



January 22, 2018

Info Capsule

PARTICIPATION BY STRATEGIC INVESTOR(S) IN INVITs AND REITs¹

SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) define strategic investors under Regulation 2(1) (zza) of the InvIT Regulations and allows them to participate in InvITs. Further, SEBI (Real Estate Investment Trusts) Regulations, 2014 (“REIT Regulations”) vide amendment notification dated December 15, 2017, inter-alia, define strategic investors under Regulation 2(1) (ztb) of the REIT Regulations and allows them to participate in REITs.

SEBI vide its circular No. SEBI/HO/DDHS/CIR/P/2018/10 dated January 18, 2018 came out with operational modalities, for the participation by the strategic investors in InvITs and REITs which are as under:

- An InvIT/REIT, if chooses to invite subscriptions from the strategic investors shall undertake the same in the following manner:
 - i. The strategic investor(s) shall, either jointly or severally, invest not less than 5% and not more than 25% of the total offer size.
 - ii. The investment manager or manager on behalf of the InvIT/REIT, shall enter into a binding unit subscription agreement with the strategic investor(s), which propose(s) to invest in the public issue of InvIT/REIT.
 - iii. Subscription price per unit, payable by the strategic investor(s) shall be set out in the unit subscription agreement and the entire subscription price shall be deposited in a special escrow account prior to opening of the public issue.
 - iv. The price at which the strategic investor(s) has/have agreed to buy units of the InvIT/REIT shall not be less than the issue price determined in the public issue.
 - v. Thus, if the price determined in the public issue is higher than the price at which the allocation is to be made to strategic investor(s), the strategic investor(s) shall bring in the additional amount within two working days of the determination of price in the public issue. However, if the price determined in the public issue is lower than the price at which the allocation is to be made to strategic investor, the excess amount shall not be refunded to the strategic investor and the strategic investor shall take allotment at the price at which allocation was agreed to be made to it in unit subscription agreement.
 - vi. The draft offer document or offer document, as applicable, shall disclose details of the unit subscription agreement. Such details shall include name of each strategic investor, the number of units proposed to be subscribed by it or the investment amount, proposed subscription price per unit, etc.

¹ Available at: https://www.sebi.gov.in/sebi_data/attachdocs/jan-2018/1516298010575.pdf#pdfjs.action=download

vii. The unit subscription agreement shall not be terminated except in the event the issue fails to collect minimum subscription.

- The units subscribed by strategic investors, pursuant to the unit subscription agreement, will be locked-in for a period of 180 days from the date of listing in the public issue.

DATA PROTECTION FRAMEWORK - PUBLIC CONSULTATION MEETING AT MUMBAI²

The Government of India has constituted an Expert Committee under the Chairmanship of Justice B.N. Srikrishna, Former Judge, Supreme Court of India comprising of members from Government, Academia and Industry to study and identify key data protection issues and recommend methods for addressing them. The Committee has put out a White Paper on Data Protection Framework for India and has sought public comments. Submission of responses to the White Paper will be received till January 31, 2018 preferably through the website: <https://innovate.mygov.in/data-protection-in-india/>.

The next stakeholders' consultation meeting is scheduled at Mumbai and details are as follows:

Sl. No.	Date	Time	Place	Venue
i)	23.1.2018 Tuesday	10.30 am to 4.30 pm	Mumbai	B. Nag Auditorium, Victor Menezes Convention Centre (VMCC) Building, IIT Bombay Campus, Powai, Mumbai.

People who are interested to participate in the above stakeholders' consultation meeting are requested to kindly note the date, time and venue at the respective cities and are invited for the same. They are also requested to **register for the meeting at** <https://innovate.mygov.in>.

The Committee has already had stakeholders' consultation meetings at three cities as per following schedule:

Sl. No.	Date	Time	Place	Venue
i)	05.1.2018 Friday	10.30 am to 4.30 pm	Delhi	The Auditorium Civil Services Officers' Institute (CSOI), Vinay Marg, Chanakyapuri, New Delhi - 110 021.
ii)	12.1.2018 Friday	10.30 am to 4.30 pm	Hyderabad	The Auditorium Dr. MCR HRD Institute, Road No. 25, Jubilee Hills, Hyderabad - 500 033.

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1517178>

iii)	13.1.2018 Saturday	10.30 am to 4.30 pm	Bengaluru	The Auditorium Indian Institute of Science (IISc.), C.V. Raman Road, Bengaluru - 560 012.
------	-----------------------	---------------------------	-----------	---

Team ICSI

Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.