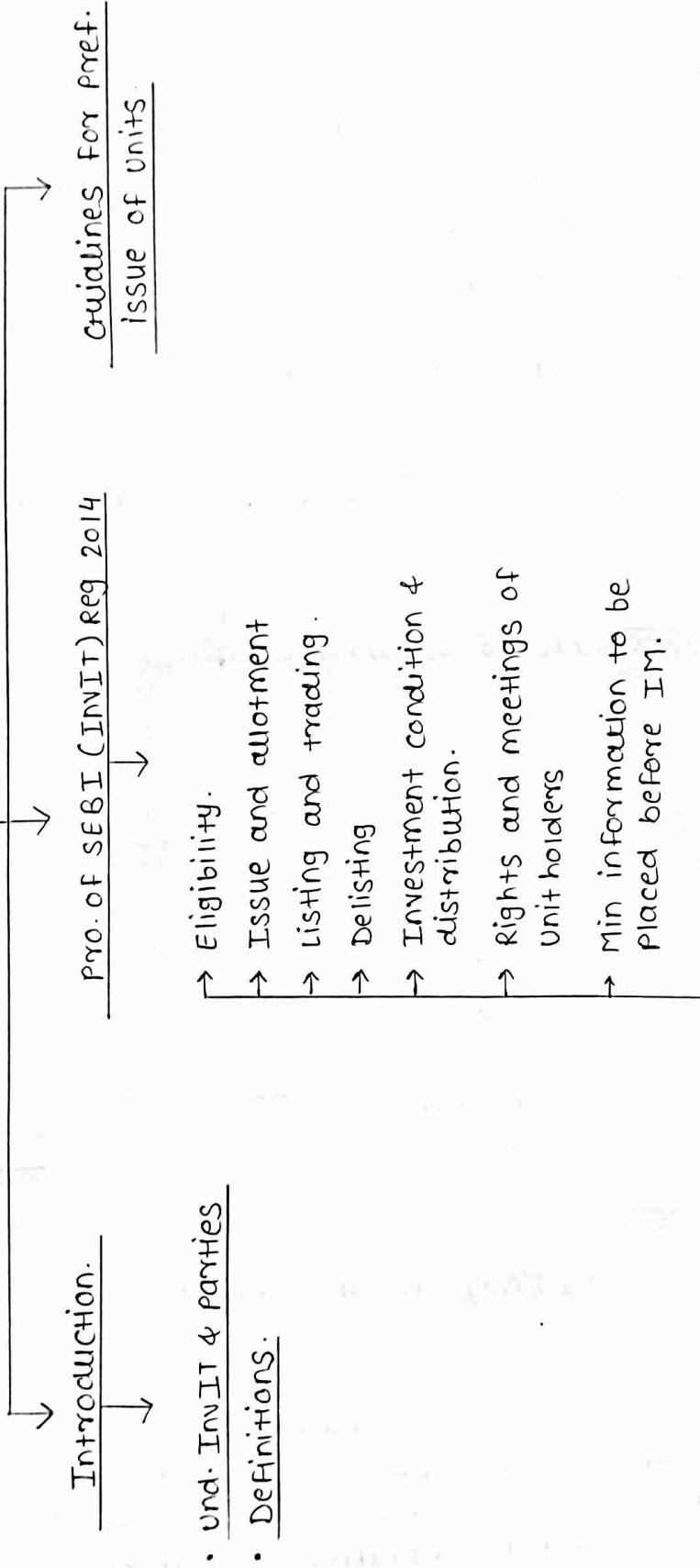


SYNOPSIS.



Introduction.

- Und. InUIT & parties
- Definitions.

