



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

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CFD/DIL/OW/2018/31017/1
November 06, 2018

IIFL Asset Management Limited
6th Floor, IIFL Centre, Kamala City
Senapati Bapat Marg, Lower pearl,
Mumbai – 400013.

Dear Sir,

Sub: Request for “Interpretive Letter” under the SEBI (Informal Guidance) Scheme, 2003 by IIFL Asset Management Limited.

1. This has reference to your letter dated August 03, 2018 seeking interpretative letter under SEBI (Informal Guidance) Scheme, 2003. Reference is also drawn to your emails dated August 31, 2018 and October 11, 2018 wherein you have provided certain additional information in the matter.
2. In your letter under reference you have, *inter alia*, represented as under:
 - a. IIFL Asset Management Limited (IIFL AML) is the investment Manager to the Trust IIFL private Equity Fund (“IIFL Trust”). Under the IIFL Trust, IIFL Special Opportunities Fund and its further Series (“IIFL Schemes”) have been launched.
 - b. IIFL Special Opportunities Fund made Investment in equity shares of M/s ICICI Lombard General Insurance Company Limited (ICICI Lombard) on July 07, 2017.
 - c. Subsequently, IIFL Special Opportunity Fund transferred the shares of ICICI Lombard General Insurance into demat accounts of same Scheme and its series under the same fund for better accounting purpose and NAV calculation.
 - d. ICICI Lombard came out with its IPO with offer open from September 15, 2017 to September 19, 2017.
 - e. Allotment of shares in IPO was made on September 23, 2017. ICICI Lombard made the Lock-in for Pre-IPO Investment with effect from September 23, 2017.
3. Based on above facts you have sought interpretive letter from SEBI on the following issue, in terms of Regulation 37 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulation):

सेबी भवन, प्लॉट नं. सी 4-ए, “जी” ब्लॉक, बान्द्रा कुरली कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.बी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



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- i. *When does the lock-in period of one year for investments made by Category I & II Alternative Investment Fund (AIF) schemes commence in case of investment by such AIF Schemes before the IPO of Companies i.e. is it from the date of IPO allotment*

4. In this regard, it may be noted that we have considered the submissions made by you in your letter reference and emails and without necessarily agreeing with your analysis, our view on the query raised by you is as under:

- i. The relevant provision of ICDR Regulations pertaining to the subject matter, as applicable, is as under:

Lock-in of specified securities held by persons other than promoters.

37. In case of an initial public offer, the entire pre-issue capital held by persons other than promoters shall be locked-in for a period of one year:

Provided that nothing contained in this regulations shall apply to:

- (a);
(b) *equity shares held by a venture capital fund or alternative investments fund of category I [or category II] or a foreign venture capital investor:*

Provide that such equity shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.]

.....

- ii. Regulation 37 deals with the Lock-in requirements of specified securities held by persons other than promoters. As a general rule, in case of an initial public offer, the entire pre-issue capital held by persons other than promoters shall be locked-in for period of one year. However, the said requirements would not be applicable in two situations as provide under sub-regulations (a) and (b) of Regulation 37 subject to compliance with provisos provided therewith.
- iii. In terms of regulation 37(b) nothing contained therein shall apply to equity shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor. However, in terms of proviso to this sub-regulation, such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund.

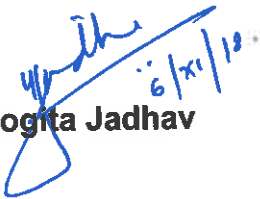


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- iv. In view of the aforesaid, the equity shares held by AIF II in ICICI Lombard pre-IPO shall be locked in for a period of at least one year from the date of purchase by the alternative investment fund.
5. Vide your aforesaid letter, you have requested for confidentiality in respect of your application. Accordingly, it has been decided that the interpretive letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.
6. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. This letter expresses the Department's view on enforcement action only and does not express a decision of the Board on the questions referred.
7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to this Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours sincerely,


Yogita Jadhav