To
All Infrastructure Investment Trusts (“InvITs”)
All Parties to InvITs
All Recognised Stock Exchanges
All Depositories
All Merchant Bankers

Madam / Sir,

Sub: Revision in manner of achieving minimum public unitholding requirement – Infrastructure Investment Trusts (InvITs)

1. SEBI issued circular no. SEBI/HO/DDHS/PoD2/P/CIR/2023/107 dated June 27, 2023 prescribing methods to achieve minimum public unitholding requirements for InvITs. Subsequently, the said circular was consolidated as Chapter 21 of the Master Circular for InvITs dated July 06, 2023.

2. In addition to the methods listed under para 21.2. of Chapter 21 of the Master circular for InvITs dated July 06, 2023, the following shall be an additional method for privately placed InvITs in order to achieve minimum public unitholding requirements:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Method</th>
<th>Specific Conditions, if any, applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>Issuance of units through preferential allotment</td>
<td>Only units issued to the public shall be considered for compliance with minimum unitholding requirement</td>
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</tbody>
</table>

3. Further, it has been decided that S. No. 7 under para 21.2. of Chapter 21 of the Master circular for InvITs dated July 06, 2023 stands modified as under:
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Method</th>
<th>Specific conditions, if any, applicable</th>
</tr>
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</table>
| 7.    | Sale of units held by Sponsor(s) / Investment Manager / Project Manager and their associates/related parties in the open market in any one of the following ways, subject to compliance with the conditions specified: | i. Sponsor(s) / Investment Manager / Project Manager and their associates/related parties can sell up to 2% of the total paid-up unit capital of the InvIT, subject to five times’ average monthly trading volume of the units of the InvIT, every financial year till the due date for minimum public unitholding requirement as per InvIT Regulations.  
Provided that the above limit of five times’ average monthly trading volume of the units of the InvIT shall not be applicable to a privately placed InvIT.  
(or)  
ii. The Investment Manager of the InvIT shall, at least one trading day prior to every such proposed sale, announce the following details to the stock exchange(s) where its units are listed:  
   a) the intention of the Sponsor(s) / Investment Manager/ Project Manager and their associates/related parties to sell and the purpose of sale;  
   b) the details of Sponsor(s) / Investment Manager/ Project Manager and their associates/related parties, who propose to divest their unitholding;  
   c) total number of units and percentage of unitholding in the InvIT that is proposed to be divested; and |
|       |        | i. Sponsor(s) / Investment Manager / Project Manager and their associates/related parties can use either the mechanism specified at Sl. No. 7(i) or 7(ii) to comply with minimum public unitholding requirements, but not both. |
ii. Sponsor(s) / Investment Manager / Project Manager and their associates/related parties can sell up to a maximum of 5% of the paid-up unit capital of the InvIT during a financial year subject to the condition that the public unitholding in the InvIT shall become 25% after completion of such sale. The sale can be in a single tranche or in multiple tranches during the said financial year. The number of units to be sold shall not exceed the trading volume of the units of the InvIT during the preceding 12 months from the date of announcement.

Provided that the above limit related to the trading volume of units of the InvIT during the preceding 12 months from the date of announcement, shall not be applicable to a privately placed InvIT.

d) the period within which the entire divestment process will be completed.

iii. The Investment Manager of the InvIT shall also give an undertaking to the recognized stock exchange(s) obtained from the Sponsor(s) / Investment Manager/ Project Manager and their associates/ related parties that they shall not buy any units in the open market on the dates on which the units are being sold by them as stated above.

iv. The InvIT, its Sponsor(s) / Investment Manager/ Project Manager and their associates/ related parties shall ensure compliance with all applicable legal provisions including that of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and InvIT Regulations.

4. This circular shall come into force with immediate effect.

5. 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 14(1A)
and Regulation 33 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014. This circular is issued with the approval of the competent authority.

6. 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”.

7. The recognized Stock Exchanges are advised to disseminate the contents of this Circular on their website.

Yours faithfully,

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