Annexure B

Tabular comparison for major changes made in the proposed DR framework for REITs and Publicly Listed InvITs vis-à-vis the Equity DR framework

S.No.	Particulars	Provisions for issue of DR by listed company	Proposed provisions for issue of DR on units of REITs and Publicly Listed InvITs	Rationale for change
1.	Reference paragraph	*"Reference is drawn to Section 41 of the Companies Act, 2013, Companies (Issue of Global Depository Receipts) Rules, 2014 ("GDR Rules"), the Depository Receipts Scheme, 2014 ("DR Scheme"), Reserve Bank of India ("RBI") notification dated December 15, 2014, Central Government notification dated September 18, 2019 and Central Government notification dated October 07, 2019."*	Reference is drawn to the Depository Receipts Scheme, 2014 ('DR Scheme') notified by the Central Government vide notification number F.No. 9/1/2013-ECB dated October 21, 2014, as amended by notification number F. No. 9/1/2013-ECB(Pt-2) dated October 07, 2019. Reference is also drawn to Central Government notification number G.S.R. 669(E) dated September 18, 2019 and Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ('NDI Rules') notified by the Central Government vide notification S.O. 3732(E) dated October 17, 2019.	• Companies Act, 2013 and GDR Rules framed thereunder are not applicable in case of a REIT/InvIT. • RBI notification dated December 15, 2014, introduced amendments in the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, for specifying provisions relating to investment in DRs. The said regulations are no longer applicable and presently provisions pertaining to investment in DRs by a person resident outside India are governed by NDI Rules

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				notified by the Central Government vide notification S.O. 3732(E) dated October 17, 2019.
2.	Eligibility	The Eligibility criteria specified in the Equity DR Framework is applicable to the Listed Company, its promoters and directors.	The Eligibility criteria is proposed to be made applicable to the REIT/InvIT, parties to the REIT/InvIT and their directors, promoters and partners.	Changes proposed on account of difference in structure of a REIT/InvIT vis-à-vis a Listed Company.
3.	Entering into agreements / arrangements for issuance of DR	The Equity DR Framework specifies that the Listed Company may enter into necessary agreements / arrangements with Indian Depository, Foreign Depository, Domestic Custodian and existing permissible securities holder(s), in relation to issuance of DR.	The Manager on behalf of the REIT / Investment Manager on behalf of the InvIT may enter into such agreements / arrangements.	There are no employees under the REIT/InvIT and it is the Manager of REIT / Investment Manager of InvIT who is responsible for the operational activities of the REIT / InvIT.
4.	Approval of shareholders	For issuance of DRs by a company, approval of members of the company by way of a special resolution is required.	Any fresh issue of DRs shall require prior approval of unit holders of the REIT/InvIT where vote cast in favor of the resolution shall be at least 75% of the total votes cast for the resolution.	As units of a REIT/InvIT are created for the first time at the time of initial offer and there are no units (or unitholder) prior to an initial offer, it is proposed to specify that the requirement to obtain unitholder approval shall

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			Provided that the requirement to obtain unitholder approval shall not be applicable in case of a simultaneous listing of units of REIT/InvIT on a Recognized Stock Exchange pursuant to initial offer and listing of DRs on an International Exchange.	not be applicable in case of simultaneous listing of units of REIT/InvIT on a Recognized Stock Exchange pursuant to initial offer and listing of DRs on an International Exchange.
5.	Opportunity to existing shareholders to tender their shares for participation in DR listing	*"For the purpose of <u>an initial issue</u> and listing of DRs, pursuant to 'transfer by existing holders', the Listed Company shall provide an opportunity to its equity shareholders to tender their shares for participation in such listing of DRs.* *<u>Subsequent issue</u> and listing of DRs, pursuant to 'transfer by existing shareholders' may take place subject to the limits approved pursuant to a special resolution in terms of GDR Rules."*	For the purpose of <u>any fresh issue</u> and listing of DRs, pursuant to 'transfer by existing unitholders', the REIT/InvIT shall provide an opportunity to all its existing unitholders to tender their units for participation in such listing of DRs.	The requirement to provide an opportunity to existing unitholders to tender their units for participation in DR listing pursuant to transfer of units by existing unitholders should be made applicable to all fresh issue and listing of DRs i.e. it should not be restricted only to initial issue and listing of DRs. This will provide equal opportunity to all unitholders to tender their units for every issue and listing of DR made pursuant to transfer of units by existing unitholders.

