SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014

[Amended up to October 15, 2026]

No. LAD-NRO/GN/2014-15/11/1576 - In exercise of the powers conferred by section 30 read with section 11 and 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), laying down a framework for Real Estate Investment Trusts and registration and regulation thereof, the Securities and Exchange Board of India hereby, makes the following regulations, namely, —

CHAPTER I
PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014.

(2) They shall come into force on the date of their notification in the Official Gazette.

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly,–

(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) "associate" of any person [1][shall be as defined under the Companies Act, 2013 or under the applicable accounting standards and shall also include following],-

(i) any person controlled, directly or indirectly, by the said person;

(ii) any person who controls, directly or indirectly, the said person;

(iii) where the said person is a company or a body corporate, any person(s) who is designated as promoter(s) of the company or body corporate and any other company or body corporate with the same promoter(s);

(iv) where the said person is an individual, any relative of the individual;

[1] Substituted for "includes" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(v) [2][***]

(vi) [3][***]

(vii) [4][***]

(viii) [5][***]

(c) "Board" means the Securities and Exchange Board of India established under section 3 of the Act;

(d) “body corporate” shall have the meaning assigned to it in or under sub-section (11) of section 2 of the Companies Act, 2013;

(e) “bonus issue” means additional units allotted to the unit holders as on the record date fixed for the said purpose, without any cost to the unit holder;

(f) “certificate” means a certificate of registration granted under these regulations;

(g) [6][“change in control”, -

(i) in case of a body corporate, -

(A) if its shares are listed on any recognized stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act;

(B) if its shares are not listed on any recognized stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of section 2 of the Companies Act, 2013 (18 of 2013);

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[2] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub-clause (v) read as under :
“where the said person is a company or a body corporate or an LLP, its group companies;”

[3] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub-clause (vi) read as under :
“companies or LLPs under the same management;”

[4] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub-clause (vii) read as under :
“where the said person is a REIT, related parties to the REIT;”

[5] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub-clause (viii) read as under :
“any company or LLP or body corporate in which the person or its director(s) or partner(s) hold(s), either individually or collectively, more than fifteen percent of its paid-up equity share capital or partnership interest, as the case may be;”

[6] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 01.04.2023. Prior to substitution it read as follows:
“*(g) "change in control" means,-*

(i) in case of a company or body corporate, change in control where 'control' shall have the meaning as provided in sub-section (27) of section 2 of the Companies Act, 2013;

(ii) in any other case, change in the controlling interest;

Explanation.— For the purpose of sub-clause (ii), the expression “controlling interest” means an interest, whether direct or indirect, to the extent of [not less] than fifty percent of voting rights or interest;”

(ii) in a case other than a body corporate, shall be construed as any change in its legal formation or ownership or change in controlling interest.

Explanation- For the purpose of sub-clause (ii), the expression "controlling interest" means an interest, whether direct or indirect, to the extent of not less than fifty percent of voting rights or interest;]

[7][(ga) "common infrastructure" includes facilities or amenities such as power plants, district or retail heating and cooling systems, water treatment or processing plants, waste treatment or processing plants and any facilities or amenities incidental to real estate business which exclusively supply or cater to, or are exclusively consumed by the REIT, its HoldCo(s) or SPV(s), irrespective of whether such facilities or amenities are co-located within any project of REIT or not:

Provided that in case of common infrastructure, any excess production or capacity, not consumed by the REIT, its HoldCo(s) or SPV(s), may be sold or supplied to a central or state grid or utility in accordance with the applicable laws, subject to the following conditions:

(i) the manager shall make adequate disclosures in the annual report to demonstrate that the excess production or capacity could not be consumed by the REIT, its HoldCo(s) and SPV(s);

(ii) the credits or payments received from such sale or supply of excess production or capacity are applied towards the payments to be made by the REIT, its HoldCo(s) or SPV(s); and

(iii) the manager shall make adequate disclosures related to sale or supply of such excess production or capacity in the annual report, including disclosures related to utilization of credits or payments received against such sale or supply, and the same shall be audited by the auditor of the REIT.]

(h) "company" means a company as defined under sub-section (20) of section 2 of the Companies Act, 2013;

(i) "completed property" means property for which occupancy certificate has been received from the relevant authority;

[7] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025, w.e.f 23.04.2025.

(j) “credit rating agency” means a credit rating agency registered with the Board under the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;

(k) “custodian” means a person registered with the Board under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996;

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

(l) “designated stock exchange” means a recognised stock exchange in which units of a REIT are listed or proposed to be listed and which is chosen by the REIT as a designated stock exchange for the purpose of a particular issue of the units of the REIT under these regulations:

Provided that where one or more of such stock exchanges have nationwide trading terminals, the REIT shall choose one of them as the designated stock exchange:

Provided further that subject to the provisions of this clause, the REIT may choose a different recognised stock exchange as a designated stock exchange for any subsequent issue of units of the REIT under these regulations;

[9][(la) “employee unit option scheme” means a scheme under which the manager grants unit options to its employees through an employee benefit trust.

Explanation. - For the above purpose, employees of the manager shall include all directors of the manager except independent directors.]

(m)"floor space index" or "FSI" shall mean the buildable area on a plot of land as specified by the competant authority;

(n) “follow–on offer” means offer of units of a listed REIT to the public for subscription and includes an offer for sale of REIT units by an existing unit holder to the public;

(o) [10][***]

(p) “form” means any of the forms set out in the Schedule I of these regulations;

[11][(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:

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[8] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[9] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

[10] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, clause (o) read as under :

““follow-on offer document” means any document by which follow-on offer is made to the public;”

[11] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

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;"]

(q) "governing board" in case of an LLP shall mean a group of members assigned by the LLP to act in a manner similar to the Board of directors in case of a company;"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;

[12][(qa) "group entities of the Manager" means:

(i) entities or person(s) which are controlled by the Manager;

(ii) entities or person(s) who control the Manager; or

(iii) entities or person(s) controlled by entities or person(s) specified in sub-clause (ii).]

[13][[14][(qai)] "holdco" or "holding company" shall mean a company or LLP.,-

(i) in which REIT holds or proposes to hold [15][***] not less than fifty [16][***] 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;";

[17][(qaa) "inducted sponsor" means any person who has been inducted as a sponsor in accordance with sub-regulation (8) of regulation 22;]

[18][[19][(qb)] "Independent director" in case of a company means a director, other than a nominee director of the Manager: -

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[12] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[13] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[14] Clause (qa) renumbered as clause (qai) by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[15] Words "controlling interest and" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[16] Word "one" omitted ibid.

[17] Inserted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[18] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 01.04.2023.

[19] Clause (qai) renumbered as clause (qb) by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

(i) who, in the opinion of the Board of Directors of the Manager, is a person of integrity and possesses relevant expertise and experience;

(ii) who is not or was not a sponsor of the REIT, a promoter of parties to the REIT, their holding, subsidiary or associate or a member of the sponsor group of the REIT;

(iii) who is not related to the REIT, its Holdco and/or SPV, parties to the REIT, its holding company or associate or their promoters or directors;

(iv) who, apart from receiving a director's remuneration, does not have or has had any material pecuniary relationship with the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, the subsidiary or associate or their promoters or directors, during the three immediately preceding financial years or during the current financial year;

(v) none of whose relatives -

(A) is holding securities of or interest in the REIT, its Holdco and/or SPV, parties to the REIT, their holding Company, subsidiary or associate during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the unit capital of the REIT, two percent of the paid-up capital of the parties to the REIT, their holding Company, subsidiary or associate or Holdco and/or SPV respectively or such higher sum as may be specified;

(B) is indebted to the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate or their promoters or directors, during the three immediately preceding financial years or during the current financial year, in excess of such amount as may be specified;

(C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the REIT, its Holdco or SPV, parties to the REIT, its holding company, subsidiary or associate or their promoters or directors, during the three immediately preceding financial years or during the current financial year, for such amount as may be specified; or

(D) has any other pecuniary transaction or relationship with the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary

or associate amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate or their promoters or directors in relation to points (A) to (D) shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

(vi) who, neither himself or herself, nor whose relative(s) —

(A) holds or has held the position of a key managerial personnel or is or has been an employee of the Holdco and/or SPV, parties to the REIT or its holding, subsidiary or associate or any company belonging to parties to the REIT, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed:

Provided that in case of a relative who is an employee other than a key managerial personnel, the restriction under this clause shall not apply for his/her employment;

(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of-

(1) a firm of auditors or company secretaries in practice or cost auditors of the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate; or

(2) any legal or a consulting firm that has or had any transaction with the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate amounting to ten per cent or more of the gross turnover of such firm;

(C) holds together with his relatives two per cent or more of the total voting power of the REIT, its Holdco and/or SPV, parties to the REIT;

(D) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate, any of its promoters,

directors or that holds two per cent or more of the total voting power of the REIT, its Holdco and/or SPV, parties to the REIT;

(E) is a material supplier, service provider or customer or a lessor or lessee of the REIT, its Holdco and/or SPV, parties to the REIT, its holding company, subsidiary or associate;

(vii) who is not less than 21 years of age; or

(viii) who possesses such other qualifications as may be specified by the Board.]

[20][(qc)] "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;]

(r) [21][***]

(s) "inspecting officer" means any one or more person appointed by the Board to exercise powers conferred under Chapter VII of these regulations;

[22][(sa) "institutional investor" means, –

a. a qualified institutional buyer; or

b. a family trust or an intermediary registered with the Board, having a net worth of more than five hundred crore rupees, as per the latest audited financial statements;]

(t) "investment management agreement" means an agreement between the trustee and the manager which lays down the roles and responsibilities of the manager towards the REIT;

[23][(ta) "liquid asset" means cash, [24][units of overnight mutual fund schemes, units of liquid mutual fund schemes where credit risk value is at least [25][10] and which falls under the

[20] Clause (qb) renumbered as clause (qc) by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[21] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, clause (r) read as under :

""initial offer document" means any documentby which initial offer is made to the public by the REIT;"

[22] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025, w.e.f 11.12.2025.

[23] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

[24] Substituted for "units of overnight or liquid mutual fund schemes" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[25] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 w.e.f. 18.04.2026. Prior to its substitution it read as '*12*'.

Class A-I [26][or Classs B-I] in the potential risk class matrix as specified by the Board], fixed deposits of scheduled commercial banks, [27][Government Securities, treasury bills, repo on Government Securities] and repo on corporate bonds.]

(u) "listed REIT" means a REIT whose units are listed on a recognized stock exchange;

(v) "LLP" means a limited liability partnership as defined under the Limited Liability Partnership Act, 2008;

(w) "manager" means a company or LLP or body corporate incorporated in India which manages assets and investments of the REIT and undertakes operational activities of the REIT;

(x) "net asset value" or "NAV" means the value of the REIT [28][assets reduced by the external debt] divided by the number of outstanding units as on a particular date;

(y) "net worth" in relation to a company or a body corporate shall have the meaning assigned to it under sub-section (57) of section 2 of the Companies Act, 2013;

(za) "occupancy certificate" means a completion certificate, or such other certificate, as the case may be, issued by the competent authority permitting occupation of any property under any law for the time being in force;

(zb) "offer document" means any document described or issued as an offer document including any notice, circular, advertisement or other document inviting offers [29][through a public issue] for the subscription or purchase of units of the REIT and includes initial offer document, follow-on offer document[30][, letter of offer in case of rights issue] and any other document as may be specified by the Board;

(zc) "parties to the REIT" shall include the [31][sponsor group(s)], [32][inducted] sponsor(s), manager, and trustee;

(zd) "preferential issue" means an issue of units by a listed REIT to any select person or group of persons on a private placement basis and does not include an offer of units

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[26] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 w.e.f. 18.04.2026.

[27] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 w.e.f. 18.04.2026. Prior to its substitution it read as '*government securities, treasury bills, repo on government securities*'.

[28] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[29] Substituted for "from the public" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[30] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[31] Substituted for "sponsor(s)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[32] Substituted for "re-designated" by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

made through a public issue, rights issue, bonus issue, qualified institutions placement or any other issue as may be specified by the Board;

[33][(ze) "public" means any person other than:

(i) the related party of the REIT, its sponsor, or manager; or

(ii) any other person as may be specified by the Board:

Provided that a person specified above, who is also a qualified institutional buyer in an offer, shall be considered as "public" for the purpose of these regulations:

Provided further that the sponsor, sponsor group and manager of the REIT shall not be considered as "public" for the purpose of these regulations.]

(zf) "public issue" means an initial offer or follow-on offer or any other issue made to the public as may be specified by the Board;

[34][(zg) "qualified institutional buyer" shall have the meaning assigned to it under clause (ss) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018];

(zh) "qualified institutions placement" means allotment of units by a listed REIT to qualified institutional buyers on private placement basis in terms of these regulations;

(zi) "real estate" or "property" means land and any permanently attached improvements to it, whether leasehold or freehold and includes buildings, sheds, garages, fences, fittings, fixtures, warehouses, car parks, etc. and any other assets incidental to the ownership of real estate but does not include mortgage:

Provided that any asset falling under the purview of 'infrastructure' as defined vide Notification of Ministry of Finance dated October 07, 2013 including any amendments or additions made thereof shall not be considered as 'real estate' or 'property' for the

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[33] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025. Prior to substitution, it read as "(ze) "public" for the purposes of offer and listing of units means any person other than related party of the REIT or any other person as may be specified by the Board:

Provided that in case any related party to the REIT is a qualified institutional buyer, such person shall be included under the term 'public';".

[34] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025, w.e.f 11.12.2025. Prior to substitution, clause (zg) read as:

"(zg) "qualified institutional buyer" shall have the meaning assigned to it under clause (zd) of sub-regulation (1) of regulation 2 of the SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009"

purpose of these regulations [35][except if investment in the infrastructure asset is made in compliance with sub-regulation (5B) of regulation 18 of these regulations];

[36][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" [37][***] ;]

(zj) [38]["real estate assets" means properties held by REIT, on a freehold or leasehold basis, whether directly or through a holdco and/or a special purpose vehicle];

(zk) "recognised stock exchange" means any stock exchange which is recognised under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(zl) [39][(***]

(zm) [40]["REIT" or "Real Estate Investment Trust" means a person that pools rupees fifty crores or more for the purpose of issuing units to at least two hundred investors so as to acquire and manage real estate asset(s) or property(ies), that would entitle such investors to receive the income generated therefrom without giving them the day-to-day control over the management and operation of such real estate asset(s) or property(ies).

Explanation 1. – For the purpose of these regulations, a REIT or Real Estate Investment Trust shall include an SM REIT under Chapter VIB of these regulations.

Explanation 2. – For the removal of doubts, it is hereby clarified that for the purpose of these regulations, any company which acquires and manages real estate asset(s) or

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[35] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[36] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[37] Omitted vide the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f. 15.10.2026. Prior to its omission, the words read as under – *"for composite real estate projects, industrial parks and SEZ"*.

[38] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018. Prior to the substitution, the definition read as follows:
""real estate assets" means properties owned by REIT whether directly or through a special purpose vehicle"

[39] Omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to its omission, sub-clause (zl) read as under :
" (zl) "re-designated sponsor" means any person who has assumed the responsibility of the sponsor as provided under regulation 11 from the person as designated under clause (zt) of sub-regulation (1) of this regulation or from any re-designated sponsor thereafter;"

[40] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 w.e.f. 08.03.2024. Prior to substitution, the definition read as follows:
"REIT" or "Real Estate Investment Trust" shall mean a trust registered as such under these regulations;

property(ies) and offers or issues securities to the investors, shall not be construed as a REIT or Real Estate Investment Trust;]

(zn) [41][“REIT assets” means real estate assets and any other assets held by the REIT, on a freehold or leasehold basis, whether directly or through a holdco and/or a special purpose vehicle.”];

(zo) [42][“related party” shall be defined under the Companies Act, 2013 or under the applicable accounting standards and shall also include:]

(i) parties to the REIT;

(ii) [43][***]

(iii) [44][***] [45][promoters] [46][***], directors and partners of the persons in clause (i) [47][***];

(zp) "rent generating property" means property which has been leased or rented out in accordance with an agreement entered into for the purpose;

(zq) “rights issue” means an offer of units by a listed REIT to the unit holders of the REIT as on the record date fixed for the said purpose;

(zr) “right-of-first-refusal” or "ROFR" of a REIT means the right given to the REIT by a person to enter into a transaction with it before the person is entitled to enter that transaction with any other party;

[48][(zra) “Self-Sponsored Manager” means the Manager of a REIT who has dual responsibilities of both the Manager as well as the sponsor;]

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[41] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018. Prior to the substitution, the definition read as follows:
““REIT assets” means real estate assets and any other assets owned by the REIT whether directly or through a [holdco and /or] special purpose vehicle”

[42] Substituted for ““related party to the REIT” shall include:” by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[43] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub-clause (ii) read as under :
“any unit holder holding, directly or indirectly, more than twenty per cent. of the units of the REIT;”

[44] Omitted “associates,”, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[45] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[46]The word “sponsors” was omitted ibid.

[47] Omitted“and (ii)”, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[48] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[49][[50][(zrb)] "Senior Management" means officers or personnel of the Manager who are members of its core management team excluding the Board of Directors and shall also comprise all members of the management one level below the Chief Executive Officer or Managing Director, Whole Time Director, manager (including Chief Executive Officer or manager, in case they are not part of the Board of Directors) and shall specifically include the Compliance Officer and Chief Financial Officer;]

(zs) "special purpose vehicle" or "SPV" means any company or LLP, -

(i) in which [51][either the REIT or the holdco] holds or proposes to hold [52][***] not less than fifty [53][[54][***]] per cent. of the equity share capital or interest;

(ii) which holds not less than eighty per cent. of its assets directly in properties and does not invest in other special purpose vehicles; and

(iii) which is not engaged in any activity other than holding and developing property and any other activity incidental to such holding or development;

(zt) "sponsor" means any person(s) who set(s) up the REIT and designated as such at the time of application made to the Board [55][and shall include an inducted sponsor];

[56]["(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;]

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[49] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 01.04.2023.

[50] Clause (zra) renumbered as clause (zrb) by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[51] Substituted for "the REIT" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[52] Words "controlling interest and" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[53] Word "one" omitted ibid.

[54] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[55] Inserted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020

[56] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[57][(ztb) “strategic investor” means, -

a. an institutional investor; or

b. a foreign portfolio investor not covered under sub-clause (a); or

c. a middle layer, upper layer and top layer Non-Banking Finance Company registered with the Reserve Bank of India; or

d. such entities as the Board may specify from time to time,

who invest, either jointly or severally, not less than five per cent. of the total offer size of the REIT or such amount as may be specified by the Board from time to time, subject to compliance with the applicable provisions, if any, of the Foreign Exchange Management Act, 1999 and the rules or regulations or guidelines made thereunder:

Provided that if the entity is regulated by any financial sector regulator, the Board shall consult such financial sector regulator prior to specifying the entity as a strategic investor under sub-clause (d) of clause (ztb) of sub-regulation (1) of regulation 2;]

(zu) "transferable development rights" or "TDR" shall mean development rights issued by the competent authority under relevant laws in lieu of the area relinquished or surrendered by the owner or developer or by way of declared incentives by the government or authority;

(zv) “trustee” means a person who holds the REIT assets in trust for the benefit of the unit holders, in accordance with these regulations;

(zw) “under-construction property” means a property of which construction is not complete and occupancy certificate has not been received;

(zx) “unit” means beneficial interest of the REIT;

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[57] Substituted by the SEBI (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025, w.e.f. 11.12.2025. Prior to the substitution, clause (ztb) [as inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017] read as:

“(ztb) “strategic investor” means, -

a. an infrastructure finance company registered with the Reserve Bank of India as a Non-Banking Financial Company;

b. a Scheduled Commercial Bank;

c. a multilateral [and/or] bilateral development financial institution;

d. a systemically important Non-Banking Financial Company registered with the Reserve Bank of India;

e. a foreign portfolio investor,

f. an insurance company registered with the Insurance Regulatory and Development Authority of India;

g. a mutual fund.

who invest, either jointly or severally, not less than five per cent. of the total offer size of the REIT or such amount as may be specified by the Board from time to time, subject to the compliance with the applicable provisions, if any, of the Foreign Exchange Management Act, 1999 and the rules or regulations or guidelines made thereunder.”

(zy) “unit holder” means any person who owns units of the REIT;

[58][“(zz) “valuer” means any person who is a “registered valuer” under section 247 of the Companies Act, 2013 or as specified by the Board from time to time.]

(zza) [59][***]

(zzb) "value of the REIT assets" means aggregate value of all the assets under the REIT as assessed by the valuer.

(2) The words and expressions used and not defined in these regulations, but defined in the Act, the Securities Contracts (Regulation) Act, 1956, (42 of 1956), the Companies Act, 2013

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[58] Substituted by the SEBI (Real Estate (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017. Prior to the substitution, the definition of the term “valuer” read as follows:

“(zz) “valuer” means any person who is a "registered valuer" under section 247 of the Companies Act, 2013 [58][or as defined hereunder] and who has[58][/have] been appointed by the manager to undertake [58][both financial and technical] valuation of the REIT assets:

[58][“(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;”

[59] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, clause (zza) read as under :

“"value of the REIT" means value of the REIT as certified by the auditor based on the value of REIT assets held directly or through the SPV excluding any debt or liabilities thereof;”

(18 of 2013), or any rules or regulations made thereunder, shall have the same meanings respectively assigned to them in those Acts, rules or regulations, or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

REGISTRATION OF REAL ESTATE INVESTMENT TRUSTS

Registration of real estate investment trusts.

3. (1) No person shall act as a REIT unless it is registered with the Board under these regulations.

(2) An application for grant of certificate of registration as REIT shall be made, by the sponsor [60][on behalf of the trust] in Form A as specified in the Schedule I to these regulations and shall be accompanied by a non-refundable application fee of such amount and shall be payable in the manner as specified in Schedule II to these regulations.

(3) The Board may, in order to protect the interests of investors, appoint any person to take charge of records, documents of the [61][REIT] and for this purpose, also determine the terms and conditions of such an appointment.

(4) The Board shall take into account requirements as specified in these regulations for the purpose of considering grant of registration.

Eligibility criteria.

4. (1) For the purpose of the grant of certificate to [62][the trust], the Board shall consider all matters relevant to the activities as a REIT.

(2) Without prejudice to the generality of the foregoing provision, the Board shall consider the following, namely, -

(a) the applicant is [63][the sponsor on behalf of] trust and the instrument of trust is in the form of a deed duly registered in India under the provisions of the Registration Act, 1908;

[60] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[61] Substituted for "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[62] Substituted ibid for "an applicant".

[63] Substituted for "a" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(b) the trust deed has its main objective as undertaking activity of REIT in accordance with these regulations and includes responsibilities of the Trustee in accordance with regulation 9;

(c) persons have been designated as sponsor(s), manager and trustee under these regulations and all such persons are separate entities;

(d) with regard to sponsor(s),-

(i) [64][each sponsor shall hold or propose] to hold not less than five per cent. of the number of units of the REIT on post-initial offer basis;

[65][(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;]

[66][Provided further that, of the entities categorized as sponsor group, only the following entities may be considered:

a) a person or entity who is directly or indirectly holding an interest or shareholding in any of the assets or SPVs or holdcos proposed to be transferred to the REIT.

b) a person or entity who is directly or indirectly holding units of the REIT on post-issue basis.

c) a person or entity whose experience is being utilized by the sponsor for meeting with the eligibility conditions required under sub-clause (iii) of clause (d) of sub-regulation (2) of regulation 4 of these regulations.]

(ii) the sponsor(s), on a collective basis, have a net worth of not less than one hundred crore rupees:

Provided that each sponsor has a net worth of not less than twenty crore rupees; and

[64] Substituted for "there are not more than three sponsors each holding or proposing" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[65] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[66] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

(iii) the sponsor or its associate(s) has not less than five years experience in development of real estate or fund management in the real estate industry:

Provided that where the sponsor is a developer, at least two projects of the sponsor have been completed;

(e) with regard to the manager,-

(i) the manager has a net worth of not less than ten crore rupees if the manager is a body corporate or a company or net tangible assets of value not less than ten crore rupees in case the manager is a LLP;

(ii) the manager or its associate has not less than five years experience in fund management or advisory services or property management in the real estate industry or in development of real estate;

(iii) the manager has not less than two key personnel who each have not less than five years experience in fund management or advisory services or property management in the real estate industry or in development of real estate;

(iv) the manager has not less than half, of its directors in the case of a company or of members of the governing Board in case of an LLP, as independent and not directors or members of the governing Board [67][of the manager] of another REIT[68][:]

[69][Provided that if by a vacancy in the office of an independent director of the manager, the manager becomes non-compliant with the requirement, such vacancy shall be filled by the manager as follows-

A. if such vacancy arises due to expiry of the term of office of the independent director, then the resulting vacancy shall be filled not later than the date such office is vacated; or

B. if such vacancy arises due to any other reason, then the resulting vacancy shall be filled at the earliest and not later than three months from the date of such vacancy.]

(v) the manager has entered into an investment management agreement with the trustee which provides for the responsibilities of the manager in accordance with regulation 10;

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[67] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[68] Substituted for the symbol ";" and the word "and" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[69] Inserted, *ibid*.

(f) with regard to the trustee,-

(i) the trustee is registered with the Board under SEBI(Debenture Trustees) Regulations, 1993 and is not an associate of the sponsor(s) or manager; and

(ii) the trustee has such wherewithal with respect to infrastructure, personnel, etc. to the satisfaction of the Board and in accordance with circulars or guidelines as may be specified by the Board;

(g) no unit holder of the REIT enjoys [70][superior] voting or any other rights over another unit holder [71][and there are no multiple classes of units of REIT:]

[72][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[73][:]]

[74][Provided that unitholders holding not less than ten percent of the total outstanding units of the REIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Manager, <u>in the manner as may be specified by the Board:</u>

Provided further that the director so nominated shall recuse from voting on any transaction in which such nominee director or associate of such nominee director or the unitholder who nominated such nominee director or the associate of such unitholder is a party:

Provided further that any unitholder holding not less than ten percent of the total outstanding units of the REIT shall comply with the stewardship code specified in Schedule IX of these regulations.]

(h) [75][***]

(i) the applicant has clearly described at the time of application for registration, details pertaining to proposed activities of the REIT;

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[70] Substituted for "preferential" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[71] Substituted for ";" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[72] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[73] Substituted for the symbol ";" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[74] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[75] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, clause (h) read as under :

"there are no multiple classes of units of REIT;"

(j) the [76][REIT] and parties to the REIT are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(k) whether any previous application for grant of certificate by the [77][REIT or the parties to the REIT or their directors/members of governing board] has been rejected by the Board;

(l) whether any disciplinary action has been taken by the Board or any other regulatory authority against the [78][REIT or the parties to the REIT or their directors/members of governing board] under any Act or the regulations or circulars or guidelines made thereunder.

Furnishing of further information, clarification and personal representation.

5. (1) The Board may require the applicant to furnish any such information or clarification as may be required by it for the purpose of processing of the application.

(2) The Board, if it so desires, may require the applicant or any authorized representative to appear before the Board for personal representation in connection with the grant of certificate.

Procedure for grant of certificate.

6. (1) The Board on being satisfied that the [79][trust] fulfils, the requirements specified in regulation 4 shall send intimation to the [trust] and on receipt of the payment of registration fees as specified in Schedule II, grant certificate of registration in Form B under Schedule I.

(2) The registration may be granted with such conditions as may be deemed appropriate by the Board.

Conditions of certificate.

7. The certificate granted under regulation 6 shall, *inter-alia*, be subject to the following conditions, namely,-

(a) the REIT shall abide by the provisions of the Act and these regulations;

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[76] Substituted for "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[77] Substituted for the words "applicant or any related party" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017.

[78] Substituted ibid.

[79] Substituted for "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

(b) the REIT shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

(c) the REIT and parties to the REIT shall satisfy with the conditions specified in regulation 4 at all times;

(d) the REIT and parties to the REIT shall comply, at all times, with the Code of conduct as specified in the Schedule VI, wherever applicable.

[80]**[***]**

Procedure where registration is refused.

8. (1) After considering an application made under regulation 3, if the Board is of the opinion that a certificate should not be granted to the [81][trust], it may reject the application after giving the applicant a reasonable opportunity of being heard.

(2) The decision of the Board to reject the application shall be communicated to the applicant within thirty days of such decision.

CHAPTER III

RIGHTS AND RESPONSIBILITIES OF PARTIES TO THE REIT, VALUER AND AUDITOR

Rights and responsibilities of trustee.

9. (1) The trustee shall hold the REIT assets in trust for the benefit of the unit holders in accordance with the trust deed and these regulations.

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[80] Regulation 7A omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023. Before the omission, the regulation read as under:

> "**De-classification of the status of sponsor**
> 7A (1) De-classification of the status of a sponsor(s) of a REIT whose units have been listed on the stock exchanges for a period of three years shall be permitted upon receipt of an application from the REIT and subject to compliance with the following conditions:
> (a) the unit holding of such sponsor and its associates taken together does not exceed 10% of the outstanding units of the REIT;
> (b) the manager of the REIT is not an entity controlled by such sponsor or its associates;
> (c) the sponsor or its associates are not fugitive economic offender;
> (d) approval of unit holders has been obtained in accordance with sub-regulation 5 of Regulation 22."

[81] Substituted for "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

(2) The Trustee shall enter into an investment management agreement with the manager on behalf of the REIT.

(3) The trustee shall oversee activities of the manager in the interest of the unit holders, ensure that the manager complies with regulation 10 and shall obtain compliance certificate from the manager in the form as may be specified on a quarterly basis.

(4) The trustee shall ensure that the manager complies with the reporting and disclosures requirements in these regulations and in case of any delay or discrepancy, require the manager to rectify the same on an urgent basis.

(5) The trustee shall review the transactions carried out between the manager and its associates and where the manager has advised that there may be a conflict of interest, shall obtain confirmation from a practising chartered accountant [82][or a valuer, as applicable,] that such transaction is on arm's length basis.

