

Guidelines for public issue of units of InvITs

SEBI has issued guidelines for public issue and allotment of units by Infrastructure Investment Trust (InvITs) on May 11, 2016 with an objective to help cash-strapped infrastructure companies to raise funds from the market. It also provides categorical guidelines from filing of offer document, price & price band to general conditions to be fulfilled while offering public issue of InvITs. Further various formats of Due Diligence Certificate are provided by SEBI, to be given by merchant banker at different stages of public issue. Format for abridged offer document and post issue reports are also provided.

Certain highlights of the guidelines are as follows:

- Only 75% of the units can be allocated to the institutional investors and not less than 25% to other investors.
- The investment manager on behalf of the InvIT is authorized to allocate upto 60% of the available portion for institutional investor to anchor investor.
- A minimum application of Rs 10 crores to be made by the Anchor investment.
- Allocation to anchor investor is discretionary and shall be subject to a restriction that minimum 2 investors for allocation upto Rs. 250 crore and a minimum of 5 investors for allocation of more than 250 crore.
- Merchant Banker or anybody related to him is restricted to apply under anchor investor category with an exception to mutual funds, insurance companies and pension funds.
- The public offer shall be open for a minimum period of three days but in no case be more than thirty days.