



Stakeholders Empowerment Services

Analyze >>> Educate >>> Empower

Proxy Advisory Report (Addendum) Indinfravit Trust

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

Proxy Advisory:

Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors. [Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

Governance Research:

In-depth and robust analysis on various topic to identify governance issues relating to companies, transactions, sectors and even the broader markets. [Read More](#)

E-Ballot:

Online Vote Management System to cater to requirements of Institutional Investors. One stop solution for investors – from accessing proxy reports and voting advice to recording votes and generating customized MIS reports. [Read More](#)

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner. [Read More](#)

BRSR: SES has developed an Online web-based platform where in the Company can fill all its BRSR related data and generate its BRSR Report seamlessly online. [Read More](#)

BRSR Guide on relevant sector: [Read more](#)

COMPANY INFORMATION

BSE CODE: 541300

NSE SYMBOL: INDINFR

ISIN: INE790Z23019

Industry: Infrastructure Investment Trusts

Email: comply@indinfravit.com

Phone: +91 44 4398 6000

Principal Place of Business: 5th Floor, SKCL- Tech Square, Lazer St, South Phase, SIDCO Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 15th January, 2023

Notice Date: 14th December, 2022

Notice: [Click here](#)

Annual Report: [FY 2021-22](#)

SES PA Report: [Report](#)

E-VOTING DETAILS

e-Voting Platform: [CDSL](#)

Cut-off Date: 16th December, 2022

Remote E-voting:

- **Start:** 26th December, 2022
- **Ends:** 15th January, 2023

ADDENDUM REPORT RELEASE DATE: 10th January, 2023

RESEARCH ANALYST: Manshi Singh

CONFLICT DISCLOSURE: SES - No Conflict | Analyst - No Conflict



ADDENDUM

This Addendum is being issued based on an e-mail dated 6th January, 2023 sent by Indinfravit Trust ('the Company') w.r.t. Proxy Advisory [Report](#) issued by SES in relation to the ongoing Postal Ballot of the Company.

There is no change in any of SES Recommendations.

BACKGROUND

SES, as per its policy, had e-mailed its PA Report to the Company on 5th January, 2023 in respect of the ongoing Postal ballot.

Post release of PA Report, SES received an email from the Company providing its view point, which is reproduced at the last in **blue text** along with the SES Response (**in black**).

SES COMMENTS ON COMPANY'S RESPONSE

Resolutions No. 1 to 3:

We note that SES has expressed certain concerns in connection with the specified resolutions by citing the rationale that the Trust may have sought approval from its unitholders without disclosing the relevant agreements themselves. In this regard, we wish to submit as follows:

- As the outset, please note that the Trust is, and has always been, committed towards adhering to the highest standards of corporate governance. At the same time, the Trust is also bound to ensure compliance with its contractual commitments, including obligations relating to maintenance of confidentiality, and to safeguard its stakeholders from potential risks, including adverse implications that may inadvertently arise from uploading scanned copies of executed agreements on the world-wide web;*
- Without prejudice to the above, and with a view to ensure that its unitholders have access to all such information as they may require to vote on the above resolutions, the Trust had (from the date of dispatch of the PB Notice itself) made available copies of all documents referred to in the PB Notice for physical inspection by its unitholders at the principal place of business of the Trust. In this regard, we direct your attention to Note No. 9 of the PB Notice (as appearing on page 7 of the PDF file), where the following statement was explicitly made:*

"All the material documents will be available for inspection at the principal place of business / registered office of the Trust during office hours on Monday to Friday from 10.00 a.m. – 5.30 p.m. from the date of despatch until the last date for receipt of votes by postal ballot i.e. Sunday, January 15, 2023."

- By enabling unitholders to inspect the relevant material documents in physical form at a secure location, after verification of necessary credentials, the Trust is able to significantly mitigate risk of breach of confidential information to third parties (who may have competing/conflicting interests) whilst still upholding the highest corporate governance requirements, thereby protecting the interests of the unitholders of the Trust themselves; and*
- Separately, please note that the maintenance of documents in physical form at the office of the principal place of business of the Trust is in due compliance with the obligation cast upon the Investment Manager of the Trust in terms of Regulation 26(1) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, which requires the investment manager of an infrastructure investment trust ("InvIT") to maintain agreements entered into by the InvIT or on behalf of the InvIT, in either physical or digital form.*

In conclusion, we wish to respectfully bring to your attention that the concerns expressed by SES under the Advisory Report fails to take into account the correct factual position (viz. that unitholders have already been provided opportunity to inspect the material documents/agreements in physical form and satisfy themselves before casting any votes in respect of the matters contemplated under the PB Notice). Based on the foregoing, you may wish to please revisit and reconsider the recommendations made under the Advisory Report.