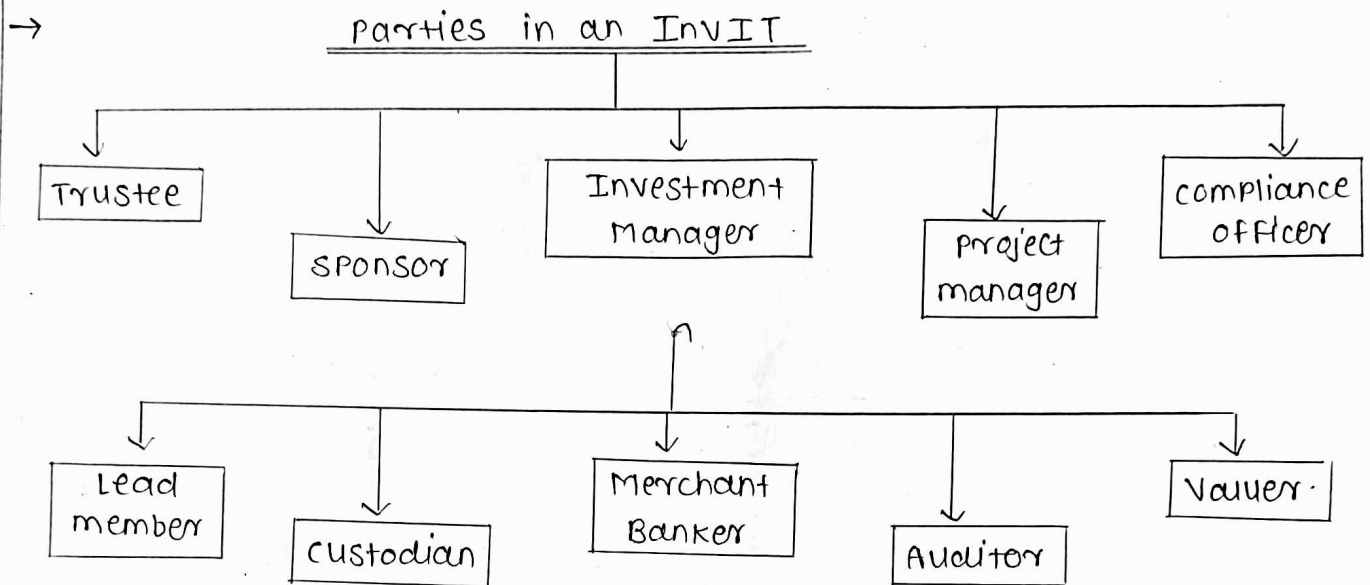
PRO. OF SEBI (INUIT) REG 2014

- Eligibility.
- Issue and allotment
- Listing and trading.
- Delisting
- Investment condition & distribution.
- Rights and meetings of Unit holders
- Min information to be Placed before IM.

Guidelines for Pref. issue of units.

⇒ Infrastructure Investment Trusts.

- It is a collective investment scheme similar to Mutual Fund which enables direct investment of money from individuals & institutional investors in infra project to earn a small portion of the income as return.



- Lead manager - lead member of the concessionaire SPV or PPP Projects.
- Merchant Banker - who looks after the entire process of issue of units

How does it benefit invest?

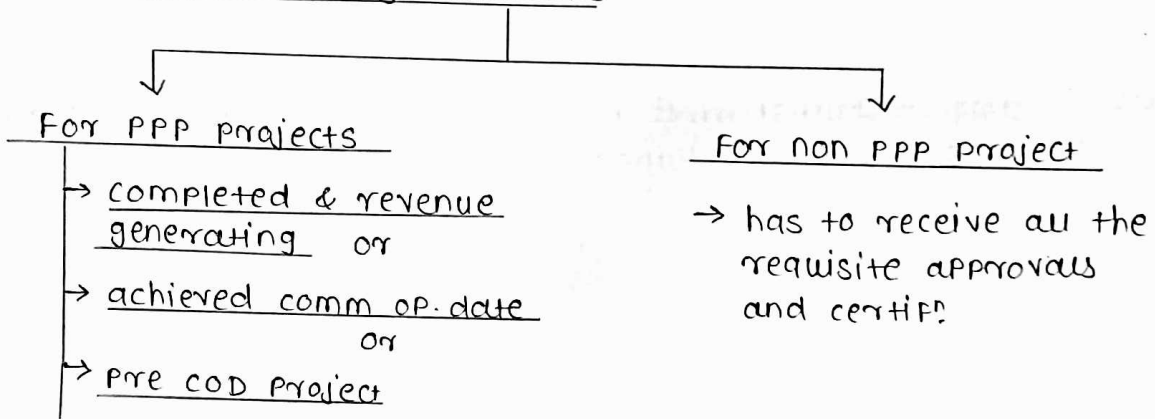
- Provide Long term Finance opⁿ for existing infra. project
- Free up developer capital for reinv. into new infra project
- Low-risk investments offered to attract Long term investor
- Facilitation of ownership of diversified infra asset
- To bridge bring higher standards of Governance into infra. development and management.
- Growth Potential for investors.

Definitions.

