

2nd Annual Conference on

Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Potential, Progress and The Way Forward

May 2, 2017, Four Seasons Hotel, Mumbai

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2nd Annual Conference on

Asset Sales & Acquisitions in Infrastructure Sector

Key Trends, Developments and Future Outlook

May 3, 2017, Four Seasons Hotel, Mumbai

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REAL ESTATE INVESTMENT TRUSTS AND INFRASTRUCTURE INVESTMENT TRUSTS

May 2, 2017, Four Seasons Hotel, Mumbai

Mission

- ❖ The real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) market is finally gaining traction with many real estate and infrastructure firms looking to raise funds through these instruments. This has been made possible following a number of policy amendments and regulatory changes introduced by SEBI, which have helped address the concerns of developers. These instruments are expected to encourage foreign investments, reduce the burden on the banking system and provide a platform for developers to monetise their operational assets.
- ❖ Some of the key amendments introduced by SEBI to facilitate investments through these instruments in 2016 include permitting investments in a two-level SPV structure through a holding company (subject to sufficient shareholding in the holding company and the underlying SPV), removing the limit on the number of sponsors, and permitting the holding company to distribute 100 per cent of the cash flow realised from the underlying SPVs and at least 90 per cent of the cash flow realised otherwise.
- ❖ The mandatory sponsor holding for InvITs has also been reduced from 25 per cent to 15 per cent, private placement requirements have been rationalised, and disclosure of financial and operational information has been made mandatory prior to the listing. As for REITs, up to 20 per cent investment has been permitted in under-construction projects (from 10 per cent earlier).
- ❖ More recently, in February 2017, SEBI notified norms allowing mutual funds (MFs) to invest up to 10 per cent of their net asset value (NAV) in units of REITs and InvITs (investments in units by a single issuer cannot exceed 5 per cent of the NAV).
- ❖ Such developments have led to a number of infrastructure companies to set up these structures. Companies such as Sterlite Power, ITNL, MEP Infrastructure, GMR and Reliance Infrastructure have secured SEBI's approval to establish InvITs. IRB Infrastructure's proposed IRB InvIT Fund has also received SEBI's approval to launch an IPO for raising about Rs 43 billion. The Adani Group, and Tata Realty and Infrastructure are other players planning to explore this route.
- ❖ Real estate developers are also moving ahead with their plans to set up these trusts. Recently, Blackstone revealed its plans to list two separate REITs for its office assets, in collaboration with Panchshil Realty Embassy and Property Developments Private Limited. DLF Limited, RMZ Corporation and K. Raheja Corporation are other companies that are exploring the option.
- ❖ The listing of REITs has become attractive, especially after demonetisation. The transfer of liquidity from the informal sector to banks has compressed government bond yields. This has reduced the capitalisation rate for prime office assets and enhanced their valuation, providing a strong case for listing of REITs. Falling interest rates will also enhance the returns from these structures.
- ❖ Meanwhile, SEBI is yet to clarify the categorisation of MFs that have been recently allowed to invest in these structures. The Insurance Regulatory and Development Authority is also likely to spell out rules for insurance companies to make such investments.
- ❖ Going ahead, eased regulations and the encouraging response from the industry reflect a positive outlook for these instruments. Besides, clarity awaited on investment guidelines for MFs and insurance companies is likely to provide a further momentum. However, the success of these structures will depend on the credibility of the sponsor or investment manager and on the commercial income of the underlying assets.
- ❖ **The mission of this conference is to discuss the regulatory amendments and their impact, to examine the key challenges in the implementation of such structures, and to discuss the future potential and prospects.**

AGENDA/STRUCTURE (REITs and InvITs)

INTRODUCTION TO REITs AND InvITs

- ❖ What is the role of REITs/InvITs in the current scenario?
- ❖ What has been the experience so far?
- ❖ What are the key issues and challenges?

REGULATIONS, TERMS AND STRUCTURES

- ❖ What are key regulations with respect to REITs and InvITs?
- ❖ What are the recent amendments?
- ❖ What has been the response of key stakeholders?
- ❖ What are the unaddressed issues?
- ❖ What are the other regulatory changes expected in the next one year?

