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**EXTRAORDINARY**

**PART – III – SECTION 4**

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**NEW DELHI, 30<sup>th</sup> November, 2016**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**NOTIFICATION**

**Mumbai, the 30<sup>th</sup> November, 2016**

**SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) (AMENDMENT) REGULATIONS, 2016**

No. **SEBI/LAD/NRO/GN/2016-17/022** .— In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, namely,-

1. These regulations may be called the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014,-
  - I. in regulation 2, in sub-regulation (1), in clause (b),-
    - i. for the word “includes” the words and figures “shall be as defined under the Companies Act, 2013 or under the applicable accounting standards and shall also include following” shall be substituted;
    - ii. the sub-clauses (v), (vi), (vii) and (viii) shall be omitted;

iii. after clause (k), the following new clause shall be inserted, namely,-

“(ka) “debt securities” shall be as defined under Regulation 2(1)(e) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;”;

iv. clause (o) shall be omitted;

v. after clause (p), following new clause shall be inserted, namely,-

“(pa) "general purposes" include such identified purposes for which no specific amount is allocated or any amount so specified towards general purpose or any such purpose by whatever name called, in the offer document filed with the Board:

Provided that any issue related expenses shall not be considered as a part of general purpose merely because no specific amount has been allocated for such expenses in the offer document filed with the Board;”

vi. after clause (q) , the following new clauses shall be inserted, namely, –

“(qa) “holdco” or “holding company” shall mean a company or LLP.-

(i) in which REIT holds or proposes to hold controlling interest and not less than fifty one per cent. of the equity share capital or interest and which it in turn has made investments in other SPV(s), which ultimately hold the property(ies);

(ii) which is not engaged in any other activity other than holding of the underlying SPV(s), holding of real estate/properties and any other activities pertaining to and incidental to such holdings;”;

(qb) “initial offer” means the first offer of units of an REIT to the public for subscription and includes an offer for sale of REIT units by an existing unit holder to the public;”;

vii. clause (r) shall be omitted;

- viii. in clause (x), after the word “REIT” and before the word “divided”, the words “assets reduced by the external debt” shall be inserted;
- ix. in clause (zb), -
- a. for the words “from the public”, the words “through a public issue” shall be substituted;
  - b. after the words "follow-on offer document", the words and symbol ", letter of offer in case of rights issue" shall be inserted;
- x. in clause (zc), after the word and symbol “sponsor(s)”, the words and symbol “sponsor group(s)” shall be inserted;
- xi. in clause (zi), after the proviso, the following shall be inserted,–
- “Notwithstanding the above, following captured within the abovementioned definition of infrastructure shall be considered under “real estate” or “property”,-
- (i) hotels, hospitals and convention centers, forming part of composite real estate projects, whether rent generating or income generating;
  - (ii) common infrastructure" for composite real estate projects, industrial parks and SEZ;”;
- xii. in clause (zn), after the words “or through a” and before the words “special purpose”, the words and symbol “holdco and /or” shall be inserted;
- xiii. in clause (zo),-
- (a) for the words and figures ““related party to the REIT” shall include:” the words and symbols ““related party” shall be defined under the Companies Act, 2013 or under the applicable accounting standards and shall also include:” shall be substituted;
  - (b) sub-clause (ii) shall be omitted;

(c) in sub-clause (iii), the words and symbols “associates,” and “and (ii)” shall be omitted;

xiv. in clause (zs), in sub clause (i),-

(a) for the words “the REIT”, the words “either the REIT or the holdco” shall be inserted;

(b) after the word “fifty” and before the words “per cent”, the word “one” shall be inserted;

xv. after the clause (zt), the following new clause shall be inserted, namely,-

“(zta) “sponsor group” – includes:

(i) the sponsor(s);

(ii) in case the sponsor is a body corporate:

a. entities or person(s) which are controlled by such body corporate;

b. entities or person(s) who control such body corporate;

c. entities or person(s) which are controlled by person(s) as referred at clause b.