- Completed and Revenue generating project - [As given in the concessional Agg PPA or any Agg entered]
- achieved the commercial operations date.
 - received all the requisite approval & certification.
 - generating revenue from operations for at least 1 year

→ Eligible infrastructure project

- means a infra project, prior to the date of its acquisition satisfies the following conditions.



⇒ Pre COD:

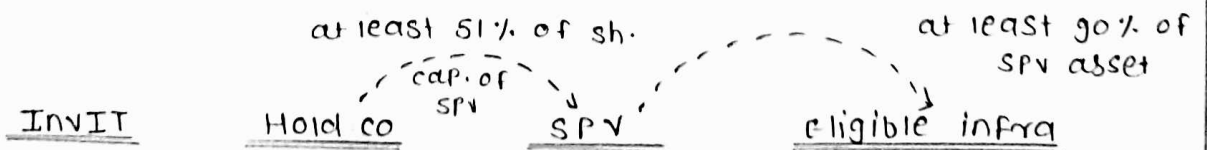
InvIT Project:

- Not achieved the commercial operation date, as defined in:
 - concessional agreement
 - Power Purchase agreement
 - Agg. entered of similar nature
 - Agg. entered with Lender.

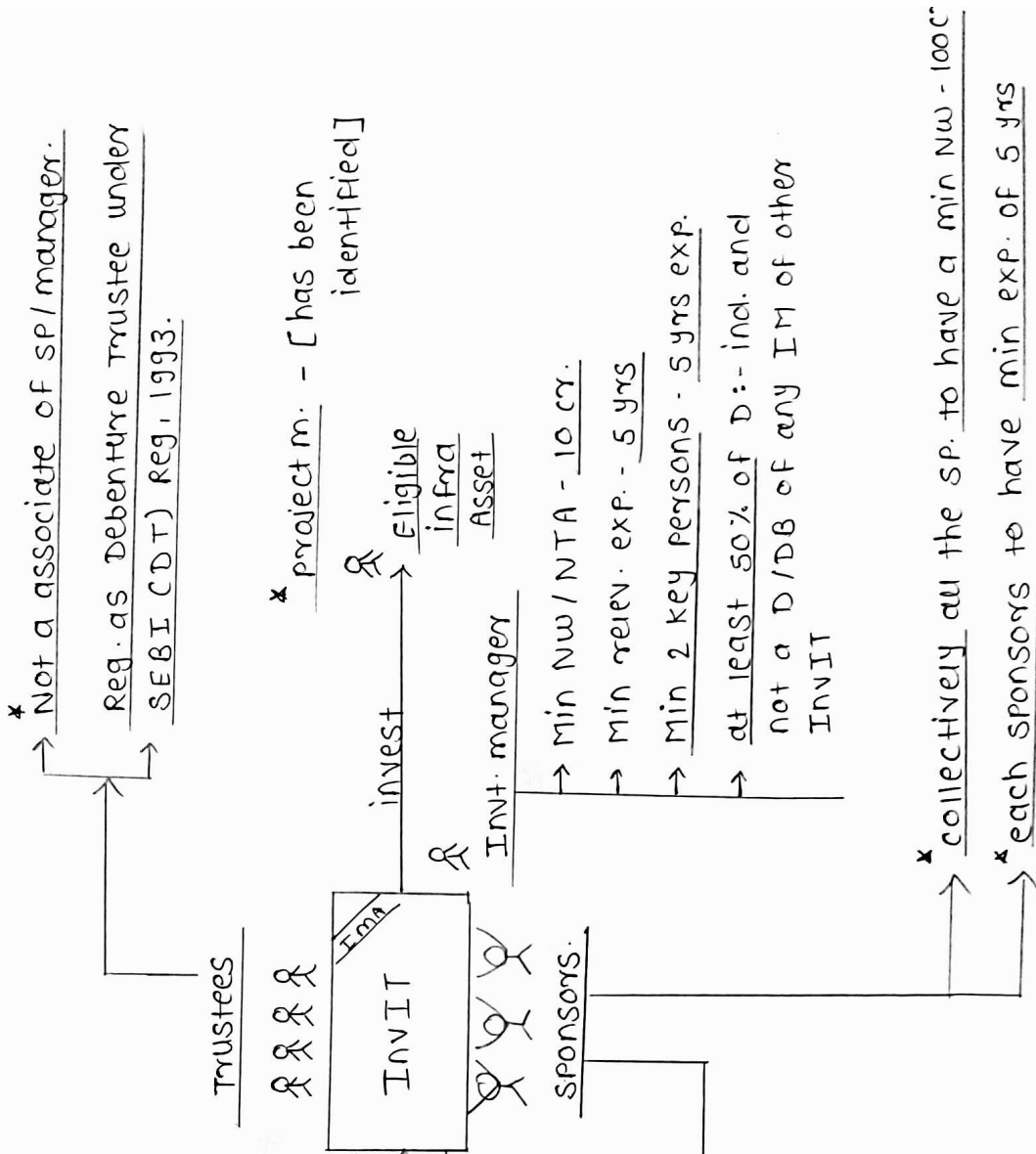
and

- at least 50%
 → construction complete. (certified by ind. engineer)