DEVELOPERS' PERSPECTIVE: FOCUS ON INFRASTRUCTURE

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

DEVELOPERS' PERSPECTIVE: FOCUS ON REAL ESTATE

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

INVESTORS' PERSPECTIVE

- ❖ What is the perspective of investors on REITs and InvITs?
- ❖ What is the investor appetite for these structures after the easing of norms?
- ❖ What are the expectations from SEBI and IRDA?
- ❖ What are the key issues and challenges?

FOCUS ON TAXATION

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

LEGAL ISSUES

- ❖ What are the legal aspects involved in the setting up of these structures?
- ❖ What has been the impact of the change in guidelines?
- ❖ What are the key issues and possible solutions?

VALUATION AND PRICING ISSUES

- ❖ What are the valuation/pricing aspects for setting up these structures?
- ❖ How will fair valuations of assets be arrived at?
- ❖ What are the key challenges?

GLOBAL EXPERIENCE

- ❖ What are the global best practices with regard to fund-raising through InvITs and REITs?
- ❖ What are the key lessons to be learnt?
- ❖ What are the key requirements to replicate the success in India?

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
- Legal firms
- Etc.

ASSET SALES & ACQUISITIONS IN INFRASTRUCTURE SECTOR

May 3, 2017, Four Seasons Hotel, Mumbai

Mission

- ❖ Since the past 15-20 months, the infrastructure sector has witnessed a major surge in asset acquisitions. While some companies are offloading such assets to deleverage their balance sheets, others are doing so to shift their business strategies to increase market shares. Over 80 transactions worth at least Rs 900 billion have been finalised since January 2015.
- ❖ The acquisitions have been most prominent in sectors such as roads, power, construction and cement, where a large number of players are looking to deleverage. In the road sector in particular, a number of companies have exited the BOT space by monetising operational BOT projects, in a bid to shift the focus back to the EPC space.
- ❖ Some of the key infrastructure players that have offloaded operational assets are Soma Enterprise, Madhucon Projects, Ramky Infrastructure, NCC, Gayatri Projects, GMR, ITNL, Gammon, Jindal Steel and Power, and Jaiprakash Associates. Others that are moving ahead with similar plans include Sadbhav Infrastructure Projects, GR Infraprojects, Jindal India Thermal Power Limited, KSK Energy Ventures and Essar Power.
- ❖ The response from buyers has also been encouraging, as investors are looking to purchase these revenue-generating assets to diversify their portfolios. Interest has been seen across various investor classes, including PE firms, foreign pension and insurance funds, as well as sovereign wealth funds.
- ❖ In the PE space, entities such as IDFC Alternatives, the Macquarie Group, and I Squared Capital are actively pursuing such transactions. The Canada Pension Plan Investment Board (CPPIB), Caisse de depot et placement du Quebec (CDPQ), and the Public Sector Pension Investment Board (PSP Investments) have also stepped up investments in the infrastructure space in recent months.
- ❖ Distressed infrastructure projects are also generating significant interest. Asset reconstruction companies (ARCs), global investors, and more financially robust infrastructure developers are purchasing such assets through strategic debt restructuring (SDR) and S4A schemes.
- ❖ The RBI too has played its part in facilitating the offtake of stressed assets. In September 2016, it allowed NBFCs, financial institutions and other lenders to buy stressed assets from banks. Earlier, only ARCs and securitisation companies were permitted to do so. Schemes such as S4A and SDR are expected to fare better following the apex bank's announcement.
- ❖ Investors are approaching such assets either through direct acquisitions, or through purchasing stakes in ARCs. In addition, new investment platforms and joint ventures are being formed, specifically targeted at taking exposures in stressed assets. CDPQ-Edelweiss, Piramal Enterprises-Bain Capital, and Kotak Mahindra-CPIIB are a few examples of such tie-ups.
- ❖ Meanwhile, the scenario with regard to valuations is also improving as pricing is appearing more realistic than what prevailed two to three years back. Global investors too are bullish on the Indian market, prompted by limited investment opportunities globally.
- ❖ Going forward, asset acquisition deals are likely to continue, buoyed by a wide range of investors scouting for such assets and providing a ready market to infrastructure companies looking to deleverage. Valuations, however, will be a key factor in the finalisation of these transactions.
- ❖ **The mission of this conference is to examine the recent trends and developments in infrastructure acquisitions, to share the experience so far, and to discuss potential opportunities and challenges.**

