

**GAZETTE OF INDIA**  
**EXTRAORDINARY**  
**PART – III – SECTION 4**  
**PUBLISHED BY AUTHORITY**  
**NEW DELHI, 30<sup>th</sup> November, 2016**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**NOTIFICATION**  
**Mumbai, the 30<sup>th</sup> November, 2016**

**SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE  
INVESTMENT TRUSTS) (AMENDMENT) REGULATIONS, 2016**

**No. SEBI/LAD/NRO/GN/2016-17/021.**-In exercise of the powers conferred by section 30 read with sections 11 and 12 of the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India hereby makes the following regulations to amend the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, namely:—

1. These regulations may be called the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014,—

(1) In regulation 2, in sub-regulation (1),-

(i) in clause (b),-

(a) for the word “includes”, the words and symbols “means “associate company” as defined under the Companies Act, 2013 or under the applicable accounting standards and shall also include” shall be substituted;

(b) the sub-clauses (v) to (viii) shall be omitted;

- (ii) after clause (m), the following clause shall be inserted, namely,-  
“(ma) "debt securities" shall be as defined under Regulation 2(1)(e) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;”
  
- (iii) in clause (o), in sub-clause (i),-
  - (a) in sub-sub-clause (1),-
    - (i) after the word “is”, the word “a” shall be inserted;
    - (ii) after the word “generating”, the word “project” shall be inserted;
  - (b) after sub-sub-clause (1), the following shall be inserted, namely,-  
“(1a) the Infrastructure Project, which has achieved commercial operations date and does not have the track record of revenue from operations for a period of not less than one year, or”
  
- (iv) existing clause (q) shall be omitted;
  
- (v) after clause (r), the following shall be inserted, namely,-  
“(ra) "general purposes" include such identified purposes for which no specific amount is allocated or any amount so specified towards general purpose or any such purpose by whatever name called, in the draft offer document filed with the Board:  
Provided that any issue related expenses shall not be considered as a part of general purpose merely because no specific amount has been allocated for such expenses in the draft offer document filed with the Board;”
  
- (vi) after clause (s), the following clause shall be inserted, namely,-  
“(sa) “holdco” or “holding company” means a company or LLP,-
  - (i) in which InvIT holds or proposes to hold controlling interest and not less than fifty one per cent of the equity share capital or interest and which in turn has made investments in other SPV(s), which ultimately hold the infrastructure assets;

- (ii) which is not engaged in any other activity other than holding of the underlying SPV(s), holding of infrastructure projects and any other activities pertaining to and incidental to such holdings;”
- (vii) after clause (u), the following clause shall be inserted, namely,-  
“(ua) “initial offer” means the first offer of units of an InvIT including an offer for sale of the InvIT units by an existing unit holder whether through public issue or private placement;”
- (viii) in clause (v), after the word “initial”, the word “public” shall be inserted;
- (ix) clause (w) shall be omitted;
- (x) in clause (zb), after the words “through a”, and before the word “SPV”, the words and symbol “holdco and/ or” shall be inserted;
- (xi) in clause (zg), after the words “InvIT”, and before the word “divided”, the words “ assets reduced by the external debt” shall be inserted;
- (xii) in clause (zj),-
  - (a) for the words “from the public”, the words “through a public issue” shall be substituted;
  - (b) the words “publicly offered” shall be omitted;
  - (c) after the word “initial” and before the word “offer”, the word “public” shall be inserted;
  - (d) after the words “follow-on offer document”, the words and symbol “, letter of offer in case of rights issue” shall be inserted;
- (xiii) in clause (zk), after the word project manager, the word and symbol “(s)” shall be inserted;
- (xiv) after clause (zo), the following clauses shall be inserted, namely,-

“(zoa) “private placement” means an issue of units by an InvIT to any select person or group of persons and does not include an offer of units made through a public issue;

(zob) “project implementation agreement” or “project management agreement” means an agreement between the project manager, the concessionaire SPV and the trustee which sets out obligations of the project manager with respect to execution of the project:

Provided that in case of PPP projects, such obligations shall be in addition to the responsibilities as under the concession agreement or any such agreement entered into with the concessioning authority;”