(iii) in case sponsor is an individual:

a. an immediate relative of such individual (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and

b. entities or person(s) which are controlled by such individual;”;

xvi. in clause (zz),-

(a) after the words, figures and symbols “Companies Act, 2013” and before the words “and who has”, the words “or as defined hereunder” shall be inserted;

(b) after the word "has" and before the word "been", the word and symbol "/have" shall be inserted;

(c) after the word "undertake", the words "both financial and technical" shall be inserted;

(d) for the proviso, the following shall be substituted,-

“(a) a valuer in respect of financial valuation, means,-

(i) a chartered accountant, company secretary or cost accountant who is in whole-time practice, or retired member of Indian Corporate Law Service or any person holding equivalent Indian or foreign qualification as the Ministry of Corporate Affairs may recognize by an order:

Provided that such foreign qualification is acquired by Indian citizen.

(ii) a Merchant Banker registered with the Securities and Exchange Board of India, and who has in his employment person(s) having qualifications prescribed under (i) above to carry out valuation by such qualified persons;

(b) a valuer in respect of technical asset valuation, means members of the following institutions for specific asset categories,-

- (i) Institution of Valuers;
- (ii) Institution of Surveyors (Valuation Branch);
- (iii) Institution of Government Approved Valuers;
- (iv) Practicing Valuers Association of India;
- (v) Centre for Valuation Studies, Research and Training;
- (vi) Royal Institution of Chartered Surveyors, UK;
- (vii) American Society of Appraisers, United States;
- (viii) Appraisal Institute, United States;
- (ix) Institute of Engineers;
- (x) Council of Architecture or the Indian Institute of Architects:

Provided that, the persons referred to in sub-sub-clause (i) and qualified person referred to in sub-sub-clause (ii) of sub-clause (a) above, shall have not less than five years continuous experience after acquiring membership of respective institutions:

Provided further that, the persons referred to in sub-sub-clauses (i) to (x) of sub-clause (b) above, shall have a minimum working experience of five years in relevant areas of valuation practice and in relation to relevant asset value and categories; and be citizens of India;”;

xvii. clause (zza) shall be omitted;

II. in regulation 3, in sub-regulation (2), after the words “by the sponsor” and before the words “in Form A”, the words “on behalf of the trust” shall be inserted;

III. in regulation 4, sub-regulation (2),-

i. in clause (a), after the words “applicant is”, for the word “a”, the words “the sponsor on behalf of” shall be substituted;

ii. in clause (d),-

(a) in sub-clause (i), for the words “there are not more than three sponsors each holding or proposing”, the words “each sponsor shall hold or propose” shall be substituted;

(b) after sub-clause (i), the following new sub-clause shall be inserted, namely,-

“(ia) each sponsor and sponsor group shall be clearly identified in the application of registration to the Board and in the offer document/placement memorandum, as applicable:

Provided that, for each sponsor group not less than one person shall be identified as a sponsor;”;

iii. in clause (g),-

(a) for the word "preferential", the word "superior" shall be substituted;

(b) the symbol “;” shall be substituted with “and there are no multiple classes of units of REIT:”;

(c) after clause (g), the following shall be inserted, namely,—

“Notwithstanding the above, subordinate units may be issued only to the sponsors and its associates, where such subordinate units shall carry only inferior voting or any other rights compared to other units;”;

iv. clause (h) shall be omitted;

IV. in regulation 9,-

i. in sub-regulation (5), after the words “chartered accountant”, the words and symbols “or a valuer, as applicable,” shall be inserted;

ii. in sub-regulation (15), for the words “and its associates”, the words “of the REIT” shall be substituted;

V. in regulation 10,-

i. in sub-regulation (2),

(a) after the words “REIT or”, and before the words “SPV have”, the words and symbols “holdco and/or” shall be inserted;

(b) after the words “REIT or” and before the words “SPV are”, the words and symbols “holdco and/or” shall be inserted;

(c) after the words “REIT or” and before the word “SPV”, the words and symbols “holdco and/or” shall be inserted;

ii. in sub-regulation (7), in the proviso, after the words “assets held by”, the words and symbols “holdco and/or” shall be inserted;

iii. in sub-regulation (10),

(a) after the words “manager”, the words any symbols “and the merchant banker(s) shall” shall be inserted;

(b) in clause (a), the words “the draft and final” shall be omitted;

(c) in clause (b), after the word “approval”, the words “and final listing and trading approvals” shall be inserted;

iv. in sub-regulation (11), after the word “manager”, the words and symbols “and the merchant banker(s),” shall be inserted;

v. in sub-regulation (22), after the word "valuation" and before the words "and such", the words and symbols "to the stock exchange(s)" shall be inserted;

vi. in sub-regulation (23),-

(a) for the words "twice annually", the words "once in a year" shall be substituted;

(b) for the words "forty five", the word "sixty" shall be substituted;

(c) the words and symbol "and half-year ending on September 30<sup>th</sup>" shall be omitted;

VI. in regulation 11,-

i. in the title, after the words and symbol “sponsor(s)”, the words and symbol "and sponsor group(s) shall be inserted;

ii. in sub-regulation (1), after the word and symbol “sponsor(s)” and before the words “shall set”, the words and symbols “ and sponsor group(s)” shall be inserted;

iii. in sub-regulation (2),-

(a) after the word and symbol “sponsor(s)” and before the words “shall transfer”, the words and symbols “and sponsor group(s)” shall be inserted;

(b) for the word “its”, the word “their” shall be substituted;

(c) after the words “interest in the” and before the words “SPV or”, the words and symbol “holdco and/or” shall be inserted;



(d) after the words “interest in the” and before the words “SPV by”, the words and symbol “holdco and/or” shall be inserted;

iv. in sub-regulation (3),-

(a) after the words and symbol “in the REIT,” the words and symbols “the sponsor(s) shall,” shall be omitted;

(b) in clause (a),-

(i) before the words “hold a”, the words and symbols “the sponsor(s) and sponsor group(s) shall collectively” shall be inserted;

(ii) in the first proviso, after the words “minimum sponsor” and before the words “holding specified”, the words and symbols “(s) and sponsor group(s)” shall be inserted;

(iii) in the second proviso, after the words “the sponsor” and before the words “exceeding the”, the words and symbols “(s) and sponsor group(s)” shall be inserted;

(e) in clause (b), before the words “together hold”, the words and symbols “the sponsor(s) and sponsor group(s)” shall be inserted;

(f) in clause (c),-

(i) before the word “individually”, the words “each of the sponsor” shall be inserted;

(ii) after the word “individually” the symbol “,” shall be omitted;

(iii) after the word “individually” and before the words “hold not”, the words and symbol “shall” shall be inserted;

v. in sub-regulation (4),-

(a) after the word and symbols “sponsor(s)” and before the word and symbols “propose(s)”, the word and symbols “ and sponsor group(s)” shall be inserted;

(b) in clause (b), after the word and symbols “sponsor(s)” and before the words “shall arrange”, the words and symbols “ and sponsor group(s)” shall be inserted;

(c) in clause (c),-

(i) after the word the and before the word “proposed”, the word and symbol “sponsor/” shall be omitted;

(ii) in the proviso, after the words “existing sponsor”, the words “or member of sponsor group” shall be inserted;

VII. in regulation 12, in clause (j), after the word and symbol “assignment,” and before the words “disclose to”, the words and symbol “from any related party to the REIT, shall” shall be inserted;

VIII. in regulation 13, in sub-regulation (4), after the words “REIT or” and before the word “SPV”, the words “holdco or” shall be inserted;

IX. in regulation 14,-

i. in sub-regulation (2),

(a) in clause (b), after the words “assets or” and before the word “SPVs”, the words and symbol “holdco and/or” shall be inserted;

(b) clause (c) shall be omitted;

(c) after clause (2)(b) the following new clause shall be inserted, namely,-

“(ba) the minimum number of unit holders other than sponsor(s), its related parties and its associates forming part of public shall be not less than two hundred;”;

(d) in the proviso,-

- (1) for the words “with after initial offer”, the words and symbol “at any point of time before allotment of units in accordance with offer document/placement memorandum” shall be substituted;
- (2) after the words and symbol “relevant party(ies) that”, for the word "the", the word "such" shall be substituted;
- (3) after the words “prior to”, the word "such" shall be inserted;
- (4) after the words and symbol “of units,”, the word "and" shall be inserted;
- (5) after the words “Board and”, the word "to" shall be inserted;
- (6) after the words “regard in the”, the word “initial” shall be omitted;

