

# Investor FAQs

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## 1. Who can invest in the IPO?

### A. IF COMPANY GETTING LISTED AT INTERNATIONAL EXCHANGE IS AN INDIAN COMPANY (in this IPO, XED is an Indian Company)

Only Permissible holder can invest in IPO, you may refer the following for more clarity

- (i) **Non-Resident Indians Residents** can invest;
- (ii) Foreign Individuals who are **not Indian Residents** can invest;
- (iii) Any entity having its beneficial owner as **a non-Indian Resident** can invest;
- (iv) Any entity **not having an Indian UBO** can invest;
- (v) Individuals that are citizen of a country which shares land border with India, or an entity incorporated in such a country, or an entity whose beneficial owner is from such a country, only with the **approval of the Central Government** can invest.

### B. IF COMPANY GETTING LISTED AT INTERNATIONAL EXCHANGE IS A FOREIGN COMPANY

There are no such reservations when an International Company is getting listed at International Exchanges in IFSCA.

For example, XYZ Inc (Foreign Public Company) is getting listed at IFSCA, anyone (Individual or Non-Individual) can invest, subject to domestic legal framework.

Individuals can invest through LRS route, and non-individuals can invest through OPI route.

## 2. Who cannot invest in IPO, if the company getting listed at International Exchange is an Indian Company?

- (i) Individuals that are Indian Citizen and are Indian Residents cannot invest
- (ii) Individuals that are Foreign Citizen and are Residing in India, and qualify as Indian Residents as per FEMA cannot invest
- (iii) Any entity having its beneficial owner as an Indian Resident cannot invest
- (iv) Any entity having an Indian UBO cannot invest
- (v) Individuals that are citizen of a country which shares land border with India, or an entity incorporated in such a country, or an entity whose beneficial owner is from such a country, who have not taken the approval of the Central Government cannot invest.

## 3. Who qualifies as a permissible holder?

As per The Foreign Exchange Management (Non debt Instruments) Amendment Rules, 2024, a **permissible holder** may purchase or sell equity shares of a public Indian company which is listed or to be listed on an International Exchange under Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme as specified in Schedule XI

Schedule XI defines permissible holder as –

*‘(a) permissible holder means a holder of equity shares of the Company which are listed on International Exchange, including its beneficial owner:*

*Provided that such a holder who is a citizen of a country which shares land border with India, or an entity incorporated in such a country, or an entity whose beneficial owner is from such a country, shall hold equity shares of such public Indian company only with the approval of the Central Government.*

*Explanation 1.- For the purposes of this clause, **permissible holder is not a person resident in India.***

*Explanation 2.- The permissible holder, including its beneficial owner, shall be responsible for ensuring compliance with this requirement. The public Indian company, in its offer document, by whatever name called in the permissible jurisdiction, shall make a disclosure to this effect.*

*(b) a permissible holder may purchase or sell equity shares of an Indian company listed on an international exchange subject to limit specified for foreign portfolio investment under these rules.'*

#### **4. What does UBO mean?**

UBO is abbreviation for Ultimate Beneficiary Owner/ship. The concept of Ultimate Beneficial Owner (UBO) under the Companies Act, 2013 is primarily governed through the framework of Significant Beneficial Owner (SBO) provisions outlined in Section 90 and the associated Companies (Significant Beneficial Owners) Rules, 2018 as amended.

As of now, every individual who, acting alone or together, or through one or more persons or trust, holds beneficial interests of not less than **ten percent**, by construction of these provisions, is covered under the ambit of Ultimate Beneficial Owner/ship.

#### **5. In which exchanges, is the listing going to take place?**

The securities are going to be listed on [India INX](#) and [NSE IX](#).

#### **6. Do we need to have a trading and demat account to bid for the IPO?**

**It is a requisite to have an active trading account, however, there is no such requirement to compulsorily have a demat account before bidding of the IPO,**

however, having a demat account handy along with an active trading account is recommended for smoother flow.

An investor who has applied for Demat account, whose account has not been opened can also bid for the IPO, and it is possible to get those shares allotted to the respective investor. These shares will rest in a temporary escrow share suspense account, as soon as the Demat Account is opened, the shares will be transferred to such demat account.

**The Demat Account should be opened within 60 days of allotment.** For any further delays, the investor must inform the RTA.

## **7. What are the pre-requisites for smooth processing of IPO Application?**

Have an active trading account with IFSCA Registered Broker Dealers, it is **recommended** to have an active demat account with IFSCA Authorised Depository Participants

The details of IFSCA Registered Depository Participants and Broker Dealers is available at <https://www.ifsc.gov.in/Directory>

## **8. Can we use our own Demat and Trading Accounts for investing?**

Since IFSCA is a completely different jurisdiction altogether, investors compulsorily need demat and trading accounts in IFSCA Jurisdiction. You may check if your existing broker dealer is also registered with IFSCA, and request them to process your trading account in IFSCA jurisdiction.

