WIP (INDIA) PRIVATE LIMITED

CIN: U67190MH2010PTC202800

Registered Office: Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India | **Tel No.:** +91 22 6600 0700 | **Fax No.:** +91 22 6600 0777 | **Email:** compliance@pipelineinfra.com

August 31, 2020

To,
BSE Limited
Listing Department,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400001

Sub.: **Annual Report of India Infrastructure Trust ("Trust") for the financial year 2019-20 and intimation of 2nd Annual General Meeting of the Trust**

Ref.: **(1) India Infrastructure Trust (Scrip Code 542543)**
(2) Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI InvIT Regulations") read with SEBI circular bearing reference no. SEBI/HO/DDHS/CIR/P/ 2020/42 dated March 23, 2020 and SEBI circular bearing reference no. SEBI/HO/DDHS/DDHS/CIR/P/2020/114 dated July 1, 2020 ("SEBI Circulars")

Dear Sir/ Madam,

Pursuant to Regulation 23 of SEBI InvIT Regulations read with Schedule IV and aforesaid SEBI Circulars, please find attached the Annual Report of the Trust for the financial year 2019-20.

Further, please note that the Second Annual General Meeting of the Unitholders of the Trust will be convened on Friday, September 25, 2020 at 11:00 a.m. through Video Conferencing or Other Audio Visual Means, in accordance with the SEBI circular bearing reference no. SEBI/HO/DDHS/DDHS/CIR/P/2020/102 dated June 22, 2020.

Also, further to our intimation letter dated June 29, 2020, the summary of the audited consolidated financial statements of PenBrook Capital Advisors Private Limited, the erstwhile investment manager of the Trust (up-till March 31, 2020) forms part of the attached Annual Report.

We request you to kindly take the above on record.

For **India Infrastructure Trust**

WIP (India) Private Limited
(acting in its capacity as the Investment Manager of India Infrastructure Trust)

Nehajalan

WIP (India) Private Limited

Neha Jalan
Compliance Officer

CC: **Axis Trustee Services Limited** ("Trustee of the Trust")
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 025, Maharashtra, India

Encl.: a/a

INDIA INFRASTRUCTURE TRUST

2ND ANNUAL REPORT

FINANCIAL YEAR 2019-20

CONTENTS

CORPORATE INFORMATION

INDIA INFRASTRUCTURE TRUST ("TRUST")

SEBI Registration Number: IN/InvIT/18-19/0008

Principal Place of Business
Unit No. 804, 8th Floor, A Wing, One BKC
Bandra Kurla Complex, Bandra East,
Mumbai 400 051, Maharashtra, India
Tel: +91 22 6600 0700
Fax: +91 22 6600 0777
E-mail: compliance@pipelineinfra.com
Website: www.indinfratrust.com

Compliance Officer & contact person of the Trust
Ms. Neha Jalan
Address: Unit No. 804, 8th Floor, A Wing, One BKC
Bandra Kurla Complex, Bandra East,
Mumbai 400 051, Maharashtra, India
Tel: +91 22 6600 0700
Fax: +91 22 6600 0777
E-mail : compliance@pipelineinfra.com

Auditors
M/s. Deloitte Haskins & Sells LLP,
Chartered Accountants
Firm Registration Number: 117366W/W-100018

Valuer
M/s. BDO Valuation Advisory LLP,
Registered Valuer
IBBI Registration Number IBBI/RV-E/02/2019/103

Securities Information
BSE Limited: 542543
ISIN: INE05KD23015

REGISTRAR & TRANSFER AGENT OF THE TRUST

KFin Technologies Private Limited
(Unit: India Infrastructure Trust)
Selenium Tower B, Plot 31-32,
Financial District, Nankramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana - 500032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: indiainfrainvit.pp@kfintech.com

INVESTMENT MANAGER OF THE TRUST

PenBrook Capital Advisors Private Limited
(Until March 31, 2020)
CIN: U74120MH2011PTC224370
Registered Office: Peninsula Spenta,
Mathuradas Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013, Maharashtra, India

Board of Directors as on March 31, 2020
Mr. Chetan R. Desai, Independent Director
Mr. Narendra Aneja, Independent Director
Mr. Rajeev A. Piramal, Non-executive Director
Mr. Sridhar Rengan, Non-executive Director

WIP (India) Private Limited
(With effect from April 1, 2020)
CIN: U67190MH2010PTC202800
Registered Office: Unit No. 804, 8th Floor, A Wing
One BKC, Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051, Maharashtra, India

Board of Directors as on the date of this Report
Mr. Sridhar Rengan, Additional Non-executive Director and Chairperson
Mr. Chetan R. Desai, Additional Non-executive Independent Director
Mr. Narendra Aneja, Additional Non-executive Independent Director
Mr. Rishi Tibriwal, Additional Non-executive Director

TRUSTEE OF THE TRUST

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai - 400 028
Tel: + 91 22 6230 0451
Fax: +91 22 6230 0700
E-mail: debenturetrustee@axistrustee.com

REPORT OF THE INVESTMENT MANAGER OF INDIA INFRASTRUCTURE TRUST FOR THE YEAR ENDED MARCH 31, 2020

India Infrastructure Trust ("Trust") was set up by Rapid Holdings 2 Pte Ltd. ("Sponsor") on November 22, 2018, as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Trust was registered as an infrastructure investment trust under Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI InvIT Regulations") on January 23, 2019, having registration number IN/InvIT/18-19/0008.

The investment objectives of the Trust are to carry on the activities of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations, by initially acquiring the Initial Portfolio Asset in the first instance and to make investments in compliance with the provisions of the SEBI InvIT Regulations.

The Initial Portfolio Asset of the Trust is a pipeline system used for the transport of natural gas ("Pipeline"). The Pipeline is a cross-country, natural gas pipeline with a pipeline length of approximately 1,480 km including spur lines (together with compressor stations and operation centres), that stretches from Kakinada, Andhra Pradesh, in the east of India, to Bharuch, Gujarat, in the west of India, traversing adjacent to major cities in the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat, owned by Pipeline Infrastructure Limited ("PIL"), the only Special Purpose Vehicle of the Trust.

The units of the Trust are listed on BSE Limited since March 20, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE INVESTMENT MANAGER AND DETAILS OF ASSET OF THE TRUST

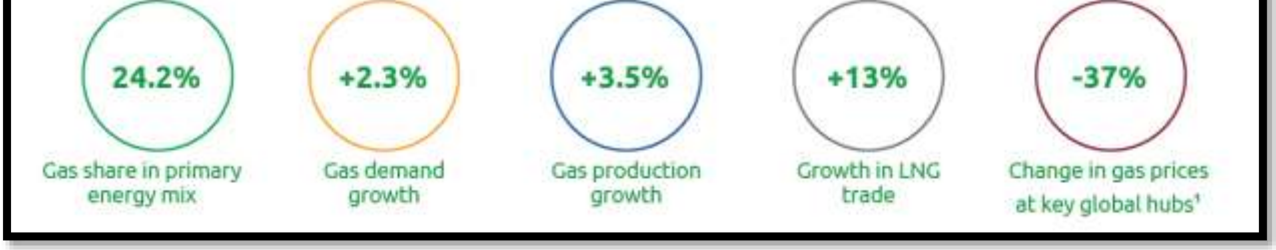
Economic Overview

Global Economy

The energy sector witnessed a slow growth last financial year due to weak economic growth and the onset of COVID 19. Globally the year 2019 saw a rise in Global GDP by 2.9% vis-à-vis a growth of 3.6% in 2018. This slowdown was particularly evident in the US, Russia and India, as compared to the growth in 2018. China was an exception, with its energy consumption accelerating in 2019. The primary energy consumption growth descended to 1.3% last year, less than half the rate of growth in 2018 (2.8%). Globally, the year 2019 saw a rise in Global GDP by 2.9% vis-à-vis a growth of 3.6% in 2018.

The global Natural Gas sector grew at 2.3%, making it the second-fastest growing source of primary energy behind renewables. Moreover, the share of gas in the energy basket rose to a record high of 24.2%. In terms of volume, demand grew by 78 billion cubic metres ("BCM"), led by USA and China and gas production grew by 132 BCM.

Global Gas: Headline trends in 2019



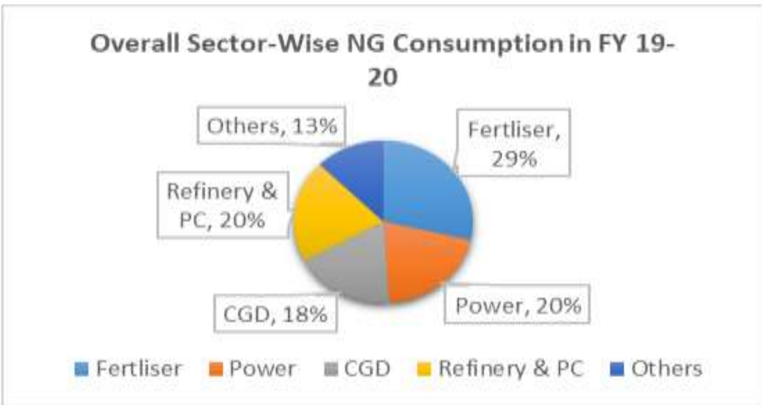
Source: Global Gas Report 2020, Snam, International Gas Union and BloombergNEF

Since the beginning of 2019, around 11 new LNG import terminals have been commissioned, bringing the total regasification capacity to 844 million metric tonne per annum ("MMTPA"), or 1,148 BCM per year. These new import terminals are a mix of onshore terminals, floating storage and regasification units and small scale facilities, mostly supporting existing import markets.

Initial assessments suggest that gas demand may decline by 4% in 2020 and further the impact on global LNG demand is seen shrinking by 4.2% this year, assuming the outbreak is contained by early 2021. This would be the largest ever recorded decline in gas demand since the 2nd half of 20th century. However, technological advancements and policy support can help the sector to bounce back strongly.

Indian Economy

As per provisional estimates, Ministry of Commerce and Industry, pegs the growth in India at around 4.2% in 2019-20 over the last financial year. The total consumption of natural gas saw a growth of about 3,000 Million Metric Standard Cubic Meter ("MMSCM"), while dependency on LNG imports increased exceptionally. The dependency on imported gas rose to 52.7% from 47.3% in 2018. The Natural Gas consumption (including internal use) in India was approximately 153 Million Metric Standard Cubic Meter Per Day ("MMSCMD") in FY 2019-20. PIL Pipeline (1,480 Km) constitutes nearly 9% of the 16,575 Km of operational Natural Gas Pipeline Network in India. In capacity terms, PIL pipeline constitutes 23% of the design capacity and contributes to nearly 11% of the total gas volumes transported in India.



(Source: PPAC Monthly Report FY 2019-20)

As per the data released by Ministry of Commerce, the output of India's eight key industries, contracted by approximately 15% in June 2020, showing some recovery from the 22% fall in May 2020. Barring Fertilizer (rising 4.2%), the output of Coal, Crude Oil, Natural Gas, Refinery products, Steel, Cement & Electricity declined by 15.5%, 6%, 12%, 8.9%, 33.8%, 6.9% and 11% respectively. Nearly two-thirds of the economy is expected to witness a moderate to severe impact due to disruptions caused by the COVID-19 outbreak.

Asset Overview

During the period under review and as on the date of this Report, the Trust (along with its 6 Nominees holding 1 share each) holds 100% of the issued equity shares of Pipeline Infrastructure Limited (name changed from Pipeline Infrastructure Private Limited consequent upon conversion into a public limited company w.e.f. April 25, 2019). The Trust has only one asset i.e. the PIL Pipeline.

Pursuant to the Scheme of Arrangement between East West Pipeline Limited ("EWPL") and PIL, as sanctioned by National Company Law Tribunal, Mumbai Bench and Ahmedabad bench, vide their respective orders dated December 21, 2018 and November 12, 2018, pipeline business comprising an asset value of Rs. 17,050 Crore and liabilities of Rs. 16,400 Crore was transferred from EWPL to PIL as a going concern in FY 2018-19. The Trust acquired PIL in March 2019.

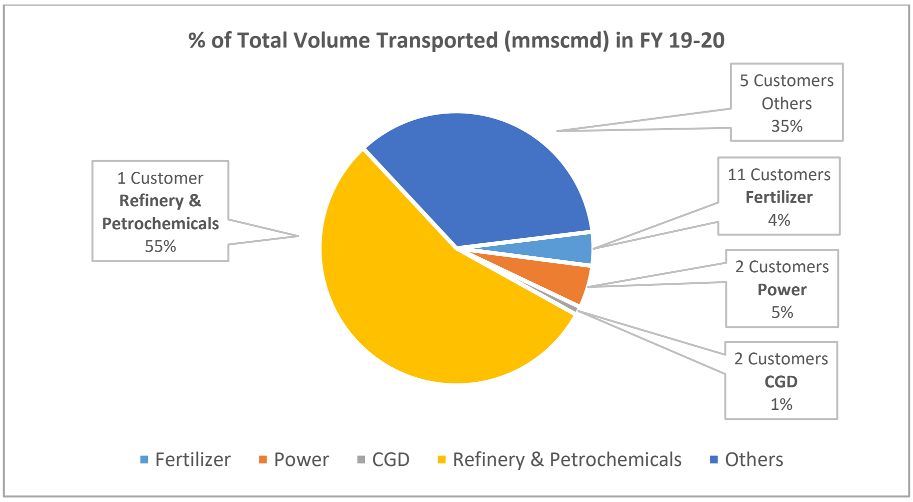
PIL's principal business is operation of the Pipeline for transportation of natural gas for the benefit of its customers. In June 2019, PIL received the approval of Petroleum and Natural Gas Regulatory Board ("PNGRB") for transfer of authorization for the Pipeline in its name.

The Pipeline was put into commercial operation in April 2009 and prior to the effectiveness of the Scheme of Arrangement, was owned and operated by EWPL. The Pipeline was designed, constructed and commissioned to respond to the opportunity presented by the discovery of natural gas reserves in the KG Basin. Construction on the Pipeline began in the financial year 2007 and was completed in the financial year 2009.

The trunk pipeline owned by PIL is 48" in diameter and 1,375 Km in length, and traverses five states from Kakinada in Andhra Pradesh to Bharuch in Gujarat, with design capacity of 85 MMSCMD. Interconnects/spur lines have been installed for delivering gas to the customers either directly or through third party networks, with a cumulative length of interconnects/spur lines of approximately 105 Km. All tie-ins/terminals have been provided with ultrasonic type of metering systems along with pressure regulation/control and gas quality measurement systems. The 48 inch uniform diameter steel pipeline is externally 3 LPE (three-layer polyethylene) coated, internally epoxy lined, helically spiral submerged arc welded and longitudinal submerged arc welded. Impressed current cathodic protection system has been provided to supplement the coating system for protection against external corrosion. The pipeline has 11 Compressor Stations ("CS") along the length to compress and deliver gas.

PIL Pipeline is the country's first bi-directional pipeline, interconnected to major pipeline networks such as HVJ/DVPL in Gujarat, DUPL in Maharashtra and KG Basin network in Andhra Pradesh (owned and operated by GAIL (India) Limited), Gujarat State Petronet Limited ("GSPL") in Gujarat as well as GSPL India Transco Pipeline in Andhra Pradesh. Further, PIL Pipeline is connected to various domestic gas sources such as KG-D6 gas block operated by Reliance Industries Limited ("RIL") as well as ONGC gas fields on the east coast and to LNG terminal operated by SHELL Energy India Private Limited in the state of Gujarat, in west coast. The Pipeline also transports gas from LNG terminals at Dahej and Dhabol through inter-connected pipelines of GAIL and GSPC.

PIL Pipeline is an important link in the development of India's national gas grid. PIL's customers are as diversified as Refineries, Fertilizers, Petrochemicals, Power and City Gas Distribution.



Operational Performance

The Pipeline system has crossed the mark of 111.94 Billion Standard Cubic Meter ("SCM") cumulatively for gas transportation, since commencement of operations in 2009. The Pipeline delivered 6.62 Billion SCM during the year without any interruption or business loss. System Use Gas as a percentage of total gas delivered was 1.11% against 1.58% target and Unaccounted for Gas was 0.059%, against the benchmark of ±0.10%. The Pipeline transported a volume of 18.78 MMSCMD as compared to 19.11 MMSCMD in 2018-19.

Majority of PIL's income on a combined basis is from the receipt of gas transportation charges from its customers pursuant to gas transportation agreements. This is based on actual receipts by PIL. Other operating income comprises of income from deferred delivery services relating to storage of gas in the pipeline and income received in relation to hook-up facilities provided by PIL.

The Pipeline capacity utilization for the financial year, based on the design capacity has been 22% compared to the industry average capacity utilization of 47%[#] *([#] Ready Reckoner, PPAC, June 2020).*

PIL successfully executed several new projects during the last financial year. In FY 2019-20, PIL completed 9 projects of connecting PIL pipeline with the upcoming City Gas Distribution ("CGD") Networks and industrial units abutting the pipeline, with 2 CGD connectivity project completion planned for FY 2020-21. The construction activity for hooking up new fields of ONGC at Mallavaram in Andhra Pradesh is under progress. Additionally, PIL has commissioned connectivity between PIL pipeline and GSPL India Transco Pipeline in Andhra Pradesh and commenced delivery of gas as well. In accordance with the court mandate to use natural gas in ceramic units, PIL transported higher volume of gas for GSPL in Rajkot, Gujarat. Synchronously, strong demand from refinery led to higher RLNG volumes. In order to handle gas from multiple sources under different pressure regimes, few modifications had to be made to the pipeline and the same has been completed. To ensure uninterrupted operations amidst the pandemic, Control Room was shifted to CS08 during the current financial year.

To attain greater operational efficiency, PIL performed technology upgradation activities during the year. The captive communication network was upgraded with latest technology using Multiple Protocol Label Switching Transport Profile system and is under field installation. The Fire & Gas Human Machine Interface Workstation upgradation has been completed at CS03, CS06 and Mumbai Pipeline Operation Center to improve the reliability of F&G system. External Line Inspection, a new non-intrusive integrated pipeline health assessment survey, carried out on pipeline sections covering 46 Km, including electrical interference zones, was found to be satisfactory after Dig verifications. For the first time In May 2020, PIL operated in the reverse direction with gas flowing from west to east from CS06.

Financial Performance

The global outbreak of COVID-19 pandemic continues to scourge economic activity. Financial year ending March 31, 2020 was PIL's first full financial cycle since it was incorporated on April 20, 2018 and business was operative from July'18 to March'19 during FY 2018-19. PIL considered internal and external information while finalizing estimates in relation to its financial statement and has not identified any material impact on the carrying value of assets, liabilities or provisions.

Brief details of financial performance of PIL for the financial year ended March 31, 2020 are as under:

(Amount in Rs. Crore)

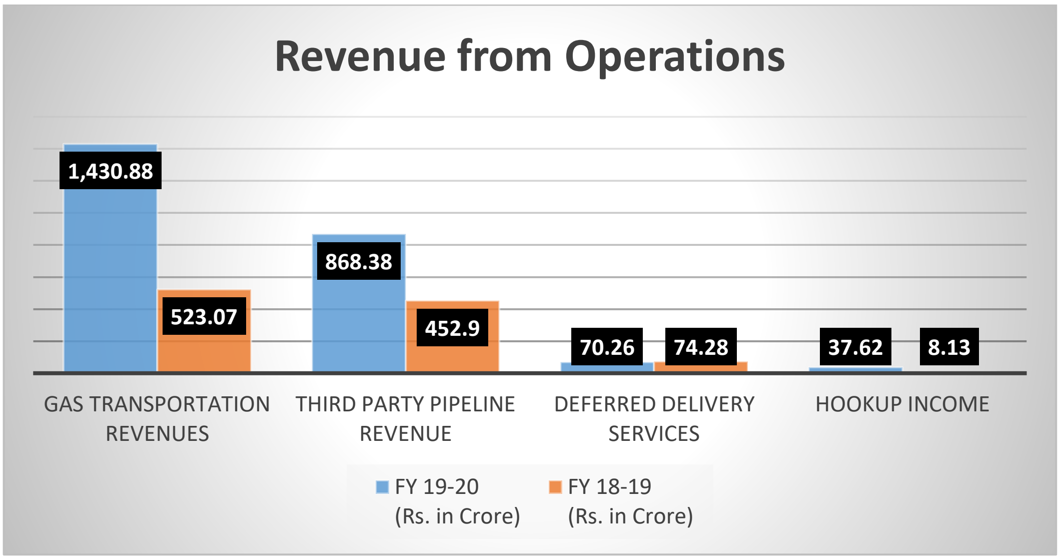
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Turnover	2,407.14	1,058.38
Other Income	32.95	9.35
Total Income	2,440.09	1,067.73
Profit/(Loss) before Tax	(2,561.37)	(440.48)
Less : Current Tax	-	-
Deferred Tax [(1)]	-	-
Profit/ (Loss) for the year [(1)]	(2,561.37)	(440.48)
Add: Other Comprehensive Income	0.18	0.07
Total Comprehensive Income for the year attributable to the owners of the Company [(1)]	(2,561.19)	(440.41)

Note:

(1) PIL recorded deferred tax asset of Rs. 700.81 Crore on unabsorbed depreciation to the extent of deferred tax liability as at March 31, 2019 in accordance with Ind AS 12 which was incorrectly not recorded in the figures reported in the previous year. Accordingly, as a result of restatement, Loss after tax for the period ending March 31, 2019 is lower to the extent of Rs. 700.81 Crore.

During the financial year 2019-20, PIL transported an average ~18.78 MMSCMD (at gross conversion value of 37,000 BTU per SCM) of gas volume and earned a transportation revenue of Rs. 1,501.14 Crore, including the revenues under Deferred Delivery Services ("DDS") which PIL continued to offer as value added service to customers. Fluctuations in demand and supply of gas, causing the shipper to use DDS in PIL pipeline, resulted in rise in DDS revenue. Also, higher availability of domestic gas ensued higher transportation revenue to PIL. Availability and Reliability of equipment was above 98%, as a result of prudent maintenance.

PNGRB vide its Tariff Order no. TO/17/2019, has determined the final initial unit of natural gas pipeline tariff on a level basis at Rs. 71.66/MMBTU (earlier Rs. 52.23/MMBTU), effective July 1, 2019. Thus, revenue from operations was Rs. 2,407.14 Crore, 100% increase from Rs. 1,058.38 Crore in 2018-19.



EBIDTA for the FY 2019-20 is Rs. 1,296.92 Crore as against Rs. 249.35 Crore for FY 2018-19 (excluding fair value loss on Non-Convertible Debentures measured at Fair Value). APTEL upheld the submissions made by PIL in the Capacity Matter against PNGRB and direction was issued to declare PIL pipeline capacity, after considering changes in operating parameters; a favorable step toward PIL Pipeline tariff.

Health, Security, Safety and Environment

PIL emphasizes on and considers its top priority for the safety and health of employees, contractor workforce and community at large and expects every person to go home without any harm every day and continue our journey of GOAL ZERO - NO HARM, NO INJURY & NO LEAKS. PIL is committed to the principle that all occupational injuries and illnesses can be prevented, and the management of Health, Security, Safety and Environment is an integral part of its responsibilities. PIL is committed to conducting its business in a safe, reliable and compliant manner and preserving the environment.

HSSE performance for the pipeline operations was the best of all years, since inception. There were no serious & high potential safety, security health and environment incidents during the year under review. It was a Lost Time Injury free year. As on March 31, 2020, PIL completed cumulative 9.88 safe million man-hours and 1502 days without Loss Time Injury incidents. During reporting period, there was no serious safety incident, LTI incident, high-risk security incident and theft case. HSE score/index for the year 2019-20 was 97.24% as against the target of 95%.

In January 2020, the Pipeline Business was re-certified to Quality Management System (ISO 9001:2015), Environment Management System (ISO 14001:2015) and Occupational Health & Safety Management System (ISO 45001:2018) by M/s. Bureau Veritas India Private Limited consecutively for 3rd time.

Future Business Outlook

In collaboration with tariff regulatory bodies, PIL is pursuing tariff regulation reforms to increase the share of natural gas in the energy mix. PIL is also working closely with relevant stakeholders for the successful operation of natural gas trading platform, first of its kind in India. With PIL being connected to major networks players such as GAIL and GSPL, and to all major sources on east & west coast like RIL/ONGC/upcoming RLNG terminal, PIL is well positioned to cater to all demand centers located pan India. PIL is in the process of evaluating gas transportation agreements with potential customers from upcoming new fields on the east coast and connectivity opportunities with new CGD entities, providing viable and sustainable growth opportunities in the near future.

Trust's holding in PIL's Debt Capital

On March 22, 2019, PIL had issued and allotted 12,95,00,000 - unlisted, secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each, aggregating to Rs. 12,950 Crores, on private placement basis ("NCDs"), to the Trust, from which the Trust derived interest income. The said NCDs have been issued for a term of 20 years from the date of allotment.

During the year under review i.e. on April 23, 2019, PIL has redeemed 6,45,20,000 NCDs of Rs. 1,000 each aggregating to Rs. 6,452 Crores, at par, out of 12,95,00,000 NCDs issued on March 22, 2019. The proceeds from the redemption was utilised by the Trust to redeem the Trust NCDs.

Further, during the year under review, pursuant to the mutual agreement between the Trust and PIL, and in line with the terms of issuance of the aforesaid NCDs, PIL had made payment of an aggregate amount of Rs. 295.32 Crores as Principal, from time to time, towards partial re-payments of the remaining 6,49,80,000 NCDs of Rs. 1,000 each, thereby proportionately reducing the face value of NCDs.

Accordingly, as on March 31, 2020, the face value of the remaining 6,49,80,000 NCDs of Rs. 1,000 each has been reduced to Rs. 954.55 each (as on the date of this report Rs. 938.02 each).

During the year under review, the Trust has earned Rs. 664.73 Crores as interest income from PIL.

Details of revenue during the year from the underlying project

Majority of PIL's income is from the receipt of gas transportation charges from its customers pursuant to gas transportation agreements. Other operating income comprises of income from deferred delivery services relating to storage of gas in the Pipeline and income received in relation to hook-up facilities provided to customers.

During the financial year ended March 31, 2020, average daily flow of natural gas through PIL Pipeline was 18.78 MMSCMD (at gross conversion value of 37,000 BTU per SCM). During the financial year 2019-20, PIL generated a revenue Rs. 2,407.14 Crores from its operations and Rs. 32.95 Crores as interest and other income.

FINANCIAL INFORMATION AND OPERATING EXPENSES OF THE TRUST

Summary of Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2020, is as follows:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2020		Financial Year ended March 31, 2019*	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	2,486.72	2,444.36	35.51	32.64
Total Expenditure	145.93	2,675.11	97.70	104.84
Profit / (Loss) before tax	2,340.79	(230.75)	(62.19)	(72.20)
Less: Provision for tax	-	-	-	-
Current tax	1.73	1.73	-	-
Deferred tax	-	(23.00)	-	23.00
Profit/(Loss) for the period	2,339.06	(209.48)	(62.19)	(95.20)
Other comprehensive income	-	0.18	-	0.07
Total comprehensive income/(loss) for the period	2,339.06	(209.30)	(62.19)	(95.13)

* Previous year figures are restated and regrouped wherever necessary.

Key operating expenses of the Trust for the financial year ended March 31, 2020, are as follows:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Investment Manager Fees	2.83	0.40
Legal, Professional and advisory fees	11.38	-
Registration Expenses for NCDs / Unit (One-time fund raising expenses)	-	1.38
Trustee Fee	0.21	0.02
Demat Charges	0.44	0.32
Valuation Expenses	0.61	0.16
Listing fees	0.09	-
Project Manager Fees	1.77	-

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Custodian Expenses	0.13	-
Professional Fees (One-time debt raising expenses)	-	32.09
Duties, Rates and Taxes	0.10	5.85
Bank Charges	-	0.01
Payment to Auditors	2.28	0.20
Other expenses	0.07	-
Total	**19.91***	**40.43****

** Does not include Interest paid Rs. 37.24 Crores on Debentures, loss on sale of Debentures Rs. 82 Crores and loss on fair valuation of call option Rs. 6.78 Crores.*

*** Does not include Interest paid Rs. 14.57 Crores on Debentures and loss on fair valuation of call option Rs. 42.70 Crores.*

Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2020 along with the Report of Auditors thereon form part of this Annual Report.

DETAILS OF UNITS AND NON-CONVERTIBLE DEBENTURES ISSUED BY THE TRUST

Units

The Trust had issued 66,40,00,000 units at an Issue Price of Rs. 100 each aggregating to Rs. 6,640 Crores on March 18-19, 2019, which were listed on BSE Limited w.e.f. March 20, 2019.

Pursuant to the Return of Capital as a part of distributions made by the Trust from time to time during the period under review, the issued unit capital of the Trust as on March 31, 2020 is 66,40,00,000 units of Rs. 91.0321 each aggregating to Rs. 6,044.53 Crores and as on the date of this Report is 66,40,00,000 units of Rs. 87.4747 each aggregating to Rs. 5,808.32 Crores.

During the year under review and as on the date of this Report, no units have been issued or bought-back by the Trust.

Non-convertible Debentures

On March 22, 2019, the Trust had issued 63,700 - secured, rated, listed, redeemable non-convertible debentures (“Trust NCDs”) of Face Value of Rs. 10,00,000 each aggregating to Rs. 6,370 Crore to banks and non-bank financial institutions, on private placement basis. The Trust NCDs were listed on BSE Limited w.e.f. March 25, 2019.

During the year under review, i.e. on April 23, 2019, the Trust has fully redeemed the aforesaid Trust NCDs. Accordingly, as on March 31, 2020, there were no outstanding NCDs issued by the Trust.

<u>Credit Rating</u>

The Trust NCDs were given a credit rating of “CARE AAA; Stable” and “CRISIL AAA/Stable” with stable outlook by CARE Ratings Limited and CRISIL Limited, respectively.

During the year under review, i.e. on April 23, 2019, the Trust had fully redeemed the Trust NCDs. Accordingly, as on March 31, 2020 and as on the date of this Report, there were no outstanding NCDs issued by the Trust and therefore the requirement for credit rating was not applicable to the Trust for the period under review.

SUMMARY OF THE VALUATION AS PER THE FULL VALUATION REPORT AS AT THE END OF THE YEAR

Pursuant to the approval of the unitholders of the Trust, M/s. BDO Valuation Advisory LLP, Registered Valuers (IBBI Registration Number: IBBI/RV-E/02/2019/103) ("Valuer"), were appointed as the Valuer of the Trust to carry out the valuation of Trust Assets for the FY 2019-10 in accordance with SEBI InvIT Regulations.

In terms of the provisions of Regulation 10 of the SEBI InvIT Regulations, the Valuation Report dated June 27, 2020 for the financial year ended March 31, 2020, issued by the Valuer of the Trust, has been filed with BSE Limited on June 29, 2020 and the same is also available on the website of the Trust at www.indinfratrust.com. The Valuation Report is also attached as **Annexure A** to this Report.

As per the Valuation Report, InvIT Asset has been valued using Discounted Cash Flow ("DCF") Method under Income Approach. Free Cash Flow to Equity model under the DCF Method has been used to arrive at the value of InvIT Asset.

The tariff of Rs. 71.66 per MMBTU as approved by PNGRB vide order dated March 12, 2019 has been considered for valuation of InvIT Asset.

The enterprise value of Trust Asset attributable to the Trust pursuant to the agreed terms of the Transaction Documents is arrived at Rs. 14,526.85 Crores.

VALUATION OF ASSETS AND NET ASSET VALUE ("NAV")

Pursuant to the provisions of Regulation 10 of the SEBI InvIT Regulations, the NAV of the Trust was computed based on the valuation done by the Valuer and the same has been disclosed as part of the Audited Financial Information of the Trust filed with BSE Limited on June 29, 2020 and is also available on the website of the Trust at www.indinfratrust.com.

Standalone Statement of Net Assets of the Trust at Fair Value as at March 31, 2020 is as under:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2020		Financial Year ended March 31, 2019	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
A. Assets*	7,912.44	8,073.60	13,047.69	14,056.00
B. Liabilities at Book value**	51.83	51.83	6,431.60	6,474.30
C. Net Assets (A-B)	7,860.61	8,021.77	6,616.09	7,581.70
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E. NAV per Unit (C/D)	118.38	120.81	99.64	114.18

**Total Assets includes the Fair Value of the Enterprise Value attributable to the InvIT as at March 31, 2019 and March 31, 2020 and a provision for the put option entered with Reliance Industries Limited in respect of PIL shares. Both assets are valued as per valuation report issued by independent valuer appointed under the InvIT Regulations and relied on by the Statutory Auditors.*

***Total Liabilities includes the Fair Value of the call option with Reliance Industries Limited in respect of PIL shares. The liability is valued as per valuation report issued by an independent valuer and relied on by the Statutory Auditors.*

INVESTMENT MANAGER ("IM") OF THE TRUST AND CHANGES THEREIN

PenBrook Capital Advisors Private Limited ("PenBrook/ erstwhile IM") was appointed as the IM of the Trust pursuant to the provisions of SEBI InvIT Regulations and the Investment Management Agreement dated November 22, 2018 ("PenBrook IMA"), executed between PenBrook and Axis Trustee Services Limited, in the capacity of Trustee to the Trust ("Trustee").

During the year under review, PenBrook, vide its letter dated August 26, 2019, had resigned from its role of IM of the Trust, in terms of Clause 14.2 of the PenBrook IMA.

Accordingly, pursuant to the prior approval of unitholders at its Extra Ordinary General Meeting held on September 30, 2019 and approval of Securities and Exchange Board of India vide its letter dated January 14, 2020, obtained by the Trustee in terms of the provisions of Regulation 9(15) and other applicable provisions of SEBI InvIT Regulations, and pursuant to the IMA dated April 1, 2020 ("WIP IMA"), executed between WIP (India) Private Limited ("WIP/ new IM") and the Trustee, WIP has been appointed as the new IM of the Trust with effect from April 1, 2020.

A. Details of PenBrook Capital Advisors Private Limited i.e. erstwhile IM, as on March 31, 2020

PenBrook was established as a joint venture between Brookfield Asset Management (Barbados) Inc. and Peninsula Land Limited vide Joint Venture Agreement dated December 15, 2011, as amended from time to time. PenBrook was appointed as the IM of the Trust pursuant to the PenBrook IMA.

During the year under review, PenBrook, in the capacity of IM of the Trust was responsible for making investment decisions with respect to the underlying assets or projects of the Trust ("Project SPVs"), including any further investment or divestment of its assets, in accordance with SEBI InvIT Regulations and the PenBrook IMA.

Pursuant to cessation of PenBrook as the IM of the Trust w.e.f. close of business hours on March 31, 2020, the PenBrook IMA has been terminated and extinguished in full. All rights and obligations of PenBrook under the said PenBrook IMA has been terminated and no liabilities or claims shall accrue or arise in future. However, pursuant to Clause 14.5.4 of the PenBrook IMA, PenBrook shall continue to be liable for all its acts of omissions and commissions for the period during which it acted as the IM of the Trust.

Board of Directors of PenBrook

1. Mr. Chetan R. Desai - Independent Director (DIN: 03595319) *[Resigned w.e.f. May 5, 2020]*

   Mr. Desai is a Chartered Accountant and has retired as Joint Managing Partner from M/s. Haribhakti & Co. LLP, a leading CA Firm in India, in March 2018. For over 30 years he was heading the audit & assurance practice of the said Firm.

   During his professional career of 43 years, he has dealt with multinationals, public sector enterprises, large corporates, sectors such as banking and finance, insurance, mutual funds, manufacturing, services, real estate, hospitality, engineering, energy, infrastructure, pharma, health care, not for profit entities etc.

   He has gained wide knowledge and exposure in the fields of accounting, auditing, Companies Act and related areas, corporate governance, compliance etc. He is on the Board of several Companies.

2. <u>Mr. Narendra Aneja - Independent Director (DIN: 00124302)</u> *[Resigned w.e.f. May 4, 2020]*

   Mr. Aneja is a Fellow Chartered Accountant, Certified Internal Auditor, Certification in Risk Management Assurance (CRMA) and holds an MBA from the Wharton Business School. He is a Gold Medalist (ICWA), a Tata Scholar and was ranked on the Director's List at Wharton School (1978).

   He was Director at Large of the Global Board of IIA Inc. between 2016 to 2019. He is a past national President of The Institute of Internal Auditors of India and of the Asian Confederation of Institutes of Internal Auditors (ACIIA).

   He has made presentations at many international conferences in India, United States, Malaysia, Dubai, Sri Lanka, Qatar, Philippines, Thailand and the Dominican Republic.

   He has over 30 years of experience in GRC (Governance, Risk and Compliance assignments) and management consultancy and is the managing partner and founder of Aneja Associates, having about 350 professionals.

3. <u>Mr. Rajeev A. Piramal - Non-executive Director (DIN: 00044983)</u>

   Mr. Piramal is the Executive Vice-Chairman and Managing Director of Peninsula Land Limited. He spearheads the Real Estate business of the Ashok Piramal Group and leads all aspects of the business from strategy to operations.

   After completing his BBA (Bachelor in Business Administration) from Baldwin Wallace College, Cleveland, USA, he began his career as a management trainee at Nicholas Piramal. In early 2001, he entered the Real Estate Sector and became a Director at Peninsula Land Limited.

   In the last 14 years that he has been associated with the Real Estate Sector, Mr. Piramal has played an instrumental role in developing some of the landmark projects in Mumbai.

   He also played a crucial part in the development of the first mall in India i.e. Crossroads. Mr. Piramal was in charge of the operations of Crossroads that brought in a new concept of shopping to India.

4. <u>Mr. Sridhar Rengan - Non-executive Director (DIN: 03139082)</u>

   Mr. Rengan is a Managing Director in Brookfield's Finance team. In this role, he is responsible for finance and public and regulatory affairs in India.

   Prior to joining Brookfield in 2014, he held various roles over the last three decades in real estate, infrastructure and consumer businesses, and was the CFO for Piramal Roads Infra Private Limited.

   He holds a law degree from the University of Calcutta and a Bachelor's degree with honors from St. Xavier's College Kolkata. He is also a member of the Institute of Cost Accountants of India and a member of Institute of Company Secretaries of India.

The InvIT Committee of the Board of Directors of PenBrook ("PenBrook InvIT Committee")

The PenBrook InvIT Committee had been delegated the authority and responsibility of overseeing all of the activities of the investment manager that pertain to the management and operation of the Trust as required under the PenBrook IMA, other Trust Documents, the SEBI InvIT Regulations and other applicable laws.

Details of the holding of PenBrook and its Directors in the Trust

During the year under review neither PenBrook nor any of its Director held any units of the Trust.

Net Worth of PenBrook

As per the Trustee's view, there is material erosion in the net worth of PenBrook as per the Annual Audited Consolidated Financial Statements of PenBrook for the financial year 2019-20, as compared to the net worth as per its last financial statements.