 or
 → of total cap cost has been expended

⇒ SPV



⇒ Eligibility criteria.

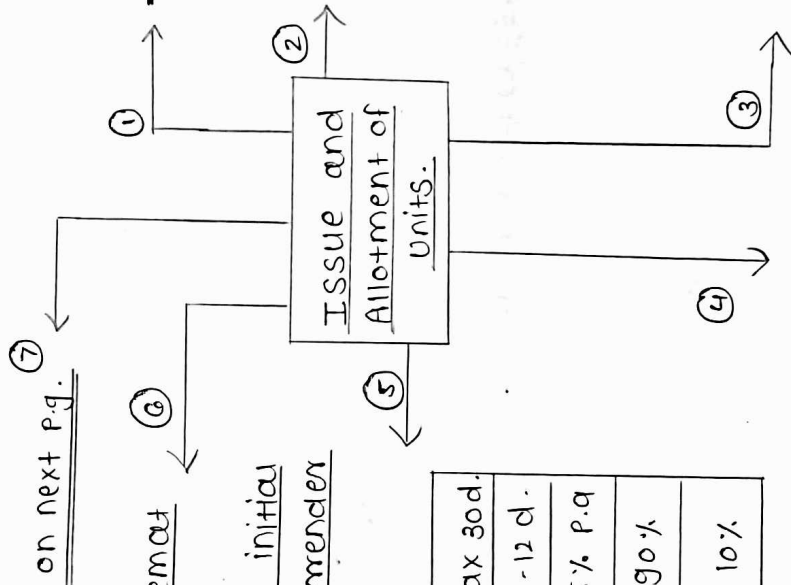


- SEBI - grant Regn.
- if →
- INVIT ✓
 - Sponsor ✓
 - Trustees ✓
 - Manager ✓
 - Trust deed ✓

→ points to know.

- No multiple classes of units of INVIT
- No superior voting right, However inferior DR can be issued
- All the parties → fit & proper person.

Issue & Allotment of Units.

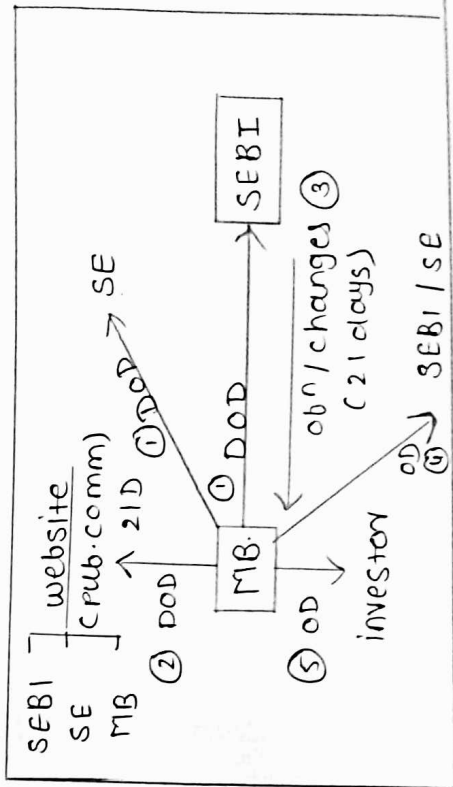


• only after Reg. under SEBI (InvIT) Reg. 2014

• Min offer size.	250 cr.
• Min value of Asset	500 cr.
• Min No. of Unitholders	20
• Min issue to Public	25%
• Max. subscription from any invt. Co other thn S/RP/A)	25%
• Min subscription	10k-15K

Draft offer Doc. and offer Doc.

• Offer period	max 30d.
• Allotment or Refund	w-12 d.
• int in case of failure	15% p.a
• Min subscription	90%
• max amt as per gen corpo. Purpose.	10%

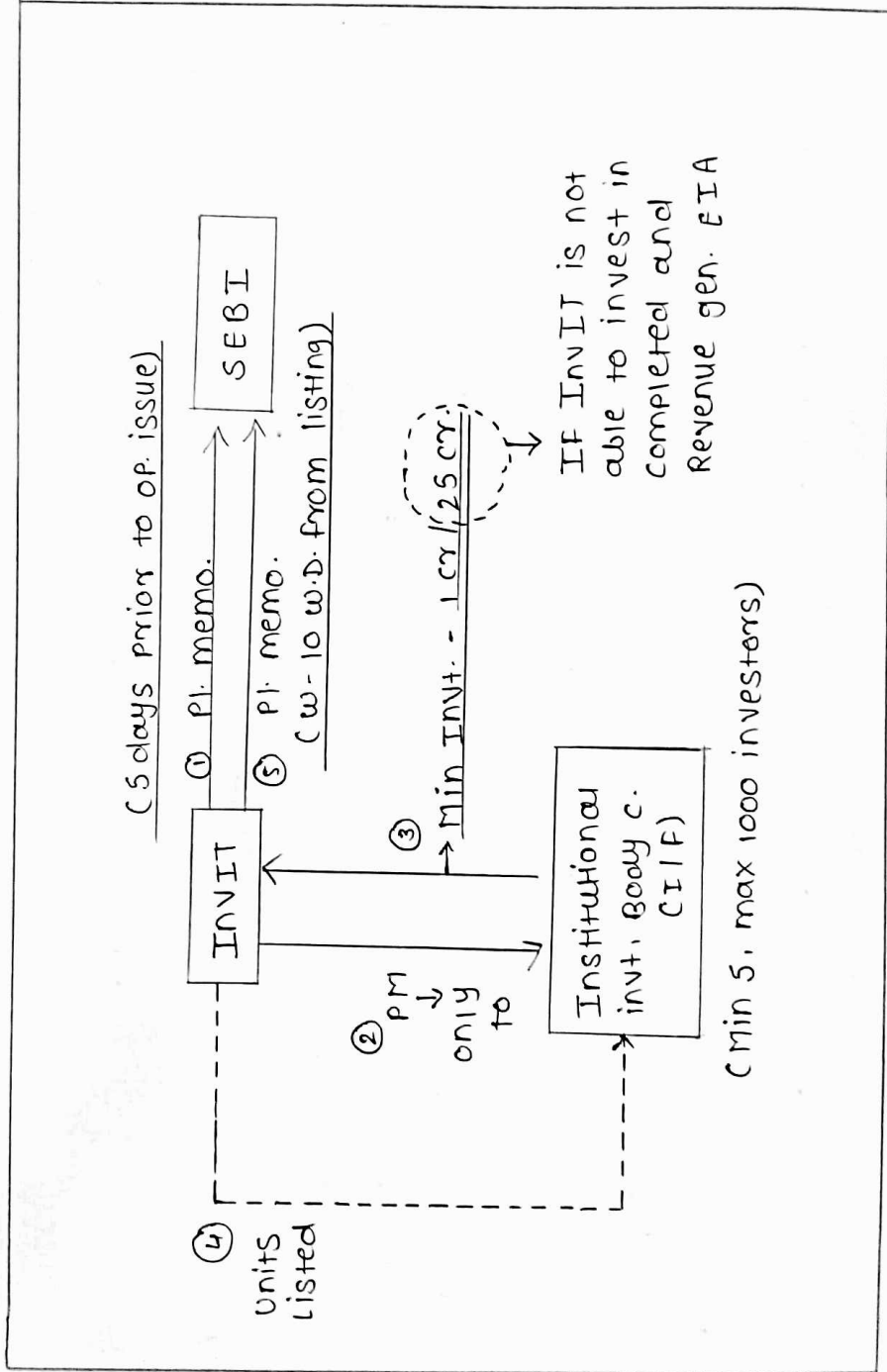


• InvIT - DOD -> SEBI

+ Filing Fees.