(6) The trustee shall periodically review the status of unit holders' complaints and their redressal undertaken by the manager.

(7) The trustee shall make distributions in accordance with sub-regulation (16) of regulation 18 and ensure that the manager makes timely declaration of distributions to the unit holders.

(8) The trustee may require the manager to set up such systems and submit such reports to the trustees, as may be necessary for effective monitoring of the performance and functioning of the REIT.

(9) The trustee shall ensure that subscription amount is kept in a separate bank account in name of the REIT and is only utilized for adjustment against allotment of units or refund of money to the applicants till the time such units are listed.

(10) The trustee shall ensure that the remuneration of the valuer is not linked to or based on the value of the asset being valued.

(11) The trustee shall ensure that the manager convenes meetings of the unit holders in accordance with these regulations and oversee the voting by unitholders and declare outcome of the voting.

(12) The trustee may take up with the Board or with the designated stock exchange, any matter which has been approved in an annual meeting or special meeting, if the matter requires such action.

(13) In case of any change in manager due to removal or otherwise,-

[82] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(a) prior to such change, the trustee shall obtain approval from unit holders in accordance with regulation 22 and approval from the Board;

(b) the trustee shall appoint the new manager within three months from the date of termination of the earlier investment management agreement;

(c) the previous manager shall continue to act as such at the discretion of trustee till such time as new manager is appointed;

(d) the trustee shall ensure that the new manager shall stand substituted as a party in all the documents to which the earlier manager was a party;

(e) the trustee shall ensure that the earlier manager continues to be liable for all its acts of omissions and commissions notwithstanding such termination.

(14) The trustee shall obtain prior approval from the unit holders in accordance with regulation 22 and from the Board in case of change in control of the manager.

(15) The trustee [83][of the REIT" shall be substituted] shall not invest in units of the REIT in which it is designated as the trustee.

(16) The trustee shall ensure that the activity of the REIT is being operated in accordance with the provisions of the trust deed, these regulations, the offer document and if any discrepancy is noticed, shall inform the same to the Board immediately in writing.

(17) The trustee shall provide to the Board and to the designated stock exchange such information as may be sought by the Board or by the designated stock exchange pertaining to the activity of the REIT.

(18) The trustee shall immediately inform to the Board in case any act which is detrimental to the interest of the unit holders is noted.

[84][(19) The trustee shall, -

(a) comply with the core principles defining its roles and responsibilities which shall encompass transparency, accountability, due diligence and compliance with these regulations; and

(b) act impartially in their fiduciary capacity, prioritize protection of the interests of unitholders, ensure effective management oversight over the manager and the REIT and maintain high standards of governance of the manager and the REIT.

***Explanation*: —** For the purpose of this sub-regulation,-

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[83] Substituted for "and its associates" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[84] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(a) An illustrative list of roles and responsibilities to guide the trustee is specified in Schedule XII; and

(b) The trustee shall adopt additional measures or responsibilities crucial for meeting the overarching principles of their role and responsibilities:

Provided that this sub-regulation shall come into force on one-hundred eightieth day from the date of publication of the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 in the Official Gazette.

(20) For the purpose of ensuring compliance with sub-regulation (19), the trustee may engage external consultants during the period of eighteen months from the date of publication of the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 in the Official Gazette.]

Rights and responsibilities of manager.

10. (1) The manager shall make the investment decisions with respect to the underlying assets of the REIT including any further investment or divestment of the assets.

(2) The manager shall ensure that the real estate assets of the REIT or [85][holdco and/or] SPV have proper legal and marketable titles and that all the material contracts including rental or lease agreements entered into on behalf of REITs or [86][holdco and/or] SPV are legal, valid, binding and enforceable by and on behalf of the REIT or [87][holdco and/or] SPV.

(3) The manager shall ensure that the investments made by the REIT are in accordance with the investment conditions specified in regulation 18 and in accordance with the investment strategy of the REIT.

(4) The manager shall undertake management of the REIT assets including lease management, maintenance of the assets, regular structural audits, regular safety audits, etc. either directly or through the appointment and supervision of appropriate agents.

(5) The manager, in consultation with trustee, shall appoint the valuer(s), auditor, registrar and transfer agent, merchant banker, custodian and any other intermediary or service provider or agent for managing the assets of the REIT or for offer and listing of its units or any other activity pertaining to the REIT in a timely manner and in accordance with these regulations.

[85] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[86] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[87] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[88][(6) Subject to the provisions of this chapter, the manager of the REIT shall appoint an individual or a firm as the auditor, who shall hold office from the date of conclusion of the annual meeting in which the auditor has been appointed till the date of conclusion of the sixth annual meeting of the unitholders in accordance with the procedure for selection of auditors, as may be specified by the Board.]

[89][(6A) The manager of the REIT shall not appoint or re-appoint—

(a) an individual as the auditor for more than one term of five consecutive years; and

(b) an audit firm as the auditor for more than two terms of five consecutive years:

Provided that—

(i) the individual auditor who has completed the term under clause (a) shall not be eligible for re-appointment as the auditor in the same REIT for a period of five years from the date of completion of the term;

(ii) the audit firm that has completed its term under clause (b), shall not be eligible for reappointment as the auditor in the same REIT for a period of five years from the date of completion of its term.]

(7) The manager shall arrange for adequate insurance coverage for the real estate assets of the REIT:

Provided that in case of assets held by [90][holdco and/or] SPV, the manager shall ensure that real estate assets are adequately insured.

(8) If the REIT invests in under-construction properties as per these regulations, the manager-

(a) may undertake the development of the properties, either directly or through the SPV, or appoint any other person for development of such properties; and

(b) shall oversee the progress of development, approval status and other aspects of the properties upto its completion.

(9) The manager shall ensure that it has adequate infrastructure and sufficient key personnel with adequate experience and qualification to undertake management of the REIT at all times.

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[88] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 14.02.2023. Prior to substitution it read as follows:
"*(6) The manager shall appoint an auditor for a period of not more than five consecutive years:*
Provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of unit-holders in the annual meeting."

[89] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 14.02.2023.

[90] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(10) The manager [91][and the merchant banker(s) shall] shall be responsible for,-

(a) filing [92][***] offer document with the Board and the designated stock exchange within the specified time period;

(b) obtaining in-principle approval [93][and final listing and trading approvals] from the designated stock exchange;

(c) dealing with all matters relating to issue and listing of the units of the REIT as specified in Chapter IV.

(11) The manager [94][and the merchant banker(s),] shall ensure that disclosures made in the offer document or any other document as may be specified by the Board contain material, true, correct and adequate disclosures and are in accordance with these regulations and guidelines or circulars issued thereunder.

(12) The manager shall declare distributions to the unit holders in accordance with the sub-regulation (16) of regulation 18.

(13) The manager shall ensure adequate and timely redressal of all unit holders' grievances pertaining to activities of the REIT.

(14) The manager shall ensure that the disclosures to the unit holders, Board, trustees and designated stock exchange are adequate, timely and in accordance with these regulations and guidelines or circulars issued thereunder.

(15) The manager shall provide to the Board and to the designated stock exchanges any such information as may be sought by the Board or the designated stock exchange pertaining to the activities of the REIT.

(16) The manager shall ensure that adequate controls are in place to ensure segregation of its activity as manager of the REIT from its other activities.

(17) The manager or its associates shall not obtain any commission or rebate or any other remuneration, by whatever name called, arising out of transactions pertaining to the REIT other than as specified in the offer document or any other document as may be specified by the Board for the purpose of issue of units.

(18) The manager shall submit to the trustee,-

(a) quarterly reports on the activities of the REIT including receipts for all funds received by it and for all payments made, position on compliance with these

[91] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[92] Omitted "the draft and final"by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[93] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[94] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

regulations, specifically including compliance with regulations 18,19 and 20, performance report, status of development of under-construction properties, within [95][such time as may be specified by the Board for submission of quarterly financial results];

(b) valuation reports [96][***] within fifteen days of the receipt of the valuation report from the valuer[97][:]

[98][Provided that the valuation reports specified under sub-regulation (4) and sub-regulation (5) of regulation 21 of these regulations shall be submitted to the trustee simultaneously at the time of submission of such reports to the stock exchange(s) under regulation 21.]

(c) decision to acquire or sell or develop any property or expand existing completed properties along with rationale for the same;

(d) details of any action which requires approval from the unit holders as required under the regulations;

(e) details of any other material fact including change of its directors, any legal proceedings that may have a significant bearing on the activity of the REIT within seven working days of such action.

(19) In case the manager fails to timely submit to the trustee information or reports as specified under sub-regulation (18) of this regulation or sub-regulation (8) of regulation 9, the trustee shall intimate the same to the Board and the Board may take action, as it deems fit.

(20) The manager shall coordinate with trustee, as may be necessary, with respect to operations of the REIT.

(21) The manager shall ensure that the valuation of the REIT assets is done by the valuer(s) in accordance with regulation 21.

(22) The manager shall ensure that computation of NAV of the REIT is based on the valuation done by the valuer and is declared no later than fifteen days from the date of valuation [99][to

[95] Substituted for the words "within thirty days of end of such quarter" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[96] The words "as required under these regulations" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[97] Substituted for ";" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[98] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[99] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

the stock exchange(s)] and such computation shall be done and declared not less than once every six months.

(23) The manager shall ensure that the audit of accounts of the REIT by the auditor is done not less than [100][once in a year] and such report is submitted to the designated stock exchange within [101][sixty] days of end of such financial year ending March 31st [102][***].

(24) The manager may appoint a custodian in order to provide such custodial services as may be authorised by the trustees and oversee activities of such custodian.

(25) The manager shall place, before its board of directors in the case of a company or the governing board in case of an LLP, a report on activity and performance of the REIT every three months.

(26) The manager shall designate an employee or director as the compliance officer for monitoring of compliance with these regulations and circulars issued thereunder and intimating the Board in case of any violation.

(27) The manager shall convene meetings of the unit holders in accordance with regulation 22 and maintain records pertaining to the meetings in accordance with regulation 26.

(28) The manager shall ensure the compliance with laws, as may be applicable, of the State or the local body with respect to the activity of the REIT including local building laws.

(29) The manager shall ensure that all activities of management of assets of the REIT and activities of the intermediaries or agents or service providers appointed by the manager are in accordance with these regulations and circulars issued thereunder.

[103][(30) The manager may at its discretion, offer unit based employee benefit scheme for its employees based on the units of the REIT subject to compliance with the provisions of Chapter IVA of these regulations.]

[104][(31) The manager shall ensure compliance with the Investor Charter as may be specified by the Board from time to time.]

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[100] Substituted for "twice annually"by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[101] Substituted for "forty five" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[102] Omitted "and half-year ending on September 30th"by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[103] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

[104] Inserted by the Securities and Exchange Board of India (Investor Charter) (Amendment) Regulations, 2025 w.e.f. 10-02-2025.

Rights and responsibilities of sponsor(s)[105][and sponsor group(s)].

11. (1) The sponsor(s) [106][and sponsor group(s)] shall set up the REIT and appoint the trustee of the REIT.

(2) The sponsor(s) [107][and sponsor group(s)] shall transfer or undertake to transfer, subject to a binding agreement and adequate disclosures in the initial offer [108][document], [109][their] entire shareholding or interest [110][and rights] in the [111][holdco and/or] SPV or entire ownership of the real estate assets to the REIT prior to allotment of units of the REIT to the applicants:

Provided that this shall not apply to the extent of any mandatory holding of shares or interest [112][and rights] in the [113][holdco and/or] SPV by the sponsor(s) [114][and sponsor group(s)] as required [115][under] any Act or regulations or circulars or guidelines of government or regulatory authority as specified from time to time.

(3) [116][The sponsor(s) and sponsor group(s) shall collectively hold not less than –

(i) fifteen percent of the total units of the REIT, for three years from the date of listing of units in the initial offer:

Provided that any holding by the sponsor(s) and sponsor group(s) exceeding fifteen percent shall be held for a period of not less than one year from the date of listing of units issued in the initial offer;

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[105] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[106] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[107] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[108] Word 'focument' corrected to read as 'document' by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[109] Substituted for "its" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[110] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[111] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[112] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[113] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[114] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[115] Inserted ibid.

[116] Sub-regulation 3 substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023. Before the substitution, the provisions read as under:

> "(3) The sponsor(s) and sponsor group(s) shall collectively hold a minimum of fifteen percent of the total units of the REIT for a period of at least three years from the date of listing of such units pursuant to initial offer on a post-issue basis:
>
> Provided that any holding of the sponsor(s) and sponsor group(s) exceeding the minimum holding, shall be held for a period of atleast one year from the date of listing of such units."

(ii) five percent of the total units of the REIT, from the beginning of fourth year and till the end of fifth year from the date of listing of the units issued in the initial offer;

(iii) three percent of the total units of the REIT, from the beginning of sixth year and till the end of tenth year from the date of listing of the units issued in the initial offer;

(iv) two percent of the total units of the REIT, from the beginning of eleventh year and till the end of twentieth year from the date of listing of the units issued in the initial offer;

(v) one percent of the total units of the REIT, after completion of the twentieth year from the date of listing of units issued in the initial offer:

Provided that the maximum value of the units to be held by the sponsor(s) and sponsor group(s) for compliance with clauses (ii) to (v) of this sub-regulation shall not exceed five hundred crore rupees or such other value as may be decided by the Board from time to time and such valuation shall be based on the latest available net asset value of the REIT:

Provided further that an assessment of compliance of requirements under clauses (ii) to (v) of this sub-regulation shall be done at the time of each fresh issuance of units and at the beginning of change in threshold of the percentage for minimum unitholding requirement as specified in this sub-regulation:

Provided further that for REITs that have already issued units pursuant to an initial offer as on the date of coming into effect of the Securities and Exchange Board of India Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, the provisions contained in clauses (i) to (v) of this sub-regulation shall be applicable only for the additional units issued by the REIT after such date and the units that are locked in at the time of initial offer shall continue to be locked in till the completion of three years from the date of listing of units in such initial offer.]

[117][(3A) The units required to be held in terms of sub-regulation (3) shall be locked in and shall not be encumbered:

Notwithstanding the above, any encumbrance created on units held to comply with the minimum unit holding requirement applicable before the date of coming into effect of the

[117] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, may continue if the encumbrance exist on such date.]

[118][Provided that locked-in units held by a sponsor or its sponsor group entities may be transferred only amongst such sponsor or its sponsor group entities subject to the condition that lock-in on such units shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such units till the time the lock-in period has expired.

Explanation: — In case of a REIT with multiple sponsors, the locked in units held by a sponsor or its sponsor group entities can be transferred only amongst such sponsor or its own sponsor group entities and shall not be transferred to any other sponsor or their sponsor group entities:

Provided further that in case of change in sponsor, locked-in units held by the outgoing sponsor or its sponsor group entities may be transferred to the incoming sponsor or its sponsor group entities subject to the condition that the incoming sponsor or its group entities shall meet the minimum unitholding requirements after the transfer:

Provided further that in case of conversion to self-sponsored manager, locked-in units held by the outgoing sponsor or its sponsor group entities may be transferred to the self-sponsored manager or its shareholders or group entities of self-sponsored manager subject to the condition that the self-sponsored manager or its shareholders or group entities of self-sponsored manager shall meet the minimum unitholding requirements after the transfer.]

(4) [119][***] [120][Notwithstanding anything contained in any contract or agreement, the sponsor(s) and the sponsor group(s) shall continue to be liable to the REIT, trustees and unit

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[118] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[119] Omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to its omission, the sub-regulation read as under :

"(4) If the sponsor(s) [and sponsor group(s)] propose(s) to sell its units below the limit specified in clauses (b) or (c) of sub-regulation (3) of this regulation-

(a) such units shall be sold only after a period of three years from the date of listing of the units;

(b) prior to sale of such units, the sponsor(s) [and sponsor group(s)] shall arrange for another person(s) or entity(ies) to act as the re-designated sponsor(s) where the re-designated sponsor shall satisfy the eligibility norms for the sponsor as specified under [regulation 4]:

Provided that such units may also be sold to an existing sponsor;

(c) The [***]proposed redesignated sponsor shall obtain approval from the unit holders or provide option to exit to the unit holders in accordance with guidelines as may be specified:

Provided that this clause shall not apply where the units are proposed to be sold to an existing sponsor [or member of sponsor group]."

[120] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2022 w.e.f. 09.11.2022.

holders for all acts of commission or omission, representation or covenants related to the formation of the REIT and the sale or transfer of assets or holdco or SPV to the REIT.]

(5) [121][***]

Rights and responsibilities of the valuer.

12. The valuer(s) shall comply with the following conditions at all times-

(a) The valuer(s) shall ensure that the valuation of the REIT assets is impartial, true and fair and is in accordance with regulation 21;

(b) The valuer(s) shall ensure adequate and robust internal controls to ensure the integrity of its valuation reports;

(c) The valuer(s) shall ensure that it has sufficient key personnel with adequate experience and qualification to perform property valuations at all times;

(d) The valuer(s) shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;

(e) The valuer(s) and any of its employees involved in valuing of the assets of the REIT, shall not,-

(i) invest in units of the REIT or in the assets being valued; and

(ii) sell the assets or units of REITs held prior to being appointed as the valuer,

till the time such person is designated as valuer of such REIT and not less than six months after ceasing to be valuer of the REIT;

(f) The valuer(s) shall conduct the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;

(g) The valuer(s) shall act with independence, objectivity and impartiality in performing the valuation;

(h) The valuer(s) shall discharge its duties towards the REIT in an efficient and competent manner, utilizing his knowledge, skills and experience in best possible way to complete given assignment;

[121] Omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to its omission, the sub-regulation read as under :

"(5) If re-designated sponsor(s) propose(s) to sell its units to any another person, conditions specified under clauses (b), and (c) of sub-regulation (4) shall be complied with."

(i) The valuer(s) shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the REIT or its authorized representative;

(j) The valuer(s) shall before accepting any assignment, [122][from any related party to the REIT, shall] disclose to the REIT any direct or indirect consideration which the valuer may have in respect of such assignment;

(k) The valuer shall disclose to the trustee, any pending business transactions, contracts under negotiation and other arrangements with the manager or any other party whom the REIT is contracting with and any other factors that may interfere with the valuer's ability to give an independent and professional valuation of the property;

(l) The valuer(s) shall not make false, misleading or exaggerated claims in order to secure assignments;

(m) The valuer(s) shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;

(n) The valuer(s) shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the REIT;

(o) The valuer(s) shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

Rights and responsibilities of the auditor.

13. (1) The auditor shall conduct audit of the accounts of the REIT and prepare the audit report based on the accounts examined by him and after taking into account the relevant accounting and auditing standards, as may be specified by the Board.

(2) The auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements, including profit or loss and cash flow for the period and such other matters as may be specified, give a true and fair view of the state of the affairs.

(3) The auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the REIT.

(4) The auditor shall have a right to require such information and explanation pertaining to activities of the REIT as he may consider necessary for the performance of his duties as auditor

[122] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

from the employees of REIT or parties to the REIT or [123][holdco or] SPV or any other person in possession of such information.

[124][(5) The auditor shall undertake a limited review of the audit of all the entities or companies whose accounts are to be consolidated with the accounts of the REIT as per the applicable Indian Accounting Standards (Ind AS) and any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, in such manner as may be specified by the Board.]

CHAPTER IV

ISSUE AND LISTING OF UNITS

Issue and allotment of units.

14. (1) A REIT shall make an initial offer of its units by way of public issue only.

(2) No initial offer of units by the REIT shall be made unless,-

(a) the REIT is registered with the Board under these regulations;

(b) the value of [125][the REIT assets] is not less than five hundred crore rupees;

Explanation.- Such value shall mean the value of the specific portion of the holding of REIT in the underlying assets or [126][] SPVs;

[127][(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;]

[128][(bb) maximum subscription from any investor other than sponsor(s), its related parties and its associates shall not be more than 25 percent of the total unit capital;]

(c) [129][***]

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[123] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[124] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 14.02.2023.

[125] Substituted for "all the assets owned by REIT" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[126] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[127] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[128] Inserted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[129] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub- clause (c) read as under :

"the units proposed to be offered to the public is 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:

Provided that for initial offer of value greater than five hundred crore rupees, if prior to the initial offer units of the REIT are held by the public, the units proposed to be offered to the public shall be calculated after reducing such existing units for satisfying the aforesaid percentage requirement;"

(d) the offer size is not less than two hundred and fifty crore rupees:

Provided that the requirement of ownership of assets under clause (b) and size of REIT under clause (d) may be complied [130][at any point of time before allotment of units in accordance with offer document/placement memorandum] subject to a binding agreement with the relevant party(ies) that [131][such] requirements shall be fulfilled prior to [132][such] allotment of units[133][and], a declaration to the Board and [134][to] the designated stock exchanges to that effect and adequate disclosures in this regard in the [135][***] offer document.

[136][(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:

[137][***]

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[130] Substituted for "with after initial offer" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[131] Substituted for "the" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[132] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[133] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[134] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[135] Omitted "initial" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[136] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[137] The words "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:" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

Provided [138][***] 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.]

(3) Any subsequent issue of units by the REIT may be by way of follow-on offer, preferential allotment, qualified institutional placement, rights issue, bonus issue, offer for sale or any other mechanism and in the manner as may be specified by the Board.

(4) REIT, through the [139][merchant banker], shall file a draft offer document [140][along with the fee as specified in Schedule II,] with the designated stock exchange(s) and the Board, not less than [141][thirty] working days before filing the [142][***] offer document with the designated stock exchange [143][and the Board].

(5) The draft offer document filed with the Board shall be made public, for comments, if any, [144][***] by hosting it on the websites of the Board, designated stock exchanges and merchant bankers associated with the issue [145][, for a period of not less than twenty one days].

(6) The [146][draft offer document and/ or offer document] shall be accompanied by a due diligence certificate signed by the [147][***] lead merchant banker.

(7) The Board may communicate its comments to the lead merchant banker and, in the interest of investors, may require the lead merchant banker to carry out such modifications in the draft offer document as it deems fit.

(8) The lead merchant banker shall ensure that all comments received from the Board on the draft offer document are suitably taken into account prior to the filing of the offer document with the designated stock exchanges.

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[138] The word "further" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[139] Substituted for "manager" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[140] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[141] Substituted for "twenty one" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[142] Omitted "final" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[143] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[144] Omitted "to be submitted to the Board, within a period of at least ten days," by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[145] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[146] Substituted for "draft and final offer document" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[147] Omitted "Manager and" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(9) In case no [148][observations] are [149][issued] by the Board [150][on] the draft offer document within twenty one working days from the date of receipt of satisfactory reply from the lead merchant bankers or manager, the REIT may [151][file] the [152][***] offer document or follow-on offer document [153][with the Board and the exchange(s)]:

[154][***]

(10) The [155][***] offer document shall be filed with the designated stock exchanges and the Board not less than five working days before opening of the offer [156][***].

(11) The initial offer or follow-on offer [157][or rights issue] shall be made by the REIT within a period of not more than [158][one year] from the date of [159][***] issuance of observations by the Board [160][***]:

Provided that if the initial offer or follow-on offer [161][or rights issue] is not made within the specified time period, a fresh [162][draft] offer document shall be filed.

[163][Provided further that the REIT shall not be required to file draft offer document with the Board in case of a fast track rights issue, subject to the fulfillment of the conditions as specified by the Board from time to time.]

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[148] Substituted for "modifications" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[149] Substituted for "suggested" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[150] Substituted for "in" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[151] Substituted for "issue" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[152] Omitted "final" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[153] Substituted for "to the public" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[154] Omitted "Provided that prior to issue of such final offer document, it shall be filed with the designated stock exchanges and with the Board." by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[155] Omitted "final" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[156] Omitted "and such filing with the Board shall be accompanied by filing fees as specified under Schedule II" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[157] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[158] Substituted for "six months" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[159] Omitted "last" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[160] Omitted ", if any or if no observations have been issued by the Board, within a period of not more than six months from the date of filing of offer document with the designated stock exchanges" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[161] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[162] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[163] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2020, w.e.f. 02.03.2020

(12) The REIT may invite for subscriptions and allot units to any person, whether resident or foreign:

Provided that in case of foreign investors, such investment shall be subject to guidelines as may be specified by Reserve Bank of India and the government from time to time.

[164][(12A) Depository Receipts may be issued on units of a REIT subject to compliance with these regulations and in such manner as may be specified by the Board.]

(13) The application for subscription shall be accompanied by a statement containing the abridged version of the offer document, detailing the risk factors and summary of the terms of issue.

(14) The minimum subscription [165][amount] from any investor in initial [166][and follow-on offer shall fall in the range of ten thousand rupees to fifteen thousand rupees].

(15) Initial offer and follow-on offer shall not be open for subscription for a period of more than thirty days.

(16) In case of over-subscriptions, the REIT shall allot units to the applicants on a proportionate basis rounded off to the nearest integer subject to minimum subscription amount per subscriber as specified in sub-regulation (14).

(17) The REIT shall allot units or refund application money, as the case may be, within twelve working days from the date of closing of the issue.

(18) The REIT shall issue units only in dematerialized form to all the applicants.

(19) The price of REIT units issued by way of public issue shall be determined through the book building process or any other process in accordance with the circulars or guidelines issued by the Board and in the manner as may be specified by the Board.

(20) The REIT shall refund money, -

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[164] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f . 15.10.2026.

[165] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2021, w.e.f. 30.07.2021.

[166] Substituted for "and/or public offer shall be rupees fifty thousand" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2021, w.e.f. 30.07.2021. Sub-regulation (14) was earlier substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2019, w.e.f. 22.4.2019. Prior to the substitution, sub-regulation (14) read as follows: *"(14) Under both the initial offer and follow-on public offer, the REIT shall not accept subscription of an amount less than two lakh rupees from an applicant."*

(a) to all applicants in case it fails to collect subscription amount of exceeding [167][ninety] per cent. of the [168][fresh] issue size as specified in the [169][***] offer document [170][***];

(b) to applicants to the extent of oversubscription in case the moneys received is in excess of the extent of over-subscription as specified in the [171][***] offer document:

Provided that right to retain such over subscription cannot exceed twenty five per cent. of the issue size;

[172][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.]

(c) to all applicants in case the number of subscribers to the initial offer forming part of the public is less than two hundred.

(21) If the manager fails to allot, or list the units, or refund the money within the specified time, then the manager shall pay interest to the unit holders at fifteen per cent. per annum, till such allotment/ listing/refund and such interest shall not be recovered in the form of fees or any other form payable to the manager by the REIT.

(22) Units may be offered for sale to public,-

(a) if such units have been held by the existing unitholders for a period of at least one year prior to the filing of draft offer document with the Board:

Provided that the holding period for the equity shares [173][, compulsorily convertible securities (from the date such securities are fully paid-up)] or partnership interest in the [174][holdco and/or] SPV against which such units have been received shall be considered for the purpose of calculation of one year period referred in this sub-regulation:

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[167] Substituted for "seventy five" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[168] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[169] Omitted "initial" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[170] Omitted "or follow-on offer document" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[171] Omitted "initial offer document or follow-on" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[172] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[173] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[174] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[175][Provided further that the compulsorily convertible securities, whose holding period has been included for the purpose of calculation for offer for sale, shall be converted to equity shares of the holdco or SPV, prior to filing of offer document.]

(b) subject to other circulars or guidelines as may be specified by the Board in this regard.

[176][(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.]

(23) If the REIT fails to make its initial offer within three years from the date of registration with the Board, it shall surrender its certificate of registration to the Board and cease to operate as a REIT:

Provided that the Board, if it deems fit, may extend the period by another one year:

Provided further that the REIT may later re-apply for registration, if it so desires.

(24) The Board may specify by issue of guidelines or circulars any other requirements, as it deems fit, pertaining to issue and allotment of units by a REIT.

Offer document and advertisements.

15. (1) The Offer document of the REIT shall contain material, true, correct and adequate disclosures to enable the investors to make an informed decision.

(2) Without prejudice to the generality of sub-regulation (1), the offer document shall-

(a) include all information as specified in Schedule III to these regulations or as specified in any circulars or guidelines issued by the Board in this regard;

(b) not be misleading and not contain any untrue statements or mis-statements;

(c) not provide for any guaranteed returns to the investors;

(d) include such other disclosures as may be specified by the Board.

(3) Any advertisement material relating to any issue of units of the REIT shall not be misleading and shall not contain anything extraneous to the contents of the offer document.

(4) If an advertisement contains positive highlights, it shall also contain risk factors with equal importance in all aspects including print size.

(5) The advertisements shall be in accordance with the offer document and any circulars or guidelines as may be specified by the Board in this regard.

[175] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[176] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

Listing and trading of units.

16. (1) After the initial offer it shall be mandatory for all units of REITs to be listed on a recognized stock exchange having nationwide trading terminals within a period of twelve working days from the date of closure of the offer.

(2) The listing of the units of the REIT shall be in accordance with the listing agreement entered into between the REIT and the designated stock exchange.

[177][(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.]

(3) The units of the REIT listed in recognized stock exchanges shall be traded, cleared and settled in accordance with the bye-laws of concerned stock exchanges and such conditions as may be specified by the Board.

(4) Trading lot for the purpose of trading of units of the REIT shall consist of [178][one unit].

(5) The REIT shall redeem units only by way of a buy-back or at the time of delisting of units.

(6) The units of REIT shall be remain listed on the designated stock exchange unless delisted under regulation 17.

(7) The minimum public holding for the units of the listed REIT shall be [179][in accordance with the sub-regulation (2A) of Regulation 14], failing which action may be taken as may be specified by the Board and by the designated stock exchange including delisting of units under regulation 17:

Provided that in case of breach of the conditions specified in this sub-regulation, the trustee may provide a period of six months to the manager to rectify the same, failing which the manager shall apply for delisting under Regulation 17.