Accordingly, pursuant to the applicable provisions of SEBI InvIT Regulations, a summary of the Annual Audited Consolidated Financial Statements [including the Balance Sheet and Statement of Profit and Loss (without schedules)] of PenBrook for the financial year 2019-20, along with comparative figures for the immediate preceding financial year has been submitted to BSE Limited. The summary of the consolidated financial statements of PenBrook for the financial year ended March 31, 2020 is provided as **"Annexure B"** to this Report**.**

Functions, Duties and Responsibilities of the Investment Manager

During the year under review, the functions, duties and responsibilities of PenBrook in the capacity of IM of the Trust, were in accordance with the PenBrook IMA and the SEBI InvIT Regulations. The Board of PenBrook comprised half of its Directors as Independent Directors having extensive and relevant experience.

B. Details of WIP (India) Private Limited i.e. new IM of the Trust w.e.f. April 1, 2020

WIP was incorporated on May 5, 2010 under the Companies Act, 1956, with the main object of providing financial advisory services. WIP is a wholly-owned subsidiary of BHAL Global Corporate Limited - an affiliate of Brookfield Asset Management Inc. ("Brookfield").

Pursuant to the applicable provisions of SEBI InvIT Regulations and pursuant to the WIP IMA, WIP has been appointed as the IM of the Trust w.e.f. April 1, 2020.

WIP shall act as a common investment manager to the Trust and other infrastructure investment trusts ("InvITs") as may be set up and registered by the Brookfield Group from time to time.

Considering the above, in order to ensure good governance and clear segregation of the management and operations of the different InvITs being/to be managed by WIP, it is proposed to constitute a committee for each such InvIT. The operation and functioning of each such InvIT committee would be under the strict supervision of WIP Board.

Accordingly, WIP Board, at its meeting held on April 1, 2020, had:

- approved and adopted an Administration Policy to provide for a framework in relation to the internal compliance, governance and segregation of activities of various InvIT Committees that are/will be set up from time to time; and
- constituted 'Pipeline InvIT Committee' for managing and administering the Trust and its assets in accordance with the SEBI InvIT Regulations.

Board of Directors of WIP

The composition of the WIP Board as on the date of this Report is as under:

Sr. No.	Name of Director	Designation	DIN
1.	Mr. Sridhar Rengan	Additional Non-executive Director and Chairperson	03139082
2.	Mr. Chetan R. Desai	Additional Non-executive Independent Director	03595319
3.	Mr. Narendra Aneja	Additional Non-executive Independent Director	00124302
4.	Mr. Rishi Tibriwal	Additional Non-executive Director	00044983

As on March 31, 2020, Mr. Sridhar Rengan, Mr. Chetan R. Desai and Mr. Narendra Aneja, were also on the Board of PenBrook i.e. the erstwhile IM, and hence, their brief profile has been disclosed above. Mr. Desai and Mr. Aneja, ceased to be a Director of PenBrook w.e.f. May 5, 2020 and May 4, 2020, respectively.

Further, brief profile of Mr. Rishi Tibriwal is as under:

Mr. Tibriwal is the Vice President Finance in the Portfolio Management team overseeing Brookfield's investee companies in India. Mr. Tibriwal recently joined Brookfield India from Toronto, Canada.

Prior to his current role, he led the global finance transformation initiative at Magna International Inc., an international auto parts manufacturer with over 350 operating units in 30 countries. Prior to Magna, he held a number of senior positions, including CFO, in private equity and mining companies and was a partner in the audit practice at Ernst & Young in Toronto.

He is a Chartered Professional Accountant from Ontario, Canada, a Chartered Accountant from India and also holds a CFA and MBA.

The Pipeline InvIT Committee of WIP

WIP Board, at its meeting held on April 1, 2020, had constituted the Pipeline InvIT Committee for managing and administering the Trust and its assets in accordance with the SEBI InvIT Regulations, Trust Documents, WIP IMA and other applicable laws and had also approved the terms of reference of the Committee.

Details of the holding by WIP and its Directors or Members of the Pipeline InvIT Committee in the Trust

As on the date of this Report, neither WIP nor any of its Directors or Members of the Pipeline InvIT Committee holds any units of the Trust.

Net Worth of WIP

Net Worth of WIP as per its latest Annual Audited Standalone Financial Statements for the financial year ended March 31, 2020 is in line with the requirement specified under regulation 4(2)(e) of the SEBI InvIT Regulations. There is no material erosion in the net worth of WIP as compared to the net worth as per its last financial statements.

However, summary of the Annual Audited Standalone Financial Statements for the financial year ended March 31, 2020 [(including the Balance Sheet and Statement of Profit and Loss (without schedules)] of WIP, along with comparative figures for the immediate preceding financial year prepared in accordance with the accounting standards and laws, as applicable to WIP, has been submitted to BSE Limited along with the Annual Financial Information of the Trust for the financial year ended March 31, 2020.

C. Codes/Policies

In line with the requirements of SEBI InvIT Regulations and in order to adhere to the good governance practices for the Trust, the erstwhile IM had adopted various policies and codes in relation to the Trust.

Consequent to the change of IM, the Pipeline InvIT Committee of WIP, at its meeting held on April 8, 2020, had re-adopted the aforesaid codes and policies, as under:

(i) Distributions Policy

The Distribution Policy provides a structure for distribution of the net distributable cash flows of the Project SPV to the Trust and the Trust to the Unitholders.

(ii) Policy on unpublished price sensitive information and dealing in units by the parties to the India Infrastructure Trust and the unitholders ("UPSI Policy")

The UPSI Policy has been adopted to ensure that the Trust complies with applicable law, including the SEBI InvIT Regulations or such other laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information.

(iii) Code of Conduct ("Code")

The said Code has been adopted in relation to the Trust; and conduct of the Trust and the Parties to the Trust. The Code provides for principles and procedures for the Sponsor, the Investment Manager, the Project Manager, the Trustee and their respective employees, as may be applicable, for ensuring interest of the unitholders and proper conduct and carrying out of the business and affairs of the Trust in accordance with applicable law.

(iv) Appointment and Removal of Intermediaries Policy

The Appointment and Removal of Intermediaries Policy provides a framework for ensuring compliance, in appointment and removal of Intermediaries, which shall mean the valuer(s), the registrar, and the transfer agent, the lead manager, the custodian and any other intermediary or service provider or agent as may be applicable with respect to the activities pertaining to the Trust, as identified by Investment Manager in accordance with the SEBI InvIT Regulations and other the applicable laws.

(v) Appointment of Auditor and Auditing Standards Policy

This Appointment of Auditor and Auditing Standards Policy provides a framework for ensuring compliance with applicable laws with respect to appointment of auditor and the auditing standards to be followed by the Trust.

(vi) Borrowing Policy

The Borrowing Policy has been adopted to ensure that all funds borrowed in relation to the Trust are in compliance with the SEBI InvIT Regulations.

D. <u>Representatives on the Board of Directors of Project SPV</u>

The erstwhile IM, in consultation with the Trustee, had appointed the majority of the Board of Directors of PIL i.e. the Project SPV.

During the year under review, PenBrook had ensured that in every meeting, including the 1st Annual General Meeting of PIL held on September 30, 2019, the voting of the Trust was exercised.

SPONSOR OF THE TRUST

During the year under review and as on the date of this Report, Rapid Holdings 2 Pte Ltd. is the Sponsor of the Trust. The Sponsor was incorporated on December 19, 2016 in Singapore with registration number 201634453Z. The Sponsor is a Private Company limited by shares. The Sponsor's Registered Office is situated at 16 Collyer Quay, # 19-00 Income at Raffles, Singapore 049318.

The Sponsor is an entity forming part of the Brookfield Group. Brookfield is a global alternative asset manager currently listed on the New York Stock Exchange and the Toronto Stock Exchange. All infrastructure related investments by Brookfield are made through Brookfield Infrastructure Partners L.P ("BIP"). The units of BIP are listed on the New York Stock Exchange and the Toronto Stock Exchange.

The Sponsor is held 96.40% by Rapid Holdings 1 Pte. Ltd. ("Rapid 1"), a Company incorporated in Singapore and 3.60% by CIBC Mellon Trust Company (ATF Ontario Power Generation Inc. Pension Fund), a pension fund established in Canada. Rapid 1 is held 71.43% by BIF III India Holdings (Bermuda) L.P. ("Bermuda LP 1"), a Limited Partnership incorporated in Bermuda and 28.57% by BIP BIF III AIV (Bermuda) L.P. ("Bermuda LP 2") a Limited Partnership incorporated in Bermuda.

There has been no change in the Sponsor during the financial year ended March 31, 2020 and as on the date of this Report.

Board of Directors of the Sponsor

During the financial year ended March 31, 2020, there have been the following changes in the Directors of the Sponsor:

(1) Ms. Ho Yeh Hwa has been appointed as the Director of the Sponsor w.e.f. April 11, 2019;
(2) Ms. Taswinder Kaur Gill and Mr. Walter Zhang Shen, have been appointed as the Directors of the Sponsor with effect from October 25, 2019; and
(3) Mr. Aviral Chaturvedi, has resigned from the directorship of the Sponsor with effect from October 25, 2019.

Brief Profiles for each of the Directors of the Sponsor as on March 31, 2020:

1. Mr. Aanandjit Sunderaj (Identification no.: G3395950N)

   Aanandjit is a Senior Vice President at Brookfield Singapore Pte. Ltd. ("Brookfield Singapore") where he manages and supports investments in Brookfield's funds, investment programs and investment analysis. Prior to joining Brookfield, he was a Managing Partner of a residential real estate investment fund. He previously worked as Chief Executive Officer and as a Senior Director for Investments (Real Estate) in other real estate investment companies in India. He has more than 20 years of work experience.

   Aanandjit holds a degree in Commerce from the University of Madras, Chennai, India. He also holds a Masters in Business Administration from Moravian College PA, USA and Masters in Science, Real Estate from Columbia University, New York, United States of America.

2. Ms. Ho Yeh Hwa (Identification no.: S7838513H)

   Yeh Hwa is Vice President, Legal and Regulatory for Brookfield Singapore and is responsible for running the Legal & Regulatory Compliance functions of Brookfield's fund management activities in Asia. Yeh Hwa has over 18 years of work experience, of which she spent the initial 8 years practicing law in leading legal firms in United Kingdom and Singapore with a focus on corporate law, transactional M&A and private equity. This is followed by more than 10 years of commercial legal experience in-house in fund/asset management in fund managers in both United Kingdom and Singapore, as well as a Singapore sovereign wealth fund, with a focus on real estate, private equity, infrastructure and renewable energy investments.

   Yeh Hwa holds a Bachelor of Laws from National University of Singapore and was called to the Rolls of Singapore in 2002, and the Rolls of England & Wales in 2006.

3. Mr. Liew Yee Foong (Identification no.: S8779790B)

   Liew Yee Foong is a Vice President, Finance of Brookfield Singapore. He has over 11 years of work experience for which the initial 4 years were within the audit space auditing fund, private equity, asset management, real estate and logistics companies. This was followed by more than 7 years of commercial experience focusing on fund managers and funds with mandates within real estate, private equity and infrastructure investments.

   Liew Yee Foong holds a Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology. He is also a Certified Public Accountant (CPA) and a Chartered Accountant (CA).

4. Ms. Taswinder Kaur Gill (Identification no.: E6443711K)

   Taswinder is an Investment Professional at Brookfield Singapore where she manages and supports investments in Brookfield's funds, investment programs and investment analysis. Prior to joining Brookfield, Taswinder worked in restructuring and has experience in financial and operational restructuring of companies in distressed situations. She was also part of the Assurance and Advisory team at a Big 4 accounting firm in Toronto, Canada.

   Taswinder holds a degree in commerce from the University of Toronto, Canada, and is a Certified Professional Accountant and Chartered Accountant with CPA Ontario.

5. Mr. Walter Zhang Shen (Identification no.: K1995255D)

   Walter is an Investment Professional at Brookfield Singapore where he manages and supports investments in Brookfield's funds, investment programs and investment analysis. Prior to this, Walter worked as an analyst for Cambridge Associates, a private firm providing investment portfolio management and advisory services to institutional investors.

   Walter holds double degrees (Business Administration and Industrial Systems Engineering) from the National University of Singapore, Singapore. He is also currently a charter holder of CFA (Chartered Financial Analyst) & CAIA (Chartered Alternative Investment Analyst).

Further, post close of the reporting period and till the date of this report, there have been no changes in the Directors of Sponsor.

TRUSTEE OF THE TRUST

Axis Trustee Services Limited is the Trustee of the Trust ("Trustee"). The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000494 and is valid until suspended or cancelled. The Trustee's registered office is situated at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 and corporate office is situated at The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai- 400 028.

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. As Trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safe-keeper; (v) a trustee to real estate investment funds etc.

The Trustee confirms that it has and undertakes to ensure that it will at all times, maintain adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance with the INVIT Regulations, the Indenture of Trust and other applicable law.

The Trustee is not an Associate of the Sponsor, or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) is a promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are persons who are categorized as wilful defaulters by any bank or financial institution, as defined under the Companies Act, 2013, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Board of Directors of the Trustee

During the year under review, there have been the following changes in the Directors of the Trustee:

(1) Mr. Ganesh Sankaran was appointed as an Additional Director on the Board with effect from April 18, 2019 and his appointment was regularized at the Annual General Meeting held on May 29, 2019.
(2) The tenure of Mr. Ram Bharosey Lal Vaish had ceased with effect from the close of business hours on November 8, 2019 due to completion of tenure as governed by guidelines for functioning of Boards of Axis Group.

<u>Brief Profiles for each of the Directors of the Sponsor as on March 31, 2020</u>:

1. <u>Mr. Ganesh Sankaran - Director (DIN: 07580955)</u>

   Ganesh Sankaran is the Group Executive - Wholesale Banking Coverage Group at Axis Bank Limited. He has nearly 25 years of experience across coverage, credit and risk functions and has handled verticals like Corporate Credit, Financial Institutions, Business Banking, Mortgages, Commercial Transportation, Equipment Finance & Rural Lending.

   Before joining Axis Bank, he was Executive Director at Federal Bank, responsible for business architecture across the Wholesale Bank, Micro/Rural bank, Business Banking and international operations. Additionally, he had also served as a Member of the Board of Directors for Equirus Capital and Fedbank Financial Services. Prior to that he was associated with HDFC Bank where he was Co-Head, Corporate Banking.

   Ganesh Sankaran is an Engineer with a Master's degree in Business Administration.

2. <u>Mr. Sanjay Sinha - Managing Director & Chief Executive Officer (DIN: 08253225)</u>

   Sanjay Sinha began his career with State Bank of India in 1985 as a Probationary Officer and handled many responsibilities with leadership roles across banking verticals including corporate banking, project finance, branch banking.

   He joined Axis Bank Ltd in 2006 and served in the Risk and Corporate Credit departments of the bank. Part of the core team that helped set up Axis Bank UK Ltd in London in 2012 and served there as the Head of Credit & Investment Banking. Moved to Axis Trustee in 2018 and has been successful in establishing Axis Trustee's leadership position in trusteeship services for specialized products.

   He is a science graduate with certificate in credit management from NIBM, Pune and Indian Institute of Bankers, Mumbai. He is acknowledged as a result oriented financial professional with an equal penchant for compliance function and has been recognized by World BFSI Congress & Awards in their 101 Top most influential BFSI leaders listing for 2020.

3. <u>Mr. Rajesh Kumar Dahiya - Director (DIN: 07508488)</u>

   Mr. Rajesh Kumar Dahiya, Executive Director, Axis Bank Ltd, is an Engineer with a Masters in Management. Before joining Axis Bank in June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales.

In his current role as Executive Director, he supervises all functions under Corporate Centre viz. Internal Audit, Human Resources, Compliance, Company Secretary, Corporate Communications, Corporate Real Estate Services, Chief Business Relations Officer (CBRO), Corporate Social Responsibility, Ethics & Sustainability and law.

In addition, Mr. Dahiya also oversees the functioning of the Axis Bank Foundation. He is also on the Board of Axis PE Ltd.

INFORMATION OR REPORT PERTAINING TO SPECIFIC SECTOR OR SUB-SECTOR THAT MAY BE RELEVANT FOR AN INVESTOR TO INVEST IN UNITS OF THE INVIT

- PIL is in the process of concluding gas transportation agreements with potential customers for transportation of gas in PIL Pipeline from upcoming new fields on the east coast. Gas production from new fields is expected to commence in the financial year 2020-21, which will result in incremental revenue for PIL.
- PIL achieved completion of few projects, connecting PIL Pipeline with upcoming city gas distribution networks around PIL Pipeline. This will result in flow of incremental gas volumes. Few other connectivity projects are also under construction for other city gas distribution entities as well as other entities.
- PIL has initiated construction activities for connecting PIL pipeline with new gas fields on the east coast in addition to existing fields which will facilitate substantial increase in gas volumes in PIL Pipeline in near future. Business opportunities are being evaluated for interconnecting PIL Pipeline with under construction and proposed cross-country pipelines in India as well as other RLNG terminals.

DETAILS OF CHANGES DURING THE YEAR

A. Change in clauses in the trust deed, investment management agreement or any other agreement entered into pertaining to the activities of the Trust

Amendment to Trust Deed at the Extra Ordinary General Meeting ("EOGM") held on April 16, 2019

During the year under review, the Unitholders in their EOGM (No. 1/2019-20) held on April 16, 2019 had approved the following amendment to the Trust Deed dated November 22, 2018 ("Trust Deed"), executed between the Ms. Ruhi Goswami - Settlor of the Trust, Rapid Holdings 2 Pte. Ltd. ("Sponsor") and Axis Trustee Services Limited ("Trustee"), so as to remove the power of the Trustee to cause unitholders to return distributions made to them (i.e. even in respect of anticipated expenditures to be incurred after dissolution of the Trust, distributions made to Unitholders may not be recalled):

i. <u>Amendment to Clause 9.1.18(c) of the Trust Deed</u>

Old clause:
"Without prejudice to any other provisions of this Indenture, the Trustee shall also have the following powers and authorities exercisable pursuant to the advice of the Investment Manager:
[…]

(c) to require (during and after the term of the Trust, subject to the Unitholder being informed of such requirement and statutory limitations under Applicable Law) a Unitholder to return distributions made to such Unitholder (subject to a limit of the total distributions made to such Unitholder) in order to satisfy the Unitholder's pro-rata share of any obligations or liabilities of the Trust arising pursuant to or in accordance with the InvIT Regulations or other Applicable Law;
[…]"

Revised clause:

"Without prejudice to any other provisions of this Indenture, the Trustee shall also have the following powers and authorities exercisable pursuant to the advice of the Investment Manager:

[…]

(c) The Trustee shall be entitled to (i) reimburse to itself; (ii) charge the Trust; and (iii) be indemnified for and be kept indemnified from the Trust for, any expenses, taxes and levies as set out in the Trust Deed incurred by the Trustee (in its capacity as the trustee to the Trust) in the manner set out in the Trust Deed, from any distributions to be made by the Trust to the Unitholders.

[…]"

ii. <u>Amendment to Clause 19.6 of the Trust Deed</u>

Old clause:

"The Trustee/the Investment Manager/the liquidator shall at all times comply with the necessary tax and regulatory requirements as prescribed under Applicable Laws. Notwithstanding anything contained in this Indenture, in case the Trustee, on the advice of the Investment Manager, anticipates that certain expenditure may be required to be incurred after the dissolution of the Trust for costs, charges, expenses, fees or liabilities (including tax liabilities) of the Trust or the Unitholders, the Trustee may, on the advice of the Investment Manager, create any reserves or recall distributions made by the Trustee to the Unitholders for any such costs, charges, expenses, fees or liabilities in accordance with Applicable Law and the InvIT Documents."

Revised clause:

"The Trustee/the Investment Manager/the liquidator shall at all times comply with the necessary tax and regulatory requirements as prescribed under Applicable Laws. Notwithstanding anything contained in this Indenture, in case the Trustee, on the advice of the Investment Manager, anticipates that certain expenditure may be required to be incurred after the dissolution of the Trust for costs, charges, expenses, fees or liabilities (including tax liabilities) of the Trust or the Unitholders, the Trustee may, on the advice of the Investment Manager,

(i) create any reserves ~~or recall distributions made by the Trustee to the Unitholders~~ for any ~~such~~ costs, charges, expenses, fees or liabilities <u>(including tax liabilities) of the Trust or the Unitholders,</u>
(ii) <u>recall distributions made by the Trustee to the Unitholders for any costs, charges, expenses, fees or liabilities (including tax liabilities) of such Unitholders</u>,

in <u>each case, in</u> accordance with Applicable Law and the InvIT Documents."

Amendment to Transaction Documents at the EOGM held on April 16, 2019

In connection with the acquisition of PIL, various Transaction Documents were executed which have been summarized in the Placement Memorandum dated March 19, 2019. In connection with PIL's proposal for raising funds through issuance of NCDs to the existing NCD holders of the Trust, certain identified terms of the Transaction Documents were required to be amended to ensure that they are aligned to the terms of the funding which was proposed by PIL.

The unitholders in their EOGM held on April 16, 2019 had approved the proposal and execution of the amendments to various Transaction Documents as under:

(i) the shareholders and option agreement executed on February 11, 2019 as amended on March 9, 2019 executed between PIPL, East West Pipeline Limited, PenBrook Capital Advisors Private Limited (the "Investment Manager"), the InvIT and Reliance Industries Limited;
(ii) the pipeline usage agreement executed on March 19, 2019, 2019 between PIPL and Reliance Industries Limited;
(iii) share subscription agreement executed on February 11, 2019 between PIPL, Reliance Industrial Investments and Holdings Limited and the InvIT;
(iv) the operations and maintenance agreement executed on February 11, 2019 entered amongst PIPL, ECI India Managers Private Limited and Rutvi Project Managers Private Limited;
(v) the shared services agreement executed on February 11, 2019 entered amongst Reliance Industries Limited, PIPL and Rutvi Project Managers Private Limited;
(vi) the joint venture agreement executed on February 11, 2019, entered into between the ECI India Managers Private Limited, Reliance Industries Limited and Rutvi Project Managers Private Limited;
(vii) the debenture trust deed dated March 11, 2019 executed between Axis Trustee Services Limited (in its capacity as trustee to the InvIT) and IDBI Trusteeship Services Limited;
(viii) the debenture trust deed dated March 19, 2019 entered amongst PIPL and IDBI Trusteeship Services Limited, together with the account agreement dated March 20, 2019 among PIPL, Axis Bank Limited and IDBI Trusteeship Services Limited; and
(ix) such other agreements as may be agreed between the InvIT, the existing holders of non-convertible debentures issued by the InvIT, the proposed lenders of PIPL and PIPL to give effect to the PIPL Funding.

Amendment to Trust Deed at EOGM held on August 23, 2019

During the year under review, the unitholders in their EOGM (No. 2/2019-20) held on August 23, 2019 had approved the below mentioned amendment to the aforesaid Trust Deed, so as to permit the Trust to create security on its assets for the purpose of securing obligations of its subsidiaries or Special Purpose Vehicles or other third parties:

<u>Amendment to Clause 9.1.9 of the Trust Deed</u>

Current clause:
"9.1.9. The Trustee shall, subject to Applicable Law and restrictions under the InvIT Documents and on receipt of advice from the Investment Manager, have the power to borrow monies and offer such security as it may deem fit, for the purpose of making such borrowing."

Replaced clause:
"The Trustee shall, subject to Applicable Law and restrictions under the InvIT Documents and on receipt of advice from the Investment Manager, have the power to borrow monies and offer such security as it may deem fit, for the purpose of making such borrowing. Further the Trustee shall have the power to create charge, security interest and/or lien over any or all of the assets of the Trust (both present and future), to secure and guarantee the performance or any obligations of its subsidiaries or SPVs or other third parties as it may deem fit."

Amendment to Trust Deed at EOGM held on September 30, 2019

During the year under review, the unitholders in their EOGM (No. 3/2019-20) held on September 30, 2019 had approved the amendment to the Trust Deed, so as to include the following new Article 17.4:

Article 17.4
["Notwithstanding anything contained in this Second Amendment Agreement, but subject to Articles 17. 1 and 17.2, the Settlor hereby grants the authority to the Trustee and the Sponsor to carry out all amendments to the Indenture by way of a written declaration or a deed of amendment executed by and between the Trustee and the Sponsor, which for the avoidance of doubt will not require the consent of the Settlor. The Settlor hereby confirms that, on and from the Second Amendment Agreement Effective Date, he/ she will have no further role in the management, operation and/or functioning of the Trust, and shall not be required to execute any documents or agreements in relation or to give effect to the Indenture."]

Execution of new Investment Management Agreement ("IMA")

Post closure of the financial year 2019-20 i.e. on April 1, 2020, WIP, has entered into an IMA with the Trustee of the Trust, pursuant to which WIP will undertake certain responsibilities of performing actions pertaining to the management and operation of the Trust as the new IM, as required from time to time in terms of the SEBI InvIT Regulations, the Trust Documents and other applicable laws.

Further, the IMA dated November 22, 2018, executed between PenBrook i.e. the erstwhile IM and the Trustee, has been terminated and extinguished in full and all the rights and obligations of PenBrook and the Trustee under the said PenBrook IMA has been terminated and no liabilities or claims shall accrue or arise in future.

B. Any regulatory change that has impacted or may impact cash flows of the underlying project

(1) PNGRB had, vide order dated March 12, 2019, declared the levelized tariff of Rs. 71.66/MMBTU to be applicable to the Pipeline effective from April 1, 2019. The final tariff declared is 37% higher from the initial tariff of Rs. 52.23/MMBTU. PIL submitted its Zonal apportionment of tariff to PNGRB vide letter dated March 19, 2019 for approval. Subsequently PNGRB amended regulations on May 27, 2019, whereby the tariffs are made applicable on prospective basis after approval of zonal tariffs i.e. applicable from the first day of the month following the month in which the zonal tariff order is issued by the Board. PNGRB approved the Zonal apportionment of tariff vide order TO/2019 – 20/06 June 4, 2019. The increased zonal tariffs have been implemented from July 1, 2019. The zonal tariff order further provides that adjustment for the tariff charged by PIL for the period for April 1, 2019 to June 30, 2019 shall be done in the next tariff review.

(2) PNGRB has issued an amendment notification dated March 27, 2020 to the determination of Natural Gas Pipeline Tariff Regulations, 2008. As per the amendment, in case more than one nominal rates of income tax are applicable to an entity, the lowest of such nominal rates shall be considered for the purpose of grossing-up the post-tax rate of return of twelve per cent for computing pre-tax rate of return on capital employed.

Consequent to amendment in Income Tax Rates by GOI for the corporate assesses, an option has been provided to corporates for adopting reduced tax rate of 22% which after surcharges and education cess comes to effective tax rate of 25.17%. Likely implication on PIL tariff would be around 10%. Matter is under consideration at PNGRB.

(3) In the matter regarding PIL Pipeline capacity assessment for FY11 till FY19, PNGRB has been directed to declare capacity of PIL Pipeline after considering change in operating parameters. This is a positive development for PIL since the same is expected to result in further upside in the PIL Pipeline Tariff.

(4) PNGRB is considering a gas transmission tariff reform and has appointed KPMG to advise on rationalization of natural gas pipeline tariff structure in India.

C. Addition and divestment of assets including the identity of the buyers or sellers, purchase or sale prices and brief details of valuation for such transactions

Not Applicable for the period under review.

D. Changes in material contracts or any new risk in performance of any contract pertaining to the Trust

There are no changes in material contracts or any new risk in the performance of any contract pertaining to the Trust.

E. Any legal proceedings which may have significant bearing on the activities or revenues or cash flows of the Trust

There are no legal proceedings against the Trust which may have significant bearing on the activities or revenues or cash flows of the Trust. Details of material litigations and regulatory actions which are pending against the Trust, Sponsor(s), Investment Manager, Project Manager(s) or any of their associates and the Trustee, if any, at the end of the year is disclosed later in this Report.

F. Other material changes during the year

During the year under review, consequent upon the conversion of Pipeline Infrastructure Limited ("SPV") from private limited company to public limited company w.e.f. April 25, 2019 and the name of the SPV of the Trust was changed from 'Pipeline Infrastructure Private Limited' to 'Pipeline Infrastructure Limited'.

There have no material changes during the year under review and as on the date of this Report, except as disclosed elsewhere in the Report.

PROJECT-WISE REVENUE OF THE TRUST FOR THE LAST 5 YEARS

The Trust was formed on November 22, 2018 and was registered as an infrastructure investment trust under SEBI InvIT Regulations on January 23, 2019. It completed its first investment on March 22, 2019.

During the previous year i.e. the year of formation and the year under review, the Trust had only one asset i.e. the PIL Pipeline.

Accordingly, the details of revenue of the Trust for the previous year and the year under review are as under:

- **FY 2018-19:** the Trust has earned interest revenue to the amount of Rs. 31.09 Crores with respect to the PIL NCDs held by the Trust, for the period March 22, 2019 to March 31, 2019.
- **FY 2019-20:** the Trust has earned:
  (i) interest revenue of Rs. 664.73 Crores with respect to the PIL NCDs held by it during the year under review;
  (ii) interest revenue of Rs. 3.09 Crores on Fixed Deposit; and
  (iii) Profit on sale of investments of Rs. 0.94 Crore.

UPDATE ON THE DEVELOPMENT OF UNDER-CONSTRUCTION PROJECTS

PIL achieved the project completion for connectivity between PIL Pipeline and pipeline of GSPL India Transco Limited (GITL). In addition to this, PIL has also completed 9 (nine) other connectivity projects for connecting PIL Pipeline with city gas distribution and other customers. These connectivities will facilitate flow of additional gas volumes through PIL Pipeline. PIL is pursuing completion of few other connectivity projects for customers.

DETAILS OF OUTSTANDING BORROWINGS, REPAYMENT AND DEFERRED PAYMENTS OF THE TRUST, DEBT MATURITY PROFILE, GEARING RATIOS OF THE TRUST AS AT THE END OF THE YEAR

Details of borrowings or repayment of borrowings on standalone and consolidated basis are as follows:

(Amount in Rs. Crore)

Transaction	PIL Standalone		Trust Standalone	Consolidated
	Trust	Lender Consortium	Lender Consortium	Lender Consortium
Opening borrowings	**(12,950.00)**	**-**	**(6,370.00)**	**-**
NCD Redemption	6,747.32	-	6,370.00	-
NCD Issuance	-	(6,452.00)	-	(6,452.00)
Closing borrowings (Carrying Value)	**(6,202.68)***	**(6,452.00)**	**-**	**(6,452.00)**

** Fair Value through Profit and Loss of the said NCDs as at March 31, 2020 - Rs. 7,812.33 Crores*

The borrowings by way of issuance of NCDs of Rs. 6,370 Crores by the Trust were redeemed in full by the Trust on April 23, 2019 in accordance with the Debenture Trust Deed dated March 11, 2019.

Since there are no borrowings outstanding at a standalone level as on March 31, 2020 and as on the date of this Report, key gearing ratios are not applicable for the Trust at standalone level.

Further, the details for Trust on a consolidated basis for the year ended March 31, 2020 are as under:

- Credit Rating for PIL external NCDs: AAA/Stable by CRISIL Limited and Care Ratings Limited
- Debt Maturity Profile for external debt availed by PIL: March 2024
- Covenants of PIL:
  - Debt Limit: 44.32%
  - Interest Service Coverage Ratio: 3.44.

PAST PERFORMANCE OF THE TRUST WITH RESPECT TO UNIT PRICE, DISTRIBUTIONS MADE AND YIELD FOR THE LAST 5 YEARS, AS APPLICABLE

The Trust was formed on November 22, 2018 and was registered as an infrastructure investment trust under SEBI InvIT Regulations on January 23, 2019. It completed its first investment on March 22, 2019.

The Trust had issued 66,40,00,000 units of Rs. 100 each aggregating to Rs. 6,640 Crores on March 18-19, 2019, which were listed on BSE Limited w.e.f. March 20, 2019.

Unit price quoted on BSE Limited at the beginning and the end of the year, the highest and the lowest unit price and the average daily volume traded during the financial year

Since the date of listing i.e. March 20, 2019, the units of the Trust have not been traded on BSE Limited and accordingly the aforesaid data is not applicable to the Trust as on March 31, 2020 and as on the date of this Report.

Distributions made by the Trust

Pursuant to the provisions of SEBI InvIT Regulations and in line with the Distribution Policy, the Transaction Documents and the Trust Documents, PenBrook i.e. the erstwhile IM of the Trust, has made timely distributions to the unitholders.

The details of distributions declared and made during the period ended March 31, 2019 and as on March 31, 2020 are as under:

Date of declaration	Return of Capital (Rs. per unit)	Return on Capital (Rs. per unit)	Miscellaneous Income (Rs. per unit)	Total (Rs. per unit)	Date of payment
April 6, 2019	0.9738	-	-	0.9738	April 16, 2019
July 9, 2019	1.1128	2.6896	0.0108	3.8132	July 18, 2019
October 7, 2019	4.5266	2.1806	0.0083	6.7155	October 17, 2019
January 7, 2020	2.3547	2.0413	0.0091	4.4051	January 16, 2020

After the closure of the financial year 2019-20 and as on the date of this Report, following distributions were declared and made by WIP i.e. the new IM of the Trust, pursuant to the provisions of SEBI InvIT Regulations and in line with the Distribution Policy, the Transaction Documents and the Trust Documents:

Date of declaration	Return of Capital (Rs. per unit)	Return on Capital (Rs. per unit)	Miscellaneous Income (Rs. per unit)	Total (Rs. per unit)	Date of payment
April 8, 2020	2.2237	2.2044	0.0076	4.4357	April 20, 2020
July 7, 2020	1.3337	3.1080	0.0080	4.4497	July 16, 2020

DETAILS OF ALL RELATED PARTY TRANSACTIONS DURING THE YEAR, THE VALUE OF WHICH EXCEEDS FIVE PERCENT OF VALUE OF THE TRUST

Details of all related party transactions entered into by the Trust during the year ended March 31, 2020, are as under:

(Amount in Rs. Crore)

Sr. No.	Particulars	Relations	Financial Year ended March 31, 2020
1	**Interest Received** Pipeline Infrastructure Ltd.	Subsidiary	664.73
2	**Trustee Fee** Axis Trustee Services Ltd.	Trustee	0.21

(Amount in Rs. Crore)

Sr. No.	Particulars	Relations	Financial Year ended March 31, 2020
3	**Investment Manager Fee** PenBrook Capital Advisors Pvt. Ltd.	Investment Manager	2.83
4	**Repayment of Unit Capital** (Rs. 8.97 Paid out of Units of Rs. 100) Rapid Holdings 2 Pte. Ltd.	Sponsor	510.09
5	**Repayment of NCDs** Pipeline Infrastructure Limited	Subsidiary	6,747.32
6	**Professional fee** PenBrook Capital Advisors Pvt. Ltd.	Investment Manager	0.72
7	**Project Management fee** ECI India Managers Pvt. Ltd.	Project Manager	1.77
8	**Interest Distributed** Rapid Holdings 2 Pte Ltd	Sponsor	393.13
9	**Other Income Distributed** Rapid Holdings 2 Pte Ltd	Sponsor	1.60
10	**Advance Received** Pipeline Infrastructure Ltd.	Subsidiary	201.48

DETAILS REGARDING THE MONIES LENT BY THE TRUST TO THE HOLDING COMPANY OR THE SPECIAL PURPOSE VEHICLE IN WHICH IT HAS INVESTMENT

As on March 31, 2020 and as on the date of this Report, the Trust has only one SPV i.e. PIL.

On March 22, 2019, the Trust had subscribed to 12,95,00,000 NCDs of face value of Rs. 1,000 each, aggregating to Rs, 12,950 Crores, issued by PIL on private placement basis. On April 23, 2019, PIL had redeemed 6,45,20,000 NCDs of Rs. 1000 each aggregating to Rs. 6,452 Crores.

Further, during the year under review, pursuant to the mutual agreement between the Trust and PIL, and in line with the terms of issuance of the aforesaid NCDs, PIL had made payment of an aggregate amount of Rs. 295.32 Crores as Principal, from time to time, towards partial re-payments of the remaining 6,49,80,000 NCDs of Rs. 1,000 each, thereby reducing the face value of NCDs to Rs. 954.55 as on March 31, 2020.

Accordingly, as on March 31, 2020, the Trust had an outstanding investment of Rs. 7,812.33 Crores in PIL NCDs (which includes fair valuation gain of Rs. 1,817.74 Crores on PIL NCDs).

BRIEF DETAILS OF MATERIAL AND PRICE SENSITIVE INFORMATION

During the period under review, the intimations with respect to all material and price sensitive information in relation to the Trust was made to BSE Limited, by PenBrook i.e. the erstwhile IM, in accordance with the provisions of SEBI InvIT Regulations and other applicable laws, if any, from time to time.

Except as reported to the Stock Exchange from time to time and as disclosed elsewhere in this Report, there were no material and price sensitive information in relation to the Trust for the period under review.

BRIEF DETAILS OF MATERIAL LITIGATIONS AND REGULATORY ACTIONS WHICH ARE PENDING AGAINST THE INVIT, SPONSOR(S), INVESTMENT MANAGER, PROJECT MANAGER(S) OR ANY OF THEIR ASSOCIATES AND THE TRUSTEE, IF ANY, AT THE END OF THE YEAR

Except as stated in this section, there are no material litigation or actions by regulatory authorities, in each case against the Trust, the Sponsor, the Investment Manager, the Project Manager, or any of their respective Associates and, the Trustee that are currently pending. Further, except as stated below, there are no material litigation or actions by regulatory authorities, in each case, involving the SPV or the Pipeline business, that are currently pending.

For the purpose of this section, details of all regulatory actions and criminal matters that are currently pending against the Trust, the Sponsor, the Investment Manager, the Project Manager and their respective Associates, and the Trustee have been disclosed. Further, details of all regulatory actions and criminal matters that are currently involving the Project SPV and the Pipeline Business have also been disclosed. Further, any litigation that is currently pending involving an amount equivalent to, or more than, the amount as disclosed below, in respect of the Trust, the Sponsor, the Investment Manager, the Project Manager, each of their respective Associates, the Trustee, the Project SPV and the Pipeline Business has been disclosed.

Special Purpose Vehicle ("SPV") and Pipeline Business

Pipeline Infrastructure Limited (name changed from Pipeline Infrastructure Private Limited w.e.f. April 25, 2019) ("PIL")

The Pipeline was previously owned and operated by East West Pipeline Limited ("EWPL"). Pursuant to the Scheme of Arrangement, the Pipeline business of EWPL has demerged into PIL (formerly known as Pipeline Infrastructure Private Limited) with effect from the Appointed Date, i.e. July 1, 2018.

The total income of PIL based on the Audited Financial Statements as of March 31, 2020 was Rs. 2,440.09 Crores. Accordingly, all outstanding civil litigation (i) involving an amount equivalent to or exceeding Rs. 12.20 Crores (being 0.50% of the total income of PIL provided as per Audited Financial Statements as of March 31, 2020), and (ii) wherein the amount involved is not ascertainable but otherwise considered material, have been disclosed.

Materiality threshold applicable to PIL (as provided above) has also been applied to the Pipeline business.

