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COMMUNIQUÉ TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/POLCY/2023/244 **November 13, 2023**

SEBI – PROCEDURAL FRAMEWORK FOR DEALING WITH UNCLAIMED AMOUNTS LYING WITH InvITs

Issuer / RTAs are advised to refer to the SEBI Circular no. **SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/178** dated **November 08, 2023, Procedural framework for dealing with unclaimed amounts lying with Infrastructure Investment Trusts (InvITs) and manner of claiming such amounts by unitholders [refer Annexure].**

Issuer / RTAs are advised to take note of the same.

Queries regarding this communiqué may be addressed to: **CDSL – Helpdesk** Emails may be sent to: helpdesk@cdslindia.com and telephone number 08069144800.

sd/-

Nilesh Shah
Asst. Vice President – Operations

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/178 **November 08, 2023**

To,

All Infrastructure Investment Trusts ('InvITs')
All Parties to InvITs
All Recognised Stock Exchanges
All Depositories

Madam/ Sir,

Sub: Procedural framework for dealing with unclaimed amounts lying with Infrastructure Investment Trusts (InvITs) and manner of claiming such amounts by unitholders

1. Regulation 18(6)(b) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations'), mandate that not less than ninety percent of Net Distributable Cash Flows (NDCFs) of the InvIT shall be distributed to the unitholders.

2. Regulation 18(6)(c) of the InvIT Regulations, *inter-alia*, provides that such distributions to be made by the InvIT, shall be declared and made not less than once every six months in every financial year in case of publicly offered InvITs and not less than once every year in case of privately placed InvITs and shall be made not later than fifteen days from the date of such declaration. However, in certain cases it has been observed that the distribution amounts remained unclaimed or unpaid because of various reasons, including failure to update account details by the unitholders.

3. In order to deal with any amount remaining unclaimed or unpaid out of distributions[1], Regulation 18(6)(e) of the InvIT Regulations, was inserted, as under:

[1] *Hereinafter such amounts shall be referred to as, 'unclaimed amounts';*

"any amount remaining unclaimed or unpaid out of the distributions declared by a InvIT in terms of sub-clause (c), shall be transferred to the 'Investor Protection and Education Fund' constituted by the Board in terms of section 11 of the Act, in such manner as may be specified by the Board."

4. Further, Regulation 18(6)(f) of the InvIT Regulations, provides that, '*the unclaimed or unpaid amount of a person that has been transferred to the Investor Protection and Education Fund in terms of sub-clause (e), may be claimed in such manner as may be specified by the Board*'.

5. In order to define the manner of handling the unclaimed amounts lying with the InvITs, transfer of such amounts to the IPEF and claim thereof by the unitholders, necessary amendments were made to Regulations 4(1) and 5(3) of the SEBI (Investor Protection and Education Fund) Regulations, 2009 (IPEF Regulations).

6. Regulation 5(3)(ii) of the IPEF Regulations, *inter-alia*, provides that the unclaimed amounts credited to the IPEF shall be utilised for refund to the entities which transferred the said amounts, pursuant to their making payment to eligible and identifiable investors and making a claim to the Fund. Hence, an application for claim of entitled amounts needs to be made by a unitholder to the InvIT which shall process the claim and then seek refund from the Board for the said amount.

7. A framework defining the procedure to be followed by an InvIT for transfer of unclaimed amounts, initially to an Escrow Account and subsequently, to the IPEF and claim thereof by a unitholder, has been provided as **Annex - A** to this Circular.

8. This circular is issued in exercise of the 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 competent authority.

9. The provisions of this Circular shall come into effect from March 1, 2024.

10. Further, for InvITs having unclaimed amounts for less than 7 years, as on February 29, 2024, shall start computing interest, as per provisions of **Part I** of **Annex - A**, from March 1, 2024. For InvITs which shall be holding unclaimed amounts for more than 7 years, as on

February 29, 2024, shall transfer the unclaimed amounts of the unitholders to IPEF, in compliance with the provisions of **Part II** of **Annex - A**, on or before March 31, 2024.

11. This Circular is available on the SEBI website, www.sebi.gov.in under the category, *'Legal'*, under *'Circulars'.*

Yours faithfully,

Ritesh Nandwani
Deputy General Manager
Department of Debt and Hybrid Securities
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Annex – A

Framework for handling unclaimed amounts lying with an InvIT and claim thereof by the unitholders

(Regulations 18(6)(e) and 18(6)(f) of the InvIT Regulations and Regulations 4(1)(l) and 5(3)(ii) of the IPEF Regulations)

Applicability: To the InvITs having amounts unclaimed or unpaid out of the distributions declared by it.

