Issuance of Depository Receipts on units of REITs and InvITs

1. Objective

1.1. This Board Memorandum proposes amendments to the SEBI (Real Estate Investment Trusts) Regulations, 2014 ("REIT Regulations") and the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") to provide an enabling provision for issuance of Depository Receipts (“DRs”) on units of REITs and InvITs, and seeks approval of the Board for the same.

2. Background

2.1. SEBI notified REIT Regulations and InvIT Regulations on September 26, 2014. As on August 31, 2026, 6 REITs and 26 InvITs are listed on stock exchanges. The cumulative assets under management (value of assets) for REITs and InvITs is approx. Rs. 10 lakh crores as on August 31, 2026.

2.2. REITs and InvITs are set up as a trust under the Indian Trusts Act 1882 and are registered with SEBI. REITs and InvITs primarily hold completed and revenue generating real estate and infrastructure assets respectively. REITs and InvITs are permitted to issue units which are denominated in Indian Rupees and are listed on recognized stock exchange(s) in India.

The unitholders are beneficial owners holding a fractional interest in the underlying assets of the REITs and InvITs. REITs and InvIT can invite subscription and allot units to foreign investors subject to guidelines specified by the RBI and the Government.

2.3. SEBI Hybrid Securities Advisory Committee (“HySAC”) provides recommendations, inter-alia, on development and regulation of REITs and InvITs in India.

3. Need for introduction of a regulatory framework for issuance of Depository Receipts on units of REITs and InvITs

3.1. A framework for issuance of DRs on units of REITs and InvITs will enable REITs and InvITs to issue DRs in permissible jurisdictions thereby providing an additional investment option for foreign investors. It will be beneficial for foreign

investors as DRs allow trading in foreign currency on the permitted international exchange(s). It will also help in attracting foreign capital in REITs and InvITs.

3.2. International Financial Services Centres Authority ("IFSCA") has requested the Board to consider allowing listing of DRs on units of Indian REITs and InvITs on the stock exchanges at International Financial Services Centre in India.

4. Extant Regulatory Provisions

4.1. The Depository Receipts Scheme, 2014 ('DR Scheme') notified by the Central Government, as amended from time to time, inter-alia states the following:

4.1.1. *'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;*

4.1.2. *'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:*

4.1.2.1. may be acquired by a person resident outside India under the Foreign Exchange Management Act, 1999; and

4.1.2.2. is in dematerialised form.

4.1.3. *The following persons are eligible to issue or transfer permissible securities to a foreign depository for the purpose of issue of depository receipts:*

4.1.3.1. any Indian company, listed or unlisted, private or public;

4.1.3.2. any other issuer of permissible securities;

4.1.3.3. any person holding permissible securities;

which has not been specifically prohibited from accessing the capital market or dealing in securities.

4.2. Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ('NDI Rules') notified by the Central Government, as amended from time to time, inter-alia, provide provisions for investment in India by a person resident outside India:

4.2.1. Rule 6(d) of NDI Rules states that *"a person resident outside India may invest in the depository receipts issued by foreign depositories against eligible securities in the manner and subject to the terms and conditions specified in Schedule IX."*

4.2.2. Paragraph 1(a) of Schedule IX of the NDI Rules states that *"any security or unit in which a person resident outside India is allowed to invest under these rules shall be eligible instruments for issue of Depository Receipts in terms of Depository Receipts Scheme, 2014."*

4.2.3. Rule 6(c) read with paragraph 1 of Schedule VIII of the NDI Rules permit a person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity incorporated in Pakistan or Bangladesh) to invest in units of Investment Vehicles. As per Rule 2(ae) of the NDI Rules, 'Investment Vehicle' include REITs and InvITs registered with SEBI.