- (xv) in clause (zp), after the words “achieving execution”, the word and symbol “/ management” shall be inserted;
- (xvi) in clause (zr),-
  - (a) the words “publicly offered” shall be omitted;
  - (b) after the word “initial” and before the word “offer”, the word “public” shall be inserted;
- (xvii) in clause (zv),-
  - (a) for the words “related parties of the InvIT”, the words “related party” shall be substituted;
  - (b) after the word “shall”, the words and symbol “be defined under the Companies Act, 2013 or under the applicable accounting standards and shall also” shall be inserted;
  - (c) sub-clause (ii) shall be omitted;

(d) in sub-clause (iii), the words and symbol “associates,” and “and (ii)” shall be omitted;

(xviii) in clause (zy), -

(a) in sub-clause (i),-

(i) after the word “which” and before the word “the InvIT”, the word “either” shall be inserted;

(ii) after the word “InvIT”, the words “or the holdco” shall be inserted;

(iii) after the word “fifty”, for the word “one” shall be inserted;

(b) in sub-clause (iii), after the words “is not”, the word “be” shall be omitted;

(xix) in clause (zxc),-

(a) after the words “which has”, the word “either” shall be inserted;

(b) after the words “with the lenders”, the words and symbol “or has achieved commercial operation date and does not have the track record of revenue from operations for a period of not less than one year” shall be inserted;

(xx) in clause (zzf),-

(a) after the word “person” the words and symbol “(s)” shall be inserted;

(b) after the words “Companies Act, 2013” and before the word “and”, the words “or as defined hereunder” shall be inserted;

(c) after the word “has”, the words and symbol “/have” shall be inserted;

(d) after the word “undertake”, the words “both financial and technical” shall be inserted;

(e) for the proviso, the following shall be substituted,-

“(a) a valuer in respect of financial valuation means,-

(i) a chartered accountant, company secretary or cost accountant who is in whole-time practice, or retired member of Indian Corporate Law Service or any person holding

equivalent Indian or foreign qualification as the Ministry of Corporate Affairs may recognize by an order:

Provided that such foreign qualification is acquired by Indian citizen.

(ii) a Merchant Banker registered with the Securities and Exchange Board of India, and who has in his employment person(s) having qualifications prescribed under sub-sub-clause (i) above to carry out valuation by such qualified persons.

(b) a valuer in respect of technical asset valuation, means members of the following institutions for specific asset categories,-

- (i) Institution of Valuers;
- (ii) Institution of Surveyors (Valuation Branch);
- (iii) Institution of Government Approved Valuers;
- (iv) Practicing Valuers Association of India;
- (v) Centre for Valuation Studies, Research and Training;
- (vi) Royal Institution of Chartered Surveyors, UK;
- (vii) American Society of Appraisers, United States;
- (viii) Appraisal Institute, United States;
- (ix) Institute of Engineers;
- (x) Council of Architecture or the Indian Institute of Architects:

Provided that, the persons referred to in sub-sub-clause (i) and qualified person referred to in sub-sub-clause (ii) of sub-clause (a) above, shall have not less than five years continuous experience after acquiring membership of respective institutions:

Provided further that, persons referred to in sub-sub-clauses (i) to (x) of sub-clause (b) above, shall have a minimum working experience of five years in relevant areas of valuation practice and in relation to relevant asset value and categories; and be citizens of India.”

- (xxi) in clause (zzg),-
- (a) for the words “value of the InvIT”, the words “value of InvIT assets” shall be substituted;
  - (b) after the word “through”, the words and symbol “holdco and/or” shall be inserted;
  - (c) after the word “SPV”, the words “excluding any debtor liabilities thereof” shall be omitted;

(2) In regulation 3, in sub-regulation (2), after the words “the sponsor”, the words “on behalf of the trust” shall be inserted;

(3) In regulation 4, in sub-regulation (2),-

(i) in clause (a), after the words “applicant is”, for the word “a”, the words “the sponsor on behalf of the” shall be substituted;

(ii) in clause (d),-

(a) in sub-clause (i), for the words “there are not more than 3 sponsors”, the words and symbol “each sponsor shall be clearly identified in the application of registration to the Board and in the offer document/ placement memorandum, as applicable” shall be substituted;

(b) in sub-clause (ii), in sub-sub-clause (2) the Proviso shall be omitted;

(iii) for clause (f) and the proviso, the following shall be substituted, namely,-

“(f) the project manager has been identified and shall be appointed in terms of the project implementation/ management agreement:

Provided that the project implementation agreement/ management agreement shall be submitted along with the draft offer document/ or the placement memorandum;”

