



CIRCULAR

SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/16

February 09, 2022

To,

All Infrastructure Investment Trusts (InvITs)

All Parties to InvITs

All Recognised Stock Exchanges

All Merchant Bankers

Madam/ Sir,

Subject: Conversion of Private Unlisted InvIT into Private Listed InvIT

1. Regulation 26F of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (InvIT Regulations), *inter-alia*, provides that a registered unlisted InvIT which has issued units in terms of the provisions of chapter VIA of the InvIT Regulations, may list its units on a recognised stock exchange, subject to it complying with the requirements specified for privately placed and listed InvIT and in the manner specified by the Board from time to time.
2. A Private Unlisted InvIT may list its units and convert into a Private Listed InvIT on making a private placement of units through a fresh issue and/or an offer for sale in terms of Chapter IV of the InvIT Regulations in the manner provided at **Annexure – A**.
3. Post issuance and listing of such units through private placement in accordance with this circular, the Private Unlisted InvIT shall stand transformed and shall be considered a Private Listed InvIT and it shall be required to comply with the provisions of the InvIT Regulations prescribed for Private Listed InvITs.
4. This circular is issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 read with Regulation 26F and Regulation 33 of the InvIT Regulations.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

5. This circular is available on SEBI website at www.sebi.gov.in under the category "Legal" and under the drop down "Circulars".

Yours faithfully,

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Definitions

1. “Private Listed InvIT” means an InvIT which has issued units in terms of Regulation 14(2) of the InvIT Regulations.
2. “Private Unlisted InvIT” means an InvIT which has issued units in terms of Chapter VIA of the InvIT Regulations.

Conditions for issuance

3. In addition to the conditions applicable for initial offer through private placement of units under the InvIT Regulations and any circular issued thereunder, a Private Unlisted InvIT shall fulfil the following conditions:
 - a. The assets held by the InvIT satisfies the conditions specified under sub-regulation (4) of Regulation 18 of InvIT Regulations.
 - b. It is compliant with all the applicable obligations and disclosure requirements for Private Unlisted InvIT since the date of issuance of its unlisted units or preceding three (3) years, whichever is less.
 - c. It has not defaulted in making any distribution since issuance of its unlisted units, as applicable under the terms of the InvIT Regulations, its distribution policy (if any) and other applicable laws since the date of issuance of its unlisted units or preceding three (3) years, whichever is less.
 - d. It has obtained approval from seventy five per cent. of the unit holders by value for such private placement of units.

Conditions for offer for sale of units

4. Units held by an existing unit holder in a Private Unlisted InvIT may be offered for sale in the private placement if such units have been held by the sellers for a period of at least one year prior to the filing of the draft placement memorandum with the Board.

Provided that such units shall be free from any encumbrance or lock-in on the date of filing of draft placement memorandum with the Board.

Provided further that unit holders, other than sponsor its associates and its related parties, who offer units in OFS shall not be eligible to participate in the private placement.



Process for private placement of units

5. For such private placement, the InvIT shall comply with the requirements for initial offer through private placement prescribed under InvIT Regulations and shall follow the guidelines for private placement of units of InvITs provided in SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2019/161 dated December 24, 2019 including any amendments thereto.

Minimum sponsor contribution

6. Minimum sponsor(s) contribution for the private placement of units shall be fifteen per cent of the units issued through private placement or to the extent of fifteen percent of the post-issue capital and such units shall be locked-in for a period of three years from the date of listing of units allotted through such private placement. Provided that “fifteen” shall be read as “twenty five” in case the requirements specified under clause (iii) of sub-regulation (3) of Regulation 12 of InvIT Regulations are not fulfilled.

Restrictions on transferability of units

7. Units held by the sponsor(s) in excess of minimum sponsor contribution, shall be locked-in for a period of one year from the date of listing of units allotted through the private placement.

Provided that if any units are already locked-in and the remaining lock-in period is more than one year, the units shall continue to be locked-in for such remaining period.

8. Units held prior to the issue, by persons other than the sponsor(s), shall be locked in for a period one year from the date of listing of units allotted through the private placement.

Maximum subscription from investors

9. Maximum subscription from any investor other than sponsor(s), its related parties and its associates, in initial offer shall not be more than 25 percent of the total unit capital on post-issue basis.



Disclosures in the draft placement memorandum/placement memorandum

10. In addition to the disclosures mandated in terms of Schedule III of the InvIT Regulations and any circulars issued for the purpose, the InvIT shall disclose the following:

- a. Details of distributions made by the InvIT
- b. Comparison of actual performance vis-à-vis the projections made in the placement memorandum at the time of initial offer