4.2.4. Paragraph 1(b) of Schedule IX of the NDI Rules states that *"a person shall be eligible to issue or transfer eligible instruments to a foreign depository for the purpose of issuance of depository receipts in accordance with the Depository Receipts Scheme, 2014 and guidelines issued by the Central Government in this regard."*

4.3. SEBI Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024, inter-alia, provides the framework for issue of DRs by companies incorporated in India and listed on a Recognized Stock Exchange in India ("Equity DR Framework").

4.4. Presently, there is no enabling provision and thus no corresponding framework for issuance of DR on units of REITs and InvITs under the REIT Regulations and InvIT Regulations respectively.

4.5. DRs issued by REITs and InvITs registered with SEBI will be subscribed by foreign investors and hence such investment shall be subject to relevant rules and regulations framed under the Foreign Exchange Management Act, 1999 ('FEMA'). As units of REITs and InvITs are 'permissible securities' under the DR Scheme and are eligible instruments for issue of DRs under the NDI Rules, it can be stated that DR Scheme and NDI Rules permit issuance of Depository Receipts on units of REITs and InvITs.

5. Public consultation

5.1. Based on the recommendations of the HySAC, SEBI issued a consultation paper titled Consultation Paper on Issuance of Depository Receipts against units of REITs and Publicly Listed InvITs on August 04, 2026, to provide a regulatory framework for DRs on units of REITs and Publicly Listed InvITs. The said consultation paper is attached as Annexure – I. The consultation paper sought comments from public on permitting issuance of DRs on units of REITs and InvITs and on draft DR framework for REITs and InvITs. The consultation paper also included a comparison of the proposed DR framework for REITs and InvITs with the Equity DR framework.

5.2. A total of 20 comments were received on the consultation paper from industry association, REITs/InvITs, IFSCA, law firms, Depository Bank, Stock Exchange and investors. A snapshot of the agreement status of the respondents is as under:

Proposal No.	Proposal Description	In number / %	Agree	Partially Agree	Disagree	Total Count
1	Permitting issuance of Depository Receipts for REITs and Publicly Listed InvITs	in number	05	06	0	11
		in %	45 %	55%	0 %	100%
2	Draft Framework for issuance of Depository Receipts	in number	03	06	0	09
		in %	33 %	67%	0 %	100%

Proposal No.	Proposal Description	In number / %	Agree	Partially Agree	Disagree	Total Count
	on units of REITs and Publicly Listed InvITs, attached as Annexure – A to the consultation paper.					

5.3. The responses to the consultation paper were in favor of introduction of DRs on units of REITs and InvITs. A summary of comments received and our response on the same is attached as Annexure – II. Additionally, major suggestions received during the consultation and our views thereon are discussed as under:

5.3.1. **Proposal in the consultation paper**: Privately Listed InvITs were excluded from the DR framework at the public consultation stage as there is a requirement of trading lot size of Rs. 25 lakhs and investment by only institutional investors and body corporates in the initial offer of such InvITs.

Suggestion: Privately placed InvITs may also be included within the DR framework, subject to appropriate safeguards, such as each DR being represented by units corresponding to Rs. 25 lakhs and eligibility conditions limiting DR holders to institutional investors and body corporates.

SEBI views: In view of the public feedback, DRs may be permitted on units of a Privately Placed InvIT subject to the following safeguards:

(i) Each DR proposed to be issued on units of a Privately Placed InvIT shall be backed by at least that number of units which carry such value as specified under Regulation 14(2)(c) of the InvIT Regulations as on the date of filing of initial offer document with SEBI.

(ii) Any fresh issue of DR on units of a Privately Placed InvIT shall be subscribed only by such foreign investors as specified under Regulation 14(2)(b) of the InvIT Regulations.

Further, the 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 requirement mentioned at point (ii) above.

