SEC RULE 144A | INDIA CAPITAL MARKETS

Exponential Growth & Global Liquidity for Indian Private Companies

A Comprehensive Strategic Analysis · June 2026

99th Street Advisory

www.99thstreetadvisory.com

Executive Summary

SEC Rule 144A — The Most Powerful Capital Access Instrument for Indian Private Companies

$2 TRILLION+

Annual Rule 144A issuance — accessible to any qualifying issuer globally, including Indian private companies, without SEC registration.

01 Legal Foundation

Safe harbor exemption under U.S. Securities Act of 1933 — no full SEC registration required

02 Speed to Market

4–8 weeks vs 6–18 months for a full SEC-registered IPO — critical for time-sensitive capital needs

03 Investor Access

Direct access to QIBs: pension funds, insurance companies, sovereign wealth funds managing tens of trillions

04 Stay Private

Raise hundreds of millions without an IPO — preserve governance control and timing strategic optionality

Section 1 · Understanding SEC Rule 144A

Definition, Legal Foundation & Two-Step Mechanism

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Definition & Legal Foundation

- Safe harbor exemption under U.S. Securities Act of 1933
- Permits resale of privately placed restricted securities to QIBs
- No full SEC registration required for issuers
- Established 1990 — now backbone of cross-border private capital markets
- Creates a liquid, efficient private market for sophisticated investors
- **Accessible to Indian private companies today**

The Two-Step Mechanism

1 Primary Placement

Issuer (Indian company) places securities with investment bank intermediaries via private exempt offering

2 QIB Resale

Intermediaries resell securities to QIBs under Rule 144A — creating immediate institutional liquidity

+ Regulation S Layer

Non-U.S. investors reached simultaneously via Reg S — enabling a true global offering in a single transaction

Section 1 · Who Qualifies as a QIB & How 144A Compares

Qualified Institutional Buyers must own/invest at least $100M in securities of unaffiliated issuers

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- Mutual Funds
- Pension Funds
- Insurance Companies
- Sovereign Wealth Funds
- Investment Banks
- Hedge Funds
- Endowments & Foundations
- Broker-Dealers ($10M+)

Rule 144A vs Alternatives

Feature	SEC Rule 144A	Full SEC Registration	Traditional Bank Debt
Regulatory Burden	Low — no registration	Very High	Moderate
Investor Base	U.S. QIBs ($100M+)	Public — all investors	Domestic banks only
Speed to Market	4–8 weeks	6–18 months	2–4 months
Disclosure Level	Limited — issuer choice	Full public disclosure	Private to bank
Market Liquidity	High among QIBs	Highest (public)	Low
Global Reach	Yes — with Reg S	Yes (post-listing)	No

Rule 144A uniquely combines the speed and privacy of private markets with investor depth and liquidity approaching a public offering — unavailable through any other regulatory pathway.

Section 3 · Key Benefits for Indian Private Companies

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3.1 Access to World's Deepest Capital Pool

- U.S. institutional capital — largest, most liquid private capital market on Earth
- No full SEC registration required
- Direct access to pension funds, insurance companies, sovereign wealth funds
- Institutions collectively managing tens of trillions of dollars
- Debt or equity structuring flexibility

3.2 Remain Private — Grow on Your Terms

- Raise hundreds of millions without an IPO
- Preserve governance control for founders & promoters
- No quarterly reporting pressure
- No public disclosure of sensitive business information
- Full flexibility on use of proceeds
- Time a public listing strategically — not out of necessity

3.3 Dramatically Accelerated Timelines

- 4–8 weeks to complete vs 6–18 months for SEC-registered IPO
- Critical for growth-stage companies with time-sensitive capital needs
- Acquisitions, capacity expansion, competitive pre-emption
- Rapid execution preserves negotiating leverage
- Reduces management distraction vs lengthy public process

Section 3.4 · The 144A + Regulation S Global Stack

The most powerful structure: simultaneous global capital raise across U.S. and international institutional markets

RULE 144A (U.S.)

Targets U.S. Qualified Institutional Buyers

- Cleared via DTC (Depository Trust Company)
- CUSIP-registered global note
- Immediate QIB-to-QIB liquidity
- Minimum QIB threshold: $100M
- **U.S. domestic institutional depth**

REGULATION S (GLOBAL)

Targets Non-U.S. Institutional Investors

- Cleared via Euroclear / Clearstream
- ISIN-registered global note
- Non-U.S. investors freely tradeable
- Reaches European and Asian institutions
- **Enables true single-transaction global raise**

Indian companies using the 144A/Reg S dual structure can simultaneously raise capital from U.S. pension funds, European insurers, and Asian sovereign wealth funds in a single transaction — closing in 4 to 8 weeks.

