

Difference between ICDR and IFSC Regulations

Pertains to	IFSC Regulations, 2024	ICDR Regulations, 2018	Remarks
IPO			
Eligibility requirements	Reg. 9 - Eligible to make IPO if Issuer has <ol style="list-style-type: none"> a. Consolidated operating revenue - at least USD 20 Mn in the preceding FY or averaged over the last 3 FYs b. Consolidated PBT (pre-tax profit) - at least USD 1 Mn in the preceding FY or averaged over the last 3 FYs c. Post issue market capitalization - at least USD 25 Mn 	Reg. 6 - Eligible to make IPO if Issuer has <ol style="list-style-type: none"> a. Avg operating profit of at least 15 crore in each of the preceding 3 years with operating profit in each year 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	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. 167.78 Cr. (considering conversion rate of Rs. 83.89/dollar) in preceding FY/avg of last 3 FY and average PBT of atleast Rs. 8.39 Crore (considering conversion rate of Rs. 83.89/dollar) in preceding FY/avg of last 3 FY. There are no corresponding provisions in IFSC regarding Net Tangible Assets, Networth, or name change conditions. 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
Offer for sale	Reg. 11 - Minimum holding of existing shareholders to be 1 year.	Reg. 8 - Minimum holding of selling shareholders to be 1 year.	ICDR grants exemption from minimum holding period in case of govt. company/statutory authority or corporation or any SPV formed by them, engaged in the infrastructure sector

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			While IFSC grants exemption from minimum holding period incase of a equity shares issued pursuant to merger and bonus issuance fulfilling prescribed conditions.
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. 29 - The pre-issue capital held by promoters and controlling shareholders shall be locked-in for 180 days from the date of allotment	<p>Reg 16 - The minimum promoter contribution must be locked in for 18 months from the date of allotment. Any holdings by promoters exceeding this minimum contribution will be subject to a 6-month lock-in period from the date of allotment.</p> <p>However, if the majority of the proceeds are allocated for capital expenditure, these lock-in periods will be extended to 3 years for the minimum promoter contribution and 1 year for any excess holdings</p> <p>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.</p>	IFSC regulations provide a much relaxed requirement w.r.t promoter lock-in. For persons other than promoters and controlling shareholders, IFSC regulations do not provide any lock-in but ICDR regulations do.
Appointment of lead manager	Reg. 12 - The issuer shall appoint one or more investment banker registered with IFSCA as lead manager(s) 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.
Pricing	Reg. 18 - Issuer shall decide pricing through fixed price or book-building process, as determined in consultation	Reg. 28 - The issuer may determine the price of equity shares, and in case of convertible securities, the coupon rate and the conversion	Same pricing methodology is used in both the regulations

Annexure I

Ref: [LEAP to listing: India permits direct listing of shares overseas through IFSC](#)

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	with lead manager(s) and Indian unlisted public companies shall also comply with Schedule XI of NDI Rules	price, in consultation with the lead manager(s) or through the book building process, as the case may be.	
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
Offer period	Reg. 19 - The IPO must remain open for a minimum of one working day and a maximum of ten working days. If a simultaneous offer is made in another jurisdiction, the offer period may match that jurisdiction's timeframe.	Reg 46 - An issue may be opened for at least three working days and not more than 10 working days. Incase of revision in price band, the period is extended for 3 working days. For any unforeseen circumstances such as a banking strike, the period is extended for at least 1 working day.	Since minimum offer period is less in IFSC compared to India, the time period for raising funds is faster from offer period perspective..
Minimum Subscription	Reg. 21 - Minimum subscription is applicable only to a fresh issuance and not on an offer for sale. In case of a fresh issue, minimum subscription will be as disclosed in the offer document should be received	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 are more stringent in terms of quantum of minimum subscription.
Currency	Reg. 8 - The securities can be issued in specified foreign currencies ¹ i.e. <ul style="list-style-type: none"> ● US Dollar (USD) ● Euro (EUR) ● Japanese Yen (JPY) 	-	No corresponding provision in ICDR regulations, however, in Indian stock exchanges, the securities are listed in Indian Rupees only.

¹Specified foreign currency shall mean the currency specified in the First Schedule of the [IFSCA \(Banking\) Regulations, 2020](#) or any other regulation notified by the Authority

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	<ul style="list-style-type: none"> ● UK Pound Sterling (GBP) ● Canadian Dollar (CAD) ● Australian Dollar (AUD) ● Swiss Franc (CHF) ● Hong Kong Dollar (HKD) ● Singapore Dollar (SGD) ● UAE Dirham (AED) ● Russian Rouble (RUB) 		
Green shoe option	Reg. 28 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 a borrowing limit under green shoe option.	No such requirement in ICDR.
Underwriting	Reg. 23 - Underwriting is optional. However, adequate disclosures shall be given in the offer document.	Reg 40 - For IPO through book-building or otherwise, soft underwriting is mandatory while hard underwriting is optional ² ,	ICDR provides for mandatory soft underwriting.
Allotment	<p>Reg. 25 - Allotment shall be on proportionate or discretionary basis as decided by the issuer in consultation with the lead manager.</p> <p>Allotment/payments/refunds shall be completed within 5 working days from closing of issue.</p>	<p>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</p> <p>The allotment & listing will be done within 3 working days of the closure of the issue. [SEBI Circular dated August 09, 2023]</p>	The allotment size in IFSC is discretionary which is more attractive for the issuer. However, the allotment timeline is more favourable for investors in India.

² Soft underwriting is the underwriting on account of rejection of bids while hard underwriting is the underwriting on account of under-subscription

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Minimum Public Shareholding	Reg. 20 read with Rule 19A of SCRA - At least 10% of the post issue capital ³	At least 25% of the post issue capital ⁴	Lower minimum public shareholding requirement is provided in IFSC Regulations.
Monitoring Agency	Reg. 24 - Issuer may appoint a credit rating agency registered with IFSCA or with an Indian or foreign regulator for monitoring use of proceeds. Issuer to upload on its website and intimate the stock exchange the report issued by monitoring agency within 45 days from the end of the quarter	Reg. 41 - Issuer shall appoint a monitoring agency if issue size (excluding offer for sale) is more than Rs. 100 Crore. Issuer to upload on its website and intimate the stock exchange the report issued by monitoring agency within 45 days from the end of the quarter	IFSCA regulations provide an option to the issuer for appointing a monitoring agency. However, ICDR puts an obligation on the issuer incase of issue size exceeding Rs. 100 Cr.
FPO			
Eligibility for fast track FPO	Reg. 36 - Equity Shares of the issuer have to be listed on a 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, no disclosure by director/KMP/CO relating to irregularities having impact on the issuer, 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 are more lenient than ICDR regulations.

³ Vide [Securities Contracts \(Regulation\) Amendment Rules, 2024](#)⁴ Rule 19A of [Securities Contracts \(Regulations\) Rules, 1957](#)

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Conditions for FPO other than fast track	Reg. 37 - 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	-
Miscellaneous			
Rights issue, preferential issue and qualified institutional placement	Chapter VII - Can be done subject to compliance with the requirements that may be specified by the IFSCA from time to time.	Chapter III (Rights issue) - Conditions such as pricing, lead manager, reservations, prohibition on payment of incentive, underwriting, etc are to be complied with Chapter V (Preferential issue) - Conditions such as pricing, lock-in, allotment, consideration, etc are to be complied with.	-
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	-