(iv) in clause (h),-

(a) for the word “preferential”, the word “superior” shall be substituted;

(b) after the words “unit holder”, the following shall be inserted,-

“and there shall not be multiple classes of units of InvITs:

Notwithstanding the above, subordinate units may be issued only to the sponsors and its associates, where such subordinate units shall carry only inferior voting or any other rights compared to other units;”;

(v) clause (i) shall be omitted;

(4) In regulation 9,-

(i) in sub-regulation (4),

(a) after the words " project manager", the words "other than that relating with revenue streams from the projects" shall be omitted;

(b) after the words “and the”, the words and symbol “project implementation agreement/” shall be inserted;

(ii) in sub-regulation (6), after the words “chartered accountant”, the words and symbol “or valuer, as applicable,” shall be inserted;

(iii) in sub-regulation (16), in clause (a), after the words “the earlier”, the words and symbol “project implementation agreement/” shall be inserted;

(iv) in sub-regulation (19), for the words “or its associates”, the words “of the InvIT” shall be substituted;

(5) In regulation 10,-

(i) in sub-regulation (2),

(a) for the words “revenue streams from the projects”, the words “compliance with these regulations” shall be substituted;

- (b) after the words “and the”, the words and symbol “project implementation agreement/” shall be inserted;
- (ii) in sub-regulation (3), after the words “InvIT or” wherever appearing, the words “holdco or” shall be inserted;
- (iii) in sub-regulation (7), in the second Proviso, before the words “SPV” wherever appearing, the words “holdco or” shall be inserted;
- (iv) in sub-regulation (9),
  - (a) after the words “investment manager”, the words and symbol “and the merchant banker(s)” shall be inserted;
  - (b) in clause b., for the words “the draft and final”, the word “of the” shall be substituted;
  - (c) in clause d., after the word “approval”, the words “and final listing and trading approvals” shall be inserted;
- (v) in sub-regulation (10), after the words and symbol “investment manager”, the words “and the merchant bankers(s),” shall be inserted;
- (vi) in sub-regulation (12), for the word “auditor”, the words and symbols “practicing chartered accountant or the valuer, as applicable,” shall be inserted;
- (vii) in sub-regulation (21), after the words “valuer”, the words and symbol “, shall be disclosed to the stock exchange(s),” shall be inserted
- (viii) in sub-regulation (22),-
  - (a) for the words “than twice annually”, the words “once in a year” shall be substituted;
  - (b) after the words "to the", the word "designated" shall be omitted;

- (c) after the word “exchange”, the words and symbol "(s)” shall be inserted;
- (d) after the words and symbol "March 31st", the words "and half year ending September 30th" shall be omitted;

(6) In regulation 11,-

- (i) in sub-regulation (3), after the words “of the ”, the words and symbol "project implementation agreement/" shall be inserted;

(7) In regulation 12,-

- (i) in sub-regulation (2) and proviso, before the words “SPV” wherever appearing, the words and symbol “holdco and/ or” shall be inserted;

(ii) in sub-regulation (3),-

- (a) for the words “twenty five”, the words “fifteen” shall be inserted;
- (b) after the word “such units” the words and symbol “, subject to the following”, shall be inserted;
- (c) the following sub-clauses and proviso shall be inserted, namely,-
  - “(i) sponsor(s) would be responsible for all acts, omissions and representations/covenants of the InvIT related to formation of InvIT, sale/ transfer of assets/holdco/SPV to the InvIT.
  - (ii) the InvIT/the trustee of the InvIT shall *also* have recourse against the Sponsor for any breach in this regard.

(iii) project Manager of the InvIT shall be the sponsor or an associate of the sponsor and shall continue to act in such capacity for a period of minimum three years from the date of listing of InvIT units unless suitable replacement is appointed by the unit-holders through the Trustee:

Provided that the condition as specified at sub clause (iii) above shall not be applicable where the sponsor(s) together hold not less than twenty five per cent. of the total units of the InvIT after initial offer of units, on a post-issue

basis for a period of not less than 3 years from the date of the listing of such units.”