5.3.2. **Proposal in the consultation paper**: The list of "Permissible Jurisdictions" and "International Exchanges" for the purpose of issuance, listing and trading of DRs on units of REITs and InvITs was aligned with the Equity DR Framework.[1]

Suggestion: It has been suggested that DRs on units of REITs and InvITs may be permitted exclusively for listing and trading on stock exchanges in the IFSC, at least in the initial phase, rather than on international exchanges in other Permissible Jurisdictions. An exclusive IFSC route would enable access to global capital while leveraging GIFT IFSC's well-regulated, internationally benchmarked ecosystem and strengthening its position as India's own International Financial Services Centre.

SEBI views: The suggestion may be accepted as it provides a phased approach for the introduction of DRs on units of REITs and InvITs, with the International Financial Services Centre in India serving as the initial permissible jurisdiction. This would facilitate a measured introduction of the DR framework within a regulated ecosystem, while enabling access to international investors and foreign currency capital and providing an opportunity to assess its initial functioning before any further expansion in other permissible jurisdictions.

5.3.3. **Proposal in the consultation paper**: Regulation 22(6A) of the REIT Regulations / Regulation 22(5C) of the InvIT Regulations requires that non-sponsor entities and persons acting in concert with them shall not hold more

[1] The list of 'Permissible Jurisdictions' and 'International Exchange(s)' under the Equity DR Framework covers (i) United States of America - NASDAQ, NYSE (ii) Japan - Tokyo Stock Exchange (iii) South Korea - Korea Exchange Inc. (iv) United Kingdom excluding British Overseas Territories- London Stock Exchange (v) France - Euronext Paris (vi) Germany - Frankfurt Stock Exchange (vii) Canada - Toronto Stock Exchange (viii) International Financial Services Centre in India - India International Exchange, NSE International Exchange

than 25% of the value of outstanding REIT/InvIT units without prior unitholders' approval. In this regard, it was proposed in the consultation paper that units held in the domestic market shall be aggregated with units underlying the DRs for determining the 25% holding limit.

Suggestion: It has been suggested to provide similar clarification on applicability of 25% limit under Regulation 14 of the REIT/InvIT Regulations which requires that the maximum subscription by any investor, other than the sponsor(s), its related parties and associates, in initial offer shall not exceed 25% of the total unit capital.

SEBI views: To ensure that the aforementioned 25% limit for investment in initial offer by an investor is not bypassed by utilizing the DR route, it is proposed to specify in the DR framework that for the purpose of computing the 25% investment limit, units of REIT / InvIT held in the domestic market by the DR holder, including its Beneficial Owner(s), aggregated with units underlying the DR held by such persons shall be considered.

5.3.4. **Proposal in the consultation paper**: The consultation paper proposed that any fresh issue of DRs shall require prior approval of unit holders of the REIT/InvIT.

Suggestion: Follow-on DR issues should be permitted within limits approved through a single enabling resolution, similar to Equity DR Framework as requiring approval for every follow-on issue could delay capital raising and reduce the utility of repeat DR issuances.

SEBI views: To provide operational ease, the suggestion may be accepted and accordingly, it is proposed that a fresh unitholder approval shall not be required in case of subsequent offering(s) of DRs in a permissible jurisdiction which is/are made within the overall limit approved pursuant to a unitholders' resolution in terms of the proposed framework.

6. Based on public feedback, appropriate changes have been made in the proposed framework for issuance of DRs on units of REITs and InvITs. The proposed framework shall be specified by way of Circular and is attached as Annexure – III for information.

7. Proposed amendments to the REIT Regulations and InvIT Regulations

7.1. In order to allow issuance of DRs on units of REITs and InvITs, the following enabling provision is proposed to be inserted in the REIT Regulations and InvIT Regulations:

"Depository Receipts may be issued on units of a REIT / InvIT subject to compliance with these regulations and in such manner as may be specified by the Board."

8. Proposals to the Board

8.1. The Board is requested to –

8.1.1. consider and approve the proposals referred in paragraph 7 above along with draft amendment notifications placed at Annexure IV and Annexure V;

8.1.2. authorize the Chairman to carry out suitable amendments to the regulations and to take any other consequential or incidental steps for implementation of the decisions of the Board.

