

Annexure A

Consultation paper dated August 06, 2026

Consultation paper can be accessed at <https://www.sebi.gov.in/reports-and-statistics/reports/aug-2026/consultation-paper-on-measures-towards-ease-of-doing-business-for-reit-and-invt 103401.html>

Table 1: Manner of computation of threshold for unitholder approvals for certain matters (Para 5 of board memorandum)

S. No.	Proposal in Consultation Paper based on the recommendations of the HySAC	Summary of Public Comments	SEBI's Views
1.	The InvIT Regulations and REIT Regulations and circulars issued thereunder prescribe the requirement of obtaining unitholder approval of seventy five per cent by value for certain matters. The Consultation paper proposed that the basis of threshold for unitholder approval for these matters may be changed to 'total votes cast for the resolution' instead of 'value'.	(i) It should be clarified that "total votes cast" refers to the votes attached to the units voted and not the number of unitholders voting, so that voting power continues to reflect economic interest.	The number of votes are based on number of units held by unitholders only. The Consultation paper and the proposed amendments explicitly use the term 'number of votes cast'. Further, the 'number of votes' are determined based on 'number of units' held by a unitholder. As a practice, every unit carries one vote. This is being separately clarified via FAQ.
		(ii) A minimum participation requirement should be prescribed so that a resolution is valid only if unitholders representing a specified minimum percentage of outstanding units have voted.	For passing of ordinary or special resolution under Companies Act, 2013, the requirement of shareholders representing a minimum percentage of Outstanding shares has not been specified. Hence, to ensure alignment with Companies Act, any minimum participation requirement is not warranted. Further, as per InvIT Regulations and REIT Regulations, it is mandatory to provide the option

S. No.	Proposal in Consultation Paper based on the recommendations of the HySAC	Summary of Public Comments	SEBI's Views
			of remote electronic voting. Hence, unitholders have an ease of voting for all the resolutions.

Table 2: Review of framework related to exit offer in case of change in sponsor (Para 6 of board memorandum)

S. No.	Proposal in Consultation Paper based on the recommendations of the HySAC	Summary of Public Comments	SEBI's Views
1.	Chapter 11 of the InvIT Master Circular and Chapter 13 of the REIT Master Circular specifies the definition of dissenting unitholders and the manner and mechanism of providing exit option to dissenting unitholders. The Current definition of “dissenting unitholders”	(i) For the purpose of identification of dissenting unitholders, exclusion of unitholders who have abstained from voting shall only be considered in case where there is electronic voting mechanism provided. In case of voting via postal ballot, even the unitholders who abstain from voting should be considered as dissenting unitholders.	As per InvIT Regulations and REIT Regulations, it is mandatory to provide the option of remote electronic voting. Hence, any unitholder not in favor of a resolution can easily vote through e-voting. Accordingly, unitholders who vote against the resolution should be considered as dissenting unitholders.

	considers all unitholders who have not voted in favour of the resolution proposed in terms of the InvIT/REIT regulations as dissenting irrespective of whether they have voted or not. Considering that the unitholders have the option of electronic voting, the consultation paper proposed to amend the definition of Dissenting unitholders to include only those unitholders who have voted against the proposed resolution.	(ii) It is represented that the notice and all voting communications should state that non-voting will not provide an exit right to the unitholder.	The suggestion is already provided under Para 4.3.1.(c) of the Consultation paper and is retained in the proposal.
		(iii) It has also been represented to specify the “value of votes” for the total votes cast on the proposed resolution.	The results of meeting of unitholders are required to be disclosed to the Stock Exchanges. The said results already include the details of votes polled. Hence, the suggestion received is already addressed.
2.	Regulation 22(7) of the InvIT Regulations and Regulation 22(8) of the REIT Regulations prescribe the provisions for (i) change in sponsor or inducted sponsor or (ii) change in control of sponsor or inducted sponsor or (iii) conversion to Self-Sponsored Manager/Investment Manager of a REIT/InvIT.	(i) It has been represented to consider that replacement of a sponsor by a member of its sponsor group shall not require the requirement of provisions of change of sponsor under the InvIT Regulations and REIT Regulations. (ii) Further, it is proposed to include “persons acting in concert” alongwith sponsor or sponsor group under Regulation 22(7) of the InvIT Regulations and Regulation 22(8) of	The matter proposed in the consultation paper relates to cases where a REIT/InvIT has multiple sponsors and who will provide an exit offer in case an exit of one of such sponsor. The suggestions received are beyond the scope of consultation.