(d) In the existing proviso,-

(i) after word “Provided”, the word “further” shall be inserted;

(ii) after the words “PPP projects”, the words and symbol “where the InvIT is investing in infrastructure assets through SPV(s)” shall be inserted;

(iii) in clause (ii), for the words “twenty five”, the words “fifteen” shall be substituted;

(iv) in sub-clause (iv), after the word “fifty”, the word “one” shall be inserted;

(iii) in sub-regulation (4), for the words “twenty five”, the words “fifteen” shall be substituted;

(8) In regulation 13,-

(i) in sub-regulation (1), in clause (j), after the words “any assignment”, the words and symbol “from any related party of the InvIT,” shall be inserted;

(ii) in sub-regulation (2), in clause (d), after the words “InvIT or”, the words “holdco or” shall be inserted;

(9) In regulation 14,-

(i) in sub-regulation (1),-

(a) in clause (b),-

(1) for the word “ruppes”, the word “rupees” shall be substituted;

(2) in the Explanation, after the words “assets or”, the words “holdco or” shall be inserted;

(b) in the proviso,-

- (1) for the words “with after initial offer or first offer of units under private placement”, the words and symbol “at any point of time before allotment of units in accordance with offer document/placement memorandum” shall be substituted;
- (2) after the words and symbol “relevant party(ies) that”, the word "such" shall be inserted;
- (3) after the words “prior to”, the word "such" shall be inserted;
- (4) after the words and symbol “of units,”, the word "and" shall be inserted;
- (5) after the words “Board and”, the word "to" shall be inserted;
- (6) after the words “regard in the”, , the word “initial” shall be omitted;

(ii) after sub-regulation (1), the following shall be inserted, namely-

“(1A) The minimum offer and allotment to public through an offer document/placement memorandum shall be,-

(a) atleast twenty five per cent. of the total outstanding units of the InvIT, if the post issue capital of the InvIT calculated at offer price is less than rupees one thousand six hundred crore:

Provided that this requirement shall be complied along with the requirement under Regulation 14(1)(c) of the InvIT Regulations.

(b) of the value of atleast Rs 400 crore, if the post issue capital of the InvIT calculated at offer price is equal to or more than rupees one thousand six hundred crore and less than rupees four thousand crore;

(c) atleast ten per cent. of the total outstanding units of the InvIT, if the post issue capital of the InvIT calculated at offer price is equal to or more than rupees four thousand crore:

Provided that any units offered to sponsor or the investment manager or the project manager or their related parties or their associates shall not be counted towards units offered to the public.

Provided further that any listed InvIT which has public holding below twenty five per cent on account of sub-clauses (b) and (c) above, such InvIT shall increase its public holding to at least twenty five per cent, within a period of three years from the date of listing pursuant to initial offer.”

(iii) in sub-regulation (2),-

(a) for the words “invests or proposes to invest in under construction projects, value of which is more than ten per cent. of the value of the InvIT assets, it shall raise funds”, the “raises funds by way of private placement”, shall be substituted;

(b) in clause (a), for the words “by way of private placement only”, the words “it shall do it”, shall be substituted;

(c) after clause (c), the following shall be inserted,-

“Notwithstanding the above, if such an privately placed InvIT invests or proposes to invest not less than eighty per cent of the value of the InvIT assets, the minimum investment from an investor shall be rupees twenty five crore;”

(d) after clause (d), the following shall be inserted, namely,-

“(e) shall file a placement memorandum with the Board alongwith the fee as specified in Schedule II, atleast 5 days prior to opening of the issue:

Provided that such opening of the issue shall not be at a date later than 3 months from the receipt of in-principle approval for listing, from exchange(s).”

(iv) sub-regulation (3), shall be omitted;

(v) in sub-regulation (4),-

(a) for the words “With respect to”, the words “If the InvIT raises funds by public issue”, shall be substituted;

(b) the words “that hold not less than eighty per cent. of its assets in completed and revenue generating infrastructure projects”, shall be omitted;

(c) for clause (a), the following shall be substituted,-

“(a) it shall be by way of initial public offer;”

(d) in clause (b), after the word “initial” and before the word “offer”, the word “public” shall be inserted;

(e) clause (d) shall be omitted;

(f) in clause (e),-

(1) after the word “initial” and before the word “offer”, the word “public” shall be inserted;

(2) for the words “investment manager”, the words “merchant banker” shall be substituted;

(3) after the words “draft offer document”, the words and symbol “along with the fee as specified in Schedule II,” shall be inserted;

(4) for the words “twenty one”, the word “thirty” shall be substituted;

(5) after the words “filing the” and before the words “offer document”, the word “final” shall be omitted;

(6) after the words “stock exchange”, the words “and SEBI”, shall be inserted;