SPONSOR AND THE PROJECT MANAGER

The total income of the Sponsor based on the un-audited consolidated financial statements of the Sponsor for the period ended March 31, 2020 was US$ 25.58 million. Accordingly, all outstanding civil litigation against the Sponsor and the Project Manager which (i) involve an amount equivalent to or exceeding US$ 1.28 million (being 5.00% of the total income of the Sponsor for the period ended March 31, 2020), and (ii) wherein the amount is not ascertainable but are otherwise considered material, have been disclosed.

Associates of the Sponsor and the Project Manager

The disclosures with respect to material litigations relating to the Associates of the Sponsor and Associates of the Project Manager have been made on the basis of the public disclosures made by Brookfield Asset Management, Inc. ('BAM') and Brookfield Infrastructure Partners, L.P ('BIP') under which all entities, which control, directly or indirectly, the Sponsor and the Project Manager get consolidated for financial and *regulatory reporting purposes. BAM and BIP are currently listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSE**"). In accordance with applicable securities law and stock exchange rules, BAM and BIP are required to disclose material litigations through applicable securities filings. The threshold for identifying material litigations in such disclosures is based on periodically reviewed thresholds applied by the independent auditors of BAM and BIP in expressing their opinion on the financial statements and is generally linked to various financial metrics of BAM and BIP, including total equity. Further, all pending regulatory proceedings where all entities, which control, directly or indirectly, the Sponsor and the Project Manager, are named defendants have been considered for disclosures. Further, there is no outstanding litigation and regulatory action against any of the entities controlled, directly or indirectly, by the Project Manager or the Sponsor, as on March 31, 2020.*

INVESTMENT MANAGER

The total consolidated income of the PenBrook i.e. erstwhile Investment Manager as per the Audited Consolidated Financial Statements for the financial year ended March 31, 2020 was Rs. 5.00 Crores. Accordingly, all outstanding civil litigation against the erstwhile Investment Manager which (i) involve an amount equivalent to or exceeding Rs. 0.25 Crore (being 5.00 % of the total consolidated income as per the audited consolidated financial statements for the financial year ended March 31, 2020), and (ii) wherein the amount is not ascertainable but are considered material, have been disclosed.

Associates of the Investment Manager

Disclosures with respect to material litigations relating to Associates of the Investment Manager which form part of the Brookfield Group, have been made on the basis of public disclosures made by BAM, under which all entities, (i) which control, directly or indirectly, shareholders of the Investment Manager, and (ii) the shareholders of the Investment Manager (who form part of the Brookfield Group), get consolidated for financial and regulatory reporting purposes. BAM is currently listed on the NYSE and the TSE. All pending regulatory proceedings where all entities who are the shareholders of the Investment Manager, or which control, directly or indirectly, the shareholders of the Investment Manager, in case forming part of the Brookfield Group, are named defendants have been considered for disclosures. Disclosures with respect to material litigations against the Associates of the Investment Manager (other than pertaining to entities forming part of the Brookfield Group) have been made on the basis of the materiality threshold equivalent to or exceeding Rs. 253.26 Crores (being 5.00% of Rs. 5,065.20 Crores i.e. the total consolidated income as per the audited consolidated financial statements for the financial year ended March 31, 2020 of Peninsula Land Limited, which is the flagship entity in the Peninsula Group and all regulatory proceedings against such Associates have been disclosed. Further, there is no outstanding litigation and regulatory action against any of the entities controlled, directly or indirectly, by the Investment Manager, as on March 31, 2020.

TRUSTEE

All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding Rs. 0.91 Crore (being 5.00% of the profit after tax as on March 31, 2020 based on the audited standalone financial statements of the Trustee for the financial year ended March 31, 2020), have been considered material and have been disclosed in this section.

I. Litigation against the Trust

There are no litigations or actions by regulatory authorities or criminal matters pending against the Trust as on March 31, 2020 and the date of this Report.

II. Litigation against Associates of the Trust

The details of material litigation and regulatory action against the Sponsor, the Investment Manager, the Project Manager, and the Trustee, have been individually disclosed below, as applicable.

III. Litigation involving PIL

Except as disclosed below, there are no pending material litigations or actions by regulatory authorities or criminal matters involving PIL as on March 31, 2020 and the date of this Report. Pursuant to the Scheme of Arrangement, all suits, actions and legal proceedings of whatsoever nature by or against East West Pipeline Limited ("EWPL") instituted or pending on and/or arising after the Appointed Date, and pertaining or relating to the Pipeline Business shall be continued, prosecuted and enforced by or against PIL, as effectually and in the same manner and to the same extent as would or might have been continued, prosecuted and enforced by or against EWPL. However, as of March 31, 2020, the process of including PIL as a party to litigation involving the Pipeline Business (as described below) has not been completed.

i. <u>Regulatory Matters</u>

a) PIL has filed a review petition on January 11, 2019 before the PNGRB seeking review of the order passed by the PNGRB dated December 10, 2018 (the "Order"), pursuant to which PNGRB determined the levelized tariff for the high pressure Gujarat gas grid ("HP Gas Grid") of Gujarat State Petronet Limited ("GSP Limited") and the Dahej-Uran-Panvel-Dhabol Natural Gas Pipeline Network ("DUPL-DPPL") of GAIL under the provisions of the Tariff Regulations, making it applicable retrospectively with effect from April 1, 2018. Pursuant to the demerger of the Pipeline Business, PIL provides end to end gas transportation services to its customers, including the Reliance's facilities in Jamnagar through the Pipeline and GSP Limited's HP Gas Grid pursuant to a gas transportation agreement entered into with GSP Limited (the "GTA"). PIL has sought review of the Order seeking (i) modification of the Order to make it effective prospectively from April 1, 2019 as opposed to the Order currently making the tariff applicable retrospectively from April 1, 2018, and (ii) modification of the zonal levelized tariff considering the point of origin for GSP Limited's HP Gas Grid as Mora as opposed to the Order currently fixing the tariff on the bases of Eklara as the point of origin. PIL has also sought an interim relief for a stay on the Order. PNGRB vide order dated March 15, 2019 stayed the operation of the Order, GSPL challenged the said order before the High Court of Delhi by filing WP No 3128 of 2019. High Court setting aside the Order (vide order dated April 3, 2019) directed PNGRB to pass fresh orders after giving the opportunity of hearing to all the parties concerned. In compliance with High Court order, PNGRB Vide an order dated 19.03.2020 partially allowed the Review Petition filed by PIL and RIL recognising "Mora" as point of injection is point of origin instead of "Atakpardi". As a result tariff for transportation of Gas from Mora to Jamnagar has been re-instated to Zone-2 instead of earlier classification of Zone-3.

   PNGRB however differed reviewing the other issue i.e. retrospective operation of the Tariff Order, till final disposal of the Writ Petitions filed by Deepak Fertilizers before Delhi High Court and the Torrent before High Court of Gujarat.

b) Capacity Matter:

PNGRB by way of a declaration dated July 10, 2014 declared the capacity of the Pipeline at 85 MMSCMD for the Financial Year 2011 and 95 MMSCMD for the Financial Year 2012 ("Order I"). EWPL filed an appeal dated August 8, 2014 against Order I before the Appellate Tribunal for Electricity ("APTEL") under Section 33 of PNGRB Act assailing Order I. APTEL passed an order on July 8, 2016 setting aside Order I *inter alia* on the ground that there was a breach of principles of natural justice and remanded the matter back to PNGRB. Subsequently, PNGRB vide its order dated December 30, 2016 declared the capacity of the Pipeline for Financial Years 2011 and 2012 to be 85 MMSCMD and 95 MMSCMD, respectively ("Order II"). Subsequently, EWPL has filed an appeal before the APTEL (appeal no. 39 of 2017) (the "Appeal") for setting aside Order II, directing PNGRB to declare the capacity for Financial Years 2011 and 2012, and for the subsequent periods i.e. Financial Years 2013, 2014, 2015 and 2016, taking into account the change in parameters, within a reasonable time. The matter is currently pending before APTEL. Meanwhile, EWPL filed an interim application for relief to APTEL (the "Application") seeking for appropriate directions to be issued to the PNGRB to consider the capacity of the Pipeline (by way of an interim measure) at the capacity approved by the PNGRB by its letter of acceptance dated March 19, 2013 for the purpose of tariff determination, pending adjudication and final disposal of the Appeal. On November 20, 2018, APTEL passed an interim order in the Application and directed the PNGRB to use 85 MMSCMD for tariff determination of the Pipeline from Financial Year 2010 to Financial Year 2018.

PNGRB declared final EWPL tariff on March 12, 2019 i.e. Rs. 71.66/MMBTU.

APTEL vide its order dated November 15, 2019 upheld PIL's capacity submissions in its Appeal for FY11 and FY12 and directed PNGRB to declare capacity of PIL pipeline after considering changes in operating parameters within 3 months of the order. PNGRB is yet to declare the capacity of PIL pipeline as per said orders of APTEL.

ii. <u>Civil matters</u>

(i) Disputes in connection with the right of user granted to EWPL under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("PMP Act")

The right of use in respect of the Pipeline was granted to RGTIL (former name of EWPL) under section 6 of the PMP Act through various notifications issued by the Government of India. The implementation of the right of user under the PMP Act was enforced through the competent authorities authorised by the central government to perform functions under the PMP Act. In certain instances land owners disputed the compensation amounts determined to be paid to them under section 10(2) of the PMP Act, some of which are outstanding as of the date of this Report and are considered material, as follows:

(a) Manharlal Shivlal Panchal and others filed a land acquisition reference before the court of the Senior Civil Judge, Bharuch, against RGTIL (former name of EWPL) and the district collector claiming excess compensation u/s 10 of the PMP Act to the tune of Rs. 107.45 million. The said reference case is pending.

(b) Suraner Venkata Satya Tirumala Rao had filed an appeal bearing no. WP 3935/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 0.04 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 140.07 million u/s 10 of the PMP Act by the petitioner. The WP is pending.

(c) Gadde Venkatanarasimha Rao had filed an appeal bearing no. WP 2172/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 0.35 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 160.00 million u/s 10 of the PMP Act by the petitioner. The WP is pending.

(d) Gadde Venkateswara Rao (died) Represented by Petitioners Nos. 2 to 7 had filed an appeal bearing no. WP 3001/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 1.84 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 160.30 million u/s 10 of the PMP Act by the petitioner. The WP is pending.

(ii) <u>Royalty Related Case</u>

PIL (formerly EWPL) has received demand notices from the revenue authorities (under the provisions of the Maharashtra Land Revenue Code, 1966 and the rules framed thereunder) in Maharashtra levying royalty (together with penalty and other charges) of Rs. 415.60 million on the grounds that PIL for the purpose of laying the Pipeline, had conducted an excavation of earth which is treated as mining of minor minerals under the Maharashtra Land Revenue Code, 1966. PIL has already paid a penalty of approximately Rs. 132.06 million under duress. PIL filed a writ petition challenging the levy of royalty before the High Court of Bombay ("High Court") in 2009 on the grounds that the operation of laying the gas pipeline does not qualify as mining of minor minerals and that the levy is in contravention of Article 265 of the Constitution of India. The High Court by its order dated February 9, 2009 directed the revenue authorities to restrain from taking any coercive steps against EWPL. The matter is currently pending.

IV. Litigation against the Sponsor

There are no material litigations and regulatory actions pending against the Sponsor as on March 31, 2020.

V. Litigation against the Investment Manager

Ansal Hi-Tech Townships Limited ("AHTL") filed a civil suit before the Bombay High Court against the Investment Manager and others (collectively referred to as "Defendants") seeking *inter alia,* (i) damages amounting to Rs. 2,00 Crores (along with interest) and (ii) a declaration that AHTL had not defaulted on any payments due to be made to the Defendants in terms of a debenture subscription agreement dated June 18, 2014 ("DSA") and a Debenture Trust Deed dated June 18, 2014 ("DTD"). The primary ground on which AHTL has sought the relief is that though the Defendants had assured AHTL that they would invest Rs. 300 Crores in AHTL in terms of the DSA, the Investment Manager only subscribed to one tranche of debentures (by investing Rs. 200 Crores and did not subscribe to the second tranche of Rs. 100 Crores). The matter is currently pending.

VI. Litigation against the Associates of the Investment Manager

A. Peninsula Land Limited ("PLL")

<u>Criminal Matters</u>

I. ASHOK TOWERS:

- Ashok Towers CHS Ltd. and Ors. filed a Criminal Complaint 188 of 2014 under section 3,4,5,6,7, 10 and 11 of the Maharashtra Ownership Flat Act, 1963 ("MOFA") against PLL & Ors. before the 29th Court of Metropolitan Magistrate, Bhoiwada, Mumbai in relation to project 'Ashok Tower A, B & C Ltd.' alleging deficiencies in service on grounds of no society was formed, defect in title certificate, failed to make full disclosure and convey the land, no separate accounts maintained for sums received and failure in handing over of accounts, unauthorized construction and defects in construction, amongst other grounds. On August 3, 2019, Hon'ble Magistrate has passed the following order:

  Issue process against accused No.1 to 10 u/s.3,4,5,6, 7(1) (II), 10,11 punishable u/s 13 r.w. 14 of MOFA and contravention of section 6 of Maharashtra fire prevention & Life safety measures act 2006.Complaint u/sec 406,420 r/w 34 of IPC stands dismissed u/s 203 of Cr.P.C.

  This matter is pending and PLL and other accused have filed following Criminal Revision Application against the aforesaid order dated August 3, 2019:

  a) CRA No. 108 of 2020.
  b) CRA No. 109 of 2020.
  c) CRA No. 110 of 2020.

  Presently due to COVID-19 situation, only urgent matters are heard by all the courts and other matters are simpliciter adjourned by the courts. The matter is currently pending.

- Ashok Towers CHS Limited and Ors. filed a Criminal Complaint 192 of 2014 under section 3,4,5,6,7, 10 and 11 of the Maharashtra Ownership Flat Act, 1963 ("MOFA") against PLL and certain other parties before the 29th Court of Metropolitan Magistrate, Bhoiwada, Mumbai in relation to project 'Ashok Tower D CHS Ltd. And Ors.' alleging deficiencies in service on grounds of no society was formed, defect in title certificate, failed to make full disclosure and convey the land, no separate accounts maintained for sums received and failure in handing over of accounts, unauthorized construction and defects in construction, amongst other grounds. On August 3, 2019, Hon'ble Magistrate has passed the following order:

  Issue process against accused No.1 to 10 u/s.3,4,5,6, 7(1) (II), 10,11 punishable u/s 13 r.w. 14 of MOFA and contravention of section 6 of Maharashtra fire prevention & Life safety measures act 2006.Complaint u/sec 406,420 r/w 34 of IPC stands dismissed u/s 203 of Cr.P.C.

  This matter is pending and PLL and other accused have filed following Criminal Revision Application against the aforesaid order dated August 3, 2019:
  a) CRA No. 111 of 2020.
  b) CRA No. 112 of 2020.
  c) CRA No. 113 of 2020.

Presently due to COVID-19 situation, only urgent matters are heard by all the courts and other matters are simpliciter adjourned by the court. The matter is currently pending.

II. ASHOK GARDENS:

(i) Mr. Kailash Agarwal (who had purchased a flat in Ashok Gardens) as a partner of K.K. Enterprises filed a criminal complaint 31/SS of 2013 under sections 3, 4, 5, 7, 10, 11, 13 of the Maharashtra Ownership Flat Act, 1963 ("MOFA") against the builders/promoters of the project 'Ashok Gardens' (including PLL) before the Metropolitan Magistrate Mazgaon (Sewri) (Cr. No. 15), on the grounds of failure to hand over accounts for sums taken, failure to give inspection of approved plans and less carpet area, failure to give undivided interest in common area, failure to utilise Rs. 5,000 to give pipe gas connection, failure to take steps for formation of society and for carrying out change in plans without consent of the purchasers, amongst other grounds. The Magistrate directed all board of directors of the owner/developer companies to remain present in court to execute bail bond by way of an order dated October 25, 2013 and the order was stayed by the Mumbai City Civil and Sessions Court on August 12, 2015 in an appeal and directed the trial court to deal with complaint afresh. This matter is currently pending and the Complainant is absconding.

- On February 13, 2017 – Advocate on behalf of all the accused requested the Court to dismiss the complaint filed by Mr. Agarwal as he has not remained present in the Court on several occasions. Matters have now been adjourned to March 14, 2017.
- Till fresh summons are issued to Peninsula Land Limited and other accused in the matter, Peninsula Land Limited or other accused will have no locus to make an application for dismissal of the complaint. Only after issuance of process/summons, such an application can be made.
- From time to time matter is simpliciter adjourned.

Presently due to COVID-19 situation, only urgent matters are heard by all the courts and other matters are simpliciter adjourned by the courts. The matter is currently pending.

(ii) Mr. Rajesh Yaggopal Singh Chaddha (who had purchased a flat in Ashok Gardens) along with his brothers filed a criminal complaint 31/SS of 2013 sections 3, 4, 5, 7, 10, 11, 13 of the MOFA against the builders/promoters of the project 'Ashok Gardens' (including PLL) before the Metropolitan Magistrate Mazgaon (Sewri) (Cr. No. 15), on the grounds of failure to hand over accounts for sums taken, failure to give inspection of approved plans and less carpet area, failure to give undivided interest in common area, failure to utilise Rs. 5,000 to give pipe gas connection, failure to take steps for formation of society and for carrying out change in plans without consent of the purchasers, amongst other grounds. The Magistrate directed all board of directors of the owner/developer companies to remain present in court to execute bail bond by way of an order dated October 25, 2013 and the order was stayed by the Mumbai City Civil and Sessions Court on August 12, 2015 in an appeal and directed the trial court to deal with complaint afresh.

The proceedings in the trail court are stayed by the Hon'ble Bombay High Court by an order dated March 7, 2017 in the Criminal Writ Petition no 4052 of 2015 filed by the Complainant.

- On February 13, 2017 – Advocate on behalf of all the accused requested the Court to dismiss the complaint filed by Mr. Agarwal as he has not remained present in the Court on several occasions. Matters have now been adjourned to March 14, 2017.
- Till fresh summons are issued to Peninsula Land Limited and other accused in the matter, Peninsula Land Limited or other accused will have no locus to make an application for dismissal of the complaint. Only after issuance of process/summons, such an application can be made.
- From time to time matter is simpliciter adjourned.

Presently due to COVID-19 situation, only urgent matters are heard by all the courts and other matters are simpliciter adjourned by the courts, next date will be updated as when the same is updated on the court websites.

A Criminal Writ Petition 4052 of 2015 has been filed by Mr. Rajesh Yaggopal Singh Chaddha before the Bombay High Court against the order of stay issued by the City Civil and Sessions Court under Criminal Revision Application No. 1248 of 2013 staying the order of issuance of process passed by the Metropolitan Court on August 7, 2013. The Bombay High Court has stayed the proceedings in the lower court in 30/SS of 2013 vide order dated March 7, 2018.

This matter is admitted.

Tax Matters

From time to time, PLL is involved in disputes with income tax authorities in India with respect to assessment orders which are pending at various stages of adjudication. PLL is currently disputing assessments for 16 assessment years, being 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 where the total aggregate amount involved (to the extent ascertainable) is approximately Rs. 265.83 Crores. These matters are currently pending before the Commissioner of Income Tax (Appeals), the Income Tax Appellate Tribunal and High court.

B. Litigation involving promoters of PLL

One of the promoters of PLL, Urvi Piramal, is involved in one direct tax matter involving an amount of Rs. 0.12 Crores.

VII. Litigation against the Project Manager

There are no material litigation and regulatory actions currently pending against the Project Manager as on March 31, 2020.

VIII. Litigation against the Associates of the Sponsor and the Project Manager

There are no material litigations and no regulatory actions currently pending against any of the Associates of the Sponsor and the Project Manager as on March 31, 2020.

IX. Litigation against the Trustee

There are no material litigations and no regulatory actions currently pending against the Trustee as on March 31, 2020.

RISK FACTORS

Risks Related to the Organization and the Structure of the Trust

- The regulatory framework governing infrastructure investment trusts in India is new and untested. The interpretation and enforcement of the framework involves uncertainties. Certain interpretations or changes to the regulatory framework may have a material, adverse effect on the ability of certain categories of investors to invest in the Units, the Trust's business, financial conditions and results of operations, and our ability to make distributions to Unitholders.

- We must maintain certain investment ratios, which may present additional risks to us.

- Due to our initial lack of asset diversification, negative developments such as any governmental action negatively affecting the Pipeline, any economic recession particularly affecting the areas concerned, any natural disaster or any natural event or inadequacy of the reserves supplying the Pipeline that may adversely affect the volume of gas transported would have a significant adverse effect on our business, financial condition and results of operations and our ability to make distributions to Unitholders.

Risks Related to Our Business and Industry

- There are outstanding proceedings and regulatory actions against the erstwhile Investment Manager and outstanding proceedings and regulatory actions involving the Pipeline Business and PIL. Any adverse outcome in any of such proceedings may adversely affect our profitability and reputation and may have an adverse effect on our business, results of operations and financial condition.

- Our business may be adversely affected by non-performance of obligations by Reliance Industries Limited ('Reliance') under the various operating agreements entered into by PIL and Reliance (& its affiliates) that include the Pipeline Usage Agreement, Shareholders' and Options Agreement ("SHA"), Operations & Maintenance Agreement ("O&M Agreement"), Operations and Maintenance Sub-Contract Agreement. In particular, our business may be adversely affected by Reliance's non-performance of its obligations under the Pipeline Usage Agreement. Any event or factor which adversely impacts Reliance's business and its ability, or its unwillingness, to comply with its payment obligations under the Pipeline Usage Agreement (or other such agreements) would adversely affect our business and PIL's ability to pay interest and principal payments on its non-convertible debentures when due, as well as make distributions to our Unitholders.

- Separately to the Pipeline Usage Agreement, our gas transportation business derives a significant portion of its revenue from Reliance and a few other key customers. The loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition and cash flows.

- The Pipeline Business requires certain statutory approvals and registrations, including renewal of existing approvals and registrations. We may be required to incur substantial costs or may be unable to continue commercial operations if it cannot obtain or maintain necessary approvals and registrations.

- The Pipeline's business is exposed to a variety of gas market and gas production risks. The relative price and availability of gas and its competitive position with other energy sources (including electricity, coal, fuel oils, solar, wind and other alternative energy sources) may significantly change demand levels for the Pipeline capacity. If there is an unforeseen shortage in the availability of competitively priced gas, either as a result of gas reserve depletion or the unwillingness or inability of gas production companies to produce gas, the Pipeline's revenue may be adversely affected. While exploration of new gas resources from other wells is underway, we cannot provide absolute assurance that enough reserves will be identified, or that the supply from such alternative resources will be routed through the Pipeline. Continued development of new gas supply sources in the west or north of India could impact the Pipeline customers' demand for the Pipeline. There is risk that Government of India or PNGRB may stipulate or impose conditions which result in lower pipeline capacity utilization. All these factors may adversely impact our operations and revenues and our ability to make distributions to Unitholders.

- PIL has entered into agreements with third parties for receiving operation and management services and any failure on their part to perform their obligations could adversely affect our reputation, business, results of operations and cash flows.

- The O&M Agreement entered into by PIL includes budget plans for the cost of operating and maintaining the Pipeline facilities for a period of 20 years (from March 22, 2019). In the event the cost of operating and maintaining the Pipeline facilities exceeds such budgets or estimates, our results of operations and cash flows may be adversely affected. Further, in the event the actual budget and business plan prepared for any Financial Year exceeds the budget plan as included in the O&M Agreement, or the actual costs and expenses incurred exceed such budget and business plan, the Contractor as defiled in the O&M Agreement may be obliged to subscribe to optionally fully convertible debentures, convertible into equity shares of PIL (at the option of PIL), in accordance with the O&M Agreement. While the optionally fully convertible debentures are convertible at the option of PIL, any such conversion if exercised would result in a dilution of the Trust's equity interest in PIL leading to potentially lower returns to the Trust.

- Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which is owned, leased or intended to be acquired. Further, while the Ministry of Petroleum and Natural Gas, Government of India under the PMP Act declared that the right of use of the acquired land for the Pipeline vested with East West Pipeline Limited, the Pipeline Business is and may continue to be subject to civil proceedings by land owners claiming additional compensation or disputing compensation paid. In addition, the Pipeline Business entered into agreements to obtain crossing rights through highways, roads, railways, rivers and canals during the construction of the Pipeline. If the Pipeline Business fails to comply with the terms of such crossing agreements, the Pipeline Business could be subject to additional costs towards curing such breaches and resolving disputes. The Pipeline Business could also be negatively impacted if land access costs increase, including through rental increases, renewals of expiring agreements, prevention of easement encroachments or lack of enforcement of the Pipeline's current land access rights.

- The Pipeline is subject to many environmental and safety regulations. The Pipeline is subject to extensive central, state, and local regulations, rules and ordinances relating to pollution, the protection of the environment and the handling, transportation, treatment, disposal and remediation of hazardous substances. The Pipeline may incur substantial costs, including fines, damages and criminal or civil sanctions, and experience interruptions in the Pipeline's operations for actual or alleged violations arising under applicable environmental laws and/or implementing preventive measures. Violations of operating permit requirements or environmental laws can also result in restrictions to or prohibitions on Pipeline operations, substantial fines and civil or criminal sanctions.

- The Pipeline Business and our results of operations could be adversely affected by stringent labour laws, strikes or work stoppages by employees. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution. This makes it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which could adversely affect our business. Any delays, stoppages and interruptions, due to a strike or other work stoppage at any of our work sites could have an adverse effect on our ability to operate and meet our contractual obligations and on our financial performance and condition.

- Any disruption, failure or delay in the operation of the Pipeline information systems may disrupt Pipeline operations and cause an unanticipated increase in costs. These system include supervisory control and data acquisition ("SCADA") system and other specialized planning, optimization and scheduling tools allow adjustments in the operation of the Pipeline.

- Government intervention in the pricing decisions of the Pipeline may adversely affect its business. The Government, through the PNGRB tariff regime, has the ultimate discretion to regulate the prices at which the Pipeline may offer its natural gas transportation services. PNGRB vide order dated March 12, 2019, declared the levelized tariff of Rs. 71.66/MMBTU to be applicable to the Pipeline effective from April 1, 2019. The final tariff declared is 37% increase over the initial tariff of Rs. 52.23/MMBTU. PIL submitted its Zonal apportionment of tariff to PNGRB vide letter dated March 19, 2019 for approval. Subsequently PNGRB amended regulations on May 27, 2019, whereby the tariffs are made applicable on prospective basis after approval of zonal tariffs i.e. applicable from the first day of the month following the month in which the zonal tariff order is issued by the Board. PNGRB approved the Zonal apportionment of tariff vide order TO/2019 – 20/06 June 4, 2019, the zonal tariffs to be applicable from July 1, 2019. This delay in PNGRB's approval for PIL's zonal tariff has affected cash flows for the period from April 1, 2019 to June 30, 2019. The zonal tariff order provides that adjustment for the tariff charged by PIL for the period for April 1, 2019 to June 30, 2019 shall be done in the next tariff review. Any other similar delay in approvals by PNGRB will affect the cash flows of PIL.

  Also, PNGRB has fixed the capacity of PIL Pipeline at higher value than the actual capacity for past years. Pursuant to PIL challenging the matter before APTEL, in the order pronounced by APTEL in November 2019 was in favour of PIL and PNGRB has been directed to declare capacity of PIL Pipeline for FY11 and FY12 after considering the change in operating parameters. Capacity declaration for FY13 and onwards is also currently pending at PNGRB for PIL Pipeline. PNGRB in the month of June 2020 has proposed certain amendments in Tariff regulations including capacity as per design basis for tariff, normative fuel cost, lower number of working days, etc. Therefore, if these regulations are implemented, the above capacity re-determination does not have any bearing on the tariff.

  PNGRB has issued an amendment notification dated March 27, 2020 to the determination of Natural Gas Pipeline Tariff Regulations, 2008. As per the amendment, in case more than one nominal rates of income tax are applicable to an entity, the lowest of such nominal rates shall be considered for the purpose of grossing-up the post-tax rate of return of twelve per cent for computing pre-tax rate of return on capital employed. Consequent to amendment in Income Tax Rates by GOI for the corporate assesses, an option has been provided to corporates for adopting reduced tax rate of 22% which after surcharges and education cess comes to effective tax rate of 25.17%. Likely implication on PIL tariff would be around 10%. Matter is under consideration at PNGRB. It is expected that the other proposed amendments by PNGRB will set off adverse effects due to reduced corporate tax rate

  The gas volumes expected from new domestic gas fields on east coast has been delayed due to crisis arising out of COVID-19. Similarly, the construction of connectivity between PIL pipeline and facilities of CGD networks and development of downstream CGD networks has been delayed due to COVID-19 crisis. Further, due to industrial lockdowns volumes in PIL pipeline are affected to some extent.

Going forward any reduction in gas supply volumes and delay in finalization of tariffs may result in Pipeline incurring adverse impacts on revenue from gas transportation services. No absolute assurance can be provided that there will not be a significant change in Government policy, which may adversely affect the Pipeline's financial condition and results of operations.

- Gas transmission and distribution networks have significant occupational health and safety risks that could expose the Pipeline to claims and increased regulatory and compliance costs. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

- The Pipeline requires the services of third parties, including suppliers and contractors of labour material and equipment, which entail certain risks. The Pipeline also requires registrations with the relevant state assistant labour commissioners under the Contract Labour Regulation Act, 1971 for engaging contract labour for its compressor stations. Non-availability of skill of such third parties and at reasonable rates, and any default by its contractors could have an adverse effect on our business, results of operations or financial condition. There is also a risk that we may have disputes with the Pipeline contractors arising from, among other things, the violation of the terms of their contracts. While we will attempt to monitor and manage this risk through performance guarantees, contractual indemnities, disclosure and confidentiality obligations and limitations of liability, it may not be possible for us to protect the Pipeline Business from all possible risks and as a result, our business, results of operations or financial condition could be adversely affected.

- Under the Infrastructure Agreement, Reliance Gas Pipelines Limited ("RGPL") has non-exclusive access to certain of its facilities which are laid on the Pipeline's right of usage area and are co-located with the Pipeline facilities. Any breach by RGPL of its obligations under the Infrastructure Sharing Agreement may have an adverse impact on our business, results of operations and financial condition.

- The Pipeline operations may be subject to losses arising from natural disasters, operational hazards and unforeseen interruptions, and the Pipeline's insurance coverage may not adequately protect it against such losses, hazards and interruptions. The Pipeline carries all-risks mitigation policy covering property damage, machinery breakdown, business interruption, and third-party liability (which we are statutorily required to maintain) for the Pipeline Business. The losses the Pipeline may incur or payments the Pipeline may be required to make may exceed its insurance coverage, and the Pipeline's results of operations may be adversely affected as a result. In addition, insurance may not be available for the Pipeline in the future at commercially reasonable terms and costs. An inability of PIL to maintain requisite insurance policies particularly under Public Liability Insurance Act, 1991 may expose the Pipeline to third party risks and impose obligations to compensate such third parties without the benefit of recouping such amounts under an insurance policy. Maintenance of such insurance policies may also require PIL to incur significant compliance costs, which if PIL is unable to maintain could expose the Project SPV to third party claims, to the extent it not covered by insurance.

- PIL faces several potential risks arising out of COVID -19 pandemic including operations disruption, employee health and mobility, supply chain constraints, diminished customer demand, cyber adversaries, demotivated workforce etc. Such risks may get magnified in case the COVID -19 persists or in case of a resurgence in India in general and in our operational areas in particular.

- The Pipeline's business will be subject to seasonal fluctuations that may affect its cash flows. Our cash flows may be affected by seasonal factors, which may adversely affect gas transmission volumes for example, on account of excessive rainfall during the monsoon season in India. While the Pipeline is designed to operate in all seasons and normal climatic variations as experienced, any abnormal or excessive rains and flooding may restrict our ability to carry on activities related to our operation and maintenance of the Pipeline. This may result in delays in periodic maintenance and reduce productivity, thereby adversely affecting our business, financial condition and results of operations.

Risks Related to the Trust's Relationships with the Sponsor and Investment Manager

- The Sponsor, who may have different interests from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust.

- The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Investment Manager are dependent on various factors.

- Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the SEBI InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

- The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements. Further, the Investment Manager has limited experience as a manager of an InvIT and may not have adequate resources to fulfil its role and responsibilities.

Risks Related to India

- We are dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on the Pipeline Business, financial condition and results of operations and the price of the Units.

- Our operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India. The Pipeline, PIL and its employees are located in India. Consequently, the Pipeline's financial performance will be affected by changes in regulations by PNGRB and other regulatory Bodies, exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India. The Government and State Governments have traditionally exercised, and continue to exercise, significant influence over many aspects of the economy. The Pipeline Business, and the market price and liquidity of the Units, may be affected by interest rates, changes in governmental policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

- The operation of the Pipeline is subject to disruptions and other external factors that are beyond our control, which may have an adverse impact on our business, financial condition and results of operations if they materialize. These risks may include but not limited to, failure to renew and/or maintain necessary governmental, environmental and other approvals; any changes to the policies or legislation under which the Pipeline's rights over land have been granted; theft and pilferage and any related interruptions caused by such actions; leakages and any related interruptions necessary to remedy such leakages as well as other necessary repairs and maintenance; accidents, including fires, explosions, ruptures in, or spills from, crude and product carriers or storage tanks; natural disasters, including seismic or cyclonic activity, and weather-related delays, in particular because the Pipeline crosses different regions and terrain which include certain zones with higher seismic activity; breakdown, failure or substandard performance of equipment or other processes; mobilizing required resources, including recruiting, housing, training and retaining our workforce; labour unrest or disputes; and war, terrorism or civil unrest.

Risks Related to Ownership of the Units

The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders. Further, unitholders are unable to require the redemption of their units.

Risks Related to Tax

Changing tax laws and regulations may adversely affect our business, financial condition and results of operations. Further, Tax laws are subject to changes and differing interpretations, which may adversely affect our operations.

Valuation Report

India Infrastructure Trust ("**Trust**")

(Acting through Axis Trustee Services Limited in its capacity as Trustee of the Trust)

&

WIP (India) Private Limited

(In its capacity as Investment Manager of the Trust)

Valuation of InvIT Asset as per Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

June 2020

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BDO Valuation Advisory LLP
9FL North East wing, The Ruby,
Senapati Bapat Marg, Dadar (West),
Mumbai - 400028, India

Ref: MG/Jun271/2020 June 27, 2020

To,
India Infrastructure Trust **(the "Trust")**
Acting through Axis Trustee Services Limited (In its capacity as the "Trustee" of the Trust)
Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex,
Bandra East, Mumbai - 400051, Maharashtra, India

To,
WIP (India) Private Limited
(In its capacity as the "Investment Manager" of the Trust)
Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex,
Bandra East, Mumbai - 400051, Maharashtra, India

Dear Sir(s)/Madam(s),

Sub: Valuation of InvIT Asset as per Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended

Pursuant to the approval of unit-holders of India Infrastructure Trust (**the "Trust" or "InvIT"**) in their meeting held on August 23, 2019, BDO Valuation Advisory LLP, with IBBI Registration Number IBBI/RV-E/02/2019/103 (hereinafter referred to as **"Valuer", "BDO Val" or "We" or "Us"**), have been appointed as the Valuer of InvIT Asset (defined hereinafter below). Further, we also refer to the engagement letter dated May 11, 2020 for providing professional services to WIP (India) Private Limited[1] (**"Investment Manager" or "IM"**) acting in the capacity of Investment Manager of the InvIT, with respect to determination of value of InvIT Asset as per the requirements of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder (**"SEBI InvIT Regulations"**).

In the instant case, the "InvIT Asset" refers to Pipeline (defined in para 2.1.5 of this Report) owned by Pipeline Infrastructure Limited[2] (**"PIL"** or **"the Company"**). The InvIT and/or PIL along with other parties have entered into various agreements collectively referred as the Transaction Documents (defined in Section 1 of this Report) which *inter alia* govern the rights and interest in the InvIT Asset. The economic interest of InvIT in the InvIT Asset is valued after considering the agreed terms of the Transaction Documents.

We thereby enclose our independent valuation report dated June 27, 2020 (**"the Report"** or **"this Report"**) providing the fair enterprise value of the InvIT Asset on a going concern basis considering current condition of the InvIT Asset and based on data as stated in **"Sources of Information"** of the Report. The cut-off date of the current valuation exercise for market factors including market price

[1] We have received intimation for change of IM from PenBrook Capital Advisors Private Limited to WIP (India) Private Limited with effect from April 1, 2020

[2] The name was changed from Pipeline Infrastructure Private Limited to Pipeline Infrastructure Limited with effect from April 25, 2019

is considered as March 31, 2020 (**"Valuation Date"**). Further, the valuation of the InvIT Asset has been undertaken assuming all the requisite approvals have been obtained for the Pipeline Business (defined in para 2.1.5 of this Report) to be operated in the name of PIL.

This report is being prepared for compliance with Regulation 21(4) of the SEBI InvIT Regulations for submission to the Trustee, the designated stock exchange and such other statutory and regulatory authority, as may be required from time to time. This Report should not be used or relied upon for any other purpose.

In terms of the SEBI InvIT Regulations, the Valuer hereby confirms and declares that:

- The Valuer is competent to undertake the valuation;
- The Valuer is independent and has prepared this Report on a fair and unbiased basis;
- This Report is prepared in compliance with regulation 13(1) and regulation 21 of the SEBI InvIT Regulations;

The Valuer further confirms that the valuation of InvIT Asset is carried out as per internationally accepted valuation methodologies and in cognizance of international valuation standards and ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India.

The Valuer has no present or planned future interest in PIL, InvIT Asset or the IM, except to the extent of our appointment as an independent valuer for this Report.

A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure used, and the factors considered in formulating our opinion. This Report is subject to the attached exclusions and limitations and to all terms and conditions provided in the engagement letter for this assignment.

This Report is based on the information provided by the management of PIL and/ or the IM ("Management"). The projections provided by the IM are only the best estimates of growth and sustainability of revenue and profitability margins. We have reviewed the financial forecast for consistency and reasonableness and relied on them. Further with respect to forecast of volume to be transported through the Pipeline by PIL, we have placed reliance on the **"EWPL Due Diligence Abridged Report for Disclosure in Private Placement Memorandum"** dated December 21, 2018 issued by Wood Mackenzie Asia Pacific Pte. Ltd. ("Wood Mackenzie Report") as provided to us by the IM.