Encls.:

1. **Annexure I – Consultation paper dated August 04, 2026**
2. **Annexure II – Summary of public comments and views of SEBI thereon**
3. **Annexure III – Draft Framework for Issuance of Depository Receipts on Units of REITs and InvITs**
4. **Annexure IV – Draft Amendment Notification for REIT Regulations**
5. **Annexure V – Draft Amendment Notification for InvIT Regulations**

Addendum to Board Memorandum - Issuance of Depository Receipts on units of REITs and InvITs

9. Objective

9.1. This addendum proposes certain changes in Annexure III to the Board Memorandum titled "Issuance of Depository Receipts on units of REITs and InvITs".

10. Permitting Non-Resident Indians to invest in Depository Receipts issued on units of REITs and InvITs

10.1. Paragraph 5(3) of Annexure III to Board Memorandum (Draft Framework for Issuance of Depository Receipts on Units of REITs and InvITs) states as under:

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

……"

10.2. **Public Feedback**: The proposed framework presently excludes NRIs from holding Depository Receipts ("DRs"). Non-Resident Indians (NRIs) may also be permitted to invest in DRs listed on recognised stock exchanges in the IFSC, subject to applicable foreign exchange and other regulatory requirements. The Indian diaspora constitutes an important investor constituency for GIFT IFSC and permitting NRIs to access Indian REITs and InvITs through foreign-currency denominated DRs in the IFSC would considerably broaden the investor base for these products.

10.3. **SEBI Views**: In the draft framework for issuance of DRs on units of REITs and InvITs, investment by NRIs in DRs was not permitted in alignment with the Equity DR Framework of SEBI. However, in view of public feedback, the suggestion to permit investment by NRIs in DRs on units of REITs and InvITs may be accepted as it would offer access to a diverse pool of capital from NRI investors. While NRIs can currently invest in these units directly[2], permitting

[2] As per Rule 6(c) read with Schedule VIII of the NDI Rules.

them to invest via DRs on the GIFT IFSC will enable them to invest in foreign currency denominated instruments, thereby eliminating currency risk.

Furthermore, the above is aligned with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ('NDI Rules') under which DRs on units of REITs and InvITs can be issued to a person resident outside India ("PROI"). As NRIs are a subset of PROI, NDI Rules permit investment in DRs on units of REIT/InvIT by NRIs.[3]

10.4. In view of the above, it is proposed to modify paragraph 5(3) of Annexure III to Board Memorandum, as under (deletions shown in strikethrough):

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

……"

11. Proposal to the Board:

11.1. The Board is requested to –

11.1.1. consider and approve the proposals referred in paragraph 10 above;

11.1.2. authorize the Chairman to carry out suitable amendments to the regulations and to take any other consequential or incidental steps for implementation of the decisions of the Board.

[3] As per Rule 6(d) read with Schedule IX of the NDI Rules

Annexure I

Consultation paper dated August 04, 2026

Consultation paper can be accessed at https://www.sebi.gov.in/reports-and-statistics/reports/aug-2026/consultation-paper-on-issuance-of-depository-receipts-against-units-of-reits-and-publicly-listed-invits_103343.html

Annexure II

Summary of public comments and views of SEBI thereon (refer para 5.3 of board memorandum)

Consultation No. 1 in the Consultation Paper: Permitting issuance of Depository Receipts for REITs and Publicly Listed InvITs

Privately Listed InvITs were excluded from the DR framework at the public consultation stage as there is a requirement of trading lot size of Rs. 25 lakhs and investment by only institutional investors and body corporates in the initial offer of such InvITs.