(g) in clause (f),-

(1) the words and symbols “to be submitted to the Board, within a period of at least ten days,” shall be omitted;

(2) after the words “with the issue”, the words and symbol “, for a period of not less than twenty one days” shall be inserted;

- (h) in clause (h), after the words “filing of the”, the word “final” shall be omitted;
- (i) in clause (i),-
- (1) for the word “modifications”, the word “observations” shall be substituted;
  - (2) for the word “suggested”, the word “issued” shall be substituted;
  - (3) for the word “issue”, the word “file” shall be substituted;
  - (4) after the words “file the”, the word “final” shall be omitted;
  - (5) for the words “to the public”, the words “with the Board and the exchange(s)” shall be substituted;
- (j) in clause (j),-
- (1) after the words “draft and” and before the words “offer document”, the word “final” shall be omitted;
  - (2) the words “investment manager and”, shall be omitted;
- (k) in clause (k),-
- (1) after the word “the” and before the words “offer document”, the word “final” shall be omitted
  - (2) the words “and such filing with the Board shall be accompanied by filing fees as specified under Schedule II”, shall be omitted;
- (l) in clause (l),-
- (1) for the word “make”, the word “open” shall be substituted;
  - (2) after the word “initial” and before the word “offer”, the word “public” shall be inserted;
  - (3) after the words “follow-on offer”, the words "or rights issue" shall be inserted
  - (4) for the words “six months”, the words “one year” shall be substituted;
  - (5) after the words "the date of", the word "last" shall be omitted
  - (6) the words and symbol “,if any and if no observations have been issued by the Board, within six months from the date of filing of

final offer document with the designated stock exchanges” shall be omitted;

(7) in the proviso,-

(i) after the word “initial” and before the word “offer”, the word “public” shall be inserted;

(ii) after the words “follow-on offer”, the words "or rights issue” shall be inserted;

(iii) after the word “fresh” and before the word “offer”, the word “draft” shall be inserted;

(m) in clause (o), after the word “initial” and before the word “offer”, the word “public” shall be inserted;

(n) in clause (t),-

(1) in sub-clause (i),-

(i) for the words “seventy five”, the words “ninety”, shall be substituted;

(ii) after the words “of the” and before the word “issue size”, the word “fresh” shall be inserted;

(iii) after the words “in the” and before the word “offer document”, the word “final” shall be omitted;

(2) in sub-clause (ii),

(i) after the words “specified in the” and before the words “offer document”, the word “final” shall be omitted;

(ii) after the proviso, following proviso shall be added,-

"Provided further, that the offer document shall contain adequate disclosures towards the utilisation of such oversubscription proceeds, if any, and such proceeds retained on account of oversubscription shall not be utilised towards general purposes."

(3) in sub-clause (iii), after the word “initial”, the word “public” shall be inserted;

(o) in clause (v), in sub-clause (i), in the proviso, after the words “interest in the”, the words “holdco or” shall be inserted”;

(p) after clause (v), following shall be inserted, namely,-

"(va) The amount for general purposes, as mentioned in objects of the issue in the draft offer document filed with the Board, shall not exceed Ten per cent of the amount raised by the InvIT by issuance of units."

(10) In regulation 15, for sub-regulation (4), the following shall be substituted, namely-

“(4) The placement memorandum shall contain all information as specified under Schedule III, to the extent applicable.”

(11) In regulation 16,-

(i) after sub-regulation (2), following shall be inserted, namely,-

"(2A) In the event of non-receipt of listing permission from the stock exchange(s) or withdrawal of Observation Letter issued by the Board, wherever applicable, the units shall not be eligible for listing and the InvIT shall be liable to refund the subscription monies, if any, to the respective allottees immediately alongwith interest at the rate of fifteen per cent. per annum from the date of allotment."

(ii) in sub-regulation (6),-

(a) the words “publicly offered” shall be omitted;

(b) for the words and symbols “twenty five per cent. of the total number of outstanding units, at all times,”, the words and symbols “in accordance with sub-regulation (1A) of regulation 14”, shall be substituted;

(iii) in sub-regulation (7), after the word “sponsor(s)”, the words and symbol “, its related parties and its associates” shall be inserted;

(iv) in sub-regulation (8),-

(a) in clause (a), for the words “final closing”, the word “allotment” shall be substituted;

(b) after clause (b), the following shall be inserted, namely,-

“Notwithstanding the above, if an InvIT invests not less than eighty per cent of the value of the InvIT assets, the trading lot for the purpose of trading of units on the designated stock exchange of such InvIT shall be rupees two crore;”;