0.10% - IPO/FPO	Non Refund.
0.05% - Right I	

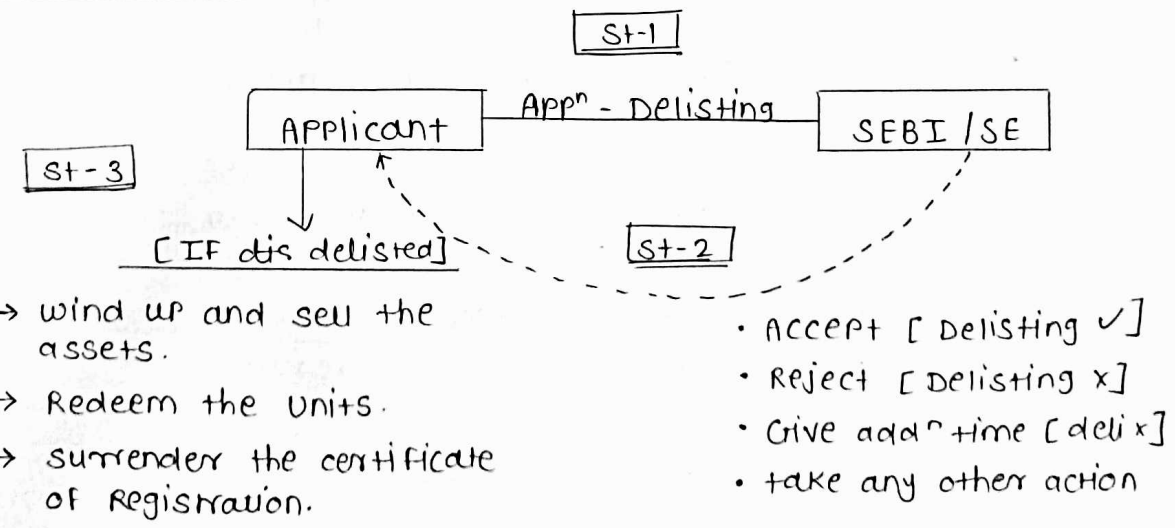
⑦ If the INVIT raises fund by way of
Private Placement.



⇒ Listing and trading of units.

<p>• <u>All units to be mandatorily listed</u></p> <ul style="list-style-type: none"> - <u>publicly offered units</u> - <u>privately placed units</u> 	<p><u>12 WD</u> - From closure of issue <u>30 WD</u> - from allotment</p>
<p>• <u>Trading Lot</u></p> <ul style="list-style-type: none"> - <u>publicly offered units</u> - <u>privately placed units.</u> 	<p>1 Unit 1 cr / (2cr) → IF INVIT is not able to invest 80% of its asset in Rev. gen. EIA</p>
<p>• <u>Minimum unit holders</u></p> <ul style="list-style-type: none"> - <u>Publicly offered units</u> - <u>Privately placed units</u> 	<p>20 5</p>
<p>• <u>Traded, cleared & settled.</u></p>	<p><u>AS PER BUY LAWS.</u></p>
<p>• <u>Min. Public shareholding</u></p>	<p>25%</p>
<p>• <u>Lock in for the pre issue UH</u></p>	<p>1 year</p>
<p>• <u>In case of non receipt of listing permission.</u></p>	<p><u>refund @ 15% P.a</u> From the dt. of allotment</p>

⇒ Delisting of units.



⇒ Grounds of Delisting.

- violation of minimum public holding.
- violation of Listing Agg / Reg / Act.
- In the int. of holders
- IF the no. of unit hol. falls below the limit.
- No project / asset remaining under INVIT for > 6m and INVIT does not propose to invest in any project (can be extended for 6m with app. of UH).
- Sponsor / trustee can apply for delisting. (with app. of UH.)
- Unit holders apply for delisting.

⇒ Investment condition and Distribution.

✓	INVIT shall only invest in hold co, SPV, PROP. sec. in INDIA.
<u>26%</u>	The ultimate holding int. of INVIT in the SPV not less than 26%.
<u>80%</u>	At least 80% of INVIT Asset to be invest. in - A] <u>Eligible infra project</u> → For INVIT - PVT. PI. B] <u>completed Rev. gen. EIP</u> → For INVIT - Pub. offer
<u>20%</u>	Not more than 20% of INVIT asset can be invested in - under const ⁿ project (max 10%) deb. sec (List / unlist), Listed eq. sh (80% infra) GS, MBS (mortgage backed sec)
3 yrs	<u>INVIT / hold co / SPV to hold any prop for at least 3 years.</u>
X	INVIT shall not invest in any other INVIT.
<u>10%</u>	For sale of PROP. exceeding 10% of value of INVIT, approval of UH is required.