Regards,
For BDO Valuation Advisory LLP
IBBI No.: IBBI/RV-E/02/2019/103

Gadkari

BDO VALUATION ADVISORY LLP

Name: Mandar Vikas Gadkari
Designation: Partner
IBBI Regn No.: IBBI/RV/06/2018/10500
Encl: As above

Table of contents:

1 Definitions, abbreviations & glossary of terms

Abbreviations	Definitions/Meanings
AP	Andhra Pradesh
Appointed Date	The date, being July 1, 2018, with effect from which the Scheme of Arrangement has come into effect.
APTEL	Appellate Tribunal for Electricity
BCM	Billion Cubic Meters
BSE	BSE Limited
BV	Breakup Value
CAGR	Compounded Annual Growth Rate
CCM	Comparable Companies Multiple
CCPS	0.1% Compulsory Convertible Preference Shares
Completion Date	March 22, 2019
Contractor	Pipeline Management Services Private Limited (formerly Rutvi Project Managers Private Limited)
CS	Compressor Station
CTM	Comparable Transaction Multiple
DCF	Discounted Cash Flow
DE	Debt-Equity
DTD Agreement	Debenture Trust Deed dated April 16, 2019 between PIL And IDBI Trusteeship Services Limited
DUPL	Dahej Uran Pipeline
DVPL	Dahej Vijaipur Pipeline
EWPL	East West Pipeline Limited (formerly Reliance Gas Transportation Infrastructure Limited)
FCFE	Free Cash Flow to Equity
FICCI	The Federation of India Chambers of Commerce and Industry
FICCI Report	FICCI Report titled "India Gas Infrastructure Indian Gas Sector - Ushering in, an era of Growth" dated December, 2019 prepared by FICCI's knowledge partner Ceresta Business Consulting
FIMMDA	Fixed Income Money Market and Derivatives Association
Framework Agreement	The framework agreement dated August 28, 2018, entered amongst RIHPL, the Sponsor, the Investment Manager and PIL
FY	Financial Year
GCV	Gross Calorific Value
GHV	Gross Heating Value
GJ	Gujarat
GSA	Gas Supply Agreement
GSPL	Gujarat State Petronet Ltd
GSPCL-HP	Gujarat State Petroleum Corporation Ltd. - High Pressure
GTA	Gas Transportation Agreement
ICAI	Institute of Chartered Accountants of India
Infrastructure Sharing Agreement	Infrastructure Sharing Agreement dated February 11, 2019 between Contractor, Sub-Contractor and PIL

Abbreviations	Definitions/Meanings
Investment Manager or IM	WIP (India) Private Limited
InvIT or Trust	India Infrastructure Trust
InvIT Asset or Pipeline or Initial Portfolio Asset	The cross-country pipeline (including spurs) between Kakinada in Andhra Pradesh and Bharuch in Gujarat, transferred to PIL with effect from the Appointed Date, pursuant to the Scheme of Arrangement, being the InvIT Asset for the purposes of the SEBI InvIT Regulations
Joint Venture Agreement	The joint venture agreement dated February 11, 2019 , entered into between the Project Manager, RIL and the Contractor and amendments thereto
KG Basin	Krishna Godavari Basin
LNG	Liquified Natural Gas
Management	Management of PIL and IM
MDQ	Maximum Delivery Quantity
MH	Maharashtra
MLV	Mainline Sectionalizing Valve
mmbtu	One Million British Thermal Units
mmscmd	Million Metric Standard Cubic Meter Per Day
Mn	Million
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NELP	New Exploration and Licensing Policy
OT	On-shore Terminals
O&M Agreement	Operations and maintenance agreement, dated February 11, 2019 amongst PIL, Contractor and the Project Manager
O&M Sub-Contractor Agreement	Operations and Maintenance Sub-contractor Agreement, dated February 11, 2019 amongst PIL, Contractor and Sub-Contractor
Pipeline Business	The entire activities and operations historically carried out by EWPL with respect to transportation of natural gas through the Pipeline and related activities, as a going concern, which was acquired by PIL with effect from the Appointed Date, as further defined in the Scheme
PIL SHA	Shareholders' and Options Agreement dated February 11, 2019 amongst PIL, EWPL, RIL, IM and the Trust and amendments thereto
PIL/Company	Pipeline Infrastructure Limited (Previously known as Pipeline Infrastructure Private Limited)
PNGRB	Petroleum and Natural Gas Regulatory Board
PNGRB Report	PNGRB report by industry group titled "Vision 2030 - Natural Gas Infrastructure in India Report", available at http://www.pngrb.gov.in/Hindi-Website/pdf/vision-NGPV-2030-06092013.pdf
Project Manager	ECI India Managers Private Limited
PUA	A Pipeline Usage Agreement, which PIL and RIL have entered into on March 19, 2019 setting out the terms of reservation and usage of capacity in the Pipeline by RIL and includes amendments to the agreement
RIIHL	Reliance Industrial Investments And Holdings Limited
RIHPL	Reliance Industries Holding Private Limited

Abbreviations	Definitions/Meanings
RIL	Reliance Industries Limited
ROCE	Return on Capital Employed
Scheme/ Scheme of Arrangement	The scheme of arrangement between EWPL (as the demerged entity), PIL and their respective creditors and shareholders under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, for the demerger of the Pipeline Business from EWPL to PIL
SEBI InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder
SPA	Share Purchase Agreement dated February 11, 2019 amongst the Trust, the Investment Manager, RIHPL and PIL and amendments thereto
SSA	PIL Share Subscription Agreement dated February 11, 2019 amongst PIL, RIIHL, and Trust
Shared Services Agreement	The Shared Services Agreement dated February 11, 2019 entered amongst RIL, PIL and the Contractor and amendments thereto
Sponsor	Rapid Holdings 2 Pte. Ltd.
Sub-Contractor	Reliance Gas Pipelines Limited
SUG	System Use Gas
Transaction Documents	Transaction documents shall mean the Framework Agreement, the Scheme of Arrangement, the Joint Venture Agreement, the PIL SHA, the SPA, the O&M Agreement, the O&M Sub-Contractor Agreement the Pipeline Usage Agreement, Shared Services Agreement, SSA, Infrastructure Sharing Agreement and DTD Agreement and amendments to these agreements
Trustee	Axis Trustee Services Limited
TS	Telangana
Valuation Date	March 31,2020
WACC	Weighted Average Cost of Capital
Wood Mackenzie	Wood Mackenzie Asia Pacific Pte. Ltd.
Wood Mackenzie Report	EWPL Due Diligence Abridged Report for Disclosure in Private Placement Memorandum issued by Wood Mackenzie Asia Pacific Pte. Ltd. dated December 21, 2018

2 Executive Summary

2.1 Brief Background and Purpose

2.1.1 India Infrastructure Trust ("the Trust" or "**InvIT**") is a contributory irrevocable trust set up under the provisions of the Indian Trusts Act, 1882. This Trust has been set up on November 22, 2018.

2.1.2 The Trust is an infrastructure investment trust registered on January 23, 2019 under the SEBI InvIT Regulations having registration number IN/InvIT/18-19/0008. The Trust was set up in order to invest in infrastructure projects in accordance with the SEBI InvIT Regulations.

2.1.3 The initial portfolio asset of the Trust is the Pipeline. The Pipeline was earlier owned by EWPL and pursuant to the Scheme of Arrangement between EWPL and PIL, as sanctioned by NCLT Mumbai vide order dated December 21, 2018 and NCLT Ahmedabad vide order dated November 12, 2018, was transferred to PIL. Currently, the Trust holds 100% of equity share capital of PIL.

2.1.4 The Trust, the Investment Manager, Reliance Industries Holding Private Limited ("RIHPL") and PIL had entered into a Share Purchase Agreement ("SPA") wherein the Trust acquired 100% of the issued and paid-up equity share capital of PIL from RIHPL on the Completion Date i.e. March 22, 2019 ("Transaction").

2.1.5 PIL operates a cross country, natural gas pipeline with a pipeline length of ~1,480 kms (including dedicated lines) together with compressor stations and operation centres that stretches from Kakinada (Andhra Pradesh) to Bharuch (Gujarat) traversing through the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat (the asset is referred as "Pipeline" and activity of operating the Pipeline is referred as "Pipeline Business"). Historically, the Pipeline Business has been owned and operated by EWPL.

2.1.6 PIL and RIL have entered into a Pipeline Usage Agreement ("PUA") on March 19, 2019 and amendments thereto pursuant to which RIL will make agreed payments on a quarterly basis in order to reserve certain capacity in the Pipeline for transportation of gas.

2.1.7 As per regulation 21(4) of SEBI InvIT Regulations -

"A full valuation shall be conducted by the valuer not less than once in every financial year. Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year."*

** Extended by 1 month by SEBI vide circular: SEBI/HO/DDHS/CIR/P/2020/42, dated March 23, 2020*

2.1.8 In this regards, the IM has appointed the Valuer to undertake the valuation of InvIT Asset in compliance of the above SEBI InvIT Regulation. ("Purpose").

2.2 Valuation Methodology Adopted

2.2.1 Considering the nature of business and information available, InvIT Asset has been valued using Discounted Cash Flow ("**DCF**") Method under Income Approach. We have used Free Cash Flow to Equity ("FCFE") model under the DCF Method to arrive at the value of InvIT Asset.

2.3 Valuation Conclusion

2.3.1 The tariff as approved by PNGRB vide order dated March 12, 2019 considered for valuation of InvIT Asset is INR 71.66 per mmbtu.

2.3.2 The fair enterprise value of InvIT Asset pursuant to the agreed terms of the Transaction Documents is arrived at INR 145,268.5 Mn.

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3 Introduction

3.1 Terms of Engagement

3.1.1 We, BDO Valuation Advisory LLP having LLP identification number AAN-9463 and IBBI Registration number IBBI/RV-E/02/2019/103, have been appointed by Investment Manager, to determine the fair enterprise value of InvIT Asset on a going concern basis as per SEBI InvIT Regulations.

3.1.2 This Report has been prepared by the Valuer pursuant to terms of engagement letter dated May 11, 2020 between the Valuer and the Investment Manager including the terms and conditions set out therein.

3.2 Background and Purpose of Valuation

3.2.1 The Trust is a contributory irrevocable trust set up under the provisions of the Indian Trusts Act, 1882 on November 22, 2018.

3.2.2 The Trust is an infrastructure investment trust registered on January 23, 2019 under the SEBI InvIT Regulations having registration number IN/InvIT/18-19/0008. The Trust was set up in order to invest in infrastructure projects.

3.2.3 The initial portfolio asset of the Trust is a pipeline used for the transportation of natural gas, with the potential to induct new assets in due course. The Pipeline is a cross-country, natural gas pipeline with a pipeline length of approximately 1,480 km (including dedicated lines) together with compressor stations and operation centres that stretches from Kakinada, Andhra Pradesh, in the east of India, to Bharuch, Gujarat, in the west of India, traversing adjacent to major cities in the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat. Historically, the Pipeline was owned and operated by EWPL.

3.2.4 The Pipeline has been transferred from EWPL to PIL with effect from the Appointed Date, pursuant to a Scheme of Arrangement that has been sanctioned by the National Company Law Tribunal, Bench at Ahmedabad and the National Company Law Tribunal, Bench at Mumbai (together the "NCLTs") on November 12, 2018 and December 21, 2018 respectively (the "Scheme of Arrangement" or "Scheme"). Currently, the Trust beneficially holds 100% of the equity share capital of PIL.

3.2.5 PIL and RIL have entered into a pipeline usage agreement ("Pipeline Usage Agreement" or "PUA") dated March 19, 2019 and amendments thereto pursuant to which RIL has agreed to make payments to PIL on a quarterly basis in order to reserve certain annual capacity of the Pipeline.

3.2.6 Rapid Holdings 2 Pte. Ltd ("Sponsor") is the sponsor of the Trust, WIP (India) Private Limited is the Investment Manager of the Trust and Axis Trustee Services Limited is the Trustee of the Trust.

3.2.7 ECI India Managers Private Limited, as the project manager (the "Project Manager"), are responsible for the execution and management of the projects.

3.2.8 The Project Manager, PIL and Pipeline Management Services Private Limited (the "Contractor") have entered into an agreement for the provision of certain operations and maintenance services by the Contractor in respect of the Pipeline ("O&M Agreement").

3.2.9 In accordance with the sub-contracting provision in the O&M Agreement, the Contractor, PIL and Reliance Gas Pipelines Limited (the "Sub-Contractor") have entered into an operations and maintenance sub-contract agreement (the "O&M Sub-Contract Agreement") for the operation and maintenance of a section of the Pipeline.

3.2.10 Framework Agreement recorded the understanding among the parties for, among others (1) transfer of the entire issued equity share capital of PIL to the Trust; (2) subscription by the Trust to the Non-Convertible Debentures issued by PIL ("PIL NCDs"); (3) transfer of the Pipeline Business from EWPL to PIL pursuant to the Scheme of Arrangement; and (4) repayment of the unsecured liability of ₹164,000 million.

3.2.11 PIL SHA sets out rights and obligation of parties to the agreement in relation to PIL, including those of the Trust as the equity shareholder of PIL and the holder of the PIL NCDs, and of RIL and the Trust in relation to the purchase and transfer of the equity shares of PIL under certain circumstances and the manner of distribution of cash flows of PIL and the terms of the redeemable preference shares in compliance with applicable law.

3.2.12 Shared Service Agreement sets out the terms for RIL to provide PIL and the Contractor with certain identified services in connection with the Pipeline Business, for a period of three years, in order to enable business continuity, seamless operations and an effective cost structure of the Pipeline Business, pursuant to the demerger of the Pipeline Business from EWPL to PIL.

3.2.13 SSA records the understanding among various parties with respect to issue, allotment and subscription of the CCPS.

3.2.14 Infrastructure Sharing Agreement sets out the terms for permitting sub-contractor's non-exclusive access to certain facilities of Sub-contractor which are laid on the Pipeline's right of usage area and are co-located with the Pipeline facilities;

3.2.15 Joint Venture Agreement records the understanding among various parties which include operation of and maintenance of Pipeline on behalf of PIL and the Project Manager.

3.2.16 DTD Agreement provides the terms and conditions and stipulations (pursuant to which the Debentures with issue amount of INR 64,520 Mn were issued) as well as their respective obligations in respect of the issuance.

3.2.17 The units of the Trust are listed on BSE by way of private placement.

3.2.18 In line with the Purpose mentioned earlier, the IM has appointed BDO Valuation Advisory LLP to undertake the valuation of InvIT Asset in compliance of the SEBI InvIT Regulations.

3.2.19 This Report should not be used or relied upon for any other purpose. The suitability or applicability of this Report for any purpose other than that mentioned above has not been verified by the Valuer.

3.3 Source of Information

3.3.1 For the purpose of this valuation exercise, we have relied on the following sources of information:

i. Brief note on the operations of Pipeline Business;

ii. Tariff order for determination of Final Initial Unit Natural Gas Pipeline Tariff by PNGRB dated March 12, 2019;

iii. Audited Financial statements of Pipeline Infrastructure Limited for the year ended March 31, 2019;

iv. Audited Financial statements of Pipeline Infrastructure Limited for the year ended March 31, 2020;

v. Volumes transported by PIL for Financial Year ("FY") 2019-20;

vi. Income Tax Return of PIL for Assessment Year 2019-20;

vii. Framework Agreement amongst RIHPL and the Sponsor and the IM and PIL dated August 28, 2018;

viii. Scheme of Arrangement between EWPL and PIL and their Respective Shareholders and Creditors for transfer of Pipeline Business from EWPL to PIL;

ix. Joint Venture Agreement dated February 11, 2019, entered into between the Project Manager, RIL and the Contractor and First Amendment Agreement dated April 22, 2019 to the Joint Venture Agreement;

x. PIL SHA dated February 11, 2019 amongst PIL, EWPL, IM, Trust and RIL and First Amendment Agreement dated March 9, 2019 to the PIL SHA and Second Amendment Agreement dated April 22, 2019 to the PIL SHA;

xi. SPA dated February 11, 2019 amongst RIHPL, Trust, IM and PIL and Amendment Agreement dated April 22, 2019 to SPA;

xii. SSA dated February 11, 2019 amongst PIL, RIIHL, and Trust;

xiii. O&M Agreement dated February 11, 2019 amongst PIL, Contractor and Project Manager;

xiv. O&M Sub-Contract Agreement dated February 11, 2019 amongst PIL, Contractor, Sub-Contractor;

xv. PUA executed between PIL and RIL on March 19, 2019, Amendment Agreement dated April 22, 2019 to the PUA and Clarificatory note to PUA dated December 24, 2019;

xvi. Shared Service Agreement February 11, 2019 amongst PIL, RIL and the Contractor and First Amendment Agreement dated April 22, 2019 to the Shared Service Agreement;

xvii. Infrastructure Sharing Agreement dated February 11, 2019 between Contractor, Sub-Contractor and PIL;

xviii. Debenture Trust Deed dated April 16, 2019 between PIL And IDBI Trusteeship Services Limited;

xix. Copy of Orders approving the Scheme of Arrangement by the National Company Law Tribunal, Bench at Ahmedabad and the National Company Law Tribunal, Bench at Mumbai vide orders dated November 12, 2018 and on December 21, 2018, respectively;

xx. EWPL Due Diligence Abridged Report for Disclosure in Private Placement Memorandum issued by Wood Mackenzie dated December 21, 2018 ("Wood Mackenzie Report")

xxi. Physical Inspection with respect to the Pipeline as required under Regulation 21(2) of SEBI InvIT Regulations;

xxii. Projected revenue expenditure and capital expenditure for operations of PIL for period starting from April 1, 2020 to March 22, 2039;

xxiii. Estimates of working capital of PIL for period starting from April 1, 2020 to March 22, 2039;

xxiv. List of one-time sanctions/approvals which are obtained or pending in relation to the Pipeline and list of up to date/ overdue periodic clearances in relation to the Pipeline as on the Valuation Date;

xxv. Details of material litigations in connection with the Pipeline as on the Valuation Date;

xxvi. FICCI Report titled "India Gas Infrastructure Indian Gas Sector - Ushering in, an era of Growth" dated December, 2019 prepared by FICCI's knowledge partner Ceresta Business Consulting ("FICCI **Report"**).

xxvii. PNGRB report by industry group titled "Vision 2030 - Natural Gas Infrastructure in India Report", available at http://www.pngrb.gov.in/Hindi-Website/pdf/vision-NGPV-2030-06092013.pdf (**"PNGRB Report"**).

xxviii. Other relevant data and information provided to us by the Management whether in oral or physical form or in soft copy, and discussions with their representatives; and

xxix. Information available in public domain and provided by leading database sources.

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4 Exclusions and Limitations

4.1 Restricted Audience:

4.1.1 This Report and the information contained herein are absolutely confidential and are intended for the use of the IM and the Trust in connection with the Purpose set out in the Report.

4.1.2 It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. It can however be relied upon and disclosed in connection with any statutory and regulatory filing with SEBI, BSE Limited or any other regulatory /statutory authority as per the SEBI InvIT Regulations without any consent in connection with the Purpose mentioned earlier. This Report and the extracts of this Report included herein can be reproduced and used for filings with SEBI, BSE and any other statutory authority as required by the law. In the event the IM or the Trust extend the use of the Report beyond the purpose mentioned earlier in the Report, with or without our consent, we will not accept any responsibility to any other party (including but not limited to the investors, if any) to whom this Report may be shown or who may acquire a copy of the Report.

4.1.3 It is clarified that this Report is not a fairness opinion under any of the stock exchange / listing regulations. In case of any third party having access to this Report, please note that this Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for its purpose.

4.2 Limitation Clause:

4.2.1 The Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

4.2.2 The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Further, conducting a financial or technical feasibility study was also not covered.

4.2.3 During the course of this work, we have relied upon assumptions and projections as provided by Management. These assumptions require exercise of judgment and are subject to uncertainties.

4.2.4 Further, this Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of InvIT Asset. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. The information presented in this valuation Report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation Report materially.

4.2.5 Valuation is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment as the valuation analysis is governed by the concept of materiality. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on the businesses.

4.2.6 Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

4.2.7 The realization of these projections is dependent on the continuing validity of the assumptions on which they are based. Since the projections relate to the future, actual results are likely to be different from the projected results in case of events and circumstances not occurring as projected and the differences may be material. The Valuer's work did not constitute a validation of the financial projections of the InvIT Asset under consideration and accordingly, the Valuer does not express any opinion on the same. The Valuer has not commented on the appropriateness of or independently verified the assumptions or information provided to us, for arriving at the financial projections. Further, while the Valuer has discussed the assumptions and projections with the Management, our reliance on them for the purpose of valuation should not be construed as an assurance about the accuracy of the assumptions or the achievability of the financial projections.

4.2.8 This Report is based on information received from sources mentioned herein and discussions with the Management. We have assumed that the parties involved have furnished to us all information, which they are aware of concerning the financial statements and respective liabilities, which may have an impact on our Report.

4.2.9 We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Trust or PIL or any of other entity mentioned in this Report and have considered them at the value as disclosed by the Trust and PIL in their regulatory filings or in submissions, oral or written, made to us. Nothing has come to our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our Report.

4.2.10 We have not made any independent verification with respect to the PIL's claim to title of assets or property (including the Pipeline) for the purpose of this valuation. With respect to claim to title of assets or property we have solely relied on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Report.

4.2.11 Except to the extent required under the SEBI InvIT Regulations, we are not responsible for matters of legal nature including issues of legal title and compliance with local laws in respect of PIL and also no consideration has been given to litigation and other contingent liabilities that are not recorded in the financial of PIL.

4.2.12 The fee for the Report is not contingent upon the outcome of the Report.

4.2.13 This Report does not look into the business / commercial reasons behind any transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits of the Trust are sole responsibility of the investors of the Trust and we do not express any opinion on the suitability or otherwise of entering into any financial or other transactions with the Investment Manager, the Trust or PIL.

4.2.14 In rendering this Report, we have not provided any legal, regulatory, tax, accounting, actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

4.2.15 For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by me.

4.2.16 In the particular circumstances of this case, we shall be liable only to the IM and the Trust. We shall have no liability (in contract or under statute or otherwise) to any other party for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused, as laid out in the engagement letter, for such valuation work.

4.2.17 Whilst, all reasonable care has been taken to ensure that facts stated in the Report are accurate and opinions given are fair and reasonable, neither us, nor any of our Partners or Employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.

4.2.18 The estimate of value contained herein are not intended to represent value of the InvIT Asset at any time other than the dates specifically mentioned for each valuation result, as per the agreed scope of engagement and as required under the SEBI InvIT Regulations.

4.2.19 The valuation analysis has been undertaken as on March 31, 2020 and reflects the information available as of that date. The outbreak of COVID-19 in the later part of March 2020 has severely impacted business operations globally and has adversely impacted security prices and capital availability. As at the date of issuing this Report, there is uncertainty around the economic and financial impact of the pandemic which may have impact on the valuation results and underlying projections and assumptions. In the instant case, in lieu of the terms of the Transaction Documents and based on our discussion with the Management, we understand that there is no material impact expected on the business operations of PIL and accordingly the projections have been provided by the Management on their best effort basis for estimation which have been considered for the current valuation.

5 Assignment Approach

The overall approach that we have followed to arrive at value of InvIT Asset is summarized below:

i. In the initial stage, we requested for detailed information required for valuation of InvIT Asset.

ii. We reviewed the information provided for understanding of the current business operations and any changes since the past financial year and then had various discussions with the Management to gain insight on the future business operations.

iii. We analyzed the additional information and business model received post preliminary discussion. We had various discussions with the Management on the business model, assumptions considered and future business outlook. We also reviewed the Wood Mackenzie Report.

iv. We obtained various disclosures from the Management pertaining to approvals and litigations of the InvIT Asset as required under the SEBI InvIT Regulations.

v. Site visit was conducted on June 20, 2020 of:

- Pipeline operation centre situated near Kalyan, Maharashtra; and
- Compressor Station (CS - 8) situated near Kalyan, Maharashtra.

vi. We carried out the valuation based on internationally accepted valuation methodology, applicable Valuation Standard issued by ICAI and considering the information provided to us.

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6 Overview of Pipeline Business

6.1 Pipeline

6.1.1 The Pipeline is a cross country, natural gas pipeline with a pipeline length of ~1,480 kms (including dedicated lines) together with compressor stations and operation centres that stretches from Kakinada (Andhra Pradesh) to Bharuch (Gujarat) traversing through the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat.

6.1.2 The Pipeline comprises of trunk pipeline, compressor stations, mainline sectionalizing valve stations, tap-off stations, spur lines, metering and regulating stations and pipeline operation centres.

6.1.3 Total 37 Mainline Sectionalizing Valve (**“**MLV**”**) stations are installed along the Pipeline route so as to allow isolation of a section of Pipeline in event of an emergency and/or repairs.

6.1.4 There are 11 Compressor Stations (**“CS”**) installed en-route the Pipeline to receive gas supplies at On-shore Terminal (**“**OT**”**), boost pressure along the way and to deliver the gas at required pressure to the downstream pipelines.

6.1.5 The CS houses the facilities like gas turbine compressors, gas engine generators, gas after coolers, pigging receiver and launchers, electrical sub-station and other utilities like diesel generators, firefighting equipment and storage etc.

6.1.6 The Pipeline has interconnects for receipt and delivery of gas connecting to source and other cross-country pipelines such as DVPL / DUPL / GSPL-HP & KG Basin networks. Metering and regulating stations are located at these inter-connects and at customer locations. Tap-offs are also provided for new connections at regular intervals.

6.1.7 For managing the operations of the pipeline, main operation centre is located at Gadimoga, Andhra Pradesh and backup operations centre is located at Reliance Corporate Park in Navi Mumbai, Maharashtra. Local Control Centre has been provided at every Compressor Stations en-route the pipeline. Maintenance bases along with warehouse facilities have been set up at CS-03 and CS-08 apart from first level maintenance facilities provided at each of the compressor station en-route the pipeline.

6.1.8 Gas accounting for the pipeline is done in energy terms (i.e. gross heating value - GHV).

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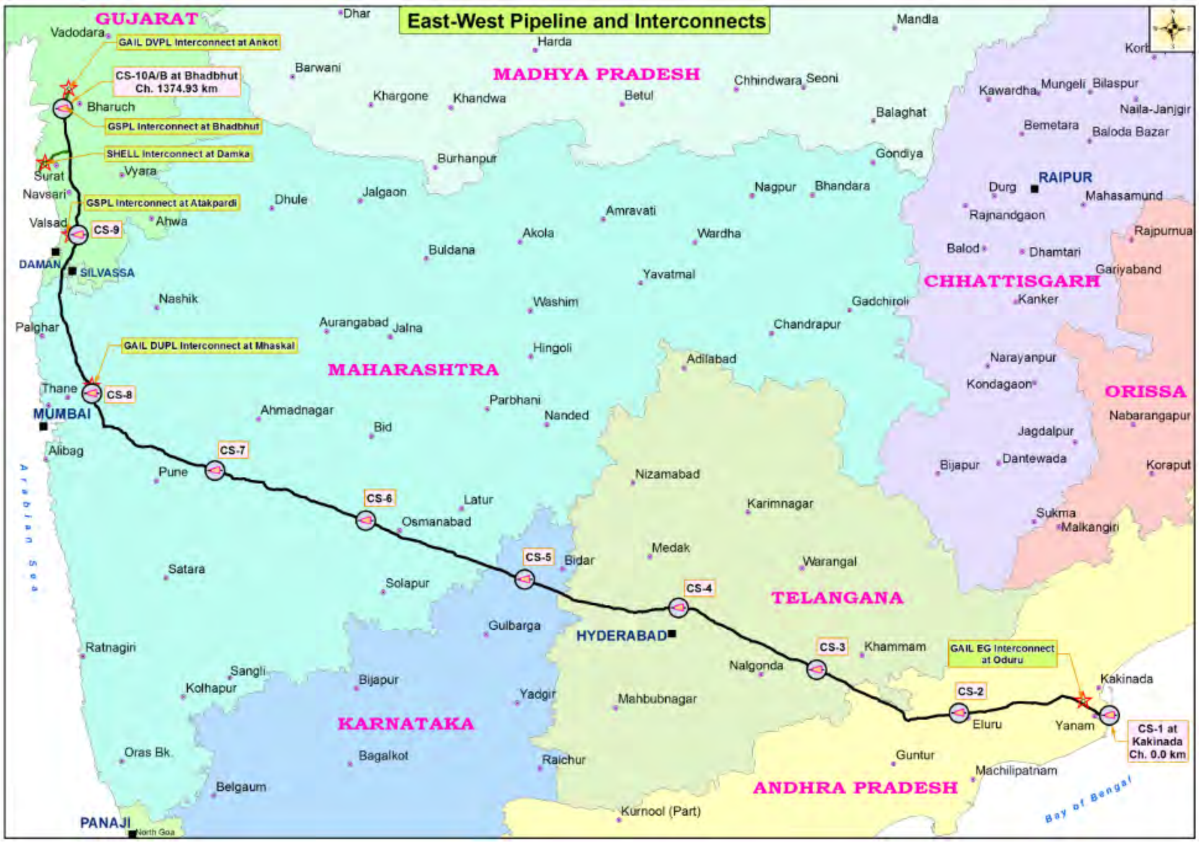
6.2 Route Map of the Pipeline



6.2.1 Above map reflects the route map of the Pipeline.

6.2.2 There are 11 Compressor Stations along the Pipeline as highlighted in the map above.

6.2.3 Currently there are 4 Receipt/ Gas Intake Points and 10 Delivery / Interconnects in the Pipeline which spreads across the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat.

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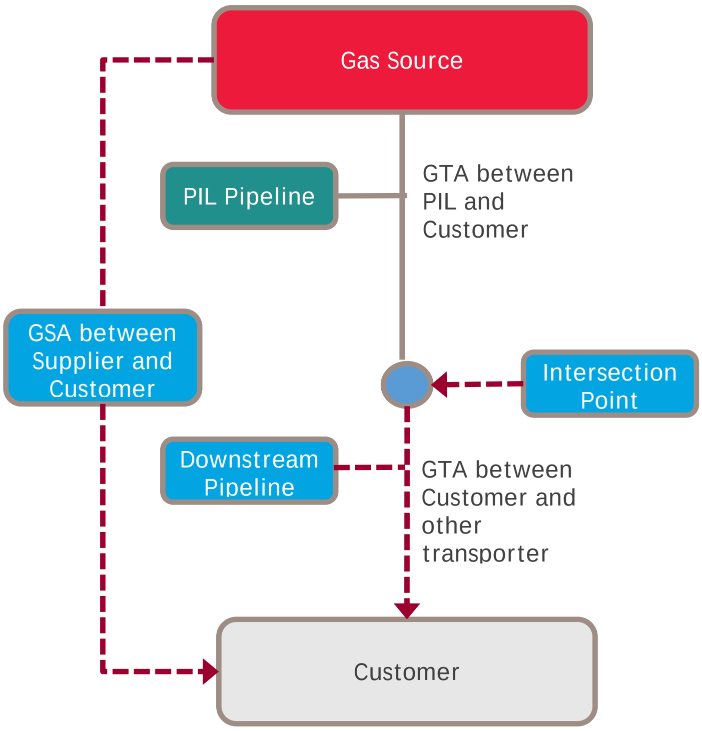
6.3 Business Model

6.3.1 The Company provides transportation services to customers for transportation of gas from any particular entry point (i.e. source/ upstream pipeline) to any exit point (i.e. customer point/downstream pipeline).

6.3.2 The Pipeline usage capacity is booked by the customers for which a Gas Transportation Agreement (**"GTA"**) is entered.

6.3.3 The key terms included in the GTA are as follows:

Sr. No.	Particulars	Key Terms of GTA
I	Tariff	- Tariff Rate in INR/mmbtu as approved by PNGRB
II	Terms	- As mutually agreed between parties
III	Ship or Pay	- Monthly 90% of Maximum Delivery Quantity (MDQ) level
IV	Payment Terms	- Fortnightly invoicing
		- Payments within 4 days of invoice
		- Disputed amount will be paid in full, pending dispute settlement
V	Payment Security	- Shipper shall provide LC covering 30xMDQx(Tariff + Taxes)
VI	PIL Liability Cap	- 50% of annual transportation charges
VII	Planned Maintenance	- Without liability for ship or pay and liquidated damages
		- Total of 10 days annually each for transporter



6.3.4 Deferred delivery services are also provided wherein the customer can request for temporary storage space in the Pipeline for a service charge.

6.3.5 PNGRB is a nodal agency to regulate and monitor the downstream activities, notify regulations and monitor compliance. It is also responsible for granting authorization to build and operate pipelines and city gas distribution networks.

6.3.6 The regulations mandate that at least 25% of capacity should be available on a common carrier first cum first serve basis. Therefore upto 75% of the capacity can be contracted.

6.4 Tariff Determination as per Tariff Regulations

6.4.1 PNGRB has been authorized to regulate the tariff for transportation of gas based on the tariff submitted by the transporters and the regulations prescribed for such determination.

6.4.2 The tariff for gas transportation is divided into various zones of 300 km along the route of the natural gas pipeline from the point of entry till the point of exit as per the contract.

6.4.3 Initially a levelized tariff is determined for transportation through the entire gas pipeline post which the zonal tariffs are determined based on estimated volumes for various zones.

6.4.4 No subsequent tariff adjustment is allowed on account of variation in actual zonal volumes vis-a-vis the estimated zonal volumes.

6.4.5 The key factors considered while determination of tariff are as follows:

Sr. No.	Factors	Stipulations
I	Economic Life	- 25 years
II	Tariff Method	- DCF, ROCE @ 12% post tax
III	Capex & Opex	- Lower of Normative/Actual
IV	Working Capital	- 30 days opex and 18 days receivables
V	System Use Gas	- (Gas price + tariff) x quantity
VI	Volume for Tariff Fixation	- Higher of Normative or Actual
		- Normative Volumes are determined as under -
		I -V years : 60%, 70%, 80%, 90%, 100% of 75% of Capacity
		Year VI Onwards: 75% of Capacity or firm contracted volumes
		whichever is higher
		- Volume Adjustment in first five years is permitted
VII	Capacity	- As determined by PNGRB under relevant guidelines
VIII	Tariff Overview	- Initial tariff fixed for first year
		- First regular tariff for next five years
		- Subsequently fixed and reviewed every five years

6.4.6 In March 2020, PNGRB amended tariff regulations and incorporated explanation to consider lower nominal corporate tax rate for grossing up the allowed return, in case more than one nominal corporate tax rates are available

6.5 List of one-time sanctions/approvals which are obtained or pending in relation to the Pipeline and list of up to date/ overdue periodic clearances:

6.5.1 Disclosed in Annexure III of the Report as per information provided by the Management. We have reviewed the validity of various sanctions/ approvals/ clearances obtained with the documents provided to us by the Management.

6.6 Material Litigations/ Factors related to the Pipeline

6.6.1 We have been informed by the Management about the material litigations with respect to the Pipeline, we have not independently reviewed the litigations details. As per the Scheme for transfer of Pipeline from EWPL to PIL, the liabilities in relation to the Pipeline are also transferred from EWPL to PIL. Hence, we have disclosed the litigation related to the Pipeline as per information provided to us by the Management.

6.6.2 The details of the key litigations which may have bearing on the valuation have been disclosed below and disclosure of other litigations as required under SEBI InvIT Regulations have been provided in Annexure IV.

6.6.3 Litigation related to Capacity Assessment

- PNGRB vide letter dated July 10, 2014 declared the final capacity for FY11 and FY12 as 85 mmscmd and 95 mmscmd respectively **(“**Order I**”)**.
- EWPL filed an appeal on August 8, 2014 against the Order I before the APTEL.
- APTEL passed an order on July 8, 2016 setting aside Order I *inter alia* on the ground that there was a breach of principles of natural justice and remanded the matter back to PNGRB.
- Subsequently, PNGRB vide its order dated December 30, 2016 declared capacity of Pipeline to be 85 mmscmd and 95 mmscmd for FY11 and FY12 respectively **(“**Order II**”)**.
- EWPL filed an appeal before the APTEL for setting aside Order II, directing PNGRB to declare the capacity for FY11 and FY12, and for the subsequent periods i.e. FY13 to FY16, taking into account the change in parameters, within a reasonable time.
- Pending decision of the appeal, EWPL moved an interim application before APTEL for determining the capacity of EWPL as per Acceptance to the Authorization letter issued by PNGRB, as per Determination of Natural Gas Pipeline Tariff Regulations - Amendment 2015. APTEL, pending adjudication of the capacity appeal, vide order dated November 20, 2018 directed PNGRB to consider the capacity of EWPL as 85 MMSCMD for the years 2009 to 2018. The matter is currently pending.
- PNGRB declared final tariff on March 12, 2019 i.e. INR 71.66/MMBtu. Zonal apportionment of tariff has been to submitted PNGRB on March 20, 2019.
- APTEL allowed the appeal filed by PIL vide order dated November 15, 2019 and directed PNGRB to declare the capacity of PIL taking into consideration of operational parameters of the Pipeline and to decide the capacity within 3 months.

6.7 Site Visit Details

6.7.1 Our team member had visited the Operations Centre and Gas Compressor Station No. 8 (CS - 8) located near Kalyan, Maharashtra on June 20, 2020 for undertaking physical inspection of the Pipeline as required under the SEBI InvIT Regulations. Certain photographs of the site have been provided below:

CS - 8 Electric Sub Station

CS - 8 Compressor House

CS - 8 Gas After Cooler

CS - 8 Local Control Room Building

6.8 Other disclosures as required under the SEBI InvIT Regulations have been provided in Annexure V of the Report.

7 Industry Overview[3]

7.1 Introduction

7.1.1 The future of India's energy sector and a large part of its economic development will be dominated by energy transition in the coming years, where conventional fossil fuels such as diesel and oil will take a backseat. Global environmental commitments and domestic regulations are pushing India to switch to cleaner and more efficient energy sources, forcing the country to place energy infrastructure at the top of the agenda.

7.1.2 The Government of India has fixed an ambitious target of increasing the share of gas in the energy basket - from the current 6.2% to 15% by 2030. However, this is accompanied with its own set of issues. Currently, the natural gas sector in India is facing major challenges due to lack of a robust gas infrastructure to support our desire to transition into a gas-based economy. Moving towards a gas-based economy and putting in place a robust infrastructure base go hand in hand and cannot be treated separately.

7.1.3 The energy sector is one of the major sectors which is going to see enormous growth in the coming years, in the context of Indian population reaching approximately 1.44 billion people by 2024 creating greater demand for energy. India has committed to low carbon energy and hence its energy portfolio mix is going to undergo major changes, with Renewables and Natural Gas set to play a major role. India has the potential to be a much larger producer and consumer of natural gas.

7.1.4 Historically, natural gas was significantly cheaper than alternate fuels like motor spirit, naphtha, diesel and low sulphur heavy stock ("LSHS") / furnace oil ("FO"). Although the price of natural gas is increasing (especially of imported gas), newer technology and larger plants have made it possible to ensure efficiency and economies of scale, enabling an increase in the usage of natural gas. As such, natural gas has become the preferred fuel for fertilizers, petrochemicals and, increasingly, the power generation sector. Further, planned investments in power, fertilizer, petrochemical and other areas including city gas distribution suggest a sustained increase in India's level of natural gas consumption.