(v) in sub-regulation (9), in clause (a) and the proviso, after the word “initial” wherever appearing, the word “public” shall be inserted;

(12) In regulation 17, in sub-regulation (1), in clause (b), after the words and symbol “sub-regulation (7)”, the words “of regulation 16” shall be inserted;

(13) In regulation 18,-

(i) in sub-regulation (1), after the words “be in”, the words and symbol “holdco and/or” shall be inserted;

(ii) in sub-regulation (2), after the words “projects through”, the words and symbol “holdco and/or” shall be inserted;

(iii) in sub-regulation (3),-

(a) in clause (b),-

(1) after the word “company”, the words and symbol “/LLP” shall be inserted;

(2) for the words “not less than one authorized representative on”, the words “majority of” shall be inserted;

(3) after the word “SPVs”, the words “as applicable”, shall be inserted;

(iv) after sub-regulation (3), the following shall be inserted, namely,-

“(3A) The InvIT may invest in infrastructure projects through holdcos subject to the following,-

- (a) the ultimate holding interest of the InvIT in the underlying SPV(s) is not less than twenty six per cent;
- (b) no other shareholder or partner of the holdco or the SPV(s) shall have any rights that prevent the InvIT, the HoldCo or the SPV(s) from complying with the provisions of these regulations and an agreement shall be entered into with such shareholders or partners to that effect prior to investment in the holdco/SPV;
- (c) the investment manager, in consultation with the Trustee, shall appoint the majority of the Board of directors or governing board of the holdco and SPV(s);
- (d) the investment manager shall ensure that in every meeting including annual general meeting of the Holdco and SPV(s), the voting of the InvIT is exercised;”

(v) for sub-regulation (4) and the Explanation, the following shall be substituted, namely,-

“(4) In case of InvIT as specified under sub-regulation (2) of regulation 14, the InvIT shall invest not less than eighty per cent of the value of the InvIT assets in eligible infrastructure projects either directly or through holdcos or through SPVs:

Provided that un-invested funds may be invested in instruments as provided under sub-clause (ii), (iii), (iv) and (v) of clause (b) of sub-regulation 5 of Regulation 18.”

(vi) in sub-regulation (5),-

- (a) in clause (a),

- (1) after the words “value of the”, the word " InvIT” shall be inserted;
- (2) in sub-clause (i) ,-
  - i. after the words “through a”, the words and symbol “holdco and/ or” shall be inserted;
  - ii. after the word “SPV”, the symbol “(s)”, shall be inserted;
  - iii. for the words “eligible infrastructure”, the words “completed and revenue generating”, shall be inserted;
  - iv. after the words “by such”, for the word “SPV”, the words and symbol “holdco and/ or SPV(s)” shall be substituted;
- (b) in clause (b),-
  - (1) after the words “value of the”, the word " InvIT” shall be inserted;
  - (2) after the word and symbol "assets,", the word "proportionate to the holding of the InvITs " shall be omitted;
  - (3) in sub-clause (i),-
    - i. after the words “or through”, the words and symbol “holdco and/ or” shall be inserted;
    - ii. in the proviso, for the word “assets of the InvIT”, the word “InvIt assets” shall be substituted;
  - (4) in sub-clause (ii), after the words “debt of the”, for the word “SPV”, the words and symbol “holdco and/ or SPV(s)” shall be substituted;
- (vii) after sub-regulation (5), following shall be inserted, namely,-

"(5A) The investment conditions as specified at sub-regulation (4) and (5) of regulation 18 and sub -regulation shall be complied at the time of Offer document/placement memorandum and thereafter."
- (viii) in sub-regulation (6),-
  - (a) after the words “and the”, the words and symbol “holdco and/or”, shall be inserted;
  - (b) in clause (a), after the words “to the InvIT”, the words and symbol “/holdco” shall be inserted;

(c) after clause (b), the following shall be inserted, namely,-

“(ba) with regard to distribution of net distributable cash flows by the holdco to the InvIT, the following shall be complied:

(i) with respect to the cash flows received by the holdco from underlying SPVs, 100% of such cash flows received by the holdco shall be distributed to the InvIT; and

(ii) with respect to the cash flows generated by the holdco on its own, not less than 90% of such net distributable cash flows shall be distributed by the holdco to the InvIT.”