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6.	Filing of initial document for issue of DR	a) The Equity DR Framework mandates that the Listed Company shall, through an <u>‘intermediary’</u>, file with SEBI and the Recognized Stock Exchange(s), a copy of the initial document for initial issue of DRs. b) The Equity DR Framework requires filing of initial document (by whatever name called) with the Board and the Recognized Stock Exchange(s) only for <u>initial issue</u> of DRs.	a) The filing of initial document for DR issue shall be done by the Manager on behalf of REIT / Investment Manager on behalf of InvIT through a <u>merchant banker.</u> b) In the DR framework for REITs and InvITs, it is proposed to use the terminology ‘initial offer document’ instead of ‘initial document’, which shall be filed for <u>any fresh issue</u> of DRs. Further, it is proposed to specify that fresh issue of DRs shall include first time offering as well as subsequent offerings of DRs in a permissible jurisdiction, either by fresh issue of units of the REIT/InvIT or by way of transfer of units by existing unitholders. Further, any	The filing of Initial document for issue of DRs with the Board and stock exchanges should be made for every fresh issue of DR and should not be restricted only to initial issue of DR. For explicit clarity, it is proposed to specify what constitutes ‘fresh issue of DR’. The other changes are carried out to provide better clarity.

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			reissuance of DRs on account of two way fungibility shall not be considered sfresh issue of DRs.	
7.	Comments of SEBI on initial document	*"SEBI shall endeavour to forward its comments, if any, to the Recognized Stock Exchange(s) within a period of 7 working days from the receipt of the document and in the event of no comments being issued by SEBI within such period, it shall be deemed that SEBI does not have comments to offer."*	In the DR framework for REITs and Publicly Listed InvITs, this provision is proposed to be re-drafted as under (additions shown in underline and deletions shown in strikethrough): "The Board shall endeavor to forward its comments, if any, <u>in relation to compliance with the conditions stipulated in this Circular or any other conditions as may be specified from time to time</u>, to the Recognized Stock Exchange(s) within a period of 7 working days from the receipt of the document ~~and in the event of no comments being issued by SEBI within such period, it shall be deemed that SEBI does not have comments to offer.~~"	Changes made to provide better clarity.

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8.	List of Permissible Jurisdictions and International Exchange(s)	Annexure 5 of Chapter 1 of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024, provides the list of Permissible Jurisdictions and International Exchange(s) where issuance and listing of DRs has been permitted.	'Permissible Jurisdictions' and 'International Exchange(s)' shall be as specified in Annexure 5 of Chapter 1 of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024, as amended from time to time.	Referenced to Equity DR Framework.
9.	Compliance with Minimum public shareholding norms	*"The maximum of aggregate of Permissible Securities which may be issued by the Listed Company or transferred by the existing holders, for the purpose of issue of DRs, shall be such that the Listed Company is able to ensure compliance with the minimum public shareholding requirement, after excluding the Permissible Securities held by the depository for the purpose of issue of DRs."*	Similar requirement is proposed in the DR framework for REITs and InvITs. Further, for abundant clarity, it is also proposed to specify that for the purpose of calculation of minimum public unitholding for the REIT / InvIT, the units held at the depository for the purpose of issue of DRs shall be treated as non-public unitholding.	Changes made to provide better clarity.
10.	Monitoring of foreign holding limits	*"Listed Company shall ensure that the aggregate of Permissible Securities which may be issued or transferred for the purpose of issue*	No provision is proposed in this regard.	In the context of REITs and InvITs, investment by a person resident outside India in units of a REIT/InvIT is governed by

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		of DRs, along with Permissible Securities already held by persons resident outside India, shall not exceed the limit on <u>foreign holding</u> of such Permissible Securities under the applicable regulations of FEMA:” *“Indian Depositories, in consultation with each other, shall develop a system to ensure that aggregate holding of DR holders along with their holding, if any, through offshore derivative instruments and holding as a Foreign Portfolio Investor belonging to same investor group shall not exceed the limit on <u>foreign holding</u> under the FEMA and applicable SEBI Regulations. For this purpose, Indian Depositories shall have necessary arrangement with the Domestic Custodian and / or Foreign Depository.*		Rule 6(c) and Schedule VIII under the NDI Rules. There is no maximum limit under the NDI Rules for investment in units of a REIT/InvIT by foreign investors. Further, there is no ceiling applicable to foreign portfolio investors for investment in units of a REIT/InvIT under the SEBI (Foreign Portfolio Investors) Regulations, 2019 (‘FPI Regulations’). As there is no limit specified under the NDI Rules and the FPI Regulations for investment in units of a REIT/InvIT by foreign investors, the provisions relating to monitoring of foreign holding limits specified in the Equity DR framework does not appear to be relevant for REITs/InvITs. Accordingly, it is proposed that these provisions

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		Explanation- The term 'investor group' shall have the meaning as prescribed to such term in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 or amendments thereof." Further, provisions for monitoring of investor group limits are specified in paragraph 6 of Annexure 6 of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024. It may be noted that as per the Master Circular, the monitoring of investor group limits has been kept in abeyance with effect from May 6, 2021.		may not be included in the DR framework for REITs and Publicly Listed InvITs.
11.	Compliance with holding limits	*"Listed Company shall ensure that the agreement entered with the Foreign Depository, for the purpose of issue of DRs, provides that the Permissible holder,*	The Manager of REIT / Investment Manager of InvIT shall ensure that the agreement entered with the Foreign Depository, for the purpose of issue of DRs, provides	As mentioned above, NDI Rules and FPI Regulations do not stipulate any ceiling on foreign holding w.r.t investment in units of a REIT/InvIT. However,

S.No.	Particulars	Provisions for issue of DR by listed company	Proposed provisions for issue of DR on units of REITs and Publicly Listed InvITs	Rationale for change
		including its Beneficial Owner(s), shall ensure compliance with <u>holding limits prescribed under para 22.2.8</u>." Paragraph 22.2.8 reads as under: *"The framework for monitoring of foreign holding in DRs is placed at Annexure 6."*	that the DR holder, including its Beneficial Owner(s), shall ensure compliance with the <u>holding limits as per applicable SEBI Regulations including restriction on maximum holding of units of REIT/InvIT as mandated under Regulation 22(6A) of the REIT Regulations / Regulation 22(5C) of the InvIT Regulations</u>. Explanation: For the purpose of ensuring compliance with Regulation 22(6A) of the REIT Regulations / Regulation 22(5C) of the InvIT Regulations, units of REIT/InvIT held by the DR holder, including its Beneficial Owner(s), along with persons acting in concert with them, aggregated with units underlying the DR held by such persons, shall be considered.	Regulation 22(6A) of the REIT Regulations / Regulation 22(5C) of the InvIT Regulations requires that no person, other than sponsor(s), its related parties and its associates, shall acquire units of a REIT/InvIT which taken together with units held by him and by persons acting in concert with him in such REIT/InvIT, exceeds twenty-five per cent of the value of outstanding REIT/InvIT units unless approval from seventy-five per cent. of the unit holders by value excluding the value of units held by parties related to the transaction, is obtained. Hence, it is proposed that the DR holder including its Beneficial Owner(s) shall ensure compliance with the above requirement. Also, for this purpose, units held by the

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<tr><th>S.No.</th><th>Particulars</th><th>Provisions for issue of DR by listed company</th><th>Proposed provisions for issue of DR on units of REITs and Publicly Listed InvITs</th><th>Rationale for change</th></tr>
<tr><td></td><td></td><td></td><td>Further, it is proposed to specify in the DR framework for REITs and InvITs that for the purpose of dissemination of information regarding DRs by the Indian Depositories and mechanism for re-issuance of DRs, the provisions specified in paragraph 1 to paragraph 5 of Annexure 6 to the SEBI Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024, as amended from time to time, shall be applicable. The reference to the following terms made therein, should, for the purpose of this requirement, be construed as follows, unless otherwise required:

<table><tr><th>Reference to</th><th>To be construed as</th></tr><tr><td>‘Listed Company’ in</td><td>Manager of REIT / Investment</td></tr></table></td><td>DR holder, including its Beneficial Owner(s), along with persons acting in concert with them, aggregated with units underlying the DR held by such persons, shall be considered.</td></tr>
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<tr><td></td><td></td><td></td><td><table>
<tr><td>paragraph 1 of Annexure 6</td><td>Manager of InvIT</td></tr>
<tr><td>‘Listed Company / Companies’ in paragraph 2 to 5 of Annexure 6</td><td>REIT / InvIT</td></tr>
<tr><td>‘Permissible Securities’ in paragraph 1 to 5 of Annexure 6</td><td>Units of the REIT / InvIT</td></tr>
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<tr><td>12.</td><td>Issue of DRs to NRIs in certain cases</td><td>The Equity DR Framework inter-alia requires that a holder of DR, including its Beneficial Owner(s), shall not be a Non-Resident Indian (NRI). However, it permits issuance of DRs to NRIs pursuant to share based employee benefit schemes, bonus issue and rights issue. Further, it requires that, except as permitted, NRIs shall neither subscribe to any further issue of DRs nor make any further</td><td>No provision is proposed in this regard.</td><td>In the context of REITs and InvITs, it may be noted that there are no employees under the REIT/InvIT. It is the Manager of REIT / Investment Manager of InvIT who is responsible for the operational activities of the REIT / InvIT. Unit based employee benefits can be offered to the employees of the Manager / Investment</td></tr>
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S.No.	Particulars	Provisions for issue of DR by listed company	Proposed provisions for issue of DR on units of REITs and Publicly Listed InvITs	Rationale for change
		acquisition of DRs (including of DRs issued prior to October 10, 2019). Furthermore, the onus of identification of NRIs holders who are issued DRs in terms employee benefit scheme, would lie with the listed company. The listed company shall provide the information of such NRI DR holders to the designated depository for the purpose of monitoring of limits.		Manager as per the REIT Regulations / InvIT Regulations. However, the regulations require that a REIT/InvIT shall invest only in assets in India. On the other hand, a listed company may have its operations and employees outside India, hence issue of DRs to NRIs pursuant to share based employee benefit scheme is relevant. For a REIT/InvIT, since the operations are limited to India, hence issue of DRs to NRIs pursuant to unit based employee benefit scheme may not be relevant. In view of the above, it is proposed that the provisions pertaining to investment by a NRI in DRs pursuant to share based employee benefit schemes, bonus issue, rights

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				issue, and provisions pertaining to onus of identification of NRI holders may not be included in the DR framework for REITs and InvITs.