7.1.5 During the 2000 to 2004 period, India's gas market witnessed gas discoveries in the Krishna Godavari Basin ("KG Basin"), the setting up of the liquefied natural gas ("LNG") re-gasification terminal and the commencement of LNG supply and successful execution/roll out of city gas distribution projects. These developments had a positive impact on the environment and led to plans to set up a regulator due to the emergence of gas economy and related infrastructure development. During the 2004 to 2011 period, India witnessed the beginning of the gas era, with successful commencement and operation of LNG terminal, expansion of the transmission pipeline network in the north-western corridor and the new network in the east-west corridor, setting up of the regulator, the Petroleum and Natural Gas Regulatory Board ("PNGRB"), and the authorization of new pipelines and geographical areas ("GA"s) for the city gas distribution ("CGD") network, an increase in gas production from the KG Basin and increased supply of gas to many end use sectors. During this period, the government announced a Gas Allocation Policy prescribing sector-wise allocation for gas being produced from the KG Basin. The following period, 2011 to 2015, witnessed an unprecedented decline of gas production from the KG Basin, from approximately 60 million metric standard cubic meter per day

[3] Sources - PNGRB Report, FICCI Report, Snapshot of India's Oil & Gas Data - May 2020 on www.ppac.gov.in

("MMSCMD") to approximately 10 MMSCMD. Gas production forecasts from other fields/discoveries in the KG Basin also failed to materialize. With declining gas production from the traditional fields of the Oil and Natural Gas Corporation ("ONGC"), India witnessed a continuous decline period in gas production for five years and the government decided to not pursue any new gas based power projects, due to stranded power projects of approximately 14,000 megawatts ("MW"). The current government is trying to reduce the uncertainty in the gas market by announcing policies to attract investments and increase production.

7.2 Demand and Supply

7.2.1 The Natural Gas pipeline business and over all Natural Gas related business are inter-dependent, i.e. pipeline provides important connectivity to the suppliers and consumers and without adequate Natural Gas requirement and supply, the pipeline business will not be feasible. Hence, it becomes very much important to analyze demand and supply situation of over all Natural Gas industry.

7.2.2 Supply Side Scenario

In the past, various supply projections have consistently fallen short of their target due to:

- the declining production from the prospective KG Dhirubhai 6 (**"D6"**) fields;
- the declining production from traditional producing fields; and
- a lack of supply caused by the announcement of new finds from the KG Basin.

Following sets forth the historical and forecasted trend of India's natural gas supply:

Details	Financial Year				May (P)		
	2016-17	2017-18	2018-19	2019-20 P	2019-20	2019-20 (P)	2020-21
(a) Gross Production	31,897.0	32,649.0	32,875.0	31,184.0	2,739.0	2,594.0	2,300.0
- ONGC	22,088.0	23,429.0	24,677.0	23,746.0	2,082.0	2,046.0	1,806.0
- Oil India Limited (OIL)	2,937.0	2,881.0	2,722.0	2,668.0	231.0	263.0	228.0
- Private / Joint Venture (JVs)	6,872.0	6,338.0	5,477.0	4,770.0	426.0	284.0	266.0
(b) Net Production (excluding flare gas and loss)	30,848.0	31,731.0	32,058.0	30,257.0	2,661.0		2,215.0
(c) LNG Import*	24,849.0	27,439.0	28,740.0	33,680.0	2,371.0		2,383.0
(d) Total consumption including internal consumption (b+c)	55,697.0	59,170.0	60,798.0	63,937.0	5,032.0		4,598.0
(e) Total consumption (in BCM)	55.7	59.2	60.8	63.9	5.0		4.6
(f) Import dependency based on consumption (%), (c/d*100)	44.6	46.4	47.3	52.7	47.1		51.8

* January-May 2020 Directorate General of Commercial Intelligence and Statistics **("DGCIS")** data are prorated

Production of natural gas for the month of May 2020 was 2,300 MMSCM which was lower by 16.0% compared with the corresponding month of the previous year.

LNG import (prov) for the month of May 2020 was 2,383 MMSCM which was 0.7% higher than the corresponding month of the previous year.

7.2.3 Demand Side Scenario

The gas supply has always been a deterrent factor for the sectoral growth. India's gas demand is much higher than the total gas supply in the country including both domestic supply and imported gas. However, the different demand sectors have varying demand dynamics and price sensitivities. The demand for natural gas in India is expected to get more than triple in the period 2012-13 (243 MMSCMD) to 2029-30 (746 MMSCMD) according to Vision 2030 document of PNGRB.

Sector wise gas consumption for 2018-19 *(figures in mmscmd)*:

Sr. No.	Sector	Domestic gas	R-LNG	Total
1	City Gas Distribution	14.36	10.91	25.27
2	Fertilizer	17.18	23.85	41.03
3	Power	25.11	8.07	33.18
4	Others - Industries - Steel, Petrochemical, Refinery etc.	14.05	34.49	48.54
	Total	70.70	77.32	148.02

Power sector dominates the Domestic Gas consumption while the Fertilizer sector has a larger share in the LNG consumption. About a decade ago, the two sectors had a share of almost 70% which has fallen to around 50% in 2018-19. During the intervening period, the share of power sector has fallen significantly, because of fall in domestic gas production and therefore stoppage of allocation of KG D6 gas to the sector. Fertilizer has indeed maintained its share of allocation of gas since that sector retained its priority tag though its percentage share in consumption has fallen. High priced LNG has never been an option for power sector and hence its share fell along with domestic supply fall. In fact, more than 14,000 MW of new gas based power plants were rendered stranded by lack of domestic gas supply.

The introduction of a government reverse bidding subsidy scheme for supply of LNG to these stranded power plants to make them operational at 35% PLF did revive some of these plants for two years. Effectively, power sector will be a non-consumer of gas (barring the old supplies), if further domestic gas is not made available or there is no special government scheme for supply of R-LNG to the sector with incentives. As far as fertilizer plants are concerned, most of the existing plants have converted to gas and they continue to get supply. But in terms of future growth for gas demand, the sector has limited potential and hence any new LNG terminal operators do not look at it as a major anchor barring some scope for revival of a couple of plants.

Indian Natural Gas Demand - Affordability Matrix

Delivered Cost Range (USD/MMBTU)	Consumption Sectors	Estimated Demand Composition %
USD 10 - 15	LPG, Refinery - Feedstock, Petrochemicals, Diesel Back-up Power, Peak Power and other new areas of gas usage	45%-48%
USD 7.5 - 10	Fertilizer, GCD, Industrial/Commercial	
USD 5.5 - 7.5	CGD - Transport / Domestic, Refinery Fuel, Industry Fuel	55%-60%
< USD 5.5	Base Power	

7.3 Future Outlook of Natural Gas

7.3.1 The power sector is limiting its LNG usage due to the base power being highly sensitive to gas price. Any gas that priced over USD 5.5 / one million British thermal units **("**mmbtu**")** makes it challenging for gas based power to compete with coal based power. With renewable power prices also decreasing in recent years, the competitiveness of gas based power faces a challenge and therefore, a specifically focused strategy on the power sector to make gas usage viable or acceptable is required.

7.3.2 The following table sets forth the domestic natural gas price and gas price ceiling (gross calorific value basis):

Period	Domestic Natural Gas Price in USD/MMBTU	Gas Price ceiling in USD/MMBTU
November 2014 - March 2015	5.05	-
April 2015 - September 2015	4.66	-
October 2015 - March 2016	3.82	-
April 2016 - September 2016	3.06	6.61
October 2016 - March 2017	2.50	5.30
April 2017 - September 2017	2.48	5.56
October 2017 - March 2018	2.89	6.30
April 2018 - September 2018	3.06	6.78
October 2018 - March 2019	3.36	7.67
April 2019 - September 2019	3.69	9.32
October 2019 - March 2020	3.23	8.43
April 2020 - September 2020	2.39	5.61

7.3.3 While India has a huge potential market, global market dynamics in the last 3 years have posed a plethora market related challenges - US Henry Hub gas-based contracts are no longer as attractive compared to the time when it was signed, especially in the current market conditions of oil and gas prices. Vanishing of premium in gas indexed contracts vis-à-vis oil indexed contracts due to steep fall in oil prices and reluctance of end use customers to enter into long term agreements have made companies vulnerable. Even attempts to trade US LNG in international markets is a major issue due to down trend in spot LNG prices.

7.4 India's Gas Transmission Infrastructure

7.4.1 Indian natural gas sector is facing one of the major challenges in recent years in terms of lower quantum and sluggish growth in domestic gas production, challenges of underutilization of regasification and transmission pipeline infrastructure and global oil and gas market dynamics.

7.4.2 Though gas industry in India has witnessed growth in terms of demand and infrastructure in the last decade, the growth has still remained limited to few regions and the pipeline and distribution infrastructure has remained confined to a few states in the West - North belt and East to West. When it comes to utilization of these pipelines, the situation has not improved significantly. While new pipelines are being constructed in various parts of India including South and East, the progress has been very slow.

7.4.3 India's gas transmission infrastructure has been growing since the completion of the first long term LNG deal in late 1990s and the supply of gas from new sources during the 2001 to 2010 period. Additional arterial pipeline network on the Hazira- Vijaipur - Jagdishpur corridor and the east-west corridor and the regional network in the Mumbai and Gujarat regions provided the necessary impetus to growth. The CGD infrastructure also grew along with these corridors and regions. The decline in domestic production and the challenges of using high priced LNG caused pipeline utilization to decrease.

7.4.4 The following table sets forth an overview of India's gas pipeline infrastructure :

Sr. No.	Transporter	Length (Km)	% Share	Design Capacity (MMSCMD)	Average Flow (MMSCMD)	% Capacity Utilisation 2018 - 19
1	GAIL	11,411.0	69.9%	230.0	111.6	48.5%
2	EWPL	1,784.0	10.9%	84.0	20.3	24.2%
3	GSPL	2,692.0	16.5%	43.0	34.6	80.5%
4	AGCL/DNPL	297.0	1.8%	3.0	1.9	63.3%
5	IOCL	140.0	0.9%	10.0	5.0	50.0%
Total		16,324.0	100.0%	370.0	173.4	

7.4.5 In the transmission pipeline segment, one of major enablers of growth and capacity utilization, besides regular access to multiple sources of gas and demand centers across the network, is the government's policy and regulation. Regulations are expected to provide a fair and level playing field for operators while ensuring that the customers get a regular supply at reasonable prices. Consecutively, the regulation must facilitate the investment and expansion of the network by serious players, while keeping economic viability in view. When such growth enablers are stifled, it has a direct impact on pipeline capacity creation and utilization. This issue is brought out by the low capacity utilization of the existing pipeline network.

7.4.6 Though government laid out ambitious plan to double the pipeline network and Indian pipeline companies have obtained authorization for a number of pipelines through PNGRB, the progress of construction of these pipelines has been behind schedule.

India Gas Pipeline Infrastructure under Execution (2018)

Network/Region	Entity	Length (Kms)	Design Capacity (MMSCMD)	Status of Pipline laid (Kms)
Kochi - Kottanad-Bengaluru-Mangalore	GAIL (India) Limited	1,056.0	16.0	240.0
Dabhol-Bengaluru (DBPL) Spur Lines, Phase-2	GAIL (India) Limited	302.0	16.0	Only LMC pipelines are being constructed
Jagdishpur-Haldia-Bokaro-Dhamra (JHBDPL) (Phase-I, 755 Km, 7.44 MMSCMD Capacity)	GAIL (India) Limited	2,539.0	16.0	577.0
Mallavaram-Bhilwada	GSPC India Transco Limited	2,042.0	78.3	-
Mehsana-Bathinda	GSPC India Gasnet Limited	2,052.0	77.1	170.0
Bathinda-Jammu-Srinagar	GSPC India Gasnet Limited	725.0	42.4	71.0
Kakinada-Vizag-Srikakulam	AP Gas Distribution Corporation	391.0	90.0	-
Ennore-Nellore	Gas Transmission India Private Limited	250.0	36.0	-
Ennore-Thiruvallur-Bengaluru-Puducherry-Nagapattinam-Madurai-Tuticorin	Indian Oil Corporation Limited	1,385.0	84.7	-
Jaigarh-Mangalore	H-Energy Private Limited	635.0	17.0	-
Total		11,377.0	473.5	1,058.0

7.4.7 Shadol-Phulpur Pipeline has been completed and the authorizations of GAIL for Surat-Paradip Pipeline has been cancelled during the last one year or so. All other pipelines have shown very slow progress or no progress. The pipeline which is currently showing speedier progress in recent months is the Jagdishpur - Haldia - Bokaro - Dhamra Pipeline **("JHBDPL")**. In recent months, the JHBDPL is showing faster progress given the thrust by the government for setting up of City Gas Networks in a number of cities in the corridor in few of the states besides provision of Viability Gap Funding **("VGF")**. The other Pipeline which has started progressing is the Kochi - Bangalore - Mangalore Pipeline network. With just 1,058 KM of construction out of the planned 11,377 KM of pipeline network, it is a great cause for concern.

7.4.8 India has been, both in the past and currently, evaluating a number of options of gas supply through Transnational pipelines -

- Turkmenistan - Afghanistan - Pakistan - India Pipeline (TAPI)
- Iran - Pakistan - India Pipeline (IPI)
- Iran - India Pipeline (with Oman Link)
- Russia - India Pipeline via Iran / Middle East
- Middle East India Deep Water Pipeline (MEIDP) - (Oman-India Pipeline)

7.4.9 Given the challenges faced by LNG terminal investors in tying up demand for LNG in India, the transnational pipelines would really face major challenges because of the huge investment involved and the price and market competition faced by them in Indian gas markets.

7.4.10 Many of the transnational pipelines proposed in the past have had challenges of security threat or logistics or economics. Oman to India deep water pipeline has been presented to the Ministry as an economically viable and sustainable alternative with no major expected security threat.

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8 Valuation Approach

The present valuation exercise is being undertaken to arrive at fair enterprise value of InvIT Asset for the purpose as mentioned above in the Report. We have considered Fair Value as the valuation base for estimating the fair enterprise value of InvIT Asset.

There are three generally accepted approaches to valuation:

i. **"Cost"** Approach

ii. **"Income"** Approach

iii. **"Market"** Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

8.1 Cost Approach

8.1.1 The cost approach values the underlying assets of the business to determine the business value of the InvIT Asset. This valuation method carries more weight with respect to holding companies than operating companies. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

i. Net Asset Value Method

- The Net Asset Value (**"NAV"**) method under cost approach, consider the assets and liabilities, including intangible assets and contingent liabilities. The net assets, after reducing the dues to the preference shareholders, if any, represent the value of the company.
- NAV method is appropriate in a case where the major strength of the business is its asset base rather than its capacity or potential to earn profits.
- This valuation approach is mainly used in cases where the asset base dominates earnings capability.
- As an indicator of the total value of the entity, the net asset value method has the disadvantage of only considering the status of the business at one point in time.
- Additionally, net asset value does not consider the earning capacity of the business or any intangible assets that have no historical cost. In many respects, net asset value represents the minimum benchmark value of an operating business.

ii. Break Up Value Method

- Under the Break Up Value (**"BV"**) method, the assets and liabilities are considered at their realizable (market) values including intangible assets and contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the payable value of all liabilities (existing plus potential) are deducted to arrive at the BV of the company.
- This Valuation approach is mostly used in case of companies where there are huge operating investments or surplus marketable investments.

8.2 Income Approach

8.2.1 The Income approach focuses on the income prospects of a company.

i. Discounted Cash Flow Method

- Under the Discounted Cash Flow (**"DCF"**) method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.
- Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.
- Discount rate is the Weighted Average Cost of Capital (**"WACC"**), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.
- The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The **"constant growth model"** is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.
- The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.
- The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.
- In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

8.3 Market Approach

i. Market Price Method

- Under this approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

- Under the Comparable Companies Multiple (**"CCM"**) method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

- Under the Comparable Transactions Multiple (**"CTM"**), the value of a company can be estimated by analysing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company.

8.4 Conclusion on Valuation Approach

Sr. No.	Valuation Approach	Valuation Methodology	Used	Explanation
I	Cost Approach	- Net Asset Value & Break Up Value	No	NAV does not capture the future earning potential of the business.
II	Income Approach	- Discounted Cash Flow	Yes	The project under the Company derives its true value from the potential to earn income in the future. Hence, we have considered DCF method under Income Approach for Valuation.
III	Market Approach	- Market Price	No	The Company is not listed on any stock exchange, therefore we have not considered market price method of valuation.
		- Comparable Companies	No	There are no listed companies directly comparable to the business of the InvIT Asset considering the nature of operations, capital structure and the type of asset held. Hence, we have not considered CCM method.
		- Comparable Transactions	No	Due to unavailability of transactions in the public domain with business and characteristics similar to the Company.

- Accordingly, in the instant case, the Discounted Cash Flow Method was considered as the most appropriate method for valuation of the InvIT Asset. Under the DCF method, we have used Free Cash Flow to Equity ("FCFE") model for valuation.

9 Valuation of InvIT Asset

9.1 Key Factors Impacting Valuation

9.1.1 The business of the Company is natural gas transportation, hence natural gas volumes transported and tariff of the gas are the main value drivers for the business.

9.1.2 For assessing the volumes to be transported through the Pipeline we have relied on technical report provided by Wood Mackenzie. Wood Mackenzie is a global energy, chemicals, renewables, metals and mining research and consultancy group. Wood Mackenzie was engaged by an affiliate of the Sponsor in connection with Commercial Due Diligence of the Pipeline.

The second major factor is Tariff for gas transportation, which is fixed by PNRGB and revised every five years. The tariff rate is fixed on the basis of future estimated volumes and total expenditure to be incurred by the firm in 25 years since commercial operations. Current tariff is INR 71.66/mmbtu as determined by PNGRB vide its order dated March 12, 2019 which has been considered for the projected period.

9.2 DCF Method:

9.2.1 The value of the InvIT Asset is based on the cash flow of PIL.

9.2.2 The audited balance sheet position of PIL as on March 31, 2020 has been considered as the opening balance sheet of PIL for the purpose of valuation.

9.2.3 The financial projections as provided by the IM for period starting from April 1, 2020 to March 22, 2039 has been considered for valuation.

9.2.4 Following are the key assumptions considered in the financial projections while determining the operating cash flows of PIL:

i. <u>Volumes:</u>

- The gas transportation volume is based on the Wood Mackenzie Report dated December 21, 2018 provided by IM to estimate the production of natural gas that could be transported through the Pipeline.
- The primary source of production of natural gas considered in the Wood Mackenzie Report is from the KG basin from discovered resources. Additionally, the Wood Mackenzie Report also provides estimates of production volumes from yet to find resource. We have considered 100% of production volumes estimated from discovered resources and 50% of production volumes estimated from yet to find resources for the volume projections of gas transportation through the Pipeline based on the assumption that once production from existing and upcoming fields goes down, there would be new gas explorations in Krishna Godavari Dhirubhai 6, ONGC, etc. fields in the east coast of India.

ii. <u>Tariff for Gas Transportation:</u>

The tariff rate currently charged to the customers is INR 71.66/mmbtu which was fixed by PNGRB vide order date March 12, 2019.

iii. Working Capital

- The amount of inventory is estimated to be maintained at the same level as existing on March 31, 2020. The working capital days outstanding estimated for key items is as follows:

- Debtors - 15 days of annual revenue
- Current liability for Gas consumption - 15 days of annual cost
- Current liability for operating expenses - 60 days of annual cost

iv. Capital Expenditure

- Based on discussions with the Management, we understand that a mid-life overhaul and full-life overhaul of Gas Turbines, compressors, fuel management systems, Gas Engine Generators and upgradation and replacement of various plant and machinery components shall be required due to obsolescence and deterioration. Accordingly, a yearly capital expenditure of INR 500 Mn is considered in FY 2029-30, INR 2,000 Mn annually from FY 2030-31 to FY 2037-38 and INR 1,500 Mn in FY 2038-39 onwards for upkeeping of the Pipeline has been considered.

v. Interest and Debt Repayment

- PIL has issued Redeemable, Secured Non-Convertible Debentures (**"New NCDs"**) to third party with face value of INR 64,520 Mn. The New NCDs have a credit rating of AAA. The fair value of these New NCDs as reported in the audited financials of the Company is INR 64,520 Mn.
- The New NCDs have a coupon rate of 8.95% payable quarterly. The New NCDs shall have a redemption period of 5 years.
- We understand from the Management that for the purpose of redemption of New NCDs, PIL will refinance the loan after 5 years i.e. after March 31, 2024 and thereafter as per information provided by the Management, the New NCDs are assumed to be repaid within a period 15 years. The interest rate on refinancing of New NCDs is assumed to be 7.91% based on expected future interest rate for a period of 15 years for a AAA rated bond using FIMMDA Corporate Spread.
- Further as on Valuation Date, PIL has outstanding Redeemable Non-Convertible Debentures issued to InvIT (**"InvIT NCDs"**) of INR 62,027 Mn. The fair value of these InvIT NCDs as reported in the audited financials of the Company is INR 78,123 Mn.
- The outstanding InvIT NCDs are to be repaid over a tenure of 20 years from the issue date as per the terms provided in DTD Agreement.
- The payment of interest and principal component of the InvIT NCDs is provided in the DTD Agreement wherein interest component will be computed on the outstanding principal of Total NCDs (i.e. InvIT NCDs + New NCDs). For first five years upto March 31, 2024, the coupon rate is fixed at 9.7%. For the balance period the coupon rate has been determined based on the Fixed Income Money Market and Derivatives Association (FIMMDA) rates as on the Valuation Date. Accordingly, the coupon rate for balance period is considered at 9.5%. From such interest component, first the payment will be made for interest payable to the New NCDs and balance interest shall be paid to InvIT NCDs. Similar approach is adopted for payment of principal portion of the Total NCDs.

vi. Terminal Year Cash Flow

- For the terminal period, a terminal growth rate of 1% has been applied on EBITDA based on projected industry outlook and overall outlook of the gas flow. Due to release of working capital, no working capital has been assumed in the terminal period on a conservative basis. Capital expenditure for terminal period has been estimated equal to INR 2,000 Mn required for up keeping the Pipeline.
- Further, PIL has issued Compulsory Convertible Preference Shares ("CCPS") and Redeemable Preference Shares ("RPS"). As per the terms of the Transaction Documents, the value and cash flows to CCPS and RPS is attributable after the end of explicit period i.e. March 22, 2039 and accordingly, the value of CCPS and RPS as per the terms of the Transaction Documents has been adjusted from the Terminal Value.
- Corporate income tax in the explicit period has been considered as per the current tax laws applicable in India.
- The cash flows of PIL post all the aforesaid adjustments has been discounted to present value at Cost of Equity.

vii. Discounting Factor

- We have used the Free Cash Flows to Equity ("FCFE") model under DCF method to estimate the equity value of InvIT Asset. In FCFE, the free cash flows available are discounted by Cost of Equity ("CoE") to derive the net present value.
- The CoE has been calculated as per the Capital Asset Pricing Model based on the following parameters:

- Cost of equity = Risk Free Rate + [Beta X Equity Risk Premium] + Company Specific Risk Premium
- The risk free rate of return is based on yields of 10 year zero coupon bond yield as on March 31, 2020 as listed on www.ccilindia.com. In the present case, the risk free rate of return is arrived at 6.5%.
- Market Return is a measure of rate of return that investors earns by investing in equity markets. It is calculated based on the average historical market return. In the present case, the market return is considered at 15%.
- Risk premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. A risk premium is calculated as follows:

  Risk premium = Equity market return (Rm) - Risk free rate (Rf)

  In the present case, the risk premium is arrived at 8.5%.
- Beta is a measure of systematic risk of the company's stock as compared to the market risk as a whole. Beta of 1.27 considered for determination of CoE is based on unlevered beta of broad comparable companies (Refer Annexure II) in the listed space operating in similar sector and relevered with a target long term debt-equity ratio of 1:1.

- Based on above, the base cost of equity is arrived at 17.3%.
- There is uncertainty involved in achieving the future extraction of projected gas volumes considering the historical performance of extraction of natural gas, therefore, We have considered a company specific risk premium of 3%.
- Accordingly, the cost of equity is arrived at 20.3%.

9.2.5 The Management has informed us that contingent liabilities of PIL, if any, and liability from various litigation in respect of the Pipeline are not expected to materialize on PIL, hence no adjustment has been made in the current valuation.

9.2.6 The cash and cash equivalent (including advance tax receivable) of PIL as on the Valuation Date is INR 4,956.2 Mn.

9.2.7 The present value of cash flows (including cash and cash equivalent) to shareholders before net cash flows accruing to RIL as per the Transaction Documents is arrived at INR 71,217.6 Mn.

9.2.8 The fair value of net debt/ liability in the books of PIL as on the Valuation Date amounts to INR 137,687.1 Mn.

9.2.9 PIL and RIL have entered into a PUA, in order to set out the terms for RIL to reserve transportation, storage or other capacity in the Pipeline for a period of 20 years. The PUA is executed on March 19, 2019. The PUA *inter alia* provides for the following:

- RIL to pay contracted capacity payments to PIL on a quarterly basis for the capacity booked determined in accordance with the PUA. The contracted capacity payments shall be paid only when the actual transportation charges payable for the actual quantity transported is less than the contracted capacity payments. Such net accumulated contracted capacity payments shall be adjusted in the quarters where the actual transportation charges payable for the actual quantity transported is more than the contracted capacity payments.
- In consideration of RIL reserving the capacity in the Pipeline and making the payment on account of contracted capacity payments to PIL, RIL is entitled to receive certain cash flows, subject to deduction of taxes by PIL as per applicable law. The mechanism for computing the cash flow and payment of the same to RIL is provided in the PUA.
- The payment of such cash flows shall be made in the Financial Year when the actual transportation charges received by PIL in a Financial Year is higher than the contracted capacity payments during the Financial Year.

9.2.10 Based on above, the fair enterprise value of InvIT Asset considering the fair value of Net Debt and after reducing the net cash flow accruing to RIL pursuant to the agreed terms of the Transaction Documents is arrived at INR 145,268.5 Mn (Refer Annexure IA).

10 Valuation Summary

10.1. The current valuation has been carried out based on the valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations, were given due consideration.

10.2. We would like to highlight that in the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of an entity or business.

10.3. The fair enterprise value of InvIT Asset pursuant to the agreed terms of the Transaction Documents is arrived at INR 145,268.5 Mn.

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11 Annexures

11.1 Annexure I (1/2)

A. Valuation of InvIT Asset as per DCF Method

Valuation as per Discounted Cash Flow Method as on 31-Mar-20 (INR Mn)										
COE	20.3%									
TVG	1.0%									
Year Ending	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
EBITDA	11,490.4	22,338.6	34,813.8	43,020.3	45,492.7	45,186.6	42,527.3	39,414.5	36,674.6	35,438.1
Less: Interest	(12,322.5)	(12,067.7)	(11,788.0)	(11,481.2)	(10,085.9)	(9,646.6)	(9,177.1)	(8,672.6)	(8,136.4)	(7,569.2)
Less: Income Tax	-	-	-	-	-	(2,949.0)	(6,704.1)	(6,310.9)	(5,977.2)	(5,980.4)
Less: Capital Expenditure	(98.0)	-	-	-	-	-	-	-	-	(500.0)
Add/ (Less): Changes in Working Capital	(2,607.1)	(1,842.0)	(1,943.2)	(1,689.2)	(1,950.6)	(1,832.7)	(1,721.7)	(1,678.4)	(1,659.6)	(1,170.3)
Repayment of Debt	(2,616.9)	(2,871.7)	(3,151.4)	(3,458.2)	(3,818.2)	(4,182.4)	(4,581.2)	(5,018.1)	(5,496.7)	(6,020.9)
Free Cash Flows	(6,154.1)	5,557.3	17,931.2	26,391.7	29,637.9	26,575.9	20,343.1	17,734.6	15,404.7	14,197.3
Terminal Value (Net of value to CCPS and RPS)										
Discounting Factor	0.91	0.76	0.63	0.52	0.44	0.36	0.30	0.25	0.21	0.17
Present Value of Cash Flows	(5,611.2)	4,212.5	11,299.8	13,826.5	12,908.5	9,622.8	6,123.7	4,438.2	3,204.9	2,455.6

Year Ending	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	TY
EBITDA	33,951.9	32,292.5	29,534.4	25,598.7	20,696.3	4,633.6	4,293.6	3,387.9	2,282.1	2,363.2
Less: Interest	(7,010.1)	(6,456.7)	(5,853.9)	(5,189.9)	(4,461.1)	(3,659.6)	(2,781.6)	(1,815.9)	(716.3)	-
Less: Income Tax	(5,844.3)	(5,633.3)	(5,147.3)	(4,371.3)	(3,360.8)	-	-	-	-	(91.4)
Less: Capital Expenditure	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(1,500.0)	(2,000.0)
Add/ (Less): Changes in Working Capital	823.3	1,238.1	1,609.2	2,017.0	2,442.5	3,315.9	3,048.4	3,345.7	3,181.7	-
Repayment of Debt	(6,595.1)	(7,224.1)	(7,913.0)	(8,667.6)	(9,494.2)	(10,399.7)	(11,391.5)	(12,477.8)	(11,168.0)	-
Free Cash Flows	13,325.7	12,216.5	10,229.5	7,386.8	3,822.7	(8,109.8)	(8,831.1)	(9,560.1)	(7,920.6)	271.8
Terminal Value (Net of value to CCPS and RPS)										1,039.4
Discounting Factor	0.14	0.12	0.10	0.08	0.07	0.06	0.05	0.04	0.03	0.03
Present Value of Cash Flows	1,916.1	1,460.4	1,016.6	610.3	262.6	(463.1)	(419.2)	(377.3)	(260.4)	34.2

Particulars	INR Mn
NPV of Explicit Period Cash Flows	66,227.2
PV of Terminal Period Cash Flows	34.2
Add: Cash and cash equivalents	4,956.2
Cash flow to shareholders *	71,217.6
Add: Net Debt	1,37,687.1
Enterprise Value (EV) *	2,08,904.7
Less: Present value of net cash flow accruing to RIL as per the Transaction Documents *(Refer IB below)*	(63,636.2)
Enterprise Value (EV) of InvIT Asset	1,45,268.5

** Values before net cash flow accruing to RIL as per the Transaction Documents*

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Annexure I (2/2)

B. Computation of net cash flows to RIL as per the Transaction Documents

Amount in INR Mn

Year Ending	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
(Payment)/ Set off by RIL for CCP	(6,557.5)	5,167.1	8,039.5	-	-	-	-	-	-	-
Receipt/ Accrual to RIL	4,315.2	390.1	9,891.7	26,391.7	23,711.5	19,879.0	17,318.3	15,784.6	13,454.7	12,247.3
Total	(2,242.3)	5,557.3	17,931.2	26,391.7	23,711.5	19,879.0	17,318.3	15,784.6	13,454.7	12,247.3
Discounting Factor	0.91	0.76	0.63	0.52	0.44	0.36	0.30	0.25	0.21	0.17
Present Value	(2,044.5)	4,212.5	11,299.8	13,826.5	10,327.3	7,197.9	5,213.2	3,950.2	2,799.2	2,118.3

Year Ending	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39
(Payment)/ Set off by RIL for CCP	-	-	-	-	-	(12,446.8)	(12,670.4)	(13,510.0)	(14,657.3)
Receipt/ Accrual to RIL	11,375.7	10,713.2	11,076.5	9,473.1	7,429.9	12,826.2	12,501.6	5,209.5	6,736.8
Total	11,375.7	10,713.2	11,076.5	9,473.1	7,429.9	379.4	(168.9)	(8,300.5)	(7,920.6)
Discounting Factor	0.14	0.12	0.10	0.08	0.07	0.06	0.05	0.04	0.03
Present Value	1,635.7	1,280.7	1,100.8	782.7	510.3	21.7	(8.0)	(327.6)	(260.4)
Sum of Present Value	63,636.2								

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Annexure II - Broad Comparable Companies

Sr No	Particulars	Unlevered Beta
1	GAIL (India) Limited	0.81
2	Petronet LNG Limited	0.74
3	Indraprastha Gas Limited	0.86
4	Gujarat State Petronet Limited	0.60
5	Gujarat Gas Limited	0.66
6	Mahanagar Gas Limited	0.72
	Unlevered Beta	0.73
	Relevered Beta	1.27

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Annexure III - Details of all Permissions (1/4)

Business Permissions and Approvals:

Sr No.	Description of Permit	Issuing Authority	Current Status
	Approvals in relation to trust		
1	Certificate of registration dated January 23, 2019 having registration number IN/InvIT/18-19/0008 issued under Regulation 3 of the SEBI InvIT Regulations, for registration of the Trust as an infrastructure investment trust.	SEBI	Active
	Approvals in relation to transfer of Initial Portfolio Asset		
1	Approval for the scheme of arrangement ("Scheme") between EWPL and PIL, for the transfer of the Pipeline Business from EWPL to PIL.	NCLT, Ahmedabad & Mumbai	Active
2	In-principle approval for renunciation of the authorization granted to EWPL for the Pipeline, in favor of PIL dated September 27, 2018. This approval is subject to certain terms and conditions	PNGRB	Active
3	Approval in relation to the acquisition of the entire equity shareholding of PIL by the Trust dated September 11, 2018.	Competition Commission of India	Active
	Approvals in relation to Initial Portfolio Asset		
	Following is an indicative list of all material approvals required for operation of Initial Portfolio Asset:		
1	Final terms and conditions for acceptance of central government authorization to lay, build, operate or expand the east west natural gas pipeline network as common carrier pipeline network issued under regulation 17(1) of the PNGRB Authorizing Regulations;	PNGRB	Active
2	Approval in respect of the expression of interest for allocation of capacity in a pipeline	Ministry of Petroleum and Natural Gas	Active
3	Right of use in the land for laying the pipeline under section 6 of the PMP Act	Ministry of Petroleum and Natural Gas	Active

Details of all Permissions (2/4)

Business Permissions and Approvals:

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
1	Environmental Clearance	EIA Rules,2006	Kakinada Hyderabad Pipeline	One time
			Hyderabad Ahmedabad Pipeline	One time
2	Forest Clearances	The Forest Conservation Act, 1980 & The Indian Forest Act, 1928	East West Pipeline Limited	One time
3	CRZ Clearance	CRZ Notification	East West Pipeline Limited	One time
4	Public Liability Insurance Policy	Public Liability Insurance Act, 1991	East West Pipeline Limited	25-Feb-21
5	Consent to Establish	Water Act, 1974 & Air Acr, 1981	CS-01 to CS-10	One time
6	Consent to Operate & Hazardous Waste Authorization	Water Act,1974, Air Act 1981, Hazardous Waste (M&TM) Rule,2016	CS01 - CS02	28-Feb-25
			CS03 to CS04	28-Feb-24
			CS05	30-Jun-20
			CS06 to CS08	31-Mar-24
			CS09	14-Apr-23
			CS10	31-Mar-23
7	Factory Licenses	Factories Act, 1948	CS01 - CS04	Till Cancellation
			CS05	31-Dec-19*
			CS06	31-Dec-23
			CS07	31-Dec-22
			CS08	31-Dec-23
			CS09	31-Dec-23
			CS10	31-Dec-28
8	NOC for withdrawal of ground water	CGWA Rules		Pending approval
9	CCoE Approval for laying pipeline	Petroleum and Explosives Safety Organization (PESO)	Approval for Laying Kakinada-Hyderabad-Ahmedabad NG pipeline	One time
			Approval for laying of 7 KM 30" Dia NG Pipeline from Kanjanhari to GSPL sectionalizing valve at Atakpardi village CS 09	One time
10	CCoE Permission for commissioning pipeline	Petroleum and Explosives Safety Organization (PESO)	Kakinada-Hyderabad-Ahmedabad pipeline 158 KM stretch (EWPL) CS06 - CS07	One Time
			Kakinada-Hyderabad-Ahmedabad Stretch 761 KM (EWPL) CS01 - CS06	One Time
			East Godavari Spur Line (URSPL)	One Time

**Renewal application submitted on 27-Dec-19*

BDO

Details of all Permissions (3/4)

Business Permissions and Approvals:

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
			Uran Spur Line (URSPL)	One Time
			Kakinada-Hyderabad-Ahmedabad pipeline 166 KM stretch (EWPL) CS08 - CS09	One Time
			Kakinada-Hyderabad-Ahmedabad pipeline 130 KM stretch (EWPL) CS09 - CS10	One Time
			Kakinada-Hyderabad-Ahmedabad pipeline 156 KM stretch (EWPL) CS07 - CS08	One Time
			7 KM 30" Dia NG Pipeline from Kanjanhari to GSPL sectionalizing valve at Atakpardi village (SGUSPL) CS09	One Time
			NTPC Kawas spur line (KWSPL) CS10	One Time
			28" NG spur line from M&R 22 at Dhamka to HLPL (SHELL connectivity) (KWSPL) CS10	One Time
			16" NG spur line from Tap Off point at Chevuturu village (Krishna Dist. AP) to M&R Lanco Kondapalli (LKSP) CS02	One Time
11	Fire NOCs	A P state Disaster Response and Fire Services Department	CS01	7-Apr-20
		A P state Disaster Response and Fire Services Department	CS02	10-Sep-20
		Telangana state Disaster Response and Fire Services Department	CS03	Not Applicable

Details of all Permissions (4/4)

Business Permissions and Approvals:

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
		Telangana state Disaster Response and Fire Services Department	CS04	Not Applicable
		Karnataka State Fire and Emergency Services	CS05	01-Aug-20
		Directorate Maharashtra Fire Services	CS06, CS07 & CS08	One Time
		Gujarat Fire Services	CS09 & CS10	Not Applicable
12	Building plan approvals	DISH (Directorate of Industrial Safety and Health)	CS02 - CS10	One Time
13	Structure Stability Certificate	Factories Act, 1948	CS01	Renewal not required as per Andhra Pradesh Factories Rules, 1950
			CS02	7-Jun-23
			CS03	7-Jun-23
			CS04	7-Jun-23
			CS05	19-Jun-23
			CS06	23-Jan-25
			CS07	13-Jun-23
			CS08	14-Jun-23
			CS09	27-Oct-21
			CS10	28-Oct-21
14	Consent to Engage Contract Labour	Contract Labour regulation and Abolition Act 1970	CS01 to CS10	One time
15	Wireless Station License by GOVERNMENT OF INDIA, Ministry of Communications and Information Technology	Under The Indian Telegraph Act 1885	CS01 to CS 10	31-Dec-20
16	State Electricity Authorization	the Electricity Act 2003 read with the Indian Electricity Rules, 1956	East West Pipeline limited	One time
17	Pipeline Authorization	PNGRB Act, 2006	East West Pipeline Limited	One time
		PNGRB Act, 2006	East West Pipeline Limited	One time

11.2 Annexure IV - Litigations Details (1/2)

Sr No.	Against	Pending Before	Details of the Case
Disputes in connection with the right of user granted to EWPL under the PMP Act			
1	EWPL/RGTIL	District Judge, Pune	[Ramchandra Jaggnath Sabale ("Claimant") filed a miscellaneous application against RGTIL (former name of EWPL) before the District Judge, Pune. The application was made under the PMP Act for enhancement of compensation [to a total claim of ₹ 52.10 million]]. The court by its order dated April 27, 2016 dismissed the application filed by the Claimant directing him to pay the court fees on the amount of compensation claimed. The matter is currently pending.
2	EWPL/RGTIL	Principal District Judge Court, Navsari	[Kamuben filed an application before the Principal District Judge Court, Navsari against the competent authority under the PMP Act and RGTIL (former name of EWPL) demanding additional compensation amounting to ₹ 510.00 million. The matter is currently pending].
3	EWPL/RGTIL	Senior Civil Judge, Bharuch	[Manharlal Shivlal Panchal and others filed a land acquisition reference before the court of the Senior Civil Judge, Bharuch, against RGTIL (former name of EWPL) and the district collector claiming excess compensation to the tune of ₹ 107.45 million. The matter is currently pending].
4	EWPL/RGTIL	Principal District Judge Court, Navsari	[Savitaben Patel and others ("Claimants") filed an application before the Principal District Judge Court, Navsari in Navsari against the deputy collector and competent authority under the PMP Act, and RGTIL (former name of EWPL) demanding additional compensation, amounting to ₹ 70.00 million] which was dismissed for default on August 18, 2018]. [Savitaben Patel has also filed an application for restoration and the matter is currently pending].
5	EWPL/RGTIL	Principal District Judge Court, Navsari	[Thakorbhai Khandubhai and others ("Claimants") filed an application before the Principal District Judge Court, Navsari against RGTIL (former name of EWPL) demanding additional compensation, [amounting to a total claim of ₹ 910.00 million]. It was dismissed for default on August 18, 2018.] [However, the Claimants have filed an application for restoration and the matter is currently pending].
Royalty Related			
1	EWPL/RGTIL	Bombay High Court	EWPL has received demand notices from the revenue authorities in Maharashtra seeking to levy royalty (together with penalty and other charges) of INR 415.6 million on the grounds that EWPL for the purpose of laying the East West Pipeline, had conducted an excavation of earth which is treated as mining of minor minerals under the Maharashtra Land Revenue Code, 1966. EWPL has also already paid penalty to the tune of approximately INR 132.1 million under duress and coercion. EWPL challenged the levy of royalty by filing a writ petition before the Bombay High Court in 2009 on the grounds that the operation of

Annexure IV - Litigations Details (2/2)

Sr No.	Against	Pending Before	Details of the Case
			laying the gas pipeline does not qualify as mining of minor minerals and the levy is in contravention of Article 265 of the Constitution of India. The Bombay High Court vide order dated February 09, 2009 directed the revenue authorities to restrain from taking any coercive steps against EWPL. The matter was last posted for hearing on October 17, 2012 and has not yet been listed for hearing again and is currently pending.
Other Tariff Related			
1	NA	PNGRB	PIL has filed a review petition on January 11, 2019 before the PNGRB seeking review of the order passed by the PNGRB dated December 10, 2018 (the "Order"), pursuant to which PNGRB determined the levelized tariff for the high pressure Gujarat gas grid ("HP Gas Grid") of Gujarat State Petronet Limited ("GSP Limited") and the Dahej-Uran-Panvel-Dhabol Natural Gas Pipeline Network ("DUPL-DPPL") of GAIL under the provisions of the Tariff Regulations, making it applicable retrospectively with effect from April 1, 2018. Pursuant to the demerger of the Pipeline Business, PIL provides end to end gas transportation services to its customers, including the Reliance's facilities in Jamnagar through the Pipeline and GSP Limited's HP Gas Grid pursuant to a gas transportation agreement entered into with GSP Limited (the "GTA"). PIL has sought review of the Order seeking (i) modification of the Order to make it effective prospectively from April 1, 2019 as opposed to the Order currently making the tariff applicable retrospectively from April 1, 2018, and (ii) modification of the zonal levelized tariff considering the point of origin for GSP Limited's HP Gas Grid as Mora as opposed to the Order currently fixing the tariff on the bases of Eklara as the point of origin. PIL has also sought an interim relief for a stay on the Order. PNGRB vide order dated 15/03/2019 stayed the operation of the Order, GSPL challenged the said order before the High Court of Delhi by filing WP No 3128 of 2019. High Court setting aside the Order (vide order dated 03/04/2019) directed PNGRB to pass fresh orders after giving the opportunity of hearing to all the parties concerned. In compliance to Delhi High Court order, PNGRB Vide an order dated 19.03.2020 partially allowed the Review Petition filed by PIL and RIL recognising "Mora" as point of injuction is point of origin instead of "Atakpardi". As a result tariff for transportation of Gas from Mora to Jamnagar has been re-instated to Zone-2 instead of earlier classification of Zone 3. PNGRB differed reviewing the other issue i.e. retrospective operation of the Tariff Order, till final disposal of the Writ Petitions filed by Deepak Fertilisers before Delhi High Court and the Torrent before High Court of Gujarat

Note: The details of the key litigations which may have bearing on the valuation i.e. capacity assessment and determination of final tariff have been disclosed on page 22 of the Report.