SES Comments: Unitholders may note that SES had raised transparency concerns regarding non-disclosure of certain agreements for - the proposed resolutions regarding Performance of Actions Contemplated under the Framework Agreement entered into with IDPL,



Meeting Type: Postal Ballot

Voting Deadline: 15th January, 2023

Execution of the PIMA Termination Agreement with IDPL and appointment of Sadbhav Pima Private Limited as replacement project manager for 5 SPVs and Execution of the INVIT ROFO Termination Agreement with IDPL.

The trust has stated that the agreements are available for physical inspection at the Principal Place of business i.e. in Chennai.

While the trust has raised valid issues regarding contractual commitments and obligations of confidentiality, it is an equally valid argument that it would be not viable for every unitholder to visit the Trust's principal place of business merely to inspect these documents. Thus, in absence of clarity regarding the details surrounding these agreements, SES is of the view that unitholders may not be able to make an informed decision in this regard.

However, unitholders may take note of the clarifications/comments of the Trust and cast their vote accordingly.

COMPANY'S EMAIL

Dear Sir/ Ma'am,

We are writing to you in connection with the attached proxy advisory report dated January 5, 2023, as released by Stakeholders Empowerment Services ("SES", and such report, the "Advisory Report"), in connection with the resolutions proposed for the consideration of the unitholders of the IndInfravit Trust ("Trust") by way of the postal ballot notice dated December 14, 2022 ("PB Notice").

In the context of the certain matters set out in the Advisory Report, please see below our responses below:

Resolutions No. 1 to 3:

We note that SES has expressed certain concerns in connection with the specified resolutions by citing the rationale that the Trust may have sought approval from its unitholders without disclosing the relevant agreements themselves. In this regard, we wish to submit as follows:

- As the outset, please note that the Trust is, and has always been, committed towards adhering to the highest standards of corporate governance. At the same time, the Trust is also bound to ensure compliance with its contractual commitments, including obligations relating to maintenance of confidentiality, and to safeguard its stakeholders from potential risks, including adverse implications that may inadvertently arise from uploading scanned copies of executed agreements on the world-wide web;
- Without prejudice to the above, and with a view to ensure that its unitholders have access to all such information as they may require to vote on the above resolutions, the Trust had (from the date of dispatch of the PB Notice itself) made available copies of all documents referred to in the PB Notice for physical inspection by its unitholders at the principal place of business of the Trust. In this regard, we direct your attention to Note No. 9 of the PB Notice (as appearing on page 7 of the PDF file), where the following statement was explicitly made:

"All the material documents will be available for inspection at the principal place of business / registered office of the Trust during office hours on Monday to Friday from 10.00 a.m. – 5.30 p.m. from the date of despatch until the last date for receipt of votes by postal ballot i.e. Sunday, January 15, 2023."
- By enabling unitholders to inspect the relevant material documents in physical form at a secure location, after verification of necessary credentials, the Trust is able to significantly mitigate risk of breach of confidential information to third parties (who may have competing/conflicting interests) whilst still upholding the highest corporate governance requirements, thereby protecting the interests of the unitholders of the Trust themselves; and
- Separately, please note that the maintenance of documents in physical form at the office of the principal place of business of the Trust is in due compliance with the obligation cast upon the Investment Manager of the Trust in terms of Regulation 26(1) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, which requires the investment manager of an infrastructure investment trust ("InvIT") to maintain agreements entered into by the InvIT or on behalf of the InvIT, in either physical or digital form.

In conclusion, we wish to respectfully bring to your attention that the concerns expressed by SES under the Advisory Report fails to take into account the correct factual position (viz. that unitholders have already been provided opportunity to inspect the material documents/agreements in physical form and satisfy themselves before casting any votes in respect of the matters contemplated under the PB Notice). Based on the foregoing, you may wish to please revisit and reconsider the recommendations made under the Advisory Report.



Meeting Type: Postal Ballot

Voting Deadline: 15th January, 2023**Disclaimer****Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit Initiative or its staff, has no financial interest in the companies covered in this report except what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

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