AGENDA/STRUCTURE (Asset Sales & Acquisitions in Infrastructure Sector)

TRENDS AND DEVELOPMENTS

- ❖ What are the recent trends in infrastructure asset sales and acquisitions?
- ❖ What are the key terms and structures of the new deals?
- ❖ What are the key issues and challenges?
- ❖ What is the outlook?

INVESTORS/BUYERS' PERSPECTIVE

- ❖ What is the current stance of investors (PE firms, venture capital firms, pension funds, etc.) on investing in operational assets?
- ❖ How has the investment strategy changed over the years?
- ❖ What are the key factors considered in finalising a transaction?
- ❖ What are the key risks? What are the expected returns from such investments?

DEVELOPERS' PERSPECTIVE

- ❖ What has been the experience with regard to asset monetisation?
- ❖ What are the challenges faced in negotiating such deals?
- ❖ What are the key issues and challenges?

PRICING AND VALUATIONS SCENARIO

- ❖ 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?

DEAL STRUCTURING

- ❖ What are key elements considered while structuring sales of operational assets?
- ❖ What are the major challenges?
- ❖ What are the possible solutions and strategies?

FOCUS ON SDR/S4A SCHEMES

- ❖ What has been the experience with SDR/S4A schemes?
- ❖ What are the opportunities for investors?
- ❖ What are the key challenges?

EXPERIENCE OF ARCS

- ❖ What has been the experience so far?
- ❖ What are the key opportunity areas for investors?
- ❖ What are the key issues and challenges?

LEGAL, GOVERNANCE AND TAX IMPLICATIONS

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

Target Audience

The conference is targeted at:

- Infrastructure developers
- Insurance and pension funds
- Private equity firms
- Investors
- Venture capital firms
- Legal firms
- Sovereign wealth funds
- Asset reconstruction companies
- Investment banks
- Sector consultants
- Etc.