Section 4 · India's Capital Market Backdrop

Growing rapidly — but the gap vs. global peers is both a constraint and a massive opportunity

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India Bond Market — Key Metrics (2024–2025)

Metric	Value	Context
Bond Market Size (Dec 2024)	**₹226.3 trillion (~USD 2.66T)**	3x growth since 2014
Bond Market as % of GDP	**~70%**	vs. 225% in U.S., 260% in Japan
Corporate Bond Issuances FY25	**Record ₹9.9 lakh crore**	+20% YoY capex growth
Corporate Bond AUM (May 2025)	**₹1.96 lakh crore**	+14.5% in 5 months
Projected Corporate Capex (5yr)	**USD $800–850 billion**	Infra, energy, digitalization

OPPORTUNITY GAP

India's bond market at ~70% of GDP vs. U.S. at 225% and Japan at 260% means domestic institutional depth is limited. Rule 144A lets Indian companies bypass this constraint and access the full depth of global capital markets today.

INDEX TAILWIND: India's inclusion in J.P. Morgan GBI-EM and Bloomberg EM Local Currency Index is bringing unprecedented foreign institutional attention to Indian credit — reducing the education burden and pricing premium for Indian 144A issuers.

Section 5 · Strategic Playbook by Company Stage

Rule 144A applications vary significantly by company stage, capital need, and strategic objective

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Company Stage	144A Application	Investor Type	Key Benefit
Growth-Stage Startup	Private equity issuance to QIBs	PE/VC, Sovereign Wealth	Capital without premature IPO
Mid-Size Private Firm	High-yield 144A bonds for capex	Insurance Cos., Pension Funds	Lower cost vs bank debt
Pre-IPO Company	Bridge financing + investor base	U.S. Asset Managers	NYSE/NASDAQ IPO readiness
Infrastructure / Infra-Tech	144A Notes + Reg S dual structure	Global Institutional Investors	Parallel U.S. + global raise
NBFC / FinTech	Asset-Backed Securities (ABS)	U.S. Credit Funds, Banks	Diversified funding base

Eligible Security Types

High-Yield Bonds

Debt for growth capex, M&A, refinancing

Investment Grade Bonds

Lower-cost debt for established companies

Equity / Preferred Stock

Growth equity from U.S. institutional investors

Asset-Backed Securities

NBFCs, FinTechs, mortgage originators

Convertible Notes

Hybrid instruments popular with tech/growth companies

Section 6 · Risks, Considerations & Mitigants

RISK FACTOR	DETAIL	MITIGANT
QIB-Only Market	Retail investors cannot participate; marketing must target institutions exclusively	Engage bulge-bracket or mid-market U.S. investment banks with QIB distribution networks
Due Diligence Intensity	U.S. institutions require detailed financial disclosures, legal opinions, and auditor comfort letters	Prepare an International Offering Memorandum (IOM) with U.S. GAAP or IFRS financials
Legal & Advisory Costs	Structuring a 144A deal requires specialized U.S. securities counsel — typically $500K to $2M+	Costs recovered through scale of capital raised; viable for raises above $150M
FX / Currency Risk	USD-denominated debt creates forex exposure for INR-earning businesses	Natural hedges, cross-currency swaps, or ECB hedging frameworks under RBI guidelines
Regulatory Compliance (India)	ECB norms, FEMA regulations, and RBI approvals may apply	Engage Indian legal counsel alongside U.S. counsel; route through approved ECB frameworks

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The 144A Advantage for India

Access U.S. Institutional Capital

Stay Private & In Control

Close in 4–8 Weeks

Go Global with Reg S

Strategic Recommendation

For Indian private companies — high-growth unicorns, capital-intensive industrials, infrastructure builders, or financial services firms — SEC Rule 144A represents a generational opportunity to access global institutional capital on terms previously available only to large, publicly listed multinationals. India's economic momentum, its inclusion in global bond indices, and a deeply liquid U.S. QIB market create a uniquely favourable window.

NEXT STEP: Engage a U.S.-registered investment bank affiliated with 99th Street Advisory with Emerging Market debt/equity distribution capabilities to conduct a 144A feasibility assessment. Target minimum raise of $150M to justify transaction costs. Pair with Regulation S for simultaneous European and Asian institutional reach.