⇒ Distribution.

- INVIT has to declare to distribute 90% of its cash flow to UH within 5 days from record date from the end of every 6 m. For publicly issued units.
- INVIT has to declare to distribute 90% of its cash flow to UH within 5 days from the record date from the end of every yr for privately placed units.
- If any property is sold by INVIT / hold co / SPV. the amount has to be distributed to UH by the INVIT does not propose to receive int. within 1 year.
- Undistributed amount to be transfer to IPEF by SEBI

⇒ Rights and meetings of UH.

• Rights of UH in INVIT

- Right to receive returns
- Right to vote on R.P matters
- Right to vote on matters - (APP / change → invt. manager)
- Right to vote on induction of a SPONSOR (OPP to exit diss voters)
- Right to vote on exit of SPON.
- Right to receive periodic discl.

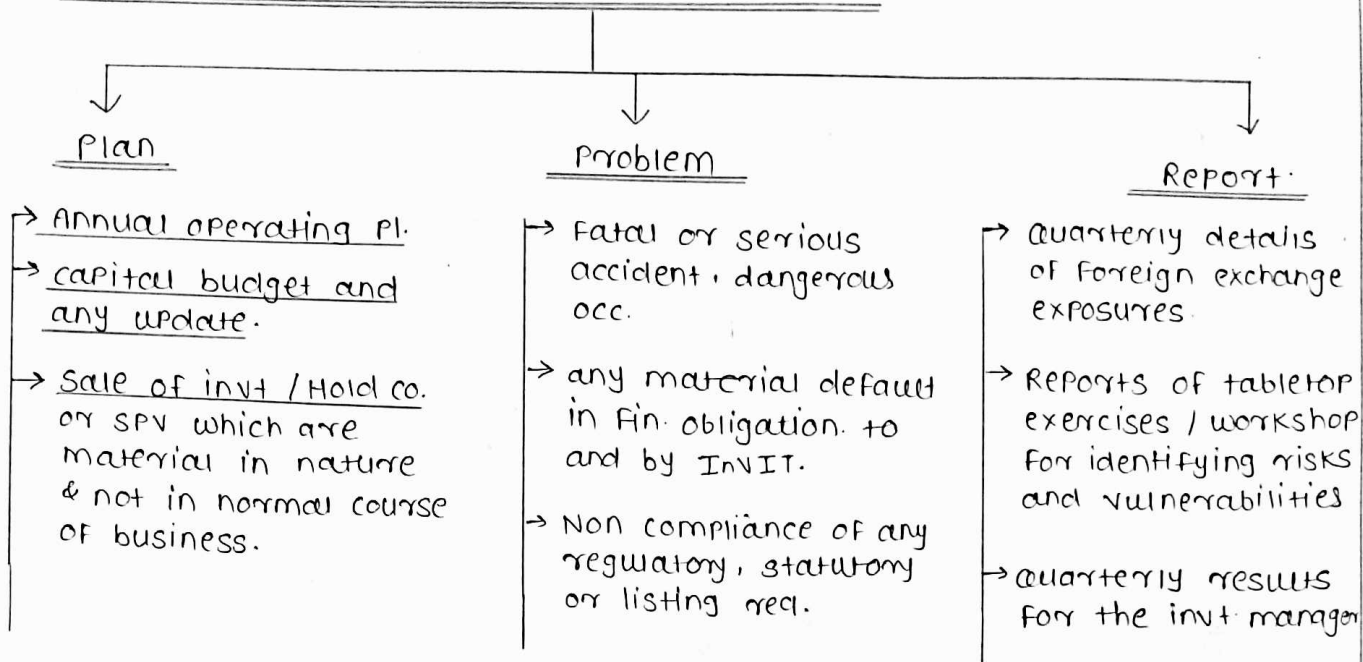
• Meetings of Unit holders.