S. No.	Public Comments	SEBI's Views
1.	DRs may also be permitted on units of privately placed InvITs with appropriate safeguards. Rationale: (i) One DR may represent units corresponding to Rs. 25 lakhs. The framework may prescribe appropriate eligibility conditions for DR holders to ensure that DRs are held only by institutional investors and body corporates. (ii) The ₹25 lakh trading lot and institutional-only initial offer, applicable to privately placed InvITs, are intended to protect domestic retail investors. However, a DR holder cannot be a person resident in India or an NRI. Also, DR holders are already protected through the laws of the Permissible Jurisdiction.	It is proposed that the suggestion of permitting issuance of DRs on units of a Privately Placed InvIT may be accepted subject to the following safeguards: (i) Each DR proposed to be issued on units of a Privately Placed InvIT shall be backed by at least that number of units which carry such value as specified under Regulation 14(2)(c) of the InvIT Regulations as on the date of filing of initial offer document with SEBI. (ii) Any fresh issue of DR on units of a Privately Placed InvIT shall be subscribed only by such foreign

S. No.	Public Comments	SEBI's Views
	(iii) Neither the DR Scheme nor the NDI Rules require exclusion of privately placed InvITs from the DR framework. Or alternatively, in case the trading lot and other eligibility conditions prescribed in any permissible jurisdiction is aligned with that of the Private InvIT under the InvIT Regulations, such issuance may be permitted for such jurisdiction.	investors as specified under Regulation 14(2)(b) of the InvIT Regulations. Further, the 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 requirement mentioned at point (ii) above.
2.	The issuance of DRs on units of Indian REITs and InvITs may, at least in the initial phase, be permitted exclusively for listing and trading on recognised stock exchanges in the IFSC, rather than extending the framework to international exchanges across other permissible jurisdictions. GIFT IFSC provides an internationally benchmarked and well-regulated ecosystem within India for foreign-currency transactions and participation by global investors. An exclusive IFSC route for such instruments would enable Indian REITs and InvITs to access international capital while at the same time strengthening GIFT IFSC as India's own International Financial Services Centre.	The suggestion may be accepted as it provides a phased approach for the introduction of DRs on units of REITs and InvITs, with the International Financial Services Centre in India serving as the initial permissible jurisdiction. This would facilitate a measured introduction of the DR framework within a regulated ecosystem, while enabling access to international investors and foreign currency capital and providing an opportunity to assess its initial functioning before any further expansion in other permissible jurisdictions.

S. No.	Public Comments	SEBI's Views
		In view of the above, it is proposed to specify that for the purpose of the DR framework, 'Permissible Jurisdictions' and 'International Exchange(s)' shall be International Financial Services Centre in India - India International Exchange, NSE International Exchange.
3.	(A) Singapore and SGX as a country and exchange can be added in the list of permissible jurisdictions and international exchanges respectively. Rationale: (i) For NIFTY trades SGX has moved their systems and infrastructure from Singapore to India IFSC GIFT (ii) Singapore is one of the large markets for getting REITs and InvITs listed (iii) Singapore continues to be one of the favorite destinations where investors are comfortable in trading (iv) From time zone and proximity perspective Singapore is closer to India (B) To permit the issuance of non-capital raising and over the counter traded DRs (Level 1 DRs) in the U.S. on units of REITs and publicly listed InvITs.	As stated above, it is proposed to initially permit issuance and listing of DRs on units of REITs and InvITs only in the International Financial Services Centre in India. Accordingly, the inclusion of Singapore and United States of America under 'Permissible Jurisdictions' is not contemplated at this stage. In view of the above, no change is required.
4.	The provisions of IFSC listing regulations require alignment with business trust structure like REIT and InvIT.	This is a jurisdiction specific suggestion (i.e. related to IFSCA) and does not pertain to DR framework proposed