Previous participants at related conferences

The participants at our previous conferences include Actis Advisor, Adani Power, Aditya Birla Finance, Aditya Birla Insurance Brokers, AECOM, Aion Capital, ALMT Legal, Anand Rathi, APIIC, Ashoka Buildcon, Aurum Equity, Avalokiteshwar Valin, Axis Bank, Axis Private Equity, Axis Trustee Services, AZB & Partners, Balmer Lawrie, Barclays Capital, Baring Private Equity, BG Shirke, Birla Sunlife, Black & Veatch, BMR Advisors, BMTIC, Brescon Corporate Advisors, Bridge to India, BSR & Co LLP, CARE Ratings, Chennai Metro Rail, Cipher Capital, Clasis Law, CLSA India, Consulate General of Canada, Corporation Bank, Cotmac Electronics, CPPIB India, Crew Infrastructure, CRISIL Infrastructure Advisory, Cyril Amarchand Mangaldas, DBM Geotechnics, DBS Bank, Deesha Power Solutions, DEG Invest, Desai & Dewanji, Dhir & Dhir Associates, Dolat Capital, Dorsey & Whitney, DSK Legal Advocates & Solicitors, DSP Black Rock, DSP Financial & Management Consultancy, Duet India, E&Y, Edelweiss Asset Reconstruction, ELP, Emraky Global, Empronc Solutions, Enarr Infra & Capital Advisory, Envirox Protection, Equirus Capital, Essar Projects, Ethos Capital Advisors, EXIM Bank, Feedback Infra, Fortum, Fox Mandal, Frischmann Prabhu, GAIL, Gamesa, Gammon, GE Capital, GMR, Gokal Group, Goldman Sachs, Green Infra, Greenko, Greenmint Power, Greenstone Investment Bank, Gupta Power Infrastructure, HSA Advocates, HDFC, Hemant Sahai Associates, Hero Future, Hirco, Hochtief Concessions, HPCL, HSBC EDPI, IARC, ICICI, ICICI Venture, ICRA, IDBI, IDFC Alternatives, IFC, IFCI, IFCL, IL&FS Financial Services, IL&FS Investment Managers, IL&FS Maritime, IL&FS Township & Urban Assets, IL&FS Trust, IMFA, India Ratings & Research, IndusInd Bank, Indvest, IRB, IREDA, IREL, IREP Credit Capital, Isolux Corsan, ITNL, IUIML, J Sagar, J.V. Gokal & Co, Jaipur Metro Rail, Jindal Power, JM Financial, JMC Projects, JSW, Juris Corp, Kalyani Township, Karaikal Port, KFW IPEX, Khaifan Sud & Partners, Kotak Mahindra, KPMG, L&T IDPL, Lanco Infratech, Leeboy, Link Legal, Little & Co, Louis Berger, Luthra & Luthra, Maad Building Innovations, Macquarie Infrastructure & Real Assets, Marsh, McKinsey, MEP Infrastructure, MIAL, Morgan Stanley, Moser Baer, Mudra Capital, SBICAP Ventures, Next Orbit Ventures, NHAI, NTPC, NV Advisory Services, O3 Capital, Orbit Law, P.J. Mehta & Associates, Paschima Projects, PFC PFRDA, PhilipCapital, Phoenix ARC, Phoenix Legal, Piramal Enterprises, Power Grid, PricewaterhouseCoopers, Progressive Constructions, Reliance Capital, Reliance Infrastructure, Religare, ReNew Power, RITES, RMG Alloy, Rolls Royce, Safire Capital Advisors, Samsung, SBI Capital, SBI Funds Management, SBI Macquarie Infrastructure Management, SBI, Scomi, Shapoor Pallonji Infrastructure, Shardul Amarchand Mangaldas, Shree Vaishnav Wire & Rod, Shri Shakti Alternative Energy, SIDBI, Simplex Infrastructures, SKS Ispat & Power, SNG & Partners, Societe Generale, SREI, Standard Chartered Bank, State Bank of Bikaner & Jaipur, Sterling & Wilson, Sterlite Ports, Sun Capital, Suzlon Energy, Talwar Associates, Tata Capital, Tata Consulting Engineers, Tata Realty & Infrastructure, Tata Cleantech Capital, TD Bank, Toyo Engineering, TRIL Roads, Trilegal, UBS, Uniquist Infra Ventures, Universal Crescent, UPEIDA, UTI Capital, Vedanta, Vinci Concessions, Visa Steel, Vishwaraj Infrastructure, Wabag, Wadia Ghandy & Co, Walton Street India, Wipro, YES Bank, etc.

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I would like to register for the "REAL ESTATE INVESTMENT TRUSTS AND INFRASTRUCTURE INVESTMENT TRUSTS" conference (May 2, 2017, Four Seasons Hotel, Mumbai)

I would like to register for the "ASSET SALES & ACQUISITIONS IN INFRASTRUCTURE SECTOR" conference (May 3, 2017, Four Seasons Hotel, Mumbai)

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

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are available**

REGISTRATION FEE

REITs AND InvTs OR ASSET SALES & ACQUISITIONS IN INFRASTRUCTURE SECTOR

Delegates	One	Two	Three	Four
INR	27,500	45,000	62,500	80,000
Service tax (15%) INR	4,125	6,750	9,375	12,000
Total INR	31,625	51,750	71,875	92,000
USD (inclusive of service tax)	527	863	1,198	1,533

BOTH CONFERENCES

Delegates	One	Two	Three	Four
INR	45,000	75,000	105,000	135,000
Service tax (15%) INR	6,750	11,250	15,750	20,250
Total INR	51,750	86,250	120,750	155,250
USD (inclusive of service tax)	863	1,438	2,013	2,588

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. The company publishes **Indian Infrastructure**, a magazine devoted to infrastructure policy and finance. The group also publishes **Power Line**, **Renewable Watch**, and **tele.net** magazines. It produces a series of reports on infrastructure sectors like power, oil and gas, renewable energy, ports and shipping, roads and bridges, railways, telecommunications, aviation, water and urban transportation.

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