(d) in clause (d),-

(i) after the words "subject to" , the word and symbol, "sub-"shall be inserted;

(ii) after the words "distribution shall be", the words "as per the dates and the" shall be omitted;

(ix) in sub-regulation (7),-

(a) after the words “InvIT or”, the words “holdco or”, shall be inserted;

(b) after the words “interest in the”, the words and symbol “holdco/”, shall be inserted;

(c) in clauses (a) and (b), the words “or SPV” shall be omitted;

(d) in clause (b), after the words “infrastructure assets”, the words and symbol “within a period of one year” shall be inserted;

(x) in sub-regulation (10), after the words “any person”, the words and symbol “other than the holdco/ SPV(s) in which the InvIT has invested in”, shall be inserted;

(xi) in sub-regulation (11), after the words “or through”, the words and symbol “holdco and/or”, shall be inserted;

(11) In regulation 19,-

(i) in sub-regulation (3),-

- (a) the words “publicly offered” shall be omitted;
  - (b) after the word “initial”, and before the word “offer”, the word “public” shall be inserted;
  - (c) in clause (a),-
    - (1) after the word “assets”, the words and symbol “whether directly or through holdco or through SPV,” shall be inserted;
    - (2) after the word “value of”, the word “the,” shall be inserted;
    - (3) after the word 'InvIT", the word "assets", shall be inserted;
  - (d) in clause (b), after the word “InvIT”, the words and symbols “,holdco and the SPV(s)” shall be inserted;
  - (ii) in sub-regulation (5), for the words “any person or entity which is an associate of the related party”, the words and symbol “such related party(ies)”, shall be substituted;
- (11) In regulation 20, after the word “InvIT”, and before the words “net of cash” wherever appearing, the words and symbols “, holdco and the SPV(s),” shall be inserted;
- (12) In regulation 21, in sub-regulation (8), after the words “directly or through”, and before the word “spvs”, the words and symbol “holdco and/or” shall be inserted;
- (13) In regulation 22,-
- (i) in sub-regulation (3),-
    - (a) for the words “With respect to publicly offered”, the words “For an” shall be substituted;
    - (b) in clause (b), in sub-clause (ii), for the words “not be less than one and a half times”, the words “be more than” shall be substituted;
  - (ii) in sub-regulation (4),-
    - (a) in clause (d), for the words “initial offer by a publicly offered InvIT”, the words “initial public offer by an InvIT” shall be substituted;

(b) after clause (g), for the words “not be less than one and half times”, the words “be more than” shall be substituted;

(iii) in sub-regulation (5), in clause (f), after clause (vi), for the word “three”, the words “one and a half”, shall be substituted;

(14) In regulation 23, in sub-regulation (6),-

(i) in clause (a), after the words “or through”, the words “holdco or”, shall be inserted;

(ii) in clause (b), after the words “level of”, the words “holdco or”, shall be inserted;

(15) In regulation 25, in sub-regulation (1), after the words “InvIT or”, the words and symbols “holdco or SPV(s)”, shall be inserted;

(16) In regulation 27, after the words “regarding to activity of the InvIT”, the words “or holdco or SPV or parties to the InvIT”, shall be inserted;

(17) In regulation 29, in sub-regulation (3),-

(i) after the words “InvIT or”, shall be omitted;

(ii) after the words “to the InvIT or”, the words and symbols “or holdco or SPV(s)”, shall be inserted;

(18) After regulation 33, the following shall be inserted, namely,-

**“Power to relax strict enforcement of Regulations**

33A. The Board may, in the interest of investors or for the development of the securities market, relax the strict enforcement of any requirement of these regulations, if the Board is satisfied that,-

(a) requirement is procedural or technical in nature; or

(b) the requirement may cause undue hardship to investors; or

(c) the disclosure requirement is not relevant for a particular industry or class of listed entities; or

- (d) the non-compliance was caused due to factors beyond the control of the issuer;  
or
- (e) any provision of Act(s), Rule(s), regulation(s) under which the listed entity is established or is governed by, is required to be given precedence to.”