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[177] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[178] Substituted for "100 units" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2021, w.e.f. 30.07.2021. Prior to the substitution, "consist of 100 units" were substituted for "be one lakh rupees" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2019, w.e.f. 22.4.2019.

[179] Substituted for "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" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

(8) Any person other than the sponsor(s) holding units of the REIT prior to initial offer shall hold the units for a period of not less than one year from the date of listing of the units subject to circulars or guidelines as may be specified by the Board.

(9) The Board and designated stock exchanges may specify any other requirements pertaining to listing and trading of units of the REIT by issuance of guidelines or circulars.

Delisting of units.

17. (1) The manager shall apply for delisting of units of the REIT to the Board and the designated stock exchanges if,-

(a) the public holding falls below the specified limit under sub-regulation (7) of regulation 16;

(b) [180][***]

(c) if there are no projects or assets remaining under the REIT for a period exceeding six months and REIT does not propose to invest in any project in future:

Provided that**,** the period may be extended by further six months, with the approval of unit holders in the manner as specified in regulation 22;

(d) the Board or the designated stock exchanges require such delisting for violation of the listing agreement or these regulations or the Act;

(e) the sponsor(s) or trustee requests such delisting and such request has been approved by unit holders in accordance with sub-regulation (6) of regulation 22;

(f) unit holders apply for such delisting in accordance with regulation 22;

(g) the Board or the designated stock exchanges require such delisting for violation of the listing agreement, these regulations or the Act or in the interest of the unit holders.

(2) The Board and the designated stock exchanges may consider such application for approval or rejection as may be appropriate in the interest of the unit holders.

(3) The Board, instead of requiring delisting of the units, if it deems fit, may provide additional time to the REIT or parties to the REIT to comply with regulations.

(4) The Board may reject the application for delisting and take any other action, as it deems fit, under these regulations or the Act for violation of the listing agreement or these regulations or the Act.

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[180] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub- clause (b) read as under :

"the number of unit holders of the REIT forming part of the public falls below two hundred;"

(5) The procedure for delisting of units of REIT including provision of exit option to the unit holders shall be in accordance with the listing agreement and in accordance with procedure as may be specified by the Board and by the designated stock exchanges from time to time.

(6) The Board may require the REIT to wind up and sell its assets in order to redeem units of the unit holders for the purpose of delisting of units and the Board may through circulars or guidelines specify the manner of such winding up or sale.

(7) After delisting of its units, the REIT shall surrender its certificate of registration to the Board and shall no longer undertake activity of a REIT:

Provided that the REIT and parties to the REIT shall continue to be liable for all their acts of omissions and commissions with respect to activities of the REIT notwithstanding such surrender.

[181][CHAPTER IVA

FRAMEWORK FOR UNIT BASED EMPLOYEE BENEFIT SCHEME

Applicability

17A. (1) The provisions of this chapter shall be applicable for all unit based employee benefit scheme introduced on or after the date of this chapter coming into force:

Provided that the provisions pertaining to disclosure requirements in this chapter shall apply to any unit based employee benefit scheme introduced prior and subsisting as on the date of this chapter coming into force.

(2) For unit based employee benefit scheme introduced prior to this chapter coming into force, any unit acquired or any unit based employee benefit options granted by any employee benefit trust after the date of this chapter coming into force, shall be in compliance with this chapter.

Nature of scheme and implementation of scheme through trust.

17B. (1) The unit based employee benefit scheme shall be in the nature of employee unit option scheme.

(2) Any offer of a unit based employee benefit scheme by the manager shall not result in any additional cost to the REIT, its HoldCo and SPV.

(3) The unit based employee benefit scheme shall be implemented through a separate

[181] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

employee benefit trust which shall be created by the manager.

(4) The manager shall ensure that the trust deed under which the employee benefit trust is formed contains provisions as specified in Part A of Schedule X of these regulations.

Manner of receiving units by the employee benefit trust.

17C. (1) The employee benefit trust may receive units of the REIT in the following manner for the purpose of offering unit based employee benefit scheme:

(a) The manager may receive the units of REIT in lieu of management fees, through the employee benefit trust, only for the limited purpose of providing unit based employee benefit on such units;

Explanation. – For the above purpose, the manager may take full or part of the management fees in the form of units of REIT.

(b) A shareholder of manager may transfer full or part of the units of REIT held by it to the employee benefit trust;

Provided that in case a sponsor is also a shareholder of the manager, then sponsor group and associate of the sponsor may also transfer full or part of the units held by them to the employee benefit trust;

(c) The manager may transfer full or part of the units of REIT held by it to the employee benefit trust;

Explanation. – For the purpose of clauses (b) and (c), any transfer of units to the employee benefit trust shall be irrevocable and without any consideration in return i.e. shall constitute a gift to the employee benefit trust.

(2) Subordinate units shall not be eligible for being transferred to the employee benefit trust or being made part of a unit based employee benefit scheme.

(3) The cash accumulated by the employee benefit trust on account of distributions received on units of the REIT held by such trust, income earned on the assets held by the employee benefit trust and receipt of exercise price from the employees of the manager on exercise of options, may be used by the employee benefit trust for acquiring units of the REIT either from the secondary market or during any fresh issuance of units by the REIT only for the purpose of using such units for unit based employee benefit

scheme.

(4) The employee benefit trust may subscribe to the units of the REIT subject to compliance with the minimum lot for primary market transaction specified under these regulations.

Secondary acquisition.

17D. (1) The employee benefit trust shall not be used as a mode for trading in units of the REIT.

(2) Secondary acquisition in a financial year by the employee benefit trust shall not exceed two per cent of the total outstanding units of the REIT as at the end of the previous financial year.

Explanation. - "secondary acquisition" means acquisition of existing units of the REIT by the employee benefit trust on the platform of a recognised stock exchange for cash consideration for the purpose of unit based employee benefit scheme.

(3) The total number of units under secondary acquisition held by the employee benefit trust shall at no point of time exceed five per cent of the total outstanding units of the REIT as at the end of the financial year immediately prior to the year in which the unitholders approval is obtained for such secondary acquisition:

Provided that the above ceiling limit shall exclude the units that are allotted to the employee benefit trust by way of a new issue or gift.

(4) The manager shall obtain approval of unitholders for secondary acquisition as per sub-regulation (6) of regulation 22 of these regulations.

(5) The employee benefit trust shall be required to hold the units acquired through secondary acquisition for a minimum period of six months.

(6) The employee benefit trust shall disclose the period during which it plans to undertake secondary acquisition, in advance of at least seven working days (excluding the date of intimation and the date of start of such period), to the recognised stock exchanges and the depositories.

(7) The employees of the manager shall not sell units of the REIT held by them during the period referred in sub-regulation (6).

(8) The manager shall submit a list of its employees to the depositories along with

relevant details of the employees including their Income Tax Permanent Account Number, in advance of at least seven working days (excluding the date of intimation and the date of start of the period during which the employee benefit trust plans to undertake secondary acquisition).

(9) The depositories shall impose lock-in on the holdings of units of REIT by such employees and the lock-in shall be released after the period during which the employee benefit trust plans to undertake secondary acquisition, as disclosed to the recognised stock exchanges and depositories has elapsed.

Manner of allotment of units to the employee benefit trust by the REIT.

17E. (1) A manager of any REIT that allots units to the employee benefit trust in lieu of management fees shall ensure the following:

(a) obtaining the approval of unitholders as per sub-regulation (6) of regulation 22 of these regulations before issuance of units to the employee benefit trust;

(b) issuance of units to the employee benefit trust only once in a financial year, within ninety days after the completion of the annual valuation exercise;

(c) issuance of units to the employee benefit trust in compliance with the guidelines for preferential issue of units specified by the Board;

(d) allotting such units of REIT directly to the employee benefit trust so that these units are used exclusively for unit based employee benefit scheme.

Role of nomination and remuneration committee.

17F. (1) The nomination and remuneration committee of the manager shall be responsible for the administration and superintendence of the unit based employee benefit scheme.

(2) The nomination and remuneration committee shall formulate the detailed terms and conditions of the unit based employee benefit scheme which shall include the provisions as specified in Part B of Schedule X of these regulations.

(3) The nomination and remuneration committee of the manager shall frame suitable policies and procedures to ensure compliance with all securities laws particularly the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the

manager, its directors, its key managerial personnel, sponsor, recipients of units under the unit based employee benefit scheme, employee benefit trust and trustee of the employee benefit trust.

Variation of terms of the scheme.

17G. (1) The manager may vary the terms of the unit based employee benefit scheme offered pursuant to an earlier resolution of the unitholders but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees.

(2) The manager shall obtain the approval of unitholders as per sub-regulation (6) of regulation 22 of these regulations for variation of the terms of the unit based employee benefit scheme.

(3) Notwithstanding the provisions of sub-regulation (1), the manager may vary the terms of the unit based employee benefit scheme to fulfil any legal or regulatory obligation without seeking unitholders' approval.

(4) The explanatory statement to the notice for passing a resolution for variation of terms of a unit based employee benefit scheme and the resolution proposed to be passed by the unitholders shall disclose complete details of the variation, the rationale therefor, details of the employees who are beneficiaries of such variation and information as specified in Part C of Schedule X of these regulations or as otherwise specified by the Board.

(5) The manager may reprice the options which are not exercised, whether or not they have been vested, if the scheme was rendered unattractive due to fall in the price of the units in the stock market:

Provided that the manager shall ensure that such repricing is not detrimental to the interests of the employees and approval of the unitholders has been obtained for such repricing as per sub-regulation (6) of regulation 22.

Listing.

17H. (1) In case a new issue of units is made under any unit based employee benefit scheme, units so issued shall be listed immediately on all recognised stock exchange(s) where the existing units are listed, subject to the following conditions:

(a) The scheme is in compliance with these regulations;

(b) A statement, as specified in Part D of Schedule X of these regulations, is filed and the manager obtains an in-principle approval from the recognised stock exchange(s);

(c) As and when an exercise is made, the manager notifies the concerned recognised stock exchange(s) as per the statement as specified in Part E of Schedule X of these regulations.

Trustee of the employee benefit trust.

17I. (1) The trustee of the employee benefit trust shall be a trustee registered with the Board under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

(2) The trustee of the REIT shall not act as the trustee of the employee benefit trust.

(3) The employee benefit trust or its trustee shall not be eligible to vote on account of the units of the REIT held by such trust.

Insider trading norms.

17J. (1) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 shall be applicable to the manager, its directors, its key managerial personnel, sponsor, recipients of units under the unit based employee benefit scheme, the employee benefit trust and trustee of the employee benefit trust.

(2) The relaxations and exemptions provided under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in relation to employee stock option scheme shall mutatis-mutandis apply to the unit based employee benefit scheme offered in accordance with this chapter.

(3) The trading window restrictions specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall not apply in respect of issue of units by the REIT to the employee benefit trust, in lieu of management fees, for providing unit based employee benefit in accordance with this chapter.

Other requirements.

17K. (1) The units held by the employee benefit trust shall be used only for the purpose of offering unit based employee benefit scheme.

(2) The employee benefit trust shall not undertake any transfer or sale of units of the REIT held by it except for providing unit based employee benefits in accordance with this chapter.

(3) The units of the REIT transferred to the employee benefit trust shall be locked in by the depository and shall be released by the depository only for the transfer of units to the employees of the manager as per the unit based employee benefit scheme.

(4) There shall be a minimum vesting period of one year for unit based employee benefit scheme.

(5) The unappropriated inventory of units which are not backed by grants, acquired through secondary acquisition by the employee benefit trust, shall be appropriated within a reasonable period which shall not extend beyond the end of the subsequent financial year, or the second subsequent financial year:

Provided that the extension upto the second subsequent financial year shall be subject to the approval of the nomination and remuneration committee of the manager.

(6) No unit based employee benefit scheme shall be offered unless the disclosures as specified in Part G of Schedule X of these regulations are made by the manager to the prospective option grantees.

(7) The manager implementing unit based employee benefit scheme shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

(8) The manager granting options to its employees pursuant to a unit based employee benefit scheme shall be free to determine the exercise price subject to conforming to the accounting policies specified in sub-regulation (7) of this regulation.

(9) The manager shall ensure that the explanatory statement to the notice prepared for convening a meeting of unitholders to obtain their approval for a unit based employee benefit scheme and the resolution proposed to be passed by the unitholders contain the

information as specified in Part C of Schedule X of these regulations or as otherwise specified by the Board.

(10) The cash accumulated by the employee benefit trust shall be deployed in liquid assets, which shall be unencumbered.

(11) The unitholding of the employee benefit trust shall be shown as "non-sponsor and non-public" unitholding for the purpose of disclosure to the recognised stock exchanges.

(12) In case of change in manager, the outgoing manager shall no longer receive management fees or units in lieu of management fees from the REIT and accordingly shall not offer any fresh unit based employee benefit scheme based on the units of such REIT.

(13) In case of change in manager, the employee benefit trust of the outgoing manager shall sell and/or dispose off he units held by it within six months from the date of change of the manager.

Disclosures.

17L. (1) The manager shall disclose details of the unit based employee benefit scheme being implemented in the Annual Report of the REIT, as specified in Part F of Schedule X of these regulations.

(2) The manager shall include the value of options granted under a unit based employee benefit scheme as a part of its employee compensation and shall disclose the same in the Annual Report.]

CHAPTER V

INVESTMENT CONDITIONS, RELATED PARTY TRANSACTIONS, BORROWING AND VALUATION OF ASSETS

Investment conditions and distribution policy.

18. (1) The Investment by a REIT shall only be in [182][holdco and/or] SPVs or properties or securities or TDR in India in accordance with these regulations and in accordance with the investment strategy as detailed in the offer document as may be amended subsequently.

[182] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(2) The REIT shall not invest in vacant land or agricultural land or mortgages other than mortgage backed securities:

Provided that this shall not apply to any land which is contiguous and extension of an existing project being implemented in stages.

(3) The REIT may invest in properties through SPVs subject to the following,-

(a) no other shareholder or partner of the SPV shall [183][exercise] any rights that prevents the REIT from complying with the provisions of these regulations [184][and an agreement [185][has been] entered into with such shareholders or partners to that effect prior to investment in the SPV]:

[186][Provided that the shareholders' agreement or partnership agreement shall provide for an appropriate mechanism for resolution of disputes between the REIT and the other shareholders or partners in the SPV:

Provided further that the provisions of these regulations shall prevail in case of inconsistencies between such agreement(s) and the obligations cast upon a REIT under these regulations.]

[187][(b) the manager, in consultation with the trustee, shall appoint atleast such number of nominees on the board of directors or the governing board of such SPVs, as applicable, which are in proportion to the shareholding or holding interest of the REIT in the SPV;]

(c) the manager shall ensure that in every meeting including annual general meeting of the SPV, the voting of the REIT is exercised [188][***].

[189][(3A) The REIT may invest in properties through holdco subject [190][to] the following,-

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[183] Substituted for the word "have" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[184] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[185] Substituted for the words "shall be" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[186] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[187] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018. Prior to the substitution, the clause read as:

"(b) the manager, in consultation with the trustee, shall appoint the majority of the Board of directors or governing board of such SPVs[, as applicable;"

[188] Omitted "subject to provisions of Companies Act, 2013" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[189] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[190] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

(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 [191][exercise] any rights that prevent the REIT, the holdco or the SPV(s) from complying with the provisions of these regulations and an agreement [192][has been] entered into with such shareholders or partners to that effect prior to investment in the holdco and/or SPVs:

[193][Provided that the shareholders' agreement or partnership agreement shall provide for an appropriate mechanism for resolution of disputes between the REIT and the other shareholders or partners in the holdco and/or SPV;

Provided further that the provisions of these regulations shall prevail in case of inconsistencies between such agreement(s) and the obligations cast upon a REIT under these regulations.]

[194][(c) the manager, in consultation with the Trustee, shall appoint atleast such number of nominees on the board of directors or the governing board of the holdco and/or the SPV, which are in proportion to the shareholding or holding interest of the REIT/holdco in the SPV;]

(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;]

(4) Not less than eighty per cent. of value of the REIT assets shall be invested [195][***] in completed and rent [196][and/or income] generating properties subject to the following,-

(a) if the investment has been made through a [197][holdco and/or] SPV, whether by way of equity or debt or equity linked instruments or partnership interest, only the portion of direct investments in properties by such [198][holdco and/or] SPVs shall

[191] Substituted for the word "have" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[192] Substituted ibid for the words "shall be".

[193] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[194] Substituted ibid. Prior to the substitution, the clause read as:

"(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);"

[195] Omitted "proportionate to the holding of the REITs" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[196] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[197] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[198] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

be considered under this sub-regulation and the remaining portion shall be included under sub-regulation (5);

(b) if any project is implemented in stages, the part of the project which is completed and [199][rent and/or income generating] shall be considered under this sub-regulation and the remaining portion including any contiguous land as specified under proviso to sub-regulation (2) shall be included under clause (a) of sub-regulation (5).

(5) Not more than twenty per cent. of value of the REIT assets shall be invested [200][***] in assets other than as provided in sub-regulation (4) and such other investment shall only be in,-

(a) properties, [201][whether directly or through a company or LLP,] [202][***] which are:

(i) under-construction properties which shall be held by the REIT for not less than three years after completion;

(ii) under-construction properties which are a part of the existing income generating properties owned by the REIT which shall be held by the REIT for not less than three years after completion;

(iii) completed and not rent generating properties which shall be held by the REIT for not less than three years from date of purchase;

(b) listed or unlisted debt of companies or body corporate in real estate sector:

Provided that this shall not include any investment made in debt of the [203][holdco and/or SPVs];

(c) mortgage backed securities;

(d) equity shares of companies [204][which are] listed on a recognized stock exchange in India which derive not less than seventy five per cent. of their operating income from real estate activity as per the audited accounts of the previous financial year;

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[199] Substituted for the words "rent-generating" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[200] Omitted "proportionate to the holding of the REITs" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[201] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[202] Omitted "in which not more than ten per cent. of value of the REIT assets shall be invested," by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[203] Substituted for "SPV" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[204] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[205][(da) unlisted equity shares of companies which derive not less than seventy five per cent. of their operating income from real estate activity as per the audited accounts of the previous financial year:

Provided that the investments, made through unlisted equity shares of a company, in under construction properties and/or completed and not rent generating properties, shall be in compliance with clause (a) of this sub-regulation[206][:]]

[207][Provided further that no investment under this clause shall be made on and after the date of coming into effect of the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025.]

[(db) unlisted equity shares of a company which provides property management/ property maintenance/housekeeping and other incidental services subject to the following conditions:

i. such services are provided exclusively to the REIT, its HoldCo(s) and SPV(s);

Provided that in case of business parks, townships and other real estate projects, such services may be provided to other entities which are contiguous within the project subject to the following conditions:

a. revenue earned from other entities shall not exceed 20 per cent. of the total revenue of the company providing such services;
b. the basis for fees/charges charged to other entities and charged to the REIT and its HoldCo(s) and SPV(s) shall be identical and uniform; and
c. appropriate disclosures are made by the REIT in the annual report in this regard.

ii. the entire shareholding or interest in such company is held by REIT either directly or through its HoldCo(s) or SPV(s).

(e) government securities;

(f) unutilized FSI of a project where it has already made investment;

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[205] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[206] Substituted for the symbol "." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[207] Inserted, *ibid*.

(g) TDR acquired for the purpose of utilization with respect to a project where it has already made investment;

(h) money market instruments or cash equivalents.

[208][(i) units of liquid mutual funds schemes where the credit risk value is at least [209][10] and which falls under the Class A-I [210][or Class B-I] in the potential risk class matrix as specified by the Board.

(j) interest rate derivatives, including interest rate futures, forward rate contract and interest rate swap, subject to the following conditions:

A. investment in interest rate derivative shall be solely to hedge an underlying interest rate risk in the existing borrowings which qualifies as an effective hedge as per the applicable Indian Accounting Standards;

B. that such investment shall only be made as a user or a client of such interest rate derivative, and shall not be in the nature of market making;

C. adequate disclosures regarding investment in interest rate derivative shall be made in the annual report;

D. for valuation of the investment in interest rate derivative, norms applicable for Mutual Funds shall be followed; and

E. the requirements applicable to the clients or users of interest rate derivatives, including those specified by the Reserve Bank of India, are complied with.

(k) [211][***]]

[212][(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.]

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[208] Inserted, *ibid*.

[209] Substituted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 w.e.f. 18.04.2026. Prior to its substitution it read as '*12*'.

[210] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 w.e.f. 18.04.2026.

[211] Omitted vide the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f. 15.10.2026. Prior to its omission, clause (k) read as under –

"(k) equity shares of a company exclusively holding common infrastructure subject to the condition that the REIT, its HoldCo(s) and/or SPV(s) shall own entire shareholding and interest in such company."

[212] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[213][(5B) A REIT may, either directly or through its HoldCo(s) or SPV(s), invest in assets falling under the purview of infrastructure if holding of such infrastructure asset is to earn fixed rental income from leasing out of such asset without assumption of any risk or reward arising out of or related to the operation of such asset.

Explanation: ─ The list of illustrative conditions to ensure conformity with the aforementioned principle have been specified in Schedule XI.]

(6) Not less than [214][fifty one] per cent. of the [215][consolidated] revenues of the REIT [216][, holdco] and the SPV, other than gains arising from disposal of properties, shall be, at all times, from rental, leasing and letting real estate assets or any other income incidental to the leasing of such assets.

[217][***]

[218][***]

(9) Conditions specified in sub-regulations (4), (5), (6), (7) and (8) shall be monitored on a half-yearly basis and at the time of acquisition of an asset:

Provided that if such conditions are breached on account of market movements of the price of the underlying assets or securities or change in tenants or expiry of lease or sale of properties, the manager shall inform the same to the trustee and ensure that the conditions as specified in this regulation are satisfied within six months of such breach:

Provided further that the period may be extended by another six months subject to approval from investors in accordance with regulation 22.

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[213] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[214] Substituted for "seventy five" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[215] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[216] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[217] Omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018. Prior to omission, the clause read as:

"(7) Not less than seventy five per cent. of value of the REIT assets proportionately on a consolidated basis shall be rent generating."

[218] Omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017. Prior to the omission, the sub-regulation read as follows:

"(8) A REIT shall hold at least two projects, directly or through [218][holdco and/or] SPV, with not more than sixty per cent. of the value of the assets, proportionately on a consolidated basis, in one project."

(10) A REIT shall hold any completed and rent generating property, whether directly or through [219][holdco or] SPV, for a period of not less than three years from the date of purchase of such property by the REIT or [220][holdco or] SPV.

(11) For any sale of property, whether by the REIT or [221][holdco or] the SPV or for sale of shares or interest in the SPV by the [222][holdco or] REIT exceeding ten per cent. of the value of REIT assets in a financial year, the manager shall obtain approval from the unit holders in accordance with regulation 22.

(12) A REIT shall not invest in units of other REITs.

(13) A REIT shall not undertake lending to any person [223][other than the holding company/special purpose vehicle(s) in which the REIT has invested in, subject to disclosures specified in Schedule IV]:

Provided that investment in debt securities shall not be considered as lending.

(14) With respect to investment in leasehold properties, the manager shall consider the remaining term of the lease, the objectives of the REIT, the lease profile of the REIT's existing real estate assets and any other factors as may be relevant, prior to making such investment.

(15) In case of any co-investment with any person(s) in any transaction,-

(a) the investment by the other person(s) shall not be at terms more favourable than those to the REIT;

(b) the investment shall not provide any rights to the person(s) which shall prevent the REIT from complying with the provisions of these regulations;

(c) the agreement with such person(s) shall include the minimum percentage of distributable cash flows that will be distributed and entitlement of the REIT to receive not less than pro rata distributions and mode for resolution of any disputes between the REIT and the other person(s).

(16) With respect to distributions made by the REIT and the [224][holdco and/or] SPV,-

(a) not less than ninety per cent. of net distributable cash flows of the SPV shall be distributed to the REIT [225][/holdco] in proportion of its holding in the SPV subject to applicable provisions in the Companies Act, 2013 or the Limited Liability Partnership Act, 2008;

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[219] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[220] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[221] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[222] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[223] Inserted by theSEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017
[224] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[225] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[226][(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 [227][:]

[228]Provided that if the net distributable cash flow generated by the holdco on its own is negative; the holdco may adjust it against the cash flows received from its underlying SPVs provided that it makes appropriate disclosures in this regard to the unitholders in such form and manner as may be specified by the Board.

(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;]

(b) not less than ninety per cent. of net distributable cash flows of the REIT shall be distributed to the unit holders;

[229][(ba) cash flows generated by all REIT assets shall be considered;]

(c) such distributions shall be declared [230][]not less than once every six months in every financial year and shall be made [231][within five working days from the record date];

[232]***[Explanation.*** — For the purpose of above clause, record date for the payment of distribution shall be two working days from the date of the declaration of distribution, excluding the date of declaration and the record date.]

(d) if any property is sold by the REIT or [233][holdco or SPV or if the equity shares or interest in the holdco/SPV are sold by the REIT, then],-

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[226] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[227] Substitied for "; and" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[228] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[229] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[230] Omitted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 27.11.2024. Prior to omission, the words were "and made".

[231] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 27.11.2024. Prior to the substitution the words were "not later than fifteen days from the date of such declaration".

[232] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 27.11.2024.

[233] Substituted for "SPV" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(i) if the REIT 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 unit holders; [234][***]

(ii) if the REIT [235][***] proposes not to invest the sales proceeds made into any other property, [236][within a period of 1 year,] it shall be required to distribute not less than ninety per cent. of the sales proceeds in accordance with clauses (a) [237][, (b), (c) and (d) of sub-regulation 16];

(e) if the distributions are not made within [238][the timeline specified in clause (c) of sub-regulation 16], then the manager shall be liable to pay interest to the unit holders at the rate of fifteen per cent. per annum till the distribution is made and such interest shall not be recovered in the form of fees or any other form payable to the manager by the REIT.

(f) [239][any amount remaining unclaimed or unpaid out of the distributions declared by a REIT in terms of sub-clause (c), shall be transferred to the 'Investor Protection and Education Fund' constituted by the Board in terms of section 11 of the Act, in such manner as may be specified by the Board [240][:]]

[241][Provided that the amount transferred to Investor Protection and Education fund shall not bear any interest.]

(g) [242][the unclaimed or unpaid amount of a person that has been transferred to the Investor Protection and Education Fund in terms of sub-clause (f), may be claimed in such manner as may be specified by the Board.]

(17) No schemes shall be launched under the REIT.

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[234] Omitted "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;" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[235] Omitted "or SPV" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[236] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[237] Substituted for "and (b)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[238] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 27.11.2024. Prior to the substitution the words were "fifteen days of declaration".

[239] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 14.02.2023.

[240] Substituted for "." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2023, w.e.f. 23.10.2023.

[241] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2023, w.e.f. 23.10.2023.

[242] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2023, w.e.f. 23.10.2023.

(18) The Board may specify any additional conditions for investments by the REIT as it deems fit.

Related party transactions.

19. (1) All related party transactions shall be on an arms-length basis, in the best interest of the unit holders, consistent with the strategy and investment objectives of the REIT and shall be disclosed to the designated stock exchange and unit holders periodically in accordance with the listing agreement and these regulations.

(2) A REIT, subject to the conditions specified hereunder, may,-

(a) acquire assets from related parties;

(b) sell assets or securities to related parties;

(c) lease assets to related parties;

(d) lease assets from related parties;

(e) invest in securities issued by related parties;

(f) borrow from related parties.

(3) With respect to purchase or sale of properties [243][***] after initial offer,-

(a) two valuation reports from two different valuers, independent of each other, shall be obtained;

(b) such valuers shall undertake a full valuation of the assets proposed to be purchased or sold as specified under regulation 21;

(c) Transactions for purchase of such assets shall be at a price not greater than, and transactions for sale of such assets shall be at a price not lesser than, [244][one hundred ten percent and ninety percent of the] average of the two independent valuations [245][, respectively].

(4) In case of any related party transactions entered into prior to making the initial offer,-

(a) adequate disclosures to that effect shall be made in the initial offer document including a consolidated full valuation report of all such assets [246][***];

[243] Omitted "both prior to and" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[244] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[245] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[246] Words, figures and symbols "in accordance with clause (a) of sub-regulation (3), as may be applicable" omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

(b) the REIT shall enter into proper and valid agreements with such related parties at the price or interest rate or rental value mentioned in the initial offer document;

(c) If the transactions are conditional upon the REIT receiving a minimum amount of subscription, adequate disclosures shall be made in the offer document and the agreements to that effect.

(5) In case of any related party transactions entered into after the initial offer,-

(a) adequate disclosures shall be made to the unit holders and to the designated stock exchanges;

(b) in case,-

(i) the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of properties [247][, whether directly or through holdco and/or SPVs,] or investments into securities exceeds ten per cent. of the value of REIT; or

(ii) the value of the funds borrowed from related parties, in a financial year, exceeds ten per cent. of the total consolidated borrowings of the REIT [248][, holdco and/or SPVs];

approval from the unit holders shall be obtained prior to entering into any such subsequent transaction with any related party;

(c) for the purpose of obtaining approval for such transactions, the manager shall obtain approval from unit holders in accordance with regulation 22 and request for such approval shall be accompanied by a transaction document.

(6) The disclosures in the offer document and transaction document shall include the following, as may be applicable,-

(a) identity of the related parties and their relationship with the REIT or parties to the REIT;

(b) nature and details of the transactions entered into or proposed to be entered into with such related parties including description and location of assets;

[247] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[248] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(c) the price or value of the assets or securities bought or sold or leased or proposed to be bought or sold or leased and if leased or proposed to be leased, value of the lease;

(d) ready reckoner rate of the real estate asset being bought or sold:

Provided that where such ready reckoner rate are not available, property tax assessment value or similar published rates by Government authorities shall be disclosed;

(e) summary of the valuation report(s);

(f) the current and expected rental yield;

(g) if the transactions are conditional upon the REIT receiving a stated amount of subscriptions, the minimum amount of such subscriptions to be received;

(h) amount of borrowing and rate of interest in case of borrowing from any related party;

(i) any other information that is required for the investor to take an informed decision.

