

INDIA INFRASTRUCTURE TRUST (“TRUST”)

Transcript of Sixth Annual General Meeting (“AGM/Meeting”)

Day & Date of Meeting	Friday, July 26, 2024
Duration of the Meeting	4:00 p.m. to 4:20 p.m.
Mode of the Meeting	Video Conferencing (“VC”)
Deemed Venue	Seawoods Grand Central, Tower-1, 3 rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400 706

Attendees:

Unitholders representing 77.45% of the unit capital of the Trust:

1. Representative of Rapid Holdings 2 Pte Ltd.
2. Representative of Bank of Baroda
3. Mr. Sumegh Prafull Modi
4. Ms. Rupal Sumegh Modi

Directors of EnCap Investment Manager Private Limited (*Formerly known as Brookfield India Infrastructure Manager Private Limited*) (Investment Manager of the Trust) (“EnCap”/“the Company”):

1. Mr. Prateek Shroff - Non-executive Director - *Chairperson appointed at the Meeting*
2. Mr. Akhil Mehrotra - Managing Director
3. Mr. Varun Saxena - Non-executive Director
4. Mr. Arun Balakrishnan - Independent Director, Chairperson of Stakeholders’ Relationship Committee
5. Mr. Chaitanya Pande - Independent Director, Chairperson of Nomination and Remuneration Committee
6. Ms. Kavita Venugopal - Independent Director, Chairperson of Audit Committee and Risk Management Committee

In Attendance:

1. Mr. Vikas Prakash - Company Secretary and Compliance Officer of EnCap

Invitees:

1. Mr. Suchibrata Banerjee - Chief Financial Officer of EnCap
2. Mr. Mahesh Iyer - Chief Financial Officer of Pipeline Infrastructure Limited (“PIL”)
3. Representative of Axis Trustee Services Limited (*acting in its capacity as Trustee of the Trust*)
4. Scrutinizer appointed by EnCap
5. Representatives of Deloitte Haskins & Sells LLP, Auditor of the Trust
6. Representatives of Valuer of the Trust
7. Representative of MMJB & Associates LLP, Company Secretaries who has issued Secretarial Compliance Report for FY 2023-24
8. Representatives of Pipeline Infrastructure Limited, Special Purpose Vehicle of the Trust (“PIL”)
9. Ms. Puja Tandon – Vice President – Brookfield Asset Management Infrastructure Group

Mr. Vikas Prakash:

I, Vikas Prakash, Compliance Officer, welcome all the unitholders, directors and invitees to the 6th Annual General Meeting of the India Infrastructure Trust.

I request all the attendees to keep themselves on mute during the proceedings of the meeting. The unitholders will have the opportunity to speak once we open for Q&A session.

Please be informed that the meeting is being conducted through video conferencing, in compliance with the SEBI circulars issued from time to time and is being recorded.

The notice of this Meeting was served electronically to all the stakeholders and unitholders who have registered their email IDs, and the same was also served through post to unitholders who have not registered their email IDs or have opted for physical delivery of the notice. The notice and Annual Report are also available on the Trust's website i.e. www.pipelineinvit.com.

The documents referred to in the Notice are available for inspection by the unitholders during the Meeting by writing an email to the Compliance Officer at compliance@pipelineinvit.com.

Please be informed that, EnCap Investment Manager Private Limited, Investment Manager of the Trust, has appointed Mr. Jatin Prabhakar Patil, Practicing Company Secretary as the Scrutinizer to scrutinize the entire voting process i.e. remote e-voting and e-voting at the Meeting, in a fair and transparent manner.

The Scrutinizer is present at the Meeting, and he will submit his report to the Investment Manager within the prescribed time as mentioned in the AGM Notice.

On the basis of Scrutinizer's Report, the result of the voting will be announced by the Trust on or before Tuesday, July 30, 2024, which will then be submitted to BSE Limited and will also be uploaded on the website of the Trust.

All the Directors of the Investment Manager of Trust are present at the Meeting including designated Chairperson of Audit Committee and Risk Management Committee - Ms. Kavita Venugopal, Chairperson of Nomination and Remuneration Committee – Mr. Chaitanya Pande and Chairperson of Stakeholders' Relationship Committee – Mr. Arun Balakrishnan. We also have representatives of Deloitte Haskins & Sells LLP, Auditor of the Trust, representative of Axis Trustee Services Limited, Trustee of the Trust, Mr. S. Sundararaman, Valuer of the Trust and representative of MMJB & Associates LLP, Company Secretaries who has issued Secretarial Compliance Report for FY 2023-24.

The Meeting is being attended by 4 Unitholders and the Trust has received the necessary corporate authorizations from the Unitholders.

I now propose to the Unitholders to appoint Mr. Prateek Shroff, Chairperson of the Board of Directors of the Investment Manager, as the Chairperson for the meeting and request the Unitholders to convey their vote in the chat box by writing "Yes/ No".

