



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS_Div3/P/CIR/2021/639

October 05, 2021

To

All Infrastructure Investment Trusts (“InvITs”)

All Parties to InvITs

All Recognised Stock Exchanges

All Merchant Bankers

Madam/Sir

Sub: Amendments to manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(5C) and Regulation 22(7) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“SEBI (InvIT) Regulations”)

1. SEBI issued circular SEBI/HO/DDHS/DDHS/CIR/P/2020/122 dated July 17, 2020 providing the manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(5C) and Regulation 22(7) of SEBI (Infrastructure Investment Trusts) Regulations, 2014.
2. The said circular stands modified as under:
 - a. Clause 1.6 of Annexure – I of the circular is modified to read as under:

1.6 “Relevant date” means the last day of voting for resolution under Regulation 22(5C) or Regulation 22(7) of the SEBI (InvIT) Regulations. Provided that in case an acquisition described under Regulation 22(5C) or change in sponsor or inducted sponsor or change in control of sponsor or inducted sponsor under regulation 22(7) of SEBI (InvIT) Regulations is triggered pursuant to an open offer under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the relevant date shall mean the date of public announcement made for the acquisition in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - b. Clause 2.5A is added after Clause 2.5 of Annexure-I of the circular to read as under:

However, in case an acquisition described under Regulation 22(5C) or change in sponsor or change in control of sponsor or inducted sponsor under Regulation 22(7) of SEBI (InvIT) Regulations is triggered pursuant to an open offer under the provisions of SEBI (Substantial Acquisition of



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Shares and Takeover) Regulations, 2011, the summary of activities pertaining to exit option/offer is indicated below along with the prescribed timelines:

Activity Description	Timelines
<i>Acquirer to give first notice to IM regarding acquisition which triggers the provision of Regulation 22(5C) or Regulation 22(7) of SEBI (InvIT) Regulations.</i>	<i>Along with Public Announcement made for the acquisition in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011</i>
<i>On receipt of notice, IM shall intimate to stock exchange(s)</i>	<i>Immediately but not later than twenty four hours from the receipt of such notice</i>
<i>Acquirer shall give second notice to the IM for the purpose of obtaining approval of the unit holders under Regulation 22(5C) or Regulation 22(7) of SEBI (InvIT) Regulations. The acquirer shall also confirm to the IM that it shall give exit option to dissenting unit holders in case approval of the requisite majority is not received. Further, a person being inducted as a sponsor shall give declaration to IM with regard to satisfying the eligibility conditions prescribed for a sponsor under SEBI (InvIT) Regulations.</i>	<i>Not later than two working days from the completion of the acquisition which triggered the provisions of Regulation 22(5C) or Regulation 22(7) of SEBI (InvIT) Regulations</i>
<i>On receipt of second notice, IM shall intimate to stock exchange(s)</i>	<i>Immediately but not later than twenty four hours from the receipt of such second notice</i>
<i>IM shall convene a meeting of unit holders for voting</i>	<i>Voting to be completed not later than three working days from the cut-off date and within twenty one days from the date of receipt of second notice from the acquirer</i>
<i>Intimation of outcome of the unit holders' meeting by the IM to Acquirer and stock exchange(s) along with the number of dissenting unit holders and total number of units held by them as of the cut-off date, as certified by its compliance officer. IM shall provide the list of dissenting unit holders to the Lead Manager(s). The day of aforesaid intimation by IM shall be construed as "Date of Intimation".</i>	<i>Within forty-eight hours of the last day of voting</i>



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Activity Description	Timelines
<p><i>Acquirer through the Lead Manager(s) shall send the Letter of Offer (LoF) to all dissenting unit holders and file a copy of the same with the stock exchange(s). Lead Manager(s) shall exercise due diligence with regard to all information and disclosures contained in the LoF.</i></p> <p><i>The stock exchange(s) shall disseminate the LoF on its website as soon as it receives the same.</i></p>	<p><i>Within three working days from the Date of Intimation</i></p>
<p><i>Acquirer shall create an escrow account wherein the aggregate amount of consideration based on the list of dissenting unit holders provided by the IM to Lead Manager would be deposited in the manner specified at para 2.6 below.</i></p>	<p><i>At least two working days prior to opening of the tendering period.</i></p>
<p><i>Tender date and tender period for tendering units in exit option</i></p>	<p><i>Seventh working day from the "Date of Intimation"</i></p> <p><i>Tender period shall be five working days.</i></p>
<p><i>Payment of consideration to dissenting unit holders by the Acquirer</i></p>	<p><i>Within a period of three working days from the last date of the tendering period</i></p>
<p><i>Lead Manager shall submit a report to IM that the payment has been duly made to all the dissenting unit holders whose units have been accepted in the exit option.</i></p> <p><i>Based on the information received from Lead Manager, IM shall update aggregate number of units tendered, accepted, payment of the consideration and the post-exit option unit holding pattern of the InvIT with stock exchange(s).</i></p>	<p><i>Within two working days from the date of payment of consideration</i></p>

- c. Clause 3.4 is added after Clause 3.3 of Annexure-I of the circular to read as under:

In case an acquisition described under Regulation 22(5C) or change in sponsor or inducted sponsor or change in control of sponsor or inducted sponsor under regulation 22(7) of SEBI (InvIT) Regulations is triggered pursuant to an open offer under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the exit option price shall stand enhanced by an amount equal to a sum determined at the rate



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of ten per cent per annum for the period between the first notice date and second notice date.

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 SEBI (InvIT) Regulations.
4. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category "Legal" and under the drop down "Circulars".

Yours faithfully,

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