



Conference on

PE in Infrastructure: Experience and Expectations

June 3, 2019, Four Seasons Hotel, Mumbai

4th Annual Conference on

InvITs and REITs: Issues and Opportunities

June 4, 2019, Four Seasons Hotel, Mumbai

Organisers:

POWERLINE

**Indian
Infrastructure**

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PE IN INFRASTRUCTURE: EXPERIENCE AND EXPECTATIONS

Mission

- ❖ Private equity and venture capital investments have witnessed a record number of deals in infrastructure sectors in the past two years. Deals worth over Rs 1,050 billion were reported in 2017-18 and 2018-19.
- ❖ There is a fair degree of interest today in sectors like roads, logistics, renewables, healthcare, transmission, airports, financial services, real estate, telecom, etc. Some of the big-ticket deals of 2018 include Sekura Energy's investment of Rs 60 billion in four transmission projects of Essel Infraprojects, Resurgent Power Ventures' investment of Rs 60 billion in Prayagraj Power Generation Company, GIC's investment of Rs 50 billion in Bharti Airtel, and India Infrastructure Trust's (sponsored by Brookfield Asset Management) investment of Rs 130 billion in Pipeline Infrastructure Private Limited (East-West Gas Pipeline of Reliance Industries).
- ❖ It is quite clear that over the last couple of years the investment strategies of private equity (PE) funds have undergone a change. They are today finding comfort in operating/yield generating assets with a good track record. This has resulted in better valuations, reduced risks and more realistic return expectations.
- ❖ Meanwhile, companies looking for growth capital particularly in sectors like logistics, have also continued to raise funds from VCs via seed funding. PIPE investments have also seen some traction with fund infusion being witnessed in sectors such as telecom.
- ❖ In terms of number of players, the market today is more crowded than ever before resulting in increased competition for deal opportunities. Global pension and sovereign wealth funds have provided a major thrust to PE funding and have been a part of some of the largest transactions in 2018. They are looking for both direct opportunities as well as co-investing options with limited partners (LPs).
- ❖ At the same time, insolvency and bankruptcy code (IBC) has proved to be a game changer for deal activity with stressed assets looking an attractive opportunity for PE and other strategic investors. In an effort to establish their footprint in the distressed space, PE funds and sovereign wealth funds (SWFs) are tying up with asset reconstruction companies (ARCs) and setting up specialised funds. Several major PE players have already entered the stressed market space, while a number of pure-play PE funds have also put plans in place to enter this segment.
- ❖ Meanwhile, the exit mechanism has also been robust, with secondary buyout and strategic sale being the most common routes for exits. In the past 15 months, there were about 10 PE exits via secondary deals in the infrastructure space. Open market transactions remain subdued on account of volatility in the stock markets.
- ❖ The future seems to be bright as well. New funds will continue to make news. However, in order to achieve maturity, the Indian PE industry will have to reach a stage where exits are higher than investments on a cumulative basis. The year 2019 will be interesting to watch with PE activity expected to see some caution due to factors such as political uncertainty, global environment and trade wars, delays in resolution of stressed assets due to legal or regulatory bottlenecks, and any worsening of India's fiscal condition on account of increase in oil prices.
- ❖ **The mission of this conference is to discuss the recent trends and experience in the private equity space, highlight the new opportunities across the various infrastructure sectors and examine the challenges and future prospects.**

Target Audience

The conference is targeted at:

- Sovereign wealth funds
- Pension funds
- Private equity companies
- Banks
- Venture capital firms
- Financial advisors
- Legal firms
- Asset reconstruction companies
- Infrastructure companies (Ports, logistics, renewables, roads, power transmission, airports, telecom infra, real estate, etc.)
- Insurance companies
- Etc.

Previous Participants

The participants at our previous conferences include: Adani Transmission, Almus Risk Consulting, Axis Bank, Bangalore International Airport, CARE Ratings, Chennai International Airport, CRISIL Ratings, Delhi International Airport, Dave & Girish & Co, Dhir & Dhir Associates, Empromc Solution, Essar Shipping, EXIM India, Fortum India, GMR Group, GVK Infrastructure, HDFC, HDFC Standard Life Insurance Company, Hero Future Energies, HMEL, HPCL, ICICI Bank, ICRA, IDBI Bank, IDFC Bank, IIFCL, IL&FS Energy Development, IL&FS Transportation Networks, Indian Railway Finance Corporation, International Finance Corporation, J. Sagar Associates, Jakson Limited, Japan Bank for International Corporation, Jawaharlal Nehru Port Trust, KfW, Kotak Mahindra Bank, Krishnamurthy & Co., Link Legal India Law Services, L&T Construction, L&T Hyderabad Metro, L&T Infra Finance, Mecklai Financial, Mizuho Bank, Mumbai International Airport, Mumbai Metro, National Thermal Power Corporation, ONGC Videsh, Paschim Hydro, Pension Fund Regulatory and Development Authority, Paschim Hydro Energy, Power Finance Corporation, PTC India Financial Services, QuantiArt Market Solutions, Reliance Power Transmission, Reliance Mumbai Metro, Rural Electrification Corporation Limited, S&R Associates, SBI Capital Markets, SREI Equipment Finance, Standard Chartered Bank, Sterlite, Tata Steel, Teri University, Unified Vision Capital, Vistra ITCL, VSL Growth Capital, Waaree Energies, Welspun Energy, YES Bank etc.