- ii. after sub-regulation (2), the following new sub-regulation shall be inserted, namely,—

“(2A) For an REIT raising funds through an initial offer, the units proposed to be offered to the public through such initial offer (a) shall be not less than twenty five per cent. of the total of the outstanding units of the REIT and the units being offered by way of the offer document, if the post issue capital of the REIT calculated at offer price is less than rupees one thousand six hundred crore:

Provided that the requirement at sub-clause (a) shall be complied along with the requirement under Regulation 14 (2)(d) of the REIT Regulations.

(b) shall be of the value of at least Rs 400 crore, if the post issue capital of the REIT calculated at offer price is equal to or more than rupees one thousand six hundred crore and less than rupees four thousand crore;

(c) shall be not less than ten per cent. of the total of the outstanding units of the REIT and the units being offered by way of the offer

document, if the post issue capital of the REIT calculated at offer price is equal to or more than rupees four thousand crore:

Provided that any units offered to sponsor or the manager or their related parties or their associates shall not be counted towards units offered to the public:

Provided further that any listed REIT which has public holding below twenty five per cent on account of sub-clauses (ii) and (iii) above, such REIT shall increase its public holding to at least twenty five per cent, within a period of three years from the date of listing pursuant to initial offer.”;

iii. in sub-regulation (4),-

(a) after the words “through the” and before the word and symbol “, shall”, for the word “manager”, the words “merchant banker” shall be substituted;

(b) after the words "draft offer document", the words and symbols " along with the fee as specified in Schedule II," shall be inserted;

(c) for the words "twenty one", the word "thirty" shall be substituted;

(d) after the words “filing the” and before the words “offer document”, the word “final” shall be omitted;

(e) after the words “stock exchange”, the words “and the Board” shall be inserted;

iv. in sub-regulation (5),-

(a) after the words and symbol “if any,” and before the words “by hosting”, the words and symbols “to be submitted to the Board, within a period of at least ten days,” shall be omitted;

(b) after the words “the issue”, the words and symbols “, for a period of not less than twenty one days” shall be inserted;

v. in sub-regulation (6),-

- (a) for the words “draft and final offer document”, the words “draft offer document and/ or offer document” shall be substituted;
- (b) the words "manager and" shall be omitted;

vi. in sub-regulation (9),-

- (a) for the word “modifications”, the word “observations” shall be substituted;
- (b) for the word “suggested”, the word “issued” shall be substituted;
- (c) for the word "in" , the word "on" shall be substituted;
- (d) for the word “issue”, the word “file” shall be substituted;
- (e) after the words “issue the” and before the words “offer document”, the word “final” shall be omitted;
- (f) for the words “to the public”, the words “with the Board and the exchange(s)” shall be substituted;
- (g) the proviso shall be omitted;

vii. in sub-regulation (10),-

- (a) after the word “the” and before the words “offer document”, the word “final” shall be omitted;
- (b) after the words “the offer”, the words “and such filing with the Board shall be accompanied by filing fees as specified under Schedule II” shall be omitted;

viii. in sub-regulation (11),

- (a) after the words “follow-on offer”, the words "or rights issue" shall be inserted;
- (b) for the words “six months”, the words “one year” shall be substituted;
- (c) after the words "the date of" , the word "last" shall be omitted;

(d) the words and symbol “,if any and if no observations have been issued by the Board, within six months from the date of filing of final offer document with the designated stock exchanges” shall be omitted;

(e) in the proviso,-

(i) after the words “follow-on offer”, the words "or rights issue" shall be inserted;

(ii) after the word “fresh” and before the word “offer”, the word “draft” shall be inserted;

ix. in sub-regulation (20),-

(a) in clause (a),-

(i) after the word “exceeding” and before the words “per cent”, for the words and symbols “seventy five”, the word “ninety” shall be substituted;

(ii) after the words “of the” and before the words “issue size”, the word “fresh” shall be inserted;