(7) With respect to any properties leased to related parties to the REIT, both before and after initial offer, if,-

(a) such lease area exceeds twenty per cent. of the total area of the underlying assets;

(b) value of assets under such lease exceeds twenty per cent of the value of the total underlying assets;

(c) rental income obtained from such leased assets exceeds twenty per cent of the value of the rental income of all underlying assets,

a fairness opinion from an independent valuer shall be obtained by the manager and submitted to the trustee and approval of unitholders in accordance with regulation 22 shall be obtained.

(8) For any related party transaction requiring approval of the unit holders or proposed to be undertaken immediately after the initial offer, the agreement shall be entered into within six months from date of close of initial offer or from date of approval of the unit holders, as the case may be:

Provided that in case of the agreement is not entered into within such period, approval from the unit holders may be sought for extension for another six months in accordance with regulation 22 with the updated valuation report(s).

(9) Adequate disclosures of all related party transactions that have been entered into prior to the follow-on offer shall be made in the follow-on offer document.

(10) Transaction between two or more of the REITs with a common manager or sponsor shall be deemed to be related party transactions for each of the REITs and provisions of this regulation shall apply:

Provided that this sub-regulation shall also apply if the managers or sponsors of the REITs are different entities but are associates.

(11) With respect to any related party transaction, details of any fees or commissions received or to be received by [249][such] related party[250][(ies)] shall be adequately disclosed to the unit holders and to the designated stock exchanges.

(12) No related party shall retain cash or other rebates from any property agent in consideration for referring transactions in REIT assets to the property agent.

(13) Where any of the related parties has an interest in a business which competes or is likely to compete, either directly or indirectly, with the activities of the REIT, the following details shall be disclosed in the offer document,-

(a) details of the such business including an explanation as to how such business shall compete with the REIT;

(b) a declaration that the related party shall perform its duty in relation to the REIT independent of its related business;

(c) declaration as to whether any acquisition of such business by the REIT is intended and if so, details of the same thereof.

(14) Any arrangement or transaction or contract with any related party other than as included in this regulation shall be disclosed to the unit holders and to the designated stock exchanges.

<u>Borrowings and deferred payments.</u>

20. [251]**[**(1) A REIT, whose units are listed on a recognized stock exchange, may issue debt securities <u>in the manner specified by the Board:</u>

Provided that such debt securities shall be listed on recognized stock exchange(s).]

[249] Substituted "any person or entity which is an associate of the" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[250] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[251] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[252][(2)] The aggregate consolidated borrowings and deferred payments of the REIT [253][, holdco and/or the SPV(s),] net of cash and cash equivalents shall never exceed forty nine per cent. of the value of the REIT assets:

Provided that such borrowings and deferred payments shall not include any refundable security deposits to tenants.

[254][Explanation 1. – Investment by REITs in overnight mutual funds, characterized by their investments in overnight securities, having maturity of one day, shall be considered as cash and cash equivalent.

Explanation 2. – The amount of cash and cash equivalent shall be excluded from the value of the assets of the REIT.]

[255][(3)] If the aggregate consolidated borrowings and deferred payments of the REIT [256][, holdco and/or the SPV(s),] net of cash and cash equivalents exceed twenty five per cent. of the value of the REIT assets, for any further borrowing,-

(a) [257][issuer credit rating of the REIT] shall be obtained from a credit rating agency registered with the Board; and

(b) approval of unit holders shall be obtained in the manner as specified in regulation 22.

[258][(4)] If the conditions specified in sub-regulations (1) and (2) are breached on account of market movements of the price of the underlying assets or securities, the manager shall inform the same to the trustee and ensure that the conditions as specified in this regulation are satisfied within six months of such breach.

Valuation of assets.

21. (1) The valuer shall not be an associate of the sponsor(s) or manager or trustee and shall have not less than five years of experience in valuation of real estate.

(2) Full valuation includes a detailed valuation of all assets by the valuer including physical inspection of every property by the valuer.

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[252] Re-numbered by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[253] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[254] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 14.02.2023.

[255] Re-numbered by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[256] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[257] Substituted for the words “credit rating” by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[258] Re-numbered by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

(3) Full valuation report shall include the mandatory minimum disclosures as specified in Schedule V to these regulations.

(4) A full valuation shall be conducted by the valuer atleast once in every financial year:

[259][Provided that such full valuation shall be conducted as at the end of the financial year ending March 31st and the valuation report shall be submitted by the manager to the designated stock exchange(s) along with the annual financial results.]

(5) A half yearly valuation of the REIT assets shall be conducted by the valuer [260][as at the end of] the half-year ending on September 30 for incorporating any key changes in the previous six months and such half yearly valuation report shall be [261][submitted by the manager to the designated stock exchange(s) along with the quarterly financial results for the quarter ending September 30th.]

(6) Valuation reports received by the manager shall be submitted to the designated stock exchange [262][***] within fifteen days from the receipt of such valuation reports[263][:]

[264][Provided that the valuation reports specified in sub-regulation (4) and sub-regulation (5) of regulation 21 shall be submitted within the timelines as specified in these sub-regulations.]

(7) Prior to any issue of units to the public and any other issue of units as may be specified by the Board, the valuer shall undertake full valuation of all the REIT assets and include a summary of the report in the offer document:

Provided that such valuation report shall not be more than six months old at the time of such offer:

Provided further that this shall not apply in cases where full valuation has been undertaken not more than six months prior to such issue and no material changes have occurred thereafter.

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[259] Substitied for the words "Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within three months from the end of such year." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[260] Substitied for the word "for" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[261] Substitied for the words "prepared within forty five days from the date of end of such half year." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[262] The words "and unit holders" were omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[263] Substitied for "." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

[264] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

(8) For any transaction of purchase or sale of properties,[265][whether directly or through holdco and/or SPVs,]-

(a) if the transaction is a related party transaction, the valuation shall be in accordance with regulation 19;

(b) if the transaction is not a related party transaction,-

(i) a full valuation of the specific property shall be undertaken by the valuer;

(ii) if ,-

(1) in case of a purchase transaction, the property is proposed to be purchased at a value greater than one hundred and ten per cent. of the value of the property as assessed by the valuer;

(2) in case of a sale transaction, the property is proposed to be sold at a value less than ninety per cent. of the value of the property as assessed by the valuer,

approval of the unit holders shall be obtained in accordance with regulation 22.

(9) No valuer shall undertake valuation of the same property for more than four years consecutively:

Provided that the valuer may be reappointed after a period of not less than two years from the date it ceases to be the valuer of the REIT.

[266][***]

(11) In case of any material development that may have an impact on the valuation of the REIT assets, then manager shall require the valuer to undertake full valuation of the property under consideration within not more than two months from the date of such event and disclose the same to the trustee[267][***] and the Designated Stock Exchanges within fifteen days of such valuation.

(12) The valuer shall not value any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where valuer was engaged by the REIT for such acquisition or disposal.

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[265] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[266] Omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017. Prior to its omission, the sub-regulation read as follows:

"(10) Any valuation undertaken by any valuer shall abide by international valuation standards and valuation standards as may be specified by Institute of Chartered Accountants of India (ICAI) for valuation of real estate assets:

Provided that in case of any conflict, standards specified by ICAI shall prevail."

[267] The words ", investors" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 w.e.f. 03.09.2025.

CHAPTER VI

RIGHTS OF UNIT HOLDERS, GENERAL OBLIGATIONS, DISCLOSURES AND REPORTING

Rights and meetings of unit holders.

22. (1) The unit holder shall have the rights to receive income or distributions as provided for in the Offer document or trust deed.

(2) With respect to any matter requiring approval of the unit holders,-

(a) a resolution shall be considered as passed when the votes cast by unit holders, so entitled and voting, in favour of the resolution exceed a certain percentage, as specified in this regulation, of the [268][total votes cast];

[269][(aa) the voting threshold specified under these regulations shall be calculated on the basis of unit holders present and voting.

Explanation. — The unit holders voting through the electronic voting facility and postal ballot shall be counted for the determination of unit holders present and voting;]

(b) the voting may also be done by postal ballot or electronic mode;

(c) a notice of not less than twenty one days either in writing or through electronic mode shall be provided to the unit holders[270][:]

[271][Provided that a meeting of unit holders may be called after giving shorter notice than that specified in this clause if consent, in writing or by electronic mode, is accorded thereto -

i. in case of an annual meeting, by not less than ninety-five percent of the unit holders entitled to vote thereat; and

[268] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution the words were "votes cast against".

[269] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

[270] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the symbol was ";".

[271] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

ii. in case of any other meeting, by majority of the unitholders in number entitled to vote thereat and who represent not less than ninety-five percent of such part of the units by value as gives a right to vote at the meeting.]

(d) voting by any person who is a related party in such transaction as well as associates of such person(s) shall not be considered on the specific issue;

(e) manager shall be responsible for all the activities pertaining to conducting of meeting of the unit holders, subject to overseeing by the trustee:

Provided that in respect of issues pertaining to the manager such as change in manager including removal of the manager or change in control of the manager, Trustee shall convene and handle all activities pertaining to conduct of the meetings:

Provided further that in respect of issues pertaining to the trustee such as change in the trustee, the trustee shall not be involved in any manner in the conduct of the meeting.

[272][(f) for all unit holder meetings, the manager shall provide an option to the unit holders to attend the meeting through video conferencing or other audio visual means and the option of remote electronic voting in the manner as may be specified by the Board.]

(3) An annual meeting of all unit holders shall be held not less than once a year within one hundred and twenty days from the end of financial year and the time between two meetings shall not exceed fifteen months.

(4) With respect to the annual meeting of unit holders,-

(a) any information that is required to be disclosed to the unit holders and any issue that, in the ordinary course of business, may require approval of the unit holders may be taken up in the meeting including,-

(i) latest annual accounts and performance of the REIT;

(ii) approval of auditor and fees of such auditor, as may be required;

(iii) latest valuation reports;

(iv) appointment of valuer, as may be required;

(v) any other issue including special issues as specified under sub-regulation (6);

[272] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

(b) for any issue taken up in such meetings which require approval from the unit holders, votes cast in favour of the resolution shall [273][be more than] [274][fifty per cent of the total votes cast for the resolution unless otherwise specified under these regulations].

(5) In case of,-

(a) any approval from unit holders required under regulation 18, 19 and 21;

(b) any transaction, other than any borrowing, value of which is equal to or greater than twenty five per cent. of the REIT assets;

(c) any borrowing in excess of specified limit as required under sub-regulation (2) of regulation 20;

(d) any issue of units after initial offer by the REIT, in whatever form, other than any issue of units which may be considered by the Board under sub-regulation(6);

(e) increasing period for compliance with investment conditions to one year in accordance with proviso to sub-regulation (9) of regulation 18;

(f) any issue, in the ordinary course of business, which in the opinion of the sponsor(s) or trustee or manager, is material and requires approval of the unit holders, if any;

[275][***;]

(g) any issue for which the Board or the designated stock exchange requires approval under this sub-regulation,

approval from unitholders shall be required where the votes cast in favour of the resolution shall be [276][more than] [277][fifty per cent of the total votes cast for] the resolution.

(6) In case of ,-

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[273] Substituted "not be less than one and a half times" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[274] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were "the votes cast against the resolution".

[275] Sub-clause (fa) omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023. Before the omission, the sub-clause read as under:

"(fa) de-classification of the status of sponsor;"

[276] Substituted "not less than one and half times" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[277] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were "the votes cast against".

(a) any change in manager including removal of the manager or change in control of the manager;

(b) any material change in investment strategy or any change in the management fees of the REIT;

(c) the sponsor(s) or manager proposing to seek delisting of units of the REIT;

(d) [278][***]

(e) any issue, not in the ordinary course of business, which in the opinion of the sponsor(s) or manager or trustee requires approval of the unit holders;

(f) any issue for which the Board or the designated stock exchanges requires approval under this sub-regulation;

(g) any issue taken up on request of the unit holders including:

(i) removal of the manager and appointment of another manager to the REIT;

(ii) removal of the auditor and appointment of another auditor to the REIT;

(iii) removal of the valuer and appointment of another valuer to the REIT;

(iv) delisting of the REIT if the unit holders have sufficient reason to believe that such delisting would act in the interest of the unit holders;

(v) any issue which the unit holders have sufficient reason to believe that acts detrimental to the interest of the unit holders;

(vi) change in the trustee if the unit holders have sufficient reason to believe that acts of such trustee is detrimental to the interest of the unit holders,

[279][(h) introduction of unit based employee benefit scheme after an initial offer;

(i) unit based employee benefit scheme proposed at the time of initial offer;

Explanation. – For any unit based employee benefit scheme proposed at the time of initial offer, the manager shall obtain the approval of the unitholders

[278] Omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to the omission, the clause read as follows:
" (d) the value of the units held by a person along with its associates other than the sponsor(s) and its associates exceeding fifty per cent. of the value of outstanding REIT units, prior to acquiring any further units;"

[279] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

on such proposed scheme after listing of the REIT and shall ensure that the scheme is not implemented until such approval is obtained;

(j) acquisition of units by the employee benefit trust as specified in sub-regulation (3) of regulation 17C:

Provided that approval by way of a separate resolution shall be required in case of secondary acquisition and such approval shall mention the percentage of secondary acquisition that could be undertaken subject to the limits specified under regulation 17D;

(k) issuance of units to the employee benefit trust as specified in clause (a) of sub-regulation (1) of regulation 17C;

(l) transfer of units to the employee benefit trust as specified in clauses (b) and (c) of sub-regulation (1) of regulation 17C;

(m) approval by way of a separate resolution shall be required for grant of options to identified employees, during any one year, equal to or exceeding one per cent. of the unit capital of the REIT at the time of grant of options;

(n) variation of the terms of the unit based employee benefit scheme including repricing of the options;]

approval from unit holders shall be required where the votes cast in favour of the resolution shall be [280][at least sixty per cent of total votes cast for] the resolution.

[281][***]

[282][(6A) No person, other than sponsor(s), its related parties and its associates, shall acquire units of a REIT which taken together with units held by him and by persons acting in concert with him in such REIT, exceeds twenty-five per cent of the value of outstanding REIT units unless approval [283][is obtained from the unitholders, where the votes cast in favour

[280] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution the words were "not less than one and half times the votes cast against".

[281] Omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to the omission, the proviso read as follows:
"Provided that in case of clause (d), if approval is not obtained, the person shall provide an exit option to the unitholders to the extent and in the manner as may be specified by the Board."

[282] Inserted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[283] Substitued vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f. 15.10.2026. Prior to its subtitution, the words read as under – *"from seventy five per cent. of the unit holders by value excluding the value of units held by parties related to the transaction, is obtained:"*.

of the resolution shall be at least seventy five per cent. of the total votes cast for the resolution, excluding the votes cast by the parties related to the transaction:]

Provided that if the required approval is not received, the person acquiring the units shall provide an exit option to the dissenting unit holders to the extent and in the manner as may be specified by the Board]

(7) With respect to the right(s) of the unit holders under clause (g) of sub-regulation (6),-

(a) not less than twenty five per cent. of the unit holders by value, other than any party related to the transactions and its associates, shall apply, in writing, to the trustee for the purpose;

(b) on receipt of such application, the Trustee shall require the manager to place the issue for voting in the manner as specified in these regulations;

(c) with respect to sub-clause (vi) of clause (g) of sub-regulation (6) , not less than sixty per cent. of the unit holders by value shall apply, in writing, to the manager for the purpose.

(8) In case of any change in sponsor or [284][inducted] sponsor or change in control of sponsor or [285][inducted] sponsor [286][or conversion to Self-Sponsored Manager],-

[287][(a) prior to such changes, approval shall be obtained from the unitholders, where the votes cast in favour of the resolution shall be at least seventy five per cent. of the total votes cast for the resolution, excluding the votes cast by the parties related to the transaction;]

(b) [288][if the required approval is not received],-

[284] Substituted for the word "re-designated" by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[285] Substituted for the word "re-designated" by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[286] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[287] Substitued vide the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f. 15.10.2026. Prior to its subtitution, clause (a) read as under –

"(a) prior to such changes, approval from seventy-five per cent of the unit holders by value excluding the value of units held by parties related to the transaction shall be obtained;".

[288] Substituted for the words "if such change does not receive the required approval" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

(i) in case of change of sponsor or [289][inducted] sponsor, the proposed [290][inducted] sponsor [291][***] shall provide the dissenting unit holders an option to exit by buying their units [292][in the manner specified by the Board];

[293][(ii) in case of change in control of the sponsor or inducted sponsor, the said sponsor or inducted sponsor shall provide the dissenting unit holders an option to exit by buying their units in the manner as specified by the Board;

Explanation: Change in sponsor or inducted sponsor shall mean any change due to entry of a new sponsor [294][or] exit of an existing sponsor.]

[295][(iii) in case of conversion to Self-Sponsored Manager, the Manager shall provide the dissenting unit holders an option to exit by buying their units in the manner specified by the Board.]

[296][(iv) in case of an exit of a sponsor in a REIT with multiple sponsors, the outgoing sponsor or its sponsor group entities or any of the continuing sponsor or its sponsor group entities shall provide the dissenting unitholders an option to exit by buying their units in the manner specified by the Board.]

(c) if on account of such sale, the number of unit holders forming part of the public falls below [297][as required under sub-regulation (2A) of Regulation

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[289] Substituted for the word "re-designated" by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[290] Substituted for the word "re-designated" by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[291] The words "who proposes to buy the units" is omitted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020.

[292] Inserted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020

[293] Substituted by the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, w.e.f. 16.06.2020. Prior to the substitution, the sub-clause read as follows:

"(ii) in case of change in control of the sponsor or re-designated sponsor, the sponsor or re-designated sponsor shall provide the dissenting unit holders an option to exit by buying their units;"

[294] Substituted for the words "with or without" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[295] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[296] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 w.e.f. 15.10.2026.

[297] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

14] two hundred or below [298][the trustee may provide a period of one year to the manager to rectify the same, failing which], the [299][manager] shall apply for delisting of the units of the REIT in accordance with regulation 17.

[300][(9) The existing sponsor(s) proposing to disassociate as sponsor(s) by seeking to convert the Manager to Self-Sponsored Manager shall comply with the following conditions:

(i) the REIT has been listed for a period of at least five years;

(ii) the REIT has undertaken not less than twelve distributions on a continuous basis and has complied with the distribution norms as per these Regulations in the preceding five years;

(iii) the REIT is rated AAA by a registered credit rating agency for a continuous period of five years immediately preceding exit of the sponsor;

(iv) during the period of preceding five years, the REIT has not breached, at any time, the maximum leverage thresholds specified in these regulations;

(v) the Manager is meeting the net worth criteria for the sponsor as specified in these regulations;

(vi) the minimum unitholding requirement applicable to sponsor(s) and sponsor group(s) shall be complied with, on or after the date of conversion of the Manager to Self-Sponsored Manager, by the Manager, shareholders of the Manager and/or group entities of Manager:

Explanation: Manager, shareholders of the Manager and/or group entities of Manager may acquire units of the REIT for the purpose of compliance of the above condition.

(vii) the sponsor(s) or its associate(s) do not own or control the Manager of the REIT on or after the date of conversion of the Manager to Self-Sponsored Manager;

(viii) the Sponsor has not transferred / sold assets to the REIT in the last three years and no assets/ projects shall be acquired by the REIT from the outgoing sponsor(s) for a period of one year from the date of conversion to Self-Sponsored Manager;

(ix) at least one of the sponsor(s) proposing to disassociate should have been a sponsor of the REIT for a minimum period of five years;

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[298] Substituted for "twenty five per cent. of the total outstanding units" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[299] Substituted for "trustee" the trustee may provide a period of one year to the manager to rectify the same, failing which

[300] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

(x) the REIT shall not have any under-construction properties acquired from the sponsor that have not commenced commercial operations;

(xi) unitholders approval in terms of sub-regulation (8) of this regulation and consent of the Trustee has been obtained for conversion to Self-Sponsored Manager;

(xii) such other condition as may be specified by the Board.]

[301][**Dispute Resolution.**

22A. (1) All claims, differences or disputes between investors and the manager arising out of or in relation to the activities of the manager in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.

(2) No loss or damage or expenses incurred by the manager or officers of the manager, including those in relation to resolution of claims or disputes of investors, shall be met out of the trust property.]

Disclosures.

23. (1) The manager shall ensure that the disclosures in the offer document are in accordance with the Schedule III to these regulations and any circulars or guidelines issued by the Board in this regard.

(2) The manager shall submit an annual report to all unit holders of the REIT with respect to activities of the REIT, within three months from the end of the financial year.

(3) The manager shall submit a half-yearly report to all unit holders of the REIT with respect to activities of the REIT within forty five days from the end of the half year ending on September 30th.

(4) Such annual and half yearly reports shall contain disclosures as specified under Schedule IV to these regulations.

(5) The manager shall disclose to the designated stock exchanges any information having bearing on the operation or performance of the REIT as well as price sensitive information which includes but is not restricted to the following,-

(a) acquisition or disposal of any properties, value of which exceeds five per cent. of value of the REIT assets;

[301] Inserted by the Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023, w.e.f. 04-07-2023.

(b) additional borrowing, at level of [302][holdco or] SPV or the REIT, resulting in such borrowing exceeding five per cent. of the value of the REIT assets during the year;

(c) additional issue of units by the REIT;

(d) details of any credit rating obtained by the REIT and any change in such rating;

(e) any issue which requires approval of the unit holders;

(f) any legal proceedings which may have significant bearing on the functioning of the REIT;

(g) notices and results of meetings of unit holders;

(h) any instance of non-compliance with these regulations including any breach of limits specified under these regulations;

(i) any material issue that in the opinion of the manager or trustee needs to be disclosed to the unit holders.

(6) The manager shall submit such information to the designated stock exchanges and unit holders on a periodical basis as may be required under the listing agreement.

(7) The manager shall disclose to the designated stock exchanges, unit holders and the Board such information and in the manner as may be specified by the Board..

Submission of reports to the Board.

24. The Board may at any time call upon the REIT or parties to the REIT to file such reports, as the Board may desire, with respect to the activities relating to the REIT.

Power to call for information.

25. (1) The Board may at any time call for any information from the REIT or [303][holdco or SPV(s) or] parties to the REIT or any unit holder or any other person with respect to any matter relating to activity of the REIT.

(2) Where any information is called for under sub-regulation (1), it shall be furnished within the time specified by the Board.

Maintenance of records.

26. (1) The manager shall maintain records pertaining to the activity of the REIT including, [304][for a period of not less than seven years,]-

[302] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[303] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[304] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

(a) decisions of the manager with respect to investments or divestments and documents supporting the same;

(b) details of investments made by the REIT and documents supporting the same;

(c) agreements entered into by the REIT or on behalf of the REIT;

(d) documents relating to appointment of persons as specified in sub-regulation (5) of regulation 10;

(e) insurance policies for real estate assets;

(f) investment management agreement;

(g) documents pertaining to issue and listing of units including initial offer document or follow-on offer document(s) or other offer document(s), in-principle approval by designated stock exchanges, listing agreement with the designated stock exchanges, details of subscriptions, allotment of units, etc.;

(h) distributions declared and made to the unit holders;

(i) disclosures and periodical reporting made to the trustee, Board, unit holders and designated stock exchanges including annual reports, half yearly reports, etc.;

(j) valuation reports including methodology of valuation;

(k) books of accounts and financial statements;

(l) audit reports;

(m) reports relating to activities of the REIT placed before the Board of Directors of the manager;

(n) unit holders' grievances and actions taken thereon including copies of correspondences made with the unit holders and the Board, if any;

(o) any other material documents.

(2) The trustee shall maintain records pertaining to,-

(a) certificate of registration granted by the Board;

(b) registered trust deed;

(c) documents pertaining to application made to the Board for registration as a REIT;

(d) titles of the real estate assets:

Provided that where the original title documents are deposited with the lender in respect of any loan / debt, the trustee shall maintain copies of such title documents;

(e) notices and agenda send to unit holders for meetings held;

(f) minutes of meetings and resolutions passed therein;

(g) periodical reports and disclosures received by the trustee from the manager;

(h) disclosures, periodically or otherwise, made to the Board, unit holders and to the designated stock exchanges;

(i) any other material documents.

(3) The records specified in [305][sub-regulation (1) and] sub-regulation (2) may be maintained in physical or electronic form:

Provided that where records are required to be duly signed and are maintained in the electronic form, such records shall be digitally signed.

[306][(4) The manager and the trustee shall ensure that adequate backup systems, data storage capacity, system capacity for secure handling, data transfer and arrangements for alternative means of communication in case of internet link failure, are maintained for the records maintained electronically.

(5) The manager and trustee shall ensure that a business continuity plan and disaster recovery site is in place for the records maintained electronically, to maintain data and transaction integrity.]

[307][CHAPTER VIA
OBLIGATIONS OF THE MANAGER

Application of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26A. Subject to other provisions of this Chapter, the provisions contained in sub-regulations (2), (4), (5), (9) and (10) of regulation 17 and regulations 18, 19, 20, 21, 26 and sub- regulation (1), (2), (2A), (3), (4), (5), (7), (8), (9), (10) and (11) of regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable, as in force from time to time, with necessary modifications as if the said provisions were the provisions of these regulations.

[305] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

[306] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

[307] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 01.04.2023.

Explanation - For the purposes of this regulation, unless the context otherwise requires, the provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be interpreted as under, –

(i) the expression "promoters" wherever it occurs, shall be read as "parties to the REIT";

(ii) the expression "listed entity" wherever it occurs, shall be read as "Manager";

(iii) the expression "company secretary" wherever it occurs, shall be read as "compliance officer";

(iv) the expression "executive director" wherever it occurs, shall be read as "non-independent director";

(v) the expression "non-executive director" wherever it occurs, shall be read as "independent director" [308][except for the purpose of regulation 19(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to the manager under these regulations];

(vi) the expression "Board of Directors of the listed entity" wherever it occurs, shall be read as "Board of Directors of Manager";

(vii) the expression "subsidiary of listed entity" wherever it occurs, shall be read as "HoldCo and/or SPV of REIT, as applicable".

Additional Requirements.

26B. (1) The Board of Directors of the Manager shall comprise of not less than six directors and have not less than one woman independent director [309][:]

[310][Provided that if by a vacancy in the office of a director of the manager, the manager becomes non-compliant with the requirement, such vacancy shall be filled by the manager as follows -

A. if such vacancy arises due to expiry of the term of office of the director, then the resulting vacancy shall be filled not later than the date such office is vacated; or

B. if such vacancy arises due to any other reason, then the resulting vacancy shall be filled at the earliest and not later than three months from the date of such vacancy.]

[308] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[309] Substituted for the symbol ".", *ibid*.

[310] Inserted, *ibid.*

(2) The quorum for every meeting of the Board of Directors of the Manager shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.

Explanation - The participation of the directors by video conferencing or by other audio-visual means shall be counted for the purpose of quorum and shall be recorded by the Manager.

(3) The Board of Directors of the Manager shall review compliance reports every quarter pertaining to all laws applicable to the REIT as well as steps taken to rectify instances of non-compliances.

(4) The minimum information as specified in Part A of Schedule VIII shall be placed before the Board of Directors of the Manager.

(5) The Compliance Officer, Chief Executive Officer and the Chief Financial Officer shall provide the compliance certificate to the Board of Directors of the Manager as specified in in Part B of Schedule VIII along with supporting evidence thereof.

(6) The Board of Directors of the Manager shall set forth clearly the recommendation of the Manager in the notice to the unitholders for each item referred to in sub regulation (6) of regulation 22 of these regulations.

Vigil Mechanism

26C. (1) The Manager shall formulate a vigil mechanism, including a whistle blower policy for directors and employees to report genuine concerns.

(2) The vigil mechanism shall provide for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

(3) An independent service provider may be engaged by the Manager for providing or operating the vigil mechanism who shall report to the audit committee.

(4) The audit committee shall review the functioning of the vigil mechanism.

Secretarial Compliance Report

26D. (1) The Manager shall submit a secretarial compliance report given by a practicing company secretary to the stock exchanges, <u>in such form as specified</u>, within sixty days from end of each financial year.

(2) The secretarial compliance report referred to in sub-regulation (1) of this regulation shall be annexed with the annual report of the REIT.

Quarterly Compliance Report on Corporate governance

26E. (1) The Manager shall submit a quarterly compliance report on governance in the format as may be specified by the Board, to the recognized stock exchange(s) within twenty-one days from the end of each quarter.

(2) The report referred in sub-regulation (1) of this regulation shall be signed either by the compliance officer or the chief executive officer of the Manager.]

[311][**Grievance Redressal Mechanism.**

26F. (1) The Manager shall redress investor grievances promptly but not later than twenty-one calendar days from the date of receipt of the grievance and in such manner as may be specified by the Board.

(2) The Board may also recognize a body corporate for handling and monitoring the process of grievance redressal within such time and in such manner as may be specified.]

[312][CHAPTER VIB
SMALL AND MEDIUM REITS

Applicability.

26G. The provisions of these regulations, except chapters II, IV, V and regulation 22 under chapter VI, shall *mutatis mutandis* be applicable to SM REITs, unless otherwise provided for in this chapter:

Provided that any reference to the "manager" or the "sponsor" of the REIT under the applicable provisions of these regulations shall be construed as a reference to an "investment manager" of the SM REIT.

[311] Inserted by the Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 w.e.f. 18-08-2023.

[312] Inserted by the the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 w.e.f. 08.03.2024.

Definitions.