AGENDA/STRUCTURE

EMERGING TRENDS AND DEVELOPMENTS IN PE MARKET

- ❖ What have been the trends in PE deals in the past 15 months?
- ❖ Which have been the new funds raised for infrastructure sectors? Which sectors seem to be more attractive?
- ❖ What have been the trends with PE exits?
- ❖ What have been the historical returns?

PERSPECTIVE OF PE INVESTORS ON YIELD GENERATING ASSETS

- ❖ What is the current stance of PE investors on investing in operational assets in infrastructure sectors? Which sectors are they keen on investing in?
- ❖ How have the strategies of investors changed in the past couple of years?
- ❖ What is the level of interest of PE investors in greenfield assets?
- ❖ What are their return expectations? What are the key risks?

PERSPECTIVE OF GLOBAL PENSION FUNDS/SWFs

- ❖ What is the current stance of global pension funds on investing in infrastructure? What has been their experience so far?
- ❖ Are they keener on direct opportunities or co-investing with PE funds?
- ❖ What are the kind of valuations being realised for such assets?
- ❖ What are their biggest areas of concern? What are their return expectations?

EXPERIENCE OF STRESSED ASSETS-FOCUSED PE FUNDS

- ❖ How keen are investors in investing in stressed assets? What are the key opportunity areas?
- ❖ Are they looking at direct opportunities or co-investing with ARCs?
- ❖ What has been the experience so far?
- ❖ What have been the key challenges?

FOCUS ON EARLY STAGE GROWTH COMPANIES

- ❖ How keen are PE/VC investors in parking funds in early stage/growth capital companies?
- ❖ What are the challenges faced in valuations of such companies?
- ❖ What are the expected returns?

FOCUS ON PIPE INVESTMENTS

- ❖ How keen are PE/VC investors in parking funds in listed companies?
- ❖ What has been the valuation experience? What are the historical and expected returns?
- ❖ What are the risks and challenges associated with such deals?

ROAD AHEAD FOR PE EXITS: OPTIONS AND STRATEGIES

- ❖ What is the most preferred exit mode for PE/VC firms in India (capital markets, M&A, PE secondaries, promoter buyback, etc.)?
- ❖ Which sectors have seen the greatest number of exits in the past two years?
- ❖ Has the exit climate improved in the past couple of years?
- ❖ How are the exit strategies expected to evolve in the future?

DEAL STRUCTURING AND VALUATIONS

- ❖ What have been the trends in valuations? How have they evolved in the past two years?
- ❖ What are the key factors considered while arriving at the correct valuations?
- ❖ What are the key risks and challenges?

TAX AND REGULATION

- ❖ What are the key legal and taxation aspects involved in such deals?
- ❖ What is the expected impact of GST?
- ❖ What are the challenges being faced?
- ❖ What are the key mitigation strategies being adopted?