(iii) in clause (a), the word "initial' shall be omitted;

(iv) in clause (a), the words "or follow on offer document" shall be omitted;

(b) in clause (b),-

(i) after the words “in the” and before the words “offer document”, the words “initial offer document or follow on” shall be omitted;

(ii) after the proviso following proviso shall be inserted,-

"Provided further, that the offer document shall contain adequate disclosures towards the utilisation of such oversubscription proceeds, if any, and such proceeds retained on account of oversubscription shall not be utilised towards general purposes."

x. in sub-regulation (22), in clause (a), after the words “in the” and before the word “SPV”, the word “holdco and/or” shall be inserted;

xi. after sub-regulation (22), following sub-regulation shall be inserted, namely,-

"(22A) The amount for general purposes, as mentioned in objects of the issue in the draft offer document filed with the Board, shall not exceed Ten per cent of the amount raised by the REIT by issuance of units."

X. in regulation 16,-

(a) after sub-regulation (2), following shall be inserted, namely,-

"(2A) In the event of non-receipt of listing permission from the stock exchange(s) or withdrawal of Observation Letter issued by the Board, wherever applicable, the units shall not be eligible for listing and the REIT shall be liable to refund the subscription monies, if any, to the respective allottees immediately alongwith interest at the rate of fifteen per cent. per annum from the date of allotment."

(b) in sub-regulation (7), for the words and symbols "twenty five per cent. the total number of outstanding units at all times, and the number of unit holders of the REIT forming part of the public shall be two hundred at all times", the words and symbols "in accordance with the sub-regulation (2A) of Regulation 14" shall be substituted;

XI. in regulation 17, the clause (b) of sub-regulation (1) shall be omitted;

XII. in regulation 18,-

i. in sub-regulation (1), after the words "be in" and before the words "SPVs", the words and symbol "holdco and/or" shall be inserted;

ii. in sub-regulation (3),-

(a) in clause (a), after the words “these regulations”, the before words “and an agreement shall be entered into with such shareholders or partners to that effect prior to investment in the SPV” shall be inserted;

(b) in clause (b), after the words “shall appoint” and before the words “the Board”, for the words “not less than one authorized representative on”, the words “the majority of” shall be substituted;

(c) in clause (b), after the word “SPVs”, the words and symbol “, as applicable” shall be inserted;

(d) in clause (c), after the words “is exercised”, the words “subject to provision of Companies Act, 2013” shall be omitted;

iii. after sub-regulation (3), the following sub-regulation shall be inserted, namely,—

“(3A) The REIT may invest in properties through holdco subject the following,-

(a) the ultimate holding interest of the REIT in the underlying SPV(s) is not less than twenty six per cent;

(b) no other shareholder or partner of the holdco or the SPV(s) shall have any rights that prevent the REIT, the holdco or the SPV(s) from complying with the provisions of these regulations and an agreement shall be entered into with such shareholders or partners to that effect prior to investment in the holdco and/or SPVs;

(c) the manager, in consultation with the Trustee, shall appoints the majority of the Board of directors or governing board of the holdco and/or SPV(s);

(d) the manager shall ensure that in every meeting including annual general meeting of the holdco and/or SPV(s), the voting of the REIT is exercised;”;

iv. in sub-regulation (4),-

(a) the words "proportionate to the holding of the REITs" shall be omitted;



(b) in clause (a), after the words “through a” and before the words “SPV”, the words and figure “holdco and/or” shall be inserted;

(c) in clause (a), after the words “by such” and before the words “SPVs”, the words and figure “holdco and/or” shall be inserted;

v. in sub-regulation (5),-

(a) the words " proportionate to the holding of the REITs" shall be omitted;

(b) in clause (a), after the word and symbol “properties,”, the words and symbols “in which not more than ten percent of value of the REIT assets shall be invested,” shall be omitted;

(b) in clause (b), after the words “debt of the”, for the word “SPV”, the words and symbol “holdco and/or SPVs” shall be substituted;

vi. after sub-regulation (5), following sub-regulation shall be inserted, namely,-