11.3 Annexure V - Other Disclosures as required under SEBI InvIT Regulations

Purchase Price of the project by the InvIT

The Trust has acquired 100% of equity share capital of PIL for an amount of INR 500 Mn as on March 22, 2019.

Valuation of InvIT Asset in the past

Date of Valuation Report	Valuation Date	Value of InvIT Asset pursuant to agreed terms of Transaction Documents (INR Mn)
March 08, 2019	January 1, 2019	139,639.9
May 30, 2019	March 31, 2019	140,561.8

Statement of Assets

The Trust has acquired PIL and through PIL runs the Pipeline Business which was historically owned and operated by EWPL. NCLT Ahmedabad vide its order dated November 12, 2018 and NCLT Mumbai vide its order dated December 21, 2018 has approved the Scheme for transfer of the Pipeline Business from EWPL to PIL. As per the audited financial statements as on March 31, 2020, PIL has a gross fixed asset consisting of the tangible assets related to the Pipeline amounting to INR 153,176.0 Mn, gross intangible asset amounting to INR 15,694.1 Mn and goodwill amounting to INR 2,820.0 Mn

Details of Major Repairs to the Pipeline - Past and Proposed

- As per discussions with the Management, we understand that no major repairs have been done in the past to the Pipeline.
- In the coming years, it is estimated that a yearly capital expenditure of INR 500 Mn is considered in FY 2029-30, INR 2,000 Mn annually from FY 2030-31 to FY 2037-38 and INR 1,500 Mn in FY 2038-39 onwards for upkeeping of the Pipeline has been considered thereby totaling to INR 18,000 Mn towards mid-life overhaul and full life overhaul of the following:
    - Gas turbines;
    - Compressors;
    - Pumps and related auxiliaries;
    - Fuel management systems;
    - Gas Engine Generators;
    - Compressor Operating & control system;
    - UPS system;
    - Transformers;
    - Battery Bank;
    - Digital Relays; and
    - Other IT infrastructure

Revenue pendency including local authority taxes associated with InvIT Asset and compounding charges:

The Management has confirmed to us that there are no revenue pendencies including local authority taxes associated with the InvIT Asset and compounding charges.

Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:

The Management has confirmed to us that there is no vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

PenBrook Capital Advisors Private Limited

Consolidated balance sheet
as at 31 March 2020

(Amount in INR)

Particulars	Notes	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,92,865	1,66,550
Other intangible assets	5	-	-
Financial assets			
- Investments	6	87,07,522	1,67,00,510
- Loans and advances	7	8,30,433	52,98,609
Deferred tax assets (net)	24	54,240	4,82,24,032
Other non-current assets	8	-	2,61,391
Total non-current assets		97,85,060	7,06,51,092
Current assets			
Financial assets			
- Trade receivables	9	34,37,713	1,07,24,937
- Cash and cash equivalents	10	5,05,49,858	4,84,86,789
- Loans and advances	11	38,609	34,967
- Other financial assets	12	35,96,581	46,75,688
Current tax assets (net)	13	1,30,29,049	1,06,40,832
Other current assets	14	2,58,905	1,770
Total current assets		7,09,10,715	7,45,64,983
TOTAL ASSETS		8,06,95,775	14,52,16,075
EQUITY AND LIABILITIES			
Equity			
Share capital	15	33,28,75,600	33,28,75,600
Other equity		(26,28,35,979)	(20,74,95,501)
Equity attributable to equity holders of the company		7,00,39,621	12,53,80,099
Non controlling interest		1,000	1,000
Total equity		7,00,40,621	12,53,81,099
Non-current liabilities			
Long term provisions	16	18,59,596	13,13,925
Total non current liabilities		18,59,596	13,13,925
Current liabilities			
Financial liabilities			
Trade payables	17		
- Total outstanding dues of micro and small enterprises		18,900	20,300
- Total outstanding dues of creditors other than micro and small enterprises		71,38,399	1,39,79,992
Other current liabilities	18	13,81,450	31,87,384
Provisions	19	2,56,809	13,33,375
Total current liabilities		87,95,558	1,85,21,051
Total liabilities		1,06,55,154	1,98,34,976
TOTAL EQUITY AND LIABILITIES		8,06,95,775	14,52,16,075

The accompanying explanatory notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ritesh Goyal
Partner
Membership No: 115007

Mumbai
Date : 24 JUL 2020

For and on behalf of the Board of Directors of PenBrook Capital Advisors Private Limited
CIN : U74120MH2011PTC224370

Rajeev Piramal
Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Sugandha Vaidya
Company Secretary
FCS No. 9952

Mumbai
Date : 01 July 2020

PenBrook Capital Advisors Private Limited

Consolidated statement of profit and loss

for the period ended 31 March 2020

(Amount in INR)

Particulars	Notes	31 March 2020	31 March 2019
Income			
Revenue from operations	20	**2,72,60,934**	1,28,77,637
Other income	21	**2,27,84,772**	2,02,56,353
Total income		**5,00,45,706**	3,31,33,990
Expenses			
Employee benefits expenses	22	**2,85,13,096**	2,35,86,395
Depreciation and amortization expenses	4	**1,08,132**	1,30,278
Other expenses	23	**2,75,83,795**	3,04,35,217
Total expenses		**5,62,05,023**	5,41,51,890
Loss before tax		**(61,59,317)**	(2,10,17,900)
Tax expense:	24		
Current tax		**-**	1,57,010
Short provision for prior years		**10,60,441**	(37,043)
Deferred tax charge		**4,75,69,439**	1,60,10,594
Loss for the period		**(5,47,89,197)**	(3,71,48,461)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability (net)		**(5,51,281)**	42,823
Total other comprehensive income, net of tax		**(5,51,281)**	42,823
Total comprehensive loss for the period		**(5,53,40,478)**	(3,71,05,638)
Earnings per equity share of par value Rs.10 each	25		
Basic		**(1,826.31)**	(1,238.28)
Diluted		**(1,826.31)**	(1,238.28)

The accompanying explanatory notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ritesh Goyal
Partner
Membership No: 115007

Mumbai
Date : 24 JUL 2020

For and on behalf of the Board of Directors of PenBrook Capital Advisors Private Limited
CIN : U74120MH2011PTC224370

Rajeev Piramal
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Mumbai

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Company Secretary
FCS No. 9952

Mumbai
Date : 01 July 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

To Unitholders India Infrastructure Trust
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of India Infrastructure Trust ("the Trust"), which comprise the Balance Sheet as at 31st March, 2020, Statement of Profit and Loss including Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unit holders Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Trust as at 31st March 2020, and its profit, total comprehensive income, its cash flows and change in Unit Holders equity for the year then ended.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fair valuation of investment in Non-convertible debentures** The valuation of Non-convertible debentures (NCDs) investment in Pipeline Infrastructure Limited ("PIL", "SPV") (formerly known as Pipeline Infrastructure Private Limited) was key area of audit focus due to the degree of complexity involved in valuing the NCDs and significant judgement and valuation assumption made by the management. As at March 31, 2020 carrying amount of NCDs outstanding is Rs. 7,812 crore and fair value gain on NCDs for the year was Rs. 1,817 crore. These NCDs are measured at fair value and classified as level 3 instrument. Refer to note 21 to the standalone financial statements	Our principal audit procedures relating to the management valuation of NCDs included the following : • We tested the design and implementation of key controls related to the recording and fair valuation of NCD's outstanding as on balance sheet date and fair valuation impact for the year. • We evaluated the Company's fair valuation specialist's competence and objectivity to perform the valuation. • We assessed the reasonableness of the estimated future cash flow projections, discount rate and other financial input considered in valuation with the underlying agreement, estimated credit rating and related future interest rate curves. • We have involved internal fair valuation specialist to independently fair value NCDs on the balance sheet date which includes evaluating the discount rate to be used in valuation and the rate at which company will be able to refinance the external debt as per market condition. • We compared the fair value determined by the Company's fair valuation specialist and our internal fair valuation specialist to determine the same to be reasonable.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors of the WIP (India) Private Limited ('Investment Manager') is responsible for the other information. The other information comprises the information and disclosures included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the information and disclosures Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Managements Responsibility for the Standalone Ind AS Financial Statements

The Investment Manager, is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31st March 2020, financial performance including other comprehensive income, cash flows and the changes of the unit holders funds for the year ended 31st March 2020, in accordance with the Ind AS and other accounting principles generally accepted in India and the InvIT Regulations.

The Investment Manager is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Investment Manager is also responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, we report that:

a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

b) The balance sheet, and statement of profit and loss including other comprehensive income are in agreement with the books of account of the Trust;

c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended; and

d) In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the disclosures, in accordance with the InvIT Regulations, in respect of the net assets at fair value as at 31st March, 2020, the total returns at fair value for the year ended 31st March, 2020 and the Net distributable cash flows for the year then ended.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAADO4775

Place: **Mumbai**
Date: 29th June 2020

India Infrastructure Trust

Standalone Balance Sheet as at 31st March, 2020

(Rs. in Crore)

	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
Investment in Subsidiary	4	**50.00**	50.00
Financials Assets			
Investments	5	**7,812.33**	12,943.39
Other Financial Assets	6	**48.26**	4.42
Total Non-Current Assets		**7,910.59**	12,997.81
Current Assets			
Financial Assets			
Cash and Cash Equivalents	7	**0.25**	24.60
Other Financials Assets	8	**1.59**	23.09
Other Current Assets	9	**0.01**	-
Total Current Assets		**1.85**	47.69
Total Assets		**7,912.44**	13,045.50
EQUITY AND LIABILITIES			
Equity			
Unit Capital	10	**6,044.53**	6,640.00
Other Equity			
Retained earning	11	**1,816.08**	(62.19)
Total Unit Holders' Equity		**7,860.61**	6,577.81
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	12	**-**	6,370.00
- Other Financial Liabilities		**49.48**	42.70
Total Non-Current Liabilities		**49.48**	6,412.70
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	13	**-**	13.25
Other Current Liabilities	14	**2.35**	41.74
Total Current Liabilities		**2.35**	54.99
Total Liabilities		**51.83**	6,467.69
Total Equity and Liabilities		**7,912.44**	13,045.50

The accompanying notes form an integral part of Standalone Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors of
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Place : Mumbai
Date : June 29, 2020

India Infrastructure Trust

Standalone Statement of Profit and Loss for the year ended 31st March 2020

(Rs. in Crore)

	Notes	Year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
INCOME			
Revenue from Operations	15	664.73	31.09
Fair value gain on Non convertible debentures measured at FVTPL	21	1,817.74	-
Other Income	16	4.25	4.42
Total Income		2,486.72	35.51
EXPENSES			
Valuation Expenses		0.61	0.16
Investment Manager Fee		2.83	0.40
Registration Expenses for Units/NCD		-	1.38
Trustee Fee		0.21	0.02
Arranger Fee (for NCD)		-	31.85
Project Manager fee		1.77	-
Listing Fee		0.09	-
Payment to auditors	17.1	2.28	0.20
Other Expenses	17.2	18.90	49.12
Finance Costs	18	119.24	14.57
Total Expenses		145.93	97.70
Profit / (Loss) before Tax		2,340.79	(62.19)
Tax Expenses			
Current Tax		1.73	-
Deferred Tax		-	-
Profit / (Loss) for the period		2,339.06	(62.19)
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to statement of profit and loss		-	-
Total Comprehensive Income for the period		2,339.06	(62.19)
Earnings per unit of face value of ₹ 91.0321 each (PY ₹ 100 each)	19		
- For Basic (Rs.)		35.23	(12.18)
- For Diluted (Rs.)		35.23	(12.18)

The accompanying notes form an integral part of Standalone Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Place : Mumbai
Date : June 29, 2020

For and on behalf of the Board of Directors of
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Place : Mumbai
Date : June 29, 2020

India Infrastructure Trust

Standalone of Cash Flow Statement for the year ended 31st March, 2020

				(Rs.in crore)
		Year ended 31st March, 2020		**For the period 22nd November, 2018 to 31st March, 2019**
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax as per Statement of Profit and Loss		**2,340.79**		**(62.19)**
Adjusted for:				
Finance Costs	119.24		14.57	
Fair Value gain on Non Convertible Debenture measured at FVTPL	(1,817.74)		-	
Fair value measurement gains on put option	(0.22)		(4.42)	
Fair value measurement losses on call option	6.78		42.70	
Interest income on Fixed Deposit	(3.09)		-	
Profit on sale of Mutual Fund	(0.94)		-	
		(1,695.97)		52.85
Operating profit / (loss) before working capital changes		**644.82**		**(9.34)**
(Increase)/decrease in Other Current Assets	(0.01)		-	
(Increase)/decrease in Other Current Financial Assets	23.09		(23.09)	
Increase/(Decrease) in Other Current Financial Liabilities	-		40.42	
Increase/(Decrease) in Other Current Liabilities	(39.39)		-	
		(16.31)		17.33
		628.51		7.99
Less : Taxes paid (Net)		(1.73)		-
Net Cash Flow from / (used in) Operating Activities		626.78		7.99
` CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Acquisition of equity shares of Subsidiary		-		(50.00)
Subscribing to Non convertible debentures of Subsidiary		-		(12,950.00)
Redemption / Principal repayment received on Non convertible debentures of Subsidiary		6,747.32		-
Expenditure Component sweep received from subsidiary		201.48		6.61
Sale proceeds of Mutual Funds		148.49		-
Investment in Mutual Funds		(147.54)		-
Proceeds on closure of fixed deposits with banks		329.92		-
Investment in fixed deposit with banks		(373.54)		-
Interest income received on Fixed Deposit with banks		1.51		-
Net Cash Flow from / (used in) Investing Activities		6,907.64		(12,993.39)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Units		-		6,640.00
Proceeds from Long Term Borrowings -NCDs		-		6,370.00
Return of Capital to Unit holders		(595.47)		-
Return on Capital to Unit holders		(458.92)		-
Distribution of income to Unit holders		(1.87)		-
Redemption of NCD		(6,370.00)		-
Finance cost		(132.50)		-
Net Cash Flow from / (used in) Financing Activities		(7,558.77)		13,010.00
Net Increase in Cash and Cash Equivalents		(24.35)		24.60
Opening Balance of Cash and Cash Equivalents (Refer Note 7)		24.60		-
Closing Balance of Cash and Cash Equivalents (Refer Note 7)		0.25		24.60
Net Increase in Cash and Cash Equivalents		(24.35)		24.60

Note:
The figures in brackets represents cash outflow

The accompanying notes form an integral part of Standalone Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K Bhatt
Partner

Sridhar Rengan
Chairperson of the Board
DIN 03139082

For and on behalf of the Board of Directors of
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Place : Mumbai
Date : June 29, 2020

Place : Mumbai
Date : June 29, 2020

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India Infrastructure Trust

III. Statement of Changes in Unitholder's Equity for the year ended 31st March, 2020

(Rs. in Crore)

A. UNIT CAPITAL

Balance at the beginning of previous reporting period i.e 22nd November, 2018	Changes in unit share capital during the period	Balance at the end of previous reporting period i.e 31st March, 2019	Changes in equity share capital during the year*	Balance as at the end of the reporting period i.e. 31st March, 2020
-	**6,640.00**	**6,640.00**	**(595.47)**	**6,044.53**

*Return of capital during the year 2019-20 as per (NDCF note no. 23) approved by investment manager

B. OTHER EQUITY

(Rs. in Crore)

	Equity component of compound financial instruments	Retained Earnings	Other Comprehensive Income	Total
As at 31st March, 2019				
Balance as at the beginning of the reporting period i.e. 22nd November, 2018	-	-	-	-
Total Comprehensive Income for the Period	-	(62.19)	-	(62.19)
Balance as at the end of the reporting period i.e. 31st March, 2019	**-**	**(62.19)**	**-**	**(62.19)**
As at 31st March, 2020				
Balance as at the beginning of the reporting period i.e. 1st April, 2019	-	(62.19)	-	(62.19)
Total Comprehensive Income for the Period	-	2,339.06	-	2,339.06
Return on Capital**				-
Interest Distribution		(458.92)		(458.92)
Other Income Distribution		(1.87)		(1.87)
Balance as at the end of the reporting period i.e. 31st March, 2020	**-**	**1,816.08**	**-**	**1,816.08**

** Return on capital during the year as per (NDCF note no. 23) duly approved by investment manager which include interest and other income.

India Infrastructure Trust
Notes to the Financial Statements for the year ended 31st March, 2020

1 Corporate Information

India Infrastructure Trust (The "Trust"/"InvIT") is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on November 22, 2018, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 23rd January, 2019 having registration number IN/InVIT/18-19/0008. It has its principal place of business at Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Sponsor of the Trust is Rapid 2 Holdings Pte Ltd., a company registered in Singapore. The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee").
The Initial Investment Manager for the Trust was Penbrook Capital Advisors Pvt. Ltd. (the "Initial Investment Manager") till 31 March 2020. The address of the registered office of the "Initial Investment Manager" is 1, Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
The Company has appointed new "Investment Manager" WIP (India) Pvt. Ltd. (WIP) in place of, Penbrook Capital Advisors Private Limited "Initial Investment Manager" w.e.f 1st April 2020. The the registered office of the new Investment Manager WIP is Unit no.804,8th Floor, One BKC, Bandra Kurla Complex, Bandra (East) Mumbai - 400051.

The investment objectives of the Trust are to carry on the activities of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations by raising funds and making investments in accordance with the SEBI InvIT Regulations and the Trust Deed. The InvIT has received listing and trading approval for its Units w.e.f 20th March,2019 from the Stock Exchange vide BSE notice dated 19th March, 2019.

On March 22, 2019 Trust acquired 100% controlling interest in Pipeline Infrastructure Limited (PIL) (formerly known as Pipeline Infrastructure Private Limited) from Reliance Industries Holding Private Limited (RIHPL). On 18 March 2019, the share transfer has happened from RIHPL to Trust.
PIL owns and operates the ~1,480 km natural gas transmission pipeline, including dedicated lines, (together with compressor stations and operation centres) (the "Pipeline") from Kakinada in Andhra Pradesh to Bharuch in Gujarat.

2 Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

These financial statements are the standalone financial statements of the Trust and comprise of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders' Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the year then ended and a summary of significant accounting policies and other explanatory notes in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations").

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value (Refer accounting policy regarding financial Instruments)

The Trust's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Crore upto two decimal places, except when otherwise indicated.

2.2 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Trust to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.
Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are in respect of impairment of investments and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, provisions and contingent liabilities have been discussed in their respective policies.

2.3 Summary of Significant Accounting Policies

(a) Cash and cash equivalents
Cash and cash equivalents includes cash at banks and escrow account. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Trust's cash management.

(b) Provisions, Contingent liabilities and contingent assets
A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(c) Tax Expenses
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.
Current tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.
Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(d) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Interest income :
Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the trust and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends :
Dividend is recognised when the right to receive is established.

(e) Current and non-current classification

The Trust presents assets and liabilities in the Balance Sheet based on current and non-current classification.

An asset is classified as current when it is :
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when it is :
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Trust has identified twelve months as its normal operating cycle.

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques used are those that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about

(g) Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Trust or counterparty.

(h) Earnings Per Unit (EPU)

Basic earnings per unit is computed using the net profit for the period attributable to the unitholders' and weighted average number of units outstanding during the period.

Diluted earnings per unit is computed using the net profit for the period attributable to unitholder' and weighted average number of units and potential units outstanding during the period including unit options, convertible preference units and debentures, except where the result would be anti-dilutive. Potential units that are converted during the period are included in the calculation of diluted earnings per unit, from the beginning of the period or date of issuance of such potential units, to the date of conversion.

(i) Classification of Unitholders' fund

Under the provisions of the InvIT Regulations, Trust is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of trust for each financial period. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20- Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

(j) Investment in subsidiaries

Investments in equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

(k) Net distributable cash flows to unit holders

The Trust recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

(l) Borrowing Costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Financial instruments

i) **Financial Assets**

A. Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) **Financial assets measured at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) **Impairment of financial assets**

In accordance with Ind AS 109, the Trust uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) **Financial liabilities**

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. Derecognition of financial instruments

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Trust's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:

The preparation of the Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a **Fair valuation**

The Investment in Debentures of Pipeline Infrastructure Limited is measured at fair value. Since the inputs to the valuation are dependent on unobservable market data, the Trust engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model

b **COVID-19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Trust and Board of directors of Investment Manager has considered internal and external information while finalising estimates in relation to its financial statement up to the date of approval of financial statements by the Board of directors of Investment Manager and has not identified any material impact on the carrying value of assets, liabilities or provisions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and durations. Due to the nature of the pandemic, the trust and Board of directors of Investment Manager will continue to monitor development and shall take appropriate actions as appropriate, based on any material changes in the future economic conditions.

3 STANDARDS ISSUED NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

India Infrastructure Trust

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

NOTE 4 - INVESTMENTS IN SUBSIDIARY	(Rs. in Crore) As at 31st March, 2020	(Rs. in Crore) As at 31st March, 2019
Equity investments, at cost (unquoted)		
5,00,00,000 equity shares of Rs.10/- each of Pipeline Infrastructure Limited	50.00	50.00
TOTAL	50.00	50.00
Additional Information		
Aggregated Value of Unquoted Investments	50.00	50.00
Aggregated Value of Quoted Investments	-	-
Aggregate provision for increase / diminution in the value of Investments	-	-

Note: The Trust holds 100% equity ownership in Pipeline Infrastructure Limited

NOTE 5. NON CURRENT FINANCIAL INVESTMENTS

Investments in Unquoted Non Convertible Debenture (NCD) (at FVTPL)	As at 31st March, 2020	As at 31st March, 2019
649,80,000 (PY 12,95,00,000) secured NCDs of Rs. 954.55 (PY 1,000) each issued by Pipeline Infrastructure Limited (Refer Note 21)	7,812.33	12,943.39
TOTAL	7,812.33	12,943.39

NOTE 6. NON CURRENT FINANCIAL ASSETS	As at 31st March, 2020	As at 31st March, 2019
Put option on PIL shares	4.64	4.42
Other Bank Balances*	43.62	-
	48.26	4.42

*Fixed deposit as margin money to comply with DSRA requirement.

As per the terms agreed by the Trust, the Investment Manager, Pipeline Infrastructure Limited (PIL) and Reliance Industries Holdings Private Limited (RIHPL), Reliance Industries Limited(RIL) has the right, but not the obligation, to purchase the entire equity stake of the Trust in PIL after a specific term or occurrence of certain events for a consideration of Rs. 50 Crores or the fair value at the conversion date, whichever is lower. Correspondingly, the Trust has right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crores after a specific term or occurrence of certain events.

NOTE 7. CASH AND CASH EQUIVALENTS	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks	0.25	-
In Escrow Account *	-	24.60
TOTAL	0.25	24.60

* The conditions precedent to the escrow account have been fulfilled and consequently balance was freely available for utilisation.

NOTE 8. OTHER FINANCIAL ASSETS	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due on Non Convertible Debenture (NCD) Investment	-	23.09
Interest receivable on Fixed Deposit	1.59	-
Current Tax Assets (Net) **	0.00	-
	1.59	23.09

** Rs. 50,000 or below rounding off norms as adopted by the Trust

NOTE 9. OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
Other current assets	0.01	-
	0.01	-

	(Rs. in Crore)	(Rs. in Crore)
NOTE 10. UNIT CAPITAL	**As at 31st March, 2020**	**As at 31st March, 2019**
10.1 Unit Capital		
Issued, subscribed and fully paid up unit capital 66,40,00,000 (31st March, 2019: 66,40,00,000) units of ₹ 91.0321 (31st March, 2019: Rs. 100) each	**6,044.53**	**6,640.00**
TOTAL	**6,044.53**	**6,640.00**

Rights and Restrictions to Units

The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in each financial year in accordance with the InvIT Regulations. The Investment Manager approves distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays distributions in Indian rupees. The distributions can be in the form of return of capital, return on capital and Miscellaneous income.

A Unitholder has no equitable or proprietary interest in the Trust Assets and is not entitled to transfer Trust Assets (or any part thereof) or any interest in the Trust Assets (or any part thereof). A Unitholder's right is limited to the right to require due administration of Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

The unit holders(s) shall not have any personal liability or obligation with respect to the Trust

10.2 Information on unitholders holding more than 5% of Unit Capital

Name of Unitholder	**Relationship**	**As at March 31, 2020**		**As at March 31, 2019**	
		No of Unit held	**Percentage**	**No. of Unit held**	**Percentage**
Rapid Holdings 2 Pte. Ltd.	Sponsor	56,88,00,000	**85.66%**	56,88,00,000	**85.66%**
ICICI Prudential Equity & Debt Fund	Unitholder	3,50,00,000	**5.27%**	3,50,00,000	**5.27%**

10.3 Reconciliation of the units outstanding at the beginning and at the end of the reporting period :

Particulars	**As at 31st March, 2020 No. of Units**	**As at 31st March, 2019 No. of Units**
Units at the beginning of the period	66,40,00,000	-
Issued during the period	-	66,40,00,000
Units at the end of the period	**66,40,00,000**	**66,40,00,000**

NOTE 11. OTHER EQUITY	**As at 31st March, 2020** (Rs. in Crore)	**As at 31st March, 2019** (Rs. in Crore)
Retained earnings		
Opening Balance	(62.19)	-
Profit / (Loss) for the period	2,339.06	(62.19)
Return on Capital to Unit holders	(458.92)	-
Distribution of income to Unit holders	(1.87)	-
TOTAL	**1,816.08**	**(62.19)**

	(Rs. in Crore) As at 31st March, 2020	(Rs. in Crore) As at 31st March, 2019
NOTE 12. BORROWINGS		
DEBENTURES - AT AMORTISED COST		
Secured		
Non Convertible Debentures (NCDs) NIL [PY: 63,700 NCDs of Rs. 10,00,000 each]	**-**	**6,370.00**
TOTAL	**-**	**6,370.00**

12.1 Coupon rate of 9.2786 % payable quarterly

12.2 All the above NCDs have been redeemed by India Infrastructure Trust on April 23, 2019

NOTE 13. OTHER CURRENT FINANCIAL LIABILITIES	**As at 31st March, 2020**	**As at 31st March, 2019**
Interest accrued and not due on Non Convertible Debentures (NCDs)	-	13.25
TOTAL	**-**	**13.25**

NOTE 14. OTHER CURRENT LIABILITIES	**As at 31st March, 2020**	**As at 31st March, 2019**
Statutory liabilities payable	0.43	4.64
Payable to Related Party (Refer note No.20)		-
(a) Investment manager fee payable	0.22	-
(b) Reimbursement of expenses payable	0.05	2.05
(c) Project Manager fee payable	0.81	-
(d) Trustee Fee Payable	-	0.02
Arranger Fee Payable	-	34.40
Payable to others	0.84	0.63
TOTAL	**2.35**	**41.74**

(Rs. in Crore)

NOTE 15. REVENUE FROM OPERATIONS	For the period ending 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Operating Income		
Income from Interest on Investment in Non Convertible Debenture (NCD)	664.73	31.09
TOTAL	**664.73**	**31.09**

NOTE 16. OTHER INCOME	For the period ending 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Fair Valuation of put option (Refer note 21)	0.22	4.42
Interest on Fixed Deposits	3.09	-
Gain on sale of Investment in mutual funds measured at FVTPL	0.94	-
TOTAL	**4.25**	**4.42**

NOTE 17.1 PAYMENT TO AUDITORS AS :	For the period ending 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
(a) Auditor		
Statutory audit fees	0.51	0.20
Other audit fees*	1.77	-
TOTAL	**2.28**	**0.20**

*Represents audit fees paid for audit of group reporting package as per group referral instuctions under the PCAOB regulations

NOTE 17.2 OTHER EXPENSES	For the period ending 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Bank Charges **	0.00	0.01
Demat Charges	0.44	0.32
Duties, Rates and Taxes	0.10	5.85
Transaction Advisory services	9.97	-
Legal & Professional fees	1.41	0.24
Custodian charges	0.13	-
Miscellaneous Expenses	0.07	-
Fair value of call option*	6.78	42.70
TOTAL	**18.90**	**49.12**

*Refer Note 6 for explanation to call option
**Rs. 50,000 or below rounding off norms as adopted by the Trust

NOTE 18. FINANCE COSTS	For the period ending 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Interest Expenses	37.24	14.57
Loss on early redemption of Non Convertible Debenture (NCD) (Refer note 12)	82.00	-
TOTAL	**119.24**	**14.57**

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

		For the period ending 31st March, 2020	(Rs. in Crore) For the period 22nd November, 2018 to 31st March, 2019
NOTE 19. EARNINGS PER UNIT (EPU)			
The following reflects the income and unit data used in the basic and diluted EPU computations:			
i)	Net Profit / (Loss) as per Statement of Profit and Loss attributable to Unit	2,339.06	(62.19)
ii)	Weighted Average number of Units used as denominator for calculating Basic	66,40,00,000	5,10,76,823
	Reporting period (in days)	366	130
	Units allotted (in days)	366	10
iii)	Weighted Average number of Potential Units	-	-
iv)	Total Weighted Average number of Units used as denominator for calculating	66,40,00,000	5,10,76,823
v)	Earnings per unit of unit value of ₹ 91.0321 each (Previous year issue value ₹ 100 each)		
	- For Basic (Rs.)	35.23	(12.18)
	- For Diluted (Rs.)	35.23	(12.18)

NOTE 20. RELATED PARTY DISCLOSURES

As per SEBI INVIT regulations and as per Ind AS 24, disclosure of transactions with related party are as given below.

I. List of Related Parties as per the requirements of Ind AS 24 - "Related Party Disclosures"

Related Parties where control exists

Entities which exercise control on the company
Brookfield Asset Management Inc.

Subsidiary (SPV)
Pipeline Infrastructure Limited (Formerly known as Pipeline Infrastructure Private Limited)

II. List of additional related parties as per Regulation 2(1) (zv) of the SEBI InvIT Regulations

A. Parties to India Infrastructure Trust

Rapid Holdings 2 Pte Ltd (Sponsor as per SEBI INVIT regulation 4 as amended)
Penbrook Capital Advisors Pvt. ltd. (Investment manager upto 31/03/20 as per SEBI INVIT regulation 4 as amended)
ECI India Managers Private Limited (Project manager as per SEBI INVIT regulation 4 as amended)
Axis Trustee Services Ltd (Trustee as per SEBI INVIT regulation 4 as amended)

B. Directors of the parties to the Trust specified in II(A) Above

i. Directors of ECI India Managers Private Limited
Mr. Mihir Anil Nerurkar
Mr. Jeffrey Wayne Kendrew
Mr. Nawal Saini

ii. Directors of Penbrook Capital Advisors Private Limited
Mr.Chetan Rameshchandra Desai
Mr. Sridhar Rengan
Mr. Narendra Aneja
Mr. Rajeev Ashok Piramal

iii. Directors of Rapid Holdings 2 Pte Limited
Mr.Anandjit Sunderaj
Mr.Liew Yee Foong
Mr.Aviral Chaturvedi (resigned w.e.f 31st October, 2019)
Ms.Ho Yeh Hwa
Ms.Taswinder Kaur Gill (appointed w.e.f 25th October, 2019)
Mr. Zhang Shen (appointed w.e.f 25th October, 2019)

iv. Directors of Axis Trustee Services Limited
Mr.Ram Bharosey Lal Vaish (resigned w.e.f 8th November, 2019)
Mr.Rajesh Kumar Dahiya
Mr.Ganesh Sankaran
Mr.Sanjay Sinha

(Rs. in Crore)

Sr. No	Particulars	Relations	Year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
1)	**Interest Income** Pipeline Infrastructure Ltd.	Subsidiary	664.73	31.09
2)	**Trustee Fee** Axis Trustee Services Ltd.	Trustee	0.21	0.02
3)	**Investment management fee** Penbrook Capital Advisors Pvt. Ltd.	Investment manager	2.83	0.69
4)	**Units issued** Rapid Holdings 2 Pte Ltd	Sponsor	-	5,688.00
5)	**Repayment of Unit Capital** (Rs.8.97 Paid out of Units of Rs. 100) Rapid Holdings 2 Pte Ltd	Sponsor	510.09	-
6)	**Investment in NCD** Pipeline Infrastructure Ltd.	Subsidiary	-	12,950.00
7)	**Repayment of NCD** Pipeline Infrastructure Ltd.	Subsidiary	6,747.32	-
8)	**Investment in Equity Shares** Pipeline Infrastructure Ltd.	Subsidiary	-	50.00
9)	**Professional fee /Valuation fee/Director sitting fee** Penbrook Capital Advisors Pvt. Ltd.	Investment manager	0.72	0.22
10)	**Registration Expenses** Rapid Holdings 2 Pte Ltd	Sponsor	-	1.38
11)	**Project Management fee** ECI India Managers Pvt. Ltd.	Project Manager	1.77	-
12)	**Interest Distributed** Rapid Holdings 2 Pte Ltd.	Sponsor	393.13	-
13)	**Other Income Distributed** Rapid Holdings 2 Pte Ltd.	Sponsor	1.60	-
14)	**Amount received towards expenditure component sweep** Pipeline Infrastruture Limited	Subsidiary	201.48	6.61

(iii) **Balances at the end of period**

Sr. No	Particulars	Relations	Year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
1)	**Reimbursement of Expense payable** Rapid Holdings 2 Pte Ltd Penbrook Capital Advisors Pvt. ltd.	 Sponsor Investment Manager	 - 0.05	 1.38 0.67
2)	**Investment Manager Fee Payable** Penbrook Capital Advisors Pvt. ltd.	Investment Manager	0.22	-
3)	**Trustee Fee Payable** Axis Trustee Services Ltd.	Trustee	-	0.02
4)	**Project Manager fee payable** ECI India Managers Pvt. Ltd.	Project Manager	0.81	-
5)	**Interest receivable** Pipeline Infrastructure Ltd.	Subsidiary	-	23.09
6)	**Investment in Equity Shares** Pipeline Infrastructure Ltd.	Subsidiary	50.00	50.00
7)	**Investment in NCD at fair value*** Pipeline Infrastructure Ltd.	Subsidiary	7,812.33	12,943.39
8)	**Units value** Rapid Holdings 2 Pte Ltd	Sponsor	5,177.91	5,688.00

* Rs. 208.09 Crores (Previous year Rs. 6.61 Crores) being amount received from Pipeline Infrastructure Ltd is nettted off against the Non Convertible Debentures.

NOTE 21. FINANCIAL INSTRUMENTS

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of the Non-convertible debentures is determined using the discounted cash flow method. The significant observable inputs are the probable weighted assessment of range of possible business outcome.