(Basis the consent of Unitholders, Mr. Shroff was appointed as the Chairperson of the Meeting).

Thank you. I would request Mr. Prateek Shroff to take the chair and commence the proceedings of the Meeting.

Mr. Prateek Shroff: Thank you Vikas.

Thank you and Good Evening everyone. I welcome each one of you to the Sixth Annual General Meeting of the Unitholders of India Infrastructure Trust.

I confirm that the quorum is present and call the meeting to order.

All reasonable efforts have been made by the Investment Manager, to enable the Unitholders to participate and vote on the items being considered at the meeting.

Facility for remote e-voting was open for the Unitholders till Thursday, July 25, 2024 until 5:00 p.m. and the facility for e-voting at the meeting is also available for Unitholders. Only those Unitholders who have not cast their votes through remote e-voting, are eligible to cast their vote at the meeting.

Voting process will be verified and scrutinized by Scrutinizer who will submit his report to the Investment Manager within prescribed time as mentioned in the AGM Notice.

With the permission of the Unitholders present at the meeting, I take the Notice of the Sixth AGM as read.

I request Mr. Akhil Mehrotra, Managing Director of the Investment Manager and SPV i.e. Pipeline Infrastructure Limited ("PIL") and Mr. Suchibrata Banerjee, Chief Financial Officer of the Investment Manager, to provide a brief update on business and financial performance of the Trust Asset and the agenda items being taken up at the Meeting.

Mr. Akhil Mehrotra:

Thank you, Prateek.

In terms of performance for the year 2023-24, the HSSE performance of PIL has been great. We are happy to state that we have crossed more than 20 million cumulative safe man hours and around more than 2900 safe days without any LTI. That's a testament to some great work done by PIL.

During FY 2023-24, the total volume transported was 33.11 MMSCMD against 23.68 MMSCMD in FY 2022-23, registering a staggering growth of ~40%.

We also commissioned two new connectivity, one to AG&P which is a city gas distribution company and another to Bhilosa Industries which is an industrial customer. We continued our focus on digitization and digitalization. We are working on multiple applications to streamline our operations and standardization of data processing. We have commissioned some of the applications like PIMS, SAP S/4HANA, Benchmark Gensuite, etc. which are helping us in delivering high performance.

In terms of operation and maintenance, we continue to provide very high reliability and availability of the equipments. Last year we revived one of our compressor stations in terms of making it fully operational from a standby mode which was CS-7 which will act as a backup to CS-6.

Along with this, we have done a lot of upgradations which includes replacement of some obsolete systems like remote terminal units, and also commissioned additionally installed GAC and scrubber at CS-10A. One other hand, critical river bank protection measure at Gowtami Godavari pipeline crossing location was successfully completed through stone pitching to maintain the pipeline integrity.

On the Financial Performance, I will hand over to Suchibrata, to take it forward.

Mr. Suchibrata Banerjee:

Thanks Akhil.

On the financial side, first, I will take you through Standalone Financials of the Trust, then we will see how the Trust has done at the consolidated level. Our Auditors, Deloitte Haskins & Sells have issued a clean audit report on the financials of the Trust and are also attending the Meeting today.

Interest Income is slightly lower due to principal repayments made by the SPV. Most of the expenses are in line with last year.

IIT Standalone PAT is higher on account of fair valuation gain recognised on InvIT NCDs, which is a non-cash adjustment and gets eliminated during consolidation.

Coming to the Balance Sheet on the Asset Side, most amounts are in line with the previous years, the increase in Investments is net off repayment by the SPV and the Fair value gain (Rs. 341.75 Cr.).

On the Liability side, the Lower unit Capital is due to return of Capital and the Increase in retained earnings is net of Profit for the year and Return on Capital (Rs. 488.54 Cr.).

Coming to the NDCF, the total distributable cash flow of Rs. 1062.55 Cr. as against an amount of Rs. 1,046.91 Cr in the previous year. For FY 2024, we have made a distribution of Rs. 973 Cr.

I will now take you through the yearly distribution that we have done till today. As per the SEBI InvIT Regulations, the Trust has to distribute a minimum of 90% of its funds to the unitholders. I am happy to say that we have been continuously distributing more than 90% to our unitholders. The Trust has made total distribution of Rs. 79.8660 per unit till 31st March, 2024. (Return on Capital - Rs. 43.33 per unit; Return of Capital i.e. principal repayment - Rs. 36.32 per unit; Misc Income – Rs. 0.21 per unit).

Now let me take you through financials of SPV i.e. PIL, which is into the business of gas transmission.

PIL's revenue from operations has increased by 34% compared to last year mainly due to an increase in the gas transportation volumes from MJ field of RIL.

As mentioned earlier the gain in fair Value income in IIT is a loss in PIL of Rs. 534 Cr. However, this gets eliminated at the consol level.

