



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

DEPUTY GENERAL MANAGER  
DEPARTMENT OF DEBT AND HYBRID SECURITIES  
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SEBI/HO/DDHS/OW/P/9109/2020  
March 12, 2020

INDIA INFRASTRUCTURE TRUST  
804, 8th Floor. One BKC. A Wing,  
Bandra Kurla Complex,  
Bandra (East). Mumbai - 400 051

Dear Sir,

**Subject: Informal guidance by way of an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003**

1. This has reference to your letter dated January 16, 2020 wherein you have sought informal guidance by way of an "Interpretive letter" from SEBI under the SEBI (Informal Guidance) Scheme, 2003.
2. In the letter under reference, you have, *inter-alia*, represented the following:
  - a. India Infrastructure Trust ("IIT") is registered with SEBI as InvIT since January 23, 2019 bearing registration number IN/InvIT/18-19/0008.
  - b. PenBrook Capital Advisors Private Limited ("**Previous Investment Manager**") was appointed as the investment manager of IIT. It is proposed that WIP (India) Private Limited ("**Identified Investment Manager**") be appointed as the new investment manager of IIT, in place of the Previous Investment Manager. To that extent, a conditional approval of the SEBI has been obtained by way of the approval letter dated January 14, 2020.
  - c. It is proposed that the Identified Investment Manager be nominated to act as the investment manager of other InvITs that may be set up and registered with SEBI under the InvIT Regulations, from time to time ("Future InvITs").
  - d. There is no restriction in the InvIT Regulations that prohibits an entity to act as an investment manager to multiple InvITs. It believes that an entity is freely permitted to act as investment manager to multiple InvITs.
  - e. Regulation 4(2)(e)(v) of the InvIT Regulations requires that the investment manager of an InvIT should have not less than half of its directors (in case of a company) or members of the governing board (in case of an LLP) as independent,

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and who are not directors or members of the governing board of an investment manager of any other InvIT.

- f. In line with the principles set out in para 2.1.2(b) of the Applicant's letter, the Applicant believes that the requirement of Regulation 4(2)(e)(v) of the InvIT Regulations would be met, if the Identified Investment Manager appointed separate committees for each of the InvITs that are being managed by the Identified Investment Manager, where each such committee would
- be responsible for the management, operation and functioning of the relevant InvIT; and
  - operate under the supervision of the board of directors of the Identified Investment Manager.

### **3. Queries**

In light of the above submissions, India Infrastructure Trust has requested SEBI to issue an "Interpretive letter" under paragraph 5 of the Informal Guidance Scheme, 2003, on the following:

- Is- an entity that acts as an investment manager (i.e. in the current case, the Identified Investment Manager) to an InvIT permitted to act as the investment manager to other InvITs set up and registered with the SEBI under the InvIT Regulations?*
- If the answer to query 1 above is in the affirmative, would the common investment manager (i.e. in the current case, the Identified Investment Manager) comply with the requirement set out in Regulation 4(2)(e)(v) of the InvIT Regulations if the functions (i.e. the management and operation) of the InvITs are delegated to various sub-committees set up by such investment manager?*

### **4. Our comments**

We have considered the submissions made by you in the letter under reference. Our views on the queries raised by you are as under:

- With reference to your query mentioned at para 3(i) above, it may be noted that there is no provision in the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (InvIT Regulations) which prevents an Investment Manager to manage more than one InvIT. However, in terms of Regulation 19(4), the transaction between two or more of the InvITs with a common investment manager or sponsor shall be deemed to be related party transactions for each of the InvITs and provisions of Regulation 19 shall be applicable. The proviso to the regulation provides that





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the said sub regulation shall be applicable if the investment manager or sponsors of InvITs are different but associates. Hence, it is clear that there can be a common Investment Manager for more than one InvIT provided they comply with the above Regulation. Also, if the Investment Managers of InvITs are different but associates, the transaction between them will be treated as related party transactions and provisions of Regulation 19 shall be applicable. There is no explicit provision under InvITs Regulations that prohibits an Investment Manager to manage multiple InvITs provided they comply with regulation 19(4) of InvIT Regulations.

- b. With regard to your query mentioned at para 3(ii) above, it may be interpreted that prohibition under Regulation 4(2)(e)(v) regarding independent directors in case of company or independent members of the governing board in case of LLP in an investment manager not being directors or members of the governing board in an investment manager of another InvIT, may not be applicable in case of a single entity acting as investment manager to multiple InvITs.
- c. 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.
- d. The above position is based on the information furnished in the letter under reference. Different facts or conditions might lead to different results. Further, this letter does not express a decision of the Board on the question referred.
- e. You may also note that the above position/view is expressed only with respect to the clarifications sought in your letter under reference with respect to the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as referred above and does not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

**Yours faithfully**

**Richa G. Agarwal**