Fair value measurement hierarchy:

(Rs. in Crore)

Particulars	As at 31st March, 2020 Carrying Amount	Level of input used in Level 1	Level 2	Level 3	As at 31st March, 2019 Carrying Amount	Level of input used in Level 2	Level 3
Financial Assets							
At Amortised Cost*							
Cash and Cash Equivalents	0.25				24.60		
Other Financial Assets	1.59				23.09		
At FVTPL							
Investments in Non Convertible Debenture (NCD)	7,812.33			7,812.33	12,943.39		12,943.39
Put option on PIL shares	4.64		4.64		4.42	4.42	
Financial Liabilities							
At Amortised Cost*							
Borrowings	-				6,370.00		
Other Current Financial Liabilities	-				13.25		
At FVTPL							
Call Option on PIL shares	49.48		49.48		42.70	42.70	

* carrying amount approximates fair value as per management.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs based on unobservable market data

Fair value measurements using unobservable market data (level 3)

The following table presents the changes in level 3 items related to Investment in NCDs for the year ended March 31, 2020

Particulars		(Rs. in Crore)
As at January 23, 2019		-
Add: Debentures issued		12,950.00
Carrying value of debentures as on March 31, 2019		**12,950.00**
Add: Debentures issued		-
Less: Redemption / Principal repayment of debentures		6,747.32
Carrying value of debentures as on March 31, 2020		**6,202.68**
Less: Expenditure Component Sweep received		
FY 2018-19	6.61	
FY 2019-20	201.48	208.09
		5,994.59
Add: Fair value gain on Non convertible debentures measured at FVTPL		1,817.74
Fair value of debentures as on March 31, 2020		**7,812.33**

The investment made by India Infrastructure Trust (InvIT) in Non convertible debentures (InvIT NCD) are classified as a Financial Asset according to the Ind AS 32 and 109, and further classified at Fair Value Through Profit & Loss (FVTPL). The InvIT NCDs are held with an intention to collect contractual cash flows and not held with an intention to sell. However, the cash flows flowing to InvIT are not solely in the nature of payment of principle and interest. There is also an implicit interest embedded in the right to sweep Equated Yearly Instalment & Expenditure Component Sweep.

The discounted cash flow method has been applied for deriving the fair valuation of the debentures which requires determining the present value of all cash flows.

The payment of interest and principal component of the InvIT NCDs is provided in the Debenture Trust Deed wherein interest component at the Annual Interest Rate ("AIR") will be computed on the outstanding principal of Total NCDs (i.e. InvIT NCDs + NCDs issued to External lenders). For first five years upto March 31, 2024, the AIR is fixed at 9.7%. For the balance period the AIR is computed in the block of every 5 years as Benchmark Rate + 100 bps (Benchmark Rate = the average of the previous 7 trading days Fixed Money Market and Derivatives Association of India ("FIMMDA") Corporate AAA 5 year yield. The AIR shall be subject to a minimum to 9.5% and a maximum of 10.5%. Accordingly, the coupon rate for balance period after the first 5 year block is considered at 9.5%.
For assessing the volumes to be transported through the Pipeline in which InvIT has invested, (SPV of Invit) we have relied on technical report provided by Wood Mackenzie.

Accordingly, the present value of the future cash flows is arrived at Rs. 7,812.33 Crore. This represents the fair value of the InvIT NCDs as on 31.3.2020 (refer Note 12).

The carrying value of NCDs as on 31.3.2020, after adjusting for Expenditure Component Seep received from SPV, is Rs. 5,994.59 Crore resulting in a gain on fair valuation of InvIT NCDs of Rs.1,817.74 Crore (Refer Statement of Profit & Loss Account). Such a gain has no impact on the Current tax and Deferred tax, based on the expert opinion received.

The investment made by India Infrastructure Trust (InvIT) in Non-convertible debentures (InvIT NCD) are classified as a Financial Asset according to the Ind AS 32 and 109. . The InvIT NCDs are held with an intention to collect contractual cash flows over the tenure of the instrument and not held with an intention to sell. However, the cash flows flowing to InvIT are not solely in the nature of payment of principle and interest due to various variable cash flows attached to the instrument including additional interest after servicing the interest on external debt. Hence InvIT NCDs are classified at Fair Value through Profit & Loss (FVTPL).
The discounted cash flow method has been applied for deriving the fair valuation of the debentures based on the present value of all future cash flows.

The significant assumptions considered in the valuation are:
1. Discount rate considered for valuation: The discount rate for every year is computed as Benchmark Rate+100 bps, with benchmark rate being zero coupon yield Zero Coupon Yield as on the Valuation Date for maturity corresponding to the cash flows adjusted for FIMMDA spread for AAA security and 1% for additional risk. If the discount rate for each year increases by 0.5% then Fair value of the investment will reduce by Rs. 191 crores, if the discount rate reduces by 0.5% then Fair value of the investment will increase by Rs.200 crores.

2. The rate at which Pipeline Infrastructure Limited ("PIL") will be able to re-finance the external debt: The interest rate at which PIL will be able to refinance new NCDs is considered based on expected future interest rate for a period of 15 years for a AAA rated bond using FIMMDA Corporate Spread adjusted by 1% for additional risk. If this rate increases by 0.5% then Fair value of the investment will decrease_ by Rs. 132 crores and if this rate reduced by 0.5% then Fair value of the investment will increase by Rs.131 crores.

The interest rates are blocked for a period of first 5 years at 9.5% i.e. upto March 22, 2024 and hence instrument is not exposed to interest rate risk in next year.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

22. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Liquidity Risk

Liquidity risk arises from the Trust's inability to meet its cash flow commitments on time. Trust's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Trust closely monitors its liquidity position and deploys a disciplined cash management system. Trust's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements.

The Trust's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surplus from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

Maturity Profile of Financial Liabilities as on 31st March, 2020

There are no financial liabilities (other than derivatives) as on 31 March 2020. The Trust has redeemed entire NCD issued for Rs. 6,370 crores on 23rd April, 2019.

Maturity Profile of Financial Liabilities as on 31st March, 2019

(Rs. in Crore)

Particulars		**3-12 months**	**1-5years**	**More than 5 years**	**Total**
Non Derivative Liabilities		-	-	-	-
Long Term Loans		-	-	6,370.00	-
Total Borrowings		-	-	6,370.00	-

23. Statement of Net Distributable Cash Flows (NDCFs)

(Rs. in Crore)

Particulars	**Year ended 31st March, 2020**	**For the period 22nd November, 2018 to 31st March, 2019**
Cash flows received from Portfolio Assets in the form of interest	687.83	8.00
Cash flows received from Portfolio Assets in the form of dividend	-	-
Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	2.44	-
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	6,948.80	6.61
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from the sale of assets of the Portfolio Assets not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
Total cash flow at the InvIT level (A)	**7,639.07**	**14.61**
Less: re-imbursement of expenses in relation to the Transaction undertaken by the Sponsor on behalf of the Trust and payment of arranger fee.	-	-
Less: Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Project Manager, Auditor, Valuer, credit rating agency and the Debenture Trustee	(72.59)	-
Less: Net cash set aside to comply with DSRA requirement under loan agreements	(43.62)	-
Less: Costs/retentions associated with sale of assets of the Portfolio Assets	-	-
Related debts settled or due to be settled from sale proceeds of Portfolio Assets	-	-
Transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-
Capital gains taxes on sale of assets/shares in Portfolio Assets/other investments	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the SEBI InvIT Regulations.	-	-
Less: Repayment of external debt (including interest and mandatory redemption), in accordance with the Trust NCD Documents, at the Trust level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing)	(6,489.24)	-
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	(1.73)	-
Less: Amount invested in any of the InvIT Assets for service of debt or interest	-	-
Less: Reserve for debentures/ loans/ capex expenditure in the intervening period till next proposed distribution if deemed necessary by the Investment Manager invested in permitted investments	-	-
Total cash outflows/retention at the Trust level (B)	**(6,607.18)**	**-**
Net Distributable Cash Flows (C) = (A+B)	**1,031.89**	**14.61**

Net Distributable Cash Flows as per above	1,031.89	14.61
Cash and Cash Equivalents on April 01, 2019 (Refer note 7)	24.60	-
Amount received from Sponsor - available for distribution	-	10.00
Total Net Distributable Cash Flows	**1,056.49**	**24.61**

* Includes Rs. 201.48 Crores received as advance from SPV. (Previous period Rs.6.61 Crores)

The Net Distributable Cash Flows ("NDCF") as above is for the year ended March 31, 2020. An amount of Rs. 1,056.26 crores has been distributed to unit holders as follows.

Date of Distribution payment	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 16, 2019	64.66	-	-	64.66
July 18, 2019	73.89	178.59	0.72	253.20
October 16, 2019	300.57	144.79	0.55	445.91
January 16, 2020	156.35	135.54	0.60	292.49
	595.47	**458.92**	**1.87**	**1,056.26**

NOTE 24. TAXES

In accordance with section 10 (23FC) of the Income Tax Act, the income of business Trust in the form of interest received or receivable from Project SPV is exempt from tax. Accordingly, the Trust is not required to provide any current tax liability. However, for the income earned by the Trust, it will be required to provide for current tax liability.

Reconciliation of tax expenses and book profit multipled by Tax rate

	Year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Profit / (Loss) before Tax	2,340.79	(62.2)
Tax at the Indian tax rate of 42.74% (Including 37 % surcharge & 4% cess	1,000.55	-
Tax effects of amounts which are not deductible/ (taxable) in calculating taxable income		
PIL Interest Received since considered as pass through	(284.13)	
Fair value gain on Non convertible debentures measured at FVTPL	(776.98)	
Fair valuation of put option	(0.09)	
Expenses Disallowed since related interest income is exempt	62.38	
Income Tax expense	**1.73**	**-**

NOTE 25. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT,

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Trust owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Trust.

NOTE 26: SUBSEQUENT EVENT

The financial statements have been approved by the Pipeline InvIT Committee and the Board of Directors of Investment Manager to the Trust, at their respective meetings held on June 29, 2020.

NOTE 27. CONTINGENT LIABILITITIES AND COMMITMENTS (to the extent not provided for)

Contingent Liabilities - There is no contingemt liability in the current year and previous year

Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-

NOTE 28. SEGMENT REPORTING

The Trust's activities comprise of owning and investing in Infrastructure SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given

NOTE 29. CAPITAL MANAGEMENT

The Trust adheres to a disciplined Capital Management framework which is underpinned by the following guiding principles:
a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Leverage optimally in order to maximize unit holder returns while maintaining strength and flexibility of the Balance sheet.

During the year, the Trust has maintained AAA rating requirement until all the NCD's were redeemed on April 23, 2019.
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

As at 31 March, 2020 the Trust has no borrowings, hence net gearing ratio is zero. The gearing ratio for previous year is as follows:

	(Rs. in Crore)
	As at 31st March, 2019
Gross Debt	6,370.00
Cash and Marketable Securities	24.60
Net Debt (A)	**6,345.40**
Total Equity (As per Balance Sheet) (B)	6,640.00
Net Gearing (A/B)	**0.96**

For and on behalf of the Board of Directors of
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Place : Mumbai
Date : June 29, 2020

Place : Mumbai
Date : June 29, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
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INDEPENDENT AUDITOR'S REPORT
To Unitholders of India Infrastructure Trust
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Infrastructure Trust ("the Trust" or the "Holding Entity") and its subsidiary (Holding entity and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss including Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Unit holders Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder ("InvIT Regulations") in the manner so required and give a true and fair view in conformity with Accounting Standards (Ind AS) as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the Trust as at 31st March, 2020, the consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their changes in unit holders equity for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the InvIT Regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response
Purchase price allocation of Pipeline Infrastructure Limited The India Infrastructure Trust ("InvIT") on 22nd March, 2019 acquired 100% controlling interest in Pipeline Infrastructure Limited (PIL) (formerly known as Pipeline Infrastructure Private Limited). The purchase price allocation was finalized during the current year. We identified this as a key audit matter due to the size of the acquisitions to the InvIT's financial statements, the inherent complexities in accounting for business acquisitions, and the judgement applied by the InvIT in identifying and determining the fair value of the assets and liabilities acquired, including the separately identifiable intangible assets. Refer note 33 of the consolidated financial statements.	Our principal audit procedures relating to the purchase price allocation included the following: • We tested the design and implementation of key controls related to the purchase price allocations. • We evaluated PIL's fair valuation specialists' competence and objectivity to perform the valuation for property plant and equipment and for intangible assets. • We evaluated the key inputs and assumptions used in the valuations, such as cash flow forecast for the life of the project including verifying supporting and business rational to ensure it is reasonable. • We involved our internal specialists in evaluating the methodologies such as replacement cost method and key assumptions used in the valuation of the pipeline and compressor stations acquired. • We involved our internal specialists in evaluating the methodologies such as discounted cash flow method and key assumptions used i.e. contributory charge, the discount rates used in the valuation of the identified intangible assets. • We have also verified the accounting implications and related disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

1. The Board of Directors of the WIP (India) Private Limited ('Investment Manager') is responsible for the other information. The other information comprises the information and disclosures included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

2. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

3. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

4. When we read the information and disclosures Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Investment Manager is responsible for the preparation of these consolidated AS financial statements that give a true and fair view of the financial position as at 31st March 2020, financial performance including other comprehensive income and consolidated cash flows of the Group and the changes of the unit holders funds for the year ended 31st March 2020, in accordance with the IndAS and other accounting principles generally accepted in India read with the InvIT Regulations.

The Investment Manager / Board of Directors of the subsidiary, is responsible for maintenance of adequate accounting records in accordance with the InvIT regulations for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements, by the Group, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the consolidated financial statements, the Investment Manager / Board of Directors of the subsidiary, are responsible for assessing the ability of the Trust and the subsidiary, respectively, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust / subsidiary or to cease operations, or has no realistic alternative but to do so.

The Investment Manager are also responsible for overseeing the financial reporting process of the Trust and the subsidiary respectively.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and the subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of

our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

9. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, we report that:

a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

b) The balance sheet, and statement of profit and loss including other comprehensive income are in agreement with the books of account of the Trust;

c) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (Ind AS) as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended; and

d) In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the disclosures, in accordance with the InvIT Regulations, in respect of the net assets at fair value as at 31st March 2020, the total returns at fair value for the year ended 31st March 2020 and the Net distributable cash flows for the year then ended.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAADP2823

Place: **Mumbai**
Date: 29th June 2020

India Infrastructure Trust

Consolidated Balance Sheet as at 31st March, 2020

(Rs. in Crore)

	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	**14,147.01**	14,845.67
Capital Work-in-Progress	1	**13.25**	9.37
Goodwill	1	**40.40**	40.40
Intangible Assets	1	**1,894.61**	1,995.06
Financial Assets			
Other Non-Current Financial Assets	2	**54.71**	5.87
Total Non-Current Assets		**16,149.98**	16,896.37
Current Assets			
Inventories	3	**114.78**	107.13
Financial Assets			
Investments	4	**302.53**	2.00
Trade Receivables	5	**111.95**	144.43
Cash and Cash Equivalents	6	**14.14**	87.89
Other Bank Balances	7	**3.34**	69.99
Other Financial Assets	8	**69.27**	1.89
Current Tax Assets (Net)		**104.21**	13.13
Other Current Assets	9	**143.35**	82.54
Total Current Assets		**863.57**	509.00
Total Assets		**17,013.55**	17,405.37
EQUITY AND LIABILITIES			
Equity			
Unit Capital	10	**6,044.53**	6,640.00
Other Equity	11	**3,279.95**	3,950.04
Total Unit Holders' Equity		**9,324.48**	10,590.04
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	**6,426.52**	6,338.15
Other Financial Liabilities	13	**54.78**	47.53
Deferred Tax Liabilities (Net)	14	**-**	23.00
Other Non-Current Liabilities	15	**676.24**	131.45
Total Non-Current Liabilities		**7,157.54**	6,540.13
Current Liabilities			
Financial Liabilities			
Trade Payables	16		
Micro, Small and Medium Enterprises		**0.55**	0.31
Others		**493.79**	129.28
Other Financial Liabilities	17	**-**	13.25
Other Current Liabilities	18	**36.35**	131.48
Provisions	19	**0.84**	0.88
Total Current Liabilities		**531.53**	275.20
Total Liabilities		**7,689.07**	6,815.33
Total Equity and Liabilities		**17,013.55**	17,405.37
See accompanying Notes to the Financial Statements	**1 - 37**		

India Infrastructure Trust

Consolidated Balance Sheet as at 31st March, 2020 (Contd.)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No. 046930

Date : June 29, 2020
Place : Mumbai

For and on behalf of the Board
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Nehajalan

Neha Jalan
Compliance Officer of the Trust

Date : June 29, 2020
Place : Mumbai

India Infrastructure Trust

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in Crore)

	Notes	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
INCOME			
Revenue from Operations	20	2,407.14	27.91
Interest		7.97	0.23
Profit on sale of investments		22.34	0.06
Other Income	21	6.91	4.44
Total Income		2,444.36	32.64
EXPENSES			
Valuation Expenses		0.61	0.16
Audit Fees		3.20	0.23
Insurance & Security Expenses		27.53	0.14
Employee Benefits Expense		20.13	0.39
Project management fees		1.77	-
Investment management fees		2.83	0.69
Trustee Fee		0.21	0.02
Depreciation on property, plant and equipment	1	734.69	18.10
Amortization of intangible assets	1	100.51	2.48
Finance Costs	23	670.05	14.77
Custodian fees		0.13	0.32
Registration fees		-	1.38
Repairs and maintenance		37.58	0.62
Transmission charges		867.58	13.72
Other Expenses	24	208.29	51.82
Total Expenses		2,675.11	104.84
Loss Before Tax		(230.75)	(72.20)
Tax Expenses			
Current Tax		1.73	-
Deferred Tax	14	(23.00)	23.00
Loss for the period		(209.48)	(95.20)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss		0.18	0.07
Total Comprehensive Income for the period		(209.30)	(95.13)
Earnings per unit of value of Rs. 91.03 each (Previous year Rs.100 each)			
- For Basic (Rs.)	25	(3.15)	(18.62)
- For Diluted (Rs.)	25	(3.15)	(18.62)
See accompanying Notes to the Financial Statements	1 - 37		

India Infrastructure Trust

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020 (Contd.)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No. 046930

Date : June 29, 2020
Place : Mumbai

For and on behalf of the Board
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Date : June 29, 2020
Place : Mumbai

India Infrastructure Trust

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

(Rs. in Crore)

A. UNIT CAPITAL

Balance at the beginning of previous reporting period i.e 22nd November, 2018	Changes in unit share capital during the period	Balance at the end of previous reporting period i.e 31st March, 2019	Changes in equity share capital during the year*	Balance as at the end of the reporting period i.e. 31st March, 2020
-	**6,640.00**	**6,640.00**	**(595.47)**	**6,044.53**

* Return of capital during the year 2019-20 as per NDCF approved by investment manager. Refer NDCF Note 34.

B. OTHER EQUITY

(Rs. in Crore)

	Equity component of compound financial instruments	Retained Earnings	Other Comprehensive Income	Total
As at 31st March, 2019				
Balance as at the beginning of the reporting period i.e. 22nd November, 2018	-	-	-	-
0% Compulsory Convertible Preference Shares Issued during the Period**	4,000.00	-	-	4,000.00
0% Redeemable Preference Shares Issued during the period**	45.17	-	-	45.17
Total Comprehensive Income for the Period	-	(95.20)	0.07	(95.13)
Balance as at the end of the reporting period i.e. 31st March, 2019	**4,045.17**	**(95.20)**	**0.07**	**3,950.04**

** The dividend rate for Compulsorily Convertible Preference Shares and Redeemable Preference Shares as on 31.03.2019 was 0.1%

	Equity component of compound financial instruments	Retained Earnings	Other Comprehensive Income	Total
As at 31st March, 2020				
Balance as at the beginning of the reporting period i.e. 1st April, 2019	4,045.17	(95.20)	0.07	3,950.04
Total Comprehensive Income for the Period	-	(209.48)	0.18	(209.29)
Return on Capital#		(458.92)		(458.92)
Other Income Distribution#		(1.87)		(1.87)
Balance as at the end of the reporting period i.e. 31st March, 2020	**4,045.17**	**(765.47)**	**0.25**	**3,279.95**

Return on capital and other income distribution during the year as per NDCF duly approved by investment manager which include interest and other income. Refer NDCF Note 34.

See accompanying Notes to the Financial Statements 1 - 37

India Infrastructure Trust

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020 (Contd.)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
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Date : June 29, 2020
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Date : June 29, 2020
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India Infrastructure Trust

Consolidated Cash Flow Statement for the year ended 31st March, 2020

(Rs. in Crore)

		For the year ended 31st March, 2020		For the period 22nd November, 2018 to 31st March, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax as per Statement of Profit and		**(230.77)**	(72.67)
	Adjusted for:			
	Depreciation and Amortisation	**835.20**		21.04
	Profit on Sale of Current Investments (Net)	**(19.97)**		(0.06)
	Profit on fair valuation of Current Investments (Net)	**(2.36)**		-
	Loss on Sale of Fixed Assets	**0.21**		-
	Provision for doubtful debts	**15.07**		-
	Provision for diminution in inventory	**0.52**		-
	Fair Value measurement gains on put option	**(0.22)**		(4.42)
	Fair Value measurement losses on call option	**6.78**		42.70
	Interest Income	**(7.97)**		(0.23)
	Finance Costs	**670.05**		14.77
			1,497.31	73.80
	Operating profit before working capital changes		**1,266.54**	1.13
	Working Capital		**696.45**	(78.52)
			696.45	(78.52)
	Cash Generated from Operations		**1,962.99**	(77.39)
	Taxes Paid (Net)		**(92.79)**	-
	Net Cash Flow from / (used in) Operating Activities		**1,870.20**	(77.39)
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Property, Plant and Equipment		**(40.20)**	-
	Sale of Property, Plant and Equipment (Current year - Rs. 10,792)		**0.00**	**-**
	Fixed deposits placed with Banks		**(1,510.92)**	(0.15)
	Fixed deposits with Banks redeemed		**1,528.95**	-
	Purchase of Current Investments		**(4,085.50)**	(62.14)
	Sale of Current Investments		**3,807.31**	258.46
	Interest Income		**7.04**	-
	Payment for Acquisition of Pipeline business (net of cash and cash equivalents of Rs. 9.38 Crore) [Refer Note 33]		**-**	(17,050.00)
	Net Cash Flow used in Financing Activities		**(293.32)**	(16,853.83)

India Infrastructure Trust

Consolidated Cash Flow Statement for the year ended 31st March, 2020

	For the year ended 31st March, 2020	(Rs. in Crore) For the period 22nd November, 2018 to 31st March, 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Units	**-**	6,640.00
Proceeds from Issue of 0.1% Compulsorily Convertible Preference Shares	**-**	4,000.00
Proceeds from Long Term Borrowings	**6,452.00**	6,370.00
Repayment of Borrowings	**(6,370.00)**	-
Return of Capital to Unit holders	**(595.47)**	-
Return on Capital to Unit holders	**(458.92)**	-
Distribution of income to Unit holders	**(1.87)**	-
Finance Costs	**(676.38)**	-
Net Cash Flow (used in) / from Financing Activities	**(1,650.64)**	17,010.00
Net Increase in Cash and Cash Equivalents	**(73.76)**	78.78
Opening Balance of Cash and Cash Equivalents	**87.89**	-
Acquired as part of Consolidation	**-**	9.11
Closing Balance of Cash and Cash Equivalents	**14.14**	87.89
Non-cash financing and investing activities		
1 Non-Convertible Debentures		
- Cash Flow	**6,452.00**	6,370.00
- Fair value changes	**(25.48)**	(31.85)
Non-Covertible Debentures (Refer Note 12)	**6,426.52**	6,338.15
2 0% Cumulative Redeemable Preference Shares (Refer Note 13.2)		
5,00,00,000 0% Cumulative Redeemable Preference Shares of Rs. 10 each have been issued for consideration other than cash	**-**	50.00

See accompanying Notes to the Financial Statements 1 - 37

Note:

The figures in brackets represents cash outflow

India Infrastructure Trust

Consolidated Cash Flow Statement for the year ended 31st March, 2020 (Contd.)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No. 046930

Date : June 29, 2020
Place : Mumbai

For and on behalf of the Board
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
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Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Date : June 29, 2020
Place : Mumbai

India Infrastructure Trust
Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

A. Group Information

The Consolidated financial statements comprise financial statements of India Infrastructure Trust (“the Trust/InvIT”) and its subsidiary "Pipeline Infrastructure Limited" (collectively, the Group) for year ended March 31, 2020.

India Infrastructure Trust (The "Trust"/"InvIT") is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on 22nd November, 2018, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 23rd January, 2019 having registration number IN/InvIT/18-19/0008. It has its principal place of business at Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Sponsor of the Trust is Rapid Holdings 2 Pte Ltd., a Group registered in Singapore. The Trustee to the Trust is Axis Trustee Services Limited (the “Trustee”).

The Initial Investment Manager for the Trust was PenBrook Capital Advisors Pvt. Ltd. (the “Initial Investment Manager”) till March 31, 2020. The address of the registered office of the "Initial Investment Manager" is 1, Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

The Trust has appointed new "Investment Manager" WIP (India) Pvt. Ltd. (WIP) in place of PenBrook Capital Advisors Private Limited (the "Initial Investment Manager") w.e.f April 1, 2020. The registered office of the new Investment Manager is Unit no. 804, 8th Floor, One BKC, Bandra Kurla Complex, Bandra (East) Mumbai - 400051.

The investment objectives of the Trust are to carry on the activities of an infrastructure investment trust, as permissible under the SEBI (Infrastructure investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder (“SEBI InvIT Regulations”) by raising funds and making investments in accordance with the SEBI InvIT Regulations and the Trust Deed. The InvIT has received listing and trading approval for its Units w.e.f 20th March, 2019 from the Stock Exchange vide BSE notice dated 19th March, 2019.

(formerly known as Pipeline Infrastructure Private Limited) from Reliance Industries Holding Private Limited (RIHPL). On 18th March 2019, the share transfer has happened from RIHPL to Trust.

PIL owns and operates the ~1,480 km natural gas transmission pipeline, including dedicated lines, (together with compressor stations and operation centres) (the "Pipeline") from Kakinada in Andhra Pradesh to Bharuch in Gujarat

B. Significant Accounting Policies

B.1 Basis of Accounting and Preparation of Consolidated Financial Statements

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2020 and a summary of significant accounting policies and other explanatory notes in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015,as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI InvIT Regulations. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Derivative financial instruments
ii) Certain financial assets measured at fair value (e.g. Liquid mutual funds)
iii) Defined Benefit Plans - Plan Assets

The consolidated financial statements are presented in Indian Rupees Crore, except when otherwise indicated.

B.2 Basis of consolidation

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Trust and its subsidiary as at 31st March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the Subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Trust, i.e., period ended on 31st March 2020.

Consolidation Procedure :

i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

B.3 Use of estimates and judgements :

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of goodwill, useful lives of property, plant and equipment and fair value measurements of financial instruments, these are discussed below.

Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions have been discussed in their respective policies.

B.4 Summary of Significant Accounting Policies

a Property, plant and equipment:

i) Property, plant and equipment are stated at cost net of recoverable less accumulated depreciation, amortisation and impairment loss, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the property, plant and equipment.

ii) Line pack gas has been considered as part of Property, plant and equipment.

iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

iv) Depreciation on Property, plant and equipment is provided on straight line method over the useful life as per Schedule II to the Companies Act, 2013, except in respect of following assets where useful life is taken as per its technical evaluation.
Buildings - 20 years
Plant and Machinery - 20 years
Any additions to above categroy of assets will be depreciated over balance useful life
Leasehold land is amortised over the period of lease; Line pack gas is not depreciated.
In respect of additions or extensions forming an integral part of existing assets, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of property, plant and equipment, depreciation is provided over the residual life of the respective assets. Freehold land is not depreciated.

v) The estimated useful lives, residual values, depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

vi) An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset. It is recognised in profit or loss.

b Intangible Assets

Intangible Assets of Group are stated at cost of acquisition less accumulated amortisation. The cost includes purchase price (net of recoverable taxes, trade discount and rebates) and any cost directly attributable to bringing the assets to its working condition for its intended use, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Computer software is amortised over a period of 5 years on straight line method.

Intangible Assets acquired in business combination:

Intangible Assets acquired in business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Rights under Pipeline Authorisation are amortized over a period of twenty years, being the useful life.

c Finance Costs

Finance costs, that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

d Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including incidental expenses net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of stores and spares, trading and other items are determined on weighted average basis.

e Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Group’s cash management.

f Impairment of Non - Financial Assets - property, plant and equipment and intangible assets

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting periods is reversed if there has been an increase in the recoverable value due to a change in the estimate.

g Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The effect of this adoption is insignificant on the profit for the period, earnings per share, total assets, total liabilities and adjustment to retained earnings.

h Provisions and Contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

i Employee Benefits

Employee benefits include contributions to provident fund, gratuity fund, compensated absences and pension.

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Trust pays specified contributions to a separate entity. The Trust makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Trust's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

j Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

k Foreign Currency Transactions and Translation

Transactions and balances

i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss. The exchange differences arising as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

l Revenue Recognition

The Group follows a comprehensive framework for determining whether, how much and when revenue is to be recognised. IndAS 115 provides for a single model for accounting for revenue arising from contract with customers, focusing on the identification & satisfaction of performance obligations.

i) The Group earns revenue primarily from transportation of gas. Income from transportation of gas is recognised on completion of delivery in respect of the quantity of gas delivered to customers. In respect of quantity of gas received from customers under deferred delivery basis, income for the quantity of gas retained in the pipeline is recognised by way of deferred delivery charges for the period of holding the gas in the pipeline at a mutually agreed rate. Income is accounted net of GST. Revenue is recognized point in time

ii) Amount received upfront in lumpsum under agreement from customers is recognised on capitalisation and when performance obligation is completed.

iii) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the trust and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv) Dividend is recognised when the right to receive is established.

m Current and non-current classification

Assets and liabilities are presented in Balance Sheet based on current and non-current classification.

An asset is classified as current when it is
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

n Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques used are those that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 31.

o Off-setting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

p Business Combination

Acquisitions of the businesses are accounted for by using the acquisition method. Consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets acquired by the Trust, liabilities incurred by the Trust to the former owners of the acquiree and the equity interest issued by Trust in exchange of control by the acquiree. Acquisition related costs are generally recognised in the statement of profit and loss as incurred.

Goodwill is measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Trust reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date Trust obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period is subject to a maximum of one year subsequent to the acquisition date.

q Earnings per unit

Basic earnings per unit is computed using the net profit for the period attributable to the unitholders' and weighted average number of units outstanding during the period.

Diluted earnings per unit is computed using the net profit for the period attributable to unitholder' and weighted average number of units and potential units outstanding during the period including unit options, convertible preference units and debentures, except where the result would be anti-dilutive. Potential units that are converted during the period are included in the calculation of diluted earnings per unit, from the beginning of the period or date of issuance of such potential units, to the date of conversion.

r Financial instruments

i) Financial Assets

A. Initial recognition and measurement:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

B. Classification and Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL unless they are measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at FVTPL are immediately recognised in statement of profit and loss. Investments in mutual funds are measured at FVTPL

d) **Impairment of financial assets**

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.

ii) **Financial liabilities**

A. Initial recognition and measurement:

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is as held- for trading, or it is a derivative or it is designated as such on initial recognition.
Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Profit or Loss.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Profit or Loss. Any gain or loss on derecognition is also recognised in Profit or Loss.

iii) **Derecognition of financial instruments**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired.

iv) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

v) **Compound Financial Instruments**

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the compound financial instruments, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound financial instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

s Goodwill on Consolidation

Goodwill that has an indefinite useful life are not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. And impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. For the purpose of assessing impairments, assets are grouped at the lowest levels for which there are separately identifiable cashflows which are largely independent of the cash inflows from other assets or group of assets (Cash generating units).

t Classification of Unitholders' fund

Under the provisions of the InvIT Regulations, Trust is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of trust for each financial period. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20- Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

u Cash dividend distribution to unit holders

The Trust recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Consolidated Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) **Depreciation and useful lives of property plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) **Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c) **Fair values in business combinations**

The Group accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows discounted at an appropriate rate to reflect the risk inherent in the acquired assets and liabilities (refer to Note 32, Acquisition of Businesses for details of business combinations). The determination of the fair values may remain provisional for up to the next financial year of the financial year in which the acquisition date falls due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

d) **COVID-19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has considered internal and external information while finalising estimates in relation to its financial statement up to the date of approval of financial statements by the Board of directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and durations. Due to the nature of the pandemic, the Group will continue to monitor development and shall take appropriate actions as appropriate, based on any material changes in the future economic conditions.

D. Standards issued but not effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

India Infrastructure Trust

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE 1. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS

(Rs. in Crore)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2019	Additions	Deductions	**As at 31.03.2020**	As at 01.04.2019	For the year	Deductions	**As at 31.03.2020**	**As at 31.03.2020**	As at 31.03.2019
Property, Plant and Equipment										
Own Assets										
Freehold Land	93.65	-	-	**93.65**	-	-	-	**-**	**93.65**	93.65
Buildings	195.03	0.03	-	**195.06**	0.25	9.99	-	**10.24**	**184.82**	194.78
Plant and Machinery	14,494.22	35.33	0.23	**14,529.32**	17.84	723.94	0.03	**741.75**	**13,787.57**	14,476.38
Furniture and Fixtures	0.97	0.06	0.01	**1.02**	0.01	0.48	0.01	**0.48**	**0.54**	0.96
Vehicles	0.13	0.00	0.01	**0.12**	0.00	0.11	0.00	**0.11**	**0.01**	0.13
Office Equipment	0.24	0.84	0.05	**1.03**	0.00	0.15	0.03	**0.12**	**0.91**	0.24
Line pack gas	78.14	-	-	**78.14**	-	-	-	**-**	**78.14**	78.14
Sub-Total	**14,862.38**	**36.26**	**0.30**	**14,898.34**	**18.10**	**734.67**	**0.07**	**752.70**	**14,145.64**	14,844.28
Right-of-Use Assets										
Leasehold Land	1.39	-	-	**1.39**	0.00	0.02	-	**0.02**	**1.37**	1.39
Sub-Total	**1.39**	**-**	**-**	**1.39**	**0.00**	**0.02**	**-**	**0.02**	**1.37**	1.39
Total (A)	**14,863.77**	**36.26**	**0.30**	**14,899.73**	**18.10**	**734.69**	**0.07**	**752.72**	**14,147.01**	14,845.67
Intangible assets										
Software*	0.84	0.06	-	**0.90**	0.02	0.67	-	**0.69**	**0.21**	0.82
Pipeline Authorisation	1,996.70	-	-	**1,996.70**	2.46	99.84	-	**102.30**	**1,894.40**	1,994.24
Total (B)	**1,997.54**	**0.06**	**-**	**1,997.60**	**2.48**	**100.51**	**-**	**102.99**	**1,894.61**	1,995.06
TOTAL (A+B)	**16,861.31**	**36.32**	**0.30**	**16,897.33**	**20.58**	**835.20**	**0.07**	**855.71**	**16,041.62**	16,840.73
Capital Work-in-Progress									**13.25**	9.37

* Other than internally generated

1.1 Freehold Land and Leasehold Land includes Rs.72.54 Crore (Previous year Rs.92.27 Crore) and Rs. 1.40 Crore (Previous year Rs. 1.40 Crore) respectively in respect of which title deeds are in process of getting transferred in the name of the Company

1.2 Building includes Rs. 67.11 Crore being building constructed on land not owned by the Company.

1.3 Refer note 28 for capital commitments

1.4 For properties mortgaged / hypothecated (Refer note 12.1)

1.5 The balance useful life as on 31st March, 2020 for rights under pipeline authorisation is 18 years 3 months

(Rs. in Crore)

Description	**GROSS BLOCK**				**DEPRECIATION/AMORTISATION**				**NET BLOCK**
	Balance as at 22nd November 2018	Additions on account of acquisition of PIL on 22nd March 2019	Deductions	**As at 31st March 2019**	Balance as at 22nd November 2018	From 22nd November 2018 to 31st March 2019	Deductions	**As at 31st March 2019**	**As at 31st March 2019**
Property, Plant and Equipment [Refer Note 33]									
Own Assets									
Freehold Land	-	93.65	-	**93.65**	-	-		**-**	**93.65**
Buildings	-	195.03	-	**195.03**	-	0.25		**0.25**	**194.78**
Plant and Machinery	-	14,494.22	-	**14,494.22**	-	17.84		**17.84**	**14,476.38**
Furniture and Fixtures	-	0.97	-	**0.97**	-	0.01		**0.01**	**0.96**
Vehicles	-	0.13	-	**0.13**	-	0.00		**0.00**	**0.13**
Office Equipment	-	0.24	-	**0.24**	-	0.00		**0.00**	**0.24**
Line pack gas	-	78.14	-	**78.14**	-	-		**-**	**78.14**
Sub-Total	**-**	**14,862.38**		**14,862.38**	**-**	**18.10**	**-**	**18.10**	**14,844.28**
Leased Assets									
Leasehold Land	-	1.39	-	**1.39**	-	0.00		**0.00**	**1.39**
Sub-Total	**-**	**1.39**	-	**1.39**	**-**	0.00	**-**	**0.00**	**1.39**
Total (A)	**-**	**14,863.77**		**14,863.77**	**-**	**18.10**	**-**	**18.10**	**14,845.67**
Intangible assets									
Software	-	0.84	-	**0.84**	-	0.02		**0.02**	**0.82**
Pipeline Authorisation	-	1,996.70	-	**1,996.70**	-	2.46		**2.46**	**1,994.24**
Total (B)	**-**	**1,997.54**		**1,997.54**	**-**	**2.48**	**-**	**2.48**	**1,995.06**
TOTAL (A+B)	**-**	**16,861.31**		**16,861.31**	**-**	**20.58**	**-**	**20.58**	**16,840.73**

(C) Goodwill

(Rs. in Crore)

	As at 31st March 2020	As at 31st March 2019
Goodwill (Refer Note 33)		
Opening Balance	**40.40**	-
Add: Additions due to business combination	-	40.40
Closing Balance	**40.40**	**40.40**

1.6 As at March 31, 2020 and March 31, 2019, the recoverable amount was computed using the discounted cashflow method for which the estimated cashflows for the balance period of pipeline usage authorisation licence were developed using internal forecasts and a pre-tax discount rate of 9.54%. The Company has considered the levelized tariff rate as determined by PNGRB vide its order dated March 12, 2019 and the volumes as determined by the external technical expert in this area.

