भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

HO/17/11/19(7)2026-DDHS-RAC/I/24930/2026 **November 02, 2026**

To,

Bharat InvITs Association
All Infrastructure Investment Trusts (InvITs)
All Parties to InvITs
All Recognised Stock Exchanges
All Registered Depositories
All Domestic Custodian

Madam / Sir,

Subject: Framework for Issuance of Depository Receipts on Units of 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 from time to time, 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.

2. Reference is also drawn to 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 which permits investment by persons resident outside India in depository receipts on units of InvITs.

3. Regulation 14(5C) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') provides that Depository Receipts may be issued on units of an InvIT subject to compliance with the InvIT Regulations and in such manner as may be specified by the Board. Accordingly, the framework for issuance of depository receipts on units of 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 an 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 an 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 an InvIT by existing unitholders' means deposit of existing units of the InvIT with a Domestic Custodian, for the purpose of issue of DRs, pursuant to formal agreement(s) among the Investment Manager on behalf of the InvIT and the Foreign Depository. For this purpose, the Investment Manager on behalf of the InvIT may enter into arrangement(s) with, Indian Depository, Domestic Custodian and existing unitholder(s), as may be necessary.

5. **Eligibility Conditions**

(1) 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 InvIT is in compliance with the requirements prescribed under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 and any amendments thereof;
b) the InvIT, parties to the 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 InvIT and their directors, promoters, and partners is a promoter or director of any other Company or InvIT which is debarred from accessing the capital market by the Board;
d) the InvIT, parties to the InvIT and their directors, promoters and partners, and unitholders transferring units are not wilful defaulter.
e) the parties to the InvIT and their directors, promoters and partners, and unitholders transferring units are not fugitive economic offender.

(2) The conditions at paragraph 5(1)(b) to 5(1)(e) above shall not apply to the persons or entities, who were debarred in the past by the Board and the period of debarment is over as on the date of filing of the document as referred at paragraph 7(2).

(3) A DR holder, including its Beneficial Owner(s), shall not be a person resident in India.

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) 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 the 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 International Financial Services Centre in India - India International Exchange, NSE International Exchange.

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

7. **Issuance of Depository Receipts**

(1) The issuance of DRs on units of a privately placed InvIT shall be subject to the following conditions:
a) 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.

b) 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.
Explanation: 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 paragraph 7(1)(b) above.

(2) The 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.

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 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.

(3) InvIT proposing to do an initial offer of units and listing in India, and simultaneous issue of DRs and listing on International Exchange, shall seek in-principle and final approval from Recognized Stock Exchange in India 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.

(4) Any fresh issue of DRs shall require prior approval of unit holders of the 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 issue of DR covered under sub-paragraph (3) above.

Provided further 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 this sub-paragraph.

(5) For the purpose of any fresh issue and listing of DRs pursuant to 'transfer by existing unitholders', the InvIT shall provide an opportunity to all its existing unitholders to tender their units for participation in such listing of DRs.

(6) Fresh issue of DRs shall include first time offering as well as subsequent offering of DRs in a permissible jurisdiction, either by fresh issue of units of the 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.

8. **Obligations of the Investment Manager of InvIT**

(1) The Investment Manager of InvIT shall ensure compliance with extant laws relating to issuance of DRs, including, requirements prescribed in this framework, 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 Investment Manager on behalf of InvIT, may also enter into necessary arrangements with Custodian, Indian Depository and Foreign Depository.

(2) The Investment Manager on behalf of the 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 Investment Manager.

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

(4) The Investment Manager shall ensure compliance with the minimum public unitholding requirement at the time of issuance of DRs.

Explanation: For the purpose of calculation of minimum public unitholding, the units held at the depository for the purpose of issue of DRs shall be treated as non-public unitholding.

(5) 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 holding limits as per applicable SEBI Regulations including Regulation 14(2)(da) or Regulation 14(4)(ca) of the InvIT Regulations, as applicable, and Regulation 22(5C) of the InvIT Regulations.

Explanation 1: For the purpose of ensuring compliance with Regulation 14(2)(da) or Regulation 14(4)(ca) of the InvIT Regulations, as applicable, units of InvIT held in the domestic market by the DR holder, including its Beneficial Owner(s), shall be aggregated with units underlying the DR held by such persons.

Explanation 2: For the purpose of ensuring compliance with Regulation 22(5C) of the InvIT Regulations, units of InvIT held in the domestic market by the DR holder, including its Beneficial Owner(s), along with persons acting in concert with them, shall be aggregated with units underlying the DR held by such persons.

9. **Disclosures**

The Investment Manager of InvIT shall ensure that any public disclosures made by the InvIT on International Exchange(s) in compliance with the requirements of the Permissible Jurisdiction, are also filed with the Recognized Stock Exchange within twenty four hours from such disclosure on International Exchange(s).

10. **Voting rights**

The Investment Manager of InvIT shall ensure that the agreement entered between the holder of DRs, the 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 (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 an 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) number of units against which the DRs are outstanding; and,
   (b) limit up to which units can be converted to DRs.

(3) For the purpose of sub-paragraph (2) above and mechanism for re-issuance of DRs, the provisions specified in paragraph 1 to paragraph 5 of Annexure 6 under Chapter 1 of 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	Investment Manager of InvIT
'Listed Company / Companies' in paragraph 2 to 5 of Annexure 6	InvIT
'Permissible Securities' in paragraph 1 to 5 of Annexure 6	Units of the InvIT

(4) The Foreign Depository shall not issue 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 Circular shall come into force with immediate effect.

16. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulations 14(5C) and Regulation 33 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market. This circular is issued with the approval of the competent authority.

17. The recognized Stock Exchanges and Bharat InvITs Association are advised to disseminate the contents of this Circular on their website.

18. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category “Legal” and under the drop down “Circulars”.

Yours faithfully

Ritesh Nandwani
Deputy General Manager
Department of Debt and Hybrid Securities
Tel No.022-26449696
Email id - riteshn@sebi.gov.in