InvITs AND REITs: ISSUES AND OPPORTUNITIES

Mission

- ❖ The acceptance of infrastructure investment trust (InvIT) and real estate investment trust (REIT) instruments is slowly starting to grow. Investors who were earlier adopting a wait-and-watch approach are today more optimistic with growing knowledge about the instruments as well as various regulatory changes being made to resolve the issues being faced by them.
- ❖ So far, three companies - IRB Infrastructure Developers and L&T Infrastructure Projects in the road sector and Sterlite Power's India Grid Trust in the power transmission sector - have raised a capital of Rs 100 billion through the InvIT route. Most of the money in these three InvITs has come from foreign investors, while there has been limited participation from domestic insurance and pension funds. Reportedly, six to seven infrastructure companies plan to monetise their operational assets through InvITs in the near future.
- ❖ This year in March, India's first REIT was launched by Bengaluru-based Embassy Property Developments, backed by Blackstone, which was subscribed by two times. It is expected to boost investor sentiment in the real estate sector, and in the next one-two years, five to six more REITs can be expected.
- ❖ Several amendments have been made in the regulations governing these products to make them more attractive. In 2019 itself, three key amendments have been made. The Securities and Exchange Board of India (SEBI) has raised the leverage limit for InvITs from 49 per cent to 70 per cent. It has also amended public issue guidelines for InvITs and REITs. The minimum investment limit in REIT has been reduced to Rs 50,000 from Rs 0.2 million.
- ❖ It is clear, that going forward, there lies significant potential for InvITs and REITs given the huge investment requirements in the country. These instruments can help real estate and infrastructure players to unlock value in the assets they own and release the much-needed capital for further expansion. Globally too, the investment vehicles have been a success in countries such as Japan, Singapore, Hong Kong, the US and the UK.
- ❖ However, to make them a success in India, some key challenges need to be addressed. For instance, the investment cap of 5 per cent for insurance companies while investing in a single InvIT is a major roadblock. Further, the current investment threshold for InvITs and REITs is discouraging large-scale participation of retail investors. Meanwhile, awareness campaigns highlighting the key features and benefits of these instruments need to be further enhanced to make them more appealing to investors.
- ❖ The mission of this conference is to discuss the experience and future prospects of InvITs/REITs in India, highlight the regulatory amendments and their impact, and examine the key challenges that need to be addressed to make these instruments an important funding avenue for the future.

Target Audience

The conference is targeted at:

- | | | |
|-------------------------------|-----------------------------------|-------------------------------------|
| - Infrastructure developers | - Real estate developers/managers | - Investors (private/institutional) |
| - Real estate fund managers | - Infrastructure fund managers | - Investment banks |
| - Policymakers and regulators | - Consultants (sector/ financial) | - Rating agencies |
| - Tax advisory firms | - Legal firms | - Etc. |

Previous Participants

The participants at our previous conferences include: Aditya Birla Finance, Axis Bank, Axis Trustee Services, AZB & Partners, Birla Sun Life Asset Management Company, BMR Advisors LLP, BMR House, Brookfield Advisory Services (India), BSR & Co. LLP, Chennai Metro Rail, CLSA India, Computer Age Management Services, Credit Analysis & Research, Dhruva Capital Advisors, Dolat Capital Market, DSK Legal Advocates & Solicitors, DSP Black Rock Investment Managers, Duff & Phelps India, Empron Solutions, Equirus Capital, Ernst & Young LLP, Greenint Power, HAS Advocates, Hirco Project Companies, ICICI Bank, ICICI Venture Funds Management Company, ICRA, IDBI Trusteeship Services, IDFC Bank, IL&FS Financial Services, IL&FS Maritime Infrastructure Company, IL&FS Township & Urban Assets, India Ratings & Research, Infrastructure Development Corporation, J.Sagar Associates, JMC Projects (India), JSA Advocate & Solicitors, Kalyani Township, Kotak Mahindra Bank, L&T Infrastructure Finance Co., Link Legal, Luthra & Luthra Law Offices, Madhu Developers, Merrill Lynch, Mumbai Metro One, NTPC, Orbit Law Services, PE Consulting, Phillip Capital (India), Piramal Enterprises, Power Finance Corporation, Power Grid Corporation of India, Reliance Nippon Life Insurance Company, S&P Global Ratings, S&R Associates, SBI Capital Markets, SBICAP Trustee Company, Shapoor Pallonji Infrastructure Capital Company, Shardul Amarchand Mangaldas & Co., SNG & Partners, Sopariwala Exports, Tril Roads, Trust Investment Advisors, Vistra ITCL (India), Walton Street India, etc.

AGENDA/STRUCTURE

TRENDS AND OUTLOOK: InvITS AND REITs

- ❖ What is the role of REITs/InvITs in infrastructure financing?
- ❖ What are the key trends? What have been the recent developments?
- ❖ What are the future prospects? What are the key issues and challenges?

RECENT REGULATORY AMENDMENTS AND UNADDRESSED ISSUES

- ❖ What is the current regulatory framework with respect to InvITs and REITs??
- ❖ What are the key issues (tax structure, stamp duty, legal, etc.)?
- ❖ What have been the recent amendments? What will be their likely impact?
- ❖ What are the unaddressed issues?
- ❖ What regulatory changes are required in the future?

FOCUS ON InvITs: INFRASTRUCTURE DEVELOPERS' EXPERIENCE AND CHALLENGES

- ❖ What is the current perspective of infrastructure developers on InvITs?
- ❖ What is their perspective on recent regulatory changes?
- ❖ What are their future plans?
- ❖ What are the key issues and challenges?

FOCUS ON REITs: REAL ESTATE DEVELOPERS' EXPERIENCE AND CHALLENGES

- ❖ What is the current perspective of real estate developers on REITs?
- ❖ What is their perspective on recent regulatory changes?
- ❖ What are their future plans?
- ❖ What are the key issues and challenges?