Expenses are higher, due to increased SUG consumption for transporting higher volume, higher maintenance costs and RIL upside.

This translates into a net loss of Rs. 239 cr. against a profit of Rs. 500 Cr. in the previous year.

Coming to the consolidated accounts:

The Fair value gain/loss gets eliminated and has no impact. The other expenses are more or less in line with previous year with no major deviations except maintenance expenses and other expenses (comprised of SUG costs and RIL upside). The total consolidated profit was around Rs. 822 Cr. in FY 2023-24 against Rs. 545 Cr. in previous Financial Year.

The increase in the profit, as explained above during SPV's details, is mainly due to increase in gas transportation revenue partially offset by RIL upside expense and increase in SUG cost and higher maintenance costs.

In case there are any questions, I would be happy to address them, else, would move to the agenda to be considered at the Meeting.

(No questions were raised. Thereafter, brief details on the following ordinary agenda items were provided by Mr. Banerjee)

Agenda Item no. 1: To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Trust for the financial year ended March 31, 2024 together with the Report of Investment Manager and Auditors thereon

Unitholders have been updated on the financial performance of the Trust and are requested to take note of, approve and adopt the financial statements of the Trust for financial year 2023-24.

Mr. Vikas Prakash:

On page no. 39 of the Annual Report of the Trust for FY 2023-24, under the heading "Trustee" the figure of 5% of Profit After Tax of the Axis Trustee for FY 2023-24 has been inadvertently mentioned as Rs. 24.66 Crore. The same be read as Rs. 1.23 Crore. It is clarified that it has no impact on the financial position of the Trust.

Mr. Suchibrata Banerjee:

Agenda Item no. 2: To consider and adopt the Valuation Report of the assets of the Trust for the financial year ended March 31, 2024

Mr. S. Sundararaman (Valuer for FY 2023-24) has done the valuation and the report was circulated as a part of the Annual Report. Value of the InvIT assets as on March 31, 2024 is Rs. 12,535 Crore against Rs. 12,453 Crore in FY 2022-23.

I would request the unitholders to take note of the same and adopt the said Valuation Report.

Agenda Item no. 3: To consider and appoint Valuer of the Trust and fix their remuneration

We are proposing to re-appoint Mr. S. Sundararaman, who did the Valuation for FY 2023-24, for FY 2024-25. Their performance was satisfactory during the past year. They have consented and are eligible to be appointed. I would request the unitholders to approve their appointment as valuers of the Trust and authorize the Investment Manager to finalize terms and conditions of their appointment, including remuneration.

Over to you Prateek.

Mr. Prateek Shroff:

Thank you, Mr. Mehrotra and Mr. Banerjee, for the update.

The Unitholders who wish to speak or have any query on the update and agenda items may either post their question in the chat box or click on the "Raise Hand" tab available on the screen.

Mr. Vikas Prakash: There are no questions being raised; you may proceed Prateek.

Mr. Prateek Shroff:

We will now commence the e-voting process for voting at the Meeting and I would request Mr. Vikas Prakash to brief the Unitholders on the voting process.

Mr. Vikas Prakash: Thank you Prateek.

- ✓ Link for e-voting is being shared in the chat box. Please click on the message icon on your MS Teams window to access the chat box. Detailed process for voting is mentioned in the Annexure I to the AGM Notice. The e-voting window will remain open for 15 minutes post conclusion of the AGM.
- ✓ E-voting shall be exercised by only those Unitholders who have not exercised their option of remote e-voting earlier.
- ✓ In case a Unitholder who has already exercised their vote through remote e-voting also votes at the meeting, his/her votes cast earlier through remote e-voting will be considered.
- ✓ You are requested to click on the link and login to your account and on the voting page, cast your vote by selecting "Assent/Dissent" on all the 3 resolutions and verify/modify the number of units for which you wish to cast your vote.
- ✓ You are requested to verify all the details before casting the vote and then Click on Submit.
- ✓ Please use the chat box or reach out to the designated numbers mentioned in the notice, in case you require any assistance.

(E-voting at the Meeting commenced)

Prateek, the e-voting link has been posted on the chat box and the unitholder will be able to complete the e-voting till 15 minutes from the conclusion of the Meeting.

Mr. Prateek Shroff: Thank you Vikas.

I request all the Unitholders who are present at the meeting and have not exercised their votes through the remote e-Voting facility to cast their vote within 15 minutes from the conclusion of this meeting.

Please note that, on the basis of the Scrutinizer's Report, results of the voting will be announced by the Trust on or before Tuesday, July 30, 2024 and will be submitted to BSE Limited and also uploaded on the website of the Trust.

I now conclude the meeting. Thank you everyone for your presence at the meeting and for cooperation and patience during the conduct of this meeting.

Disclaimer: This transcript has been edited for the purpose of clarity and better reading.