



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS/CIR/P/2020/184

September 28, 2020

To

All Real Estate Investment Trusts (“REITs”)
All Parties to REITs
All Recognised Stock Exchanges
All Merchant Bankers

Madam/Sir

Sub: Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT

1. SEBI issued circular SEBI/HO/DDHS/DDHS/CIR/P/2019/142 dated November 27, 2019 providing guidelines for preferential issue and institutional placement of units by listed REITs (“Guidelines”). The guidelines were subsequently revised vide circular SEBI/HO/DDHS/DDHS/CIR/P/2020/35 dated March 13, 2020.
2. In view of the situation emerging out of the COVID-19 pandemic SEBI has granted certain relaxations for raising of equity capital. On similar lines the extant guidelines for preferential issue and institutional placement of units by listed REITs stand modified as set out in the **Annexure** to this circular.
3. 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 33 of the REIT Regulations.
4. 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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Annexure

1. Clause 2.6 of the Guidelines is modified as under:

“The REIT shall not make any subsequent institutional placement until the expiry of two weeks from the date of the prior institutional placement made pursuant to one or more special resolutions.”

2. After clause 2.1 and before clause 2.2 of sub-paragraph (A) of paragraph 2 of Annexure-I, the following provisos shall be inserted:

“Provided that, for any preferential issue made between the date of this circular and December 31, 2020, the REIT may opt for a pricing method where the price of the units to be allotted pursuant to the preferential issue shall not be less than the higher of the following:

(a) the average of the weekly high and low of the volume weighted average price of the related units quoted on the recognised stock exchange during the twelve weeks preceding the relevant date; or

(b) the average of the weekly high and low of the volume weighted average prices of the related units quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Provided further that, units allotted on a preferential basis using the pricing method set out in the first proviso shall be locked-in for a period of three years:

Provided further that, all allotments arising out of the same unitholders approval shall follow the same pricing method.”

3. After clause 3.1 of paragraph 3 of Annexure-I, the following explanation shall be inserted:

Explanation: For the computation of the lock-in requirement, the units held by the sponsor(s) and locked-in for three years, in the past in terms of Regulation 11 (3) of the REIT Regulations shall be taken into account. The units locked-in pursuant to Regulation 11(3) of the REIT Regulations shall not be put under fresh lock-in again, even though they are considered for computing the lock-in requirement, in case the said units are free of lock-in at the time of the preferential issue.