The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Based on the above, no impairment was identified as of March 31, 2020 and March 31, 2019 as the recoverable value exceeded the carrying value.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 2. NON-CURRENT FINANCIAL ASSETS		
(Unsecured and Considered Good)		
Loans & Advances		
Security Deposits	**1.45**	1.45
Other Bank Balances	**48.62**	-
Fair Valuation of Put Option	**4.64**	4.42
TOTAL	**54.71**	5.87

2.1 Includes Fixed deposit as margin money to comply with DSRA requirement.

2.2 As per the terms agreed by the Trust, the Investment Manager, Pipeline Infrastructure Limited (PIL) and Reliance Industries Holdings Private Limited (RIHPL), Reliance Industries Limited(RIL) has the right, but not the obligation, to purchase the entire equity stake of the Trust in PIL after a specific term or occurrence of certain events for a consideration of Rs. 50 Crores or the fair value at the conversion date, whichever is lower. Correspondingly, the Trust has the right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crores after a specific term or occurrence of certain events.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 3. INVENTORIES		
Stock of Natural Gas and Fuel	**22.03**	12.91
Stores and Spares	**92.75**	94.22
TOTAL	**114.78**	107.13

3.1 Inventories are measured at lower of cost or net realisable value.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 4. CURRENT INVESTMENTS		
Investments measured at Fair Value through Profit and Loss		
In Mutual Funds - Unquoted, fully paid up*	**302.53**	2.00
TOTAL	**302.53**	2.00

* Includes Rs. 145.65 Crore towards DSRA

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 5. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade Receivables - less than six months	**127.02**	144.43
Less: Provision for doubtful debts	**15.07**	
TOTAL	**111.95**	**144.43**

5.1 The credit period on transportation services provided to the customers is 4 business days from day of invoicing. In case of default, the customers are charged interest in accordance with the terms of the agreement with them.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 6. CASH AND CASH EQUIVALENTS		
Balance with Banks in current accounts	**14.14**	63.29
In Escrow Account *	**-**	24.60
TOTAL	**14.14**	87.89

* The conditions precedent to the escrow account have been fulfilled and consequently balance was freely available for utilisation.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 7. OTHER BANK BALANCES		
Other Bank Balances		
In bank deposits to the extent held as security against guarantees and other commitments	**3.34**	69.99
TOTAL	**3.34**	69.99

(Rs. in Crore)

NOTE 8. OTHER CURRENT FINANCIAL ASSETS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and Considered Good)		
Advance towards investments	**66.67**	-
Others*	**2.60**	1.89
TOTAL	**69.27**	1.89

* Includes Interest Receivable on Fixed Deposits with Banks

(Rs. in Crore)

NOTE 9. OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured and Considered Good)		
Advance paid for Gratuity (Refer Note 22)	**-**	1.28
Balance with Custom, Good and Service Tax etc.	**126.21**	75.10
Advance to vendors	**3.82**	2.68
Prepaid expenses	**8.19**	3.48
Other Receivables	**5.13**	-
TOTAL	**143.35**	82.54

(Rs. in Crore)

	As at 31st March, 2020		As at 31st March, 2019	
	Units	**Amount**	Units	Amount
NOTE 10. UNIT CAPITAL				
Issued, Subscribed and Fully Paid up :				
Units of Rs. 91.03 (Previous year Rs. 100) each fully paid up	**66 40 00 000**	**6,044.53**	66 40 00 000	6,640.00
TOTAL		**6,044.53**		6,640.00

10.1 **Reconciliation of the units outstanding at the beginning and at the end of the reporting period :**

Particulars	**As at 31st March, 2020 No. of Shares**	As at 31st March, 2019 No. of Shares
Units:		
Units at the beginning of the period	**66 40 00 000**	-
Issued during the period	**-**	66 40 00 000
Units at the end of the period	**66 40 00 000**	66 40 00 000

10.2 **The details of Unitholders holding more than 5% of unit capital**

Name of Unit holders	**As at 31st March, 2020**		As at 31st March, 2019	
	No. of Units	**% held**	No. of Units	% held
Rapid Holdings 2 Pte. Ltd.	**56 88 00 000**	**85.66%**	56 88 00 000	85.66%
ICICI Prudential Equity & Debt Fund	**3 50 00 000**	**5.27%**	3 50 00 000	5.27%

10.3 **Rights and Restrictions to Unitholders**

The Trust has only one class of units. Each unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in each financial year in accordance with the InvIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays dividends in Indian rupees.

A Unitholder has no equitable or proprietary interest in the projects of Group and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof). A Unitholder's right is limited to the right to require due administration of Group in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

The unit holders(s) shall not have any personal liability or obligation with respect to the Trust.

(Rs. in Crore)

	As at 31st March, 2020		As at 31st March, 2019	
NOTE 11. OTHER EQUITY				
Equity component of compound financial instruments				
0% Compulsorily Convertible Preference Shares*	**4,000.00**		4,000.00	
0% Redeemable Preference Shares* (Refer Note 13.1)	**45.17**	**4,045.17**	45.17	4,045.17
Retained Earnings				
As per last Balance Sheet	**(95.20)**		-	
Profit / (Loss) for the period	**(209.48)**		(95.20)	
Return on Capital**	**(458.92)**			
Other Income Distribution**	**(1.87)**	**(765.47)**	-	(95.20)
Other Comprehensive Income [OCI]				
As per last Balance Sheet	**0.07**		-	
Movement in OCI (Net) during the period	**0.18**	**0.25**	0.07	0.07
TOTAL		**3,279.95**		3,950.04

* The dividend rate for Compulsorily Convertible Preference Shares and Redeemable Preference Shares as on 31.03.2019 was 0.1%

** Return on capital during the year as per NDCF duly approved by investment manager which include interest and other income. Refer NDCF working Note 34

11.1 **0% Cumpulsorily Convertible Preference Shares [CCPS]**

(a) Reconciliation of the CCPS outstanding at the beginning and at the end of the reporting period :

	31st March, 2020 No. of Shares	31st March, 2019 No. of Shares
CCPS at the beginning of the period	**400 00 00 000**	-
Add: Issued during the period		400 00 00 000
CCPS at the end of the period	**400 00 00 000**	400 00 00 000

(b) The details of CCPS holders holding more than 5% shares and details of shares held by holding company or holding company of holding company or by subsidiaries / associates of holding company :

Name of holders of CCPS	**As at 31st March, 2020**		As at 31st March, 2019	
	No. of Shares	**% held**	No. of Shares	% held
Reliance Strategic Business Ventures Limited	**400 00 00 000**	**100%**		
Reliance Industrial Investments And Holdings Limited			400 00 00 000	100%

Pursuant to the composite scheme of arrangement sanctioned by National Company Law Tribunal, Ahmedabad, vide order dated September 5, 2019, the investment of Reliance Industrial Investments and Holdings Limited in the CCPS and RPS of Pipeline Infrastructure Limited have vested in Reliance Strategic Business Ventures Limited w.e.f. September 13, 2019."

(c) Every 254 CCPS shall be converted into 1 (One) Equity Shares of Rs. 10 each on the expiry of 20 years from date of allotment of CCPS.

Date of allotment	**No. of Shares**
22nd March, 2019	400 00 00 000
Total	**400 00 00 000**

(d) Rights and Restrictions to CCPS

(i) CCPS of the Company have priority over the Equity Shares of the Company for receiving dividend.

(ii) In the event of liquidationor winding-up of the Company, the CCPS shall immediately convert into Equity Shares in the manner set out above, which Equity Shares shall rank pari passu with the other Equity Shares issued by the Company at such point in time.

(iii) The preference shareholders will not have voting rights even if the dividend is not paid for a consecutive period of two years.

11.2 **Debenture Redemption Reserve:**

Debenture Redemption Reserve (DRR) is not required to be created in view of the loss incurred by the Company during the current year. Also as per MCA Notification GSR574(E) dated August 16, 2019, Debenture Redemption Reserve (DRR) is not required to be created since the Company is a debt listed entity.

(Rs. in Crore)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	Non Current	Current
NOTE 12. BORROWINGS				
B. DEBENTURES - AT AMMORTISED COST				
Secured				
Non Convertible Debentures (NCD)	**6,426.52**	**-**	6,338.15	-
TOTAL	**6,426.52**	**-**	6,338.15	-

12.1 **Debentures :**

1) Secured by
The Listed, Secured, Redeemable Non - Convertible Debentures referred to above are secured by way of exclusive charge (and as the case may be, subject to an escrow mechanism) as set out below, created by the SPV in favour of the Debenture Trustee (for benefit of the Debenture holders):

(a) Assignment (by way of assignment / security documents to the satisfaction of the Transaction Debt Holders) of the Pipeline Usage Agreement (PUA) and Operation & Maintenance Contract;

(b) First ranking charge on all assets of SPV, including all rights, tittle, interest, and benefit of the SPV in respect of and over the 'East West Pipeline', the escrow account of the SPV and all receivables of the SPV (including under the PUA);

(c) First ranking mortgage on land/leasehold rights thereto (as the case may be) of the SPV on which the pipeline assets are laid. The security perfection for mortgage creation is in process.

2) Coupon rate of 8.9508% payable quarterly.

3) All the above NCDs are redeemable on 22nd March, 2024.

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 13. OTHER NON CURRENT FINANCIAL LIABILITIES		
Liability Component of Compound Financial Instrument		
0% Redeemable Preference Shares*	**5.30**	4.83
Call Option with RIL for PIL Shares (Refer Note 13.1)	**49.48**	42.70
TOTAL	**54.78**	47.53

* The dividend rate for Compulsorily Convertible Preference Shares and Redeemable Preference Shares as on 31.03.2019 was 0.1%

13.1 Refer Note 2 for explanation to call option

13.2 **0% Cumulative Redeemable Preference Shares of Rs. 10 each (RPS):**

(a) Reconciliation of the number of RPS outstanding at the beginning and at the end of the reporting period:

	As at 31st March, 2020 No. of Shares	As at 31st March, 2019 No. of Shares
RPS at the beginning of the period	**5 00 00 000**	-
Add: Issued during the period	**-**	5 00 00 000
RPS at the end of the period	**5 00 00 000**	5 00 00 000

(b) The details of Shareholders holding more than 5% shares and details of shares held by holding company or holding company of holding company or by subsidiaries / associates of holding company :

Name of holders of RPS	**As at 31st March, 2020**		As at 31st March, 2019	
	No. of Shares	**% held**	No. of Shares	% held
Reliance Strategic Business Ventures Limited	**5 00 00 000**	**100%**	-	-
Reliance Industrial Investments and Holdings Limited	**-**	**-**	5 00 00 000	100%
	5 00 00 000	**100%**	5 00 00 000	100%

Pursuant to the composite scheme of arrangement sanctioned by National Company Law Tribunal, Ahmedabad, vide order dated September 5, 2019, the investment of Reliance Industrial Investments and Holdings Limited in the CCPS and RPS of Pipeline Infrastructure Limited have vested in Reliance Strategic Business Ventures Limited w.e.f. September 13, 2019.

(c) RPS have term of 30 years from date of allotment and shall be redeemed at par. Further 10% of such RPS shall be redeemed per year from 21st year onwards on a proportionate basis.

(d) Rights and Restrictions to RPS

RPS of the company have priority over the Equity Shares of the Company in proportion to their holding.

i) For receiving dividend

ii) For repayment of capital in the event of liquidation of the Company

The RPS will have the right to surplus assets either on winding up or liquidation or otherwise. Any payment to the RPS Holder shall be made subject to the payments to be made to the Parties pursuant to the NCD Terms or the Specified Actions.

The RPS shareholders will not have voting rights even if dividend has not been paid by the company for 2 (two) periods.

(e) The RPS has been issued for consideration other than cash as part consideration, out of total consideration of Rs. 650 Crore, for acquisition of pipeline from EWPL pursuant to scheme of arrangement

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 14. DEFERRED TAX LIABILITIES (NET)		
The movement on the deferred tax account is as follows:		
At the start of the period	**23.00**	-
Charge / (credit) to Statement of Profit and Loss	**(23.00)**	23.00
At the end of the period	**-**	23.00

Component of Deferred tax liabilities / (asset)		
Deferred tax liabilities / (asset) in relation to:	**As at 31st March, 2020**	As at 31st March, 2019
Property, Plant and Equipment	**744.81**	20.00
Intangible Assets	**254.72**	3.00
Goodwill	**(29.75)**	-
Investment	**(0.60)**	-
Trade Receivables	**3.79**	-
Provision for Gratuity	**0.05**	-
Provision for compensated absences	**0.16**	-
Unabsorbed depreciation (recognised to the extent of deferred tax liability)	**(973.18)**	-
	-	23.00

The Company has recognized deferred tax assets on unabsorbed depreciation to the extent there is corresponding deferred tax liability on the difference between the book balances and the written down value of property, plant and equipment, intangible assets and Investments under the Income Tax Act, 1961.

Unrecognised deductible temporary differences, unused tax losses and unabsorbed depreciation

Particulars	**As at 31st March, 2020**
Deductible temporary differences, unused tax losses and unused Unabsorbed depreciation	**187.94**
	187.94

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 15. OTHER NON CURRENT LIABILITIES		
Others		
Income Received In Advance*	**676.24**	58.91
Other Payables**	**-**	72.54
TOTAL	**676.24**	131.45

15.1 * Includes net contracted capacity payments of Rs. 664.91 Crore (Previous year Rs. 56.24 Crore) for which company is obliged to transfer gas in future.

15.2 **Includes Imbalance and Overrun Charges (As per sub-regulation (10) of regulation (13) of notification no. G.S.R. 541E dated 17th Aug, 2008 issued and amended from time to time by Petrol and Natural Gas Regulatory Board ("PNGRB"), the Company has maintained an escrow account for charges collected on account of imbalance and overruns from the customers. The same will be utilised as per the directions issued by PNGRB.)

(Rs. in Crore)

NOTE 16. TRADE PAYABLES	**As at 31st March, 2020**	As at 31st March, 2019
Micro and Small Enterprises	**0.55**	0.31
Others	**493.79**	129.28
TOTAL	**494.34**	129.58

16.1 As at March 31, 2020 and March 31, 2019, there are no amount over due to micro, small and medium enterprises for which require disclosure under Micro, Small and Medium Enterprises Development Act, 2006. There is no interest due or outstanding on the same."

(Rs. in Crore)

NOTE 17. OTHER CURRENT FINANCIAL LIABILITIES	**As at 31st March, 2020**	As at 31st March, 2019
Interest accrued but not due on Borrowings	**-**	13.25
TOTAL	**-**	13.25

(Rs. in Crore)

NOTE 18. OTHER CURRENT LIABILITIES	**As at 31st March, 2020**	As at 31st March, 2019
Income Received In Advance	**26.59**	30.44
Statutory Dues	**5.06**	54.82
Other payables*	**4.70**	46.22
TOTAL	**36.35**	131.48

* Includes Security deposits received from customers

(Rs. in Crore)

NOTE 19. SHORT TERM PROVISIONS	**As at 31st March, 2020**	As at 31st March, 2019
Provision for gratuity (Refer Note 22)	**0.21**	-
Provision for compensated absences (Refer Note 22)	**0.63**	0.88
TOTAL	**0.84**	0.88

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 20. REVENUE FROM OPERATIONS		
Income from Services		
Income from Transportation of Gas	**2,299.26**	27.18
Other Operating Income		
Deferred Delivery Services	**70.26**	-
Others	**37.62**	0.73
TOTAL	**2,407.14**	**27.91**

20.1 PIL derives revenues primarily from operation of PIL Pipeline comprising of Income from transportation of gas and Other Operating Income i.e. deferred Delivery Services and others.

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 21. OTHER INCOME		
Fair Valuation of Put Option	**0.22**	4.42
Other Non-Operating Income	**6.69**	0.02
TOTAL	**6.91**	4.44

* Refer Note 2.2 for explanation of the put option

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	**15.74**	0.30
Contribution to Providend Fund and other Funds	**2.35**	0.02
Staff welfare expenses	**2.04**	0.07
TOTAL	**20.13**	0.39

22.1 **Disclosure as per Indian Accounting Standard 19 "Employee Benefits" are given below :**

(Rs. in Crore)

Defined Contribution Plan	**For the year ended 31st March, 2020**	For the period 22nd November, 2018 to 31st March, 2019
Contribution to defined Contribution Plan, recognised as expense for the period are as under:		
Employer's Contribution to Regional Provident Fund	0.45	0.01
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	0.21	-

Defined Benefit Plan

The Group operated post retirement benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity (Funded)

The Group makes annual contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

The details in respect of the status of funding and the amounts recognised in the Company's financial statements for the year ended 31st March, 2020, for these defined benefit schemes are as under:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
a. Defined Benefit Obligation acquired	**-**	2.24
b. Defined Benefit Obligation at beginning of the period	**2.24**	-
c. Current Service Cost	**0.15**	-
d. Interest Cost	**0.12**	-
e. Liability Transferred Out	**(0.65)**	-
f. Actuarial gain	**(0.29)**	-
g. Benefits paid	**-**	-
h. Defined Benefit Obligation at end of the period	**1.57**	2.24

ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
a. Fair value of Plan Assets acquired	**-**	3.51
b. Fair value of Plan Assets at beginning of the period	**3.51**	**-**
c. Expected Return on Plan Assets	**0.11**	**-**
d. Actuarial Gain / (Loss)	**(0.11)**	**-**
e. Assets Transferred In/Acquisitions	**(2.15)**	**-**
f. Employer Contributions	**-**	-
g. Benefits paid	**-**	-
h. Fair value of Plan Assets at the end of the period / year	**1.36**	3.51
i. Actual Return on Plan assets	-	-

iii) Reconciliation of fair value of assets and obligations

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
a. Fair value of Plan Assets at end of the period	1.36	3.51
b. Present value of Obligation as at end of the period	1.57	2.24
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	(0.21)	1.27

iv) Expenses recognised during the period

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
a. Current Service Cost	0.15	-
b. Interest Cost	0.12	-
c. Expected Return on Plan Assets	(0.11)	-
d. Actuarial (Gain)/Loss recognised in Other Comprehensive	(0.18)	-
e. Expenses recognised during the period	(0.02)	-

v) Investment Details

Particulars of Investments - Gratuity (%)

The Gratuity Trust has taken Gratuity Policies from various Insurance Companies, therefore percentage of investments in GOI Securities, Public Financial Institutions etc. are not ascertainable.

vi) Actuarial Assumptions

Mortality Table (IALM)

	Gratuity (Funded)	Gratuity (Funded)
	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate	6.84%	8.30%
Salary escalation	6.00%	6.00%
Employee turnover	2.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The expected rate of return on plan assets is determined considering RBI Bond Interest rate or historical return on plan assets.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

vii) Maturity Profile of Defined Benefit Obligation

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Weighted average duration (based on discounted cashflows)	16 years	9 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	0.05	0.22
2 to 5 years	0.22	0.72
6 to 10 years	0.59	0.94
More than 10 years	5.21	3.73

viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	For the year ended 31st March, 2020		For the period 22nd November, 2018 to 31st March, 2019	
	Decrease	**Increase**	Decrease	Increase
Change in discounting rate (delta effect of -/+ 0.5%)	**0.13**	**(0.11)**	0.11	(0.10)
Change in rate of salary increase (delta effect of -/+ 0.5%)	**(0.11)**	**0.13**	(0.10)	0.11
Change in rate of Attrition rate (delta effect of -/+ 25%)	**(0.01)**	**0.01**	(0.01)	0.01
Change in rate of Attrition rate (delta effect of -/+ 25%)	**(0.00)**	**0.00**	(0.00)	0.00

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Leave encashment plan and compensated absences:
The Company provides for leave encashment / compensated absences based on an independent actuarial valuation at the balance sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The actuarial assumptions on compensated absences considered are same as the table (vi) above.

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 23. FINANCE COSTS		
Interest Expenses	**588.04**	14.77
Other Borrowing Costs	**82.01**	-
TOTAL	**670.05**	14.77

(Rs. in Crore)

	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 24. OTHER EXPENSES		
OPERATION AND MAINTAINANCE EXPENSES		
Stores and Spare	**13.78**	0.35
Electricity, Power and Fuel	**75.81**	1.96
Other Operational Expenses*	**48.21**	0.22
ADMINISTRATION EXPENSES		
Rent	**0.60**	0.02
Rates and Taxes	**0.90**	5.89
Contracted and others services	**12.93**	0.03
Travelling and Conveyance	**5.07**	0.13
Payment to Auditors		
Professional Fees	**6.72**	0.29
Letter of credit and bank charges	**5.17**	0.02
Provision for doubtful debts	**15.07**	-
Loss on sale of Fixed Assets	**0.21**	-
Fair Value of Call Option**	**6.78**	42.70
General Expenses	**17.04**	0.21
TOTAL	**208.29**	51.82

* Includes maintanance charges of Rs. 39.34 Crore
** Refer Note 2.2 for explanation of the call option

		For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
NOTE 25. EARNINGS PER UNIT (EPU)			
i)	Net Loss as per Statement of Profit and Loss attributable to Unit Shareholders (Rs. in Crore)	**(209.30)**	(95.13)
ii)	Weighted Average number of units	**66 40 00 000**	5 10 76 923
iii)	Weighted Average number of potential units	**-**	-
iv)	Total Weighted Average number of units used as denominator for calculating Basic / Diluted EPU	**66 40 00 000**	5 10 76 923
v)	Earnings per unit of value of Rs. 91.03 each (Previous year value Rs. 100 each)		
	- For Basic (Rs.)	(3.15)	(18.62)
	- For Diluted (Rs.)	(3.15)	(18.62)

NOTE 26. RELATED PARTY DISCLOSURES

As per SEBI INVIT regulations and as per Ind AS 24, disclosure of transactions with related party are as given below.

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

i) Name of Related Parties

a) Entities which exercise control on the company

Brookfield Asset Management Inc.

b) Members of same group

Pipeline Management Services Private Limited
Peak Infrastructure Management Services Private Limited

c) Parties to the Trust

Rapid Holdings 2 Pte Ltd (Sponsor as per SEBI INVIT Regulation 4 as amended)
Penbrook Capital Advisors Pvt. ltd.
(Investment manager - upto 31/03/2020 as per SEBI INVIT regulation 4 as amended)
ECI India Managers Private Limited
(Project Manager as per SEBI INVIT Regulation 4 as amended)
Axis Trustee Services Ltd (Trustee as per SEBI INVIT Regulation 4 as amended)

Directors of the parties to the Trust specified in i(c) above

(i) Directors of ECI India Managers Private Limited

Mr. Mihir Anil Nerurkar
Mr. Jeffrey Wayne Kendrew
Mr. Nawal Saini

(ii) Directors of Penbrook Capital Advisors Private Limited

Mr.Chetan Rameshchandra Desai
Mr. Sridhar Rengan
Mr. Narendra Aneja
Mr. Rajeev Ashok Piramal

(iii) Directors of Rapid Holdings 2 Pte Limited

Mr.Anandjit Sunderaj
Mr.Liew Yee Foong
Mr.Aviral Chaturvedi (resigned w.e.f 31st October, 2019)
Ms.Ho Yeh Hwa
Ms.Taswinder Kaur Gill (Appointed w.e.f 25th October, 2019)
Mr. Zhang Shen (Appointed w.e.f 25th October, 2019)
Mr. Timothy Peter Lewis (Resigned w.e.f 1st March, 2019)

(iv) Directors of Axis Trustee Services Limited

Mr.Ram Bharosey Lal Vaish (Resigned w.e.f. November 8, 2019)
Mr.Rajesh Kumar Dahiya
Mr.Ganesh Sankaran
Mr.Sanjay Sinha

ii) Transactions during the year with related parties :

(Rs. in Crore)

	Particulars		For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
1	**Trustee Fee**			
	Axis Trustee Services Limited	Trustee	0.21	0.02
2	**Investment management fee**			
	Penbrook Capital Advisors Pvt. Ltd.	Investment manager	2.83	0.69
3	**Units issued**			
	Rapid Holdings 2 Pte Ltd	Sponsor	-	5,688.00
4	**Professional fee/ Valuation fee/ Director sitting fee**			
	Penbrook Capital Advisors Pvt. Ltd.	Investment manager	0.72	0.22
5	**Registration Expenses**			
	Rapid Holdings 2 Pte Ltd	Sponsor	-	1.38
6	**Project Management fee**			
	ECI India Managers Pvt. Ltd.	Project Manager	1.77	-
7	**Interest Distributed**			
	Rapid Holdings 2 Pte Ltd.	Sponsor	393.11	-
8	**Other Income Distributed**			
	Rapid Holdings 2 Pte Ltd.	Sponsor	1.60	-
9	**Repayment of Unit Capital**			
	(Rs.8.97 Paid out of Units of Rs. 100)			
	Rapid Holdings 2 Pte Ltd	Sponsor	510.09	-
10	**Pipeline Maintenance Expenses**			
	Pipeline Management Services Private Limited	Members of same group	39.34	-
11	**Secretarial and legal services fees**			
	Peak Infrastructure Management Services Private Limited	Members of same group	0.13	-
12	**Reimbursement of travel expenses**			
	Peak Infrastructure Management Services Private Limited	Members of same group	0.20	-

iii) Balances as at end of the year

(Rs. in Crore)

	Particulars	Relationship	As at 31st March, 2020	As at 31st March, 2019
1)	**Reimbursement of Expense payable**			
	Rapid Holdings 2 Pte Ltd	Sponsor	-	1.38
	Penbrook Capital Advisors Pvt. ltd.	Investment Manager	0.05	0.67
2)	**Investment Manager Fee Payable**			
	Penbrook Capital Advisors Pvt. ltd.	Investment Manager	0.22	-
3)	**Trustee Fee Payable**			
	Axis Trustee Services Ltd.	Trustee	-	0.02
4)	**Units issued**			
	Rapid Holdings 2 Pte Ltd	Sponsor	5,177.91	5,688.00
5)	**Other Current Assets**			
	Pipeline Management Services Private Limited	Members of same group	5.13	-

NOTE 27. Taxation

Current tax

In view of the consolidated loss of the Group for the current period, no provision for current tax has been considered

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
NOTE 28. CONTINGENT LIABILITITIES AND COMMITMENTS (to the extent not provided for)		
Contingent Liabilities	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**8.91**	16.04

NOTE 29. SEGMENT REPORTING

The Trust's activities comprise of owning and investing in Infrastructure SPVs to generate cash flows for distribution to unitholders. The Trust has only one project SPV PIL. The PIL's activities comprise of transportation of natural gas in certain states in India. Based on the guiding principles given in Ind AS 108 on "Segment Reporting", this activity falls within a single business and geographical segment and accordingly the disclosures of Ind AS 108 have not been separately given.

Revenues from two customer represents more than 10% of the Company's revenue for the year

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
Customer A	1,670.54	18.99
Customer B	417.84	-

NOTE 30. CAPITAL MANAGEMENT

The Group adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Leverage optimally in order to maximize unit holder returns while maintaining strength and flexibility of the Balance sheet.

During the year, the Trust has maintained AAA rating requirement until all the NCD's were redeemed on April 23, 2019.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows:

(Rs. in Crore)

	As at 31st March, 2020	As at 31st March, 2019
Borrowings*	**6,426.52**	6,338.15
Cash and Marketable Securities	**316.67**	89.89
Net Debt (A)	**6,109.85**	6,248.26
Total Equity (As per Balance Sheet) (B)	**9,324.48**	10,590.04
Net Gearing (A/B)	**0.66**	0.59

*inclusive of upfront arranger fee of Rs. 25.48 Crore (Previous year Rs. 31.85 Crore)

There have been no breaches in the financial covenants with respect to borrowings.

NOTE 31. FINANCIAL INSTRUMENTS - FAIR VALUE DISCLOSURE

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) The fair value of investment in Mutual Funds is measured at NAV.
b) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
c) Option contracts are assigned prices using formula Black-Scholes model which is based on volatility in interest rate and comparable stocks.

Fair value measurement hierarchy:

(Rs. in Crore)

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost*								
Other Non Current Financial Assets	50.07				1.45			
Trade Receivables	111.95				144.43			
Cash and Cash Equivalents	14.14				87.89			
Other Bank Balances	3.34				69.99			
Other Current Financial Assets	69.27				1.89			
At FVTPL								
Investments	302.53		302.53		2.00		2.00	
Fair value of put option	4.64		4.64		4.42		4.42	
Financial Liabilities								
At Amortised Cost*								
Borrowings	6,426.52		6,389.10		6,338.15			
	5.30				4.83			
Other Non Current Financial Liabilities								
Trade Payables	494.34				129.59			
Other Financial Liabilities	-				13.25			
At FVTPL								
Fair value of call option	49.48		49.48		42.70		42.70	

* carrying amount approximates fair value as per management.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs based on unobservable market data

NOTE 32. FINANCIAL INSTRUMENTS - RISK MANAGEMENT
The following table shows foreign currency exposures in CAD, USD, EUR and GBP on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

Foreign Currency Exposure (Rs. in Crore)

Particulars	**As at 31st March, 2020**				As at 31st March, 2019	
	CAD	**USD**	**EUR**	**GBP***	USD	EUR
Trade and Other Payables	**0.69**	**2.40**	**4.07**	**0.00**	4.17	1.44
Net Exposure	**0.69**	**2.40**	**4.07**	**0.00**	4.17	1.44

* Less than Rs.50,000

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges
Foreign Currency Sensitivity

(Rs. in Crore)

Particulars	**As at 31st March, 2020**				As at 31st March, 2019	
	CAD	**USD**	**EUR**	**GBP**	USD	EUR
1% Depreciation in INR						
Impact on Equity						
Impact on P&L	**(0.01)**	**(0.02)**	**(0.04)**	**(0.00)**	(0.04)	(0.01)
Total	**(0.01)**	**(0.02)**	**(0.04)**	**(0.00)**	(0.04)	(0.01)
1% Appreciation in INR						
Impact on Equity						
Impact on P&L	**0.01**	**0.02**	**0.04**	**0.00**	0.04	0.01
Total	**0.01**	**0.02**	**0.04**	**0.00**	0.04	0.01

Interest Rate Risk
Interest rate risk sensitivity - Listed NCDs
Since Interest rate is fixed for a block of 5 years i.e. upto March 2024, interest rate sensitivity is not applicable.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Group. Credit risk arises from Group's activities in investments and outstanding receivables from customers.

The Group has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

Liquidity Risk

Liquidity risk arises from the Group's inability to meet its cash flow commitments on time. Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a disciplined cash management system. Group's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements.

The Group's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surplus from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

(Rs. in Crore)

Maturity Profile of Borrowings at amortized cost ason 31st March, 2020

Particulars	**Below 3 Months**	**3-6 Months**	**6-12 Months**	**1-3 Years**	**3-5 Years**	**Above 5 Years**	**Total**
Non Derivative							
Long Term Loans	**143.59**	**145.17**	**287.56**	**1,155.01**	**7013.68****	**-**	**8,745.01**
Total Borrowings	**143.59**	**145.17**	**287.56**	**1,155.01**	**7013.68**	**-**	**8,745.01**

(Rs. in Crore)

Maturity Profile of Borrowings at amortized cost ason 31st March, 2019

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative							
Long Term Loans*	-	-	-	-	-	6,370.00**	6,370.00
Total Borrowings	-	-	-	-	-	6,370.00	6,370.00

*The Group has redeemed entire NCD issued for Rs. 6,370 crores on 23rd April, 2019

**Upfront arranger fee of Rs. 25.48 Crore (Previous year Rs. 31.85 Crore) is not included.

NOTE 33.

On 22nd March 2019, the Trust acquired 100 % equity stake in PIL for a purchase consideration of Rs. 13,000 crores settled by way of purchase of equity shares of PIL for Rs. 50 crore. Further an amount of Rs. 12,950 crore was invested through non-convertible debentures.

PIL owns and operate the 1,480 km pipeline, including dedicated lines, (together with compressor stations and operation centers) from Kakinada in Andhra Pradesh to Bharuch in Gujarat (the "Pipeline Business"). The Principal business is operation of pipeline for transportation of gas. Management appointed independent professional valuers to perform valuation of the property plants and equipment and intangible assets for the purpose of purchase price allocation (PPA).

The fair value of identified assets and liability of PIL adjusted for measurement period adjustments as at date of the acquisition are as follows. The comparative period amounts have been restated accordingly.

		Provisional value on date of acquisition	**Fair value adjustment**	**Fair value on date of acquisition**
Particulars				
Non-Current Assets				
Property, Plant and Equipment		14,852.08	11.69	14,863.77
Capital Work-in-Progress		7.19	00.00	7.19
Intangible Assets		2,047.45	(49.91)	1,997.54
Other Non-Current Assets		1.45	00.00	1.45
Total Non-Current Assets		**16,908.17**	**(38.22)**	**16,869.95**
Current Assets				
Inventories		105.93	-	105.93
Investments		148.26	-	148.26
Trade Receivables		77.30	-	77.30
Cash and cash equivalents		9.38	-	9.38
Other Bank Balances		69.84	-	69.84
Other Current Assets		66.65	-	66.65
Total current assets		**477.36**	**-**	**477.36**
Total Assets	**A**	**17,385.53**	**(38.22)**	**17,347.31**
Non-current liabilities				
Other non-current liabilities		74.98	-	74.98
Deferred tax liabilities		952.00	(952.00)	0.00
Total non-current liabilities		**1,026.98**	**(952.00)**	**74.98**
Other current liabilities		260.55	02.18	262.73
Total Liabilities	**B**	**1,287.53**	**(949.82)**	**337.71**
Other Equity	**C**	**4,050.00**	**00.00**	**4,050.00**
Net assets	**D=A-B-C**	**12,048.00**	**911.60**	**12,959.60**
Purchase consideration	**E**	**13,000.00**	**00.00**	**13,000.00**
Goodwill	**E-D**	**952.00**	**(911.60)**	**40.40**

As at acquisition date company expects to collect entire acquired accounts receivable

India Infrastructure Trust

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE 34. STATEMENT OF NET DISTRIBUTABLE CASH FLOWs (NDCFs) OF PIL

(Rs. in Crore)

Description	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Profit /(loss) after tax as per Statement of profit and loss (standalone) (A)	**(2,561.19)**	**(65.34)**
Adjustments:-		
Add: Depreciation, impairment and amortisation as per statement of profit and loss. In case of impairment reversal, same needs to be deducted from profit and loss	831.38	21.04
Add: Interest and Additional Interest (as defined in the NCD terms) debited to Statement of profit and loss in respect of loans obtained / debentures issued to Trust (net of any reduction or interest chargeable by Project SPV to the Trust).	664.73	31.09
Add / (Less):- Dividend or other amounts distributed to the Trust to the extent debited to statement of profit and loss. In case of reversal of distribution same needs to be deducted	-	-
Add / (Less): Increase / decrease in net working capital deployed in the ordinary course of business.	(174.64)	(12.08)
Add / (Less): Loss/gain on sale of infrastructure assets	-	-
Add / (Less): Amount funded by/refunded to the Contractor as per terms of the O&M Agreement	-	-
Less: Amount determined as O&M Surplus as per the O&M Agreement and retained in PIL	-	-
Add / (Less): Expenditure Component Sweep as defined in the NCD Terms	201.48	6.61
Add / (Less): Net CCP	973.92	27.46
Less:- Accrued dividend, if any, payable to holders of Preference Shares to the extent not debited to statement of profit and loss account	-	-
Less:- RIL Upside Share calculated in terms of the Pipeline Usage Agreement, to the extent not debited to statement of profit and loss account.	-	-
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 Regulation 18(7)(a) of the SEBI InvIT Regulations	-	-
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 net of any profit / (loss) recognised in statement of profit and loss	-	-
Less: Capital expenditure, if any	(40.20)	-

India Infrastructure Trust

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Rs. in Crore)

Statement of net distributable cash flows (NDCFs) of PIL	**For the year ended 31st March, 2020**	**For the period 22nd November, 2018 to 31st March, 2019**
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, including but not limited to (a) Any decrease/increase in carrying amount of an asset or a liability recognised in statement of profit and loss and expenditure on measurement of the asset or the liability at fair value (b) Interest cost as per effective interest rate method (difference between accrued and actual paid) (c) Deferred tax (d) Lease rent recognised on straight line basis	1,832.81	23.00
Less: Amount reserved for expenditure / payments in the intervening period till next proposed distribution, if deemed necessary by the Investment Manager, invested in permitted investments including but not limited to (a) Amount reserved for major maintenance which has not been provided in statement of profit and loss (b) Amount retained /reserved for specified purposes including working capital requirements	(8.34)	-
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc./ cash set aside to comply with borrowing requirements under agreements including DSRA.	(145.60)	-
Add: Proceeds from external debt (principal) / redeemable preference shares / debentures, etc.	6,452.00	-
Add/ (Less): Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents	-	-
Total Adjustments (B)	**10,587.54**	**97.12**
Net Distributable Cash Flows (C)=(A+B)	**8,026.35**	**31.78**

(Rs. in Crore)

B. Statement of Net Distributable Cash Flows (NDCFs) of the Trust	**For the year ended 31st March, 2020**	**For the period 22nd November, 2018 to 31st March, 2019**
Cash flows received from Portfolio Assets in the form of interest	687.83	8.00
Cash flows received from Portfolio Assets in the form of dividend	-	-
Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	2.45	-
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	6,948.80	6.61
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from the sale of assets of the Portfolio Assets not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
Total cash flow at the InvIT level (A)	**7,639.08**	**14.61**

(Rs. in Crore)

B. Statement of Net Distributable Cash Flows (NDCFs) of the Trust	**For the year ended 31st March, 2020**	**For the period 22nd November, 2018 to 31st March, 2019**
Less: re-imbursement of expenses in relation to the Transaction undertaken by the Sponsor on behalf of the Trust and payment of arranger fee.	-	-
Less: Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Project Manager, Auditor, Valuer, credit rating agency and the Debenture Trustee	(72.57)	-
Less: Net cash set aside to comply with DSRA requirement under loan agreements	(43.62)	-
Less: Costs/retentions associated with sale of assets of the Portfolio Assets	-	-
Relate debts settled or due to be settled from sale proceeds of Portfolio Assets	-	-
Transaction costs paid on sale of the assets of the Portfolio Assets; and	-	-
Capital gains taxes on sale of assets/shares in Portfolio Assets/other investments	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the SEBI InvIT Regulations	-	-
Less: Repayment of external debt (including interest and mandatory redemption), in accordance with the Trust NCD Documents, at the Trust level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing)	(6,489.24)	-
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	(1.73)	-
Less: Amount invested in any of the InvIT Assets for service of debt or interest	-	-
Less: Reserve for debentures/ loans/ capex expenditure in the intervening period till next proposed distribution if deemed necessary by the Investment Manager invested in permitted investments	-	-
Total cash outflows/retention at the Trust level (B)	**(6,607.16)**	**-**
Net Distributable Cash Flows (C) = (A+B)	**1,031.92**	**14.61**

(Rs. in Crore)

Particulars	For the year ended 31st March, 2020	For the period 22nd November, 2018 to 31st March, 2019
Net Distributable Cash Flows as per above	1,031.92	14.61
Opening Cash and Cash Equivalents	24.60	-
Amount received from Sponsor - available for distribution	-	10.00
Total Net Distributable Cash Flows	**1,056.52**	**24.61**

* Includes Rs. 201.48 Crores received as advance from SPV. (Previous period Rs.6.61 Crores)

NOTE 35. SUBSEQUENT EVENTS

On a review of the Business operations of the group, review of the Trial Balances of the periods subsequent to 31st March, 2020, there are no subsequent events that have taken place requiring reporting in the financials of FY 2019-20. WIP (India) Private limited has been appointed as Investment Manager w.e.f April 1, 2020.

NOTE 36.

The previous period / year figures have been reworked, regrouped, rearranged and reclassified wherever necessary to make them comparable with those of current period.

NOTE 37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Pipeline InvIT Committee and the Board of Directors of Investment Manager to the Trust in their respective meetings held on June 29, 2020.

For and on behalf of the Board
WIP (India) Private Limited
(as Investment Manager of India Infrastructure Trust)

Sridhar Rengan
Chairperson of the Board
DIN 03139082

Mihir Nerurkar
Chairperson of the Pipeline InvIT Committee

Neha Jalan
Compliance Officer of the Trust

Date : June 29, 2020
Place : Mumbai