



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2024/444

August 08, 2024

SEBI CIR AMENDMENT TO MASTER CIRCULAR FOR REAL ESTATE INVESTMENT TRUSTS

DPs are advised to refer to the SEBI Circular no. **SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2024/108** dated **August 06, 2024**, regarding **Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024 – Board nomination rights to unitholders of REITs [refer Annexure]**

DPs are advised to take note of the same.

Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: dprtasupport@cdslindia.com and connect through our IVR Number 022-62343333 .

For and on behalf of
Central Depository Services (India) Limited

sd/-

Nilesh Shah
Asst. Vice President

CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2024/108

August 06, 2024

To,

All Real Estate Investment Trusts (REITs)

All Parties to REITs

All Recognised Stock Exchanges

All Depositories

Madam/Sir,

Sub: Amendment to Master Circular for Real Estate Investment Trusts (REITs) dated May 15, 2024 – Board nomination rights to unitholders of REITs

1. Para 18.2.2. (b) of Chapter 18, titled “*Board nomination rights to unitholders of REITs*”, of the Master Circular for Real Estate Investment Trusts dated May 15, 2024 requires as under:
“(b) Eligible Unitholder(s) shall be entitled to nominate only one Unitholder Nominee Director, subject to the unitholding of such Eligible Unitholder(s) exceeding the specified threshold. If the right to nominate one or more directors on the Board of Directors of the Manager is available to any entity (or to an associate of such entity) in the capacity of shareholder of the Manager or lender to the Manager or the REIT (or its HoldCo(s) or SPVs), then such entity in its capacity as unitholder, shall not be entitled to nominate or participate in the nomination of a Unitholder Nominee Director.”
2. Market participants have requested to provide clarity on the availability of the right to nominate a director on the Board of Directors of the Manager of REIT, to a unitholder where such nomination right is also available to a unitholder in the capacity of lender to the Manager or the REIT (or its HoldCo(s) or SPVs).
3. In order to promote ease of doing business and based on the request of the industry and recommendation of Hybrid Securities Advisory Committee (HySAC),

it is proposed to insert the following proviso under under paragraph 18.2.2. (b) of Master Circular for Real Estate Investment Trusts dated May 15, 2024:

“Provided that the above restriction relating to the right to nominate a Unitholder Nominee Director shall not be applicable if the right to appoint a nominee director is available in terms of clause (e) of sub-regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993.”

4. This circular shall come into force with immediate effect.
5. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 4(2)(g) of the SEBI (Real Estate Investment Trusts) Regulations, 2014. This circular is issued with the approval of the competent authority.
6. The recognized Stock Exchanges are advised to disseminate the contents of this Circular on their website.
7. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category “Legal” and under the drop down “Circulars”.

Yours faithfully

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