"(5A) The investment conditions as specified at sub-regulation (4) and (5) of regulation 18 shall be complied at the time of Offer document and thereafter."

vii. in sub-regulation (6),-

(a) after the words “less than” and before the words “per cent”, for the words “seventy five”, the words “fifty one” shall be substituted;

(b) in sub-regulation (6), after the word “REIT” and before the words “and the SPV”, the word and symbol “, holdco” shall be inserted;

viii. in sub-regulation (8), after the words “or through” and before the word “SPV”, the words and symbol “holdco and/or” shall be inserted;

ix. in sub-regulation (10),-

(a) after the words “or through” and before the word “SPV”, the words and symbol “holdco or” shall be inserted;

(b) after the words “REIT or” and before the word “SPV”, the words and symbol “holdco or” shall be inserted;

x. in sub-regulation (11),-

(a) after the words “REIT or” and before the word “SPV”, the words “holdco or” shall be inserted;

(b) after the words “SPV by the” and before the word “REIT”, the word and symbol “holdco or” shall be inserted;

xi. in sub-regulation (16),-

(a) after the words “REIT and the” and before the word “SPV”, the words and symbol “holdco and/or” shall be inserted;

(b) in clause (a), after the words “to the REIT” and before the words “in proportion”, the word and symbol “/holdco” shall be inserted;

(c) after clause (a), the following new clause shall be inserted, namely,-

“(aa) with regard to distribution of net distributable cash flows by the holdco to the REIT, subject to applicable provisions in the Companies Act, 2013 or the Limited Liability Partnership Act, 2008, the following shall be complied:

(i) with respect to the cash flows received by the holdco from underlying SPVs, 100% of such cash flows received by the holdco shall be distributed to the REIT; and

(ii) with respect to the cash flows generated by the holdco on its own, not less than 90% of such net distributable cash flows shall be distributed by the holdco to the REIT;”;

(d) in clause (d),-

(i) after the words “REIT or”, for the word “SPV”, the words and symbols “holdco or SPV or if the equity shares or interest in the holdco/SPV are sold by the REIT, then” shall be substituted;

(ii) in sub-clause (i), after the word and symbol “holders;”, the words and symbols “and if the SPV proposes to reinvest sale proceeds, if any, into another property, it shall not be required to distribute any sale proceeds from such sale to the REIT;” shall be omitted;

(iii) in sub-clause (ii),-

(a) after the words “the REIT” and before the word “proposes”, the words “or SPV” shall be omitted;

(b) after the word and symbol “property,” and before the words “it shall”, the words and symbol “within a period of 1 year,” shall be inserted;

(c) after the words and symbols “clauses (a)”, for the words and symbols “and (b)”, the words and symbols “, (b), (c) and (d) of sub-regulation 16” shall be substituted;

XIII. in regulation 19,-

i. in sub-regulation (3),-

(a) the words “both prior to and” shall be omitted;

(b) in clause (c),-

(i) after the words and symbol “lesser than,” and before the word “average”, the words “one hundred ten percent and ninety percent of the” shall be inserted;

(ii) after the word “valuations”, the word and symbol “, respectively” shall be inserted;

ii. in sub-regulation (5), in clause (b),-

(a) in sub-clause (i), after the word “properties” and before the words “or investments”, the words and symbols “, whether directly or through holdco and/or SPVs,” shall be inserted;

(b) in sub-clause (ii), after the word “REIT”, the words and symbols “, holdco and/or SPVs” shall be inserted;

iii. in sub-regulation (11),-

(a) after the words “received by” and before the word “related”, for the words “any person or entity which is an associate of the”, the word “such” shall be substituted;

(b) after the word “party” and before the word “shall”, the word and symbol “(ies)” shall be inserted;

XIV. in regulation 20, -

i. in sub-regulation (1), after the word “REIT” and before the word “net”, the words and symbols “, holdco and/or the SPV(s),” shall be inserted;

ii. in sub-regulation (2), after the word “REIT” and before the word “net”, the words and symbols “, holdco and/or the SPV(s),” shall be inserted;

XV. in regulation 21, in sub-regulation (8), after the word and symbol “properties,” the words and symbols “whether directly or through holdco and/or SPVs,” shall be inserted;