S. No.	Public Comments	SEBI's Views
		in the consultation paper. Further, the suggested changes do not fall within the purview of SEBI. In view of the above, no change is required.
5.	An appropriate regulatory limit may be prescribed on the proportion of a REITs or InvITs market capitalization that can be represented through DRs to ensure balanced liquidity between domestic and overseas markets.	To ensure that adequate public float is maintained in the domestic market, the proposed framework requires that the MPU compliance shall be made from the domestic public unitholding (i.e. excluding the units underlying DR). In view of the above, no change is required.
6.	The regulatory framework should address jurisdiction specific considerations relating to trust structures holding companies and multi-tier arrangements to facilitate efficient issuance trading and participation in DR markets.	It may be noted that the proposed framework is an enabler for issue of DRs, on the units of REITs and InvITs, in permissible jurisdictions. Further, jurisdiction specific considerations, if any, has to be assessed by the Manager of REIT / Investment Manager of InvIT before coming out with a DR issue and the same does not fall under the purview of SEBI. Also, there are no

S. No.	Public Comments	SEBI's Views
		stipulations in the Equity DR Framework of SEBI in this regard. In view of the above, no change is required.
7.	The present format for reporting of unitholding pattern will have to be modified to have separate category of “Non-Sponsor- Non-Public unitholder” to disclose units held by custodian / DR in line with format prescribed in Regulation 31 of SEBI LODR Regulations.	It may be noted that the current scope is to specify a framework for issuance of DRs on units of REITs and InvITs. The suggestion to review the unitholding pattern disclosure format, as specified under the Master Circular for REITs dated July 11, 2025 / Master Circular for InvITs dated July 11, 2025, may be considered when reviewing the format to include DR related changes. In view of the above, presently no change is required.
8.	As REITs are better governed and managed with a larger oversight, it is suggested that DR be allowed only on listed REITs.	This suggestion is already dealt in the proposed framework as it provides issuance of DRs only for listed REITs.
9.	It has been suggested that issuance of DR on REITs and publicly listed InvITs may not be introduced.	The proposed framework intends to provide an enabler for issue of DRs on units of REITs and InvITs thereby providing an additional investment option for foreign

S. No.	Public Comments	SEBI's Views
	Rationale: (i) The proposal may not create meaningful incremental access because foreign investors can already access these products directly under the existing framework. Global investors already have access to Indian securities through existing routes and global index products such as MSCI and other major international benchmarks. (ii) Policy should favor domestic market development over creating additional offshore investment structure. REITs and InvITs are yield distributing instruments so any offshore wrapper will reinforce outward remittances in foreign currency. (iii) Trading shift to partially offshore DRs will split price discovery between markets thereby reducing efficiency, increasing complexity and weakening the depth of domestic market. DR may make domestic market less liquid and price convergence may become more difficult.	investors. It will also help in attracting foreign capital in REITs and InvITs. Further, it may be noted that to ensure that adequate public float is maintained in the domestic market, the proposed framework requires that the MPU compliance shall be made from the domestic public unitholding (i.e. excluding the units underlying DR). In view of the above, no change is required.

Consultation No. 2 in the Consultation Paper: Draft Framework for issuance of Depository Receipts on units of REITs and Publicly Listed InvITs

S. No.	Public Comments	SEBI's Views
1.	Regulation 14 of the InvIT Regulations provides that the subscription by any investor, other than the sponsor(s), its related parties and associates, shall not exceed 25% of the total unit capital. Accordingly, clarification may be provided on whether this 25% limit would apply on a consolidated basis to the investor's aggregate holding through both DRs and directly held units, or whether the limit would be computed separately for holdings through DRs and units.	Regulation 14(2)(da) and Regulation 14(4)(ca) of the InvIT Regulations state that maximum subscription from any investor other than sponsor(s), its related parties and its associates, in initial offer shall not be more than 25 percent of the total unit capital for privately placed InvIT and publicly offered InvIT respectively. Similar provision is specified in Regulation 14(2)(bb) of the REIT Regulations. To ensure that the aforementioned limit for investment in initial offer by an investor is not bypassed by utilizing the DR route, it is proposed to specify in the DR framework that for the purpose of ensuring compliance with Regulation 14(2)(da), Regulation 14(4)(ca) of the InvIT Regulations and Regulation 14(2)(bb) of the REIT Regulations, units of REIT / InvIT held in the domestic market by the DR holder, including its Beneficial Owner(s), aggregated with units underlying the DR held by such persons shall be considered.
2.	It is suggested to appoint a Practicing Company Secretary to ensure all the compliances relating to issue of depository	Rule 4(5) of The Companies Issue of Global Depository Receipts Rules 2014 ("GDR Rules") states as under:

S. No.	Public Comments	SEBI's Views
	receipts and obtain a compliance report in this regard. Similar provision is already existing under sub rule 5 of Rule 4 of The Companies Issue of Global Depository Receipts Rules 2014.	*"The company shall appoint a merchant banker or a practising chartered accountant or a practising cost accountant or a practising company secretary to oversee all the compliances relating to issue of depository receipts and the compliance report taken from such merchant banker or practising chartered accountant or practising cost accountant or practising company secretary, as the case may be, shall be placed at the meeting of the Board of Directors of the company or of the committee of the Board of directors authorised by the Board in this regard to be held immediately after closure of all formalities of the issue of depository receipts:* *Provided that the committee of the Board of directors referred to above shall have at least one independent director in case the company is required to have independent directors."* It may be noted that the consultation paper proposed that a copy of the initial offer document shall be filed, through a merchant banker, by the Manager/Investment Manager on behalf of REIT/InvIT for any fresh issue of DRs. In this regard, it is proposed to explicitly state that a merchant banker shall be appointed by the Manger/Investment Manager of REIT/InvIT in

S. No.	Public Comments	SEBI's Views
		relation to issue of depository receipts. The merchant banker shall oversee all the compliances relating to issue of depository receipts and provide a compliance report to the Manager/Investment Manager. Further, since the proposed framework puts the obligation, to ensure compliance with extant laws relating to issuance of DRs, on the Manager/Investment Manager of REIT/InvIT, it is proposed that the compliance report obtained from the Merchant Banker shall be placed at the meeting of the Board of Directors of the Manager/Investment Manager. In view of the above, it is proposed to specify that the Manager/Investment Manager on behalf of the REIT/InvIT shall appoint a merchant banker in relation to issue of depository receipts. The merchant banker shall oversee all the compliances relating to issue of depository receipts and provide a compliance report which shall be placed at the meeting of the Board of Directors of the Manager/Investment Manager.
3.	Paragraph 7(3) of the consultation paper should be reconsidered in so far as it treats DR-linked units as non-public unitholding for MPU purposes. Treating DR-linked	The rationale for treating units held at the depository for the purpose of issue of DRs as non-public unitholding is to ensure that adequate public float is maintained in the domestic market.

S. No.	Public Comments	SEBI's Views
	units as non-public could therefore unnecessarily reduce MPU and discourage foreign investment. For ease of readability, paragraph 7(3) of the consultation paper is reproduced below: "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."	In view of the above, no change is required.
4.	Follow-on DR issues should be permitted within limits approved through a single enabling resolution as requiring approval for every follow-on issue could delay capital raising	The public comment appears to pertain to the following provision of the Equity DR Framework of SEBI:

S. No.	Public Comments	SEBI's Views
	and reduce the utility of repeat DR issuances. Further, the Equity DR Framework permits subsequent DR issuances within the limits approved through a special resolution. For ease of readability, the relevant proposals made in the consultation paper are reproduced below: "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."	"22.2.1.5. Subsequent issue 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." To provide operational ease, the suggestion may be accepted and accordingly, it is proposed that a fresh unitholder approval shall not be required in case of subsequent offering of DRs in a permissible jurisdiction which is made within the overall limit approved pursuant to a unitholders' resolution in terms of the proposed framework.
5.	The extension of eligibility conditions to parties to the InvIT and their directors, promoters and partners shall be restricted only to the InvIT and its Investment Manager.	It may be noted that the eligibility of 'parties to the REIT / InvIT' and 'promoter(s) and director(s) of parties to the REIT / InvIT' (debarment, willful defaulter etc.) is considered for determining whether the REIT / InvIT is

S. No.	Public Comments	SEBI's Views
		eligible to make a public issue of units under Chapter 2 of the Master Circular for REITs dated July 11, 2025 / Chapter 2 of the Master Circular for InvITs dated July 11, 2025. At the time of issue of DRs also, it is considered prudent that the eligibility conditions should be made applicable to parties to the REIT / InvIT and their directors, promoters and partners and the same should not be restricted only to the REIT / InvIT and its Manager / Investment Manager. In view of the above, no change is required.
6.	To provide clarity on whether the right for appointment of Unitholder Nominee Director will be given to the DR holders or to the Custodian.	REIT Regulations / InvIT Regulations specify that unitholder(s) holding 10% or more of the total outstanding units in the domestic market have the right to nominate a director on the board of directors of the Manager / Investment Manager. In case of DRs, the units of REIT / InvIT are held by domestic custodian. It may not be appropriate to extend the right to appoint a Unitholder Nominee Director to the domestic custodian who is holding the units of REIT / InvIT on behalf of multiple DR holders.

S. No.	Public Comments	SEBI's Views
		Further, as the proposed framework envisages two way fungibility of DRs, a DR holder can convert the DRs into domestic units of the REIT / InvIT to exercise the director nomination rights available under the REIT Regulations / InvIT Regulations. In view of the above, no change is required.
7.	To provide clarity on the operational aspects of distributions on underlying units like record dates and applicability of timelines for receipt of distribution.	The timeline for payment of distribution on units of the REIT / InvIT (including units underlying DRs held by domestic custodian/foreign depository) will remain the same and is already specified in the REIT Regulations / InvIT Regulations. In view of the above, no change is required.
8.	Given that the framework permits two ways fungibility of DRs, there may be instances where certain issuers may not derive sufficient benefits from entering into such an arrangement particularly for issuance of a small size of DRs i.e. value and number. Accordingly a minimum threshold of DRs may be prescribed under the framework to ensure that the	The suggestion pertains to commercial aspect of undertaking a DR issue which is to be determined by the Manager of REIT / Investment Manager of InvIT. In view of the above, no change is required.

S. No.	Public Comments	SEBI's Views
	mechanism is utilized for issuance of a meaningful scale and to avoid fragmented or uneconomical issuances.	
9.	While the draft framework primarily places obligations on the Manager of the REIT and Investment Manager of the InvIT, the role of the trustee under the proposed DR framework has not been expressly outlined. Accordingly, we request SEBI to provide guidance on the expected role and responsibilities of the Trustee in relation to DR issuances.	The roles and responsibilities of trustee towards unitholders are outlined in the REIT Regulations and InvIT Regulations. Further, the trustee is required to oversee activities of the Investment Manager / Manager in the interest of all the unit holders (including units underlying DRs held by domestic custodian/foreign depository). In view of the above, no change is required.
10.	Non-Resident Indians (NRIs) may also be permitted to invest in such DRs listed on recognised stock exchanges in the IFSC, subject to applicable foreign exchange and other regulatory requirements. The proposed framework presently excludes NRIs from holding such DRs. The Indian diaspora constitutes an important investor constituency for GIFT IFSC and permitting NRIs to access Indian REITs and InvITs through foreign-currency denominated DRs in the IFSC would considerably broaden the investor base for these products.	The proposal in this regard is dealt in Addendum to Board Memorandum.

Annexure III

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

Framework shall be specified after following the due process

Annexure IV

Draft Amendment Notification for REIT Regulations

Amendment shall be notified after following the due process

Annexure V

Draft Amendment Notification for InvIT Regulations

Amendment shall be notified after following the due process