INVESTORS' PERSPECTIVE: EXPERIENCE, CHALLENGES AND OPPORTUNITIES

- ❖ What is the perspective of investors (pension funds, insurance firms, retail investors, etc.) on InvITs and REITs?
- ❖ What is the investor appetite for these structures after easing of norms?
- ❖ What are the key issues and challenges?

TAXATION ASPECTS AND ISSUES

- ❖ What are the taxation aspects involved in the setting up of InvITs and REITs?
- ❖ What are the tax implications of the recent amendments?
- ❖ What are some of the unaddressed issues?

PRICING AND VALUATION

- ❖ What are the valuation and pricing aspects of setting up these structures?
- ❖ What has been the experience in this regard?
- ❖ What are the key challenges?

CREDIT ASSESSMENT

- ❖ What has been the experience in this regard?
- ❖ What are the key challenges?
- ❖ How are these structures expected to improve the credit risk profile of SPVs?

GLOBAL EXPERIENCE

- ❖ What has been the global experience in the launching of these structures?
- ❖ What are the key regulations governing InvITs and REITs?
- ❖ What are the best practices? What lessons can be learnt for India?



Organisers

The conference is being organised by **India Infrastructure Publishing**, the leading provider of information on the infrastructure sectors through magazines, newsletters, reports and conferences. It publishes **Indian Infrastructure** (a magazine devoted to infrastructure policy and finance), as well as **Power Line**, **Renewable Watch**, **Smart Utilities**, **Gujarat Infrastructure** and **tele.net** magazines. The group also produces a series of reports on the infrastructure sectors including the **Infrastructure Finance and Investment Report**, **Investment Opportunities in Indian Infrastructure** and **Private Equity in Infrastructure**. It organises almost four dozen conferences in a year. Its recent conferences in finance have included: **Infrastructure Finance in India**, **Bonds Financing in Infrastructure**, **External Commercial Borrowings**, **Legal Issues in Infrastructure**, **Real Estate Investment Trusts** and **Infrastructure Investment Trusts**, **PPP in Infrastructure** and **Debt Restructuring: SDR & S4A**.

REGISTRATION FORM

I would like to register for the “PE IN INFRASTRUCTURE: EXPERIENCE AND EXPECTATIONS” conference (June 3, 2019, Four Seasons Hotel, Mumbai)

I would like to register for the “InvITS AND REITS: ISSUES AND OPPORTUNITIES” conference (June 4, 2019, Four Seasons Hotel, Mumbai)

I would like to register for **both the conferences**

I would like to register for the conference. I am enclosing Rs _____ vide cheque/demand draft no. _____ drawn on _____ dated _____ Company GST No. _____ in favour of India Infrastructure Publishing Pvt. Ltd. payable at New Delhi.

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REGISTRATION FEE

PE IN INFRASTRUCTURE: EXPERIENCE AND EXPECTATIONS **OR** InvITS AND REITS: ISSUES AND OPPORTUNITIES

| Delegates | Fee before discount (May 16, 2019) | | | | Fee post-discount | | | |
|-----------------|------------------------------------|----------|-----------|-----|-------------------|----------|-----------|-------|
| | INR | GST @18% | Total INR | USD | INR | GST @18% | Total INR | USD |
| One delegate | 20,000 | 3,600 | 23,600 | 393 | 25,000 | 4,500 | 29,500 | 492 |
| Two delegates | 34,000 | 6,120 | 40,120 | 669 | 42,500 | 7,650 | 50,150 | 836 |
| Three delegates | 48,000 | 8,640 | 56,640 | 945 | 60,000 | 10,800 | 70,800 | 1,180 |

BOTH CONFERENCES

| Delegates | Fee before discount (May 16, 2019) | | | | Fee post-discount | | | |
|-----------------|------------------------------------|----------|-----------|-------|-------------------|----------|-----------|-------|
| | INR | GST @18% | Total INR | USD | INR | GST @18% | Total INR | USD |
| One delegate | 32,000 | 5,760 | 37,760 | 629 | 40,000 | 7,200 | 47,200 | 787 |
| Two delegates | 54,400 | 9,792 | 64,192 | 1,069 | 68,000 | 12,240 | 80,240 | 1,337 |
| Three delegates | 76,800 | 13,824 | 90,624 | 1,509 | 96,000 | 17,280 | 113,280 | 1,887 |

Terms and Conditions:

- There is a 20 per cent “early bird” discount for those registering before May 16, 2019.
- To register online, please log on to <http://indiainfrastructure.com/conf.html>
- Registration will be confirmed on receipt of the payment.

For delegate registrations and sponsorship opportunities, contact:

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