	The Consultation paper proposed to clarify that in cases where a REIT/InvIT has multiple sponsors and an exit offer obligation is triggered on account of exit of one of such sponsors, the exit offer can be provided by either 'the outgoing sponsor or its sponsor group entities' or 'any of the continuing sponsor or its sponsor group entities'	the REIT Regulations (i.e with respect to change in sponsor provisions)	
		(iii) It has also been represented to provide under the proposed Regulation 22(7)(b)(iv) that if there is an incoming sponsor , he shall have also have the option to provide the exit option post consultation with the continuing sponsor. (iv) Additionally, it has been represented to provide that "Where there are multiple sponsors or sponsor groups, and any sponsor or sponsor group proposes to cease to be a sponsor, the units held by such sponsor or sponsor group shall first be offered to the continuing sponsor(s) or sponsor group(s), in the manner specified by the Board. Where such offer is not accepted within the prescribed period, the exiting sponsor or sponsor group may proceed in accordance with the process specified under Regulation 22(7) of the InvIT Regulations and the applicable provisions as specified by the Board."	The matter under consideration relate to unitholder approval and exit offer in case of exit of one sponsor in an InvIT/REIT with multiple sponsors. The suggestion relates to manner of selling of units by outgoing sponsor. The outgoing sponsor can hold or sell the units at its own discretion. In view of the above, no change is proposed in this regard.

3.	Currently, the InvIT/REIT Master Circular provide that during an exit offer, only such number of tendered units be accepted on proportionate basis, such that the minimum public unit holding (MPU) post completion of exit option process is maintained.	(i) It has been represented that if sponsor buys units under exit option and minimum holding is crossed, it will trigger other offloading and hence exit option units may be excluded for calculation of maximum holding by Sponsor.	It may be noted that the consultation paper already provides one year for re-achievement of MPU. Hence the concern is already addressed.
	The Consultation Paper proposes that all units tendered must be accepted. Further, it is proposed that in cases where MPU compliance is breached on account of acceptance of tendered units, the REIT/InvIT shall achieve MPU compliance within one year from the date of such breach.	(ii) It is proposed that in the provision for maintenance of minimum public unitholding post exit offer, the words “one year from the date of such breach” be replaced with “one year from the date of completion of exit offer”. This will avoid referring the exit option which is a regulatory prescribed process as a breach and will also be in line with SAST Regulations.	The suggestion received may be accepted.
		(iii) It was proposed in the consultation paper that MPU may be re-achieved within a period of one year in case of a breach due to exit offer. It has been further suggested that for Private listed InvITs, a limited extension by SEBI/designated stock exchange where the InvIT demonstrates bona fide steps, market constraints and a time-bound restoration plan, may be	The current MPU norms are uniform for both private listed InvITs and Public Listed InvITs. Hence, timelines to re-achieve MPU should also remain uniform for both private listed InvITs and Public Listed InvITs. In view of the above, no change is proposed in this regard.

		considered. SEBI may mandate immediate disclosure for non-meeting MPU, Board-approved action plan, quarterly progress updates and restrictions on actions that further reduce public unitholding during the MPU cure period	
--	--	---	--

Table 3: Recognition of remote Common Infrastructure as Real Estate (Para 7 of board memorandum)

S. No.	Proposal in Consultation Paper based on the recommendations of the HySAC	Summary of Public Comments	SEBI's Views
1.	As per Regulation 2(zi) of the REIT Regulations, REIT can legally invest in common infrastructure whether it is co-located or not. However, a regulatory inconsistency exists because the definition of "real estate" restricts common infrastructure to localized, composite projects. The Consultation paper proposed:	(i) It should be clarified that these remote facilities will continue to serve the REIT assets on an exclusive basis.	The definition of "common infrastructure" under Regulation 2(1)(ga) already mandates that such facilities must <u>exclusively supply, cater to, or be consumed by the REIT, its HoldCo(s), or SPV(s)</u> . Therefore, the matter is already addressed.
		(ii) It is suggesting to include remote captive power plants in the scope of InvITs as well, and extend the concept of common infrastructure to InvITs also.	The current InvIT framework already permits investments in infrastructure projects by InvIT and its underlying Holdcos/SPVs. Hence, a specific carve-out like the REIT "common infrastructure to real estate" reclassification is not required for InvIT structures.
		(iii) Regulation 18(5)(k) currently contemplates that an entity exclusively holding common infrastructure has to be	Consequent to the deletion of Regulation 18(5)(k), separate equity pathways are eliminated. Entities holding remote common

S. No.	Proposal in Consultation Paper based on the recommendations of the HySAC	Summary of Public Comments	SEBI's Views
	i. Amending Regulation 2(1)(zi) to classify remote common infrastructure as "real estate". ii. Omitting Regulation 18(5)(k), as the direct classification of common infrastructure under real estate renders separate equity investment pathways redundant	100 per cent held by the REIT or holdco. It should be clarified that this condition is no longer required with the deletion of Regulation 18(5)(k) to remove ambiguity and treat them as SPVs or Holdcos subject to the same requirements.	infrastructure will naturally be treated as SPVs or HoldCos and will be uniformly subject to standard regulatory thresholds governing minimum shareholding, board control, and asset status as applicable for HoldCos and SPVs.

Annexure C

Draft Amendment Notification for InvIT Regulations

Amendment shall be notified after following the due process

Annexure D

Draft Amendment Notification for REIT Regulations

Amendment shall be notified after following the due process