



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/15

February 09, 2022

To

**All Infrastructure Investment Trusts**

**All Parties to InvITs**

**All Recognised Stock Exchanges**

**All Merchant Bankers**

Madam/Sir

**Subject: Framework for conversion of Private Listed InvIT into Public InvIT**

1. Regulation 14(6) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) provides as under:  
*“The Board may specify by issue of guidelines or circulars any other requirements, as it deems fit, pertaining to issue and allotment of units by an InvIT, whether by way of public issue or private placement.”*
2. Regulation 16(11) of the InvIT Regulations  
*“The Board and designated stock exchanges may specify any other requirements pertaining to listing and trading of units of the InvIT by issuance of guidelines or circulars.”*
3. A Private Listed InvIT may convert into a Public InvIT on making a public issue of units through a fresh issue and/or an offer for sale in terms of the InvIT Regulations in the manner provided at **Annexure – A**.
4. Post issuance and listing of such units through public issue in accordance with this circular, the Private Listed InvIT shall stand transformed and shall be considered a Public InvIT and it shall be required to comply with all provisions of the InvIT Regulations prescribed for Public InvITs.



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5. 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 33 and Regulation 34 of InvIT Regulations.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" 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. “Public InvIT” means an InvIT which has issued units in terms of Regulation 14(4) of the InvIT Regulations.

**Conditions for issuance**

3. In addition to the conditions applicable for initial offer through public issue of units under the InvIT Regulations and any circular issued thereunder, a Private Listed InvIT shall fulfil the following conditions at the time of filing of draft offer document:
  - a. The assets held by the InvIT satisfies the conditions specified under sub-regulation (5) of regulation 18 of the InvIT Regulations.
  - b. It is compliant with all the applicable listing obligations and disclosure requirements specified for Private Listed InvIT since the date of its listing or preceding three (3) years, whichever is less.  
Provided that imposition of only monetary fines by stock exchanges on it or its Investment Manager shall not be a ground for ineligibility for issuance.
  - c. It has not defaulted in making any distribution since listing, as applicable under the terms of the InvIT Regulations, its distribution policy (if any) and other applicable laws since the date of its listing or preceding three (3) years, whichever is less.
  - d. It is compliant with Regulation 16(6) and Regulation 16(7) of the InvIT Regulations as applicable to Private Listed InvIT.
  - e. It has obtained approval from seventy five per cent. of the unit holders by value for such public issue of units.

**Conditions for offer for sale of units**

4. Units held by an existing unit holder of a Private Listed InvIT may be offered for sale in the public issue in accordance with Regulation 14(4)(v) of the InvIT Regulations.  
Provided that such units shall be free from any encumbrance or lock-in on the date of filing of draft offer document.



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Provided further that unitholders, other than the sponsor(s), its related parties and its associates, who offer units towards the offer for sale shall not be eligible to participate in the public issue.

**Process for public issue of units**

5. For such public issue, the InvIT shall comply with the requirements for initial offer through public issue prescribed under InvIT Regulations and shall follow the guidelines for public issue of units of InvITs provided in SEBI circular CIR/IMD/DF/55/2016 dated May 11, 2016 including any amendments thereto.

**Minimum sponsor(s) contribution**

6. Minimum sponsor(s) contribution for the public issue of units shall be either to the extent of fifteen per cent. of the units issued through the public issue or to the extent of fifteen percent of the post-issue capital.

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.

7. Units offered towards minimum sponsor(s) contribution shall be locked-in for a period of eighteen months from the date of listing of units allotted in such public issue.

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

**Restrictions on transferability of units**

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

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.



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9. 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 in the public issue.

**Maximum subscription from investors**

10. 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 offer document/offer document**

11. 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

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