

Norms eased for fund raising by REITs, InvITs

The Securities and Exchange Board of India (SEBI) has relaxed the guidelines for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) in order to broaden the scope of fund raising by such instruments.

The board of SEBI, which met on Monday, decided to allow REITs and InvITs to raise capital by issuing debt securities while also giving approval for the former to lend to an underlying holding company or a special purpose vehicle (SPV).

The regulator also allowed single-asset REITs on similar lines as InvITs while amending the definition of 'valuer' for both REITs and InvITs. REITs allow investors to invest in real estate, while InvITs allow one to invest in infrastructure projects.

Market participants said the relaxation would help these investment products gain traction as only a few entities have so far managed to raise such funds. On the BSE, only two InvITs, India Grid Trust & IRB InvIT Fund, are listed.

"Through these proposals, SEBI has reiterated its intent to adopt a consultative approach in refining the regulations to make REITs and InvITs successful platforms in India," said Bhairav Dalal, partner, real estate (tax), PwC India.

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