

CIRCULAR**SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2024/114****August 22, 2024****To,****All Infrastructure Investment Trusts (InvITs)****All Parties to InvITs****All Recognised Stock Exchanges****Madam/Sir,**

Sub: Amendment to Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024 - Review of statement of investor complaints and timeline for disclosure of statement of deviation(s)

1. SEBI vide Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 specified provisions for continuous disclosures and compliances by InvITs. The said circular was consolidated as Chapter 4 of the Master Circular for Infrastructure Investment Trusts (InvITs) dated May 15, 2024 ("Master Circular").
2. To improve ease of doing business related to activities of InvITs and REITs, a working group was constituted by SEBI to examine and give recommendations on ease of doing business measures ("Working Group"). The Working group, *inter-alia*, gave recommendations on the provisions related to the review of statement of investor complaints and timeline for disclosure of statement of deviation(s).

Review of statement of investor complaints

3. With regard to the provisions related to the review of statement of investor complaints, paragraph 4.16.3 and 4.16.4 of the Master Circular reads as under:

"4.16.3. All complaints including SCORES complaints received by the InvIT shall be disclosed in the format mentioned in Annexure – 7 on the website of the InvIT and

also filed with the recognized stock exchange(s), where its units are listed within 21 days from the end of financial year or end of quarter, as the case may be.

4.16.4. The Trustee and the Board of Directors/Governing Body of the Investment Manager, shall review the aforementioned statement, before submission of the same to the Stock Exchange(s), and shall ensure that all investor complaints are redressed by the Investment Manager in timely manner."

4. Based on the recommendations of the Working Group and the Hybrid Securities Advisory Committee ("HySAC"), it is noted that the requirement of prior review of statement of investor complaints by the Board of Directors of the Investment Manager (i.e. before submission to the stock exchanges) is not in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). As per the LODR Regulations, a prior review by the Board of Directors of the listed entity is not required and such statement is instead required to be placed before the Board of Directors on a quarterly basis.
5. Accordingly, in order to promote ease of doing business, it is proposed to amend paragraph 4.16.4. of the Master Circular as under:

"The Trustee and the Board of Directors/Governing Body of the Investment Manager shall ensure that all investor complaints are redressed by the Investment Manager in timely manner. Further, the statement as specified in Para 4.16.3. above shall be placed, on a quarterly basis, before the Board of Directors/Governing Body of the Investment Manager and the Trustee for review."

Timeline for disclosure of statement of deviation(s)

6. With regard to the provisions related to the timeline for disclosure of statement of deviation(s) in the use of proceeds from the stated objects, paragraph 4.17.2 of the Master Circular reads as under:

“The statement(s) specified above, shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Such statement(s) shall also be placed before the Trustee and the Board of Directors/Governing Body of the Investment Manager for review. Pursuant to such review, the statement shall be submitted to the stock exchange(s). Such submission to the Stock Exchange(s) shall be made within twenty-one days from the end of each quarter”

7. Based on the recommendations of the Working Group and the HySAC, it is noted that as per the LODR Regulations the statement of deviation or variation in the use of proceeds from the stated objects is required to be submitted to the stock exchange(s) on a quarterly basis along with the submission of financial results and accordingly alignment with LODR Regulations may be considered.
8. Accordingly, in order to promote ease of doing business, it is proposed to amend paragraph 4.17.2. of the Master Circular as under:

“The statement(s) specified above, shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Such statement(s) shall also be placed before the Trustee and the Board of Directors/Governing Body of the Investment Manager for review. Pursuant to such review, the statement shall be submitted to the stock exchange(s). Such submission to the Stock Exchange(s) shall be made along with the submission of financial results.

9. This circular shall be applicable with immediate effect.
10. 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 the InvIT Regulations. This circular is issued with the approval of the competent authority.

11. The recognized Stock Exchanges are advised to disseminate the contents of this Circular on their website.
12. 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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