**Note - Demat account is not compulsory to bid for the shares in the IPO, however it is to be ensured that demat accounts get functional timely, so that subscribed shares can be transferred to the investors on a timely manner.**

**Till such time, shares allotted to investors that do not have an active demat account will rest in escrow share suspense account.**

The list IFSCA Registered Depository Participants and Brokers is available at <https://ifsc.gov.in/Directory>

## 9. Process for Investors

### Step 1 – Select a Participating Broker

**In this case, some of the participating brokers are:**

1) **Anand Rathi**

Company Name: Anand Rathi International Ventures (IFSC) Pvt Ltd

Contact Name: Niteen Dongare

Contact Email ID: niteendongare@rathi.com

Contact Number: +91 9967165230

2) **Betafront**

Company Name: Betafront Securities (IFSC) Private Limited

Contact Name: Pallav Kumar Nayak

Contact Email ID: pallav@getbelong.com

Contact Number: +91 8908826153

3) **Stockholding**

Company Name: Stockholding Securities IFSC Limited

Contact Name: Rekha Rawat

Contact Email ID: rekhas.rawat@stockholdingifsc.com

Contact Number: +91 9784004666

4) **Evermore**

Company Name: Evermore Global (IFSC) Private Limited

Contact Name: Yogesh Purohit

Contact Email ID: yp@evermore.in

Contact Number: +91 9867102904

5) **IBISP**

Company Name: IBISP IFSC Private Limited

Contact Name: Apoorv Sood

Contact Email ID: apoorv@ibisp.in

Contact Number: +91 9582732832

6) **Globe Capital**

Company Name: GLOBE CAPITAL (IFSC) LIMITED

Contact Name: Navneet Kaur  
Contact Email ID: navneetkaur@globecapital.com  
Contact Number: 9810219006

**Step 2 - Set Up a trading and demat (optional at the time of bidding but advisable) with your broker**

**Step 3 - Apply digitally**

**Step 4 - Transfer the funds commensurate to the shares applied through**

1. the broker (Advisable) or
2. separately through the SWIFT.

**Note: There are 2 participating banks (Bankers to the Issue) where the funds can be transferred but the Investor must mention the Application number (received from the broker at the time of bidding) in the SWIFT msg. Also, the funds should be transferred from the same account as mentioned in the bid cum application form.**

Still in case of any queries, please contact  
XED - investorrelations@xedinstitute.org  
GHCA - ghca@global-horizons.in

**Step 5 – Allotment or Refund**

- If allotted, shares will be credited to your Demat Account.
- If not allotted, a refund will be processed back to the origin or source account, i.e., remitting bank account.

**10. What is the currency denomination for the subject IPO?**

US Dollars.

## **11. What is the accepted Mode of sending funds?**

The only accepted modes are:

- A. international transfer through SWIFT Transactions in the Escrow account.
- B. Payment through your Broker (Advisable)

Payments executed via UPI or cheque or non-SWIFT Transfers to designated Escrow Collection Account are not accepted modes of payment and payments made through these platforms will be rejected and refunded/returned.

## **12. How will refunds be processed?**

Any extra amount that is deposited in the Escrow Account will be refunded to the investors' source bank account.

Any amount received, against which allotment is not done, refunds will be processed to investor's source bank account.

## **13. Who will decide the allotment of securities?**

The allotment will be decided by the Issuer and the BRLM on discretionary basis.

## **14. What are the key advantages for investors in subscribing to an IPO listed on GIFT City compared to a traditional Indian stock exchange?**

Lower taxes & simpler compliance (particularly for non-resident and FPI investors)

- **0% capital gains tax**
- no Securities Transaction Tax (STT)
- no Commodity Transaction Tax (CTT)
- and no stamp duty on trades via GIFT IFSC massive cost savings for non-residents and FPIs.

**15. Do non-resident investors need a PAN or file Indian tax returns for income earned through GIFT City IPOs or investments?**

No PAN or Indian tax-return filing requirement for non-resident investors with only IFSC income sources.

**16. What is the dividend income tax liability for NRI investors in a GIFT City IPO?**

Dividend income received by non-resident Indians (NRIs) or foreign entities from companies or funds listed in GIFT City's International Financial Services Centre (IFSC) is subject to a **flat withholding tax of 10%** in India (plus applicable surcharge and cess).

In GIFT City IFSC specifically, dividends paid to NRIs are taxed at this **preferential flat rate**—this is significantly lower than the **20% (plus cess/surcharge)** rate that applies to dividends from mainland-India companies.