XVI. in regulation 22, -

i. in sub-regulation (4), in clause (b), after the words “resolution shall” and before the words “the votes”, for the words “not be less than one and a half times”, the words “be more than” shall be substituted;

ii. in sub-regulation (5), after the words “resolution shall be” and before the words “the votes”, for the words “not less than one and a half times”, the words “more than” shall be substituted;

iii. in sub-regulation (6), after the words “not less than” and before the words “times the votes”, for the words “three”, the words “one and half” shall be substituted;

iv. in sub-regulation (8), sub-regulation (c),-

(a) after the words “falls below” and before the words “two hundred”, the words and symbols “as required under sub-regulation (2A) of Regulation 14” shall be inserted;

(b) after the word “below” and before the words “the trustee”, for the words and symbol “two hundred or below twenty five per cent of the total outstanding units,” the words “the trustee may provide a period of one year to the manager to rectify the same, failing which” shall be substituted;

(c) after the word “the” and before the words “shall apply”, for the word “trustee” the word “manager” shall be substituted;

- XVII. in regulation 23, in sub-regulation (5), in clause (b), after the words “level of” and before the word “SPV”, the words “holdco or” shall be inserted;
- XVIII. in regulation 25, in sub-regulation (1), after the words “REIT or” and before the word “parties”, the words and symbols “holdco or SPV(s) or” shall be inserted;
- XIX. in regulation 26, sub-regulation (1), after the word and symbol “including,” the words and symbol “for a period of not less than seven years,” shall be inserted;
- XX. in regulation 27, after the words “activity of the REIT” and before the words “for any of the”, the words “or holdco or SPVs or parties to the REIT” shall be inserted;
- XXI. in regulation 29, after the words “parties to the REIT or” and before the words “any person responsible”, the words “holdco or SPV(s) or” shall be inserted;
- XXII. after the regulation 33, the following new regulation shall be inserted, namely–

**“Power to relax strict enforcement of Regulations**

(33A) The Board may, in the interest of investors or for the development of the securities market, relax the strict enforcement of any requirement of these regulations, if the Board is satisfied that

(a) requirement is procedural or technical in nature; or

(b) the requirement may cause undue hardship to investors; or

- (c) the disclosure requirement is not relevant for a particular industry or class of listed entities; or
- (d) the non-compliance was caused due to factors beyond the control of the issuer;
- (e) such relaxation will be in the interest of securities market any provision of Act(s), Rule(s), regulation(s) under which the listed entity is established or is governed by, is required to be given precedence to”

XXIII. in Schedule I, in Form A,

i. in paragraph 1, in sub-paragraph (c),

(a) after the words “the applicant” and before the word and symbols “sponsor(s)”, for the words “or its associates or its”, the symbol “/” shall be substituted;

(b) after the word and symbols “sponsor(s)/” and before the word “”manager”, the word and symbol “trustee/” shall be omitted;

(c) after the word “manager” and after the words and symbol “is/are”, the words and symbols “or their associates or sponsor group(s)/ trustee” shall be inserted;

ii. in paragraph 3, in sub-paragraph (e) shall be omitted;

iii. in paragraph 6,-

(a) in sub-paragraph (b), the words “including copy of the draft initial offer document” shall be omitted;

(b) in sub-paragraph (d), after the words “leverage at” and before the words “and REIT”, for the word “SPV”, the words and symbols “holdco and /or SPV(s)” shall be substituted;

iv. in paragraph 7, -

(a) in sub-paragraph (a), for the words and symbols “applicant or any of its related party(ies)”, the words “REIT or the parties to the REIT or their directors/ members of governing board” shall be substituted;

(b) in sub-paragraph (b), for the words and symbols “applicant or any of its related party(ies)”, the words “REIT or the parties to the REIT or their directors/ members of governing board” shall be substituted;

(c) in sub-paragraph (c), for the words and symbols “applicant or any of its related party(ies)”, the words “REIT or the parties to the REIT or their directors/ members of governing board” shall be substituted;