Part I - Transfer of unclaimed amounts to Escrow Account/ Unpaid Distribution Account of the InvIT by the Investment Manager:

A. **Obligations of the InvIT**:

1. Transfer of unclaimed amount to Unpaid Distribution Account: Where a distribution has been made by the Investment Manager, but the payment to any unitholders has remained unpaid or unclaimed, up to fifteen days from the date of declaration, the Investment Manager shall, within seven working days from the date of expiry of such period of fifteen days, transfer such unclaimed amounts to an Escrow Account to be opened by it on behalf of the InvIT in any scheduled bank. Such account shall be termed as the 'Unpaid Distribution Account'.

2. Interest in case of default: In case a default is made in transferring the amount referred above in paragraph (A)(1) of Part I or portion thereof to the Unpaid Distribution Account of the InvIT, it shall pay, interest on the amount that has not been transferred to the said account, for the period of default i.e. from the date of default till the date of transfer to the Unpaid Distribution Account, at the rate of twelve percent per annum. The said interest amount shall accrue to the unitholder in proportion to the amount remaining unclaimed. The Investment Manager shall not recover such interest in the form of fees or any other form, payable to the Investment Manager by the InvIT.

3. Designating Nodal Officer: The Investment Manager shall designate as '*Nodal Officer'*, a person who may either be a Director, Chief Financial Officer, Company Secretary or Compliance Officer of the Investment Manager. Such officer shall be the point of contact

for unitholders entitled to claim their unclaimed amounts, SEBI, Stock Exchange(s) and Depositories. The Investment Manager shall display the name, designation and contact details of the Nodal Officer on the website of InvIT. In case there is a change in the Nodal Officer due to any reason, the InvIT shall designate another person as a Nodal Officer within fifteen days of such change.

4. Display of information w.r.t. unclaimed amounts by an InvIT on its website: The Investment Manager, shall, within a period of thirty days of transferring the unclaimed amount to the Unpaid Distribution Account, upload the details on the website of InvIT, as given below:

Amount lying unclaimed[2] (in INR)	**Category (Interest/ Dividend/ Repayment of Capital/ Any other)**	**No. of unitholders**	**Date when amount became due (dd/mm/yyyy)**	**Date when unclaimed amount was transferred to Unpaid Distribution Account (dd/mm/yyyy)**	**Date when amount is to be transferred to IPEF (dd/mm/yyyy)**
…					
…					
Total					

Name and designation of the Nodal Officer:
Email ID and phone no.:

5. Search facility for investor: The Investment Manager shall provide a search facility on the website of InvIT for unitholders to verify if there is any unclaimed amount due to them and lying in the Unpaid Distribution Account of the InvIT. The search criterion may be based on combinations, such as:

5.1. PAN and Date of birth; or

5.2. Name and Depository Participant Identification (DP ID)/ Client Identification (Client ID).

6. Information of unclaimed amounts: Upon such search, the following information shall be visible to the unitholder:

[2] *Including penal interest, if any;*

6.1. Amount due to the unitholder on the date of declaration (in INR);

6.2. Category - Interest/ Dividend/ Repayment of Capital/ Any other;

6.3. Date when amount became due (dd/mm/yyyy);

6.4. Amount (in INR) transferred to Unpaid Distribution Account (including penal interest, if any, for delay in transfer by the Investment Manager);

6.5. Date when unclaimed amount was transferred to Unpaid Distribution Account (dd/mm/yyyy);

Further, the interest, if any, in the Unpaid Distribution Account, that accrues to the unitholder in proportion to his/ her unclaimed amount, may also be disclosed by the Investment Manager.

7. Policy for filing of claim: The Investment manager of the InvIT shall formulate a policy specifying the process to be followed by unitholders for claiming their unclaimed amounts. Such a policy shall include the following:

7.1. the format in which claim has to be submitted by a unitholder;

7.2. the procedure and documentation for making claim, depending on whether the claim is being submitted by the unitholder – self or by the legal heir/ nominee/ etc. of the unitholder;

7.3. the documents required to be submitted in support of the claim e.g. proof of identity, proof of address, proof of holding, etc.;

7.4. manner of submission of claim by the unitholder;

7.5. timeline within which the unitholder can submit documents, provide clarifications etc.

7.6. conditions for rejection of claim and option of re-filing of a claim by the unitholder;

7.7. timeline within which the claim shall be processed by the Investment Manager;

7.8. contact details (email ID and phone number) wherein unitholders can raise their queries or grievances, if any, relating to their claim.

The said policy shall be displayed on the website of the InvIT.

8. Processing of claim by the InvIT:

8.1. The Investment Manager shall create an internal policy w.r.t. the process to be followed for verification of claims including the documents to be taken into account, facility to check status of claim by unitholder, etc.

