Annexure - A

Draft Framework for Issuance of Depository Receipts on Units of REITs and Publicly Listed InvITs

1. 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, which *inter-alia* states the following:

   a. *'depository receipt' means a foreign currency denominated instrument, whether listed on an international exchange or not, issued by a foreign depository in a permissible jurisdiction on the back of permissible securities issued or transferred to that foreign depository and deposited with a domestic custodian and includes 'global depository receipt' as defined in section 2(44) of the Companies Act, 2013;*

   b. *'permissible securities' mean 'securities' as defined under section 2(h) of the Securities Contracts (Regulation) Act, 1956 and include similar instruments issued by private companies which:*
      (i) may be acquired by a person resident outside India under the Foreign Exchange Management Act, 1999; and
      (ii) is in dematerialised form.

   c. *The following persons are eligible to issue or transfer permissible securities to a foreign depository for the purpose of issue of depository receipts:*
      (a) any Indian company, listed or unlisted, private or public;
      (b) any other issuer of permissible securities;
      (c) any person holding permissible securities;
      which has not been specifically prohibited from accessing the capital market or dealing in securities.

d. *The provisions of this Scheme shall be implemented by the respective authorities, namely, the Reserve Bank of India, the Securities and Exchange Board of India, Ministry of Corporate Affairs and Ministry of Finance.*

2. 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, and.

3. Regulation XX of the SEBI (Real Estate Investment Trusts) Regulations, 2014 ('REIT Regulations') / Regulation YY of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') provides that Depository Receipts may be issued against units of a REIT / Publicly Offered InvIT subject to compliance with the REIT Regulations / InvIT Regulations and in such manner as may be specified by the Board. Accordingly, the framework for issuance of depository receipts on units of REITs / Publicly Listed InvITs is specified hereunder.

4. **Meaning of terms used**

For the purpose of this framework –

(1) 'Depository Receipt ('DR')' means a foreign currency denominated instrument, listed on an international exchange, issued by a Foreign Depository in a Permissible Jurisdiction on the back of units of a REIT/InvIT issued or transferred to that foreign depository and deposited with a domestic custodian registered with the Board.

(2) 'Foreign Depository' means a person which:

a) is not prohibited from acquiring units of a REIT/InvIT;
b) is regulated in any of the Permissible Jurisdiction as defined in this framework; and
c) has legal capacity to issue DRs in the Permissible Jurisdiction.

(3) 'Transfer of units of a REIT/InvIT by existing unitholders' means deposit of existing units of the REIT/InvIT with a Domestic Custodian, for the purpose of issue of DRs, pursuant to formal agreement(s) among the Manager on behalf

of the REIT / Investment Manager on behalf of the InvIT and the Foreign Depository. For this purpose, the Manager on behalf of the REIT / Investment Manager on behalf of the InvIT may also enter into arrangement(s) with, Indian Depository, Domestic Custodian and existing unitholder(s), as may be necessary.

5. **Eligibility Conditions**

(1) REIT/InvIT shall be eligible to issue units or existing unitholders shall be eligible to transfer units, for the purpose of issue of DRs, if:

a) the REIT/InvIT is in compliance with the requirements prescribed under the SEBI (Real Estate Investment Trusts) Regulations, 2014 / SEBI (Infrastructure Investment Trusts) Regulations, 2014 and any amendments thereof;

b) the REIT/InvIT, parties to the REIT/InvIT and their directors, promoters and partners, and unitholders transferring units are not debarred from accessing the capital market by the Board;

c) none of the parties to the REIT/InvIT and their directors, promoters, and partners is a promoter or director of any other Company or REIT/InvIT which is debarred from accessing the capital market by the Board;

d) the REIT/InvIT, parties to the REIT/InvIT and their directors, promoters and partners, and unitholders transferring units are not wilful defaulter.

e) the parties to the REIT/InvIT and their directors, promoters and partners, and unitholders transferring units are not fugitive economic offender.

(2) The restrictions at paragraph 5(1)(b) to 5(1)(e) above shall not apply to the persons or entities mentioned therein, who were debarred in the past by the Board and the period of debarment is already over as on the date of filing of the document as referred at paragraph 8(1).

(3) A DR holder, including its Beneficial Owner(s), shall not be a person resident in India or a Non-Resident Indian (NRI).

Explanation 1: For the purpose of this framework, ‘Beneficial Owner’ shall have the same meaning as provided in proviso to sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended.

Explanation 2: The DR holder, including its Beneficial Owner(s), shall be responsible for ensuring compliance with this requirement.

6. **Permissible Jurisdictions and International Exchanges**

(1) REIT/InvIT registered with the Board shall be permitted to issue units or facilitate transfer of units of existing unitholders, for the purpose of issue of DRs, only in Permissible Jurisdictions and said DRs shall be listed on any of the specified International Exchange(s) of the Permissible Jurisdiction.

Explanation: For the purpose of this framework, ‘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.

(2) Listing of DRs on specified International Exchange shall meet the highest applicable level / standards for such listing by foreign issuers.

Explanation: Examples of DR listing programs that would qualify for the aforesaid criteria:

Issuer-sponsored Level III ADR programs listed on Nasdaq or the NYSE, DRs listed on the Main Board of the Hong Kong Stock Exchange, Global Depositary Receipts admitted to the Standard Segment of the Official List of the FCA and to trading on the London Stock Exchange.

7. **Obligations of the Manager of REIT / Investment Manager of InvIT**

(1) The Manager of REIT / Investment Manager of InvIT shall ensure compliance with extant laws relating to issuance of DRs, including, requirements prescribed in this framework, the SEBI (Real Estate Investment Trusts) Regulations, 2014 / the SEBI (Infrastructure Investment Trusts) Regulations,

2014, the Foreign Exchange Management Act, 1999 (‘FEMA’), Prevention of Money-Laundering Act, 2002, and rules and regulations made thereunder and any other applicable guidelines issued by Reserve Bank of India and Government. For this purpose, the Manager on behalf of REIT / Investment Manager on behalf of InvIT, may also enter into necessary arrangements with Custodian, Indian Depository and Foreign Depository.