(19) In Schedule I,-

- (i) in paragraph (1), in clause (c), for the words and symbols “applicant or its associates or its sponsors(s)/ trustee/ manager is/”, the words and symbols “applicant/ sponsor(s)/ investment manager/ project manager(s) or their associates or trustee”, shall be substituted;
  
- (ii) in paragraph (3),-
  - (a) clause (e) shall be omitted;
  
- (iii) in paragraph (6),-
  - (a) clause (d) shall be omitted;
  
- (iv) in paragraph (7),-
  - (a) in clause (b), the words, "including copy of the draft initial offer document/draft placement memorandum, as applicable", shall be omitted;
  - (b) in clause (d), for the word “SPV”, the words and symbol “holdco/SPV(s)” shall be substituted;
  
- (v) in paragraph (7), in clauses (a), (b) and (c), for the words “applicant or any of its related party(ies)” wherever appearing, the words “InvIT or parties to the InvIT or their directors/members of governing board”, shall be substituted;

(20) In Schedule II, in paragraph (3), in clause (b), in sub-clause (i), for the words and symbols “within seven days of registering the prospectus with the Registrar of Companies or filing the letter of offer”, the words and symbol “alongwith the filing of the final offer document/ final placement memorandum with the Board and”, shall be substituted;

(21) In Schedule III,-

(i) in the title, after the words, “OFFER DOCUMENT”, the words “or PLACEMENT MEMORANDUM”, shall be inserted;

(ii) in paragraph 6,-

(a) in clause a, for the word “SPV” wherever appearing, the words and symbols “holdco or the SPV(s)”, shall be substituted;

(b) in clause b, in sub-clause (viii), for the words “since COD of the project till date”, the words “from the date of the latest financial statements included in the offer document or placement memorandum until the completed month before filing of the Draft offer document/offer document or Placement Memorandum”, shall be substituted;

(iii) in paragraph 9, in clause b, for the words “undertaken prior to the offer”, the words “which are undertaken in the last three financial years and current financial year”, shall be substituted;

(iv) in paragraph 11, in clause f, for the words “as on date”, the words “as on the date of the latest financial information disclosed in the offer document/ placement memorandum”, shall be substituted;

(v) in paragraph 13, in clause c, for the words “whether completed or pending, against the InvIT, sponsor(s), Investment Manager, Trustee, or any of their associates”, the words “which are pending, against the InvIT, sponsor(s), Investment Manager, Project Manager(s), or any of their associates and the trustee”, shall be substituted;

(vi) in paragraph 20, after the word “Declarations”, the words and symbols “(to be signed by the board of directors of the investment manager and sponsor)”, shall be inserted,-

(vii) after paragraph 20, following shall be inserted, namely,-

“The documents to be provided to the Board,-

- a) Full valuation report, alongwith offer document/placement memorandum
- b) Project implementation/management agreement, alongwith draft offer document or the placement memorandum
- c) Due diligence certificate alongwith draft offer document and offer document/placement memorandum
- d) In principle approval from the exchange(s)”

(22) In Schedule IV,-

(i) in part I,-

- (a) in paragraph 14, after the words “value of the InvIT”, the word “assets” shall be inserted;
- (b) in paragraph 16, for the words “Brief report on corporate governance”, the words “Brief details of material and price sensitive information”
- (c) in paragraph 17, for the words “whether completed or pending, against the InvIT, sponsor(s), Investment Manager, Trustee, or any of their associates”, the words “which are pending, against the InvIT, sponsor(s), Investment Manager, Project Manager(s), or any of their associates and the Trustee”, shall be substituted;

(ii) in part III, in paragraph 2,-

- (a) the word “Audited” shall be omitted;
- (b) for the word “financial”, the word “Financial”, shall be substituted;

(22) In Schedule V,-

(i) in paragraph f,-

- (a) after the word “details”, the words and symbol “, to the extent applicable,” shall be inserted;

(b) after clause xii., the following clauses shall be inserted,-

- “xiii. List of one-time sanctions/approvals which are obtained or pending;
- xiv. List of up to date/overdue periodic clearances;
- xv. Statement of assets included;
- xvi. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- xvii. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- xviii. On-going and closed material litigations including tax disputes in relation to the assets, if any;
- xix. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.”

(ii) after paragraph f, the following shall be inserted, namely-

“fa. Information regarding the assumed factors while calculating the valuation such as discounting rate, tenure etc.”

(23) In Schedule VI, in paragraph 5., after the word “offer document”, the words “or placement memorandum,” shall be inserted;

**U. K. SINHA**  
**CHAIRMAN**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Footnote:**

1. The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 was published in the Gazette of India on 26<sup>th</sup> September, 2014 vide F. No. LAD-NRO/GN/2014-15/10/1577.