XXIV. in Schedule II, in paragraph 4, in sub-paragraph (a)

- i. for the words “within seven days of registering the prospectus with the Registrar of Companies or”, the words "alongwith" shall be substituted;
- ii. for the words “the letter of offer”, the words “of the final offer document” shall be substituted;

XXV. in Schedule III, -

- i. in paragraph 6, in sub-paragraph (e),

(a) after the words “Details of the” and before the word “SPVs” the words and symbol “holdco and/or” shall be inserted;

(b) after the words “REIT in the” and before the word “SPV” the words and symbol “holdco and/or” shall be inserted;

(c) after the words “REIT in the” and before the word “SPV” the words and symbol “holdco and/or” shall be inserted;

- ii. in paragraph 7, sub-paragraph (c), shall be omitted;
- iii. in paragraph 9, in sub-paragraph (b),

(a) after the words “party transactions” and before the word “undertaken” the words and symbol “which are” shall be inserted;

(b) after the word “undertaken” and before the words “as well as”, for the words and symbol “prior to the offer”, the words “in last three financial years and current financial year” shall be substituted;

iv. in paragraph 11,

(a) in sub-paragraph (b), after the word “REIT” and before the word “manager”, the words and symbols “(consolidated and stand alone),” shall be omitted;

(b) after sub-paragraph (c), the following new sub-paragraphs shall be inserted, naemly–

“(d) Projections of income of the REIT over next three years beginning the current financial year certified by the manager and the auditor with respect to calculation and assumptions

(e) Contingent liabilities as on the date of the financial information disclosed in the offer document/placement memorandum”

v. in paragraph 13, in sub-paragraph (b),-

(a) after the words “regulatory actions” and before the words and symbol “pending, against”, for the words “, whether completed or” the words “which are” shall be substituted;

(b) after the word “sponsor” and before the word and symbol “, manager”, the word and symbol “(s)” shall be inserted;

(c) after the word and symbol “manager,” and before the words “if any”, for the words and symbols “trustee, valuer or any of their associates,” the words and symbols “or any of their associates and sponsor group(s), the trustee and valuer,”

vi. in paragraph 17, sub-paragraph (a) shall be omitted;



- vii. in paragraph 19, after the word “Declarations”, the words and symbols “(to be signed by the board of directors of the manager and sponsor)” shall be inserted;
- viii. after paragraph 19, following shall be inserted,-

“The documents to be provided to the Board,-

- a) Full valuation report, alongwith offer document
- b) Due diligence certificate alongwith draft offer document and offer document
- c) In principle approval from the exchange(s)”

XXVI. in Schedule IV, -

- i. in paragraph 12, after the words “the year”, the words and symbol “, value of which exceeds five per cent of value of the REIT assets” shall be inserted;
- ii. paragraph 14 shall be omitted;
- iii. after paragraph 14, the following paragraph shall be inserted, namely,-  
"14A. Brief details of material and price sensitive information"
- iv. in paragraph 15,-

(a) after the words “regulatory actions” and before the word “pending”, for the words and symbol “, whether completed or”, the words and symbol “which are,” shall be substituted;

(d) after the word and symbol “REIT,” and before the words and symbol “, if any”, for the words “parties to the REIT or any of their associates”, the words and symbol “sponsor(s), manager or any of their associates and sponsor group(s) and the trustee” shall be substituted;

XXVII. in Schedule V, in paragraph (e),-

- i. after the word “details” and before the word “shall”, the words and symbols “, to the extent applicable,” shall be inserted;
- ii. after sub-paragraph (xv), the following new sub-paragraphs shall be inserted, namely, –

- “xvi. List of one-time sanctions/approvals which are obtained or pending
- xvii. List of up to date/overdue periodic clearances
- xviii. Statement of assets included
- xix. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion
- xx. Revenue pendencies including local authority taxes associated with REIT asset and compounding charges, if any
- xxi. On-going and closed material litigations including tax disputes in relation to the assets, if any
- xxii. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control”.

**U.K. SINHA**

**CHAIRMAN**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Footnote:**

The Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 were published in the Gazette of India on 26th of September, 2014 vide No. LAD-NRO/GN/2014-15/11/1576.