भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Consultation Paper

Continuous disclosures to be made by Infrastructure Investment Trusts registered under the SEBI (Infrastructure Investment Trusts) Regulations, 2014

1. Real estate and infrastructure sectors are considered to be the two most fundamental sectors for the growth of any economy. They contribute to the economy directly by creating employment opportunities and stimulating demand, and indirectly by facilitating the growth of industries along such developments. Therefore, it can be seen that growth in the real estate or infrastructure has a multiplier effect on the general economy of any nation.

2. The Government of India's announcement of REITs and InvITs in the Union Budget 2014-2015 has been hailed as a potential game changing event for these sectors.

3. The SEBI (Infrastructure Investment Trusts) Regulations, 2014 (**InvIT regulations**) were notified on September 26, 2014. SEBI had also issued a circular dated May 11, 2016 prescribing guidelines for public issue of units of InvITs.

4. InvIT regulations, inter-alia, provide for initial listing requirements and certain continuous listing requirements to be complied with by the InvITs. The following continuous disclosures are outlined in the InvIT regulations itself:

i. Investment conditions and dividend policy
ii. Related party transactions
iii. Borrowings and deferred payments
iv. Valuation of assets
v. Rights and meetings of unit holders
vi. Certain disclosures with respect of price sensitive information

5. Regulation 23(2) of the InvIT regulations provide that a publicly offered InvIT shall ensure that the disclosures in the offer document are in accordance with the Schedule III of these regulations and any circulars or guidelines issued by the SEBI in this regard. In view of the same, it is proposed to provide certain additional disclosures (continuous financial disclosures and other continuous disclosures) to be made by the InvITs.

6. SEBI had constituted a committee comprising of members from the real estate and infrastructure industry, stock exchanges, investment banks, audit firm and law firm, which evaluated the continuous obligations under the InvIT regulations and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014 **(LODR Regulations)**. Further, another committee was also constituted by SEBI to evaluate the accounting norms for InvITs. The combined proposals, of both the above committees, is contained in this consultation paper.

These disclosures are contained herein in this paper under the following heads:

- **Part A**- Continuous financial disclosures to be made by the InvITs
- **Part B**- Other continuous disclosures to be made by the InvITs
- **Part C** - Framework for calculation of Net Distributable Cash Flows **(NDCFs):**

7. The InvIT regulations envisages the InvIT to hold the infrastructure assets through a special purpose vehicle (SPV) (which may be a company or a LLP) as well as directly. The consultation paper has been prepared keeping the above said fact in mind. Thus, depending upon the structure of holding of the infrastructure assets, the respective Acts i.e. the Companies Act, 2013/ LLP Act, 2008 shall be applicable on such structures, mutatis mutandis. Further, the consolidation of the accounts as envisaged in the paper shall be applicable only when the InvIT holds stake in the SPVs.

➢ **PART A - Continuous financial disclosures to be made by the InvITs**

8. **Frequency of disclosures:**

8.1. Regulation 10(22) of the InvIT regulations provides that the investment manager shall ensure that the accounts of the InvIT are audited by the auditor not less than twice annually and such report is submitted to the designated stock exchange within forty five days of end of financial year ending March 31st and half-year ending September 30th.

8.2. **Proposal**: As per the aforesaid regulations, the frequency of the disclosures to be made to the stock exchanges by an InvIT are minimum i.e only on a half yearly basis. Thus comments are being sought as to whether the disclosures may be made to the stock exchange(s) on a half yearly basis or be reduced to quarterly basis.

9. **Time period within which disclosures shall be made :**

9.1. The InvIT regulations do not, inter-alia, specify the time period within which disclosures have to be made to the stock exchanges by an InvIT. Here it is noted that a balance needs to be drawn between the time taken to prepare these statements and also the time within which disclosures need to be made to the stock exchange(s). Thus, it is proposed to provide the timelines within which the disclosures shall be made to the stock exchange(s).

9.2. **Proposal:** The time period within which disclosures of financial statements may be made to the stock exchanges by the InvIT may be either of the following options:

i. For disclosures, other than the annual disclosures, to be made to the stock exchange, such results would be submitted to the stock exchanges within 45 days of end of each quarter/half year as applicable.

ii. The audited standalone financial results for the financial year, would be submitted within sixty days from the end of the financial year along with the audit report.

10. <u>Financial statements which needs to be disclosed:</u>

10.1. In case of a company, the financial statements comprise of Balance Sheet, Profit and loss account, cash flow statement, notes to accounts, etc. These are required to be given on an annual basis.

10.2. **<u>Proposal</u>**: To ensure better dissemination of information to investors, it is proposed that the following may form part of financial statements to be submitted by InvIT :

10.2.1. Annual financial statements

i. Balance Sheet;
ii. Statement of Profit and Loss;
iii. Statement of Changes in Equity;
iv. Statement of Cash Flows;
v. Explanatory notes annexed to, or forming part of, any statements referred above

10.2.2. Other Financial Statements (Quarterly/Half yearly, as applicable)

i. Statement of Profit and Loss;
ii. Explanatory notes annexed to, or forming part of, any statements referred above

10.2.3. The InvIT would submit the above financial statements on both standalone and consolidated basis.

10.2.4. Financial statements of the investment manager and project manager would not be required to be given unless their net worth is reduced by 50% as compared to their net worth as on date of the last annual financial year end. In such cases, all the above financial statements as per paragraph 10.2.1 and 10.2.2 is required to be given.

11. Audited or limited review financial statements

11.1. It has been represented that it might be too onerous for the InvIT to carry out audit every half year, as getting the financial statements audited is a long drawn process which requires a considerable period of time. In view of the same, it is proposed to review the requirement with respect to the audit of the financial statements of InvIT, to provide an option to the InvIT as under:

11.2. **Proposal**: The InvIT may submit either half yearly audited results or unaudited results subject to limited review by the statutory auditor and shall be accompanied by the limited review report.

12. Accounting Standard to be followed

12.1. InvITs would attract international investors, hence the financial statements prepared by InvITs should be comparable internationally. Also, InvITs would have SPVs which would carry on the infrastructure activities. These SPVs can be in the form of a company or a LLP. In case these SPVs are in the form of a company, then the relevant accounting standards/Indian Accounting Standards would be applicable depending upon the relevant rules notified by the Ministry of Corporate Affairs. Similarly, for an LLP, the accounting standards as issued by the Institute of Chartered Accountants of India (ICAI) would be relevant.

12.2. **Proposal:** The accounting standards to be followed for preparation of financial statements of InvITs would be as under:

a. The financial statements for InvITs shall be prepared in accordance with the Indian Accounting Standards converged with the International Financial Reporting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. Additionally, InvITs shall also follow the relevant accounting standards, as prescribed by their sectoral regulators from time to time, with respect to the projects being executed by them.

b. For the SPV's, the requirements for preparation of financial statements of SPVs would be as applicable to them. However, for consolidation purposes, such entities would have to provide the financial information/data to the parent InvITs in accordance with the Ind AS.

13. Line items for financial statements:

13.1. In order to ensure consistency and uniformity in the presentation of the financial statements and provide a better understanding of the financials to the investors, it might be prudent to prescribe generic/basic minimum line items for the financial statements.

13.2. **Proposal:** Various lines items for each of the statements mentioned at paragraph 10.2.1 above would be as follows:

13.3. **Line items for Balance Sheet:**

I. Assets

a) Property, plant and equipment;
b) Capital work-in-progress
c) Investment property;
d) Intangible assets;
e) Financial assets
f) Inventories;
g) Other receivables;
h) Cash and cash equivalents;
i) Deferred tax assets;
j) Assets for current tax.

II. Equity and Liabilities

a) Unit capital;
b) Other payables;
c) Provisions;
d) Financial liabilities (excluding amounts shown under (b), (c), separately disclosing liabilities owed to sponsors;
e) Liabilities for current tax;
f) Deferred tax liabilities ;
g) Other liabilities

13.4. **Line items for statement of Profit and Loss account**

I.Incomes and gains:

a) Revenue from operations;
b) Dividend;
c) Interest;
d) Other income (indicating nature).

II.Expenses and losses:

a) Valuation expenses;
b) Audit fees;
c) Insurance & security expenses;
d) Project management fees

e) Depreciation on property, plant and equipment;
f) Amortization of intangible assets;
g) Finance Cost (Interest);
h) Custodian fees;
i) Registration fees;
j) Repairs and maintenance in case of infrastructure asset;
k) Other expenses

III. Profit or loss for the period before income tax

IV. Tax expense (current tax and deferred tax)

V. Profit or loss for the period after income tax

VI. Items of other comprehensive income

VII. Additional line items (if applicable)

a) Items that will not be reclassified to profit or loss
b) Income tax relating to items that will not be reclassified to profit or loss
c) Items that will be reclassified to profit or loss
d) Income tax relating to items that will be reclassified to profit or loss

VIII. Total comprehensive income for the period (III+IV) (Comprising profit (loss) and Other comprehensive income for the period)

13.5. **<u>Line items for the "Statement of changes in equity"</u>**

a) Total comprehensive income for the period;
b) For each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately (as a minimum) disclosing changes resulting from:
c) Profit or loss;
d) Other comprehensive income;
e) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners.

13.6. **Line items for the "Cash Flow Statement" :** Cash Flow Statement, shall be prepared in accordance with the requirements of Ind AS 7-"Statement of Cash Flows" and hence no line items would be prescribed.

13.7. **Auditor's report**

13.7.1. **Proposal:** The auditor shall state whether:

i. he has obtained all information and explanations which, to the best of his knowledge and belief, were necessary for the purpose of his audit;

ii. the Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account of the InvIT.

Further, the auditor shall give his opinion on standalone as well as consolidated financial statements, as to whether:

a) the Balance Sheet gives a true and fair view of the state of affairs of the InvIT as at the balance sheet date;
b) the statement of profit and loss gives a true and fair view of the surplus/deficit of the fund for the year/period ended at the balance sheet date
c) the cash flow statement gives a true and fair view of the cash movements of the InvIT for the year/period ended at the balance sheet date
d) the Statement of changes in equity gives a true and fair view of the movement of the unitholders funds for the year/period ended at the balance sheet date
e) the statement of net assets at fair value gives a true and fair view of the net assets attributable to the unitholders per unit at the balance sheet date
f) the statement of total return at fair value gives a true and fair view of the total return to the unitholders for the year/period ended at the balance sheet date.

13.8. **Other instructions which need to be followed while preparing the financial statements**:

a) Explanations and justification for project manager and investment manager fees charged;

b) The investments in each major infrastructure sub-sector, as defined by Ministry of Finance vide its notification no. 13/6/2009 dated October 07, 2013 as amended from time to time (which constitutes not less than 5% of the total investment in the major classification) together with the percentage thereof in relation to the total investment;

c) Financial statements shall contain the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the financial statements including notes except in the case of first financial statements of the InvIT after incorporation;

d) Financial statements shall disclose all 'material' items, i.e., the items if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size or nature of the item or a combination of both, to be judged in the particular circumstances;

e) Headings, line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of an InvIT's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the InvIT regulations or under the Indian Accounting Standards;

f) "Components of half- yearly financial statements" covered under the scope of Ind AS 34, Interim Financial Reporting, shall be prepared in accordance with that Ind AS in so far as these relate to preparation of condensed financial statements;

g) Contingent liabilities classified as:

(i) Claims against the trust not acknowledged as debt;
(ii) Guarantees excluding financial guarantees;
(iii) Other money for which the trust is contingently liable;
(iv) Any claims against InvIT pending litigation

h) Commitments classified as:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for;
(ii) Uncalled liability on shares and other investments partly paid including that of SPV;
(iii) Other commitments (specify nature).

i) In addition to the related party disclosures required under Ind AS 24, "Related Party Disclosures", the disclosures required under Regulation 19 of the InvIT regulations, shall also be made;

j) The earnings per unit shall be in accordance with Ind AS 33,"Earnings Per Share";

k) The market value of the units traded on all the designated stock exchanges where InvIT is listed:

(i) on the last date of reporting period;
(ii) highest value during reporting period based on intra-day and on closing price with specified date; and

(iii) lowest value during reporting period intra-day and on closing price with specified date

l) Profit/(loss) on sale/redemption of investments and profit/(loss) on sale/ of infrastructure assets should be shown on a gross basis; and

m) Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher, in addition to the consideration of 'materiality' as specified in clause 13.8(d) shall be disclosed separately either on the face of financial statements or in the notes.

14. Manner of approval and authentication of financial statements:

In order to ensure that the financial statements of the InvIT are approved and authenticated by its competent authority, it is proposed to lay down the provisions governing the same.

14.1. **Proposal:** The approval and the authentication of financial results shall be done by the InvIT in the following manner:

i. The financial results to be submitted to the stock exchange shall be signed by two designated personnel of the investment manager certifying that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which makes the statements or the figures contained therein misleading.

ii. Subsequent to the previous step, the chairman of the Board of Directors of the investment manager shall sign on the financial statements.

15. Obligation to maintain proper books of account and records, documents etc.

15.1. Section 128 of the Companies Act, 2013 provides for the maintenance of books of accounts and also requires that the books of accounts of the company shall be maintained for a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account.

15.2. **Proposal:** Every InvIT shall maintain proper books of account, records and documents etc. relating to a period of not less than eight financial years immediately preceding a financial year, or where the InvIT had been in existence for a period of less than eight years, in respect of all the preceding years.

➢ **PART B- Other continuous disclosures to be made by the InvITs**

16. Listing Agreement

16.1. Regulation 23(7) of the InvIT regulations specifies that the InvIT shall also submit such information to the designated stock exchanges and unit holders on a periodical basis as may be required under the listing agreement.

16.2. SEBI vide its circular dated October 13, 2015 has specified the format of an uniform listing agreement. However the uniform format specified therein draws a reference to LODR regulations and circulars issued there under. It is stated that for listing purposes of InvIT, the reference to the LODR regulations in the said circular would be replaced by a reference to InvIT regulations and circulars issued thereunder.

16.3. **Proposal**: InvITs shall enter into a simplified listing agreement with the designated stock exchange, as specified under the aforesaid SEBI circular. However, with respect to compliance with the listing conditions, instead of following the LODR regulations, InvITs shall follow the InvIT regulations.

17. Disclosure of Related Party Transactions (RPTs):

17.1. Regulation 19 of the InvIT regulations contains comprehensive provisions with regards to the RPTs. Further, regulation 19(2) of the said regulations requires that all the RPTs of an InvIT shall be disclosed to the designated stock exchange(s)and the unit holders periodically in accordance with the listing agreement and these regulations.

17.2. **Proposal**: It is clear that regulation 19 of the InvIT regulations are quite exhaustive in nature and further provisions governing the RPTs may not be required. However, it is proposed that the following disclosures with respect to the RPTs, may be made by the InvIT.

a) RPTs being acquisition/disposal of assets with details specified as under or any other matter requiring unit holder approval shall be promptly intimated to the stock exchange after the approval thereof by the board of directors of the Investment manager:

i. Details of related party and its relationship with InvIT;
ii. Nature of the transaction;
iii. Value of the transaction;
iv. Summary of valuation report;
v. Current yield and the impact of the acquisition/disposal on the yield of the units of InvIT;
vi. Material conditions or obligations in relation to the transaction;

vii. Rate of interest, if external financing has been obtained for the transaction/acquisition; and

viii. Any fees or commissions received or to be received by any associate of the related party in relation to the transaction.

18. <u>Disclosure of Unit holding pattern</u>

18.1. In order for the unitholders to understand the holding pattern in InvITs, it is necessary that the unitholder pattern is available in the public domain. The disclosure of the unit holding pattern would provide a broad picture of the number of units and the corresponding amounts held by the different class of unitholders for the units held by them.

18.2. **<u>Proposal:</u>** It is proposed that the unit holding pattern shall be disclosed separately for each class of unitholders, within the following periods in the format mentioned below:

i. One day prior to listing of units on the stock exchanges;
ii. On quarterly basis, within 21 days from the end of each quarter; and
iii. Within 10 days of any capital restructuring of InvIT resulting in a change exceeding 2% of the total outstanding units of InvIT.

<u>Statement showing Unit Holding Pattern of InvIT</u>

Category	Category of Unitholder	No. of Units Held	As a % of C
(A)	**Sponsor & Sponsor Group**		
(1)	**Indian**		
(a)	Individuals / HUF		
(b)	Central/State Govt.		
(c)	Financial Institutions/Banks		
(d)	Any Other (specify)		
	Sub- Total (A) (1)		
(2)	**Foreign**		
(a)	Individuals (Non Resident Indians / Foreign Individuals)		
(b)	Foreign government		
(c)	Institutions		
(d)	Foreign Portfolio Investors		
(e)	Any Other (specify)		
	Sub- Total (A) (2)		

	Total unitholding of Sponsor and Sponsor Group (A) = (A)(1)+(A)(2)		
(B)	**Public Holding**		
(1)	**Institutions**		
(a)	Mutual Funds		
(b)	Financial Institutions/Banks		
(c)	Central/State Govt.		
(d)	Venture Capital Funds		
(e)	Insurance Companies		
(f)	Provident/pension funds		
(g)	Foreign Portfolio Investors		
(h)	Foreign Venture Capital investors		
(i)	Any Other (specify)		
	Sub- Total (B) (1)		
(2)	**Non-Institutions**		
(a)	Central Government/State Governments(s)/President of India		
(b)	Individuals		
(c)	NBRCs registered with RBI		
(d)	Any Other (specify)		
	Sub- Total (B) (2)		
	Total Public Unitholding (B) = (B)(1)+(B)(2)		
	Total Units Outstanding (C) = (A) + (B)		

19. **<u>Prior Intimations and disclosure of material and price sensitive information:</u>**

19.1. Regulation 23(6) of the InvIT regulations requires that the investment manager shall disclose to the stock exchange certain price sensitive information such as acquisition or disposal of projects, additional borrowing at level of SPV/InvIT, legal proceedings, etc.

19.2. **<u>Proposal:</u>**

A. **<u>Prior Intimation:</u>** Two working day prior intimation may be given to the stock exchanges about the meeting of the Board of Directors of the investment manager at which the following is due to be considered:

a) financial results viz. quarterly or half yearly or annual, as the case may be;

b) declaration/ recommendation of half yearly and annual distribution;
c) issue of any additional units i.e any further issuance of units, rights issue, bonus issue, etc;
d) proposal for buy back of units; and
e) proposal for voluntary delisting from the stock exchange(s)

B. **Material and price sensitive information:** Further, InvIT shall also disclose the following material and price sensitive information:

a) initiation or material update of any litigation in relation to any infrastructure asset of the InvIT;
b) appointment or removal of the investment manager, project manager, auditors or valuer;
c) any material amendment to the trust deed or investment management agreement;
d) any change in investment strategy from the last disclosed investment strategy along with the reasons for the same and any change to the existing right of first refusal/offer granted to InvIT.

19. Credit Rating:

19.1. Regulation 20(2)(a)of the InvIT regulations provide that if the aggregate consolidated borrowings and deferred payments of the InvIT net of cash and cash equivalents exceed twenty five per cent. of the value of the InvIT assets, for any further borrowing, then credit rating shall be obtained from a credit rating agency registered with the Board;

19.2. **Proposal:** Every rating wherever required to be obtained under the InvIT regulations by InvITs with respect to the units shall be reviewed once a year, by the registered credit rating agency.

20. Composition of the Board of Directors of SPVs:

20.1. InvIT regulations provide that the SPV means any company or LLP in which the InvIT holds or proposes to hold controlling interest and not less than fifty per cent of the equity share capital. The role of SPV is very important for the InvIT, thus it is proposed to have certain governance requirements for SPVs in addition to what has been prescribed in the InvIT regulations.

20.2. **Proposal:** The Investment manager, in consultation with the trustee, shall appoint one or more authorized representative on the Board of Directors/Governing Board of the SPV. and the number of such authorized representatives would be on pro-rata basis depending on the stake held in the SPV excluding director(s) nominated by government/ government undertaking for pro-rata calculation.

21. Website of InvIT:

21.1. In the age of technology and internet, it is considered imperative for every functional entity to have an operational website of its own for dissemination of information to the public at large and its own stakeholders. This, in a way reduces the need for the entity to send hard copies of information/data relevant to its business to its stakeholders, as the same can be accessed on its website. In view of the same, it is indicated that InvIT may have its own website where it can display information/details/data with respect to the functioning of its business.

21.2. **Proposal:** It is proposed that the InvIT shall maintain a functional website wherein the contents of the said website would be updated upto 2 days and the website would contain the relevant information about InvITs including the following:

a) Details of its business;
b) Financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, etc.;
c) Contact information of the designated officials of the company who are responsible for assisting and handling investor grievances;
d) Email ID for grievance redressal and other relevant details;
e) Information, report, notices, call letters, circulars, proceedings, etc. concerning units;
f) All information and reports including compliance reports filed by InvITs with respect to units; and
g) All intimations and announcements made by InvITs to the stock exchanges .

➢ **Part C - Framework for calculation of Net Distributable Cash Flows (NDCFs):**

22. Net Distributable Cash Flows

22.1. Regulation 18(6) of the InvIT regulations, inter alia, states that;

a) not less than ninety per cent. of net distributable cash flows of the SPV shall be distributed to the InvIT in proportion of its holding in the SPV subject to the applicable provisions in Companies Act, 2013 or Limited Liability Partnership Act, 2008;

b) not less than ninety per cent. of net distributable cash flows of the InvIT shall be distributed to the unit holders;

Thus, the regulation requires both the SPV and the InvITs to distribute atleast 90% of

NDCFs. However, in absence of any definition of the NDCF, clarifications were been sought and therefore in order to provide clarity and consistency, a broad framework for computation of NDCFs is proposed.

22.2. **Proposal**

The proposed framework is intended to be a broad guidance and every InvIT/Investment Manager shall define net distributable cash flows for itself. The definition as decided by InvIT/Investment manager should be :

a) subject to compliance with Companies Act, 2013 or Limited Liability Partnership Act, 2008, or any Central Government Act, as applicable; and
b) shall be disclosed in offer document and should be followed consistently pursuant to listing.

The framework shall be followed in so far as whatever is applicable to the SPV/InvIT, for e.g. the sale of infrastructure assets under SPV may not be possible under certain kind of concession agreements and therefore such head under distribution may be kept blank, etc.

22.3. The broad framework for calculation NDCF at the standalone SPV level and the InvIT level shall be as under:

Calculation of Net Distributable Cash Flows at the standalone SPV level:

Description	Amount
Profit after tax as per profit and loss account (standalone) (A)	Xx
Add: Depreciation and amortisation as per profit and loss account	Xx
Add/less: Loss/gain on sale of Infrastructure Assets	xx
Add: Proceeds from sale of Infrastructure Assets adjusted for the following: • related debts settled or due to be settled from sale proceeds • directly attributable transaction costs • proceeds reinvested or planned to be reinvested as per para 18 (7) (a) of the InvIT Regulations	xx
Add: Proceeds from sale of Infrastructure Assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently	xx
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/increase in carrying amount of an asset or of a	Xx

Description	Amount
liability recognised in profit and loss account on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognised on a straight line basis, etc.	
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager	xx
Total Adjustments (B)	xx
Net Distributable Cash Flows (C)=(A+B)	xx

Calculation of Net Distributable Cash Flows at the Consolidated InvIT level:

Description	**Amount**
Profit after tax as per profit and loss account (consolidated) (A)	xx
Add: Depreciation and amortisation as per consolidated profit and loss account	xx
Add/less: Loss/gain recognised on sale of Infrastructure Assets or equity shares or interest in SPV	xx
Add: Proceeds from sale of Infrastructure Assets or equity shares or interest in SPV adjusted for the following: • related debts settled or due to be settled from sale proceeds • directly attributable transaction costs • proceeds reinvested or planned to be reinvested as per para 18 (7) (a) of the InvIT Regulations	xx
Add: Proceeds from sale of Infrastructure Assets or equity shares or interest in SPV not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently	xx
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/increase in carrying amount of an asset or of a liability recognised in profit and loss account on measurement of the asset or the liability at fair value, interest cost as per effective interest rate method, deferred tax, lease rents recognised on a straight line basis, etc.	xx
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager	xx
Total Adjustments (B)	xx
Net Distributable Cash Flows (C) = (A+B)	**xx**

Public Comments

i. In light of the above, public comments are invited on the proposals contained in the consultation paper. The comments/ suggestions may be provided in the format given below:

Name of entity / person / intermediary/ Organization			
Sr. No.	Pertains to Point No.	Suggestions	Rationale

ii. Further, comments may also be forwarded by email to **invitd@sebi.gov.in** or may be sent by post to the following address latest by June 28, 2016.

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