



**CIRCULAR**

**SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/0115**

**August 26, 2022**

**To**

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

Madam/Sir

**Sub: Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT**

1. SEBI issued circular SEBI/HO/DDHS/DDHS/CIR/P/2019/143 dated November 27, 2019 providing guidelines for preferential issue and institutional placement of units by listed InvITs (“Guidelines”). The guidelines were subsequently revised vide circulars SEBI/HO/DDHS/DDHS/CIR/P/2020/36 dated March 13, 2020, SEBI/HO/DDHS/DDHS/CIR/P/2020/183 dated September 28, 2020 and SEBI/HO/DDHS/DDHS/CIR/P/2020/232 dated November 17, 2020.
2. The guidelines for preferential issue and institutional placement of units by listed InvITs stand modified as under:
  - I. Clause 3.5 of SEBI circular dated November 27, 2019 (as amended), is modified as under:

*“3.5. Post allotment, the InvIT shall make an application for listing of the units to the stock exchange(s) and the units shall be listed within two working days from the date of allotment:  
Provided that where the InvIT fails to list the units within the specified time, the monies received shall be refunded through verifiable means within four*



*working days from the date of the allotment, and if any such money is not repaid within such time after the issuer becomes liable to repay it, the InvIT, investment manager of the InvIT and its director or partner who is an officer in default shall, on and from the expiry of the fourth working day, be jointly and severally liable to repay that money with interest at the rate of fifteen percent per annum”*

- II. Sub-paragraph (A) of paragraph 2 of Annexure-I of SEBI circular dated November 27, 2019 (as amended), is modified as under:

**“A. Pricing of frequently traded units**

*2.1 Where the units of the InvIT are frequently traded, the price of units to be allotted pursuant to the preferential issue shall not be less than higher of the following:*

*2.1.1. the 90 trading days’ volume weighted average price of the related units quoted on the recognised stock exchange preceding the relevant date; or*

*2.1.2. the 10 trading days’ volume weighted average prices of the related units quoted on a recognised stock exchange preceding the relevant date.*

*2.2. A preferential issue of units to “institutional investors” not exceeding five in number, shall be made at a price not less than the 10 trading days’ volume weighted average prices of the related units quoted on a recognised stock exchange preceding the relevant date.*

*Explanation:*

- a) “Relevant date” for the purpose of clauses related to preferential issue of units shall be the date thirty days prior to the date on which the meeting of unitholders is held to consider the preferential issue. Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.*



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b) *“Relevant stock exchange” shall mean the recognised stock exchange in which the units of the InvIT are listed and in which the highest trading volume in respect of the units of the InvIT has been recorded during the preceding 90 trading days prior to the relevant date.*

c) *“Frequently traded units” for purposes of these guidelines shall mean the units of the InvIT, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten percent of the total number of issued and outstanding units of such class of units of the issuer:*

*Provided that where the number of issued and outstanding units of a particular class of units of the issuer is not identical throughout such period, the weighted average number of total units of such class of the issuer shall represent the total number of units.”*

III. Clause 4.1 of Annexure-I of SEBI circular dated November 27, 2019 (as amended), is modified as under and the explanation stands deleted::

*“4.1 Preferential issue of units shall not be made to any person who has sold or transferred any units of the issuer during the 90 trading days preceding the relevant date. Further, where any person belonging to the sponsor(s) has sold/transferred their units of the issuer during the 90 days preceding the relevant date, all sponsors shall be ineligible for allotment of units on a preferential basis.*

*Provided that this restriction on preferential issue of units shall not apply to a sponsor(s), in case any asset is being acquired by the InvIT from that sponsor(s), and preferential issue of units is being made to that sponsor, as full consideration for the acquisition of such asset.*

3. 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 33 of the



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InvIT Regulations. This circular is issued with the approval of the competent authority.

4. This Circular is available on the website of the Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Legal" and under the drop down "Circulars".

Yours faithfully,

**Deena Venu Sarangadharan**  
**Deputy General Manager**  
**Department of Debt and Hybrid Securities**  
**Tel No.+91-22-2644 9266**  
**Email id - [deenar@sebi.gov.in](mailto:deenar@sebi.gov.in)**