast track	Reg. 49 - The IPO provisions relating to offer timing, offer period, issue size, pricing, allotment, listing, post-issue report, other responsibilities of lead manager and prohibition on payment of incentives are applicable.	Chapter IV - There are additional conditions in ICDR relating to promoter's contribution, differential pricing, advertisement, etc which are to be complied with	-
SME			

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Eligibility	Reg. 51 - Eligibility Criteria <ul style="list-style-type: none"> Annual turnover for any of FY since incorporation not to exceed USD 50 million. 	Reg. 229 - Eligibility Criteria <ul style="list-style-type: none"> Post issue paid-up capital to be less than or equal to Rs. 10 crore. An issuer, whose post issue face value capital is more than 10 crore rupees and upto 25 crore rupees. 	In ICDR, eligibility is based on paid-up capital, however in IFSC, eligibility is based on turnover.
Issue Size	Reg. 61 - Issue size to be USD 2 million or more but less than USD 15 million	Same as eligibility criteria	In ICDR the issue size not to exceed the paid-up capital of 25 crores however under IFSC issue size is between 16.62 cr to 124.68 Cr. (considering conversion rate as Rs. 83.12/dollar)
Minimum Subscription	Reg. 63 - For the offer to be successful <ul style="list-style-type: none"> Minimum subscription - at least 75% of the offer size and Minimum number of subscriber - 50 	Reg. 260 - No minimum subscription requirement however 100% issue has to be underwritten.	IFSC Regulations are more stringent as there is minimum subscription & minimum subscriber requirement however in ICDR 100% issue has to be underwritten and so less stringent
Listing without public offer	Reg. 55 - SME can list without public offer on fulfilling following conditions; <ul style="list-style-type: none"> Lead manager(s) to submit a due diligence certificate along with the information document. Issuer to file the information document with the recognised stock exchange(s). 	No such provision	ICDR does not allow SMEs to list without public offer. Further, there are additional conditions in ICDR relating to promoter's contribution, differential pricing, advertisement, etc
Start-up			
Eligibility	Reg. 50 - Start-up meeting the following conditions can list with/without public offer; <ul style="list-style-type: none"> The offer document to be filed within 10 years from the date of 	No separate provision for start-up listing.	IFSC Regulations allows start-ups to list however, under ICDR the entity has to fulfill the eligibility requirements depending upon the type of issuance.

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	<p>incorporation/ registration;</p> <ul style="list-style-type: none"> • The annual turnover for any of the FY since incorporation/ registration should not have exceeded USD 20 million; and • Working towards innovation, development or improvement of products or processes or services, or it is a scalable business model with a high potential of employment generation or wealth creation. 		Other conditions as mentioned above for SME are applicable to start-ups under IFSC Regulations.
Miscellaneous			
Rights issue & preferential issue	Chapter VII - Can be done subject to compliance with the requirements that may be specified by the recognised stock exchange(s) and IFSCA from time to time.	<p>Chapter III (Rights issue) - Conditions such as pricing, lead manager, reservations, prohibition on payment of incentive, underwriting, etc are to be complied with</p> <p>Chapter V (Preferential issue) - Conditions such as pricing, lock-in, allotment, consideration, etc are to be complied with.</p>	-
Secondary Listing	Chapter V provides for secondary listing of specified securities which are listed in India (other than IFSC) or foreign jurisdiction, with/without public offer .	No corresponding provision	-
Listing of SPACs	Chapter VI provides for listing of Special Purpose Acquisition Companies	No corresponding provision	-