8.2. Upon receipt of a claim application, if the Investment Manager, upon examination, finds it necessary to call for further information or finds such application or document(s) to be defective or incomplete in any respect, it shall intimate the unitholder, of such need for information or defects or incompleteness, by e-mail or other written communication. The Investment Manager shall direct the unitholder to furnish such information or to rectify such defects or incompleteness or to re-submit such application or document(s) within thirty days from the date of receipt of such communication, failing which the claim may be rejected. However, rejection of claim does not debar a unitholder from filing a fresh claim.

8.3. The Investment Manager shall within thirty days of receipt of a claim application from a unitholder or complete information as called upon from the unitholder, remit the payment to the unitholder using electronic modes for funds transfer.

8.4. The Investment Manager shall display the cumulative details of the number of claims received, processed, pending, etc. on the website of the InvIT.

9. Maintenance of records: The InvIT shall preserve information pertaining to the unclaimed amounts of the unitholders including relevant documentation. The InvIT shall furnish necessary information, as and when called for by the Board.

10. Update of information: Any change in the information uploaded on the website of the InvIT shall be updated by the Investment Manager by the seventh day of the succeeding month.

B. Procedure for claim by a unitholder: Any unitholder claiming to be entitled to any unclaimed amount lying with the InvIT may apply to the Investment Manager for payment of such amount, in the format and manner as prescribed by the Investment Manager.

Part II - Transfer of unclaimed amounts from Unpaid Distribution Account of the InvIT to IPEF by the Investment Manager:

A. Obligations of the InvIT:

1. Transfer of unclaimed amount: Any amount transferred to the Unpaid Distribution Account of an InvIT which remains unpaid or unclaimed for a period of seven years from the due date of such transfer, shall be transferred by the Investment manager, along with interest accrued, if any, thereon, to the IPEF. The Investment manager shall make such transfer within a period of thirty days from the date of expiry of seven years. Such fund transfer shall be made in the manner prescribed vide SEBI Circular ref. no. SEBI/HO/GSD/TAD/P/CIR/2023/149 dated September 4, 2023[3], as amended from time to time.

2. Interest in case of default: In case a default is made in transferring the amount referred above in paragraph (A)(1) of Part II or portion thereof to the IPEF, the Investment manager shall be liable to a penalty of one lakh rupees and in case of continuing failure, a further penalty of five hundred rupees for each day that the failure continues, subject to a maximum of ten lakh rupees. The Investment Manager shall not recover such penalty in the form of fees or any other form, payable to the Investment Manager by the InvIT.

   Any penalty amount so transferred to the IPEF shall be utilised for the purposes described under Regulations 5 (1) and 5 (2) of the IPEF Regulations.

[3] *https://www.sebi.gov.in/legal/circulars/sep-2023/change-in-mode-of-payment-w-r-t-sebi-investor-protection-and-education-fund-bank-a-c_76474.html*

3. Information to be submitted along with fund transfer: The Investment manager shall provide information about the unclaimed amount transferred to the IPEF, as per prescribed format (enclosed as **Form - A** to this Annex), in hard copy, addressed to '*Chief General Manager, Office of Investor Assistance and Education, SEBI',* as well as in soft copy, via email to ipef@sebi.gov.in.

4. Display of information w.r.t. unclaimed amounts by Investment manager on the website of InvIT: The Investment manager, shall, within a period of thirty days of transferring the unclaimed amounts to the IPEF, upload the details on the website of InvIT, as given below:

Name of InvIT	**Amount lying unclaimed in Unpaid Distribution Account as at end of seven years (in INR)**	**Category (Interest/ Dividend/ Repayment of Capital/ Any other)**	**No. of unitholders**	**Date when amount became due for transfer to IPEF (dd/mm/yyyy)**	**Date when unclaimed amount was transferred to IPEF (dd/mm/yyyy)**	**Amount transferred to IPEF (in INR)**
	…					
	…					
	Total					

Name and designation of the Nodal Officer:

Email ID and phone no.:

5. Information of unclaimed amount: In the search facility provided for the unitholder, on the website of the InvIT, by the Investment Manager, upon searching, the following information shall be visible to the unitholder:

5.1. Amount lying unclaimed in the Unpaid Distribution Account of the InvIT as at end of seven years (in INR);

5.2. Break-up of interest/ dividend/ Repayment of Capital/ Any other;

5.3. Date when amount became due for transfer to IPEF (dd/mm/yyyy);

5.4. Amount (in INR) transferred to IPEF by the Investment Manager;

5.5. Date when unclaimed amount was transferred to the IPEF by the Investment Manager (dd/mm/yyyy);

6. Application for refund to IPEF: In terms of Regulation 5(3)(ii) of the IPEF Regulations, an Investment Manager (on behalf of InvIT), shall, after processing an application from a unitholder for unclaimed amount, make an application to IPEF for refund of such amount. The application has to be submitted by the Investment Manager for reimbursement of the amount transferred by it to the unitholder, as per prescribed format (enclosed as **Form - B** to this Annex), in hard copy, addressed to '*Chief General Manager, Office of Investor Assistance and Education, SEBI*', as well as in soft copy, via email to ipef@sebi.gov.in.