26H. In this chapter, unless the context otherwise requires, the terms defined herein shall have the meanings assigned to them below, and their cognate expressions shall be construed accordingly,–

(a) "investment manager" means a company incorporated in India, which sets up SM REIT and manages assets and investments of the SM REIT and undertakes operational activities of the SM REIT;

[313] [(aa) "KIS" means Key Information of the Scheme;

(ab) "KIT" means Key Information of the Trust;]

(b) "liquid net worth" means net worth deployed in liquid assets, which are unencumbered. [314][***]

(c) "Small and Medium REIT" or "SM REIT" means a REIT that pools money from investors under one or more schemes in accordance with sub-regulation (2) of regulation 26P;

(d) "scheme" means a distinct and separate scheme of an SM REIT launched under this chapter for owning of real estate assets or properties through special purpose vehicles;

(e) "scheme offer document" means any document described or issued as a scheme offer document including any notice, circular, advertisement or other document inviting offers for subscription or purchase of units of a scheme from the public;

(f) "special purpose vehicle" or "SPV" means any company which is a wholly owned subsidiary of the scheme of the SM REIT and the SPV shall not have any other capital or ownership interest in it;

(g) "trustee" means a trustee registered with the Board under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, who holds the assets of SM

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[313] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[314] Omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024. Prior to omission, it read as under:
"Explanation. – For the purposes of this chapter, "liquid asset" means cash, units of overnight or liquid mutual fund schemes, fixed deposits, government securities, treasury bills and repo on government securities;"

REIT and its schemes in trust and for the benefit of the unit holders, in accordance with these regulations.

Registration of SM REIT.

26I. (1) An application for grant of certificate of registration as SM REIT shall be made, by the investment manager on behalf of the Trust in Form-A as specified in the Schedule IA to these regulations and shall be accompanied by a non-refundable application fee of such amount and shall be payable in the manner as specified in Schedule IIA to these regulations.

(2) The Board may, in order to protect the interests of investors, appoint any person to take charge of records, documents of the SM REIT and for this purpose, also determine the terms and conditions of such an appointment.

(3) The Board shall take into account requirements as specified in these regulations for considering the grant of certificate of registration.

Eligibility criteria.

26J. (1) For the purpose of the grant of certificate to the trust, the Board shall consider all matters relevant to the activities of the trust as an SM REIT.

(2) Without prejudice to the generality of the foregoing provision, the Board shall consider the following, namely,–

(a) the applicant is the investment manager on behalf of the trust and the instrument of trust is in the form of a deed duly registered in India under the provisions of the Registration Act, 1908;

(b) the trust deed has its main objective as undertaking activity of SM REIT through one or more schemes in accordance with these regulations and includes responsibilities of the trustee in accordance with these regulations;

(c) separate persons have been designated as investment manager of the SM REIT and trustee of the SM REIT under these regulations;

(d) with regard to the investment manager,–

(i) the investment manager is clearly identified in the application for grant of

certificate of registration to the Board and in the scheme offer document;

(ii) the investment manager has a net worth of not less than rupees twenty crore:

Provided that not less than rupees ten crores of net worth of the investment manager is in the form of positive liquid net worth;

(iii) the investment manager has at least two years' experience in the real estate industry or real estate fund management:

Provided that in case the investment manager is unable to meet the above requirement, it shall employ at least two key managerial personnel, each of whom have not less than five years' experience in the real estate industry or real estate fund management;

(iv) not less than half of the directors of the investment manager are independent and are not directors of the manager or investment manager of another REIT or SM REIT, as the case may be[315][:] [316][***]

[317][Provided that if by a vacancy in the office of an independent director of the investment manager, the investment manager becomes non-compliant with the requirement, such vacancy shall be filled by the investment manager as follows:

A. if such vacancy arises due to expiry of the term of office of the independent director, then the resulting vacancy shall be filled not later than the date such office is vacated; or

B. if such vacancy arises due to any other reason, then the resulting vacancy shall be filled at the earliest and not later than three months from the date of such vacancy.]

(v) the investment manager has entered into an investment management agreement with the trustee, which provides for the responsibilities of the investment manager in accordance with these regulations;

[315] Substituted for the symbol ";" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.
[316] Word "and" omitted, *ibid.*
[317] Inserted, *ibid.*

(e) the trustee is not an associate of the investment manager;

(f) no unit holder of the scheme of the SM REIT enjoys superior voting or any other rights over another unit holder in the same scheme and there are no multiple classes of units of scheme of the SM REIT;

(g) the rights of each unitholder in the scheme are pro-rata and pari-passu;

(h) the applicant has clearly described at the time of application for registration, details pertaining to proposed activities of the SM REIT;

(i) the SM REIT and the parties to the SM REIT are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(j) whether any previous application for grant of certificate by the applicant or the parties to the SM REIT or their directors, for registration as a REIT or an SM REIT, has been rejected by the Board; and

(k) whether any disciplinary action has been taken by the Board or any other regulatory authority against the SM REIT or the parties to the SM REIT or their promoters or directors under any Act or the regulations or circulars issued thereunder.

Furnishing of further information, clarification and personal representation.

26K. (1) The Board may require the applicant to furnish any information or clarification as may be required by it for the purpose of processing of the application for registration.

(2) The Board, if it so desires, may require the applicant or any authorized representative to appear before the Board for personal representation in connection with the grant of certificate.

Procedure for grant of certificate.

26L. (1) The Board, on being satisfied that the trust fulfils the requirements specified in this chapter, shall send an intimation to the trust and on receipt of the payment of registration fees as specified in Schedule IIA, grant the certificate of registration in Form B under Schedule IA.

(2) The registration may be granted with such conditions as may be deemed appropriate by the Board.

Conditions of certificate.

26M. (1) The certificate granted under this chapter shall be subject to such conditions as the Board may deem appropriate, including, –

(a) the SM REIT shall abide by the provisions of the Act and these regulations;

(b) the SM REIT shall adhere to the migration plan, if applicable, submitted by it to the Board at the time of application for certificate of registration under this chapter;

(c) the SM REIT shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

(d) the SM REIT and the parties to the SM REIT shall satisfy the conditions specified in this chapter at all times; and

(e) the SM REIT and the parties to the SM REIT shall comply, at all times, with the Code of conduct as specified in the Schedule VI, wherever applicable.

(2) If the SM REIT fails to make an initial offer of a scheme within three years from the date of registration with the Board, it shall surrender its certificate of registration to the Board and cease to operate as an SM REIT:

Provided that the Board, if it deems fit, may extend the period for making an initial offer of a scheme, by up to one year:

Provided further that nothing in this sub-regulation shall prevent the SM REIT from re-applying for registration.

Migration of existing persons, entities or structures.

26N. (1) An applicant may apply for registration of existing persons, entities or structures owning real estate asset(s) or property(ies) in the nature of SM REIT, as on the date of notification of this chapter:

Provided that the application for registration shall be made within six months from the date of notification of this chapter or within such period as may be specified by the Board.

(2) For migration of such existing persons, entities or structures under these regulations:

(a) The applicant shall submit details of existing persons, entities or structures proposed to be migrated and a migration plan along with the application for certificate of registration; and

(b) The applicant shall complete the migration of existing persons, entities or structures within six months from the date of grant of registration or within such period as may be specified by the Board.

(3) The applicant shall comply with the provisions of this chapter in relation to the scheme being migrated, unless otherwise provided for in this chapter.

Procedure where registration is refused.

26O. (1) After considering an application made under this chapter, if the Board is of the opinion that a certificate should not be granted to the trust, it may reject the application after giving the applicant a reasonable opportunity of being heard.

(2) The decision of the Board to reject the application shall be communicated to the applicant within thirty days of such decision.

Eligible issuers.

26P. (1) An SM REIT shall not be eligible to make an initial offer of units of a scheme if:

(a) the SM REIT or the parties to the SM REIT are debarred from accessing the securities market or dealing in securities by the Board;

(b) any of the promoters, promoter group or directors of the parties to the SM

REIT are debarred from accessing the securities market or dealing in securities by the Board;

(c) any of the promoters or directors of the parties to the SM REIT is a promoter or director of another company which is debarred from accessing the securities market by the Board;

(d) the SM REIT or the parties to the SM REIT or any of the promoters or directors of the parties to the SM REIT are wilful defaulters;

(e) any of the promoters or whole-time directors of the parties to the SM REIT is a promoter or whole-time director of another company which is a wilful defaulter;

(f) any of the promoters or directors of the parties to the SM REIT is a fugitive economic offender; or

(g) any fine or penalties levied by the Board or stock exchanges is pending to be paid by the SM REIT at the time of filing the scheme offer document:

Provided that nothing in clauses (a), (b) and (c) shall be applicable if the period of debarment is over as on the date of filing of the scheme offer document with the Board and the designated stock exchange:

Provided further that nothing in clause (c) shall be applicable to a person who was appointed as a director only by virtue of nomination by a debenture trustee in other company.

(2) No offer of units by a scheme of the SM REIT shall be made unless,–

(a) the size of the asset proposed to be acquired in a scheme of the SM REIT is at least rupees fifty crores and less than rupees five hundred crores; and

[318]*[Explanation:* ─ The requirement of ownership of assets may be complied at any point of time before allotment of units in accordance with the scheme offer document, subject to the following:

[318] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(a) there is a binding agreement with the relevant party(ies) that such requirements shall be fulfilled prior to such allotment of units; and

(b) a declaration to the Board and to the designated stock exchanges to that effect and adequate disclosures are made in this regard in the scheme offer document.]

(b) the minimum number of unitholders of the scheme of the SM REIT other than the investment manager, its related parties and associates of the SM REIT are not less than two hundred investors:

Provided that nothing in this sub-regulation shall be applicable to the migration of existing persons, entities or structures as on the date of this chapter coming into force which are included as part of the migration plan in case the applicant is applying for a certificate of registration under sub-regulation (1) of regulation 26N.

Appointment of merchant banker.

26Q. The investment manager shall appoint one or more merchant bankers registered with the Board to carry out the obligations relating to the issue.

Conditions for initial offer.

26R. (1) The investment manager shall identify the real estate assets or properties it proposes to acquire or provide the features of the real estate assets or properties including location or such other details for the particular scheme in the draft scheme offer document.

[319][(1A) A scheme of SM REIT shall make an initial offer of its units by way of public issue only and in the manner as may be specified by the Board.

(1B) The initial offer shall be made by the scheme of SM REIT within a period of not more than one year from the date of issuance of observations by the Board:

Provided that if the initial offer is not made within the specified time period, a fresh draft scheme offer document shall be filed.

[319] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(1C) The minimum subscription amount shall be 90 per cent. of the fresh issue size as specified in the KIS in case of a scheme of SM REIT which opts to utilize leverage in accordance with these Regulations.

(1D) The minimum subscription amount shall be 100 per cent. of the fresh issue size as specified in the KIS in case of a scheme of SM REIT which does not opt to utilize leverage in accordance with these Regulations.

(1E) The amount for general purposes, including the issue expenses, the legal expenses and other eligible expenses, as the Board may specify, as mentioned in objects of the offer in the KIS filed with the Board, shall not exceed such amount as the Board may specify from time to time.

(1F) The investment manager shall deposit the amount to comply with the minimum unitholding requirement specified in sub-regulation (1) of regulation 26ZB of these regulations in a cash escrow bank account, two working days prior to the opening of the offer and the allotment of such units to the investment manager shall be a part of the asset acquisition transaction.]

(2) The investment manager shall, through a merchant banker, file the draft scheme offer document with the Board, along with fees specified in Schedule IIA and with the designated stock exchange.

[320][(2A) The scheme offer document shall consist of KIT and KIS.

(2B) The investment manager shall file a single draft KIT, common for all schemes, with the Board along with draft KIS at the time of initial offer of the first scheme of the SM REIT and the Board may issue observations on the draft KIT and the draft KIS.

(2C) For subsequent scheme offer documents, processing of KIT and KIS shall be done in the following manner ─

(i) if there is no change in the KIT vis-à-vis the KIT filed with the Board as part of previous scheme offer document and the investment manager has submitted a declaration in this regard, then the KIT shall be filed by the investment manager with the Board only for records along with draft KIS of subsequent schemes and the Board may issue observations only on the draft KIS; or

[320] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(ii) if there is any change in the draft KIT vis-à-vis the KIT filed with the Board as part of previous scheme offer document, then the investment manager shall file the draft KIT along with the draft KIS of subsequent schemes with the Board and the Board may issue observations on the draft KIT as well as on the draft KIS.]

(3) The minimum price of each unit of the scheme of the SM REIT shall be rupees ten lakhs or such other amount as may be specified by the Board from time to time.

[321][(3A) The price of units of the scheme of SM REIT issued by way of public issue shall be determined through the book building process or any other process in accordance with the circulars or guidelines issued by the Board and in the manner as may be specified by the Board.]

(4) Each scheme of the SM REIT shall be identified by a separate name, which shall not be misleading and shall not portray any guaranteed returns to the investors.

(5) The value of real estate assets or properties in each scheme shall be at least fifty crore rupees.

(6) The investment manager and the trustee shall ensure that the assets of each scheme, the bank accounts, investment or demat accounts and the books of accounts of each scheme are segregated and ring-fenced.

(7) The investment manager and the trustee shall ensure that the property documents evidencing the title to the real estate assets or properties along with the related papers shall be duly maintained in safe-deposit boxes, at a scheduled commercial bank and be annually inspected by the trustee.

(8) The draft scheme offer document filed with the Board shall be made public, for comments, if any, by hosting it on the websites of the Board, designated stock exchanges and merchant bankers associated with the issue, for a period of not less than twenty-one days.

(9) The Board may issue observations, if any, to the merchant banker within thirty days from the later of:

(a) the date of receipt of the draft scheme offer document;

(b) the date of receipt of satisfactory reply from the merchant banker, where the Board

[321] Inserted, *ibid.*

has sought any clarification or additional information from the merchant banker;

(c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or

(d) the date of receipt of a copy of in-principle approval letter issued by the designated stock exchange(s).

(10) The merchant banker shall ensure that the observations issued by the Board are addressed in the scheme offer document prior to launch of the scheme.

[322][(11) The Board may specify, by issuance of guidelines or circulars, any other requirements, as it deems fit, pertaining to the issue and allotment of units by a scheme of SM REIT.

(12) The Board and the designated stock exchanges may specify any other requirements pertaining to listing and trading of units of the scheme of SM REIT by issuance of guidelines or circulars.

(13) The investment manager shall ensure that the issue proceeds shall be used only for the acquisition of assets as disclosed in the scheme offer document:

Provided that in case the SM REIT is unable to acquire one or more assets proposed to be acquired as disclosed in the scheme offer document, then the entire amount raised from the offer should be refunded to the investors in such manner and within such time as may be specified by the Board.]

Disclosure in scheme offer document.

26S. (1) The scheme offer document shall make all disclosures as specified in [323][Schedule IIIA] and any other disclosures as specified by the Board from time to time.

(2) The scheme offer document of the SM REIT shall contain material, true, correct and adequate disclosures to enable the investors to make an informed decision.

[322] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025

[323] Substituted for "Schedule III" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(3) The disclosures in the scheme offer document shall not be misleading and not contain any untrue statements or mis-statements.

(4) The scheme offer document shall not provide for any guaranteed returns to the investors.

(5) The scheme offer document shall disclose lease rental income for each property proposed to be acquired by the scheme of the SM REIT along with comparable lease rental income of other similar properties.

(6) The comparable disclosures specified in sub-regulation (5) of this regulation shall be sourced from or certified by a valuer or any other persons as may be specified by the Board from time to time.

(7) The scheme offer document shall state whether the scheme of SM REIT is with leverage or without leverage in accordance with sub-regulation (2) of regulation 26U.

(8) In case of a scheme of SM REIT with no leverage, the investment manager shall, at the time of filing of the scheme offer document, submit an undertaking that the particular scheme shall not utilize any leverage in future.

(9) The scheme offer document shall disclose the total expense ratio for scheme of SM REIT in such form and manner and subject to such limits as may be specified by Board from time to time.

[324][(10) The investment manager shall ensure that all material changes, including the litigation and regulatory actions, in the KIT are made on an ongoing basis by way of an addendum which shall be disclosed on the website of SM REIT and shall file the addendum with the Board and the stock exchange(s) within seven days from the date of occurrence of the material event.

(11) The investment manager shall ─

(a) ensure that KIT is updated every six months;

(b) ensure that updated KIT is disclosed on the website of SM REIT within thirty days from the end of half year; and

[324] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(c) file updated KIT with the Board and the stock exchanges for records within thirty days from the end of half year.

(12) The Board may specify additional instructions and disclosure requirement, if any, for facilitating automated supervision and automated processing of data disclosed by the SM REIT schemes and the investment manager as part of continuous disclosure requirements.]

Investment conditions.

26T. (1) The SPV shall directly and solely own all assets that are acquired or proposed to be acquired by the scheme of the SM REIT, of which SPV is the wholly owned subsidiary.

(2) The scheme of the SM REIT shall invest at least ninety-five per cent. of the value of the schemes' assets for each of its schemes in completed and revenue generating properties and shall not invest in under-construction or non-revenue generating real estate assets.

Provided that up to five per cent. of the value of the schemes' assets may be invested in liquid assets, which are unencumbered[325][:]

[326][Provided further that up to five per cent. of the value of the schemes' assets may be invested in interest rate derivatives including interest rate futures, forward rate contract and interest rate swap, subject to the conditions as specified in clause (j) of sub-regulation (5) of regulation 18 of these regulations.]

[327][(2A) The investment conditions specified in sub-regulation (2) of this regulation shall be monitored on a half-yearly basis and at the time of acquisition of an asset:

Provided that if such conditions are breached on account of market movements of the price of the underlying assets or securities or change in tenants or expiry of lease or sale of properties, the investment manager shall inform the same to the trustee and ensure that the conditions as specified in sub-regulation (2) of this regulation are satisfied within six months of such breach:

[325] Substituted for the symbol "." by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025
[326] Inserted, *ibid.*
[327] Inserted, *ibid.*

Provided further that the period may be extended by another six months subject to the approval from the unitholders in accordance with clause (e) of sub-regulation (9) of regulation 26ZM of these regulations:

Provided further that if such conditions as specified in sub-regulation (2) of this regulation are not satisfied within the permissible timeline, including extension of timeline approved by the unitholders, then the following shall be applicable ─

(i) the investment manager of SM REIT shall not float any new scheme of the SM REIT;

(ii) the promoters, directors and key managerial personnel of the investment manager shall be debarred from setting up another SM REIT or associate with any other SM REIT or float any new scheme of such other SM REIT;

(iii) the investment manager shall apply for delisting of the scheme of SM REIT; and

(iv) any other measures as may be specified by the Board.]

(3) The scheme of SM REIT shall not be permitted to lend to any entity other than lending to its own SPV.

(4) The SPV shall not be permitted to lend to any entity.

Modes of fund raising.

26U. (1) The scheme of the SM REIT may raise funds from any investor whether Indian, or foreign by way of issuance of units:

Provided that investment by foreign investors shall be subject to the guidelines as may be specified by Reserve Bank of India and the Government of India from time to time.

(2) The scheme of a SM REIT and the SPV(s) thereunder may undertake leverage if the option to undertake leverage is disclosed in the scheme offer document filed for initial offer.

(3) With regard to modes of fund raising by a scheme of SM REIT, the following shall apply:

(a) The scheme of the SM REIT shall raise capital only by way of issuance of units pertaining to the particular scheme.

(b) For a scheme of SM REIT opting to utilize leverage in accordance with sub-regulation (2), the scheme may undertake leverage through borrowings or issuance of debt securities under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(4) With regard to modes of fund raising by a SPV of a scheme of SM REIT, the following shall apply:

(a) The SPV shall raise capital only from equity investment from the scheme of SM REIT.

(b) The SPV may raise funds by way of borrowings from the scheme of SM REIT.

(c) For a scheme of SM REIT opting to utilize leverage in accordance with sub-regulation (2), the SPV(s) under such scheme may undertake leverage through external borrowings or issuance of debt securities under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(5) For a scheme of SM REIT opting to utilize leverage in accordance with sub-regulation (2), the total borrowings and deferred payments net of cash and cash equivalents, at the scheme level, shall not exceed forty nine per cent. of the value of the scheme assets: Provided that if the total borrowings and deferred payments net of cash and cash equivalents, at the scheme level, exceeds twenty five per cent. of the value of the scheme assets, then for any further borrowings, -

(a) [328][issuer credit rating of the scheme of SM REIT] shall be obtained from a credit rating agency registered with the Board; and

(b) approval of unit holders shall be obtained in the manner as specified in regulation 26ZM.

[329]*[Explanation 1.*—Borrowings and deferred payments shall not include any refundable security deposits received from tenants and the refundable security deposits from tenants shall be invested in liquid assets as defined in regulation 2(1)(ta) of these regulations.

[328] Substituted for the words "credit rating" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.
[329] Inserted, *ibid.*

Explanation 2. ─ Investment by a scheme of SM REIT in overnight mutual funds, characterized by their investments in overnight securities, having maturity of one day, shall be considered as cash and cash equivalent."

Explanation 3. ─ The amount of cash and cash equivalent shall be excluded from the value of the assets of the scheme of SM REIT.

(6) If the leverage limit specified in sub-regulation (5) of this regulation is breached on account of decline in the price of the underlying assets or securities, the investment manager shall inform the same to the trustee and ensure that the conditions as specified in sub-regulation (5) of this regulation are satisfied within six months of such breach.]

Maintenance of website.

26V. (1) The investment manager shall, at all times, maintain a functioning website of SM REIT.

(2) The investment manager shall specify on the website, the details of all the schemes of the SM REIT and details of the real estate assets and properties proposed to be acquired or acquired and held under each scheme, and such other details as may be specified from time to time by the Board.

(3) The investment manager shall provide the link to the scheme offer document for the investors on the website of the SM REIT.

(4) The investment manager shall ensure that the trademark, brand name, website and other medium of communication of the SM REIT are used exclusively for the activities of SM REIT and no links or information about any other entity, structure or person shall be made available on its website or on any other medium of communication.

Issue period.

26W. The issue period shall not be more than thirty days.

Dematerialization.

26X. (1) The SM REIT shall issue units of its scheme only in dematerialized form.

(2) The investments of scheme of the SM REIT in SPV(s) shall be held in

dematerialized form.

Subscriptions from investors.

26Y. (1) The investment manager of the SM REIT shall use the [330][***] platform of designated stock exchange to accept bids from investors for units of the scheme of the SM REIT, where the amount shall be blocked through the Application Supported by Blocked Amount mechanism.

(2) The investment manager of the SM REIT shall provide the web-link of the platform of the designated stock exchange for subscription of units of the scheme of the SM REIT, on the website of SM REIT.

(3) The minimum subscription amount from any investor in any offer shall be rupees ten lakhs or such amount as may be specified by the Board from time to time.

Advertisements.

26Z. (1) The SM REIT may issue an advertisement pertaining to the issue of units of a scheme.

(2) The public communication including advertisement, publicity material, research reports, etc. concerned with the issue shall not be misleading and shall not contain any matter extraneous to the contents of the scheme offer document.

Explanation. – Public communication includes corporate, project and issue related advertisements of the SM REIT, interviews, blogs, and social media posts by its investment manager and its trustee, directors of any of the parties to the SM REIT, duly authorized employees or representatives of the SM REIT or its investment manager, documentaries about the SM REIT or its investment manager, periodical reports, press releases, etc.

(3) The investment manager shall, on behalf of the SM REIT, make prompt, true and fair disclosure of all such developments taking place between the date of filing scheme offer document with the Board and the date of allotment of units, which may have a material effect on the scheme of the SM REIT, by issuing public notices on the website of the SM REIT

[330] Words "book building" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

and designated stock exchanges and in all the newspapers in which the pre-issue advertisement was released.

(4) In respect of all public communications, the investment manager on behalf of the scheme of the SM REIT shall obtain approval from the merchant bankers responsible for marketing the issue.

(5) Each public communication shall, –

(a) be truthful, fair and shall not be manipulative or deceptive or distorted;

(b) not contain any statement or promise which is untrue or misleading;

(c) reproduce all information in full and disclose all relevant facts relating to any information contained in an scheme offer document and not be restricted to select extracts;

(d) be set forth in a clear, concise and understandable language;

(e) not include any issue slogans or brand names for the issue except the normal commercial name of the investment manager;

(f) not use extensive technical, legal terminology or complex language and excessive details which may distract the investor;

(g) not contain statements which promise or guarantee rapid increase in profits, yield or returns;

(h) not display models, celebrities, fictional characters, landmarks or caricatures or the likes;

(i) not appear in the form of crawlers i.e., the advertisements which run simultaneously with the programme in a narrow strip at the bottom of the television screen, on television;

(j) not scroll the risk factors on the television screen in any issue advertisement on television screen, and the advertisement shall advise the viewers to refer to the scheme offer document for details;

(k) not contain expletives or non-factual and unsubstantiated titles; and

(l) state the risk factors with equal importance in all respects including print size of not less than point seven size, if the advertisement contains highlights.

(6) No such public communication issued during the issue period shall give any impression that the issue has been fully subscribed or oversubscribed.

(7) No such public communication shall contain any offer of incentives, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise.

[331][(8) The advertisements shall be in accordance with the scheme offer document and any circulars or guidelines as may be specified by the Board in this regard.]

Prohibition on payment of incentives.

26ZA. No person connected with the issue of units of the scheme of the SM REIT shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the issue, except for fees or commission for services rendered in relation to the issue.

Lock-in requirements.

26ZB. (1) The minimum unitholding requirement applicable to the investment manager for the period of first three years commencing from the date of listing of units in the initial offer till the end of the third year from the date of listing of units in the initial offer, shall be as under:

(a) in a scheme of the SM REIT which has opted not to undertake leverage as per disclosures in the scheme offer document filed for initial offer, the investment manager shall hold at least five per cent. of the total outstanding units at all times;

(b) in a scheme of the SM REIT which has opted to undertake leverage as per disclosures in the scheme offer document filed for initial offer, the investment manager shall hold at least fifteen per cent. of the total outstanding units at all times:

Provided that any holding in excess of fifteen per cent. or five per cent., as the case may be, shall be held by the investment manager for a period of at least one year from the date of listing of units issued in the initial offer.

[331] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

(2) The investment manager shall hold at least five per cent. of the total outstanding units in each scheme of the SM REIT, at all times, for a period of two years commencing from the fourth year of the date of listing of units in the initial offer till the end of fifth year from the date of listing of units issued in the initial offer.

(3) The investment manager shall hold at least three per cent. of the total outstanding units in each scheme of the SM REIT, at all times, for a period of five years commencing from the sixth year of the date of listing of units in the initial offer till the end of tenth year from the date of listing of units issued in the initial offer.

(4) The investment manager shall hold at least two per cent. of the total outstanding units in each scheme of the SM REIT, at all times, for a period of ten years commencing from the eleventh year of the date of listing of units in the initial offer till the end of twentieth year from the date of listing of units issued in the initial offer.

(5) The investment manager shall hold at least one per cent. of the total outstanding units in each scheme of the SM REIT, at all times, after the completion of twentieth year from the date of listing of units issued in the initial offer.

(6) The units in which holding is required to be maintained under this regulation shall be unencumbered and locked-in.

(7) Notwithstanding anything contained in this regulation, the units issued to investors against swap of securities allotted prior to the date of this chapter coming into force by an SM REIT that has received a certificate of registration pursuant to an application made under sub-regulation (1) of regulation 26N, shall not be considered for calculating the total outstanding units of the schemes of the SM REIT under this regulation.

Allotment procedure and basis of allotment.

26ZC. (1) On receipt of the sum payable on application, the investment manager shall, on behalf of the scheme of the SM REIT, allot the units to the applicants.

[332][(1A) In case of oversubscription, the scheme of SM REIT shall not make any allotment in excess of the units offered through the scheme offer document and the allotment of units to

[332] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

each category of investors shall not be less than the minimum bid lot, and the remaining available units, if any, shall be allotted on a proportionate basis (to be selected by a lottery):

Provided that in case of oversubscription, an allotment of not more than one per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.]

(2) The authorized representatives of the designated stock exchange along with the post issue merchant bankers and registrars to the issue of the scheme of the SM REIT shall ensure that the basis of allotment is finalized in a fair and proper manner.

Allotment and listing.

26ZD. (1) The units of the scheme of the SM REIT shall be mandatorily listed on the recognized stock exchange(s) having nationwide trading terminals.

(2) The units of the SM REIT of the particular scheme shall be allotted and listed with such timelines as may be specified by the Board from time to time:

Provided that if the investment manager fails to allot or list units within the specified timelines, the investment manager shall pay interest to investors at the rate of fifteen per cent. per annum and such interest shall not be recovered in the form of fees or any other form payable to the investment manager by the SM REIT.

(3) The listing of the units of the scheme of the SM REIT shall be in accordance with the listing agreement entered into between the SM REIT and the designated stock exchange.

(4) The units of the scheme of the SM REIT listed in designated stock exchanges shall be traded, cleared and settled in accordance with the bye-laws of concerned stock exchanges and such conditions as may be specified by the Board.

(5) No person, other than investment manager, its related parties and its associates, shall hold units of a scheme of the SM REIT which taken together with units held by him and by persons acting in concert with him in such scheme of the SM REIT, exceed twenty-five per cent of the total outstanding units of such scheme of the SM REIT.

[333][(6) Any person other than the investment manager holding units of the scheme of SM REIT prior to initial offer shall hold the units for a period of not less than one year from the date of

[333] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

listing of the units, subject to circulars or guidelines as may be specified by the Board.]

Filing of post issue report.

26ZE. The merchant banker shall submit post-issue report, along with due diligence certificate, within seven working days of the date of finalization of allotment or within seven working days of refund of money in case of failure of issue, as per the format and in such manner as may be specified by the Board.

Minimum public unitholding.

26ZF. (1) The minimum offer and allotment to the public in each scheme of SM REIT shall be at least twenty-five per cent. of the total outstanding units of such scheme.

(2) The minimum public holding for the units of each scheme of SM REIT shall be in accordance with sub-regulation (1), failing which action may be taken as may be specified by the Board and by the designated stock exchange including delisting of units under regulation 26ZI.

Maintenance of books and records on book building process.

26ZG. (1) The merchant banker shall maintain a final book of demand showing the result of the allocation process.

(2) The merchant banker(s) and other intermediaries associated in the book building process shall maintain records of the book building process.

(3) The Board may inspect the records, books and documents relating to the book building process and the merchant banker and other intermediaries shall extend full co-operation.

Other obligations of post-issue merchant banker.

26ZH. (1) The obligations of the post-issue merchant banker(s) with respect to all matters relating to post-issue, including refund, allotment, payment of interest to applicants in case of delayed allotment or refund, shall be as per the disclosure in the scheme offer

document.

(2) The post-issue merchant banker(s) shall regularly monitor redressal of investor grievances relating to post-issue activities such as allotment, refund, etc. in such manner as may be specified by the Board.

(3) The post-issue merchant banker(s) shall ensure that advertisement giving details relating to oversubscription, basis of allotment, number, value and percentage of all applications, number, value and percentage of successful allottees for all applications, date of completion of dispatch of refund orders or instructions to Self-Certified Syndicate Banks by the Registrar, date of dispatch of certificates and date of filing of listing application, etc. is released within ten days from the date of completion of the post-issue activities on the websites of the SM REIT and designated stock exchanges, and in all the newspapers in which the pre-issue advertisement was released, if applicable.

(4) The post-issue merchant banker(s) shall ensure that SM REIT, its advisors and brokers, and other persons connected with the issue do not publish any advertisement stating that issue has been oversubscribed or indicating investors' response to the issue, during the period when the public issue is still open for subscription by the public.

(5) The post-issue merchant banker(s) shall continue to be responsible for post-issue activities till the subscribers have received credit to their demat account or refund of application moneys and the listing agreement is entered into by the SM REIT with the designated stock exchange and listing or trading permission is obtained.

Delisting of units

26ZI. (1) The investment manager shall apply for delisting of units of the scheme of the SM REIT to the Board and the designated stock exchanges if, –

(a) the per cent. of units held by the public in the scheme of the SM REIT falls below the limits specified under sub-regulation (2) of regulation 26ZF;

(b) there are no projects or assets remaining under the scheme of the SM REIT for a period exceeding six months:

Provided that the period may be extended by further six months, with the approval of unitholders in the manner as specified in regulation 26ZM;

(c) the Board or the designated stock exchanges require such delisting for violation of the listing agreement or these regulations or the Act or in the interest of the unit holders;

(d) the investment manager and trustee requests such delisting and such request has been approved by unit holders in accordance with sub-regulation (10) of regulation 26ZM;

(e) unit holders apply for such delisting in accordance with regulation 26ZM.

(2) The Board and the designated stock exchanges may consider such an application for approval or rejection, as may be appropriate, in the interest of the unit holders.

(3) Notwithstanding anything in sub-regulation (1) of this regulation, the Board, instead of requiring delisting of the units, if it deems fit, may provide additional time to the SM REIT or parties to the SM REIT to comply with regulations.

(4) The Board may reject the application for delisting and take any other action, as it deems fit, under these regulations or the Act for violation of the listing agreement or these regulations or the Act.

(5) The procedure for delisting of units of scheme of the SM REIT including provision of exit option to the unit holders shall be in accordance with the listing agreement and in accordance with procedure as may be specified by the Board and by the designated stock exchanges from time to time.

(6) The investment manager of scheme of the SM REIT shall sell the assets of the scheme in order to redeem the units of the unitholders for the purpose of delisting of units of the scheme of the SM REIT and shall wind up the scheme of the SM REIT, in such manner as may be specified by the Board.

(7) If all schemes of SM REIT are delisted, the SM REIT shall surrender its certificate of registration to the Board and shall no longer undertake activity of a SM REIT:

Provided that the SM REIT and parties to the SM REIT shall continue to be liable for all their acts of omissions and commissions committed prior to the surrender of the certification, with respect to activities of the SM REIT or its schemes notwithstanding such surrender.

Valuation of assets.

26ZJ. (1) The investment manager shall ensure that valuer shall carry out the full

comprehensive valuation of the assets of each scheme of the SM REIT on an annual basis, and submits its report to the investment manager within two months from the end of the financial year:

Provided that in case of any material development that may have an impact on the valuation of the assets of the scheme of the SM REIT, the investment manager shall require the valuer to undertake full comprehensive valuation of the property under consideration within two months from the date of such event.

(2) The investment manager shall ensure that the valuer is not an associate of the investment manager or trustee of the SM REIT and that the signatory to the valuation reports has at least five years of experience in valuation of real estate, and possesses such other qualifications, experience and track-record that the Board may specify from time to time.

(3) The investment manager shall ensure that the valuer, for the purposes of the valuation, undertakes a full comprehensive valuation of all assets, which shall also include physical inspection of each property of the scheme.

(4) The investment manager shall ensure that valuer, in its full valuation report, includes the disclosures as specified in Schedule V to these regulations.

(5) The net asset value of each scheme shall be required to be declared and disclosed to the recognized stock exchanges based on the latest valuation report as on March 31st and upon occurrence of any material development.

(6) The investment manager shall submit the valuation reports to the trustee, designated stock exchanges and unit holders within one working day from the receipt of such valuation reports.

(7) Prior to any issue of units to the public and any other issue of units in the scheme as may be specified by the Board, the investment manager shall require the valuer to undertake full valuation of the particular scheme of SM REIT assets and include a summary of the report in the scheme offer document:

Provided that such valuation report shall not be more than six months old at the time of such offer and no material changes have occurred thereafter.

(8) The investment manager shall ensure that no valuer undertakes valuation of the properties of the schemes of the SM REIT for more than four years consecutively:

Provided that the valuer may be reappointed after a period of not less than two years has elapsed from the date it ceases to be the valuer of the SM REIT.

(9) For any purchase of a new property or sale of an existing property, the investment manager shall require the valuer to undertake a full comprehensive valuation of that property.

(10) The investment manager shall ensure that the valuer does not value any assets, which it has valued within the preceding twelve months prior to the acquisition of the asset by the scheme of the SM REIT.

Explanation.– For the purposes of this sub-regulation, it is hereby clarified that nothing in this sub-regulation shall apply if the valuer had been engaged by the SM REIT for the acquisition or disposal of the asset that is to be valued.

Distributions.

26ZK. (1) With respect to distributions made by the scheme of SM REIT and SPV, the investment manager shall ensure, –

(a) not less than ninety-five per cent. of net distributable cash flows of the SPV are distributed to the scheme of SM REIT subject to applicable provisions in the Companies Act, 2013:

Provided that the amount retained by the SPV shall be utilized only in such manner as may be specified by the Board from time to time;

(b) hundred per cent. of the net distributable cash flows of the scheme of SM REIT shall be distributed to the unit holders;

(c) the distributions are declared at least once in every quarter of the financial year and not later than fifteen working days from the end of the quarter;

(d) the distributions are paid to the unitholders within [334][five working days from the record date].

[335]***[Explanation.*** — For the purpose of above clause, record date for the payment of

[334] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution the words were "seven working days of such declaration".

[335] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

distribution shall be the date which is two working days from the date of the declaration of distribution (excluding the date of declaration and the record date).]

(2) If the investment manager fails to make payment within the said timelines, then the investment manager shall pay interest at the rate of fifteen per cent. per annum to the unitholders, for the delayed period and such excess interest shall not be recovered by the investment manager from the SM REIT in any form.

[336][(3) Any amount remaining unclaimed or unpaid out of the distributions declared by a scheme of SM REIT, shall be transferred to the 'Investor Protection and Education Fund' constituted by the Board in terms of section 11 of the Act, in such manner as may be specified by the Board:

Provided that the amount transferred to Investor Protection and Education Fund shall not bear any interest.

(4) The unclaimed or unpaid amount of a person that has been transferred to the Investor Protection and Education Fund in terms of sub-regulation (3) of this regulation, may be claimed in such manner as may be specified by the Board.]

Related party transactions.

26ZL. The SM REITs shall not enter into any transaction with related parties including transactions for facility management and property management:

Provided that nothing in this regulation shall apply to payment of fees by the SM REIT to the investment manager and the trustee for carrying on the activities of the REIT.

Rights and meetings of unit holders.

26ZM. (1) The unitholders of the scheme shall have the right to receive distributions as provided for in the scheme offer document, subject to the provisions of this chapter.

(2) With respect to any matter requiring approval of the unit holders, –

(a) a resolution shall be considered as passed when the votes cast by unit holders, so

[336] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

entitled and voting, in favour of the resolution exceed a certain percentage or criteria as specified in these regulations;

[337][(aa) the voting threshold specified under these regulations shall be calculated on the basis of unit holders present and voting.

Explanation. — The unit holders voting through the electronic voting facility and postal ballot shall be counted for the determination of unit holders present and voting;]

(b) the unitholders of the scheme shall have the right to vote in any unitholders' meeting of that particular scheme of SM REIT;

(c) in case the scheme of the SM REIT proposes to purchase a property or proposes to sell a property at a value which is greater than one hundred and five per cent. or less than ninety five per cent. of the value of property as assessed by the valuer respectively, approval from unitholders shall be required wherein votes cast in favour of the resolution shall be at least three times the number of votes cast, against the resolution;

(d) the investment manager shall also provide the option to the unitholders to vote either by way of post or through electronic mode;

(e) a notice of not less than twenty one clear days shall be provided to the unit holders:

[338][Provided that a meeting of unit holders of each scheme may be called after giving shorter notice than that specified in this clause if consent, in writing or by electronic mode, is accorded thereto -

i. in case of an annual meeting, by not less than ninety-five percent of the unit holders of the scheme entitled to vote thereat; and

ii. in case of any other meeting, by majority of the unitholders of the scheme in number entitled to vote thereat and who represent not less than ninety-five percent of such part of the units of the scheme by value

[337] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

[338] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were "Provided that a meeting of the unit holders of each scheme may be called after giving shorter notice, if consent, in writing or by electronic mode, is accorded thereto, by not less than ninety-five per cent of the unit holders of the scheme entitled to vote at such meeting;"

as gives a right to vote at the meeting.]

(f) no person who is interested in any transaction as well as associates of such person(s) shall vote on any matter related to that transaction;

(g) investment manager shall be responsible for all the activities pertaining to the meeting of the unit holders of scheme, subject to oversight of the trustee:

Provided that in issues pertaining to the investment manager including change in the investment manager, removal of the investment manager, change in control of the investment manager, the trustee shall convene and handle all activities pertaining to conduct of the meetings of unit holders:

Provided further that in respect of issues pertaining to the trustee including change in the trustee, the trustee shall not be involved in any manner in the conduct of the meeting.

[339][(h) for all unit holder meetings, the investment manager shall provide an option to the unit holders to attend the meeting through video conferencing or other audio visual means and the option of remote electronic voting in the manner as may be specified by the Board.]

(3) An annual meeting of unit holders of each scheme shall be held at least once every year, within one hundred and twenty days from the end of financial year and the time between two meetings shall not exceed fifteen months.

(4) The investment manager or the trustee, as applicable, of the SM REIT shall conduct the meetings in accordance with the procedure as may be specified by the Board.

(5) The investment manager of a SM REIT may conduct meeting of unitholders of each scheme through video conferencing or through other audio-visual means.

(6) In the annual meeting of unitholders of each scheme, the investment manager shall place following matters before the unit holders for consideration of:

(a) latest annual accounts and audit report of the SM REIT and its schemes, and a report on performance of the scheme of the SM REIT;

(b) the appointment of, and the fixing of the fees of the auditor and the valuer; and

[339] Inserted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024.

(c) the latest valuation reports.

(7) The matters mentioned in sub-regulation (6) of this regulation shall require approval of unitholders of the scheme, where votes cast in favour of the resolution shall be more than [340][fifty per cent of the total votes cast for] the resolution.

(8) Any information that is required to be disclosed to the unitholders of each scheme may also be taken up in the annual meeting of the unitholders of such scheme.

(9) Approval from unitholders of the concerned scheme shall be required, where votes cast in favour of the resolution shall be more than [341][fifty per cent of the total votes cast for] the resolution, in case of following items,–

(a) any transaction, value of which is equal to or greater than ten per cent. of the value of the assets of the particular scheme of SM REIT;

(b) any borrowing in excess of limit specified under proviso to sub-regulation (5) of regulation 26U;

(c) any issue for which the Board or the recognized stock exchanges require such approval under this sub-regulation;

(d) any issue, in the ordinary course of business, which in the opinion of the Investment Manager or Trustee, is material and requires approval of the unitholders.

[342][(e) increasing the period for compliance with investment conditions to one year in accordance with sub-regulation (2A) of regulation 26Tof these regulations.]

(10) Approval from the unitholders of the scheme of the SM REIT shall be required, where votes cast in favour of the resolution shall [343][be at least sixty per cent of the total votes cast for] the resolution in case of the following items, –

(a) any change in investment manager including removal of the investment manager or change in control of the investment manager;

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[340] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were “the votes cast against”.

[341] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were “the votes cast against”.

[342] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

[343] Substituted vide Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 w.e.f 28.09.2024. Prior to the substitution, the words were “not be less than one and a half times the votes cast against”.

(b) any material change in investment strategy or any change in the fees payable to the investment manager by the SM REIT;

(c) any issue of units after initial offer by a scheme of SM REIT, in whatever form;

(d) the trustee and investment manager proposing to seek voluntary delisting of units of the scheme of the SM REIT;

(e) any issue, not in the ordinary course of business, which in the opinion of the investment manager or trustee requires approval of the unitholders;

(f) any issue, which in the opinion of the Board or the recognized stock exchanges, requires approval under this sub-regulation;

(g) removal of the auditor or valuer and appointment of another auditor or valuer to the SM REIT;

(h) change in the trustee;

(i) delisting of the scheme of the SM REIT if the unit holders have sufficient reason to believe that such delisting would act in the interest of the unitholders; and

(j) extension of time period as specified under clause (b) of sub-regulation (1) of regulation 26ZI.

(11) The unitholders of the scheme of SM REIT may request any matter to be taken up in the unitholders' meeting of such scheme if ten per cent. of the unitholders of a particular scheme by value, apply in writing, to the trustee and the trustee shall require the investment manager to place the matter for voting in accordance with these regulations:

Provided that the request of the unitholders of a scheme for change in the trustee shall be sent, in writing, to the investment manager, who shall, on receipt of such a request, place the matter for voting in the manner as specified in accordance with these regulations.

Investor Grievance Redress

26ZN. The investment manager shall abide by the guidelines and circulars issued by the Board in relation to the SCORES and Online Dispute Resolution for resolution of investor grievances and disputes, including depositing such amount with the designated body as may be specified by the Board.]

CHAPTER VII
INSPECTION

Boards right to inspect.

27. The Board may *suo motu* or upon receipt of information or complaint appoint one or more persons as inspecting officers to undertake inspection of the books of accounts, records and documents relating to activity of the REIT [344][or holdco or SPVs or parties to the REIT] for any of the following reasons, namely,-

(a) to ensure that the books of account, records and documents are being maintained by the REIT or parties to the REIT in the manner specified in these regulations;

(b) to inspect into complaints received from unit holders, clients or any other person, on any matter having a bearing on the activities of the REIT;

(c) to ascertain whether the provisions of the Act and these regulations are being complied with by the REIT and parties to the REIT;

(d) to inspect *suo motu* into the affairs of the REIT, in the interest of the securities market or in the interest of investors.

Notice before inspection.

28. (1) Before ordering an inspection under regulation 27, the Board shall give not less than ten days notice to the trustee of the REIT.

(2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfied that in the interest of the investors no such notice should be given, it may, by an order in writing, direct that the inspection of the affairs of the REIT be taken up without such notice.

(3) During the course of an inspection, the REIT against whom the inspection is being carried out and parties to the REIT shall be bound to discharge their obligations as provided in regulation 29.

Obligation of REIT, parties to the REIT and any other associate persons on inspection.

29. (1) It shall be the duty of every REIT in respect of whom an inspection has been ordered under the regulation 27, parties to the REIT and any other associate person who is in possession of relevant information pertaining to conduct and affairs of such REIT, including representative of REIT, if any, to produce to the inspecting officer such books, accounts and other documents

[344] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

in his custody or control and furnish him with such statements and information as the inspecting officer may require for the purposes of inspection.

(2) It shall be the duty of every REIT, parties to the REIT and any other associate person who is in possession of relevant information pertaining to conduct and affairs of the REIT to give to the Inspecting Officer all such assistance and to extend all such co-operation as may be required in connection with the inspection and to furnish such information as may be sought by the inspecting officer in connection with the inspection.

(3) The inspecting officer shall, for the purposes of inspection, have power to examine on oath and record the statement of any employees and directors of the REIT or parties to the REIT or [345][holdco or SPV(s) or] any person responsible for or connected with the activities of REIT or any other associated person having relevant information pertaining to such REIT.

(4) The inspecting officer shall, for the purposes of inspection, have power to obtain authenticated copies of documents, books, accounts of REIT, from any person having control or custody of such documents, books or accounts.

Submission of report to the Board.

30. The inspecting officer shall, as soon as possible, on completion of the inspection submit an inspection report to the Board:

Provided that if directed to do so by the Board, he may submit an interim report.

Communication of findings etc. to the REIT.

31. The Board may after consideration of the inspection report and after giving reasonable opportunity of hearing to the REITs or parties to the REIT or its representatives or any such person, issue such directions as it deems fit in the interest of securities market or the investors in the nature of,-

(a) requiring the REIT to delist its units from the designated stock exchanges and surrender its certificate of registration;
(b) requiring the REIT to sell its assets;
(c) requiring the REIT or parties to the REIT to take such action as may be in the interest of the investors;
(d) prohibiting the REIT or parties to the REIT from operating in the capital market or from accessing the capital market for a specified period.

[345] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

CHAPTER VIII

PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default.

32. A REIT or parties to the REIT or any other person involved in the activity of the REIT who contravenes any of the provisions of the Act or these regulations, notifications, guidelines, circulars or instructions issued thereunder by the Board shall be liable for one or more actions specified therein including any action provided under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

[346][CHAPTER VIII-A

POWER TO RELAX STRICT ENFORCEMENT OF THE REGULATIONS

Exemption from enforcement of the regulations in special cases.

32A. (1) The Board may, exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding twelve months, for furthering innovation [347][***] relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets.

(2) Any exemption granted by the Board under sub-regulation (1) shall be subject to the applicant satisfying such conditions as may be specified by the Board including conditions to be complied with on a continuous basis.

Explanation. — For the purposes of these regulations, "regulatory sandbox" means a live testing environment where new products, processes, services, business models, etc. may be deployed on a limited set of eligible customers for a specified period of time, for furthering innovation in the securities market, subject to such conditions as may be specified by the Board.]

CHAPTER IX

[346] Inserted by the SEBI (Regulatory Sandbox) (Amendment) Regulation, w.e.f. 17-04-2020.

[347] The words “in technological aspects” omitted by the SEBI (Regulatory Sandbox) (Amendment) Regulations, 2021 w.e.f. 3-8-2021.

MISCELLANEOUS

Power of the Board to issue clarifications.

33. In order to remove any difficulties in the application or interpretation of these regulations, the Board may issue clarifications and guidelines in the manner as may be appropriate.

[348][**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; or

(e) such relaxation will be in the interest of securities market[349][; or]

[350][(f)] 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]

Amendments to other regulations.

34. The regulations specified in the Schedule VII to these regulations shall be amended in the manner and to the extent stated therein.

[348] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[349] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017
[350] Clause number inserted ibid

SCHEDULE I

FORMS

FORM A

Securities and Exchange Board of India

(Real Estate Investment Trusts) Regulations, 2014

Application for Grant of Certificate of Registration as Real Estate Investment Trust

[*See* Regulation 3(2)]

Securities and Exchange Board of India

SEBI Bhavan, C4-A, G Block, Bandra Kurla Complex, Mumbai 400051 - India

INSTRUCTIONS

1. This form is meant for use by the applicant for grant of certificate of registration as a Real Estate Investment Trust.
2. The applicant should complete this form, and submit it, along with all supporting documents to the Board.
3. This application form should be filled in accordance with these regulations.
4. The application shall be considered by the Board provided it is complete in all respects.
5. All answers must be legible and all the pages must be numbered with signature/ stamp on each page of the form.
6. Information which needs to be supplied in more detail may be given on separate sheets which should be attached to the application form and appropriately numbered.
7. The application must be signed and all signatures must be original.
8. The application must be accompanied by an application fee as specified in the Second Schedule to these regulations.

1. GENERAL INFORMATION

(a) Name, address, telephone number(s), fax number(s), e-mail address of the REIT

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Whether the [351][trust] [352][/] sponsor(s)/[353][***] manager [354][or their associates or sponsor group(s)/ trustee] is/ are registered with SEBI, RBI or any other regulatory authority in any capacity along with the details of its registration

(d) Details of infrastructure for conducting activities as an Real Estate Investment Trust

2. [355][DETAILS OF TRUST]

(a) Write-up on the activities of the [356][trust]

(b) Whether the Trust Deed is registered under the provisions of the Registration Act, 1908

(c) Whether the Trust Deed has its main objective as undertaking activity of REIT and includes responsibilities of the Trustee in accordance with Regulation 9 of these Regulations (Enclose relevant extract of the Registered Trust Deed)

(d) Whether any unit holder of the REIT enjoys preferential voting or any other rights over another unit holder

(e) Whether there are multiple classes of units of REIT

3. **DETAILS OF TRUSTEE**

(a) Name, address of registered office, address for correspondence and principal place of business, telephone number(s), fax number(s), e-mail address of the Trustee.

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Brief write up on the activities of the trustee

(d) Details of registration as a Debenture Trustee

(e) [357][***]

(f) Details of infrastructure, personnel, etc. relevant to the activity as trustee of the REIT

(g) Identity and Address proof of the trustee and its directors

(h) Whether the Trustee Company is registered with any regulatory authority other than SEBI in any capacity along with the details of its registration

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[351] Substituted for the word "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[352] Substituted "or its associates or its"by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[353] Omitted "trustee/" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[354] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[355] Substititted for the heading "DETAILS OF APPLICANT" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[356] Substituted ibid.

[357] Omitted, by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub paragraph (e) read as under : "List of associates of the trustee"

[358][(i) Copy of the executed Trust Deed]

4. DETAILS OF SPONSOR(S) (Provide details for every sponsor separately)

(a) Name, address of registered office, address for correspondence and principal place of business, telephone number(s), fax number(s), e-mail address of the sponsor(s)

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Legal status of the sponsor, date and place of incorporation/ establishment, wherever applicable

(d) In case of sponsor being individual(s), provide a brief profile of the sponsor including professional qualification. In case of sponsor(s) being other than individual, write up on holding pattern and profile of the directors/partners including their professional qualification

(e) Identity proof and address proof of the sponsor (if sponsor is an individual)/ directors of Sponsor (s)(if sponsor is a company)/ partners of the Sponsor(s) (if sponsor is an LLP)

(f) Write up on the activities of the sponsor/its associates including past experience in development of real estate or fund management in the real estate industry

(g) Whether the Sponsor has floated any REITs previously, which are registered with SEBI. If yes, details of the same

(h) Proposed holding of the sponsor in the REIT on post-issue basis

(i) Copies of the financial statements for the previous financial year

(j) Net-worth certificate of sponsor(s) by a Chartered Accountant, not more than six months old

5. DETAILS OF MANAGER

(a) Name, address of the registered office address for correspondence, telephone number(s), fax number(s), of the Manager

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Legal status, date and place of incorporation/ establishment, wherever applicable

(d) Copy of [359][executed] Investment Management agreement

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[358] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[359] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

(e) Write up on the activities of the Manager/ its associates including past experience in fund management/ advisory services/property management in the real estate industry or in development of real estate

(f) List of Directors/ Members of Governing Board

(g) Identity proof and address proof of the manager, its directors or partners

(h) Shareholding/partnership interests and profile of the directors /partners

(i) Details of the key personnel including experience and professional qualification

(j) Copies of the financial statements for the previous financial year

(k) Net-worth certificate of manager by a Chartered Accountant, not more than six months old

(l) Whether the Manager has acted as manager to any REIT previously, which are registered with SEBI. If yes, details of the same

6. DETAILS OF BUSINESS PLAN AND INVESTMENT STRATEGY

(a) Investment objective and investment style

(b) Details of proposed initial offer [360][***].

(c) Brief details of the assets proposed to be held under REIT

(d) Details of leverage at [361][holdco and /or SPV(s)] and REIT level (current and proposed)

(e) Fee structure

7. DETAILS OF REGULATORY ACTION TAKEN IN THE PAST, IF ANY

(a) Whether the [362][REIT or the parties to the REIT or their directors/ members of governing board] are / were involved in any litigation connected with the securities market which may have an adverse bearing on the business of the [363][REIT] or any order has/ had been passed against them for violation of securities laws. (If Yes, provide details. If No, enclose a declaration to that effect)

(b) Whether any disciplinary action has been taken by the Board or any other regulatory authority against the [364][REIT or the parties to the REIT or their directors/ members

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[360] Omitted "including copy of the draft initial offer document" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[361] Substituted "SPV" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[362] Substituted "applicant or any of its related party(ies)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[363] Substituted for "applicant" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[364] Substituted "applicant or any of its related party(ies)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

of governing board] under any Act or the Regulations/guidelines made thereunder (If Yes, provide details. If No, enclose a declaration to that effect)

(c) Whether [365][REIT or the parties to the REIT or their directors/ members of governing board] has/ have been refused a certificate by the Board or its/ their certificate has been suspended at any time prior to this application. (If Yes, provide details. If No, enclose a declaration to that effect)

8. OTHER INFORMATION/DECLARATIONS

(a) Declaration that the sponsor(s) shall individually hold not less than 5% of the units of the REIT on post initial offer basis

(b) Declaration that the [366][REIT and parties to the REIT] are fit and proper persons based on the criteria specified in the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

DECLARATION STATEMENT (TO BE GIVEN AS BELOW)

We hereby agree and declare that the information supplied in the application, including the attachment sheets, is complete and true.

AND we further agree that, we shall notify the Securities and Exchange Board of India immediately any change in the information provided in the application.

We further agree that we shall comply with, and be bound by the Securities and Exchange Board of India Act, 1992, and the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, and any other regulations, guidelines or circulars as may be notified or issued by the Securities and Exchange Board of India from time to time.

We further agree that as a condition of registration, we shall abide by such operational instructions/directives as may be issued by the Securities and Exchange Board of India from time to time.

For and on behalf of_____

(Name of the applicant)

[365] Substituted "applicant or any of its related party(ies)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[366] Substituted for the words "applicant, Sponsor and Manager" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

Authorized signatory

(Signature)

FORM B

Securities and Exchange Board of India

(Real Estate Investment Trusts) Regulations, 2014

[See regulation 6(1)]

Certificate of registration as a Real Estate Investment Trust

I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), read with the regulations made there under, the Board hereby grants a certificate of registration to

_____

as a Real Estate Investment Trust subject to the conditions specified in the Act and in the regulations made thereunder.

II. The Registration Number of the Real Estate Investment Trust is:

_____.

Date :

Place :

By Order

Sd/-

For and on behalf of

Securities and Exchange Board of India

[367][SCHEDULE IA

FORMS APPLICABLE TO SM REITS

FORM A

Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Application for Grant of Certificate of Registration as Small and Medium (SM) Real Estate Investment Trust

[*See* Regulation 26I (1)]

Securities and Exchange Board of India

SEBI Bhavan, Plot C4-A, G Block, Bandra Kurla Complex, Mumbai 400051 - India

INSTRUCTIONS

1. This form is meant for use by the applicant for grant of certificate of registration as a SM REIT.
2. The applicant should complete this form, and submit it, along with all supporting documents to the Board.
3. This application form should be filled in accordance with these regulations.
4. The application shall be considered by the Board provided it is complete in all respects.
5. All answers must be legible and all the pages must be numbered with signature/ stamp on each page of the form.
6. Information which needs to be supplied in more detail may be given on separate sheets which should be attached to the application form and appropriately numbered.
7. The application must be signed and all signatures must be original.
8. The application must be accompanied by an application fee as specified in the Schedule IIA to these regulations.

[367] Inserted by the the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 w.e.f. 08.03.2024.

I. GENERAL INFORMATION

(a) Name, address, telephone number(s), fax number(s), e-mail address of the SM REIT

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Whether the trust / investment manager or their associates or trustee is/ are registered with the Board, the Reserve Bank of India or any other regulatory authority in any capacity along with the details of its registration

(d) Details of infrastructure for conducting activities as a SM REIT

II. DETAILS OF TRUST

(a) Write-up on the activities of the trust

(b) Whether the trust deed is registered under the provisions of the Registration Act, 1908

(c) Whether the trust deed has its main objective as undertaking activity of SM REIT and includes responsibilities of the trustee in accordance with these Regulations (Enclose relevant extract of the Registered Trust Deed)

III. DETAILS OF TRUSTEE

(a) Name, address of registered office, address for correspondence and principal place of business, telephone number(s), fax number(s), e-mail address of the Trustee

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Brief write up on the activities of the trustee

(d) Details of registration as a debenture trustee

(e) Details of infrastructure, personnel, etc. relevant to the activity as trustee of the SM REIT

(f) Identity and address proof of the trustee and its directors

(g) Whether the trustee company is registered with any regulatory authority other than the Board in any capacity along with the details of its registration

(h) Copy of the executed trust deed

IV. DETAILS OF INVESTMENT MANAGER

(a) Name, address of the registered office address for correspondence, telephone number(s), fax number(s), of the Investment Manager

(b) Name, direct line number, mobile number and e-mail of the contact person(s)

(c) Legal status, date and place of incorporation/ establishment, wherever applicable

(d) Copy of executed investment management agreement

(e) Write up on the activities of the investment manager, including past experience in real estate industry or real estate fund management

(f) Details of the key managerial personnel including experience including past experience real estate industry or real estate fund management, and professional qualification

(g) List of directors

(h) Identity proof and address proof of the investment manager, its directors

(i) Shareholding and profile of the directors

(j) Copies of the financial statements for the previous financial year

(k) Net-worth certificate of investment manager by a practicing Chartered Accountant, not more than six months old

(l) Details of net-worth held in liquid assets, as required under these regulations

(m) Whether the investment manager has acted as manager to any REIT previously, which are registered with SEBI. If yes, details of the same

V. DETAILS OF BUSINESS PLAN AND INVESTMENT STRATEGY

(a) Investment objective and investment style

(b) Details of proposed scheme offerings

(c) Brief details of the assets proposed to be held under the scheme of the SM REIT

(d) Fee structure

(e) Migration plan of any existing persons, entities or structures to the structure of the scheme of the SM REIT, including timelines, milestones and any other relevant details.

(f) Details of current holdings and investments in real estate

(g) Details of past activities in real estate

VI. DETAILS OF REGULATORY ACTION TAKEN IN THE PAST, IF ANY

(a) Whether the SM REIT or the parties to the SM REIT or their directors are/were involved in any litigation connected with the securities market which may have an adverse bearing on the business of the SM REIT or any order has/ had been passed against them for violation of securities laws. (If yes, provide details. If no, enclose a declaration to that effect)

(b) Whether any disciplinary action has been taken by the Board or any other regulatory authority against the SM REIT or the Parties to the SM REIT or their promoters or directors under any Act or the Regulations/guidelines made thereunder (If yes, provide details. If no, enclose a declaration to that effect)

(c) Whether SM REIT or the Parties to the SM REIT or their directors has/ have been refused a certificate by the Board or its/ their certificate has been suspended at any time prior to this application. (If yes, provide details. If no, enclose a declaration to that effect)

VII.OTHER INFORMATION/DECLARATIONS

(a) Declaration that the investment manager shall comply with the lock-in conditions as specified under these regulations.

(b) Declaration that the SM REIT and the parties to the SM REIT shall be fit and proper persons based on the criteria specified in the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

DECLARATION STATEMENT (TO BE GIVEN AS BELOW)

We hereby agree and declare that the information supplied in the application, including the attachment sheets, is complete and true.

AND we further agree that, we shall notify the Securities and Exchange Board of India immediately any change in the information provided in the application.

We further agree that we shall comply with, and be bound by the Securities and Exchange Board of India Act, 1992, and the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, and any other regulations, guidelines or circulars as may be notified or issued by the Securities and Exchange Board of India from time to time.

We further agree that as a condition of registration, we shall abide by such operational instructions/directives as may be issued by the Securities and Exchange Board of India from time to time.

For and on behalf of_____

(Name of the applicant)

Authorized signatory

(Signature)

FORM B

Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

[*See* regulation 26L (1)]

Certificate of registration as a SM REIT

I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), read with the regulations made there under, the Board hereby grants a certificate of registration to _____

as a SM Real Estate Investment Trust subject to the conditions specified in the Act and in the regulations made thereunder.

II. The Registration Number of the SM Real Estate Investment Trust is:

_____.

Date :

Place :

By Order

Sd/-

For and on behalf of

Securities and Exchange Board of India

SCHEDULE II

Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

[*See* Regulation 3(2), 6(1) and 14(10)]

FEES TO BE PAID WITH RESPECT TO REGISTRATION AS A REIT

1. Every applicant shall pay non-refundable application fees of one lakh rupees along with the application for grant of certificate of registration.
2. Every applicant shall pay as non-refundable registration fees a sum of ten lakh rupees within fifteen days from the date of receipt of intimation from the Board.
3. REIT shall pay non-refundable filing fees of:
   (a) 0.1% in case of initial and follow-on offer; and
   (b) 0.05% in case of rights issue,

   of the total issue size including intended retention of oversubscription at the time of filing of draft Offer document with the Board
4. If the issue size estimated by the REIT differs from eventual issue size and thereby:–
   (a) the fees paid by the REIT is found to be deficient, the balance fee shall be paid by the issuer [368][alongwith] filing [369][of the final offer document] with the recognised stock exchanges, as the case may be; and
   (b) if any excess fee is found to have been paid, it shall be refunded by the Board to the REIT.
5. Such application, registration and filing fees shall be paid by the applicant/REIT [370][by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by a demand draft in favour of 'Securities and Exchange Board of India' payable at Mumbai or at respective regional or local office, as may be required.

[368] Substituted "within seven days of registering the prospectus with the Registrar of Companies or" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[369] Substituted "the letter of offer" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[370] Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6.3.2017.

[371][SCHEDULE IIA

Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

[*See* regulations 26I (1), 26L (1) and 26R (2)]

FEES TO BE PAID WITH RESPECT TO REGISTRATION AS SM REIT

1. Every applicant shall pay non-refundable application fees of rupees one lakh along with the application for grant of certificate of registration.
2. Every applicant shall pay non-refundable registration fees of rupees ten lakh within fifteen days from the date of receipt of intimation from the Board.
3. The scheme of the SM REIT, in case of initial offering or a follow on offering shall pay non-refundable filing fees that is the higher of, rupees five lakh, and 0.1 per cent. of the total scheme issue size including intended retention of oversubscription, at the time of filing of draft scheme offer document with the Board.
4. If the issue size estimated by the SM REIT differs from eventual issue size and thereby–
   (a) the fees paid by the SM REIT is found to be deficient, the balance fee shall be paid by the issuer along with filing of the final scheme offer document with the recognized stock exchanges, as the case may be; and
   (b) if any excess fee is found to have been paid to the Board, it shall be refunded by the Board to the SM REIT.

Such application, registration and filing fees shall be paid by the applicant or SM REIT, as applicable, by way of direct credit into the bank account through NEFT/RTGS/IMPS or online payment using the SEBI Payment Gateway or any other mode as may be specified by the Board from time to time.]

[371] Inserted by the the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 w.e.f. 08.03.2024.

SCHEDULE III

[*See* Regulations 15 and 23]

MANDATORY DISCLOSURES IN INITIAL OFFER DOCUMENT/FOLLOW ON OFFER DOCUMENT

1. **Introduction**

   a. Name, registered office address, correspondence address, contact person (s), contact details and email id of the REIT
   b. Place and date of creation of the REIT
   c. Registration number and date of registration of the REIT with SEBI

2. **Details of parties to the REIT**

   a. **Sponsor**

      i. Name, registered office address, correspondence addresses, Contact person (s), contact details, email id
      ii. Background of the sponsor including activities being undertaken by the sponsor with respect to real estate

   b. **Manager**

      i. Background of the manager including past experience in management/advisory services in real estate
      ii. Brief functions, duties and responsibilities of the manager
      iii. Brief profiles of the directors of the manager and units held by them in the REIT, if any

   c. **Trustee**

      i. Background of the trustee including details of registration with SEBI
      ii. Names and profiles of the Directors
      iii. Functions, duties and responsibilities of the Trustee

   d. **Valuer**

      i. Background of the valuer including past experience in valuation in real estate, especially in valuation of similar assets by nature and location
      ii. Policy of appointment and removal

3. **Brief background of the REIT**

   a. Glossary of terms/abbreviations
   b. Structure and description of the REIT
   c. Details of Property Management / Lease Management and any other arrangements pertaining to underlying REIT assets, entered into with various parties prior to the issue
   d. Holding structure of the REIT prior to the issue including breakup of the units held by the sponsor, manager, any other party to the REIT and any other unit holder holding greater than 5% of the units of the REIT
   e. Proposed holding structure by the aforesaid parties post-issue
   f. Fee and expenses charged/chargeable to the REIT by various parties including fees charged by the manager, valuer, auditor, trustees and any other third party and shall also include any set-up costs

4. **Terms of the issue**

   a. Terms of the offer including number of units, price, issue opening date, issue closing date, terms and conditions and any other information as may be required for the investor to make an informed decision
   b. Policy of distribution including method of calculation and the frequency for distribution
   c. Listing of units
      i. Names of the Designated Stock Exchanges where units are proposed to be listed
      ii. Timelines for listing
      iii. Declaration that prior in-principle approval has been obtained from the Designated Stock Exchanges

   [372][d. Commitment received from strategic investors, if any.]

5. **Market overview**
6. **Description of the assets under the REIT**

   a. Breakup/proposed breakup of REIT assets in terms of Regulation 18

[372] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

b. Description of real estate assets of the REIT including the general character and competitive conditions of all the properties held or intended to be acquired by the REIT and pictures of the properties.

c. Key statistics of the properties *(area, occupancy, location, etc.)*

d. Special features of the properties, if any

e. Details of the [373][holdco and/or] SPVs through which the properties are held/proposed to be held including holding pattern, holding of REIT in the [374][holdco and/or] SPV, rights of REIT in the [375][holdco and/or] SPV, etc.

f. In case the properties are held directly by the REIT, details of holding of all the owners of the properties including percentage of ownership, rights of REIT vis-à-vis other owners, etc.

g. Confirmation of adequate Insurance by the Trustee

h. For leased out properties *(property-wise),* the following additional disclosures shall be made:

   i. Total number of tenants

   ii. Rental income as a percentage of total gross income in aggregate for the top 10 tenants

   iii. Lease-maturity profile, in terms of the percentage of total gross rental income, for each of the next five years

   iv. a summary of the terms of any sub-leases or tenancies, including repair obligation, granted to the tenants of the property

   v. the existing monthly rental income before tax from the property which is wholly or partly let, together with the amount and a description of any outgoings or disbursements from the rent

   vi. the estimated current monthly market rental obtainable, on the basis that the property was available to let on the effective date as at which the property was valued

   vii. a summary of any rent review provisions

   viii. Level of furnishing of the properties including whether the properties are cold-shell properties or fully furnished

[373] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[374] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016
[375] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

ix. Whether any clauses exist in rental agreements providing high grace period in lieu of higher rental values. If yes, details shall be provided

i. For under-construction properties *(property-wise)*, the following additional disclosures shall be made:

i. Stage of construction along with % of completed construction as at the end of the year

ii. Progress of construction

iii. Expected completion

iv. Status of approval/assessment from various authorities including statutory assessment & environment considerations with respect to development regulations and planning norms

7. <u>Business Details and Strategy</u>

a. Investment strategy

- Description of investment strategy including category, type, location, allocation to each type, co-investment in properties, etc.
- Description of ROFR with respect to any properties
- Capital and risk management strategy

b. Use of proceeds:

- purpose of the issue
- Issue Expenses

c. [376][***]

8. <u>Leverage</u>

a. Capital structure of the REIT assets including any borrowings/deferred payments with respect to the REIT assets prior to the issue and post-issue *(Standalone and consolidated)*

b. Borrowing policy

9. <u>Conflict of interest and Related party transactions</u>

a. Procedure for dealing with related party transactions and Conflict of Interest

[376] Omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub paragraph (c) read as follows:
"Projections of income of the REIT over next three years beginning the current financial year certified by the manager with respect to calculation and assumptions and certified by the auditor with respect to arithmetical accuracy"

b. Details of any related party transactions [377][which are] undertaken [378][in last three financial years and current financial year] as well as any such transactions proposed in the future

10. <u>Valuation</u>

a. Summary of valuation as per the full valuation report
b. Valuation methodology
c. Frequency of valuation and declaration of NAV

11. <u>Financials</u>

a. Total rental income from the properties *(property-wise)* under the REIT for the previous 3 years
b. Summary of the financial statements of the REIT [379][***], manager and sponsor for the previous 3 years, as applicable
c. Management's Discussion and Analysis of factors affecting financial condition and results of operations by the Manager

[380][(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]

12. <u>Rights of Unit Holders</u>

a. Rights of unit holders
b. Proposed disclosures to the unit holders either directly or by public dissemination on the Designated Stock Exchanges website
c. Frequency and manner of meetings of unit holders

[377] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.
[378] Substitued "prior to the offer" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.
[379] Omitted "(consolidated and stand alone)" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.
[380] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

13. Title disclosures, litigations and regulatory actions

a. Title disclosure of the properties including any material litigations pertaining to the properties

b. Brief description of the material litigations and regulatory actions [381][which are] pending, against the REIT, sponsor[382][(s)], manager, [383][or any of their associates and sponsor group(s), the trustee and valuer,] if any [384][***]

14. Risk factors

15. Brief details on taxation and regulatory aspects to enable the investors to make an informed decision

16. Other general information

a. Key terms of material agreements relating to the REIT including but not limited to the investment management agreement

b. Policy of appointment of auditor and auditing standards to be followed

c. Policy and timelines for redressal of complaints by the investors

17. Supporting Documents

a. [385][***]

b. Auditors Report

c. Any other such report

18. Such other information as is material and appropriate to enable the investors to make an informed decision

19. Declarations [386][(to be signed by the board of directors of the manager and sponsor)]

[387][20. The documents to be provided to the Board,-

a. Full valuation report, alongwith offer document

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[381] Substituted ", whether completed or" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[382] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[383] Substituted "trustee, valuer or any of their associates," by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[384] Symbol and words ", in the past 5 years" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

[385] Omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, sub paragraph (a) read as follows:

"Full Valuation Report"

[386] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[387] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

b. Due diligence certificate alongwith draft offer document and offer document
c. In principle approval from the exchange(s)]

[388][Schedule IIIA

[See Regulation 26S (1)]

MANDATORY DISCLOSURES IN SCHEME OFFER DOCUMENT

Instructions for preparation of scheme offer document:

(a) Plain white backgrounds shall be used for all pages without watermarks.

(b) A summary of all key information shall be included within the first 1-2 cover pages, prior to the table of contents such as name of the SM REIT, name of the scheme of SM REIT, SM REIT registration status, principal place of business, contact number, compliance officer details, email ID, website of SM REIT, specific webpage for scheme (if any), details of offer (including offer size in rupees and in units, offer type, offer split into fresh issue vs OFS, both in rupees and units, wherever applicable), details of parties to the SM REIT, reservation and allotment patterns (QIB, retail etc.), standard disclaimers w.r.t the issue being the first issue by the SM REIT under that scheme, ASBA (with reference to Issue Procedure section), clause for General Risks, clause addressing Investment Manager's Absolute Responsibility, proposed stock exchanges for listing and status of in-principle approvals from them, names, contact details and email addresses of registered intermediaries connected to the issue (such as BRLMs, RTA, CRA etc.), proposed issue opening and closing dates, etc.

(c) The annotated table of contents shall be added after the cover page.

(d) A summary of the scheme of SM REIT in the tabular format mentioned below, covering the following details shall be included after the table of contents:

S. No.	Particulars	Contents
1.	Name of the SM REIT	
2.	Name of the Investment Manager and Trustee	
3.	Contact details of the Investment Manager	
4.	Contact details of the Merchant Banker(s)	
5.	Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	
6.	Issue Size	
7.	Issue Price	
8.	NAV per unit	
9.	Minimum Application and in multiples of [●] units thereafter	
10.	Issue Timing	
11.	Issue Opening Date	
12.	Issue Closing Date	
13.	Pay-in Date	

[388] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

14.	Expected Date of Allotment	
15.	Issuance mode of the Instrument	
16.	Depository	
17.	Objects of the Issue	
18.	Brief description of the assets under each scheme of the SM REIT	
19.	Brief description of each scheme under the SM REIT	
20.	Relevant Financial ratios	
21.	Capital structure of the assets held under each scheme of the SM REIT	
22.	Brief details of valuation of each asset under each scheme of the SM REIT	
23.	Brief description of ROFR, if any	
24.	Brief details of policy of distributions to the unit holders	
25.	Brief details of fee and expenses charged or chargeable to the SM REIT under each scheme	
26.	Details with respect to top 5 risk factors	

(e) A standardized list of chapters with well-defined sections and sub-sections as mentioned above for disclosures in scheme offer document may be used while providing disclosure in the scheme offer document. Any information that doesn't fit within the pre-established structure can be included under an "Other Information" section.

(f) For long tables running into more than one page, repeated headers should be included.

(g) Fresh chapter should be started from a new page and not from the end of the previous chapters.

(h) Hyperlinks may be included in the scheme offer document in order to access the information relied upon such as relevant taxation provisions, laws relating to real estate, etc. The information being referenced should be uploaded in the website of SM REIT. The information and database accessed through the hyperlink should be static.

(i) The offer documents should include referencing of relevant Regulations and circulars issued thereunder wherever disclosures are mentioned

(j) PDF version of the scheme offer document in a plain text with page numbers formats shall be submitted separately while filing scheme offer document.

(k) QR codes, if any in the scheme offer document shall be submitted separately while filing scheme offer document.

PART A: MANDATORY DISCLOSURES IN KIT

Sr. No.	Disclosure Requirement	Details which shall be disclosed
1.	**Introduction**	a. Name, registered office address, correspondence address, contact person (s), contact details and email id of the SM REIT; b. Place and date of creation of the SM REIT; c. Registration number and date of registration of the SM REIT with SEBI.
2.	**Details of parties to the SM REIT**	
	a. Investment Manager	a. Background of the investment manager including past experience in real estate industry or real estate fund management; In case investment manager is unable to meet the above requirement, details of key managerial personnel who possess not less than five years' experience in real estate industry or real estate fund management; b. Brief functions, duties and responsibilities of the investment manager; c. Brief profiles of the directors of the investment manager and units held by them in the SM REIT, if any.
	b. Trustee	a. Background of the trustee including details of registration with SEBI; b. Names and profiles of the Directors; c. Functions, duties and responsibilities of the Trustee.
3.	**Brief background of the SM REIT**	a. Glossary of terms and abbreviations (relevant information which is present in the KIT shall be included here); b. Structure and description of the SM REIT (this section shall include details with respect to the structure of the SM REIT and various scheme(s) which it may have from time to time); c. Details with respect to the registration certificate granted by SEBI to the SM REIT; d. Information with respect to the eligibility criteria of the parties to the SM REIT (as required under Regulation 26J of the REIT Regulations);

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		l e. Eligibility details in relation to the issuer (as required under Regulation 26P(1) of these Regulations); f. General principles related to valuation of each asset and general distribution mechanism followed under each scheme of the SM REIT; g. Information with respect to the investor grievance redressal mechanism setup by the SM REIT.
4.	**Migration of existing persons, entities or structures**	Migration plan along with details of existing persons, entities or structures as required in Regulation 26N of these Regulations.
5.	**Terms of the Offer**	Information as may be required for the investor to make an informed decision (only such information will be included in this portion which are relevant to the SM REIT). Further, eligibility details with respect to the offer made by the SM REIT would be included in this section, as required under Regulation 26P(2) of these Regulations, along with details related to minimum public unitholding.
6.	**Market overview**	General overview of the SM REIT with respect to the macro market which is being targeted by the SM REIT.
7.	**Business details and Strategy**	
	a. Investment Strategy	a. Description of investment strategy (the relevant strategy related to the macro markets which are targeted by the SM REIT) including category, type, location, allocation to each type, along with the investment conditions specified under Regulation 26T of these Regulations. b. Capital and risk management strategy.
	b. Leverage	Details with respect to the borrowing policy of the SM REIT
8.	**Financials**	Summary of the financial statements of the SM REIT and investment manager for the previous 3 financial years, as applicable
9.	**Rights of the Unit Holders**	a. <u>Rights of the Unitholders</u> It shall include such rights of the unitholders which are related to the functioning of the SM REIT. *For example, the voting rights of all the unitholders of the SM REIT which are linked to the change in the*

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		Investment Manager, change in the investment strategy of the SM REIT, etc. b. Proposed disclosures to the unit holders either directly or by public dissemination on the Designated Stock Exchanges website (which pertain to all the unitholders of the SM REIT). c. Frequency and manner of meetings of unit holders (for those matters which pertain to all the unitholders of the SM REIT).
10.	**Litigations and regulatory actions**	Brief description of the material litigations and regulatory actions which are pending, against the SM REIT, investment manager or any of its associates and the trustee, if any.
11.	**Risk Factors pertaining to the SM REIT**	
12.	**Brief details on taxation and regulatory aspects related to the SM REIT to enable the investors to make an informed decision**	
13.	**Other general information**	a. Key terms of material agreements relating to the SM REIT including but not limited to the investment management agreement, trust deed, tripartite agreements etc. b. Policy of appointment of auditor, information with respect to the auditor and auditing standards to be followed. c. Policy and timelines for redresses of complaints by the investors
14.	**Supporting Documents**	a. Auditors report b. Any other such report
15.	**General Information regarding offer procedure**	a. Offer Procedure - Book Building Process or Fixed Price Process b. Information with respect to Bid cum Application Form c. Information with respect to who can bid in the offer d. Conditions for Bids by FPIs/ MFs/ Insurance Companies, VCFs, AIFs, Banking Companies, PFs etc. e. Method and process of Bidding f. Payment Mechanism for ASBA Bidders g. Grounds for Technical Rejections h. Electronic Registration of Bids

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		i. Build-up of the book and revision of Bid j. Designated Dates and Allotment of Units k. Mode of Refunds l. Such other information as considered appropriate
16.	**Process for Allotment and Listing**	
17.	**Such other information as is material and appropriate to enable the investors to make an informed decision**	Relevant confirmations with respect to the disclosures included in the KIT shall be included here, as required under Regulation 26(S) (1), (2), (3) and (4) of these Regulations.
18.	**Declarations which shall be signed by the board of directors of the investment manager**	

PART B: MANDATORY DISCLOSURES IN KIS

Sr. No.	Disclosure Requirement	Details which shall be disclosed
1.	**Introduction**	Cross reference to the KIT shall be included here.
2.	**Brief background of the scheme of SM REIT**	a. Glossary of terms and abbreviations (relevant information which is present in the KIS would be included here); b. Description of the Scheme; c. Details of Property Management or Lease Management or any other arrangements pertaining to underlying SM REIT assets (disclosure shall be limited to only the assets under the specific scheme), entered into with various parties prior to the offer; d. Holding structure of the scheme of SM REIT prior to the offer including breakup of the units held by the investment manager and any other unit holder holding greater than 5% of the units of the scheme of SM REIT, along with details of any other party to the SM REIT under the holding structure; e. Proposed holding structure by the aforesaid parties post-offer;

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		f. Fee and expenses charged or chargeable to the scheme of SM REIT by various parties including fees charged by the investment manager, valuer, auditor, trustees and any other third party and shall also include any set-up costs for the scheme; g. Total expense ratio; h. Details with respect to merchant banker(s) appointed for the scheme; i. Confirmation with respect to the lock-in requirements, along with details of units which would be locked-in by the investment manager from the date of listing of units (as required in Regulation 26ZB of these Regulations);
3.	**Terms of the Offer**	a. Terms of the offer for the scheme including number of units, price, offer opening date, offer closing date, terms and conditions and any other information as may be required for the investor to make an informed decision; b. Policy of distribution including method of calculation and the frequency for distribution for the scheme; c. Listing of units: (i) Names of the Stock Exchanges where units are proposed to be listed; (ii) Timelines for listing; (iii) Declaration that prior in-principle approval has been obtained from the Stock Exchanges; d. Eligibility details with respect to the offer made by the scheme of SM REIT shall be included in this section (as required under Regulation 26P(2) of these Regulations).
4.	**Market overview**	General overview of the scheme and the micro market where the scheme is targeting its investments (basis location and type of asset).

Sr. No.	Disclosure Requirement	Details which shall be disclosed
5.	**Description of the assets under the scheme of SM REIT**	a. Description of real estate assets of the scheme of SM REIT including the general character and competitive conditions of all the properties held or intended to be acquired by the scheme of SM REIT and pictures of the properties. b. Key statistics of the properties (type of property, area, occupancy, location, lease expiry (if any), etc.) c. Special features of the properties, if any d. Details of the SPVs through which the properties are held or proposed to be held including holding pattern, holding of scheme of SM REIT in the SPV, rights of scheme of SM REIT in the SPV, etc. Further, disclosures pertaining to the scheme of SM REIT's control over the relevant SPVs, along with the exclusive rights in the SPV shall be given. e. Confirmation of adequate Insurance by the Trustee f. For leased out properties, the following additional disclosures shall be made (property-wise): (i) Total number of tenants; (ii) Rental income as a percentage of total gross income in aggregate for the top 10 tenants; (iii) Lease-maturity profile, in terms of the percentage of total gross rental income, for each of the next five years; (iv) a summary of the terms of sub-leases or tenancies, if any, including repair obligation, granted to the tenants of the property; (v) the existing monthly rental income before tax from the property which is wholly or partly let, together with the amount and a

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		description of any outgoings or disbursements from the rent; (vi) the estimated current monthly market rental obtainable, on the basis that the property was available to let on the effective date at which the property was valued; (vii) a summary of any rent review provisions; (viii) Level of furnishing of the properties including whether the properties are cold-shell properties or fully furnished; (ix) Comparable lease rental income of similar properties in the vicinity or adjoining areas; (x) Whether any clause exists in rental agreements providing high grace period in lieu of higher rental values. If yes, details shall be provided.
6.	**Business details and Strategy**	
	a. Investment Strategy	a. Description of investment strategy (the relevant strategy would be related to the micro markets which are being targeted by the scheme) including category, type, location, allocation to each type; b. Description of ROFR with respect to any properties under the scheme; c. Capital and risk management strategy of the scheme.
	b. Use of proceeds	a. Purpose of the offer; b. Offer expenses.
	c. Leverage	a. Capital structure of the assets under the scheme including any borrowings or deferred payments with respect to the such assets prior to the offer and post-offer; b. Borrowing policy of the assets under the scheme; c. State whether the scheme is with leverage or without leverage in accordance with Regulation 26U(2) of these Regulations. In case of a scheme

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		with no leverage, the investment manager shall submit an undertaking that the particular scheme shall not utilize any leverage in future.
7.	**Valuation**	a. Summary of valuation as per the full valuation report; b. Valuation methodology; c. Frequency of valuation and declaration of NAV.
8.	**Financials**	a. If discrete financial statements are available for the assets for previous 3 years and stub period (if applicable), then historical financial statements shall be disclosed for last three years and stub period (if applicable) or for such shorter period for which the financial statements are available. b. In case more than one SPV is being acquired under a scheme and discrete financial statements are available for the SPVs, then combined financial statements shall also be disclosed for last three years and stub period (if applicable) or for such shorter period for which the financial statements are available. c. If discrete financial statements as per above are not available for past periods, the investment manager shall disclose specific reasons for non-availability of such information; d. In case of non-availability of financial statements, total rental income from the properties (property-wise) under the scheme for the previous three years and stub period (if applicable) shall be disclosed; e. Guidance on preparation and audit of historical financial information (including preparation or audit of combined financial statements) as applicable for REITs shall be applicable *mutatis mutandis* for scheme of SM REIT f. Projections of income of the scheme over next three years beginning the current financial year certified by the investment manager and the auditor with respect to calculation and assumption; g. Contingent Liabilities as on the date of KIS;

Sr. No.	Disclosure Requirement	Details which shall be disclosed
9.	**Rights of the Unit Holders**	a. Rights of the Unitholders It shall include such rights of the unitholders which are related to the matters pertaining to the relevant scheme. Further, it shall include voting rights of the unitholders where only the relevant unitholders under the scheme would have the right to vote; b. Proposed disclosures to the unit holders pertaining to the scheme, either directly or by public dissemination on the Designated Stock Exchanges website; c. Frequency and manner of meetings of unit holders (for those matters which pertain to the unitholders of the relevant scheme).
10.	**Title disclosures, litigations and regulatory actions**	a. Title disclosure of the properties including any material litigations pertaining to the properties (details of such litigation shall be updated as on date of the KIS); b. Brief description of the material litigations and regulatory actions which are pending against the valuer of the scheme of SM REIT, if any.
11.	**Risk Factors**	Risk factors (internal and external) which pertain to the schemes' assets or properties, their location or the micro market in which the scheme operates.
12.	**Brief details on taxation and regulatory aspects to enable the investors to make an informed decision**	In the event where an asset under a scheme is governed under a specific tax and regulatory regime, then relevant disclosures related to such aspects shall be included in this section and / or a cross reference to the KIT shall be included in this section of the KIS.
13.	**Other general information**	Key terms of material agreements relating to the assets held under the scheme, such as the property management agreement, shared services agreement etc.
14.	**Supporting Documents**	a. Undertaking by the investment manager in case of scheme with no leverage. b. Auditor's report prepared on a standalone basis for each SPV or on combined financial statements, if applicable. c. Any other such report.
15.	**Offer procedure**	a. Selling restriction, if any b. Minimum Subscription and Minimum Allotment

Sr. No.	Disclosure Requirement	Details which shall be disclosed
		c. Price Discovery (if applicable) and Allocation d. Basis of allotment e. Timelines for allotment and listing
16.	**Such other information as is material and appropriate to enable the investors to make an informed decision**	a. Information with respect to lease rental income for each property proposed to be acquired by the scheme of the SM REIT, along with the comparable lease rental income of other similar properties (such comparable disclosures shall be sourced from or certified by a valuer or any other persons). b. Relevant confirmations with respect to the disclosures included in the KIS shall be included here, as required under Regulation 26(S) (1), (2), (3) and (4) of these Regulations. c. Relevant material and appropriate information which is related to the scheme or the asset held under the scheme and which would enable the investors to make an informed decisions shall be included herein.
17.	**Declarations which shall be signed by the board of directors of the investment manager**	
18.	**Details of the Valuer**	Following details of valuer(s) for the scheme shall be included: a. Background of the valuer including past experience in valuation in real estate, especially in valuation of similar assets by nature and location; b. Policy of appointment and removal.
19.	**Documents to be annexed**	a. Full Valuation Report b. Auditors Report c. Due Diligence Certificate d. In-principal approval from stock exchange(s) e. such other report in connection with schemes' asset(s), as applicable.

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SCHEDULE IV

[*See* Regulation 23(4)]

MANDATORY DISCLOSURES

Mandatory Disclosures in the Annual Report

1. Manager's brief report of activities of the REIT and summary of the audited stand alone and consolidated financial statements for the year of the REIT
2. Management discussion and analysis by the directors of the manager on activities of the REIT during the year, forecasts and future course of action
3. Brief details of all the assets of the REIT including a break-up of real estate assets and other assets, location of the properties, area of the properties, current tenants (*not less than top 10 tenants as per value of lease)*, lease maturity profile, details of under-construction properties, if any, etc.
4. Brief summary of the full valuation report as at the end of the year
5. Details of changes during the year pertaining to:
   a. Addition and divestment of assets including the identity of the buyers or sellers, purchase/sale prices and brief details of valuation for such transactions
   b. Valuation of assets *(as per the full valuation reports)* and NAV
   c. Letting of assets, occupancy, lease maturity, key tenants, etc.
   d. Borrowings/ repayment of borrowings*(standalone and consolidated)*
   e. Sponsor, manager, trustee, valuer, directors of the Trustee/manager/sponsor, etc.
   f. Clauses in trust deed, investment management agreement or any other agreement entered into pertaining to activities of REIT
   g. Any other material change during the year
6. Update on development of under-construction properties, if any
7. Details of outstanding borrowings and deferred payments of REIT including any credit rating(s), debt maturity profile, gearing ratios of the REIT on a consolidated and standalone basis as at the end of the year
8. Debt maturity profile over each of the next 5 years and debt covenants, if any;
9. The total operating expenses of the REIT, including all fees and charges paid to the manager and any other parties, if any during the year
10. Past performance of the REIT with respect to unit price, distributions and yield for the last 5 years, as applicable
11. Unit price quoted on the Designated Stock Exchanges at the beginning and end of the financial year, the highest and lowest unit price and the average daily volume traded during the financial year

12. [389][1]Details of all related party transactions during the year [390][, value of which exceeds five per cent of value of the REIT assets]

    [391][2. Details regarding the monies lent by REIT to the holding company or the special purpose vehicle in which it has investment in.]

13. Details of fund raising during the year, if any
14. [392][***]

    [393][14A. Brief details of material and price sensitive information]

15. Brief details of material litigations and regulatory actions [394][which are] pending, against the REIT, [395][sponsor(s), manager or any of their associates and sponsor group(s) and the trustee], if any, as at the end of the year
16. Risk factors
17. Information of the contact person of the REIT

Mandatory annexure to the annual report

1. Summary of full valuation report capturing key aspects of the report
2. Auditor's report

<u>Mandatory disclosures in the Half-yearly report</u>

1. All details as provided above *(other than clause (2) and mandatory annexures)* for annual report for the previous half-year or as at the end of the half-year as applicable
2. Financial statements for the half year; *(Standalone and consolidated).* If audited statements are not available, unaudited statements may be provided subject to disclosure to that effect
3. Updated valuation report by the valuer taking into account any material developments during the previous half-year
4. Any other material events during the half-year

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[389] Sub-claue number inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[390] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[391] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

[392] Omitted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016. Prior to its omission, paragraph 14 read as follows:
"Brief report on corporate governance"

[393] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[394] Substituted ", whether completed or" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

[395] Substituted "parties to the REIT or any of their associates" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016.

SCHEDULE V

[*See* Regulation 21(3)]

MANDATORY MINIMUM DISCLOSURES IN FULL VALUATION REPORT

The full valuation report shall include the following:

a. Name and brief details of the valuer

b. all material details in relation to the basis of valuation

c. Description and explanation of the valuation methodologies adopted including key assumptions used, justification of the assumptions, explanation of the rationale for choosing the particular valuation method if more than one method is or could have been adopted, etc.

d. overall structure and condition of the relevant market including an analysis of the supply-demand situation, the market trend and investment activities

e. For every property, the following details [396][, to the extent applicable,] shall be mentioned:

   i. Address of the property, ownership and title details including whether the transaction is a related party transaction *(Valuer may rely on the title disclosures provided by the manager for the purpose)*

   ii. Location of the property (include latest pictures), formal site identification, physical features *(e.g. size, configuration, frontage, topography)* site services, town planning, etc.

   iii. If the property is completed and revenue generating, the following shall be mentioned:

      1. the existing use of the property
      2. a brief description of the property including age of the building, the site area, [397][developable area, leasable area, completed area, occupied area] etc.
      3. occupancy rate

   iv. In case of under-construction properties, the following shall be mentioned:

      1. Stage of completion of the property
      2. Statutory approvals received and pending as on date of valuation
      3. Approved use of the property as per approved construction plans

[396] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[397] Substituted for the words "gross floor area, net lettable floor area" by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

v. the options or rights of pre-emption and other encumbrances concerning or affecting the property

vi. the nature of the interest the REIT holds/proposes to hold in the property whether freehold or leasehold, percentage of interest of the REIT in the property, remainder of the term in case of leasehold property

vii. Date of inspection and date of valuation

viii. Qualifications and assumptions

ix. Method used for valuation

x. Valuation standards adopted for valuation of real estate assets

xi. Extent of valuer's investigations and nature and source of data to be relied upon

xii. Purchase price of the property by the REIT*(for existing properties of the REIT)*

xiii. Valuation of the property in the previous 3 years; *(for existing properties of the REIT)*

xiv. Detailed valuation of the property as calculated by the valuer

xv. Latest ready reckoner rate *(as published by the state government)*

[398][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 [399][***] 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]

f. any matters which may affect the property or its value

g. a declaration by the valuer that:

i. the valuer is competent to undertake the valuation

ii. the valuer is independent and has prepared the report on a fair and unbiased basis

[398] Inserted by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2016, w.e.f. 30.11.2016

[399] Words "and closed" omitted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, w.e.f. 10.04.2018.

iii. the valuer has valued the properties based on the valuation standards as specified under sub-regulation 10 of [400][regulation 21] of these Regulations

[400] Substituted for "regulation 20" by the SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2017, w.e.f. 15.12.2017

SCHEDULE VI

[*See* Regulation 7(d)**]**

CODE OF CONDUCT FOR REIT AND PARTIES TO THE REIT

1. REIT and parties to the REIT shall conduct all affairs of the REIT in the interest of all the unit-holders of the REIT.
2. REIT and parties to the REIT shall make adequate, accurate, explicit and timely disclosure of relevant material information to all unit holders, Designated Stock Exchanges and the Board in accordance with these Regulations and as may be specified by the Designated Stock Exchanges from time to time.
3. REIT and parties to the REIT shall try to avoid conflicts of interest, as far as possible, in managing the affairs of the REIT and keep the interest of all unit holders paramount in all matters. In case such events cannot be avoided, it shall be ensured that appropriate disclosures are made to the unit-holders and they are fairly treated.
4. The REIT and parties to the REIT shall ensure that the fees charged by them with respect to activity of the REIT shall be fair and reasonable.
5. Manager shall carry out the business of the REIT and invest in accordance with the investment objectives stated in the Offer document and take investment decisions solely in the interest of unit holders.
6. REIT, parties to the REIT and any third party appointed by the manager shall not use any unethical means to sell, market or induce any person to buy units of the REIT and where a third party appointed by the manager fails to comply with this condition, the manager shall be held liable for the same.
7. REIT and parties to the REIT shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business,
8. REIT and parties to the REIT shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
9. REIT and parties to the REIT shall not make any exaggerated statement, whether oral or written, about their qualifications/capabilities/experience/ achievements.
10. REIT and parties to the REIT shall be liable to the unit holders for their acts of commission or omissions, notwithstanding anything contained in any contract or agreement.

SCHEDULE VII

[*See* Regulation 34]

Amendment to Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

In regulation 2, in sub-regulation (1), in clause (o), after the words "or body corporate" and before the words "in which an Alternative Investment Fund", the words "or real estate investment trust or infrastructure investment trust" shall be inserted.

[401][SCHEDULE VIII: GOVERNANCE NORMS

PART A: MINIMUM INFORMATION TO BE PLACED BEFORE BOARD OF DIRECTORS OF THE MANAGER

[*See* Regulation 26B (4)]

The following minimum information to be placed before Board of Directors of the manager:

(a) annual operating plans and budgets and any updates.

(b) capital budgets and any updates.

(c) quarterly results for the REIT and its operating divisions or business segments.

(d) minutes of meetings of audit committee and other committees of the Board of Directors of Manager.

(e) the information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Compliance Officer

(f) show cause, demand, prosecution notices and penalty notices, which are materially important.

(g) fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

(h) any material default in financial obligations to and by the REIT, HoldCo. and/or SPV.

[401] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 w.e.f. 01.04.2023.

(i) any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the REIT, holdco, SPV or taken an adverse view regarding another enterprise that may have negative implications on the REIT.

(j) details of any joint venture or collaboration agreement.

(k) significant labour problems and their proposed solutions, any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

(l) sale of investments, HoldCo. and/or SPV, assets which are material in nature and not in normal course of business.

(m) quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

(n) non-compliance of any regulatory, statutory or listing requirements and unitholders service such as non-payment of distributions.

(o) reports of tabletop exercises or workshops for identifying risks and vulnerabilities, and specifying risk mitigations and processes for addressing vulnerabilities.

PART B: COMPLIANCE CERTIFICATE

[*See* Regulation 26B (5)]

The compliance certificate to be furnished by compliance officer, chief executive officer and chief financial officer shall state that:

(a) they have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the affairs of the REIT and are in compliance with existing accounting standards, applicable laws and regulations;

(b) there are, to the best of their knowledge and belief, no transactions entered into by the manager on behalf of REIT during the year which are fraudulent, illegal or violative of the entity's code of conduct;

(c) they accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the

manager pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;

(d) they have indicated to the auditors and the Audit committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the manager's internal control system over financial reporting of REIT.]

[402][Schedule IX : STEWARDSHIP CODE

[See Regulation 4(2)(g)]

The following principles of stewardship code shall be complied with by any unitholder holding not less than ten percent of the total outstanding units of the REIT:

1. They must act in the best interests of the REIT and its unitholders as a whole;
2. They should formulate a comprehensive policy on the discharge of their stewardship responsibilities, review and update the same periodically;
3. They should have a policy to manage issues of conflict of interest while fulfilling their stewardship responsibilities;
4. They should periodically monitor the REIT and its investee entities viz. HoldCo(s) and SPV(s);
5. They should have a policy on intervention in the REIT and its HoldCo(s) and SPV(s);
6. They should have a policy on voting.]

[402] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023, w.e.f 17.08.2023.

[403][Schedule – X

Part A - Minimum Provisions in Trust Deed

[See regulation 17B (4)]

The trust deed shall, inter alia, provide the following:

1. Details of the trust, including:

   (i) Name of the trust;

   (ii) Object of the trust;

   (iii) Details of settlor;

   (iv) Details of scheme(s) administered;

   (v) Source(s) of funds;

   (vi) Description of the manner in which the trust funds shall be used for meeting the objects of the trust;

   (vii) Description of the classes of beneficiaries along with their rights and obligations;

   (viii) Details of trustee.

2. Powers and duties of trustee, including:

   (i) To frame rules for administration of the scheme(s) in compliance with the scheme documents, object(s) of the trust and these regulations;

   (ii) To maintain books of account of the trust as required under law including these regulations;

3. Mode and manner of dissolution of the trust;

4. Duties of the trustee shall include that:

   (i) the trustee shall act in the interest of employees who are beneficiaries of the trust subject to provisions of these regulations,

   (ii) the trustee shall not act in any manner or include any provision in the trust deed that would be detrimental to the interests of the beneficiaries.

5. Such other clauses that are necessary for safeguarding the interests of the beneficiaries and such other clauses that may be specified by the Board.

[403] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024, w.e.f. 13.07.2024.

Part B - Terms and Conditions of schemes to be formulated by the Nomination and remuneration committee

[See regulation 17F (2)]

The nomination and remuneration committee is required to formulate the detailed terms and conditions of the schemes which shall, inter alia, include the following provisions:

a. the quantum of options per employee and in aggregate under a scheme;
b. the conditions under which options may vest in employees and may lapse in case of termination of employment for misconduct;
c. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
d. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation;
e. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
f. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of any corporate actions. In this regard, the following shall, inter alia, be taken into consideration by the nomination and remuneration committee:
    i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
    ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
g. the grant, vesting and exercise of options in case of employees who are on long leave; and
h. the procedure for funding the exercise of options

Part C -Contents of the explanatory statement to the notice and resolution for unitholders meeting

[See regulations 17G(4) and 17K(9)]

The explanatory statement to the notice and the resolution proposed to be passed for the unit based employee benefit schemes shall, *inter alia*, contain the following

information:

a. brief description of the scheme(s);
b. the total number of options to be offered and granted;
c. identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);
d. requirements of vesting and period of vesting;
e. maximum period (subject to these regulations) within which the options shall be vested;
f. exercise price, purchase price or pricing formula;
g. exercise period/offer period and process of exercise/ acceptance of offer;
h. the appraisal process for determining the eligibility of employees for the scheme(s);
i. maximum number of options to be offered and issued per employee and in aggregate, if any;
j. maximum quantum of benefits to be provided per employee under a scheme(s);
k. whether the scheme(s) involves new issue of units by the REIT or gift or secondary acquisition by the trust or all;
l. maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);
m. a statement to the effect that the manager shall conform to the accounting policies specified in regulation 17K(7);
n. the method which the manager shall use to value the options;
o. o. period of lock-in.

Part D - Information required in the statement to be filed with recognised Stock Exchange(s)

[See regulation 17H(1)(b)]

Description of Schemes

1. Unit Capital of the REIT as on date of institution of the scheme/ amendment of the scheme.
2. Date of institution of the scheme/ amendment of the scheme.
3. Validity period of the scheme.
4. Date of notice of unitholders meeting for approving the scheme/for amending

the scheme/for approving grants under regulation 22(6)(m) of these regulations.

5. Date of unitholders meeting approving the scheme/amending the scheme/approving grants under regulation 22(6)(m) of these regulations.
6. Kinds of benefit granted under the scheme.
7. Identity of classes of persons eligible under the scheme:
   (a) Employees,
   (b) employees outside India,
   (c) directors, except independent directors.
8. Total number of units reserved under the scheme, as applicable.
9. Number of units entitled under the grant.
10. Total number of grants to be made.
11. Maximum number of options to be granted per employee per grant and in aggregate.
12. Exercise price or pricing formula.
13. Whether any amount is payable at the time of grant? If so, quantum of such amount.
14. Lock-in period under the scheme.
15. Vesting period under the scheme.
16. Maximum period within which the grant shall be vested.
17. Exercise period under the scheme.
18. Whether employee can exercise all the options vested at one time? Yes/No
19. Whether employee can exercise vested options at various points of time within the exercise period? Yes/No
20. Whether scheme provides for the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of any corporate actions? Clause in scheme describing such adjustment.
21. Description of the appraisal process for determining the eligibility of employees under the scheme.
22. The specified time period within which vested options are to be exercised in the event of termination or resignation of an employee.
23. The specified time period within which options to be exercised in the event of death of the employee.
24. Whether the scheme provides for conditions under which options vested in employees may lapse in case of termination of employment for misconduct?

Clause in Scheme describing such adjustment.

25. Whether scheme provides for conditions for the grant, vesting and exercise of options in case of employees who are on long leave? Clause in scheme describing such adjustment.
26. Whether amount paid/payable by the employee at the time of the grant, vesting or exercise of the options will be forfeited if the employee does not exercise the same within the exercise period? Clause in scheme describing such adjustment.
27. Details of approval of unitholders pursuant to sub-regulation (6) of regulation 22 of these regulations with respect to:

    (a) Grant to identified employees, during any one year, equal to or exceeding 1% of the unit capital of the REIT at the time of grant.
28. Details of the variation made to the scheme along with the rationale therefor and the details of the employees who are beneficiary of such variation:

Sd/-

Company Secretary / Compliance Officer

Place:

Date:

<u>Documents to be filed with registration statement</u>

1. Copy of scheme, certified by the Company Secretary / Compliance Officer.
2. Copy of notice of unitholder meeting approving the scheme/for amending the scheme/for approving grants under 22(6)(m) of these regulations certified by the Company Secretary / Compliance Officer.
3. Copy of resolution of unitholders for approving the scheme/ for amending the scheme/for approving grants under sub-regulation (6) of regulation 22 of these regulations certified by the Company Secretary / Compliance Officer.
4. List of sponsors as defined under these regulations.
5. Copy of latest Annual Report of the REIT.
6. Certificate of Secretarial Auditor on compliance with these regulations.
7. Specimen copy of unit certificate, if applicable.
8. Any other relevant documents.

Undertakings

The undersigned investment manager hereby undertakes:

1. To file, a post-effective amendment to this statement to include any material information with respect to the scheme of distribution not previously disclosed in the statement or any material change to such information in the statement.

2. To notify, the concerned recognised stock exchanges on which the units of the REIT are listed, of each issue of units pursuant to the exercise of options under the scheme mentioned in this statement, in the specified form, as amended from time to time.

3. That the investment manager shall conform to the accounting policies specified in regulation 17K(7) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

4. That the scheme confirms to the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

5. That the investment manager has in place systems / codes / procedures to comply with the Securities and Exchange Board of India (Insider Trading) Regulations, 2015 or any modification or re-enactment thereto.

Signatures

Pursuant to the requirements of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, the investment manager certifies that it has reasonable grounds to believe that it meets all the requirements for the filing of this form and has duly caused this statement to be signed on its behalf by the undersigned, thereunto, duly authorized.

Name of the investment manager

Name of the Compliance Officer

Designation

Date:

Place:

Part E - Format of notification for issue of units

[See regulation 17H (1)(c)]

1. Name of REIT and address of Registered Office :
2. Name of the recognised Stock Exchanges on which the units of REIT are listed:
3. Filing date of the statement referred in regulation 17H(1)(b) of the Securities and Exchange Board of India Real Estate Investment Trusts) Regulations, 2014 with the recognised Stock Exchange :
4. Filing Number, if any :
5. Title of the Scheme pursuant to which units are issued, if any:
6. Kind of security to be listed :
7. Date of issue of units :
8. Number of units issued :
9. Unit Certificate No., if applicable :
10. Distinctive number of the units, if applicable :
11. ISIN Number of the units :
12. Exercise price per unit:
13. Total issued units after this issue :
14. Total issued unit capital after this issue :
15. Details of any lock-in on the units :
16. Date of expiry of lock-in :
17. Details of listing fees, if payable:

Signature of Company Secretary/Compliance Officer

Date:

Place:

Part F - Disclosures in the annual report of the REIT

[See regulation 17L (1)]

The manager in the annual report of the REIT shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.

Further, the following details, *inter alia*, shall be disclosed on the REIT's website and a web-link thereto shall be provided in the annual report.

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regardfrom time to time.

B. <u>Details related to Unit Option Scheme</u>

(i) A description of each unit option scheme that existed at any time during the year, including the general terms and conditions of each unit option scheme, including -

(a) Date of unitholders' approval

(b) Total number of options approved under unit option scheme

(c) Vesting requirements

(d) Exercise price or pricing formula

(e) Maximum term of options granted

(f) Source of units (primary, secondary, gift or combination)

(g) Variation in terms of options

(ii) Method used to account for unit option scheme - Intrinsic or fair value.

(iii) Option movement during the year (For each unit option scheme):

Particulars	**Details**
Number of options outstanding at the beginning of the period	
Number of options granted during the year	

Number of options forfeited / lapsed during the year	
Number of options vested during the year	
Number of options exercised during the year	
Number of units arising as a result of exercise of options	
Number of options outstanding at the end of the year	
Number of options exercisable at the end of the year	

(iv) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the units.

(v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

(a) senior managerial personnel as defined under clause (d) of sub-regulation (1) of regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

(c) identified employees who were granted option, during any one year, equal to orexceeding 1% of the unit capital of the REIT at the time of grant.

(vi) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of unit price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

(c) how expected volatility was determined, including an explanation of the

extentto which expected volatility was based on historical volatility; and

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

C. <u>Details related to Trust</u>

(i) The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(ii) General information on all schemes

Sl. No.	**Particulars**	**Details**
1.	Name of the Trust	
2.	Details of the Trustee	
3.	Any other contribution made to the Trustduring the year	

(iii)Brief details of transactions in units by the Trust

(a) Number of units held at the beginning of the year;

(b) Number of units acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of unit capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per unit;

(c) Number of units transferred to the employees;

(d) Number of units held at the end of the year.

(iv) In case of secondary acquisition of units by the Trust

Number of Units	**As a percentage of unit capital as at the end of the year immediately preceding the year in which unitholders' approval was obtained**

Held at the beginning of the year	
Acquired during the year	
Transferred to the employees during the year	
Held at the end of the year	

Part G - Disclosure Document

[See regulations 17K(6)]

A: Statement of Risks

All investments in units or options are subject to risk as the value of units may increase or reduce. In addition, the options /are subject to the following additional risks:

1. Concentration: The risk arising out of any fall in value of units is aggravated if the employee's holding is concentrated in the units of a single REIT.
2. Leverage: Any change in the value of the unit may lead to a significantly larger changein the value of the options.
3. Illiquidity: The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. Vesting: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct.

B: Information about the REIT

1. Business of the REIT: A description of the main objects and present business of the REIT.

2. Abridged financial information: Abridged financial information, for the last five years for which audited financial information is available, as specified by the Board from time to time. The last audited accounts of the REIT shall

also be provided unless this has already been provided to the employee in connection with a previous option or grant or otherwise.

3. Risk Factors: Management perception of the risk factors for the REIT

4. Continuing disclosure requirement: The option grantee shall be provided copies of all documents that are sent to the unitholders of the REIT. This shall include the annual accounts of the REIT as well as notices of meetings and the accompanying explanatory statements.

C: Salient Features of the Scheme

This Part shall contain the salient features of the scheme of the manager including the conditions regarding vesting, exercise, adjustment for corporate actions, and forfeiture of vested options. It shall not be necessary to include this Part if it has already been provided to the employee in connection with a previous grant and no changes have taken place in the scheme since then. If the scheme administrator provides advisory services to the grantees in connection with the exercise of options or sale of resulting units, such advice shall be accompanied by an appropriate disclosure of concentration and other risks. The scheme administrator shall conform to the code of conduct appropriate for such fiduciary relationships.]

[404][Schedule – XI

Illustrative List of conditions

[See Regulation 18 (5B)]

a) The business of REIT shall be leasing out such assets and not operating such assets.

b) REIT along with its HoldCo(s) and SPV(s) shall carry no risk or return of the operating model directly or indirectly in any form or manner.

c) The income from such asset should be fixed rental income from leasing out such asset and not operating income from such asset.

d) The lease tenure on such assets should be long term in nature.

e) The rentals generated on such assets should be based on leasable area.

[404] Inserted by the Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 w.e.f 23.04.2025.

f) The assets should be leased out in cold shell conditions or in warm shell conditions with basic utilities only.

g) The license for operation of such assets shall not be in the name of the REIT, its HoldCo or SPV.

Schedule XII

Illustrative Roles and Responsibilities of Trustees

[See regulation 9(19)]

1. **Asset Management Oversight:**

   The trustee shall:

   i. conduct regular physical inspections of REIT assets; and

   ii. supervise the maintenance and compliance of assets with safety and operational standards.

2. **Regulatory Compliance and Reporting:**

   i. The trustee shall provide periodic confirmations to SEBI that trustees have not engaged in transactions involving the units of the REIT they manage.

   ii. The trustee shall ensure that the manager submits information to the trustees including:

      a) List of unitholders on quarterly basis;

      b) Shareholding of REIT in SPV, HoldCo and Investment entity and changes if any on a quarterly basis;

      c) Confirmation on compliance with leverage limit on a quarterly basis and at the time of acquisition and disposal of assets;

      d) Trustee may request for due diligence report or such other information in respect of any acquisition;

      e) Net worth compliance certificate from manager on a half yearly basis;

      f) Net worth compliance certificate of sponsor and manager from practicing Chartered Accountant on an annual basis; and

      g) Confirmation on the details of unclaimed distributions till the previous quarter.

   iii. The trustee shall ensure that the distribution of net distributable cash flow has been made by the manager in accordance with these regulations and the trust deed.

iv. Where the trustee has reason to believe that the conduct of business of the REIT is not in accordance with these regulations they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the unitholders and the Board of the violation and the action taken by them.

3. **Managerial Oversight:**
   i. The trustee shall hold annual and as-needed meetings with the manager's senior management and the chairperson of the audit committee.
4. **Information and Documentation:**
   The trustee shall:
   i. request and review detailed reports and documents from the manager regarding the operational, financial, and compliance status.
   ii. require managers to provide due diligence reports, net worth compliance certificates, and confirmations of unclaimed distributions.
5. **Record-Keeping:**
   The trustee shall:
   i. seek necessary records maintained by the manager for compliance with sub-regulation (2) of regulation 26 of these regulations.
   ii. maintain comprehensive and systematic records of all trustee activities, decisions, and notable transactions to ensure accountability and ease of audit.
6. **Ethics and Conflict of Interest:**
   The trustee shall:
   i. ensure that the manager has not given any undue or unfair advantage to any associates or dealt with any of the associates of the manager in any manner detrimental to interest of the unitholders;
   ii. ensure that there is no conflict of interest between the manner of deployment of its net worth by the manager and the interest of the unitholders;
   iii. ensure that the manager manages the REIT and schemes of SM REIT independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme of SM REIT are not being compromised with those of any other scheme of SM REIT or of other activities of the REIT or the Manager; and
   iv. abide by the Code of Conduct as specified in the Schedule VI of these regulations.
7. **Auditing and Financial Review:**
   The trustee shall:

i. be accountable for, and be the custodian of, the funds and property of the respective REIT and shall hold the same in trust for the benefit of the unitholders in accordance with these regulations and the provisions of trust deed; and

ii. review the net worth of the manager on a half-yearly basis to ensure compliance with the threshold provided in these regulations on a continuous basis.

8. **Due Diligence:**

i. The trustee shall exercise due diligence as under:

A. General Due Diligence:

The trustee shall:

a) be discerning in the appointment of the directors on the Board of the manager;

b) review the desirability or continuance of the manager if substantial irregularities are observed in the REIT or any of the schemes of SM REIT and shall not allow the manager to float new schemes of SM REIT;

c) ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons;

d) ensure that all service providers are holding appropriate registrations from the Board or the concerned regulatory authority;

e) arrange for test checks of service contracts; and

f) immediately report to the Board of any special developments in the trust.

B. Specific due diligence:

The trustee shall:

a) obtain audit reports of the manager and the REIT, its HoldCos and SPVs at regular intervals from auditors appointed by the manager;

b) obtain secretarial compliance reports from the manager;

c) consider the reports of the auditor and secretarial compliance reports of REIT at their board meetings for appropriate action;

d) review the activity of the REIT on a quarterly basis and place the report of the same before their Board of directors;

e) consider the reports of the auditor and compliance reports of manager at their board meetings for appropriate action;

f) maintain records and minutes of the Board of directors' meetings of the trustee for the review of information pertaining to the REIT;

g) prescribe and adhere to a code of ethics by the trustee, manager and its personnel; and

h) communicate in writing to the manager of the deficiencies and check on necessary measures taken by manager for the rectification of deficiencies.

ii. The trustee shall also exercise due diligence on such matters as may be specified by the Board from time to time.]

U.K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Note:

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

2. The Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 was amended on –

   a) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2016, vide No. SEBI/LAD/NRO/GN/2016-17/022, with effect from November 30, 2016.

   b) Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, vide No. SEBI/LAD/NRO/GN/2016-17/38, with effect from March 6, 2017.

   c) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2017, vide No. SEBI/LAD-NRO/GN/2017-18/022, with effect from December 15, 2017.

   d) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2018, vide No. SEBI/LAD-NRO/GN/2018/06, with effect from April 10, 2018.

   e) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2019, vide No. SEBI/LAD-NRO/GN/2019/09, with effect from April 22, 2019.

   f) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2020, vide No. SEBI/LAD-NRO/GN/2020/06, with effect from March 02, 2020.

g) Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020, vide No. SEBI/LAD-NRO/GN/2020/10, with effect from April 17, 2020.

h) Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2020, vide No. SEBI/LAD-NRO/GN/2020/16 with effect from June 16, 2020.

i) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2021 vide No. SEBI/LAD-NRO/GN/2021/28 with effect from July 30, 2021.

j) Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2021 vide No. SEBI/LAD-NRO/GN/2021/30 with effect from August 03, 2021.

k) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2022 vide No. SEBI/LAD-NRO/GN/2022/100 with effect from November 9, 2022.

l) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2023 vide No. LAD-NRO/GN/2023/123 with effect from February 14, 2023.

m) Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 vide No. SEBI/LAD-NRO/GN/2023/137 with effect from July 4, 2023.

n) Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2023 vide No. LAD-NRO/GN/2023/144 with effect from August 16, 2023.

o) Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 vide No. SEBI/LAD-NRO/GN/2023/146 with effect from August 18, 2023.

p) Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2023 vide No. SEBI/LAD-NRO/GN/2023/160 with effect from October 23, 2023.

q) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2024 vide No. SEBI/LAD-NRO/GN/2024/166 with effect from March 8, 2024.

r) Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2024 vide No. SEBI/LAD-NRO/GN/2024/193 with effect from July 13, 2024.

s) Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024 vide No. SEBI/LAD-NRO/GN/2024/208 with effect from September 28, 2024.

t) Securities and Exchange Board of India (Investor Charter) (Amendment) Regulations, 2025 vide notification No. SEBI/LAD-NRO/GN/2025/228 with effect from February 10, 2025.

u) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2025 vide notification No. SEBI/LAD-NRO/GN/2025/241 with effect from April 23, 2025.

v) Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 vide notification No. SEBI/LAD-NRO/GN/2025/258 with effect from September 03, 2025.

w) Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025 vide notification No. SEBI/LAD-NRO/GN/2025/287 with effect from December 11, 2025.

x) Securities and Exchange Board of India (Real Estate Investment Trusts) (Amendment) Regulations, 2026 vide notification No. SEBI/LAD-NRO/GN/2025/302 with effect from April 18, 2026.

y) Securities and Exchange Board of India (Real Estate Investment Trusts) (Second Amendment) Regulations, 2026 vide notification No. SEBI/LAD-DOP/2026/328 with effect from October 15, 2026.

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