- once in a year.
- within 120 days from the end of the yr (max gap sh. not exceed 15m betⁿ 2 meeting)
- 25% of UH in value (60% for removal of trustee) can apply to add any matter
- Transⁿ and required majority



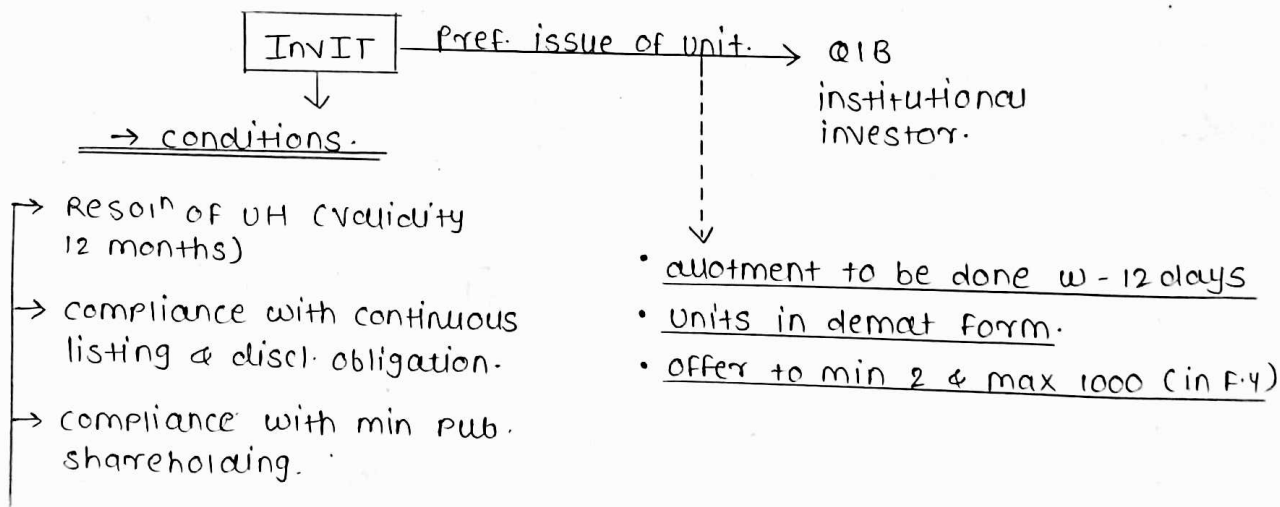
<ul style="list-style-type: none"> • For borrowing above the Limit. • For other transactⁿ above the Limit. • IF SP / IM requires approval of unit h. (For ordinary b'ness) • SE / SEBI requires approval of UH. 	<ul style="list-style-type: none"> • For delisting • <u>For change of</u> <ul style="list-style-type: none"> - Auditor - Valuer - Trustee - Manager • SP / IM requires app. of unit hol. (For other than or. b'ness) • SEBI / SE req. approval of UH. 	<ul style="list-style-type: none"> • For change in SP. or addⁿ of new SPONSOR. • If any unit hol. intends to buy more than 25% (Other than SP / RP / A)
<p>→ vote casted in Fav. ↓ to be more than vote casted against</p>	<p>Vote casted in Fav ↓ to be more than (1.5 times) → against</p>	<p>Resolⁿ to be app. by ↓ 75% UH in value</p>

⇒ Min information to be placed before I.M.

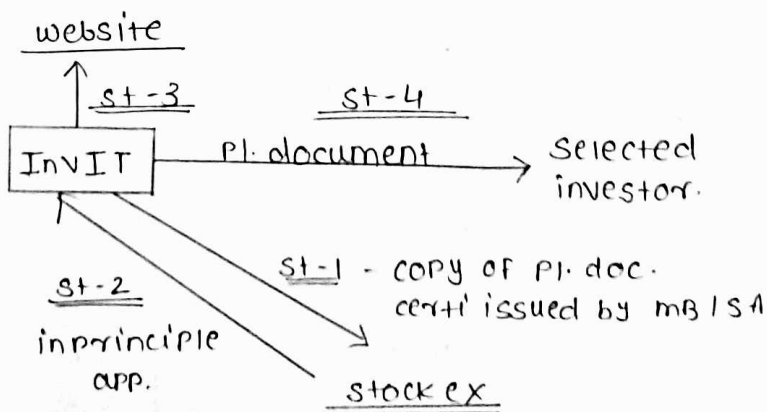


⇒ Guidelines for preferential issue of units by InvIT

1]



2] Placement document.



3] Pricing - Not less than average of weekly high and low of cl. price of pre. 2 weeks.

Adjustment can be made for.

- Right issue
- Similar events (which req. adj).

4] Restriction on allotment.

No pref. issue can be made to any party of InvIT or their related party [except for complying with min holding of sponsor]

5] Transferability of units.

Units can not be transferred for 1 year from allotment except on a Recognised Stock exchange.