



CIRCULAR

SEBI/HO/DDHS/DDHS/CIR/P/2020/43

March 23, 2020

To,
All Infrastructure Investment Trusts (“InvITs”)
All Parties to InvITs
All Stock Exchanges

Madam/Sir,

Sub: Encumbrance on units of Infrastructure Investment Trusts (InvITs)

1. Regulation 12 of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) *inter alia* provides for mandatory holding of units of InvIT by sponsor(s) of InvIT.
2. Regulation 23 of the InvIT Regulations, 2014 *inter alia* provides that the InvIT shall disclose to the designated stock exchanges, unit holders and the Board such information and in the manner as may be specified by the Board.

A. Encumbrance on units

3. Entities required to hold units in terms of Regulation 12 of the InvIT Regulations may create encumbrance on such units during the mandatory holding period wherein encumbrance shall include pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance:

Provided that the conditions for creation and invocation of encumbrance, provided in this circular, are also included in the agreement executed for the purpose of creation of such encumbrance:

Provided further that such encumbrance shall not be permitted to be invoked during the holding period prescribed in terms of Regulation 12 of the InvIT Regulations

B. Obligation of entity creating encumbrance

4. Sponsor(s) creating encumbrance on the units held by it, shall provide details of the encumbrance to the investment manager of the InvIT within two working days from the date of creation of such encumbrance in the format specified at Annexure -I.



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Any change in the above information pursuant to release or invocation of encumbrance, or in any other manner, shall also be informed to the investment manager of the InvIT within two working days from the date of such event.

C. Other Obligations

5. The InvIT shall within two working days from the receipt of details in terms of clause 4 shall disclose such information to every stock exchange where units of the InvIT are listed.
6. The format for disclosure of unit holding pattern as provided under Annexure B of SEBI circular No. IMD/DF/127/2016 dated November 29, 2016 stands modified to include the following details pertaining to sponsor(s):

Category	Category of Unit Holder	No. of Unit Held	As a % of Total Outstanding Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held

7. 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 of the InvIT Regulations.
8. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and under the drop down “Circulars”.

Yours faithfully,

Richa G. Agarwal
Deputy General Manager
Department of Debt and Hybrid Securities
Tel No. 022-2644-9596
Email Id – richag@sebi.gov.in



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Annexure - I

Format for disclosure of details of encumbrance

Name of InvIT	
Name of the recognised stock exchanges where the units of InvIT are listed	
Name of the sponsor as applicable	
Total unitholding	No. of units – % of total outstanding units -

Specific details about the encumbrance	
	Encumbrance (Date of creation of encumbrance: _____)
Type of encumbrance	
No. and % of units encumbered	No. of units: % of total outstanding units:
Encumbered units as a % of total units held	
Period of encumbrance	
Name of the entity in whose favour units have been encumbered	
Purpose of borrowing	

Signature of Authorised Signatory:

Place:

Date: