



CIR/IMD/DF/127/2016

November 29, 2016

To
All Infrastructure Investment Trusts (InvITs)
All Parties to InvITs
All Stock Exchanges

Dear Sir / Madam,

Sub: Continuous disclosures and compliances by InvITs

1. Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 prescribe disclosures to be made by an InvIT to the Stock Exchange(s) where its units are listed. The said disclosures, inter-alia, include disclosures for financial as well as non-financial information.
2. With reference to the aforesaid Regulations, the requirements for disclosure of financial information and pertinent compliances on continuous basis are placed at '**Annexure - A**', and the requirements for disclosure of non-financial information and pertinent compliances on continuous basis are placed at '**Annexure - B**'.
3. This Circular is issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992 read with Regulation 33 of InvIT Regulations.
4. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and under the drop down "Circulars".

Yours faithfully,

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Disclosure of Financial information to Stock Exchanges

(A) Financial Information of InvIT:

While disclosing its financial information to the Stock Exchanges, an InvIT shall comply with the following:

1. Frequency and Time period for disclosures:

1.1. An InvIT shall submit its half yearly and annual financial information to the Stock Exchanges.

1.2. The financial information shall be submitted to the Stock Exchanges within the following time period:

- (a) The financial information of the first half year period of the financial year, shall be submitted within 45 days from the end of the half year.
- (b) The annual financial information shall be submitted within 60 days from the end of the financial year.
- (c) The financial information of the second half year period of the financial year, shall be submitted along with the annual financial information.

The said information shall be submitted with a note stating that the figures of the second half year period are the balancing figures of the figures of the full financial year reduced by the figures of the first half year period.

2. Nature of financial information

2.1. The financial information shall be disclosed on both standalone as well as consolidated basis.

3. Comparative information

3.1. The annual financial information shall contain comparative information for the immediately preceding financial year.

The half yearly financial information shall contain comparative information for the immediately preceding half year as well as for the corresponding half year in the immediately preceding financial year.

3.2. The comparative information would consist of corresponding amounts (comparative figures) for all the items shown in the key financial statements (as specified in



Paragraph 5 below), including notes, and for the additional disclosures (as specified in Paragraph 6 below), to the extent applicable.

3.3. In cases where the InvIT was not in existence in the previous corresponding reporting period(s) mentioned at Paragraph 3.1 above, then the comparative information may not be provided and the said fact shall be clearly disclosed.

4. Basis of preparation of financial information

4.1. The financial information shall be prepared on the basis of accrual accounting policy and shall be in accordance with uniform accounting practices adopted for all the periods.

4.2. The financial information shall be prepared in accordance with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015.

Additionally, InvITs shall also follow relevant accounting laws, as prescribed by their sectoral regulators, with respect to the projects being executed by them.

For HoldCos / SPVs owned by InvIT, these entities may prepare financial statements in accordance with accounting standards and laws applicable to them. However, for consolidation purposes, consolidated financial information of InvIT in accordance with Ind AS should be disclosed.

4.3. In addition to the financial information in accordance with Ind AS as mentioned at Paragraph 4.2 above, the InvIT may, if it so desires, also submit the financial information as per the International Financial Reporting Standards.

5. Key Financial Statements:

5.1. The financial information presented by the InvIT can be in the form of condensed financial statements. Such financial information shall comply with the minimum requirements for condensed financial statements as described in Ind AS 34 on 'Interim Financial Reporting', to the extent applicable.

5.2. The annual financial information shall include the following financial statements:

- (a) Balance Sheet;
- (b) Statement of Profit and Loss/Income and Expenditure;
- (c) Statement of Changes in Unit holders' Equity;
- (d) Statement of Cash Flows;
- (e) Statement of Net Assets at Fair Value;



- (f) Statement of Total Returns at Fair Value;
- (g) Explanatory notes annexed to, or forming part of, any statements referred above

5.3. The half yearly financial information shall include the following financial statements

- (a) Statement of Profit and Loss/Income and Expenditure;
- (b) Explanatory notes annexed to, or forming part of, any statements referred above.

5.4. For the key financial statements listed above, the minimum information to be disclosed shall be as specified in Section H of Annexure-A to the SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 on 'Disclosure of financial information in offer document/placement memorandum'.

5.5. Financial statements shall disclose all 'material' items, i.e., the items if they can, individually or collectively, influence the economic decisions made on the basis of the financial statements.

For determining materiality, the InvIT shall be guided by Paragraph 3.5 in Section A of Annexure-A to the SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 on 'Disclosure of financial information in offer document/placement memorandum'.

5.6. In cases of any sale/redemption of any holdings/investments in underlying SPV(s)/HoldCo(s) or any sale of infrastructure assets by the InvIT, the profit/loss on such transactions should be shown on a gross basis

6. Additional disclosures while submission of financial information

In addition to the key financial statements referred in Paragraph 5 above, the following disclosures shall also be included as a part of both the half yearly as well as the annual financial information unless otherwise specified. Further, the below mentioned disclosures shall also be subjected to audit/limited review if applicable:

6.1. Statement of Net Distributable Cash Flows (NDCFs):

An InvIT shall disclose statements of NDCFs of the InvIT as well as of all the underlying HoldCos and SPVs. Such statements shall be prepared in accordance with, the definition of NDCFs and the framework for calculation of NDCFs, as defined by the InvIT/Investment Manager and as disclosed in the offer document.

6.2. Investment Manager and Project Manager Fees:

- (a) Explanations and justification for the fees paid to the Investment Manager and the Project Manager, including details about methodology for computation of the fees.

- (b) Whether there has been any material change (materiality to be judged and determined by trustees in light of various pertinent factors including but not restricted to the size of InvIT, amount of change, prevailing circumstances, etc.) in the fees paid to project manager and investment manager compared to the previous reporting period? If yes, detailed reasons and information thereof.

6.3. Sub-sector investments:

If the InvIT holds assets (whether directly or through its HoldCo(s)/SPV(s)) in more than one infrastructure sectors/sub-sectors, then it shall disclose a breakup of the investments across all sectors/sub-sectors clearly showing investments in each major sector/sub-sector (major sector/sub-sector would constitute not less than 5% of the total investment in the major classification) together with the percentage thereof in relation to the total investment.

For determining the infrastructure sectors/sub-sectors, the InvIT shall be guided by latest notifications and any other communications by Ministry of Finance.

6.4. Changes in Accounting policies:

In cases of changes in accounting policies, if any, InvIT shall make adequate disclosures required as per the applicable accounting laws (including Ind AS 8 issued by the ICAI).

6.5. Disclosures related to Modified Opinion(s)

The below mentioned disclosures would be required only in case of annual financial information of the InvIT:

- (a) If the auditor has expressed any modified opinion(s) in respect of the audited annual financial information of the InvIT, then the InvIT, while submitting such financial information to the Stock Exchange(s), shall file a “Statement on Impact of Audit Qualifications” disclosing such modified opinion(s) and the cumulative impact of the same in the format as specified in Annexure I to the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

With respect to the format referred in the aforementioned Circular, the reference to “Earnings per Share” and ‘Management’ should be construed as a reference to ‘Earnings per Unit’ and ‘Board of Directors/Governing Body of the Investment Manager’ respectively.

Further, the aforementioned statement on impact of audit qualifications shall be signed by the following:



- Chairperson/CEO/MD of the Investment Manager
- CFO or the Head of the Finance of the Investment Manager
- Statutory Auditor

(b) If the auditor had expressed any modified opinion(s) or other reservation(s) in his audit report or limited review report in respect of the financial results of the immediately preceding financial year or half year, which had an impact on the profit or loss of that period, then the InvIT shall disclose the following:

- Brief details of the past modified opinion modified opinion(s) or other reservation(s)
- Whether such modified opinion(s) or other reservation(s) have been resolved
 - If yes, details thereof
 - If no, the reasons thereof and the steps which the InvIT intends to take in the matter

6.6. Other Statements:

(a) The InvIT shall also disclose the following statements:

- Statement of Earnings per Unit:
- Statement of Contingent liabilities:
- Statement of Commitments:
- Statement of Related party transactions

(b) The details and the basis of disclosures for the above statements shall be same as specified in Paragraph 4 in Section A of Annexure-A to the SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 on 'Disclosure of financial information in offer document/placement memorandum'.

7. **Approval and authentication of financial information:**

Before submission of the financial information to the Stock Exchanges, the financial information shall be shall be approved by the Board of Directors/Governing Body of the Investment Manager and shall be authenticated and signed in the following manner:

7.1. The financial information shall be signed by two designated personnel of the Investment Manager certifying that the financial information 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.



7.2. Subsequent to the above, the financial information shall be signed by the Chairperson or the Managing director/partner or the Whole time director/partner on the Board of Directors/Governing Body of the Investment Manager and in the absence of all of them; it shall be signed by any other director/partner of the Investment Manager who is duly authorized by the Board of Directors/Governing Body to sign the financial information.

8. Audit of Financial Information:

8.1. The annual financial information shall be audited, whereas the half yearly financial information may be either audited or unaudited. In case the InvIT opts to submit unaudited financial information, the same shall be subject to limited review by the auditor of InvIT.

8.2. The audit/limited review shall be carried out by the auditor appointed for the InvIT as per the InvIT regulations.

The auditor, so appointed, shall be the one who has subjected itself to the peer review process of the Institute of Chartered Accountants of India ('ICAI') and who holds a valid certificate issued by the Peer Review Board of ICAI.

8.3. In case the financial information is audited, it shall comply with all the requirements specified in Paragraph 5 in Section A of Annexure-A to the SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 on 'Disclosure of financial information in offer document/placement memorandum', to the extent applicable, and the audit report shall contain disclosures stated therein.

In addition to the auditor's opinion on the matters specified in Paragraph 5.1 (e) in Section A of Annexure-A to the aforementioned SEBI Circular, the auditor shall also give his opinion on the following:

- i. whether the statement of NDCF's gives a true and fair view of NDCF's for the years/periods ended at the balance sheet dates

8.4. The financial information submitted to the Stock Exchanges shall be accompanied with Audit Report or Limited Review Report, as the case may be.

(B) Financial information of Investment Manager

1. Along with the annual financial information of InvIT, an InvIT shall disclose summary of the audited consolidated financial statements (including the Balance Sheet and Statement of Profit and Loss (without schedules)) of Investment Manager for the latest financial year, along with comparative figures for the immediate preceding financial



year, prepared in accordance with the accounting standards and laws, as applicable for the Investment Manager.

2. The above information may not be disclosed if the Investment Manager's Net worth is not materially eroded (Material erosion shall be judged by the Trustees in light of various pertinent factors including but not restricted to size of InvIT, size of Investment Manager, amount of Net worth erosion, prevailing circumstances, etc.) when compared to its Net worth as per its last disclosed financial statements by the InvIT.

If the financial information of Investment Manager is not disclosed because of the fact that there is no material erosion in the net worth as compared to the net worth as per the last disclosed financial statements, the said fact shall be clearly disclosed.

(C) Obligation to maintain proper books of account and records, documents etc.

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.

Other Continuous Disclosures to Stock Exchanges and Other Compliances

1. Listing Agreement:

1.1. InvIT shall enter into a simplified listing agreement, with all the Stock Exchanges where it proposes to list its units, in lines with the format as specified under the SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 on 'Format of uniform Listing Agreement'.

1.2. However, with respect to the compliance with the listing conditions, InvIT shall follow the InvIT regulations and circulars issued therein.

2. Disclosure of Unit holding pattern:

2.1. An InvIT shall disclose its Unit holding pattern for each class of unit holders, as applicable, within the following time periods, as applicable:

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

2.2. The Unit holding pattern shall be disclosed in the following format:

Category	Category of Unit holder	No. of Units Held	As a % of Total Outstanding Units
(A)	Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties		
(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 unit holding of Sponsor & 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)	NBFCs registered with RBI		
(d)	Any Other (specify)		
	Sub- Total (B) (2)		
	Total Public Unit holding (B) = (B)(1)+(B)(2)		
	Total Units Outstanding (C) = (A) + (B)		

3. Review of Credit Rating:

- 3.1. Every credit rating, wherever required to be obtained by an InvIT as per Regulation 20 (2) of the InvIT regulations, shall be reviewed once a year, by the registered credit rating agency.
- 3.2. The credit rating review shall be completed annually within 30 days from the end of the financial year. Further, immediately upon completion of the credit rating review exercise and upon the receipt of the credit rating report, an intimation along with all pertinent information should be made to the Stock Exchanges.



4. Website of InvIT:

4.1. An InvIT shall maintain a functional website wherein the contents of the said website should be updated up to last 2 days and the website which should contain all the relevant information about InvIT, inter-alia, including the following:

- Details of its business;
- Financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, etc.;
- Contact information of the designated officials of the company who are responsible for assisting and handling investor grievances;
- Email ID for grievance redressal and other relevant details;
- Information, report, notices, call letters, circulars, proceedings, etc. concerning units;
- All information and reports including compliance reports filed by InvIT with respect to units; and
- All intimations and announcements made by InvIT to the stock exchanges
- Any other information which may be relevant for the investors

4.2. Further, the contents of the website should be updated within 2 days of any changes / developments which trigger a need for an update on the website.

5. Grievance Redressal Mechanism:

5.1. InvIT shall ensure that adequate steps are taken for expeditious redressal of investor complaints.

5.2. InvIT shall ensure that it is registered on the SCORES platform or such other electronic platform or system of the Board as shall be mandated from time to time, in order to handle investor complaints electronically in the manner specified by the Board.

5.3. InvIT shall file with the recognized stock exchange(s), where its units are listed, on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the following details

- Number of investor complaints pending at the beginning of the quarter
- Number of investor complaints received during the quarter
- Number of investor complaints disposed of during the quarter
- Number of investor complaints pending at the end of the quarter



5.4. The Trustee and the Board of Directors/Governing Body of the Investment Manager, shall review the aforementioned statement, before submission of the same to the Stock Exchange(s), and shall ensure that all investor complaints are redressed by the Investment Manager in timely manner.

6. Statement of deviation(s) or variation(s)

6.1. The InvIT shall submit to the recognized stock exchange(s), where its units are listed, the following statement(s) on a quarterly basis for any private issue, public issue, rights issue, preferential issue, etc.:

- a) Statement indicating deviations, if any, in the use of proceeds from the objects stated in the offer document/placement memorandum or explanatory statement to the notice for the general meeting, as applicable;
- b) Statement indicating category wise variation between projected utilization of funds made by it in its offer document/placement memorandum or explanatory statement to the notice for the general meeting, as applicable and the actual utilization of funds.

6.2. The statement(s) specified above, shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Such statement(s) shall also be placed before the Trustee and the Board of Directors/Governing Body of the Investment Manager for review. Pursuant to such review, the statement shall be submitted to the stock exchange(s). Such submission to the Stock Exchange(s) shall be made within twenty one days from the end of each quarter

6.3. InvIT shall furnish an explanation for the aforementioned variation in its Annual report.

6.4. InvIT shall prepare an annual statement of funds utilized for purposes other than those stated in the offer document/placement memorandum or explanatory statement to the notice for the general meeting, certified by the statutory auditors of the InvIT, and place it before the Trustee and the Board of Directors/Governing Body of the Investment Manager till such time the money raised through the issue has been fully utilized.