(2) The Manager of REIT / Investment Manager of InvIT shall ensure that DRs are issued only with units of the REIT/InvIT as the underlying.

(3) The maximum of aggregate of units which may be issued by the REIT/InvIT or transferred by the existing unitholders, for the purpose of issue of DRs, shall be such that the REIT/InvIT is able to ensure compliance with the minimum public unitholding requirement, after excluding the units held at the depository for the purpose of issue of DRs.

Explanation: 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.

(4) 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 that the DR holder, including its Beneficial Owner(s), shall ensure compliance with the 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.

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.

8. **Issuance of Depository Receipts**

(1) The Manager on behalf of REIT / Investment Manager on behalf of InvIT shall, through merchant banker, file with the Board and the Recognized Stock Exchange(s), a copy of the initial offer document, by whatever name called, for any fresh issue of DRs issued on the back of units of the REIT/InvIT.

a) The Board shall endeavor to forward its comments, if any, in relation to compliance with the conditions stipulated in this framework or any other conditions as may be specified from time to time, to the Recognized Stock Exchange(s) within a period of 7 working days from the receipt of the document.

b) Recognized Stock Exchange(s) shall take into consideration the comments of the Board while granting in-principle approval to REIT/InvIT and decide on the approval within 15 working days of receipt of application and required documents.

c) Further, final offer document, by whatever name called, for such issue shall be filed with Recognized Stock Exchange(s) and the Board for record purpose.

(2) REIT/InvIT proposing to make an initial offer of units and to list on a Recognized Stock Exchange, and also simultaneously proposing to issue units or facilitate transfer of units of existing unitholders, for the purpose of issue of DRs and listing such DRs on an International Exchange, shall seek in-principle and final approval from Recognized Stock Exchange as well as International Exchange. However, such issue or transfer of units for the purpose of issue of DRs shall be subsequent to the receipt of trading approval from the Recognized Stock Exchange for the initial offer of units.

(3) 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.

Provided that the requirement to obtain unitholder approval shall not be applicable in case of a DR issue covered under clause (2) above i.e. 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.

(4) For the purpose of any fresh issue 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.

(5) 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 reissuance of DRs on account of two way fungibility shall not be considered fresh issue of DRs.

9. **Disclosures**

The Manager of REIT / Investment Manager of InvIT shall ensure that any public disclosures made by the REIT/InvIT on International Exchange(s) in compliance with the requirements of the Permissible Jurisdiction where the DRs are listed or of the International Exchange(s), are also filed with the Recognized Stock Exchange as soon as reasonable possible but not later than twenty four hours from the date of filing.

10. **Voting rights**

The Manager of REIT / Investment Manager of InvIT shall ensure that the agreement entered between the holder of DRs, the REIT/InvIT and the Depository provides that the voting rights on units underlying the DR, if any, shall be exercised by the DR holder through the Foreign Depository pursuant to voting instruction only from such DR holder.

11. **Pricing**

(1) In case of a simultaneous listing of units on Recognized Stock Exchange(s) pursuant to an initial offer / preferential allotment / institutional placement under the SEBI (Real Estate Investment Trusts) Regulations, 2014 / SEBI (Infrastructure Investment Trusts) Regulations, 2014, and DRs on the International Exchange, the price of issue or transfer of units, for the purpose

of issue of DRs by Foreign Depository, shall not be less than the price for the initial offer / preferential allotment / institutional placement to domestic investors under the applicable laws.

(2) Where units are issued by a REIT/InvIT or transferred by the existing unitholders, for the purpose of issue of DRs by the Foreign Depository, the same shall be issued at a price, not less than the price applicable to a corresponding mode of issue of such units to domestic investors under the applicable laws.

12. **Obligations of Indian Depository, Foreign Depository and Domestic Custodian**

(1) Domestic Custodian shall maintain records in respect of, and report to, Indian depositories all transactions in the nature of issue and cancellation of depository receipts.

(2) Indian Depositories shall coordinate among themselves and with Domestic Custodian to disseminate:

(a) the outstanding units against which the DRs are outstanding; and,

(b) the limit up to which units can be converted to DRs.

(3) For the purpose of clause (2) above 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 be construed as follows, for the purpose of this requirement, unless otherwise required:

Reference to	**To be construed as**
‘Listed Company’ in paragraph 1 of Annexure 6	Manager of REIT / Investment Manager of InvIT
‘Listed Company / Companies’ in paragraph 2 to 5 of Annexure 6	REIT / InvIT

Reference to	To be construed as
'Permissible Securities' in paragraph 1 to 5 of Annexure 6	Units of the REIT / InvIT

(4) The Foreign Depository shall not issue or pre-release the DRs unless the Domestic Custodian has confirmed the receipt of units underlying the DRs.

13. Words and expressions used and not defined in this framework but defined in the Depository Receipts Scheme, 2014, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996, the Companies Act, 2013, the Reserve Bank of India Act, 1934, the Foreign Exchange Management Act, 1999 or the Prevention of Money Laundering Act, 2002, and rules and regulations made thereunder shall have the meanings respectively assigned to them, as the case may be, in those Acts, unless the context requires otherwise.

14. **Power to remove difficulties**

In case of any difficulties in the application or interpretation or to relax strict enforcement of the requirements of the framework for issue of DRs, the Board may issue clarifications through guidance notes or circulars after receipt of request from the issuer.

15. **Applicability**

The provisions of this framework shall come into force with immediate effect.