7. Indemnity: The amount refunded from IPEF to the InvIT for the unclaimed amount paid by the InvIT to the unitholder, shall discharge the Board against any future claim of such unitholder. The InvIT shall indemnify the Board, against any future dispute that may arise with respect to the unclaimed amount of the unitholder, including, on account of a fraudulent claim or misrepresentation by the unitholder. However, this does not preclude the Board from taking any action for the fraud or misrepresentation in this regard.

8. Others: The provisions with regard to Designating Nodal Officer, Search facility for a unitholder on the website of the InvIT, Policy for filing of claim by a unitholder and Processing of claim of a unitholder by the Investment Manager, Maintenance of records and Update of information by the Investment Manager, as prescribed in **Part I** above, shall apply, *mutatis mutandis*, at the stage of transfer of funds from the Unpaid Distribution Account to IPEF, as well.

B. Procedures applicable to unitholders:

9. Procedure for claim by a unitholder: Any unitholder claiming to be entitled to any unclaimed amount transferred to the IPEF by the InvIT, may apply to the InvIT for payment of such amount, in the format and manner as prescribed by the InvIT.

C. Processing of refund claim of the InvIT from IPEF:

10. Processing of refund application: Upon receipt of a refund application from a InvIT, the Board shall:

    10.1. verify the documentation and satisfy itself of the correctness of information submitted and process refund of the amount paid by the InvIT to the unitholder. The refund amount shall not exceed the amount transferred by the InvIT against such unitholder in IPEF;

    10.2. require the InvIT, to furnish further information or clarifications, regarding the unclaimed amount and matters connected thereto, to consider the application for refund. The applicant shall, if so required, provide the necessary information/ clarifications;

    10.3. return the application, if it is found to be incorrect, incomplete or inadequate, along with reasons thereof. The InvIT may re-submit the application for re-consideration after rectifying the deficiencies.

11. Processing of claim in special circumstances: In case the InvIT is part of a scheme of arrangement, amalgamation, merger, etc., the resultant entity shall become liable to discharge the obligations of the InvIT, in respect of unclaimed amounts.

D. Claim by legal heir/ successor/ nominee:

12. The aforementioned provisions in respect of the unitholder, shall apply, mutatis mutandis, to the legal heir/ successor/ nominee of the unitholder. The legal heir/ successor/ nominee shall satisfy the provisions specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, for the transmission of units of InvIT and/ or the corresponding claim thereon, as applicable.

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Form - A

(To be furnished by the Investment Manager of InvIT along with transfer of unclaimed amounts to IPEF)

I. Details of the InvIT:

a. Name –
b. PAN –
c. Registered office address –
d. Correspondence office address -
e. Phone number –
f. Email ID –

II. Details of Nodal Officer of InvIT:

a. Name –
b. Designation –
c. Registered office address –
d. Phone number –
e. Email ID -

III. Details of unclaimed amounts:

S. No.	Name of the Unitholder	Last known address, contact details (email ID and phone no.) of unitholder	PAN of the Unitholder	DPID/ Client ID of the Unitholder (if applicable)	Amount transferred from Unpaid Distribution Account to IPEF (in INR)	Category of Amount (interest/ dividend/ Repayment of Capital/ Any other)	Date of Payment to IPEF	UTR No.

IV. Any other relevant information:

Signature:
Name:
Designation of Officer (with stamp):
Place:
Date:

Form - B

(To be submitted by the Investment Manager of InvIT along with refund application to IPEF)

I. Details of the InvIT:

a. Name –
b. PAN –
c. Registered office address –
d. Correspondence office address -
e. Phone number –
f. Email ID –
g. Bank account details where refund is to be made (Bank account number, Name of Bank, IFSC Code, Branch address) -

II. Details of amount claimed for refund:

S. No.	Name of the Unitholder	Last known address, contact details (email ID and phone no.) of unitholder	PAN of the Unitholder	DPID/ Client ID of the Unitholder (if applicable)	Amount transferred from Unpaid Distribution Account to IPEF (in INR)	Category of Amount (interest/ dividend/ Repayment of Capital/ Others)	Date of Payment to IPEF	Amount paid to unitholder (in INR)	Date of payment to unitholder (dd/mm/yyyy)

III. Enclosures:

1. Declaration that above claim has not been made earlier or received refund from the IPEF.
2. Copy of PAN, proof of identity, proof of address, proof of holding units of InvIT/ demat account statement.
3. Proof of payment made to unitholder by the InvIT.
4. Indemnity from the InvIT.
5. Cancelled cheque for the bank account of the InvIT where payment is to be made.

IV. Any other relevant information:

Signature:
Name:
Designation of Officer (with stamp):
Place:
Date: