

**4TH
ANNUAL
REPORT**

**INDIA
INFRASTRUCTURE
TRUST**

**FINANCIAL YEAR
2021-22**



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CORPORATE INFORMATION

INDIA INFRASTRUCTURE TRUST (“TRUST”)

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

Principal Place of Business of the Trust

Seawoods Grand Central, Tower-1, 3rd Level,
C Wing - 301 to 304, Sector 40,
Seawoods Railway Station, Navi Mumbai,
Thane, Maharashtra - 400706, India
Tel: +91 22 3501 8000
E-mail: compliance@pipelineinfra.com
Website: www.indinfratrust.com

Compliance Officer & contact person of the Trust

Mr. Pratik Desai
Address: Seawoods Grand Central, Tower-1,
3rd Level, C Wing - 301 to 304, Sector 40,
Seawoods Railway Station, Navi Mumbai, Thane,
Maharashtra - 400706, India
Tel: +91 22 3501 8000
E-mail: compliance@pipelineinfra.com

Auditors of the Trust

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 Limited

(formerly 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

Brookfield India Infrastructure Manager Private Limited (“BIIMPL”)

(formerly known as WIP (India) Private Limited)
CIN: U67190MH2010PTC202800
Registered Office: Unit 1, 4th Floor,
Godrej BKC, Bandra Kurla Complex,
Mumbai - 400 051, Maharashtra, India

Board of Directors of BIIMPL as on the date of this Report

Mr. Sridhar Rengan, *Non-executive Director and Chairperson*
Mr. Chetan Desai, *Non-executive Independent Director*
Mr. Narendra Aneja, *Non-executive Independent 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.in

REPORT OF THE INVESTMENT MANAGER OF INDIA INFRASTRUCTURE TRUST FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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 1,375 Km trunk pipeline, excluding 105 Km of spur lines and interconnects 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

Global economy rebounded to an estimate of 5.5% in 2021 vis-à-vis a decline of 4.36% in 2020. Global growth is expected to decelerate in 2022 to 4.1% due to continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks.¹

The post-Covid-19 pandemic recovery is being hit by a potentially huge global supply shock that will reduce growth and push up inflation. The war in Ukraine and economic sanctions on Russia have put global energy supplies at risk - Russia supplies around 10% of the world's energy, including 17% of its natural gas and 12% of its oil. Commodity prices soared in 2021 following a decline in early 2020, with prices of several commodities reaching all-time highs. This, however, reflected the strong rebound of demand from the 2020 global recession. Energy and metal prices generally move in line with global economic activity, and this tendency has strengthened in recent decades.¹

The year 2021 started off with cold front that triggered natural gas price hikes in Asia in January and North America in February. However, it was followed by strong economic recoveries and other weather events, leading to a consumption growth of ~4.5% year-on-year ("y-o-y"). The combination of demand growth and lower-than-expected supply led to the extremely tight gas market situation that prevailed throughout the final months of 2021, especially in Europe, wherein limited Russian pipeline supply flexibility and below average underground storage inventory levels prompted additional insecurity from the start of the heating season². The jump in oil and gas prices will add to industry costs and reduce consumers' real incomes. Outright shortages and energy rationing are possible in Europe if there is an abrupt halt to Russian supply.³

During 2021, Liquefied Natural Gas ("LNG") trade increased by 21 Million Tonnes ("MT") to 380 MT (6% rise vis-à-vis 2020) as many countries rebounded from the economic impact of the COVID-19 pandemic led by the growth in LNG demand from China & South Korea (18% rise in imports).⁴ The global LNG trade had increased by 4.9% (y-o-y) in 2019 because of

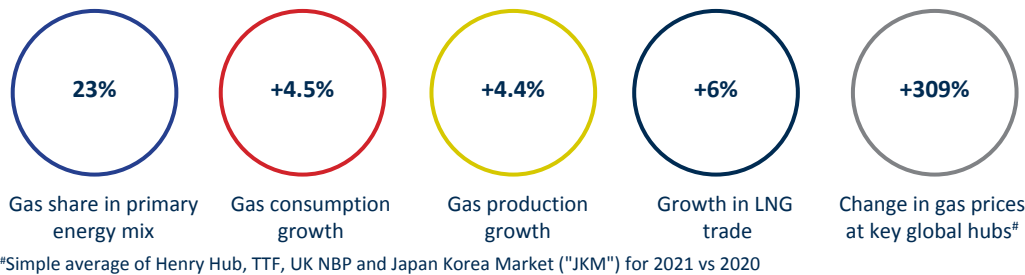
¹ <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf>

² <https://iea.blob.core.windows.net/assets/4298ac47-e19d-4ab0-a8b6-d8652446ddd9/GasMarketReport-Q12022.pdf>

³ <https://www.fitchratings.com/research/sovereigns/global-economic-outlook-march-2022-21-03-2022>

⁴ Shell LNG Outlook 2022

increased LNG supply investments due to confidence in long-term LNG demand growth while given the pandemic effect the trade had gone down by 5.3% (y-o-y) in 2020⁵.



The global LNG market is expected to remain tight in the near term, with a supply-demand gap forecast to emerge in the middle of the current decade. The year also saw increased efforts towards the decarbonization of LNG value chain with the announcement of 63 Million Tonnes Per Annum of new Carbon Capture, Utilization and Storage (CCUS) projects (80% increase in projects) associated with gas production.

Indian Economy

As per Economic Survey 2021-22, India's real Gross Domestic Product growth for FY23 is projected at 8%⁷. The January 2022 World Economic Outlook update forecast a 9% increase in FY23 and a 7.1% rise in FY24⁵. International Monetary Fund suggests in the next two years, India would emerge as the fastest-growing economy.

As per the data released by Ministry of Commerce & Industry, the output of India's eight core industries increased by approximately 4.3% in March 2022 over the corresponding period of previous year. The cumulative expansion during April 2021 to March 2022 has been 10.4%. Barring Crude Oil (-2.6%), the output of Coal, Natural Gas, Petroleum refinery products, Steel, Cement, Fertilizers and Electricity increased by 8.5%, 19.2%, 8.9%, 16.9%, 20.8%, 0.7% and 7.8%, respectively, during April 2021 to March 2022 over corresponding period of the previous year.⁸

The Natural Gas consumption (excluding internal use) in India was approximately 178.18 Million Metric Standard Cubic Meter Per Day ("MMSCMD") in FY22. The total consumption of natural gas saw an increase of 11.6 MMSCMD in FY22 over the same period last year. The LNG imports declined by 3.4% in FY22 as compared to same period in previous year.⁹ However, the dependency on LNG imports declined to 49.1% in FY22 from 54.3% vis-à-vis FY21 on account of rise in domestic production from Krishna Godavari Dhirubhai 6 ("KG-D6") fields. India's natural gas production rose to 34,023.5 Million Metric Standard Cubic Meter ("MMSCM") in FY22 from 28,672.5 MMSCM in FY21.¹⁰ The rise in production was contributed by increased gas production from Reliance Industries Limited - British Petroleum Joint Venture cluster fields in KG-D6. India's primary energy consumption is expected to double between 2019-2050 with an average yearly growth rate of 2.5% - 2.7%. The share of natural gas in total primary energy is expected to reach 12% in 2050 supported by demand from coal-gas switching in Power, incremental demand from Industry and heavy road transport.¹¹

PIL Pipeline (1,375 Km trunk pipeline, excluding approximately 105 Km of spur lines and interconnects) constitutes nearly 6.7% of the 20,629 km¹² of operational Natural Gas Pipeline Network in India. In capacity terms, PIL Pipeline constitutes 25% of the design capacity and contributes to nearly 11.5% of the total gas volumes transported in India.

⁵ BP Statistical Review 2021 & 2020

⁶ Consumption & production growth % - <https://iea.blob.core.windows.net/assets/cfd2441e-cd24-413f-bc9f-eb5ab7d82076/GasMarketReport%20Q2-2022.pdf>; Growth in LNG trade - Shell LNG Outlook 2022; <https://www.mckinsey.com/~media/McKinsey/Industries/Oil%20and%20Gas/Our%20Insights/Global%20Energy%20Perspective%202022/Global-Energy-Perspective-2022-Executive-Summary.pdf>; S&P Platts

⁷ Economic Survey 2021-22

⁸ Ministry of Commerce & Industry: Estimates of IIP, February 2022

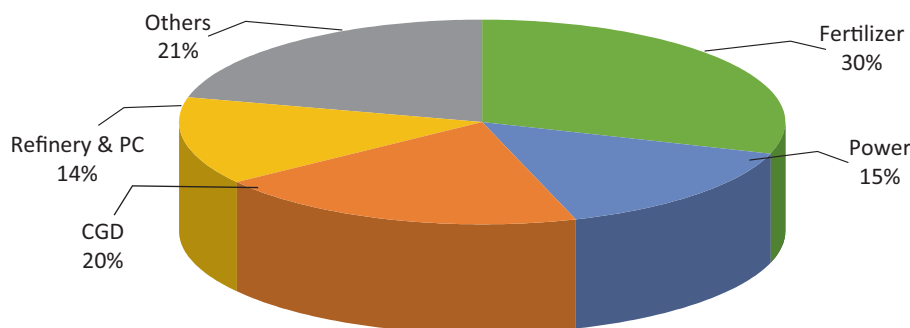
⁹ Petroleum Planning & Analysis Cell ("PPAC")

¹⁰ Ministry of Petroleum & Natural Gas: Monthly production report, March 2022

¹¹ BP Energy Outlook 2022 - India

¹² <https://pngrb.gov.in/eng-web/data-bank.html#ngpl-1>

Overall sector wise NG consumption in FY 2021-22



(Source: PPAC Industry Consumption Review report April 2022)

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 PIL. 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.

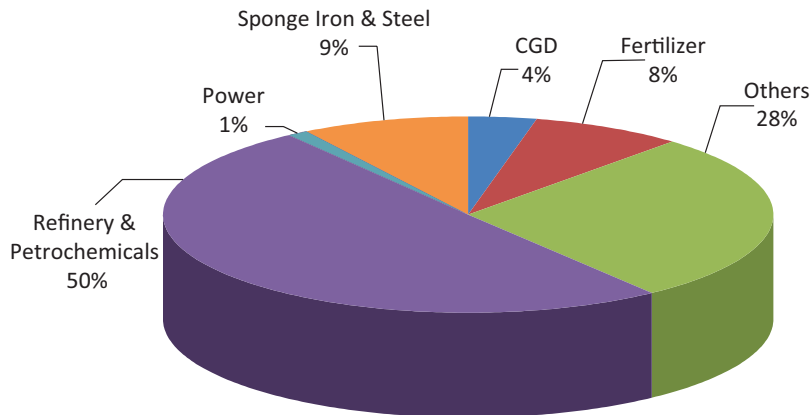
PIL’s principal business is operation of the Pipeline for transportation of natural gas for the benefit of its customers. In June 2019, PIL received the approval of Petroleum and Natural Gas Regulatory Board (“PNGRB”) for transfer of authorization for the Pipeline in its name.

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 FY 2006-07 and was completed FY 2008-09.

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 coated with 3 LPE (three-layer polyethylene), internally coated with epoxy lining for flow improvement, helical 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 Hazira Vijaypur Jadgdishpur/ Dahej Vijaypur Pipeline in Gujarat, Dahej Uran Pipeline in Maharashtra and KG Basin network in Andhra Pradesh (owned and operated by GAIL (India) Limited (“GAIL”)), Gujarat State Petronet Limited (“GSPL”) pipeline in Gujarat as well as GSPL India Transco Pipeline in Andhra Pradesh. In addition, the pipeline is connected to a few direct customers including 14 City Gas Distribution (“CGD”) connectivity out of which 2 are under construction. 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 Oil and Natural Gas Corporation (“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 Gujarat State Petroleum Corporation Limited.

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 CGD.

% of Total volume transported by PIL Pipeline in FY 2021-22

Operational Performance

The Pipeline system has crossed the mark of 123.24 Billion Standard Cubic Meter (“SCM”) cumulatively for gas transportation since commencement of operations in 2009. The Pipeline delivered 7.09 Billion SCM during FY2021-22, without any interruption or business loss. System Used Gas as a percentage of total gas delivered was 1.11% against 1.24% normalized target (based on revised projections of KG-D6) and Unaccounted for Gas was 0.039%, against the benchmark of $\pm 0.10\%$. The Pipeline transported a volume of 19.43 MMSCMD as compared to 11.53 MMSCMD in FY 2020-21.

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 24.19% compared to the industry average capacity utilization of 27.98%#.

PIL successfully executed several new projects during the last financial year. In FY2021-22, PIL completed 7 projects of connecting PIL Pipeline with the upcoming CGD Networks and industrial unit abutting the Pipeline ahead of customers’ readiness, with 2 CGD connectivity project completion planned for FY 2022-23. Out of the 7 completed connectivity projects 3 have started gas flow. The construction activity for hooking up new fields of ONGC at Mallavaram in Andhra Pradesh is under progress. Installation of additional Scrubber at CS01 for ensuring of scrubbing of gas volumes received at different pressure (RIL-High pressure/GAIL-Medium Pressure) is under progress. Mechanical completion of 4 nos. of CGD connections was achieved.

To attain greater operational efficiency, PIL performed technology upgradation activities during the year. PIL’s digital landscape is now enriched with its first robotic based application; Process Automation for metering measurement validation to extract, transform, and compile data, enabling faster data processing without any manual intervention. The application will save 4 man hrs./day in addition to reducing overall invoicing time. Newly improved Pipeline Application Software (PAS) was operationalized, which will ensure reliable leak detection, fuel optimization & decisive making as which compressor stations to run. Advanced Technology Video Surveillance System (“VSS”) with features like WDR (“Wide dynamic range”), Light finder, Zipped Stream, Camera quality enhancement (30x zooming facility) and Long-range Optimized Infra Red was implemented at all PIL Facilities which in turn allows monitoring, locally from CS and remotely from Mumbai Pipeline Operations Centre (“MPOC”) & Hyderabad Pipeline Operations Centre (“HPOC”) Security. Adopted new Augmented Reality Based Inspection & Testing Technology enabling onsite visual inspection/troubleshooting without physically visiting the sites wherein the remote experts can view the proceeding of field activities and provide necessary guidance. Major improved upgradations were carried out such as Compressor Controls Corporation control system upgradation at CS02 was completed which enhanced the lifecycle, helped in reduction in power consumption and better diagnostics. Fuel Metering System including installation of Servo Motor Controllers for all Gas Turbine Compressor units at CS01 as a part of reliability improvement. Upgradation of System 1 server Human Machine Interface at HPOC & MPOC for better vibration monitoring.

Pipeline class locations were revised based on the survey results and High Consequence Area locations were also revised accordingly. Mitigation measures such as installation of concrete slabs, implementation of Pipeline Intrusion Detection

Ready Reckoner, PPAC, September 2021. Includes pipelines which are operational and under construction

System are being planned and will be implemented in phases. Intelligent pigging of trunk line along with spur line was carried out smoothly without any safety incident and business interruption despite COVID restrictions. Satellite Remote Sensing technology for performing ground movement survey in seismically active area (Palghar - KP 1150 to KP 1200) was adopted. Closed Interval Potential Logging ("CIPL") Survey for checking the effectiveness of Cathodic Protection system and Direct Current Voltage Gradient Survey ("DCVG") survey for checking the coating integrity were completed for entire pipeline.

Financial Performance

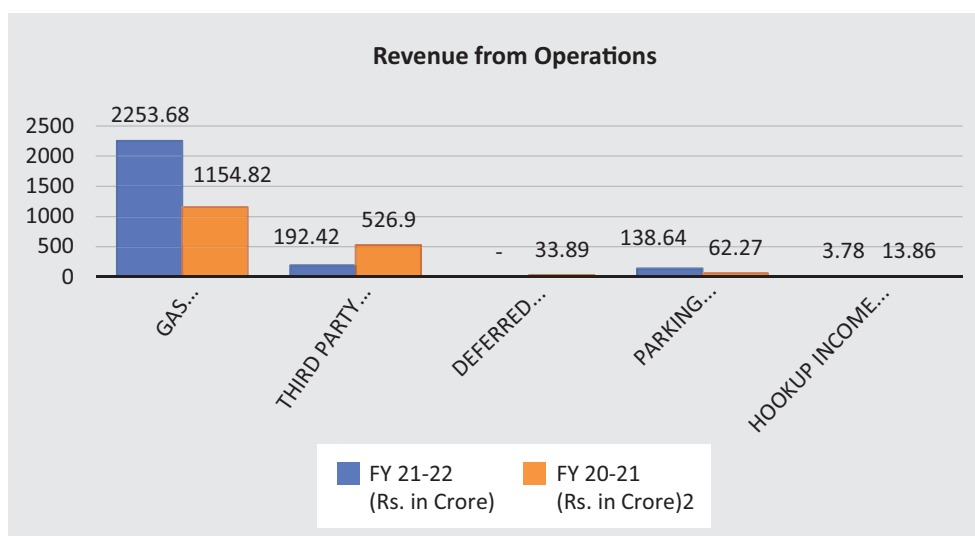
The global outbreak of COVID-19 pandemic continues to scourge economic activity. Financial year ended March 31, 2022 was PIL's Third full financial cycle since it was incorporated on April 20, 2018 and business was operative from July 2018 to March 2019 during FY 2018-19. PIL considered internal and 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, 2022, are as under:

(Amount in Rs. Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Turnover	2,591.99	1,791.73
Other Income	38.54	29.58
Total Income	2,630.53	1,821.31
Loss before Tax	(30.53)	(1,190.74)
Less: Current Tax	-	-
Deferred Tax	-	-
Loss for the year	(30.53)	(1,190.74)
Add: Other Comprehensive Loss	(0.12)	(0.01)
Total Comprehensive Loss for the year attributable to the owners of the Company	(31.41)	(1,190.75)

During the financial year 2021-22, PIL transported an average ~20.56 MMSCMD (at gross conversion value of 38,263.11 British Thermal Unit ("BTU") per SCM) of gas volume and earned a transportation revenue of Rs. 2,395.79 Crore, including the revenues under Parking Services and Deferred Delivery Services ("DDS") which PIL offered as value added service to customers. Availability and Reliability of equipment was above 98%, as a result of prudent maintenance.



EBIDTA for the FY 2021-22 is Rs. 2,019.97 Crore as against Rs. 1,024.72 Crore for FY 2020-21 (excluding fair value loss/gain on Non-Convertible Debentures measured at Fair Value). Appellate Tribunal for Electricity 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 favourable step towards PIL Pipeline tariff.

Health, Security, Safety and Environment

PIL emphasizes on and considers HSSE as 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 its journey of GOAL ZERO - NO HARM & NO LEAKS. PIL is committed to the governing principles that every HSSE incident including any occupational injury and illness can be prevented. HSSE is every one's responsibility and every employee and contract worker (together referred to as "Employees") is an HSSE ambassador. All Employees are accountable for organization's HSSE performance and are responsible for adoption of HSSE policies, practices, and procedures. It is the duty of all Employees to stop any unsafe work or activity. PIL is committed to conducting its business in a safe, reliable, sustainable and compliant manner.

The HSSE performance was the best of all years since inception. There was no serious safety, security, health, and environment incidents during the year under review. However, 6 high risk (potential) incidents were reported during FY22. All incidents were investigated and recommendations were tracked till closure. It was a Lost Time Injury free year. As on March 31, 2022, PIL completed cumulative 14.953 safe million man-hours and 2232 days without Loss Time Injury ("LTI") incidents. HSSE score for the FY 2021-22 was 94.5% against the target of 92%.

In February 2022, PIL developed & launched a **Non-SAP based E-Permit to work ("E-PTW")** system for managing work activities of remote sites effectively through verifying the photographs of sites before starting the work. An android based **HSSE mobile application** was launched in August 2021, to report HSSE observations with ease which has resulted in 22% increase in reporting unsafe acts and unsafe conditions.

PIL has been awarded with "**5-Star Occupational Health & Safety**" certification after an exhaustive audit conducted by British Safety Council. It is a testament of our commitment to safety, health and wellbeing during most challenging year. Off-site emergency mock drill was organised by statutory and regulatory authorities in the area jurisdiction of CS02. The drill was highly appreciated by authorities for excellent planning, preparedness, and responsiveness to mitigate the emergency.

Business Outlook

Many countries around the world have announced net-zero emissions ambitions in 2021, adding further momentum to the efforts being made towards decarbonizing energy systems. By the end of the year, around 88% of global emissions were covered by countries which have adopted net-zero ambitions. Continuing to build a lower-carbon recovery from COVID-19 and making progress towards net-zero emissions requires cleaner energy solutions for all sectors and specifically those which are hard to abate. Natural gas has an important role in supporting this transition, both as a partner to renewables for grid stability and an immediate option to lower emissions in hard-to-electrify sectors.¹³

Moreover, the future of the gas industry will be closely linked to sustainability. With increasing interest in zero and low-carbon gases, more and more countries are now committing to development targets and funding over the next decade. Since it can be repurposed and expanded to provide essential transport and storage infrastructure for green and low-carbon gases, natural gas infrastructure is a key enabler of decarbonization & to achieve the required targets, technologies need to be scaled up rapidly, substantially & sustainably. For this, a strong and clear policy support and timely investments are required globally. Hydrogen is expected to be a potential energy carrier in a net-zero energy system and is rapidly being explored in a variety of sectors like steel, fertilizers, gas distribution, home heating systems, etc.

With the fast-changing business scenario, PIL will continue to build a strong business portfolio and identify growth opportunities to ensure that our stakeholders look back at us with pride. In view of this, recently, PIL has signed an Memorandum of Understanding ("MoU") with GAIL to collaborate towards the development of Hydrogen-based economy in India. The MoU aims at collectively exploring the feasibility, desirability and viability of hydrogen as a source of energy and thus build a partnership between the companies.

In collaboration with tariff regulatory bodies, PIL is pursuing tariff regulation reforms to increase the share of natural gas in the energy mix. With PIL being connected to major networks players such as GAIL and GSPL, and to all major sources

¹³ Shell LNG Outlook 2022

on east & west coast like RIL/ONGC/upcoming Regasified Liquefied Natural Gas terminal, it 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.

On April 23, 2019, PIL had 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. 279.91 Crore as Principal, from time to time, towards partial re-payments of the remaining 6,49,80,000 thereby proportionately reducing the face value of NCDs.

Accordingly, as on March 31, 2022, the face value of the remaining 6,49,80,000 NCDs of Rs. 1,000 each has been reduced to Rs. 879.35 each (as on the date of this Report - Rs. 867.33 each).

During the year under review, the Trust has earned Rs. 635.92 Crore 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 and parking 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, 2022, average daily flow of natural gas through PIL Pipeline was 20.56 MMSCMD (at gross conversion value of 38,263.11 BTU per SCM). During the FY 2021-22, PIL generated a revenue Rs. 2,591.99 Crore from its operations and Rs. 38.54 Crore 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, 2022, is as follows:

Particulars	(Amount in Rs. Crore)			
	Financial Year ended March 31, 2022		Financial Year ended March 31, 2021	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	601.67	2,633.76	795.96	1,824.99
Total Expenditure	21.26	2,083.08	17.71	2,250.48
Profit/(Loss) before tax	580.41	549.30	778.25	(425.49)
Less: Provision for tax				
Current tax	1.38	1.38	1.58	1.58
Deferred tax	-	-	-	-
Profit/(Loss) for the year	579.03	548.30	776.67	(427.07)
Other comprehensive income	-	0.12	795.96	(0.01)
Total comprehensive income/(loss) for the year	579.03	549.42	17.71	(427.08)

Key operating expenses of the Trust for the financial year ended March 31, 2022, are as follows:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Investment Manager Fees	2.83	2.83
Legal, Professional and advisory fees	0.68	0.62
Trustee Fee	0.21	0.21
Demat Charges	0.36	0.41
Valuation Expenses	0.18	0.18
Listing fees	0.12	0.12
Project Manager Fees	1.77	1.77
Custodian Expenses	0.11	0.10
Bank Charges	0.02	0.01
Payment to Auditors	2.45	2.36
Other expenses	0.03	0.04
Total	8.76*	8.65*

* Does not include loss on fair valuation of call/put option Rs. 12.50 Crore (Previous year Rs. 9.06 Crore).

Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2022 along with the Report of Auditors thereon form part of this Annual Report.

DETAILS OF UNITS ISSUED BY THE TRUST

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, 2022 is 66,40,00,000 units of Rs. 77.6800 each aggregating to Rs. 5,157.95 Crore and as on the date of this Report is 66,40,00,000 units of Rs. 76.1041 each aggregating to Rs. 5,053.31 Crore.

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

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 2021-22 in accordance with SEBI InvIT Regulations.

In terms of the provisions of Regulation 10 of the SEBI InvIT Regulations, the Valuation Report dated May 17, 2022 for the financial year ended March 31, 2022, issued by the Valuer of the Trust, has been filed with BSE Limited on May 19, 2022 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 enterprise value of Trust Asset attributable to the Trust pursuant to the agreed terms of the Transaction Documents is arrived at Rs. 13,241.89 Crore.

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 May 19, 2022 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, 2022 is as under:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2022		Financial Year ended March 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
A. Assets*	7,063.23	7,400.44	7,527.98	7,838.68
B. Liabilities at Book value**	73.93	73.93	60.22	60.22
C. Net Assets (A-B)	6,989.30	7,326.51	7,467.76	7,778.46
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E. NAV per Unit (C/D)	105.26	110.34	112.47	117.15

*Assets includes the Fair Value of the Enterprise Value attributable to the InvIT as at March 31, 2022 including book value of InvIT assets. Assets are valued as per valuation reports issued by independent valuers appointed under the InvIT Regulations and as per IND AS.

** Liabilities include book value of InvIT liabilities.

INVESTMENT MANAGER (“IM”) OF THE TRUST

Pursuant to the applicable provisions of SEBI InvIT Regulations and the Investment Management Agreement (“IMA”) dated April 1, 2020, executed between Brookfield India Infrastructure Manager Private Limited (formerly known as WIP (India) Private Limited) (“BIIMPL/Company”) and Axis Trustee Services, acting in its capacity as the Trustee to the Trust (“Trustee”), the Company has been appointed as the IM of the Trust with effect from April 1, 2020.

The Company is a wholly-owned subsidiary of BHAL Global Corporate Limited (“BHAL”) - an affiliate of Brookfield Asset Management Inc. (“BAM”).

The Company was acquired by BHAL to act as an Investment Manager to all the existing and proposed infrastructure investment trusts set up by the Brookfield Group from time to time, in terms of the SEBI InvIT Regulations.

Accordingly, pursuant to Informal Guidance issued by SEBI on March 12, 2020 the Company is acting as a common IM to the Trust and Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) (“Data InvIT”), another InvIT set up by Brookfield under the SEBI InvIT Regulations.

Board of Directors of BIIMPL

Changes in the composition of the Board of Directors of the Investment Manager during the year and as on the date of the report are as under:

Sr. No.	Name of Director	Details of changes
1.	Mr. Rishi Tibriwal	Resigned as a Non-executive Director (“NED”) with effect from June 30, 2021
2.	Mr. Darshan Vora	Appointed as a NED with effect from July 1, 2021 Resigned as a NED with effect from September 30, 2021
3.	Ms. Pooja Aggarwal	Appointed as an Additional NED with effect from September 30, 2021 Resigned as an Additional NED with effect from April 6, 2022

The details of Board of Directors of BIIMPL as on March 31, 2022 are as under:

Sr. No.	Name of Director	Designation	DIN
1.	Mr. Sridhar Rengan	NED and Chairperson	03139082
2.	Mr. Chetan Desai	Non-executive Independent Director	03595319
3.	Mr. Narendra Aneja	Non-executive Independent Director	00124302
4.	Ms. Pooja Aggarwal*	Additional NED	08662320

*Resigned as an Additional NED w.e.f. April 6, 2022

Brief Profile of Directors of BIIMPL as on March 31, 2022

1. Mr. Sridhar Rengan

Sridhar 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.

2. Mr. Chetan Desai

Chetan 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.

3. Mr. Narendra Aneja

Narendra Aneja is a Fellow Chartered Accountant, Certified Internal Auditor, holds 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.

4. Ms. Pooja Aggarwal (Resigned w.e.f. April 6, 2022)

Pooja is a Chartered accountant by profession with 23+ years of diversified experience across industries such as Power and energy, infrastructure, IT, ITES across various countries and cultures (US, Latin America, UK, Japan, India and Australia). Her experience includes managing Board relationship, fund raising, equity raise, mergers and acquisitions, business partnering, finance, accounting, reporting, procurement and legal and secretarial.

Pipeline InvIT Committee of the Investment Manager

Considering that the Company is acting as a common IM to the Trust and Data InvIT hence, in order to ensure good governance and clear segregation of the management and operations of both the InvITs being managed by the Company, the Board has constituted two InvIT Committees, namely 'Pipeline InvIT Committee' and 'Data InvIT Committee', for managing and administering respective InvITs and its assets, and has delegated the authority and responsibility of overseeing all the activities of the IM that pertain to the management and operation of the respective InvITs in accordance with the SEBI InvIT Regulations, respective Trust Documents, BIIMPL IMA and other applicable laws, to the respective InvIT Committees. The operation and functioning of both the Committees are under the strict supervision of the Board of Directors of the Company.

As per the terms of reference of the aforesaid Committees, a periodic report is submitted by the respective Committees to the Board, to ensure oversight and guidance on the activities of the two InvITs.

Further, the Board 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.

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

During the year under review and as on the date of this Report, neither BIIMPL nor any of its Directors or Members of the Pipeline InvIT Committee hold any units of the Trust.

Net Worth of BIIMPL

Net Worth of BIIMPL as per its latest Annual Audited Standalone Financial Statements for the financial year ended March 31, 2022 is in line with the requirement specified under regulation 4(2)(e) of the SEBI InvIT Regulations. There is no erosion in the net worth of BIIMPL as compared to the net worth as per its last financial statements.

Functions, Duties and Responsibilities of the IM

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

A. 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 Pipeline InvIT Committee of IM has adopted various policies and codes in relation to the Trust.

(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) **Code of Conduct for Prohibition of Insider Trading**

Code of Conduct for Prohibition of Insider Trading (“Insider Trading Code”) was adopted w.e.f. August 13, 2021 in place of the “Policy on unpublished price sensitive information and dealing in units by the parties to the India Infrastructure Trust and the unitholders” which was repealed w.e.f. the said date.

The Code is adopted in order to ensure fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by the Designated Persons towards achieving compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and aims to outline process and procedures for dissemination of information and disclosures in relation to the Trust on its website, to the Stock Exchanges and to all stakeholders at large. The purpose of the Insider Trading Code is also to ensure that the Trust complies with applicable 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.

B. Representatives on the Board of Directors of PIL, Special Purpose Vehicle ("SPV") of the Trust

The majority of the Board of Directors of PIL i.e. SPV of the Trust, have been appointed by IM, in consultation with the Trustee.

During the year under review, the following changes took place in the Board Composition of PIL:

Name of the Director & DIN	Category	Nature of change	Effective date of change
Mr. Nawal Saini DIN: 08259154	NED, Brookfield ("BF") Nominee	Resigned as a NED due to pre-occupancy.	April 1, 2021
Mr. Akhil Mehrotra DIN: 07197901	Executive Director, BF Nominee	Appointed as the Managing Director Consequent to aforesaid appointment, Mr. Mehrotra has been re-designated as the Managing Director and Chief Executive Officer of PIL.	April 1, 2021
Mr. Premesh Kumar Jain DIN: 02145534	Independent Director ("ID")	Ceased to be an ID due to sudden demise	April 20, 2021
Ms. Julia Kleopatra Felmeri DIN: 08484286	NED, BF Nominee	Resigned as a NED due to pre-occupancy	June 30, 2021
Ms. Radhika Vijay Haribhakti DIN: 02409519	ID	Appointed as an ID	June 30, 2021
Mr. Anish Kedia DIN: 01916638	NED, BF Nominee	Appointed as a NED	June 30, 2021
Mr. Anish Kedia DIN: 01916638	NED, BF Nominee	Resigned as a NED due to pre-occupancy	October 13, 2021
Ms. Adhwa Alabdulkarim DIN: 09356931	NED, BF Nominee	Appointed as an Additional NED, to hold office upto the date of ensuing AGM.	October 13, 2021
Mr. Arpit Agrawal DIN: 07769740	NED, BF Nominee	Resigned as a NED due to pre-occupancy	February 9, 2022
Mr. Anish Kedia DIN: 01916638	NED, BF Nominee	Appointed as a NED	February 9, 2022
Ms. Adhwa Alabdulkarim DIN: 09356931	NED, BF Nominee	Resigned as an Additional NED due to pre-occupancy	April 12, 2022
Ms. Pooja Aggarwal DIN: 07515355	NED, BF Nominee	Appointed as a NED	April 12, 2022

During the year under review and as on the date of this Report, BIIMPL had ensured that at the 3rd Annual General Meeting and the Extra-ordinary General Meeting (No. 01/2022-23) of PIL held on September 23, 2021 and May 5, 2022, voting of the Trust was exercised. No Extra-ordinary General Meeting of PIL was held during the year.

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., a Limited Partnership incorporated in Bermuda and 28.57% by BIP BIF III AIV (Bermuda) L.P., a Limited Partnership incorporated in Bermuda.

There has been no change in the Sponsor during the financial year ended March 31, 2022 and as on the date of this Report. However, during the Year under review, the Sponsor of the Trust sold 7,08,00,000 units out of the 56,88,00,000 units to ensure compliance with Regulation 14 (1A) of the SEBI InvIT Regulations. Accordingly, the holding of the Sponsor was reduced from 85.66% to 75% and Public holding was increased to 25%, within the timelines prescribed under SEBI InvIT Regulations.

Directors of the Sponsor

Changes in the composition of the Board of Directors of the Sponsor during the year and as on the date of the report are as under:

Sr. No.	Name of Director	Details of changes
1	Mr. Aanandjit Sunderaj	Resigned with effect from June 9, 2021
2	Mr. Walter Zhang Shen	Resigned with effect from July 1, 2021
3	Ms. Taswinder Kaur Gill	Resigned with effect from September 13, 2021
4	Mr. Velden Neo Jun Xiong	Resigned with effect from April 29, 2022
5	Mr. Tang Qichen	Appointed with effect from August 13, 2021 Resigned with effect from April 29, 2022
6	Mr. Tan Aik Thye Derek	Appointed with effect from April 29, 2022

Accordingly, the details of Board of Directors of Sponsor as on March 31, 2022 are as under:

Sr. No.	Name of Director	Identification No.	Date of appointment
1	Ms. Liew Yee Foong	S8779790B	February 21, 2017
2	Ms. Ho Yeh Hwa	S7838513H	April 11, 2019
3	Mr. Velden Neo Jun Xiong	S8909638C	August 13, 2021
4	Mr. Tang Qichen	S9084721Z	September 15, 2021

Brief Profiles of Directors of the Sponsor (as on March 31, 2022):

1. Mr. Liew Yee Foong

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 in 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).

2. Ms. Ho Yeh Hwa

Ho 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. Velden Neo Junxiong

Velden is an Investment Professional at Brookfield Singapore where he manages investments in Brookfield's funds, investment programs and analyses potential investments. Prior to joining Brookfield, Velden worked as an Associate for Deutsche Bank AG, Singapore Branch, advising large corporate clients on bond issuances, bilateral and syndicated debt financing and other treasury solutions.

Velden graduated from Nanyang Technological University, Singapore with degrees in Accountancy [BA(Hons.)] and Business Administration [BBA(Hons.)]. He is also a CFA charter holder.

4. Mr. Tang Qichen

Qichen is an Investment Professional at Brookfield Singapore where he plays an instrumental role in managing and supporting investments in Brookfield's funds, investment programs and investment analysis. Qichen's prior experience was in real estate investment, fund management, and portfolio management, including stints with CapitaLand and Perennial Holdings.

Qichen holds a Bachelor of Science (Real Estate) (Hons) degree from the National University of Singapore.

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 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 SEBI InvIT Regulations, the Indenture of Trust and other applicable law.

There has been no change in the Trustee during the financial year ended March 31, 2022 and as on the date of this Report.

Board of Directors of the Trustee

Changes in the composition of the Board of Directors of the Trustee during the year and as on the date of the report are as under:

Sr. No.	Name of Director	Details of changes
1	Mr. Sanjay Sinha	Resigned as Managing Director and Chief Executive Officer with effect from April 30, 2021
2	Ms. Deepa Rath	Appointed as Managing Director and Chief Executive officer with effect from May 1, 2021

The details of the Board of Directors of the Trustee as on March 31, 2022 are mentioned below:

Sr. No.	Name of Director	DIN	Date of appointment
1	Ms. Deepa Rath	09163254	May 1, 2021
2	Mr. Rajesh Kumar Dahiya	07508488	July 11, 2018
3	Mr. Ganesh Sankaran	07580955	April 18, 2019

Brief Profiles of Directors of the Trustee (as on March 31, 2022):

1. Mr. Ganesh Sankaran

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. Mr. Rajesh Kumar Dahiya

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.

3. Ms. Deepa Rath (Appointed as the Managing Director & CEO w.e.f. May 1, 2021)

Deepa Rath is a Senior Banker with more than 20 years of experience in Corporate Banking, Fintech, Credit, Project Funding, MSME Financing, Retail Banking, Supply Chain Finance, Trade Finance etc.

Deepa is known for her strategic leadership, customer centric approach, superior people & relationship management skills which have helped her set up and scale up New Businesses & High Impact Teams across domains. Prior to taking over as MD & CEO of Axis Trustee Services Ltd, Ms. Deepa was part of the founding leadership team and

spearheaded TReDS (Trades Receivable Discounting System) platform business at INVOICEMART / A. TReDS LTD (JV of Axis Bank & Mjunction), a pioneer work in the space of Digital & Transparent Financing of MSMEs, Financial Inclusion, API Integration & Blockchain implementation.

Previous to this, she led various business functions across geographies with Axis Bank Corporate Banking department. In the early part of her career, she took several roles with IDBI Bank and ICICI Bank Ltd within the Corporate Banking & Retail Banking franchise.

She has been a speaker on various Finance & Fintech related forums and was a part of Axis Bank's Senior Business Leadership program initiatives pertaining to Ethics & sustainability (POSH), Recruitment & Employee Engagement, Corporate social responsibility etc. She is a panel /advisory member on the International Consulting/Advisory related to Supply Chain Finance, Fintech, Go-To-Market strategy & Corporate Banking practices.

She holds a MBA- Finance from IMT Ghaziabad with Master's in Economics and an 'Advanced Diploma in Software Technology & Systems Management', NIIT. Apart from several certifications like Coursera, Axis Business Leadership Program - ISB Hyderabad, Deepa is currently pursuing "Advanced Program in Fintech & Financial Blockchain" from IIM Calcutta to continue her strive for knowledge & learning.

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

In November 2020, Petroleum and Natural Gas Regulatory Board ("PNGRB"), through amendment in tariff regulations, has proposed introduction of Unified Tariff regime for all the interconnected cross-country pipelines belonging to different entities across India, to form the national gas grid system. Under the Unified Tariff regime, the customers will need to pay a single tariff for transportation of gas through the grid regardless of the number of pipelines enroute. While the effective date of implementation of this regime is yet to be notified by PNGRB, once implemented, it is expected to reduce overall transportation cost for customers, while providing them unhindered access to gas sources across India and help in reaching of gas to far flung areas.

Further, in December 2020, post PNGRB authorization under Gas Exchange Regulations, India Gas Exchange (IGX) started operation as gas exchange under the regulatory framework of PNGRB. Establishment of Gas Exchange will go a long way to promote and sustain an efficient and robust Gas market and to foster gas trading in the country.

These developments will pave way for faster adoption of gas across the country by bringing in greater transparency, making available more flexible options to gas customers and level playing field to all the stakeholders.

Further details relating to information or report pertaining to oil and gas sector that may be relevant for an investor to invest in units of the Pipeline InvIT have been provided herein above under "Economic Overview" section of Management Discussion and Analysis.

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

During the period under review, there has been no amendment in the Trust Deed, Investment Management Agreement or any other agreement entered into pertaining to the activities of the Trust.

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

- (1) In the matter regarding PIL pipeline capacity assessment for the period FY 2010-11 till FY 2018-19, PIL successfully secured favourable order from APTEL dated July 16, 2021, wherein APTEL remitted back the matter to PNGRB directing it to declare the capacity of the PIL's pipeline including all operational parameters within 3 months of quorum being available and consider PIL's objections and give due opportunity to PIL to submit its views on the final report. Upon availability of PNGRB quorum, PNGRB sought response from PIL on Capacity Assessment report to which PIL filed written response and presented its views to PNGRB as well. Further, PNGRB has filed a Civil Appeal in Hon'ble Supreme Court of India challenging APTEL orders. The matter is currently sub judice. Favorable order in Supreme Court will lead to positive impact on PIL Pipeline tariff.
- (2) PNGRB, in November 2020, had amended Imbalance Management Service Regulations and introduced services like Parking, Lending, Trading, Netting, etc. PIL has rolled out imbalance management services for parking and lending to its shippers as per the provisions of regulations. Offering these value-added services will enable PIL to earn additional revenues.

- (3) Further, various draft regulations like regulations pertaining to Capacity determination, Access Code, Unified Tariff, Gas Access Bulletin Board, Ministry of Petroleum and Natural Gas Rules introducing Transport System Operator are in different stages of stakeholders' deliberations and once implemented, will bring more clarity, flexibility and improvement in the business operations across the gas value chain.
- (4) Due to unavailability of quorum in PNGRB during major part of the FY 2021-22, various key regulatory developments, though announced, didn't pick momentum. However, with appointment of members and quorum in place now, it is expected that key awaited developments will pick up the pace in FY 2022-23.

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, if any, which are pending against the Trust, Sponsor(s), Investment Manager, Project Manager(s) or any of their associates and the Trustee, at the end of the year is disclosed later in this Report.

F. Credit Rating

During the period under review, the Trust had obtained a Corporate Credit Rating ("CCR") from CRISIL Ratings Limited ("CRISIL"), which had assigned "CCR AAA/Stable" (pronounced as CCR Triple A rating with Stable outlook) to the Trust on November 3, 2021. This rating indicates highest degree of strength with regard to honouring debt obligations.

The aforesaid rating has been re-affirmed by CRISIL on April 29, 2022.

G. Other material changes during the year

The material changes that have occurred during the year under review and as on the date of this Report are as under:

- (i) BIIMPL has shifted its registered office from Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra to Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai - 400051, Maharashtra w.e.f. May 12, 2021.
- (ii) Pursuant to the approval of unitholders of the Trust vide special resolution passed at its 3rd Annual General Meeting held on August 26, 2021, the Principal Place of Business of the Trust was changed from 'Unit No. 804, 8th Floor A Wing, One BKC, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India' to the new location at 'Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400 051, India', w.e.f. August 26, 2021.
- (iii) Pursuant to the approval of unitholders of the Trust vide special resolution passed at its Extra-ordinary General Meeting (No. 01/2022-23) held on May 6, 2022, the Principal Place of Business of the Trust has been changed from 'Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051, India' to the new location at 'Seawoods Grand Central, Tower-1, 3rd Level, C Wing 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra 400706, India', w.e.f. May 6, 2022.
- (iv) Pursuant to the recommendation of IM, Unitholders of the Trust, at its Extra-ordinary General Meeting (No.1/2022-23) held on May 6, 2022, have approved the increase in borrowing limit of the Trust from 49% to the maximum permissible limit of 70% i.e. the aggregate consolidated borrowing and deferred payments of the Trust and/or Hold Co and/or Special Purpose Vehicle as defined under SEBI InvIT Regulations ("Trust Assets"), net of cash and cash equivalent, will not exceed 70% of the aggregate value of the Trust Assets from time to time, on such terms and conditions as the IM may deem fit in the best interest of the Trust and its Unitholders.

There have been no other material changes during the year under review and as on the date of this Report, except as disclosed herein above or 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.

Since the year of formation and upto the date of this Report, the Trust has only one asset i.e. the PIL Pipeline.

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

Particulars	(Amount in Rs. Crore)			
	FY 2018-19 (for the period March 22, 2019 to March 31, 2019)	FY 2019-20	FY 2020-21	FY 2021-22
Interest revenue w.r.t. the PIL NCDs	31.09	664.73	715.97	635.92
Interest revenue on fixed deposits	-	3.09	3.64	3.14
Gain (net) on financial assets	-	0.94	0.05	0.09
Total	31.09	668.76	719.66	639.15

UPDATE ON THE DEVELOPMENT OF UNDER-CONSTRUCTION PROJECTS

PIL Pipeline achieved the project completion and has commenced Gas Supplies to 3 (three) City gas distribution (CGD) connectivity projects. In addition to this, PIL pipeline has also completed 4 (four) other CGD connectivity projects with PIL Pipeline and declared ready for commissioning on readiness of the customer. These connectivities will facilitate flow of additional gas volumes through PIL Pipeline. PIL is pursuing completion of few other connectivity projects such as connectivity with ONGC (Gas source point) and few other 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:

Transaction	(Amount in Rs. Crore)			
	PIL Standalone		Trust Standalone	Consolidated
	Trust	Lender Consortium	Lender Consortium	Lender Consortium
Opening borrowings (Carrying Value)	(5,993.91)*	(6,452.00)	-	(6,452.00)
NCD Repayment	279.91	-	-	-
NCD Issuance	-	-	-	-
Closing borrowings (Carrying Value)[@]	(5,714.00)[#]	(6,452.00)	-	(6,452.00)

* Fair Value through Profit and Loss of the said NCDs as at March 31, 2021 - Rs. 7,424.42 Crore

Fair Value through Profit and Loss of the said NCDs as at March 31, 2022 - Rs. 6,964.23 Crore.

@ Excludes liability component of compound financial instrument, treated as borrowings in financial statements, only for disclosure requirements of Schedule III of Companies Act

There are no borrowings outstanding at standalone level as on March 31, 2022 and as on the date of this Report, hence the 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, 2022 are as under:

- Corporate Credit Rating ("CCR") for Trust: "CCR AAA/Stable" by CRISIL Ratings Limited ("CRISIL")
- Credit Rating for PIL external NCDs: AAA/Stable by CRISIL Ratings and Care Ratings Limited
- Debt Maturity Profile for external debt availed by PIL: March 2024
- Covenants of PIL:
 - Debt Limit: 48.66%
 - Interest Service Coverage Ratio: 2.95

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

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 are listed on BSE Limited w.e.f. March 20, 2019.

During the year under review, the Trust had neither issued nor bought back any Units.

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 (As per the data available on BSE Limited)

Financial Year	Highest	Lowest	Close Price as on March 31
FY 2018-19*	Rs. 100	Rs. 100	Rs. 100
FY 2019-20*	Rs. 100	Rs. 100	Rs. 100
FY 2020-21	Rs. 100	Rs. 94	Rs. 94

*No trade during FY 2018-19 and FY 2019-20

Summary of Unit Price and Volume for FY 2021-22

Particulars	BSE Limited
Unit Price at the beginning of the period (Close price of April 1, 2021)	Rs. 94
Unit Price at the close of the period (Close price of March 31, 2022)	Rs. 98
Highest Unit Price (December 17 & 21, 2021)	Rs. 101
Lowest Unit Price (April 1, 2021)	Rs. 94
Average daily volume traded (No. of units)	36,20,690

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, IM of the Trust, has made timely distributions to the unitholders.

The details of distributions declared and made by the Trust as on March 31, 2022 and as on the date of this Report 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
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
October 7, 2020	1.7599	2.6473	-	4.4072	October 16, 2020
January 8, 2021	1.6687	2.6518	-	4.3205	January 19, 2021
April 7, 2021	2.0016	2.3475	-	4.3491	April 19, 2021
July 7, 2021	1.4877	2.3987	-	3.8864	July 19, 2021
October 7, 2021	1.4070	2.3778	0.0995	3.8843	October 18, 2021
January 7, 2022	1.4698	2.3366	-	3.8064	January 18, 2022
April 7, 2022	1.5759	2.2172	-	3.7931	April 20, 2022

Yield for the last 4 years

Financial Year	Closing unit price	Return of capital	Return on capital + Miscellaneous Income	Total Distribution (per unit)	Annual yield (%)
(A)	(B)	(C)	(D)	(E=C+D)	(F)*
2018-19	100.0000	-	-	-	-
2019-20	91.0321	8.9679	6.9397	15.9076	7.16%
2020-21	84.0461	6.9860	10.6271	17.6131	12.06%
2021-22	77.6800	6.3661	9.5601	15.9262	11.74%

*Annual Yield (F) = Return on capital + Miscellaneous Income (D) / Unit Capital before distribution

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, 2022, are as under:

(Amount in Rs. Crore)

Sr. No.	Particulars	Relations	Financial Year ended March 31, 2022
1	Interest Received Pipeline Infrastructure Ltd.	Subsidiary	635.92
2	Trustee Fee Axis Trustee Services Ltd.	Trustee	0.21
3	Investment Manager Fee Brookfield India Infrastructure Manager Private Limited	Investment Manager	2.83
4	Repayment of Unit Capital (Rs. 6.3661 Paid out of Units of Rs. 84.0461) Rapid Holdings 2 Pte. Ltd.	Sponsor	359.28
5	Repayment of NCDs Pipeline Infrastructure Limited	Subsidiary	279.91
6	Professional fee Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.64
7	Project Management fee ECI India Managers Pvt. Ltd.	Project Manager	1.77
8	Interest Distributed Rapid Holdings 2 Pte Ltd	Sponsor	533.63
9	Other Income Distributed Rapid Holdings 2 Pte Ltd	Sponsor	5.66
10	Advance Received Pipeline Infrastructure Ltd.	Subsidiary	142.80

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, 2022 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. 279.91 Crore as Principal, from time to time, towards partial re-payments of the remaining 6,49,80,000 NCDs thereby reducing the face value of NCDs to Rs. 879.35 as on March 31, 2022.

Accordingly, as on March 31, 2022, the Trust had an outstanding investment of Rs. 6,964.23 Crore in PIL NCDs [(which includes fair valuation gain of Rs. 1,856.56 Crore (Previous year Rs. 1,894.04 Crore) 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 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

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 with effect from the Appointed Date, i.e. July 1, 2018.

The total income of PIL based on the un-audited Financial Statements as of March 31, 2022 was Rs. 2,630.53 Crores. Accordingly, all outstanding civil litigation (i) involving an amount equivalent to or exceeding Rs. 13.15 Crores (being 0.50% of the total income of PIL provided as per audited Financial Statements as of March 31, 2022), 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 commencing from April 1, 2021 and ended March 31, 2022 was US\$ 71.6 million. Accordingly, all outstanding civil litigation

against the Sponsor and the Project Manager which (i) involve an amount equivalent to or exceeding US\$ 3.58 million (being 5.00% of the total income of the Sponsor for the period ended March 31, 2022), 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, 2022.

Investment Manager

The total income of the Investment Manager i.e. Brookfield India Infrastructure Private Limited (formerly known as WIP (India) Private Limited) as per the Audited Financial Statements for the financial year ended March 31, 2022 was Rs. 5.24 Crores. Accordingly, all outstanding civil litigation against the Investment Manager which (i) involve an amount equivalent to or exceeding Rs. 0.26 Crore (being 5.00 % of the total income as per the audited consolidated financial statements for the financial year ended March 31, 2022), 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.

Trustee

All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding Rs. 1.005 Crore (being 5.00% of the profit after tax as on March 31, 2022 based on the audited standalone financial statements of the Trustee for the financial year ended March 31, 2022), 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, 2022 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, 2022 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, 2022, the process of including PIL as a party to litigation involving the Pipeline Business (as described below) has not been completed.

i. Regulatory Matters

a) **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 fixed EWPL tariff on March 12, 2019 i.e. Rs. 71.66/MMBTU till the final determination of the capacity of the Pipeline.

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. Meanwhile, PNGRB moved an Interim Application No.2254 of 2019 (in the said Appeal) seeking extension of time for determining the capacity of the pipeline. APTEL after hearing the arguments vide order dated 16.07.2021, disposed the interim application *inter-alia* with direction to PNGRB:

- a. to determine the tariff within 3 months of the requisite quorum being available,

- b. shall declare the capacity of PIL pipeline from FY 2010-11 years onwards till the year EIL has submitted report as per the directions contained in order dated November 15, 2019 considering all operational parameters.
- c. PNGRB while declaring the capacity shall take into account PIL's objections to the EIL report and due opportunity be given to PIL to submit their views on the report.

Appeal before Supreme Court by PNGRB in Civil Appeal No. 377-378 of 2022: PNGRB preferred an appeal before Supreme Court against APTEL's two orders dated 15.11.2019 and 16.07.2021. Supreme Court vide order dated 12.01.2022 granted interim stay only on the general directions passed by APTEL in its order dated 16.07.2021. PIL filed its responses and also an Interim Application for Directions. Matter was heard by the Registrar on 31.03.2022 and gave 3 weeks' time to PIL for filing its response to the Interim Application filed by PNGRB on question of law. PIL filed its response. PNGRB also filed an Interim Application before APTEL seeking extension of 4 months' time (from 1st March onwards) for determining capacity for years 2010-2011 to 2011-2012 and 2012-2013 to 2018-2019.

ii. **Civil matters**

- (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 was disposed vide Court order dtd 20.10.2021 in favour of PIL. The order was further challenged before HC of Gujarat and same was again disposed in favour of PIL.
- (b) Gamanlal Maganlal Patel filed a Civil Miscellaneous Application No. 241 of 2019 against CA of RGTIL, EWPL, R K Dhadda, Reliance Industries Ltd. and Mukesh D Ambani before the District Court Surat demanding additional compensation of Rs. 450.00 million. The suit is pending.
- (c) Kamuben filed an application before the Principal District Judge Court, Navsari against the competent authority and RGTIL (former name of EWPL) demanding additional compensation amounting to Rs. 510.00 million, under the PMP Act. The matter is currently pending.
- (d) Ishwarlal Thakorbbhai filed CMA 58 of 2018 before the Principal District Judge Court, Navsari against the Competent Authority and RGTIL (former name of EWPL) demanding additional compensation amounting to Rs. 910.00 million, under the PMP Act. The matter was disposed, however the same was restored by the Court and the same is currently pending.
- (e) Ashok Desai & Ors filed CMA No. 34 of 2021 against UOI, CA of DNEPL, RGTIL before the District Court Valsad demanding additional compensation of Rs. 214.40 million. The suit is pending.
- (f) Suraner Venkata Satya Tirumala Rao has filed a Writ Petition bearing no. 3935/2019 before High Court of Andhra Pradesh challenging 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.

- (g) Gadde Venkatanarasimha Rao has filed a Writ Petition bearing no. 2172/2019 before High Court of Andhra Pradesh challenging 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.
- (h) Gadde Venkateswara Rao (died) Represented by Petitioners Nos. 2 to 7 has filed a Writ Petition bearing no. 3001/2019 before High Court of Andhra Pradesh challenging 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) Royalty Related Case
- 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.
- (iii) Un-notified land parcel:
- Gangadhar Karbari Jadhav is the owner of 5 land parcels in Village Vakas, in Karjat Taluka of State of Maharashtra. PIL pipeline is passing through all the 5 land parcels, however ROU in 2 land parcels was acquired and compensation paid to them accordingly. Now the said landowner has filed a Writ Petition against PIL for laying pipeline without acquiring ROU and prays for compulsory land acquisition for the 3 land parcels under the new Land Acquisition Act of 2013. PIL initiated acquisition of right of user (RoU) in the said 3 land parcels . MoPNG issued notification dtd 04.01.2022 u/s 3(1) of the PMP Act. On 02.03.2022 Bombay High Court heard the WP and pleased to allow the Petitioner to withdraw the said Petition with liberty to raise all contentions, including payment of compensation under RFCTLARR Act, before the Competent Authority of PIL. Competent Authority of PIL is directed to decide the same as per law and the matter stands disposed vide order dated 02.03.2022. Notification for acquisition of RoU u/s 6 of PMP Act is yet to be issued by MoPNG.

IV. Litigation against the Sponsor

There are no material litigations and regulatory actions pending against the Sponsor as on March 31, 2022.

V. Litigation against the Investment Manager

There are no material litigations and regulatory actions pending against the Investment Manager as on March 31, 2022.

VI. Litigation against the Associates of the Investment Manager

There are no material litigations and regulatory actions pending against the Associates of the Investment Manager as on March 31, 2022.

VII. Litigation against the Project Manager

There are no material litigation and regulatory actions currently pending against the Project Manager as on March 31, 2022.

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, 2022.

IX. Litigation against the Trustee

There are no material litigations and no regulatory actions currently pending against the Trustee as on March 31, 2022.

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 defined 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. 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.

Consequent to amendment in Income Tax Rates by GOI in FY 2019-20, for the corporate assesses, an option was provided to corporates for adopting reduced tax rate of 22% which after surcharges and education cess comes to effective tax rate of 25.17%, PNGRB amended the tariff regulations in the FY 20-21 to consider lowest nominal rate of income tax in tariff computation in case more than one nominal rates of income tax are available to the entity. There is a downward impact on tariff, however for PIL, the reduction in tax outflows in subsequent years offset such reduction substantially in view of PIL having opted for lower corporate tax rate.

Further, in November 2020, PNGRB notified certain other amendments in the tariff regulations like longer Economic Life, lower no of Working days in a year etc. Implementation of these amended tariff parameters at the time of next tariff review is likely to have minor implication on the PIL pipeline tariff.

One of the important parameters for tariff is volume denominator which is linked to the capacity of pipeline. PNGRB had earlier fixed the capacity of PIL Pipeline at higher value than the actual capacity for past years. Pursuant to PIL challenging the matter before APTEL, the order pronounced by APTEL in July 2021 in continuation to its earlier order in November 2019 was in favour of PIL. PNGRB has filed appeal in Supreme Court challenging these APTEL orders. PIL has filed application in Supreme Court for taking up tariff review exercise only after determination of capacities by PNGRB. Matter is under sub-judice and hearing in the matter is yet to be commenced. Favorable in the matter will have positive impact on the tariff.

The gas volumes expected from new domestic gas fields on east coast has been delayed due to crisis arising out of COVID-19.

Going forward, any reduction in gas supply volumes and adverse tariff ruling 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. In view of recent COVID resurgence across the country, the risk of COVID-19 to employee health, mobility and business operations is being monitored closely, and is being mitigated through several measures including employee health surveillance and support, staggered workforce deployment, and continuous situation review and monitoring.
- 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.

INFORMATION OF THE CONTACT PERSON OF THE TRUST

Mr. Pratik Desai

Compliance Officer

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3rd Level, C Wing - 301 to 304, Sector 40,

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Tel: +91 22 3501 8000

E-mail: compliance@pipelineinfra.com

Date: May 19, 2022

Annexure A

Valuation Report

India Infrastructure Trust (“Trust”)

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

&

Brookfield India Infrastructure Manager 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**

May 2022

Ref: MG/May17-14/2022

May 17, 2022

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,

Brookfield India Infrastructure Manager 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 26, 2021, 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"), has been appointed as the Valuer of InvIT Asset (defined hereinafter below). Further, we also refer to the engagement letter dated April 1, 2022 having EL reference number MG/Apr12/2022 for providing professional services to Brookfield India Infrastructure Manager Private Limited¹ ("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 Limited² ("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 hereby enclose our independent valuation report dated May 17, 2022 ("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 "Section 3.3 Sources of Information" of the Report. The cut-off date of the current valuation exercise for market factors including market price is considered as March 31, 2022 ("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;

¹ The name of IM has changed from WIP (India) Private Limited to Brookfield India Infrastructure Manager Private Limited

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

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 Management 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.

Regards,

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

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

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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% 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
DNEPL	Dahej – Nagothane Ethane Pipeline
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
FGTA	Framework Gas Transportation Agreement
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
Investment Manager or IM	Brookfield India Infrastructure Manager Private Limited

Abbreviations	Definitions/Meanings
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
RGPL	Reliance Gas Pipelines Ltd
RIIHL	Reliance Industrial Investments and Holdings Limited
RIHPL	Reliance Industries Holding Private Limited
RIL	Reliance Industries Limited
ROCE	Return on Capital Employed

Abbreviations	Definitions/Meanings
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, RIHPL, 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, 2022
WACC	Weighted Average Cost of Capital

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.”
- 2.1.8 In this regard, 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.
- 2.2.2 For the purpose of arriving at the valuation of the InvIT Asset we have considered the valuation base as ‘Fair Value’ and the premise of value is ‘Going Concern Value’. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

2.3 Valuation Conclusion

- 2.3.1 The fair enterprise value of InvIT Asset pursuant to the agreed terms of the Transaction Documents is arrived at **INR 1,32,418.9 Mn.**

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 April 1, 2022 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, Brookfield India Infrastructure Manager 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 INR 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, 2020, March 31, 2021 and March 31, 2022;
 - iv. Volumes transported by PIL from April 2021 to March 2022;
 - v. Income Tax Return of PIL for Assessment Year 2021-22 and draft computation of income of PIL for Assessment Year 2022-23;
 - vi. Framework Agreement amongst RIHPL and the Sponsor and the IM and PIL dated August 28, 2018;
 - vii. Scheme of Arrangement between EWPL and PIL and their Respective Shareholders and Creditors for transfer of Pipeline Business from EWPL to PIL;
 - viii. 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;
 - ix. 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;
 - x. SPA dated February 11, 2019 amongst RIHPL, Trust, IM and PIL and Amendment Agreement dated April 22, 2019 to SPA;
 - xi. SSA dated February 11, 2019 amongst PIL, RIHPL, and Trust;
 - xii. O&M Agreement dated February 11, 2019 amongst PIL, Contractor and Project Manager;
 - xiii. O&M Sub-Contract Agreement dated February 11, 2019 amongst PIL, Contractor, Sub-Contractor;

- xiv. 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;
- xv. 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;
- xvi. Infrastructure Sharing Agreement dated February 11, 2019 between Contractor, Sub-Contractor and PIL;
- xvii. Debenture Trust Deed dated April 16, 2019 between PIL And IDBI Trusteeship Services Limited;
- xxiii. 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;
- xix. Physical Inspection with respect to the Pipeline as required under Regulation 21(2) of SEBI InvIT Regulations;
- xx. Projected revenue (including volumes and tariff), revenue expenditure and capital expenditure for operations of PIL for period starting from April 1, 2022 to March 22, 2039;
- xxi. Estimates of working capital of PIL for period starting from April 1, 2022 to March 22, 2039;
- xxii. 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;
- xxiii. Details of material litigations in connection with the Pipeline as on the Valuation Date;
- xxiv. 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**").
- xxv. 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**").
- xxvi. 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
- xxvii. Information available in public domain and provided by leading database sources.

4 Caveats, Limitations and Disclaimers

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 Caveats, Limitations and Disclaimer :

- 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 This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the Section 3.3 - Sources of Information.
- 4.2.3 We were provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.2.4 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.
- 4.2.5 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.
- 4.2.6 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. Further events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 4.2.7 The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.2.8 This Report is subject to the laws of India.
- 4.2.9 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.

- 4.2.10 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.
- 4.2.11 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, however, the Valuer has reviewed the financial forecast for consistency and reasonableness and relied on them. 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.
- 4.2.12 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.
- 4.2.13 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.
- 4.2.14 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.
- 4.2.15 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.
- 4.2.16 The fee for the Report is not contingent upon the outcome of the Report.
- 4.2.17 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.
- 4.2.18 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.
- 4.2.19 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 us.
- 4.2.20 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.

- 4.2.21 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.
- 4.2.22 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.
- 4.2.23 Further, after declaration of Covid 19 as a pandemic by World Health Organization and consequent imposition of lockdown in India had caused a widespread disruption in businesses as well as on financial markets in India and globally alike. These days, mutation of virus into various variant and impacting economic environment at different level, however necessary actions are taking in place to combat with the same and now economies of the countries, pursuing this as new normal. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid 19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

5 Assignment Approach

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

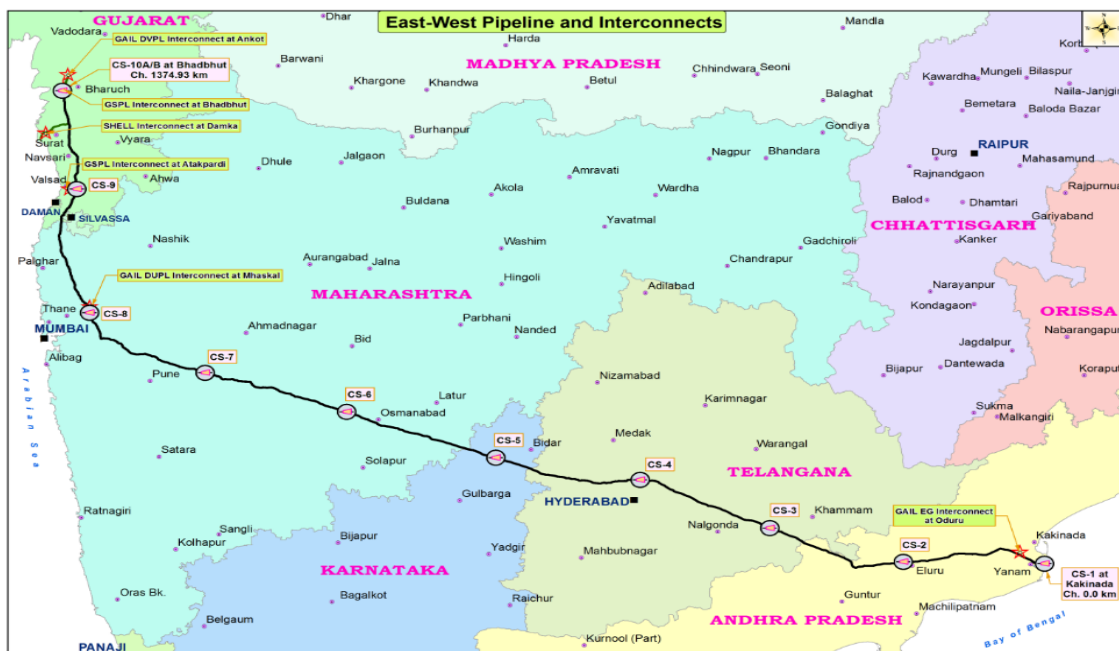
- i. In the initial stage, we requested for detailed information required for valuation of InvIT Asset.
- ii. We reviewed the information provided for understanding of the current business operations and any changes since the past financial year and then had various discussions with the Management to 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. Physical Site visit was conducted on April 29, 2022 of Compressor Station (CS – 9) situated near Valsad, Gujarat.
- vi. We carried out the valuation based on internationally accepted valuation methodology, international valuation standards and applicable Valuation Standard issued by ICAI and considering the information provided to us.

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 CS01 Gadimoga, Andhra Pradesh and backup operations centre is located at CS08 Kalyan, Thane 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).

6.2 Route Map of the Pipeline

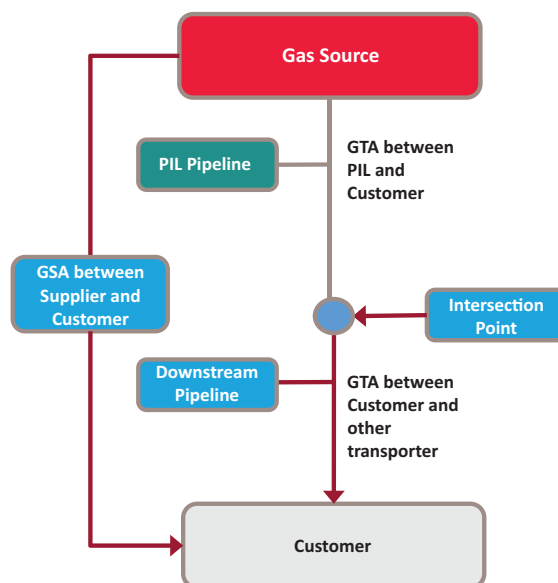


- 6.2.1 Above map reflects the route map of the Pipeline.
- 6.2.2 There are 11 Compressor Stations along the Pipeline as highlighted in the map above.
- 6.2.3 Currently there are 4 Receipt/ Gas Intake Points and 10 Delivery / Interconnects in the Pipeline which spreads across the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat.

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 Framework Gas Transportation Agreement (FGTA) is entered into between customers and PIL. FGTA provides for framework of general terms and conditions for transportation services rendered by PIL. After execution of FGTA, Gas Transportation Agreement (“GTA”) is entered into between customers and PIL for each of the specific transaction of transportation. GTA incorporates the terms of the FGTA by reference.
- 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 allowed for transporter



- 6.3.4 Gas Parking services are also provided wherein the customer can request for temporary storage space in the Pipeline for a service charge. PIL would be offering other value added imbalance management services in future in terms of the PNGRB regulations*.
- 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.

* As per Petroleum and Natural Gas Regulatory Board (Imbalance Management Services) Third Amendment Regulations, 2020 issued by notification dated November 23, 2020

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 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.
- PNGRB moved an interim application no. 2254 of 2019 seeking extension of time for determination of capacity of the pipeline. PNGRB filed the reports submitted by the EIL a consultancy firm appointed for capacity assessment of the PIL Pipeline and PIL filed its reply to the said reports.
- Subsequently to PIL's reply filing, PNGRB filed its re-joinder to PIL's reply in APTEL on April 08, 2021. Pursuant to APTEL allowing to submit response, PIL filed its reply on April 30, 2021 denying the assumptions of PNGRB and sought the intervention of APTEL. Though the matter was listed for hearing on May 07, 2021, APTEL did not take up any matter in view of prevailing Covid situation and all the pending matters listed on that day, including PIL pipeline capacity matter, have been postponed and listed for hearing to July 2021.
- The said interim application was disposed off with a direction vide order dated July 16, 2021 with a direction to PNGRB:

- a. As this tribunal has already laid down vide its order November 15, 2019 parameters to be abided by in the capacity determination exercise based on the relevant regulations, same shall be applicable across the board to declare the capacity for all the years and not limited to FY 2010-11 and 2011-12.
 - b. PNGRB to follow the strict timelines and declare the capacity of PIL for all the years.
 - c. Till that time PNGRB is directed to use 85 mmscmd for the tariff determination of the pipeline.
- PNGRB has challenged the said orders dated November 15, 2019 and July 16, 2021 before Supreme Court vide Civil Appeal Nos. 377 & 378 of 2021 and obtained the stay vide order dated January 12, 2022 on General Directions of APTEL whereas there is no stay of operation of the said two orders.

6.7 Site Visit Details

- 6.7.1 We had conducted physical site visit of Gas Compressor Station No. 9 (CS – 9) located near Valsad, Gujarat on April 29, 2022 as required under the SEBI InvIT Regulations. Certain photographs of the site have been provided below:

CS – 9 Compressor



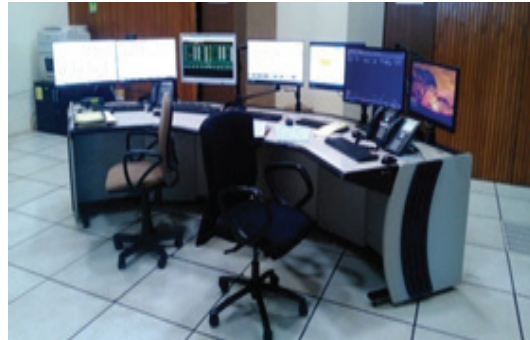
CS – 9 Electric Sub Station



CS – 9 Gas After Cooler



CS – 9 Local Control Room



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

7 Industry Overview³

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 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 the 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 ("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 overall 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 important to analyze demand and supply situation of overall Natural Gas industry.

¹ Sources - PNGRB Report, FICCI Report, Snapshot of India's Oil & Gas Data – March 2022 on www.ppac.gov.in, www.pib.gov.in, www.pngrb.gov.in, Public Articles

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.

However, in FY2022, the gross and net production has increased as compared to past 3 years thereby reducing the import dependency.

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

(MMSCM)

Details	Financial Year			March		
	2019-20	2020-21	2021-22 P	2020-21	2021-22 (Target)	2021-22 (P)
(a) Gross Production	31,184	28,673	34,024	2,686	3,415	2,886
- ONGC	23,746	21,872	20,629	1,832	1,962	1,756
- Oil India Private Limited (OIL)	2,668	2,480	2,893	210	278	250
- Private/Joint Ventures (JV’s)	4,770	4,321	10,502	642	1,175	880
(b) Net Production (excluding flare gas and loss)	30,257	27,784	33,131	2,614		2,813
(c) LNG Import*	33,887	33,031	31,906	2,978		2,613
(d) Total Consumption (including internal consumption) (b+c)	64,144	60,815	65,037	5,592		5,426
(e) Total Consumption (in BCM)	64.1	60.8	65.0	5.6		5.4
(f) Import dependency based on consumption (%) (c/d*100)	52.8%	54.3%	49.1%	53.3%		48.2%

* Jul 2021-Mar 2022 Source: Directorate General of Commercial Intelligence and Statistics data and RIL March 22 data prorated.

Production of natural gas for the month of March 2022 was 2,886 MMSCM which was higher by 7.4% compared with the corresponding month of the previous year.

LNG import for the month of March 2022 was 2,613 MMSCM which was 12.3% lower 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 2021-22 (figures in mmscm):

Sr. No.	Sector	Domestic Gas	R-LNG	Total
1	Power	6,260	2,670	8,930
2	Fertilizers	5,716	12,363	18,079
3	City Gas Distributions	6,890	5,238	12,128
4	Others	10,656	9,725	20,381
	Total	29,522	29,996	59,518

CGD sector has increased the Domestic Gas consumption, which is more now than the Power sector, while the Fertilizer sector continues to have a larger share in the LNG consumption. About a decade ago, the two sectors i.e., Power and Fertilizers had a share of almost 70% which has fallen to around 45% in FY 2021-22. 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, ~24,000 GW of gas-based power plants remain either underutilized or idle.

The introduction of a government reverse bidding subsidy scheme for supply of LNG to these stranded power plants to make them operational at 35% Plant Load Factor 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.

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 **Outlook FY23:** Overall production of natural gas is to rise on the back of scale up natural gas production from the KG basin block. Consumption of natural gas has been recovering during FY22. Given the government's thrust towards propagating the use of natural gas, consumption is to be supported by the increase of its use in the CGD network. Stability in urea production will also support gas consumption. The Government is planning to invest US\$ 2.86 billion in the upstream oil and gas production to double the natural gas production to 60 BCM and drill more than 120 exploration wells by 2022.

7.3.3 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
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
October 2020 - March 2021	1.79	4.06
April 2021 - September 2021	1.79	3.62
October 2021 - March 2022	2.90	6.13
April 2022 - September 2022	6.10	9.92

7.3.4 There has been significant increase in the domestic natural gas price and ceiling there making it further difficult for viability of gas-based power plants. The increase over the past year has been steep and has seen the highest price over past 5 years.

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 authorized by PNGRB (including under construction) as on June 30, 2021:

Sr. No.	Transporter	Length (Km)	% Share
1	GAIL	18,834	57.6%
2	GIGL	2,680	8.2%
3	GSPL	2,264	6.9%
4	IOCL	1,564	4.8%
5	PIL	1,460	4.5%
6	Others	5,916	18.1%
	Total	32,718	100.0%

- 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 as on June 30, 2021 -

Sr. No.	Pipeline	Entity	Length under construction (Km)	% Share
1	Kakinada - Vishakapatnam - Srikakulam	APGDC	275.0	1.8%
2	Jaigarh - Mangalore	HEPL	635.0	4.2%
3	Kakinada - Vijayawada - Nellore	IMC	667.0	4.4%
4	North - East Natural Gas Pipeline Grid	IGCL	1,656.0	10.9%
5	Kanai Chhata - Shrirampur	Consortium of H - Energy	317.0	2.1%
6	Srikakulam - Angul	GAIL	690.0	4.6%
7	Mumbai - Nagpur - Jharsuguda	GAIL	1,755.0	11.6%
8	Dwecha, Jalore - HRRLRefinery Spur line	GIGL	90.0	0.6%
9	Chainsa - Jhajjar - Hissar	GAIL	151.2	1.0%
10	Dadri - Bawana - Nangal	GAIL	93.0	0.6%
11	Kochi - Koottanad - Bangalore - Mangalore	GAIL	476.6	3.1%
12	Vijaipur-Auraiya-Phulpurpur line	GAIL	177.0	1.2%
13	Mehsana - Bhatinda	GIGL	1,510.0	10.0%
14	Bhatinda - Jammu - Srinagar	GIGL	639.0	4.2%
15	Mallavaram - Bhopal - Bhilwara - Vijaipur	GITL	1,446.0	9.5%
16	Dabhol - Bangalore	GAIL	266.7	1.8%
17	Ennore - Tuticorin	IOCL	1,265.2	8.4%
18	Jagdishpur- Haldia - Bokaro - Dhamra - Paradip - Barauni - Guwahati	GAIL	2,438.9	16.1%
19	Under Construction Tie-in connectivities	Multiple	233.0	1.5%
20	Under Construction Dedicated Natural Gas Pipelines	Multiple	228.0	1.5%
21	Under Construction Sub-Transmission Pipelines	Multiple	137.0	0.9%
	Total		15,146.7	100.0%

7.4.7 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)

7.4.8 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.

7.4.9 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.

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 Breakup 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) is 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 The gas transportation volume is based on the projections provided by the Management by estimating the production of natural gas that could be transported through the Pipeline.

The second major factor is Tariff for gas transportation, which is fixed by PNRGB and revised every five years. Based on the past trend, the realised tariff rate has been higher than the levelized tariff fixed by PNGRB. Further, the next tariff review is due in September 2022. Hence the expected realized tariff based on assessment of the management of PIL is 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, 2022 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 Management for period starting from April 1, 2022 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. Volumes:

- The gas transportation volume is based on the projections provided by the Management by estimating the production of natural gas that could be transported through the Pipeline.
- The primary source of production of natural gas is from the KG basin discovered resources. Additionally, estimates of production volumes from yet to find resource, LNG volumes expected to be flown in the PIL pipeline from west coast terminals and also some additional technical reserves in KG Basin are also considered. It is assumed that there would be new gas explorations in Krishna Godavari Dhirubhai 6, ONGC, etc. fields in the east coast of India.

ii. Tariff for Gas Transportation:

- Based on the past trend, the realised tariff rate has been higher than the levelized tariff fixed by PNGRB. Currently, the tariff fixed by PNGRB vide order date March 12, 2019 for the pipeline is INR 71.66/MMBtu. As discussed with the management of PIL, the next tariff review is due in September 2022 and based on assessment of the management of PIL, it expects the fixed levelized tariff to increase to INR 78/MMBtu. Accordingly, the realized tariff is expected to be in the range of INR 81 to 88/MMBtu in the projected period which has been considered for the current valuation exercise.

iii. Working Capital

- The amount of inventory is estimated to be maintained at the same level as existing on March 31, 2022. The working capital days outstanding estimated for key items is as follows:
 - Debtors – 15 days of annual revenue
 - Current liability for Gas consumption and operating expenses – 90 days of annual gas and operating cost
 - Advance for capacity reservation – 25% of annual revenue

iv. Capital Expenditure

- Based on discussions with the Management, we understand that for better upkeep and productivity of the pipeline, the yearly capital expenditure has been preponed and will be incurred from FY 23 onwards as long term and short-term operating expenditure which shall be annual in nature. Hence only minimal amount of expense is now capitalised in Plant and Machinery which has longer life.

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 on April 23, 2019. 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 have a redemption period of 5 years from issue date.
- We understand from the Management that for the purpose of redemption of New NCDs, PIL will refinance the loan after ~2 years i.e., around 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 8.20% 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 57,140 Mn. The fair value of these InvIT NCDs as reported in the audited financials of the Company is INR 69,642.3 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 9.74%. 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 is computed for each 5-year block post March 31, 2024 based on forward rates and is arrived as follows:

FY25 to FY29	FY30 to FY34	FY35 to FY39
9.54%	9.55%	9.54%

- 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 20.8 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 @ 25.2%.
- 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, 2022 as listed on www.ccilindia.com. In the present case, the risk-free rate of return is arrived at 7.1%.
 - Market Return is a measure of rate of return that investors earn 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 7.9%.
 - Beta is a measure of systematic risk of the company’s stock as compared to the market risk as a whole. Beta of 1.21 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 16.6%.
 - There is uncertainty involved in achieving the future extraction of projected gas volumes and also revision of tariff has been assumed in the projections, therefore, we have considered a company specific risk premium of 3%.
 - Accordingly, the cost of equity is arrived at 19.6%.

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 8,748.0 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 96,400.0 Mn.

9.2.8 The fair value of net debt/ liability in the books of PIL as on the Valuation Date amounts to INR 1,25,414.3 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 In addition, PIL and RIL amongst other have entered into PIL SHA through which RIL has the option to buy the entire equity shares held by the Trust in PIL at the option trigger date which for the current purpose has been considered as 20 years from the completion date which ends on March 22, 2039. Accordingly, in case the terminal value as on March 22, 2039 materially exceeds the purchase consideration for the equity shares then such value shall also accrue to RIL.

9.2.11 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 1,32,418.9 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 1,32,418.9 Mn.**

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-22 (INR Mn)	
COE	19.6%
TVG	1.0%

Year Ending	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
EBITDA	19,568.2	31,772.2	35,181.1	39,766.0	42,814.5	44,868.4	43,155.7	39,921.9	36,923.9
Less: Interest	(11,861.2)	(11,561.4)	(10,176.9)	(9,745.8)	(9,285.4)	(8,790.7)	(8,265.3)	(7,707.7)	(7,142.1)
Less: Income Tax	-	-	-	-	-	(5,725.1)	(7,561.8)	(7,074.6)	(6,618.9)
Less: Capital Expenditure	(270.7)	(165.5)	(43.0)	(16.7)	(17.2)	(14.0)	(17.3)	(15.5)	(29.5)
Add/ (Less): Changes in Working Capital	(609.7)	(1,653.3)	(2,001.9)	(2,289.5)	(1,841.9)	(1,985.3)	(1,841.0)	(1,573.0)	181.3
Less: Repayment of Debt	(3,078.2)	(3,377.9)	(3,732.0)	(4,087.9)	(4,477.7)	(4,904.8)	(5,372.5)	(5,885.8)	(6,447.8)
Free Cash Flows	3,748.5	15,014.0	19,227.2	23,626.2	27,192.3	23,448.6	20,097.8	17,665.2	16,866.8
Terminal Value (Net of value to CCPS and RPS)									
Discounting Factor	0.91	0.76	0.64	0.53	0.45	0.37	0.31	0.26	0.22
Present Value of Cash Flows	3,427.6	11,478.9	12,291.0	12,628.0	12,152.2	8,761.8	6,279.1	4,614.6	3,684.0

Year Ending	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	TY
EBITDA	33,178.5	29,346.6	27,324.3	24,446.0	22,182.4	22,152.0	22,591.9	22,772.9	23,582.1
Less: Interest	(6,602.0)	(6,013.9)	(5,365.9)	(4,649.1)	(3,867.9)	(3,012.2)	(2,071.0)	(883.8)	-
Less: Income Tax	(5,940.6)	(5,236.5)	(4,985.6)	(4,522.0)	(4,217.0)	(4,482.5)	(4,879.4)	(5,265.5)	(5,929.9)
Less: Capital Expenditure	(129.6)	(29.7)	(28.9)	(28.8)	(27.9)	(27.4)	(20.2)	(20.8)	(20.8)
Add/ (Less): Changes in Working Capital	1,280.8	1,598.2	1,769.7	2,480.7	2,905.3	2,955.1	3,156.9	4,370.1	-
Less: Repayment of Debt	(7,063.3)	(7,737.6)	(8,476.3)	(9,280.9)	(10,166.0)	(11,135.5)	(12,197.5)	(14,238.2)	-
Free Cash Flows	14,723.8	11,927.0	10,237.3	8,445.9	6,808.8	6,449.4	6,580.8	6,734.7	17,631.4
Terminal Value (Net of value to CCPS and RPS)									72,010.9
Discounting Factor	0.18	0.15	0.13	0.11	0.09	0.07	0.06	0.05	0.05
Present Value of Cash Flows	2,688.9	1,821.2	1,307.0	901.6	607.7	481.3	410.6	352.1	3,764.4

Particulars	INR Mn
NPV of Explicit Period Cash Flows	83,887.6
PV of Terminal Period Cash Flows	3,764.4
Add: Cash and cash equivalents	8,748.0
Cash flow to shareholders *	96,400.0
Add: Net Debt	1,25,414.3
Enterprise Value (EV) *	2,21,814.3
Less: Present value of net cash flow accruing to RIL as per the Transaction Documents (Refer IB below)	(89,395.4)
Enterprise Value (EV) of InvIT Asset	1,32,418.9

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

Annexure I (2/2)

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

	<i>Amount in INR Mn</i>								
Year Ending	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
(Payment)/ Set off by RIL for CCP	7,116.8	5,544.7	-	-	-	-	-	-	-
Receipt/ Accrual to RIL	4,502.3	9,469.4	19,227.2	23,626.2	23,570.9	17,880.4	15,860.8	14,454.5	14,635.2
Value accruing on exercise of call option	-	-	-	-	-	-	-	-	-
Total	11,619.2	15,014.0	19,227.2	23,626.2	23,570.9	17,880.4	15,860.8	14,454.5	14,635.2
Discounting Factor	0.91	0.76	0.64	0.53	0.45	0.37	0.31	0.26	0.22
Present Value	10,624.5	11,478.9	12,291.0	12,628.0	10,533.8	6,681.2	4,955.3	3,775.9	3,196.6

	<i>Amount in INR Mn</i>								
Year Ending	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	TY
(Payment)/ Set off by RIL for CCP	-	-	-	-	-	-	-	-	-
Receipt/ Accrual to RIL	13,728.4	12,118.8	11,138.7	10,305.2	9,454.1	9,250.7	9,408.9	9,391.7	-
Value accruing on exercise of call option	-	-	-	-	-	-	-	-	71,510.9
Total	13,728.4	12,118.8	11,138.7	10,305.2	9,454.1	9,250.7	9,408.9	9,391.7	71,510.9
Discounting Factor	0.18	0.15	0.13	0.11	0.09	0.07	0.06	0.05	0.05
Present Value	2,507.1	1,850.5	1,422.1	1,100.1	843.8	690.4	587.1	491.0	3,738.3
Sum of Present Value	89,395.4								

Annexure II – Broad Comparable Companies

Sr No	Particulars	Unlevered Beta
1	GAIL (India) Limited	0.76
2	Petronet LNG Limited	0.61
3	Indraprastha Gas Limited	0.79
4	Gujarat State Petronet Limited	0.62
5	Gujarat Gas Limited	0.63
6	Mahanagar Gas Limited	0.78
	Unlevered Beta	0.69
	Relevered Beta	1.21

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

Business Permissions and Approvals:

Sr. No.	Description of Permit	Issuing Authority	Current Status
<u>Approvals in relation to trust</u>			
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
<u>Approvals in relation to transfer of Initial Portfolio Asset</u>			
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
<u>Approvals in relation to Initial Portfolio Asset</u>			
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 Hyderabad Ahmedabad Pipeline	One time 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	31-Mar-23
5	Consent to Establish	Water Act, 1974 & Air Act, 1981	CS-01 to CS-10	One time

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
6	Consent to Operate & Hazardous Waste Authorization	Water Act,1974, Air Act 1981, Hazardous Waste (M&TM) Rule,2016	CS01 - CS02	28-Feb-23
			CS03 to CS04	28-Feb-24
			CS05	31-Dec-34
			CS06 to CS08	31-Mar-24
			CS09	14-Apr-23
			CS10	31-Mar-23
			M&R47 Kunchanapalli	30-Sep-25
7	Factory Licenses	Factories Act, 1948	CS01 factory under RIL premises	Till Cancellation
			CS02	31-Dec-22
			CS03	31-Dec-24
			CS04	31-Dec-24
			CS05	31-Dec-22
			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	CS02	02-Mar-23
			CS03	One Time
			CS04	One Time
			CS05	Pending Approval
			CS06	15-Jun-26
			CS07	07-Jun-26
			CS08	21-Apr-26
			CS09	31-Aug-24
			CS10	11-May-26
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

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
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
			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

Sr No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity		
11	Fire NOCs	A P state Disaster Response and Fire Services Department	CS01	7-Apr-22		
		A P state Disaster Response and Fire Services Department	CS02	10-Aug-23		
		Telangana state Disaster Response and Fire Services Department	CS03	Not Applicable		
		Telangana state Disaster Response and Fire Services Department	CS04	Not Applicable		
		Karnataka State Fire and Emergency Services	CS05	05-Feb-22 ⁴		
		Directorate Maharashtra Fire Services	CS06, CS07 & CS08	One Time		
		Gujarat Fire Services	CS09	08-Mar-23		
		Gujarat Fire Services	CS10	30-Nov-21 ⁵		
		12	Building plan approvals	DISH (Directorate of Industrial Safety and Health)	CS02 - CS10	One Time
13	Structure Stability Certificate	Factories Act, 1948	CS01	Valid since 07-Nov-13 factory under RIL premises		
			CS02	14-Jun-23		
			CS03	17-Jun-23		
			CS04	19-Jun-23		
			CS05	19-Jun-23		
			CS06	20-Mar-25		
			CS07	13-Jun-23		
			CS08	15-Jun-23		
			CS09	27-Mar-27		
			CS10	27-Mar-27		
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	30-Sep-22		
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		

Annexure IV – Litigations Details (1/2)

Sr No.	Against	Pending Before	Details of the Case
<u>Disputes in connection with the right of user granted to EWPL under the PMP Act</u>			
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 ¹ 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 ¹ 510.00 million. The matter is currently pending].
3	EWPL/RGTIL	Senior Civil Judge, Bharuch	[Manharlal Shivilal 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 ¹ 107.45 million. This case was dismissed in favour of the Company vide order dated 20.10.2021.
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 ¹ 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	[Thakorbbhai 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 ¹ 910.00 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].
<u>Royalty Related</u>			
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 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.

Arbitration initiated by PIL

1	Nagarjuna Fertilizers and Chemicals Limited (“NFCL”)	Arbitrator	NFCL, the customer, is in default of payment of amounts due under the GTA. PIL has initiated arbitration proceedings claiming INR 192.6 Mn with interest as on November 2019. On PIL filing its Statement of Claim, NFCL also filed its Counter Claim for seeking payment of INR 44 Mn of amount invoked under letter of credit. NFCL also filed separate application for Discovery of Documents. PIL filed Section 17 Application for securing the claim amount. The arbitrator had allowed the said application of PIL vide order dated 29.06.2021, the same is challenged by NFCL before High court of Mumbai, which is pending. The main case for claim is presently pending before the Arbitrator.
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Other Tariff Related

1	NA	PNGRB	<p>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</p> <p>(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</p> <p>(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.</p> <p>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 injunction is point of origin instead of “Atakpardi”. As a result, tariff for transportation of Gas from Mora to Jamnagar has been reinstated to Zone-2 instead of earlier classification of Zone 3.</p> <p>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</p>
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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.

11.2 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
June 27, 2020	March 31, 2020	145,268.5
May 26, 2021	March 31, 2021	138,559.9

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 financial statements as on March 31, 2022, PIL has a gross fixed asset consisting of the tangible assets related to the Pipeline amounting to INR 153,939.7 Mn, gross intangible asset amounting to INR 15,814.4 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 long term operating expenditure shall be incurred on annual basis from FY23 onwards for upkeep of the Pipeline which shall include replacement/ upgradation of the following:
 - o Gas turbines;
 - o Compressors;
 - o Pumps and related auxiliaries;
 - o Fuel management systems;
 - o Gas Engine Generators;
 - o Compressor Operating & control system;
 - o UPS system;
 - o Transformers;
 - o Battery Bank;
 - o Digital Relays; and
 - o Other IT infrastructure

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

PIL owns land bearing survey no. 19/6B at Ambeshiv Budruk, (Vaholi), Maharashtra. Reliance Gas Pipelines Ltd (“RGPL”) in understanding with PIL had installed MLV-25 for its Dahej – Nagothane Ethane Pipeline (“DNEPL”) project. Tehsildar, the Revenue Dept. demanded payment of 75% of the land cost for not obtaining the prior permission of the collector before purchasing the agricultural land by RGTL. The Tehsildar without considering the merits passed an order dated July 22, 2019 (“Tehsildar’s Order”) converting the said land into Government land. Against this action PIL and RGPL together; filed an appeal with the Maharashtra Revenue Tribunal (MRT) challenging the Tehsildar’s Order and the action taken thereby contending that land was used for bonafide industrial purpose which is valid under Maharashtra Tenancy and Agricultural Lands Act. The matter was heard in January 2020 and MRT granted interim relief to PIL & RGPL till the next date of hearing. The interim relief granted continues in favour of PIL and RGPL. The appeal is pending for further hearing.

The Management has confirmed to us that apart from above 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.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Unitholders of 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 Standalone Balance Sheet as at March 31, 2022, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Unitholders' Equity, Standalone Statement of Cash Flows for the year then ended, Standalone Statement of Net Assets at Fair Value as at March 31, 2022, Standalone Statement of Total Returns at Fair Value and Net Distributable Cash Flows for the year then ended as an additional disclosure in accordance with Securities Exchange Board of India (SEBI) Circular No. CIR/IMD/DF/127/2016, dated November 29, 2016 and a summary of significant accounting policies and other explanatory information (together hereinafter referred 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 read with the SEBI circular number CIR/IMD/DF/127/2016, dated November 29, 2016 (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), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations, of the state of affairs of the Trust as at March 31, 2022, and its profit (including other comprehensive income), its changes in unitholders' equity, its cash flows for the year ended March 31, 2022, its net assets at fair value as at March 31, 2022, its total returns at fair value and net distributable cash flows for the year ended on that date and other financial information of the Trust.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the 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 and have fulfilled our ethical responsibilities in accordance with 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.

Emphasis of Matter

We draw attention to Note 11.2 of the standalone financial statements, which describes the presentation of “Unit Capital” as “Equity” to comply with InvIT Regulations. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements of the current year. This matter was 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Fair valuation of Investment in Non-convertible debentures (NCDs):</p> <p>The valuation of investment in Non-convertible debentures (NCDs) issued by Pipeline Infrastructure Limited ("PIL", "SPV") was a key area of audit focus due to degree of complexity and judgement involved in valuing the NCDs.</p> <p>As at March 31, 2022, fair value of these NCDs was Rs. 6,964.23 crores. These NCDs are measured at fair value and classified as "Level 3" of the fair value hierarchy.</p> <p>The fair value of these NCDs is determined by an independent valuer using discounted cash flow method.</p> <p>While there are several assumptions that are required to determine the fair value of NCDs, assumption with the highest degree of estimate, subjectivity and impact on fair value is the discount rate. Auditing this assumption required a high degree of auditor judgment as the estimates made by the independent valuer contain significant measurement uncertainty.</p> <p>Refer note 22 to the standalone financial statements.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures related to the discount rate used to determine the fair value of the investment in NCDs included the following, among others:</p> <ul style="list-style-type: none"> • We obtained the independent valuer's valuation report to obtain an understanding of the source of information used by the independent valuer in determining the assumption. • We tested the reasonableness of inputs, shared by management with the independent valuer, by comparing it to source information used in preparing the inputs such as schedule of Equated Yearly Instalments. • We evaluated the Company's fair valuation specialist's competence to perform the valuation. • We also involved our internal fair valuation specialists to independently determine fair value of the NCDs on the balance sheet date, which included assessment of the reasonableness of the discount rate used by management in valuation. • We compared the fair value determined by the Company with that determined by our internal fair valuation specialist to assess the reasonableness of the fair valuation.

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

- Brookfield India Infrastructure Manager Private Limited (Formerly known as WIP (India) Private Limited) ('Investment Manager') acting in its capacity as an Investment Manager of the Trust 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, consolidated 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 we 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 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'.

Management's Responsibility for the Standalone Financial Statements

The Board of Directors of the Investment Manager ("the Board") is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in unitholders' equity, cash flows for the year ended March 31, 2022, net assets at fair value as at March 31, 2022, total returns at fair value and net distributable cash flows for the year ended on that date and other financial information of the Trust in conformity with the InvIT Regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. This responsibility also includes maintenance of adequate accounting records 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, the Board 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 the Board either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Board is also responsible for overseeing the financial reporting process of the Trust.

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 the purpose of 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 standalone 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.
- Obtain sufficient appropriate audit evidence regarding the Standalone financial statements of the Trust to express an opinion on the standalone financial statements.

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 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 Standalone Balance sheet, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Unitholders' Equity, Standalone Statement of Cash Flows, Standalone Statement of Net Assets at fair value, Standalone Statement of Total Return at fair value and the Statement of Net Distributable Cash Flows dealt with by this Report are in agreement with the relevant books of account of the Trust;
- c) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/ W100018)

Rajendra Sharma

Partner

(Membership No. 119925)

UDIN : 22119925AJFKUS2783

Place: Mumbai

Date: May 19, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Investment in a Subsidiary	3	50.00	50.00
Financials Assets			
Investments	4	6,964.23	7,424.42
Other Financial Assets	5	47.90	4.59
Total Non-Current Assets		7,062.13	7,479.01
Current Assets			
Financial Assets			
Investments	6	0.25	-
Cash and Cash Equivalents	7	0.24	0.43
Other Bank Balances	8	-	48.43
Other Financials Assets	9	0.60	0.10
Other Current Assets	10	0.01	0.01
Total Current Assets		1.10	48.97
Total Assets		7,063.23	7,527.98
EQUITY AND LIABILITIES			
Equity			
Unit Capital	11	5,157.95	5,580.65
Other Equity			
Retained earnings	12	1,831.35	1,887.11
Total Unit Holders' Equity		6,989.30	7,467.76
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities (call option)	13	70.12	58.49
Total Non-Current Liabilities		70.12	58.49
Current Liabilities			
Financial Liabilities			
Trade Payables	14		
Total outstanding dues of Small Enterprises and Micro enterprises		1.21	1.00
Others		2.27	0.60
Other Current Liabilities	15	0.33	0.13
Total Current Liabilities		3.81	1.73
Total Liabilities		73.93	60.22
Total Equity and Liabilities		7,063.23	7,527.98

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
 Firm's Registration No.117366W/W-100018

Rajendra Sharma
 Partner
 Membership No. 119925

Sridhar Rengan
 Chairperson of the Board
 DIN: 03139082
 Place : Mumbai

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

Akhil Mehrotra
 Member of the Pipeline
 InvIT Committee
 PAN: ADNPM5006E
 Place : Navi Mumbai

Pratik Desai
 Compliance Officer of the Trust
 PAN: ALZPD6476H
 Place : Navi Mumbai

Date : May 19, 2022
Place : Mumbai

Date : May 19, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022	(Rs. in Crore) Year ended March 31, 2021
INCOME			
Revenue from Operations	16	635.92	715.97
Fair value (loss)/gain on Non convertible debentures measured at FVTPL	22	(37.48)	76.30
Other Income	17	3.23	3.69
Total Income		601.67	795.96
EXPENSES			
Valuation Expenses		0.18	0.18
Investment Manager Fee		2.83	2.83
Trustee Fee		0.21	0.21
Project Manager fee		1.77	1.77
Listing Fee		0.12	0.12
Payment to auditors	18	2.45	2.36
Other Expenses	19	13.70	10.24
Total Expenses		21.26	17.71
Profit before Tax		580.41	778.25
Tax Expenses			
Current Tax	25	1.38	1.58
Deferred Tax		-	-
Profit for the year		579.03	776.67
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss		-	-
Total Comprehensive Income for the year		579.03	776.67
Earnings per unit of face value of Rs. 77.6800 each (Previous Year Rs. 84.0461)	20		
For Basic (Rs.)		8.72	11.70
For Diluted (Rs.)		8.72	11.70

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
 Firm's Registration No.117366W/W-100018

Rajendra Sharma
 Partner
 Membership No. 119925

Sridhar Rengan
 Chairperson of the Board
 DIN: 03139082
 Place : Mumbai

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

Akhil Mehrotra
 Member of the Pipeline
 InvIT Committee
 PAN: ADNPM5006E
 Place : Navi Mumbai

Pratik Desai
 Compliance Officer of the Trust
 PAN: ALZPD6476H
 Place : Navi Mumbai

Date : May 19, 2022
Place : Mumbai

Date : May 19, 2022

STATEMENT OF CHANGES IN UNITHOLDER'S EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. UNIT CAPITAL

(Rs. in Crore)

Balance at the beginning of previous reporting year i.e. April 1, 2020	Changes in unit capital during the year 2020-21 *	Balance at the end of previous reporting year i.e. March 31, 2021	Changes in unit capital during the year 2021-22 *	Balance as at the end of the reporting year i.e. March 31, 2022
6,044.53	(463.88)	5,580.65	(422.70)	5,157.95

* Return of capital as per NDCF is approved by investment manager. Refer NDCF Note 24.

B. OTHER EQUITY

(Rs. in Crore)

	Retained Earnings	Other Comprehensive Income	Total
As at March 31, 2021			
Balance as at the beginning of the reporting year i.e. April 1, 2020	1,816.08	-	1,816.08
Total Comprehensive Income for the year	776.67	-	776.67
Return on Capital [#]	(704.60)	-	(704.60)
Other Income Distribution [#]	(1.04)	-	(1.04)
Balance as at the end of the reporting year i.e. March 31, 2021	1,887.11	-	1,887.11
As at March 31, 2022			
Balance as at the beginning of the reporting year i.e. April 1, 2021	1,887.11	-	1,887.11
Total Comprehensive Income for the year	579.03	-	579.03
Return on Capital [#]	(628.18)	-	(628.18)
Other Income Distribution [#]	(6.61)	-	(6.61)
Balance as at the end of the reporting year i.e. March 31, 2022	1,831.35	-	1,831.35

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 24.

See accompanying Notes to the Financial Statements 1 - 34

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

Firm's Registration No.117366W/W-100018

Rajendra Sharma
Partner
Membership No. 119925

Sridhar Rengan
Chairperson of the Board
DIN: 03139082
Place : Mumbai

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

Akhil Mehrotra
Member of the Pipeline
InvIT Committee
PAN: ADNPM5006E
Place : Navi Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Navi Mumbai

Date : May 19, 2022
Place : Mumbai

Date : May 19, 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	(Rs.in crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	580.41	778.25
Adjusted for:		
Fair Value loss/(gain) on Non Convertible Debenture measured at FVTPL	37.48	(76.30)
Fair value measurement loss on put option	0.87	0.05
Fair value measurement loss on call option	11.63	9.01
Interest income on Fixed Deposit	(3.14)	(3.64)
Profit on sale of Mutual Fund	(0.09)	(0.05)
	46.75	(70.93)
Operating profit before working capital changes	627.16	707.32
(Increase)/Decrease in Other Current Financial Assets	-	1.81
(Increase)/Decrease in Trade Payables	1.88	(0.32)
Increase/(Decrease) in Other Current Liabilities	0.19	(0.60)
	2.07	0.89
Cash Generated from Operations	629.23	708.21
Less : Taxes paid	(1.40)	(1.60)
Net Cash Flow from Operating Activities	627.83	706.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption/Principal repayment received on Non convertible debentures of Subsidiary	279.91	208.77
Expenditure Component sweep received from subsidiary	142.80	255.44
Sale proceeds of Mutual Funds	46.23	22.34
Investment in Mutual Funds	(46.39)	(22.29)
Proceeds on closure of fixed deposits with banks	-	22.16
Investment in fixed deposit with banks	-	(22.16)
Reinvestment of DSRA BG Fixed Deposit	(0.56)	(4.81)
Interest income received on Fixed Deposit with banks	7.48	3.64
Net Cash Flow from Investing Activities	429.47	463.09
C. CASH FLOW FROM FINANCING ACTIVITIES		
Return of Capital to Unit holders	(422.70)	(463.88)
Return on Capital to Unit holders	(628.18)	(704.60)
Distribution of Miscellaneous income to Unit holders	(6.61)	(1.04)
Net Cash Flow used in Financing Activities	(1,057.49)	(1,169.52)
Net Increase/(Decrease) in Cash and Cash Equivalents	(0.19)	0.18
Opening Balance of Cash and Cash Equivalents (Refer Note 7)	0.43	0.25
Closing Balance of Cash and Cash Equivalents (Refer Note 7)	0.24	0.43
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

Firm's Registration No.117366W/W-100018

Rajendra Sharma

Partner

Membership No. 119925

Sridhar Rengan

Chairperson of the Board

DIN: 03139082

Place : Mumbai

For and on behalf of the Board of Directors of

Brookfield India Infrastructure Manager Private Limited

(Formerly known as WIP (India) Private Limited)

(as an Investment Manager of India Infrastructure Trust)

Akhil Mehrotra

Member of the Pipeline

InvIT Committee

PAN: ADNPM5006E

Place : Navi Mumbai

Pratik Desai

Compliance Officer of the Trust

PAN: ALZPD6476H

Place : Navi Mumbai

Date : May 19, 2022

Place : Mumbai

Date : May 19, 2022

DISCLOSURES PURSUANT TO SEBI CIRCULARS

(SEBI Circular No.CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under InvIT Regulations)

A. Standalone Statement of Net Assets at Fair Value as at March 31, 2022

Particulars	(Rs. in Crore)			
	As at March 31, 2022		As at March 31, 2021	
	Book value	Fair value	Book value	Fair value
A. Assets*	7,063.23	7,400.44	7,527.98	7,838.68
B. Liabilities**	73.93	73.93	60.22	60.22
C. Net Assets (A-B)	6,989.30	7,326.51	7,467.76	7,778.46
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E. NAV (C/D)	105.26	110.34	112.47	117.15

* Assets includes the Fair Value of the Enterprise Value attributable to the InvIT as at March 31, 2022. Assets are valued as per valuation reports issued by independent valuers appointed under the InvIT Regulations and as per IND AS.

** Liabilities includes the Fair Value of the call option with Reliance Industries Limited in respect of PIL shares. (Refer Note 13.1)

B. Standalone Statement of Total Returns at Fair Value for the year ended March 31, 2022

Particulars	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Comprehensive Income (As per the Statement of Profit and Loss)	579.03	776.67
Add/(less): Other Changes in Fair Value not recognized in Total Comprehensive Income	26.51	-71.49
Total Return	605.54	705.18

Fair value of assets and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

1 Corporate Information

India Infrastructure Trust (“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 January 23, 2019 having registration number IN/InvIT/18-19/0008. During the year the principal place of business of the Trust was changed from Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India. to Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051, India effective May 12, 2021. Further, effective May 6, 2022, the registered office of the Trust has been again changed from Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051, India to Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India.

The Trust has appointed Brookfield India Infrastructure Manager Private Limited as the “Investment Manager” w.e.f. April 1, 2020. The registered office of the Investment Manager has been changed from Unit no. 804, 8th Floor, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India to Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051 India effective May 12, 2021.

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. March 20, 2019 from the Stock Exchange vide BSE notice dated March 19, 2019.

On March 22, 2019 Trust acquired 100% controlling interest in Pipeline Infrastructure Limited (PIL) from Reliance Industries Holding Private Limited (RIHPL). On March 18, 2019, the share transfer 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 Standalone Financial Statements

The Standalone Financial Statements of Trust comprises the Standalone Balance Sheets as at March 31, 2022; the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Unitholders’ Equity for the year ended March 31, 2022 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31 March 2022, the Statement of Total Returns at Fair Value for year then ended and other additional financial disclosures as required under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. The Standalone Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the Investment Manager on behalf of the India Infrastructure Trust on May 19, 2022. The standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”), as amended from time to time read with the SEBI circular number CIR/IMD/DF/114/2016 dated October 20, 2016 (“SEBI Circular”); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (‘Ind AS’), to the extent not inconsistent with the InvIT Regulations (refer note 11.2 on presentation of “Unit Capital” as “Equity” instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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.

Statement of compliance to Ind AS:

These Standalone Financial Statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (‘Ind AS’), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 11.2 to the standalone financial statements.

2.2 Use of estimates and judgements :

The preparation of standalone 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.

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.

Key sources of estimation of uncertainty at the date of standalone 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 fair value measurements of financial instruments, these are discussed below:

a) Fair valuation

The investment in non-convertible debentures and call and put options related to the investment in subsidiary are 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 Trust has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Trust financial statements may differ from that estimated as at the date of approval of these financial statements.

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 and Contingent liabilities

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 Expense

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 year. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting year.

d) Revenue Recognition

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

i) 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.

ii) Dividend :

Dividend is recognised when the right to receive is established.

e) 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.

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 these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 22.

g) 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 trust or counterparty.

h) 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.

i) 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.

j) Statements of net assets at fair value

The disclosure of Statement of Net Assets at Fair Value comprises of the fair values of the total assets and fair values of the total liabilities of individual SPV's. The fair value of the assets are reviewed annually by Investment manager, derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations. The independent valuers are leading valuers with a recognized and relevant professional qualification as per InvIT regulations and valuation assumptions used are reviewed by Investment Manager at least once a year.

k) Statements of Total Returns at Fair Value

The disclosure of total returns at fair value comprises of the total Comprehensive Income as per the Standalone Statement of Profit and Loss and Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income. Other changes in fair value is derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

l) 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.

m) 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.

n) Financial instruments**i) Financial Assets****A. Initial recognition and measurement:**

Financial assets 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. 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.
- iii) **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.

NOTE 3 - INVESTMENTS IN A SUBSIDIARY

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
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

3.1 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 4. NON CURRENT FINANCIAL INVESTMENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Investments in Unquoted Non Convertible Debentures (NCD) (at FVTPL)		
649,80,000 (PY 649,80,000) Secured, Unlisted NCDs of Rs. 879.35 (Previous Year Rs.922.42) each issued by Pipeline Infrastructure Limited (Refer Note 22)	6,964.23	7,424.42
TOTAL	6,964.23	7,424.42

NOTE 5. OTHER NON CURRENT FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Put option on PIL shares (Refer note 5.1)	3.72	4.59
Other Bank Balances (Refer note 5.2)	44.18	-
TOTAL	47.90	4.59

5.1 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 Crore 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 Crore after a specific term or occurrence of certain events.

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

NOTE 6. INVESTMENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Investments measured at Fair Value through Profit and Loss		
In Mutual funds - Unquoted, fully paid up	0.25	-
TOTAL	0.25	-

NOTE 7. CASH AND CASH EQUIVALENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Balance with Banks	0.24	0.43
TOTAL	0.24	0.43

NOTE 8. OTHER BANK BALANCE	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with Bank (Refer note 5.2)	-	48.43
TOTAL	-	48.43

NOTE 9. OTHER FINANCIAL ASSETS	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Interest receivable on Fixed Deposit	0.55	0.08
Advance tax	0.05	0.02
(Net of Provision for Income Tax - Rs. 4.68 Crore) (Previous Year - Rs. 3.30 Crore)		
TOTAL	0.60	0.10

NOTE 10. OTHER CURRENT ASSETS	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.01	0.01
TOTAL	0.01	0.01

NOTE 11. UNIT CAPITAL	(Rs. in Crore)	
11.1 Unit Capital		
	As at March 31, 2022	As at March 31, 2021
Issued, subscribed and fully paid up unit capital	5,157.95	5,580.65
66,40,00,000 (March 31, 2021: 66,40,00,000) units of Rs. 77.6800 (March 31, 2021: Rs. 84.0461) each		
TOTAL	5,157.95	5,580.65

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 .

11.2 Under the provisions of the InvIT Regulations, Trust is required to distribute to Unitholders not less than 90% of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contains 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 October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016) issued under the InvIT Regulations, the Unitholders' funds have been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with

the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

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

Name of Unitholder	Relationship	As at March 31, 2022		As at March 31, 2021	
		No of Unit held	Percentage	No. of Unit held	Percentage
Rapid Holdings 2 Pte. Ltd	Sponsor	49,80,00,000	75.00%	56,88,00,000	85.66%
ICICI Prudential Equity & Debt Fund	Unitholder	3,42,00,000	5.15%	3,50,00,000	5.27%

11.4 Reconciliation of the units outstanding at the beginning and at the end of the reporting year

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	No. of Units	No. of Units
Units at the beginning of the year	66,40,00,000	66,40,00,000
Issued during the year	-	-
Units at the end of the year	66,40,00,000	66,40,00,000

NOTE 12. OTHER EQUITY

	(Rs. in Crore)	
	As at	As at
	March 31, 2022	March 31, 2021
Retained earnings		
Opening Balance	1,887.11	1,816.08
Profit for the year	579.03	776.67
Return on Capital to Unit holders	(628.18)	(704.60)
Distribution of income to Unit holders	(6.61)	(1.04)
TOTAL	1,831.35	1,887.11

NOTE 13. OTHER NON CURRENT FINANCIAL LIABILITIES

	(Rs. in Crore)	
	As at	As at
	March 31, 2022	March 31, 2021
Call Option with RIL for PIL shares (Refer note 13.1)	70.12	58.49
TOTAL	70.12	58.49

13.1 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 Crore. Correspondingly, the Trust has right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crore after a specific term or occurrence of certain events.

NOTE 14. TRADE PAYABLES

	(Rs. in Crore)	
	As at	As at
	March 31, 2022	March 31, 2021
Small Enterprises and Micro enterprises (Refer Note 14.1)	1.21	1.00
Others	2.27	0.60
TOTAL	3.48	1.60

14.1 Dues to micro, small & medium enterprises as defined under the MSMED Act, 2006

The Trust does not have any over dues outstanding to the micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management.

14.2 Trade payables ageing schedule for the year ended March 31, 2022 and March 31, 2021

Outstanding for following periods from due date of payment

As at March 31, 2022	Not due*	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	0.26	0.94	-	-	-	1.21
Others	0.12	2.15	-	-	-	2.27
As at March 31, 2021	Not due*	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	0.15	0.85	-	-	-	1.00
Others	0.60	0.00				0.60

* Includes unbilled expenses

NOTE 15. OTHER CURRENT LIABILITIES

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Statutory liabilities payable	0.33	0.13
TOTAL	0.33	0.13

NOTE 16. REVENUE FROM OPERATIONS

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating Income		
Income from Interest on Investment in Non Convertible Debenture (NCD)	635.92	715.97
TOTAL	635.92	715.97

NOTE 17. OTHER INCOME

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Fixed Deposits	3.14	3.64
Gain (net) on Financial Assets		
Realised gain on Mutual Funds	0.09	0.05
Unrealised gain on Mutual Funds (FVTPL) (Rs. 9,585 (Previous year Rs. Nil))	0.00	-
TOTAL	3.23	3.69

NOTE 18. PAYMENT TO AUDITORS AS :

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditor		
Statutory audit fees	0.68	0.59
Other audit fees*	1.77	1.77
TOTAL	2.45	2.36

* Represents audit fees paid for audit of group reporting package as per group referral instructions under the PCAOB standards, for year ended December 31,2021

NOTE 19. OTHER EXPENSES

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank Charges	0.02	0.01
Legal & Professional fees	0.68	0.62
Custodian charges	0.47	0.51
Miscellaneous Expenses	0.03	0.04
Fair value loss of Put Option (Refer note 5)	0.87	0.05
Fair value loss of Call Option (Refer note 13)	11.63	9.01
TOTAL	13.70	10.24

NOTE 20. EARNINGS PER UNIT (EPU)

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
The following reflects the income and unit data used in the basic and diluted EPU computations:		
i) Net Profit as per Statement of Profit and Loss attributable to Unit Holders (Rs. in Crore)	579.03	776.67
ii) Weighted Average number of Units used as denominator for calculating Basic EPU	66,40,00,000	66,40,00,000
Reporting period (in days)	365	365
Units allotted (in days)	365	365
iii) Weighted Average number of Potential Units	-	-
iv) Total Weighted Average number of Units used as denominator for calculating Diluted EPU	66,40,00,000	66,40,00,000
v) Earnings per unit of unit value of Rs. 77.6800 each (Previous year unit value Rs. 84.0461 each)		
- For Basic (Rs.)	8.72	11.70
- For Diluted (Rs.)	8.72	11.70

NOTE 21. 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**

Ultimate Holding Company	Brookfield Asset Management Inc.
Entity which exercise control on the Trust	Rapid Holdings 2 Pte. Ltd.
Subsidiary	Pipeline Infrastructure Limited
Entity under common control	Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) w.e.f. October 13, 2020
Member of same group	Pipeline Management Services Private Limited Peak Infrastructure Management Services Private Limited Summit Digitel Infrastructure Private limited (formerly known as Reliance Jio Infratel Private Limited) Space Teleinfra 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**

Brookfield India Infrastructure Manager Private Limited (Formerly known as WIP (India) Private Limited (Investment Manager) w.e.f April 01, 2020 (as per InvIT regulation 4 as amended)
ECI India Managers Private Limited (Project manager as per InvIT regulation 4 as amended)
Axis Trustee Services Limited(Trustee as per InvIT regulation 4 as amended)

B. Directors of the parties to the Trust specified in II(A) Above**i. ECI India Managers Private Limited**

Mr. Mihir Anil Nerurkar (upto February 10, 2022)
Mr. Jeffrey Wayne Kendrew (upto February 10, 2022)
Mr. Darshan Vora (effective February 10, 2022)
Mr. Nawal Saini (upto September 30, 2021)
Mr. Anish Kedia (effective September 30, 2021)

ii. Brookfield India Infrastructure Manager Private Limited (Investment Manager w.e.f April 01, 2020)

Ms. Pooja Aggarwal (effective September 30, 2021)
Mr. Nawal Saini (upto September 30, 2021)
Mr. Darshan Vora (effective July 1, 2021 and upto September 30, 2021)
Mr. Rishi Tibriwal (Upto June 30, 2021)
Mr. Sridhar Rengan
Mr. Narendra Aneja
Mr. Chetan Desai

iii. Rapid Holdings 2 Pte.Ltd

Mr. Tang Qichen (effective September 15, 2021)
Ms. Taswinder Kaur Gill (upto September 13, 2021)
Mr. Velden Neo Jun Xiong (effective August 13, 2021)
Mr. Walter Zhang Shen (upto July 1, 2021)
Mr. Aanandjit Sunderaj (upto June 9, 2021)
Mr. Liew Yee Foong
Ms. Ho Yeh Hwa

iv. **Axis Trustee Services Limited**

Ms. Deepa Rath (effective May 01, 2021)

Mr. Sanjay Sinha (upto April 30, 2021)

Mr. Rajesh Kumar Dahiya

Mr. Ganesh Sankaran

III. Transactions with the related Parties during the year			(Rs. in Crore)	
Sr. No	Particulars	Relations	Year ended March 31, 2022	Year ended March 31, 2021
1	Interest Income			
	Pipeline Infrastructure Limited	Subsidiary	635.92	715.97
2	Trustee Fee			
	Axis Trustee Services Limited	Trustee	0.21	0.21
3	Investment management fee			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	2.83	2.83
4	Repayment of Unit Capital (Rs.6.3661 Paid out of Units of Rs. 84.0461) Rapid Holdings 2 Pte. Ltd.	Sponsor	359.28	397.36
5	Repayment of NCD			
	Pipeline Infrastructure Limited	Subsidiary	279.91	208.77
6	Legal/Professional fees/reimbursement of expenses			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.64	0.61
7	Project Management fee			
	ECI India Managers Private Limited	Project Manager	1.77	1.77
8	Interest Distributed			
	Rapid Holdings 2 Pte.Ltd.	Sponsor	533.63	603.58
9	Other Income Distributed			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	5.66	0.89
10	Amount received towards expenditure component sweep			
	Pipeline Infrastructure Limited	Subsidiary	142.80	255.44

IV. Balances at the end of year

Sr. No.	Particulars	Relations	As at March 31, 2022	As at March 31, 2021
1	Reimbursement of Expense payable			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.17	0.16
2	Investment Manager Fee Payable			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.22	-
3	Project Manager fee payable			
	ECI India Managers Private Limited	Project Manager	0.81	0.83
4	Non Convertible Debentures at Fair value through Profit and Loss (FVTPL)*			
	Pipeline Infrastructure Limited	Subsidiary	6,964.23	7,424.42
5	Investment in Subsidiary			
	Pipeline Infrastructure Limited	Subsidiary	50.00	50.00
6	Units value			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	3,868.46	4,780.54

* Rs. 606.33 Crore (Previous year Rs. 463.53 Crore) being amount received from Pipeline Infrastructure Ltd is netted off against Investment in Non Convertible Debentures (NCD) at FVTPL.

NOTE 22. FINANCIAL INSTRUMENTS

(Rs. in Crore)

Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2022.

Particulars	As at March 31, 2022			As at March 31, 2021				
	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*								
Cash and Cash Equivalents	0.24				0.43			
Other bank balances	-				48.43			
Other Financial Assets	48.50				4.70			
At FVTPL								
Investments in Mutual Funds	0.25		0.25		-			
Investments in Non Convertible Debentures (NCD)	6,964.23			6,964.23	7,424.42			7,424.42
Put option on PIL shares	3.72		3.72		4.59		4.59	
Financial Liabilities								
At Amortised Cost*								
Trade payables	3.48				1.60			
At FVTPL								
Call Option on PIL shares	70.12		70.12		58.49		58.49	

* 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, 2022 and March 31, 2021

Particulars	(Rs. in Crore)
As at April 1, 2021	7,424.42
Add: Fair Value (Gain)/Loss recognized in Profit & Loss	(37.48)
Less: Principal repayment of debentures	(279.91)
Less: Expenditure Component Sweep received during the year*	(142.80)
As at March 31, 2022	6,964.23
As at April 1, 2020	7,812.33
Add: Fair Value (Gain)/Loss recognized in Profit & Loss	76.30
Less: Principal repayment of debentures	(208.77)
Less: Expenditure Component Sweep received during the year*	(255.44)
As at March 31, 2021	7,424.42

*Expenditure Component Sweep is treated as an advance and will be settled against the future repayments as per the Agreements (s).

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).

Income from Interest on Investment in InvIT NCD amounting to Rs. 635.92 Crore (Previous year Rs. 715.97 Crore) is included under "Revenue from operations". Other Fair value (loss)/gain on this NCD amounting to Rs. (37.48) Crore (Previous year Rs. 76.30 Crore) is included under "Fair value (loss)/gain on Non convertible debentures measured at FVTPL".

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%.

The significant assumptions considered in the valuation are:

- 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 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. 165.91 Crore, if the discount rate reduces by 0.5% then Fair value of the investment will increase by Rs.173.48 Crore.
- 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. 164.21 Crore and if this rate reduced by 0.5% then Fair value of the investment will increase by Rs.162.23 Crore.

The interest rates are blocked for a period of first 5 years at 9.7% i.e. upto March 22, 2024 and hence instrument is not exposed to interest rate risk in next year.

NOTE 23. 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.

NOTE 24. Statement of Net Distributable Cash Flows (NDCF)

Particulars	(Rs. in Crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows received from Portfolio Assets in the form of interest	635.92	715.97
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	6.69	0.11
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	422.71	464.21
Total cash flow at the InvIT level (A)	1,065.32	1,180.29
Less: re-imburement 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	(6.66)	(9.29)
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	(1.10)	(1.32)
Total cash outflows/retention at the Trust level (B)	(7.76)	(10.61)
Net Distributable Cash Flows (C) = (A+B)	1,057.56	1,169.68

* Includes Rs. 142.80 Crore received as advance from SPV. (Previous period Rs.255.44 Crore)

The Net Distributable Cash Flows (“NDCF”) as above is for the year ended March 31, 2022. An amount of Rs. 1,057.49 Crore has been distributed to unit holders as follows.

Date of Distribution payment	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 19, 2021	132.91	155.87	-	288.78
July 19, 2021	98.78	159.27	-	258.05
October 18, 2021	93.42	157.89	6.61	257.92
January 18, 2022	97.59	155.15	-	252.74
	422.70	628.18	6.61	1,057.49
For the year ended March 31, 2021	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 20, 2020	147.66	146.37	0.50	294.53
July 16, 2020	88.56	206.37	0.54	295.47
October 16, 2020	116.86	175.78	-	292.64
January 19, 2021	110.80	176.08	-	286.88
Total	463.88	704.60	1.04	1,169.52

NOTE 25. 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 multiplied by Tax rate

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before Tax	580.41	778.25
Tax at the Indian tax rate of 42.74% (Including 37 % surcharge & 4% cess)	248.09	332.67
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
PIL Interest Received since considered as pass through	(271.82)	(306.03)
Fair value loss/(gain) on Non convertible debentures measured at FVTPL	16.02	(32.61)
Expenses Disallowed since related interest income is exempt	9.09	7.56
Income Tax expense	1.38	1.58

NOTE 26. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

The Trust does not have any over dues outstanding to the micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management. Hence, additional disclosure requirements under MSME are not applicable for the year under review.

NOTE 27.

Contingent liabilities and commitments (to the extent not provided for) are Nil as at March 31, 2022 (Previous year Nil)

NOTE 28. LONG TERM CONTRACT

The Trust has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Trust has reviewed and ensured that adequate provision as required under any law / accounting standard there are no foreseeable losses on such long term contracts has been made in the books of accounts.

NOTE 29. 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 30. CAPITAL MANAGEMENT

The Trust adheres to a disciplined Capital Management framework which is underpinned by the following guiding principles:

- Maintain financial strength to ensure AAA or equivalent ratings at individual Trust and subsidiary level.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Leverage optimally in order to maximize unit holder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

As at March 31, 2022 and March 31, 2021 the Trust has no borrowings, hence net gearing ratio is zero.

NOTE 31. RATIOS - The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.29	28.38	-98.98%	[Refer Note 31.2.(i)]
Debt- Equity Ratio [Refer Note 31.1.(i)]	Total Debt	Shareholder's Equity	NA	NA	NA	-
Debt Service Coverage Ratio [Refer Note 31.1.(i)]	Earnings available for debt services	Debt service	NA	NA	NA	-
Return on Equity ratio	Net profit/ (loss) after tax	Average Shareholder's Equity	8.01%	10.13%	-20.95%	-
Inventory Turnover ratio [Refer Note 31.1.(ii)]	Cost of goods sold	Average Inventory	NA	NA	NA	-
Trade Receivables Turnover ratio [Refer Note 31.1.(iii)]	Revenue from operations	Average Trade Receivables	NA	NA	NA	-
Trade Payables Turnover ratio	Total Purchases of services & other expenses	Average Trade Payables	8.37	10.06	-16.80%	-
Net Capital Turnover ratio	Revenue from operations	Working Capital	-235.39	15.15	-1653.26%	[Refer Note 31.2.(ii)]
Net Profit Margin	Net Profit	Revenue from operations	91.05%	108.48%	-16.06%	-
Return on Capital Employed	Earnings before Interest & Tax	Capital Employed	8.30%	10.42%	-20.32%	-
Return on Investment On Mutual Fund	Income generated from investments	Time weighted average investments	3.35%	3.16%	5.92%	-
Return on Investment On Fixed Deposit			6.74%	7.70%	-12.49%	-

31.1 Applicability of ratio

- i) The Company does not have any debt, therefore Debt-Equity ratio and Debt-Service Coverage ratio is not applicable.
- ii) The Company is into service industry, hence inventory turnover ratio is not applicable.
- iii) The Company does not have any Trade receivables, Therefore, Trade receivable turnover ratio is not applicable.

31.2 Reason for variance

- i) Fixed deposit with bank which was part of cash and cash equivalents in previous year, has been presented under Non-current assets due to renewal and residual maturity being more than 1 year, which has led to variance in the Current ratio.
- ii) Reduction is due to reason mentioned in 31.2.(i) above partly offset by decrease in working capital.

NOTE 32: SUBSEQUENT EVENTS

On a review of the business operations of the Trust, review of minutes of meetings, review of the trial balances of the periods subsequent to March 31, 2022, no subsequent events requiring reporting in the financials of Financial year 2021-22 have been identified.

NOTE 33:

The previous year figures have been regrouped wherever necessary to make them comparable with those of current year.

NOTE 34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors of Investment Manager to the Trust, at their meeting held on May 19, 2022.

For and on behalf of the Board**Brookfield India Infrastructure Manager Private Limited**

(Formerly known as WIP (India) Private Limited)

(as an Investment Manager of India Infrastructure Trust)

Sridhar Rengan

Chairperson of the Board

DIN: 03139082

Place : Mumbai

Akhil Mehrotra

Member of the Pipeline

InvIT Committee

PAN: ADNPM5006E

Place : Navi Mumbai

Pratik Desai

Compliance Officer of the Trust

PAN: ALZPD6476H

Place : Navi Mumbai

Date : May 19, 2022

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Unitholders of India Infrastructure Trust

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Infrastructure Trust (“the Trust”) and its subsidiary, Pipeline Infrastructure Limited, (together referred to as the “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2022, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended, Consolidated Statement of Net Assets at Fair Value as at March 31, 2022, Consolidated Statement of Total Returns at Fair Value and Net Distributable Cash Flows for the year then ended as an additional disclosure in accordance with Securities Exchange Board of India (SEBI) Circular No. CIR/IMD/DF/127/2016, dated November 29, 2016 and a summary of significant accounting policies and other explanatory information (together hereinafter referred 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 read with the SEBI circular number CIR/IMD/DF/127/2016, dated November 29, 2016 (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), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations, of the consolidated state of affairs of the Trust as at March 31, 2022, its consolidated loss (including other comprehensive income), its consolidated changes in unitholders’ equity, its consolidated cash flows for the year ended March 31, 2022, its consolidated net assets at fair value as at March 31, 2022, its consolidated total returns at fair value and its net distributable cash flows for the year ended on that date and other financial information of the Trust.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the “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 Group in accordance with the Code of Ethics issued by the ICAI and have fulfilled our ethical responsibilities in accordance with 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.

Emphasis of Matter

We draw attention to Note 10.5 of the consolidated financial statements which describes the presentation of “Unit Capital” as “Equity” to comply with InvIT Regulations. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Fair Value of net assets of the Trust:</p> <p>In accordance with InvIT Regulations, the Trust discloses Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of net assets. As at March 31, 2022, fair value of net assets was Rs. 7326.51 crores.</p> <p>The fair value of net assets of the Trust is determined by an independent valuer using discounted cash flow method.</p> <p>While there are several assumptions that are required to determine the fair value of net assets of the Trust, assumption with the highest degree of estimate, subjectivity and impact on fair value is the discount rate. Auditing this assumption required a high degree of auditor judgment as the estimate made by the independent valuer contain significant measurement uncertainty.</p> <p>Refer Consolidated Statement of Net assets at fair value and Consolidated Statement of total returns at fair value in the consolidated financial statements.</p>	<p>Principal audit procedures performed among others:</p> <p>Our audit procedures related to the discount rates used in the computation of fair value of Net Assets of the Trust included the following, among others:</p> <ul style="list-style-type: none"> • We obtained the independent valuer's valuation report to obtain an understanding of the source of information used by the independent valuer in determining the assumption. • We tested the reasonableness of inputs, shared by management with the independent valuer, by comparing it to source information used in preparing the inputs. • We evaluated the Company's fair valuation specialist's competence to perform the valuation. • We also involved our internal fair valuation specialists to independently determine fair value of the Net Assets of the Trust as at the balance sheet date, which included assessment of reasonableness of the discount rate used by management in valuation. • We compared the fair value determined by the Company with that determined by our internal fair valuation specialist to assess the reasonableness of the fair valuation.

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

- Brookfield India Infrastructure Manager Private Limited (Formerly known as WIP (India) Private Limited) ('Investment Manager') acting in its capacity as an Investment Manager of the Trust 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, consolidated 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 consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- 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.
- When we read the 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'.

Management's Responsibility for the Consolidated Financial Statements

The Board of Directors of the Investment Manager ("the Board") is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity, consolidated cash flows of the Group for the year ended March 31, 2022, consolidated net assets at fair value as at March 31, 2022, total returns at fair value and net distributable cash flows for the year ended on that date and other financial information of the Group in conformity with the InvIT Regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations.

The Board and the Board of Directors of the subsidiary included in the Group are responsible for maintenance of adequate accounting records 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 that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of the Investment Manager, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Investment Manager and subsidiary included in the Group are responsible for assessing the Trust's and subsidiary'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 the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Investment Manager and subsidiary included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility 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 scepticism 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 the effectiveness of such 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 Board'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 consolidated 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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

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.

We communicate with those charged with governance of the Trust and subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, Consolidated Statement of Net Assets at fair value, Consolidated Statement of Total Return at fair value and the Statement of Net Distributable Cash Flows of the Trust and its subsidiary dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
- c) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/ W100018)

Rajendra Sharma

Partner

(Membership No. 119925)

UDIN : 22119925AJFKZF7340

Place: Mumbai

Date: May 19, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	12,711.07	13,452.13
Capital Work-in-Progress	1	64.40	27.11
Goodwill	1	40.40	40.40
Other Intangible Assets	1	1,704.38	1,804.10
Intangible Assets Under Development	1	8.02	0.25
Financial Assets			
Other Financial Assets	2	207.38	12.10
Income tax assets (net)		87.36	62.12
Other Non-Current Assets		3.30	2.08
Total Non-Current Assets		14,826.31	15,400.29
Current Assets			
Inventories	3	136.66	105.94
Financial Assets			
Investments	4	594.81	441.46
Trade Receivables	5	113.01	121.66
Cash and Cash Equivalents	6	1.76	91.57
Other Bank Balances	7	33.36	100.70
Other Financial Assets	8	12.75	2.68
Other Current Assets	9	65.81	102.50
Total Current Assets		958.16	966.51
Total Assets		15,784.47	16,366.80
EQUITY AND LIABILITIES			
Equity			
Unit Capital	10	5,157.95	5,580.65
Instruments entirely equity in nature	11	4,000.00	4,000.00
Other Equity	12	(1,938.14)	(1,852.77)
Total Equity		7,219.81	7,727.88
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	6,445.65	6,438.71
Lease Liabilities	14	22.69	24.54
Other Financial Liabilities	15	70.12	58.49
Deferred Tax Liabilities (Net)	16	-	-
Other Non-Current Liabilities	17	572.67	1,078.34
Total Non-Current Liabilities		7,111.13	7,600.08
Current Liabilities			
Financial Liabilities			
Lease Liabilities	14	4.29	4.29
Trade Payables	18		
Total outstanding dues of Small Enterprises and Micro enterprises		1.39	1.98
Others		710.95	545.13
Other Current Liabilities	19	736.10	486.19
Provisions	20	0.80	1.25
Total Current Liabilities		1,453.53	1,038.84
Total Liabilities		8,564.66	8,638.92
Total Equity and Liabilities		15,784.47	16,366.80

See accompanying Notes to the Financial Statements

1 - 39

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No.117366W/W-100018

For and on behalf of the Board

Brookfield India Infrastructure Manager Private Limited

(Formerly known as WIP (India) Private Limited)

(as an Investment Manager of India Infrastructure Trust)

Rajendra Sharma

Partner

Membership No. 119925

Sridhar Rengan

Chairperson of the Board

DIN: 03139082

Place : Mumbai

Akhil Mehrotra

Member of the Pipeline

InvIT Committee

PAN: ADNPM5006E

Place : Navi Mumbai

Pratik Desai

Compliance Officer of the Trust

PAN: ALZPD6476H

Place : Navi Mumbai

Date : May 19, 2022

Date : May 19, 2022

Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Crore)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from Operations	21	2,591.99	1,791.73
Interest		10.26	9.34
Realised / Unrealised Gain on Mutual Funds		20.40	16.37
Other Income (net)		11.11	7.55
Total Income		2,633.76	1,824.99
EXPENSES			
Valuation Expenses		0.18	0.18
Audit Fees	24.2	3.64	3.33
Insurance & Security Expenses		45.47	37.63
Employee Benefits Expense	22	30.74	28.13
Project management fees		1.77	1.77
Investment management fees		2.83	2.83
Trustee Fee		0.21	0.21
Depreciation on property, plant and equipment	1	762.94	750.63
Amortization of intangible assets	1	101.23	101.03
Finance Costs	23	587.09	584.95
Custodian fees		0.47	0.51
Repairs and maintenance		68.12	42.68
Transmission charges		192.32	526.32
Other Expenses	24	286.07	170.28
Total Expenses		2,083.08	2,250.48
Profit / (Loss) Before Tax		550.68	(425.49)
Tax Expenses			
Current Tax	27	1.38	1.58
Deferred Tax	16	-	-
Profit / (Loss) for the year		549.30	(427.07)
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to statement of profit and loss		0.12	(0.01)
Total Comprehensive Income / (Loss) for the year		549.42	(427.08)
Earnings per unit of value of Rs. 77.6800 each (Previous year Rs. 84.0461 each)			
- For Basic (Rs.)	25	8.27	(6.43)
- For Diluted (Rs.)	25	8.27	(6.43)
See accompanying Notes to the Financial Statements	1 - 39		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Firm's Registration No.117366W/W-100018

For and on behalf of the Board

Brookfield India Infrastructure Manager Private Limited
(Formerly known as WIP (India) Private Limited)

(as an Investment Manager of India Infrastructure Trust)

Rajendra Sharma

Partner

Membership No. 119925

Date : May 19, 2022

Place : Mumbai

Sridhar Rengan

Chairperson of the Board

DIN: 03139082

Place : Mumbai

Akhil Mehrotra

Member of the Pipeline

InvIT Committee

PAN: ADNPM5006E

Place : Navi Mumbai

Pratik Desai

Compliance Officer of the Trust

PAN: ALZPD6476H

Place : Navi Mumbai

Date : May 19, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. UNIT CAPITAL

(Rs. in Crore)

As at March 31, 2022	Balance as at 1st April, 2021	Changes in Unit Capital during the year 2021-22*	Balance as at 31st March, 2022
	5,580.65	(422.70)	5,157.95

(Rs. in Crore)

As at March 31, 2021	Balance as at 1st April, 2020	Changes in Unit Capital during the year 2020-21*	Balance as at 31st March, 2021
	6,044.53	(463.88)	5,580.65

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

(Refer Note 11)

(Rs. in Crore)

As at March 31, 2022	Balance as at 1st April, 2021	Changes in compulsorily convertible preference shares during the year 2021-22*	Balance as at 31st March, 2022
0% Compulsorily Convertible Preference Shares (CCPS)	4,000.00	-	4,000.00

(Rs. in Crore)

As at March 31, 2021	Balance as at 1st April, 2020	Changes in compulsorily convertible preference shares during the year 2020-21*	Balance as at 31st March, 2021
0% Compulsorily Convertible Preference Shares (CCPS)	4,000.00	-	4,000.00

* Return of capital as per NDCF is approved by investment manager. Refer NDCF Note 33.

C. OTHER EQUITY

(Refer Note 12)

(Rs. in Crore)

	0% Redeemable Preference Shares	Reserves & Surplus		Total
		Retained Earnings	Other Comprehensive Income / (Loss)	
As at March 31, 2022				
Balance as at the beginning of the reporting year i.e. April 1, 2021	45.17	(1,898.18)	0.24	(1,852.77)
Total Comprehensive Income / (Loss) for the year	-	549.30	0.12	549.42
Return on Capital#	-	(628.18)	-	(628.18)
Other Income Distribution#	-	(6.61)	-	(6.61)
Balance as at the end of the reporting year i.e. March 31, 2022	45.17	(1,983.67)	0.36	(1,938.14)
As at March 31, 2021				
Balance as at the beginning of the reporting year i.e. April 1, 2020	45.17	(765.47)	0.25	(720.05)
Total Comprehensive Income / (Loss) for the year	-	(427.07)	(0.01)	(427.08)
Return on Capital#	-	(704.60)	-	(704.60)
Other Income Distribution#	-	(1.04)	-	(1.04)
Balance as at the end of the reporting year i.e. March 31, 2021	45.17	(1,898.18)	0.24	(1,852.77)
See accompanying Notes to the Financial Statements		1 - 39		

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

Firm's Registration No.117366W/W-100018

Rajendra Sharma
Partner
Membership No. 119925

Date : May 19, 2022
Place : Mumbai

Sridhar Rengan
Chairperson of the Board
DIN: 03139082
Place : Mumbai

For and on behalf of the Board
Brookfield India Infrastructure Manager Private Limited
(Formerly known as WIP (India) Private Limited)
(as an Investment Manager of India Infrastructure Trust)

Akhil Mehrotra
Member of the Pipeline
InvIT Committee
PAN: ADNPM5006E
Place : Navi Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Navi Mumbai
Date : May 19, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Crore)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax as per Statement of Profit and Loss		550.68	(425.49)
Adjusted for:			
Depreciation and Amortisation	864.17		851.66
Gain on sale of Current Investments (Net)	(19.59)		(16.23)
Fair value gain on valuation of Current Investments (Net)	(0.80)		(0.14)
Loss on Sale of Fixed Assets	0.56		0.94
(Reversal) / Provision for diminution in inventory	(0.66)		0.60
Fair Value measurement gains on put option	0.87		0.05
Fair Value measurement losses on call option	11.63		9.01
Interest Income	(10.26)		(9.34)
Finance Costs	587.08		584.95
		1,433.00	1,421.50
Operating profit before working capital changes		1,983.68	996.01
Adjusted for:			
Trade and Other Receivables	39.34		95.79
Inventories	(30.07)		8.24
Trade and Other Payables	(90.86)		905.15
		(81.59)	1,009.18
Cash Generated from Operations		1,902.09	2,005.19
Taxes (paid) / refund		(26.64)	40.51
Net Cash Flow from Operating Activities		1,875.45	2,045.70
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, capital work-in progress and Intangibles		(69.15)	(52.39)
Proceeds from disposal of Property, Plant and Equipment		0.08	-
Fixed deposits placed with Banks		(133.78)	(76.73)
Fixed deposits with Banks redeemed		0.20	22.43
Purchase of Current Investments		(4,830.31)	(3,635.97)
Sale of Current Investments		4,697.37	3,513.42
Interest Income		9.82	8.64
Net Cash Flow used in Investing Activities		(325.77)	(220.60)
C CASH FLOW FROM FINANCING ACTIVITIES			
Return of Capital to Unit holders		(422.70)	(463.87)
Return on Capital to Unit holders		(628.18)	(704.60)
Distribution of miscellaneous income to Unit holders		(6.61)	(1.04)
Principal repayment on Lease liability		(1.85)	(0.10)
Interest paid on Lease liability		(2.44)	(1.70)
Interest paid		(577.71)	(576.36)
Net Cash Flow used in Financing Activities		(1,639.49)	(1,747.67)
Net Increase / (Decrease) in Cash and Cash Equivalents		(89.81)	77.43
Opening Balance of Cash and Cash Equivalents		91.57	14.14
Closing Balance of Cash and Cash Equivalents (Refer note 6)		1.76	91.57
See accompanying Notes to the Financial Statements	1 - 39		
Note: The figures in brackets represents cash outflow			

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

Firm's Registration No.117366W/W-100018

Rajendra Sharma
 Partner
 Membership No. 119925

Date : May 19, 2022
Place : Mumbai

Sridhar Rengan
 Chairperson of the Board
 DIN: 03139082
 Place : Mumbai

For and on behalf of the Board
Brookfield India Infrastructure Manager Private Limited
 (Formerly known as WIP (India) Private Limited)
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Akhil Mehrotra
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 InvIT Committee
 PAN: ADNPM5006E
 Place : Navi Mumbai

Pratik Desai
 Compliance Officer of the Trust
 PAN: ALZPD6476H
 Place : Navi Mumbai
Date : May 19, 2022

DISCLOSURES PURSUANT TO SEBI CIRCULARS

(SEBI Circular No.CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under InvIT Regulations)

H) Consolidated Statement of Net Assets at Fair Value as at March 31, 2022

(Rs. in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
A. Assets	15,784.47	15,891.17	16,366.80	16,417.37
B. Liabilities	8,564.66	8,564.66	8,638.91	8,638.91
C. Net Assets (A-B)	7,219.81	7,326.51	7,727.90	7,778.46
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E NAV (C/D)	108.73	110.34	116.38	117.15

Note 1. The Trust has only one Project i.e. PIL. Hence separate project wise breakup of fair value of assets are not given.

I) Consolidated Statement of Total Returns at Fair Value for the year ended March 31, 2022

(Rs. in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Comprehensive Income / (Loss) (As per the Statement of Profit and Loss).	549.42	(427.08)
Add / (less): Other Changes in Fair Value (if cost model is followed) not recognized in Total Comprehensive Income.	56.15	1,132.23
Total Return	605.57	705.15

Fair value of assets and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

A. Group Information

The Consolidated financial statements comprise financial statements of India Infrastructure Trust (“Trust/InvIT”) and its subsidiary “Pipeline Infrastructure Limited” (collectively, the Group) for year ended March 31, 2022.

India Infrastructure Trust 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 January 23, 2019 having registration number IN/InvIT/18-19/0008.

During the year the Principal place of Business of the Trust was changed from changed from Unit 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400051, India. to Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051, India effective May 12, 2021. Further, effective May 6, 2022, the registered office of the Trust has been again changed from Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051, India to Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India.

The Trust has appointed Brookfield India Infrastructure Manager Private Limited as the “Investment Manager” w.e.f. April 1, 2020. The registered office of the Investment Manager has been changed from Unit no. 804, 8th Floor, One BKC, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051, India to Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051 India effective May 12, 2021.

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. March 20, 2019 from the Stock Exchange vide BSE notice dated March 19, 2019.

On March 22, 2019 Trust acquired 100% controlling interest in Pipeline Infrastructure Limited (PIL) from Reliance Industries Holding Private Limited (RIHPL). On March 18, 2019, the share transfer 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 of India Infrastructure Trust comprises the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Unitholders’ Equity for year ended March 31, 2022 and a summary of significant accounting policies and other explanatory information.

Additionally, it includes the Statement of Net Assets at Fair Value as at March 31, 2022, the Statement of Total Returns at Fair Value for the year ended March 31, 2022 and other additional financial disclosures as required under the SEBI (Infrastructure Investment Trusts) Regulations, 2014.

The Consolidated Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors of the Manager on behalf of the India Infrastructure Trust on May 19, 2022.

The Consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”), as amended from time to time read with the SEBI circular number CIR/IMD/DF/114/2016 dated October 20, 2016 (“SEBI Circular”); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (‘Ind AS’) to the extent not inconsistent with the InvIT Regulations (Refer Note 10.5 on presentation of “Unit

Capital” as “Equity” instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The Trust’s Consolidated 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.

Statement of compliance to Ind AS:

These Consolidated financial statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (‘Ind AS’), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 10.4 to the consolidated financial statements.

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 March 31, 2022. 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 March 31, 2022.

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 judgements, 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. 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.

Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions have been discussed in their respective policies. 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, valuation of deferred tax assets and fair value measurements of financial instruments, these are discussed below:

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) **COVID-19**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

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 as per technical evaluation:

Buildings - 4 to 20 years

Plant and Machinery - 4 to 20 years

Residual value of certain Plant & Machinery has been considered as 10% based on technical valuation.

Any additions to above category 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 with finite useful lives that are acquired separately are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses. 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 are capitalised. Amortisation is recognised on straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Computer software is amortised over a period of 5 years on straight line method except for licenses with perpetual life which have been restricted to period of Pipeline Usage Agreement.

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 economic 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

- (i) The Group's lease asset classes primarily consist of leases for office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

- (ii) Short term leases and leases of low value assets

The Group has elected not to recognise right-of-use asset ("ROU") and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as expenses on a straight line basis over the lease term.

(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. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(j) Tax Expense

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

- 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) Contracted capacity payments received from a party and other billing in excess of revenues, are classified as contract liabilities (which we refer to as income received in advance), until the services are delivered to the customers.

(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 30.

(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) Consolidated Statements of net assets at fair value

The disclosure of Consolidated Statement of Net Assets at Fair Value comprises of the fair values of the total assets and fair values of the total liabilities of individual Special Purpose Vehicle (SPV) and the Trust. The fair value of the assets are reviewed annually by Investment manager, derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations. The independent valuers are leading valuers with a recognized and relevant professional qualification as per InvIT regulations and valuation assumptions used are reviewed by Investment Manager at least once a year.

(s) Consolidated Statements of Total Returns at Fair Value

The disclosure of Consolidated Statement of Total Returns at Fair Value comprises of the total Comprehensive Income as per the Consolidated Statement of Profit and Loss and Other Changes in Fair Value (e.g., investment in property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income . Other changes in fair value is derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

(t) 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.

(u) 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).

(v) 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.

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 01.04.2021	Additions	Deductions	As at 31.03.2022	As at 01.04.2021	For the year	Deductions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Property, Plant and Equipment										
Own Assets										
Freehold Land	94.85	-	-	94.85	-	-	-	-	94.85	94.85
Buildings	202.48	0.88	-	203.36	20.74	10.95	-	31.69	171.67	181.74
Plant and Machinery	14,539.65	8.68	0.85	14,547.48	1,478.34	745.69	0.25	2,223.78	12,323.70	13,061.31
Furniture and Fixtures	2.71	0.10	-	2.81	0.75	0.37	-	1.12	1.69	1.96
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	5.79	12.88	0.08	18.59	0.59	2.57	0.04	3.12	15.47	5.21
Line pack gas	78.13	-	-	78.13	-	-	-	-	78.13	78.13
Sub-Total	14,923.61	22.54	0.93	14,945.22	1,500.42	759.58	0.29	2,259.71	12,685.51	13,423.20
Right-of-Use Assets										
Buildings	30.05	-	-	30.05	2.50	3.34	-	5.84	24.21	27.55
Leasehold Land	1.40	-	-	1.40	0.03	0.02	-	0.05	1.35	1.37
Sub-Total	31.45	-	-	31.45	2.53	3.36	-	5.89	25.56	28.92
Total (A)	14,955.06	22.54	0.93	14,976.67	1,502.95	762.94	0.29	2,265.60	12,711.07	13,452.12
Intangible assets										
Software*	11.42	1.51	-	12.93	1.89	1.39	-	3.28	9.65	9.53
Pipeline Authorisation	1,996.70	-	-	1,996.70	202.13	99.84	-	301.97	1,694.73	1,794.57
Total (B)	2,008.12	1.51	-	2,009.63	204.02	101.23	-	305.25	1,704.38	1,804.10
TOTAL (A+B)	16,963.18	24.05	0.93	16,986.30	1,706.97	864.17	0.29	2,570.85	14,415.45	15,256.22
Capital Work-in-Progress									64.40	27.11
Intangible Assets Under Development									8.02	0.25

* Other than internally generated

- 1.1 Building includes Rs. 63.58 Crore (Previous year Rs. 67.11 Crore) being building constructed on land not owned by the Group.
- 1.2 Refer Note 28 for capital commitments.
- 1.3 Refer Note 13.1 for properties mortgaged / hypothecated .
- 1.4 The balance useful life as on March 31, 2022 for rights under pipeline authorisation is 16 years 3 months.

(Rs. in Crore)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01.04.2020	Additions	Deductions	As at 31.03.2021	As at 01.04.2020	For the year	Deductions	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Property, Plant and Equipment										
Own Assets										
Freehold Land	93.65	1.20	-	94.85	-	-	-	-	94.85	93.65
Buildings	195.06	5.33	(2.09)	202.48	10.24	10.50	0.00	20.74	181.74	184.82
Plant and Machinery	14,529.32	13.63	3.30	14,539.65	741.75	736.83	0.24	1,478.34	13,061.31	13,787.57
Furniture and Fixtures	1.02	1.71	0.02	2.71	0.48	0.28	0.01	0.75	1.96	0.54
Vehicles	0.12	-	0.12	-	0.11	0.02	0.13	-	-	0.01
Office Equipment	1.03	4.78	0.01	5.80	0.12	0.49	0.02	0.59	5.21	0.91
Line pack gas	78.13	-	-	78.13	-	-	-	-	78.13	78.14
Sub-Total	14,898.34	26.65	1.36	14,923.62	752.70	748.12	0.40	1,500.42	13,423.21	14,145.64
Right-of-Use Assets										
Buildings	-	30.05	-	30.05	-	2.50	-	2.50	27.55	-
Leasehold Land	1.40	-	-	1.40	0.02	0.01	-	0.03	1.37	1.37
Sub-Total	1.40	30.05	-	31.45	0.02	2.51	-	2.53	28.92	1.37
Total (A)	14,899.74	56.70	1.36	14,955.07	752.72	750.63	0.40	1,502.95	13,452.13	14,147.01
Intangible assets										
Software	0.90	10.52	-	11.42	0.69	1.20	-	1.89	9.53	0.21
Pipeline Authorisation	1,996.70	-	-	1,996.70	102.30	99.83	-	202.13	1,794.57	1,894.40
Total (B)	1,997.60	10.52	-	2,008.12	102.99	101.03	-	204.02	1,804.10	1,894.61
TOTAL (A+B)	16,897.34	67.22	1.36	16,963.19	855.71	851.66	0.40	1,706.97	15,256.23	16,041.62
Capital Work-in-Progress									27.11	9.29
Intangible Assets Under Development									0.25	3.96

* Other than internally generated

Goodwill

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Goodwill (Refer note 1.7)		
Opening Balance	40.40	40.40
Add: Additions / (Deletions)(Refer Note 33)	-	-
Closing Balance	40.40	40.40

1.5 Title deeds of Immovable Properties not held in name of the Company

(Rs. in Crore)

Description of the Property/ Relevant line item in the Balance Sheet	Gross Carrying Amt	Held in the name of	Whether Promoter, Director or their relative or employee	Property held since which date	Reasons for not being held in the name of the company
Freehold Land	60.80	Reliance Gas Transportation Infrastructure Ltd (RGTIL)	No	2018-19	Applied for Mutation. Matter is pending before the Revenue authorities.
Freehold Land	0.16	Santosh Tukaram Dhage	No	2018-19	Transfer is in process
Freehold Land	0.18	Reliance Gas Transportation Infrastructure Ltd (RGTIL)	No	2018-19	Transfer is in process
Freehold Land	0.14	Nandakumar Sonawane	No	2018-19	Transfer is in process

Description of the Property/ Relevant line item in the Balance Sheet	Gross Carrying Amt	Held in the name of	Whether Promoter, Director or their relative or employee	Property held since which date	Reasons for not being held in the name of the company
Freehold Land	0.05	Javed Gafur Munde, Uzer Ahemed Nazir, Asif Abdul Gafur Munde, Mukthyar Abdul Gafur Munde.	No	2018-19	Transfer is in process
Freehold Land	0.11	Mangiben Nathulal, Thakorbhai Nathubhai, Naginbhai Nathubhai, Bhikhiben Nathubhai, Manjuben Soma, Kanubhai Somabhai, Manubhai Somabhai, Manjuben Chotubhai, Lakshmanbhai Chotubhai, Revaben Mathurbhai, Kokilaben Rathod, Kalidas Rathod, Revaben Mathurbhai, Laljibhai Mathurbhai, Thakorbhai Mathurbhai, Bhikhiben Rathod, Ramilaben Rathod, Jhiniben Rathod, Prafulbhai Rathod, Geetaben Rathod, Savitaben Chauhan, Rajaben Chauhan, Ashokji Thakor, Ushaben Chauhan, Shailesh Chauhan, Kalpesh Chauhan.	No	2018-19	Transfer is in process
Leasehold Land	1.40	Reliance Gas Transportation Infrastructure Ltd	No	2018-19	Applied for transfer of Lease.
Total	62.84				

1.6 Residual value of assets having aggregate gross value of Rs. 11,217.32 Crore (Previous year Rs. 11,217.32 Crore) has been considered at 10% based on technical evaluation.

1.7 As at March 31, 2022 and March 31, 2021, 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 9.50%. 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, 2022 and March 31, 2021 as the recoverable value exceeded the carrying value.

1.8 No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

1.9 Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2022 and March 31, 2021

(Rs. in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	55.03	7.88	1.47	0.02	64.40
As at March 31, 2022	55.03	7.88	1.47	0.02	64.40
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	25.14	1.95	0.02	-	27.11
As at March 31, 2021	25.14	1.95	0.02	-	27.11

Note: The Group does not have any Capital-work-in progress which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

1.10 Intangible assets under development ageing schedule for the year ended March 31, 2022 and March 31, 2021

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	8.02	-	-	
As at March 31, 2022	8.02	-	-	-	8.02

(Rs. in Crore)

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	0.25	-	-	
As at March 31, 2021	0.25	-	-	-	0.25

Note: The Group does not have any intangible assets under development which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 2. NON-CURRENT FINANCIAL ASSETS

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
(Unsecured and Considered Good)		
Loans & Advances	-	-
Security Deposits	2.00	1.96
Other Bank Balances (Refer Notes 2.1 and 7.1)	201.66	5.55
Fair Valuation of Put Option (Refer Note 2.2)	3.72	4.59
TOTAL	207.38	12.10

- 2.1 Includes Rs. 123.43 Crore (Previous year Rs. Nil) bank deposits held as security against guarantee, DSRA requirements and other commitments.
- 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 Crore 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 Crore after a specific term or occurrence of certain events.

NOTE 3. INVENTORIES

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Stock of Natural Gas and Fuel	22.27	4.54
Stores and Spares	114.39	101.40
TOTAL	136.66	105.94

- 3.1 Inventories are measured at lower of cost or net realisable value.

NOTE 4. CURRENT INVESTMENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Investments measured at Fair Value through Profit and Loss		
In Mutual Funds - Unquoted, fully paid up	594.81	441.46
TOTAL	594.81	441.46

NOTE 5. TRADE RECEIVABLES

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
(Unsecured)		
Trade Receivables (considered good)	113.01	121.66
Trade Receivables (credit impaired)	15.07	15.07
Less: Provision for doubtful debts	15.07	15.07
TOTAL	113.01	121.66

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.

5.2 Trade Receivables Ageing Schedule for the year ended March 31, 2022 and March 31, 2021

Outstanding for following periods from due date of payment.

(Rs. in Crore)

Particulars	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	113.01	-	-	-	-	-	113.01
Disputed Trade receivables – credit impaired	-	-	-	6.74	-	8.33	15.07
	113.01	-	-	6.74	-	8.33	128.08
Less: Provision for doubtful debts	-	-	-	(6.74)	-	(8.33)	(15.07)
Total Trade Receivables at March 31, 2022	113.01	-	-	-	-	-	113.01
<hr/>							
Particulars	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	121.66	-	-	-	-	-	121.66
Disputed Trade receivables – credit impaired	-	-	6.74	-	8.33	-	15.07
	121.66	-	6.74	-	8.33	-	136.73
Less: Provision for doubtful debts	-	-	(6.74)	-	(8.33)	-	(15.07)
Net As at March 31, 2021	121.66	-	-	-	-	-	121.66

NOTE 6. CASH AND CASH EQUIVALENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Balance with Banks in current accounts	1.76	91.57
TOTAL	1.76	91.57

NOTE 7. OTHER BANK BALANCES

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Bank deposits (Refer notes 2.1 and 7.1)	33.36	100.70
TOTAL	33.36	100.70

7.1 Includes Rs. Nil (Previous year Rs. 48.43 Crore) bank deposits held as security against DSRA requirements.

NOTE 8. OTHER CURRENT FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
(Unsecured and Considered Good)	12.75	2.68
Others (Refer Note 8.1)		
TOTAL	12.75	2.68

8.1 Includes Interest Receivable on Fixed Deposits with Banks and receivables towards other income.

NOTE 9. OTHER CURRENT ASSETS

(Rs. in Crore)

	As at March 31, 2021	As at March 31, 2020
(Unsecured and Considered Good)		
Balance with Good and Service Tax Authorities	47.68	89.48
Advance to vendors	5.39	4.03
Prepaid expenses	8.31	7.78
Other Receivables	4.43	1.21
TOTAL	65.81	102.50

NOTE 10. UNIT CAPITAL

(Rs. in Crore)

	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Issued, Subscribed and Fully Paid up :				
Units of Rs. 77.6800 March 31, 2021: Rs. 84.0461) each	66,40,00,000	5,157.95	66,40,00,000	5,580.65
TOTAL		5,157.95		5,580.65

10.1 Reconciliation of the units outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 31, 2022	As at March 31, 2021
	No. of Units	No. of Units
Units at the beginning of the year	66,40,00,000	66,40,00,000
Issued during the year	-	-
Units at the end of the year	66,40,00,000	66,40,00,000

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

Name of Unit holders	Relationship	As at March 31, 2022		As at March 31, 2021	
		No. of Units	% held	No. of Units	% held
Rapid Holdings 2 Pte. Ltd.	Sponsor	49,80,00,000	75.00%	56,88,00,000	85.66%
ICICI Prudential Equity & Debt Fund	Unitholder	3,42,00,000	5.15%	3,50,00,000	5.27%

10.3 The details of Units held by the Promoters

Promoter Name	No. of Units	% held	% Change during the year
Rapid Holdings 2 Pte. Ltd.	49,80,00,000	75%	(10.66)%

10.4 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 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 .

- 10.5 Under the provisions of the InvIT Regulations, Trust is required to distribute to Unitholders not less than 90% of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contains 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 October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016) issued under the InvIT Regulations, the Unitholders' funds have been presented as "Equity" in order to comply with the requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

NOTE 11. INSTRUMENTS ENTIRELY EQUITY IN NATURE

(Rs. in Crore)

	As at March 31, 2022		As at March 31, 2021	
0% Compulsorily Convertible Preference Shares	4,000.00	4,000.00	4,000.00	4,000.00
TOTAL	4,000.00	4,000.00	4,000.00	4,000.00

11.1 0% Compulsorily Convertible Preference Shares [CCPS]

- (a) Reconciliation of the CCPS outstanding at the beginning and at the end of the reporting year :

	As at March 31, 2022	As at March 31, 2021
	No. of Shares	No. of Shares
CCPS at the beginning of the year	4,00,00,00,000	4,00,00,00,000
Add: Issued during the year	-	-
CCPS at the end of the year	4,00,00,00,000	4,00,00,00,000

- (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 March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Reliance Strategic Business Ventures Limited	4,00,00,00,000	100%	4,00,00,00,000	100%

- (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 i.e. March 22, 2019 of CCPS.
- (d) Rights and Restrictions to CCPS
- (i) In the event of liquidation or winding-up of the Subsidiary, 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 Subsidiary at such point in time.
- (ii) The preference shareholders will not have voting rights.

11.2 CCPS and RPS are not held by the promoters of the subsidiary.

NOTE 12. OTHER EQUITY

(Rs. in Crore)

	As at March 31, 2022		As at March 31, 2021	
Equity Component of Compound Financial Instrument				
0% Redeemable Preference Shares (Refer Note 13.4)	45.17	45.17	45.17	45.17
Retained Earnings				
As at the beginning of the year	(1,898.18)		(765.47)	
Profit / (Loss) for the year	549.30		(427.07)	
Return on Capital (Refer note 12.2)	(628.18)		(704.60)	
Other Income Distribution (Refer note 12.2)	(6.61)	(1,983.67)	(1.04)	(1,898.18)
Other Comprehensive Income [OCI]				
As at the beginning of the year	0.24		0.25	
Movement in OCI (Net) during the year	0.12	0.36	(0.01)	0.24
TOTAL		(1,938.14)		(1,852.77)

12.1 Debenture Redemption Reserve:

Debenture Redemption Reserve (DRR) is not required to be created due to absence of profits available for payment of dividend. The Group has accumulated losses as at March 31, 2022.

12.2 Return on capital and other income as per NDCF is duly approved by investment manager. Refer NDCF working Note 33.

NOTE 13. BORROWINGS

(Rs. in Crore)

	As at March 31, 2022		As at March 31, 2021	
	Non Current		Non Current	
DEBENTURES - AT AMORTISED COST				
(A) Secured - Listed				
Non Convertible Debentures- Amortised Cost		6,439.26		6,432.89
(B) Liability Component of Compound Financial Instrument				
0% Redeemable Preference Shares		6.39		5.82
TOTAL		6,445.65		6,438.71

13.1 Debentures :

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, 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, title, 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.
- (d) The security perfection for hypothecation has been completed and for mortgage creation is in process, awaiting approval from Petroleum and Natural Gas Regulatory Board (PNGRB) and NCD Holders.

13.2 Coupon rate of 8.9508% payable quarterly.

13.3 All the above NCDs are redeemable on March 22, 2024.

13.4 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 year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares		No. of Shares	
RPS at the beginning of the year	5,00,00,000		5,00,00,000	
Add: Issued during the year	-		-	
RPS at the end of the year	5,00,00,000		5,00,00,000	

- (b) The details of RPS 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 RPS	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Reliance Strategic Business Ventures Limited	5,00,00,000	100%	5,00,00,000	100%
	5,00,00,000	100%	5,00,00,000	100%

- (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:
 - (i) RPS of the Subsidiary have priority over the Equity Shares of the Subsidiary in proportion to their holding for repayment of capital, in the event of liquidation of the Company
 - (ii) 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 as per the Agreement.
 - (iii) The RPS shareholders will not have voting rights.
- (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.

NOTE 14. LEASE LIABILITIES

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	22.69	24.54
TOTAL	22.69	24.54

14.1 At the date of commencement of the lease, the Group has recognized a right-of use asset ("ROU") and a corresponding lease liability for all lease arrangements.

14.2 The following are the changes in the carrying value of right of use assets.

	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at the beginning of the year	27.55	-
Additions	-	30.05
Deletions	-	-
Depreciation	(3.34)	(2.50)
Balance as at the end of the year	24.21	27.55

14.3 The following is the movement in lease liabilities:

	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at the beginning of the year	28.83	-
Additions	-	28.93
Finance cost accrued during the year	2.44	1.70
Deletions	-	-
Payment of lease liabilities	(4.29)	(1.80)
Balance as at the end of the year	26.98	28.83

14.4 The following is the break-up of lease liabilities based on their maturities:

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Non-Current Lease Liabilities	22.69	24.54
Current Lease Liabilities	4.29	4.29
TOTAL	26.98	28.83

14.5 Contractual maturities of lease liabilities on an undiscounted basis is as below:

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Less than one year	4.29	4.29
One to five years	25.79	24.41
More than five years	7.09	12.76
TOTAL	37.17	41.46

NOTE 15. OTHER NON CURRENT FINANCIAL LIABILITIES

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Call Option with RIL for PIL Shares (Refer Note 15.1)	70.12	58.49
TOTAL	70.12	58.49

15.1 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 Crore. Correspondingly, the Trust has right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crore after a specific term or occurrence of certain events.

NOTE 16. DEFERRED TAX LIABILITIES (NET)

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
The movement on the deferred tax account is as follows:		
At the start of the year	-	-
Charge / (credit) to Statement of Profit and Loss	-	-
At the end of the year	-	-

16.1 Component wise movement of Deferred tax liabilities / (asset) for the year ended March 31, 2022 and March 31, 2021.

(Rs. in Crore)

Particulars	As at March 31, 2021	Recognised in the Statement of Profit and Loss during the year	As at March 31, 2022
Property, Plant and Equipment	970.15	161.95	1,132.09
Intangible Assets	285.85	16.92	302.77
Goodwill	10.17	-	10.17
Investment	0.63	0.13	0.76
Trade Receivables	(3.79)	-	(3.79)
Provision for Gratuity	(0.15)	0.14	(0.01)
Provision for compensated absences	(0.17)	(0.03)	(0.20)
Unabsorbed depreciation (recognised to the extent of deferred tax liability)	(1,262.69)	(179.10)	(1,441.79)
	-	-	-

(Rs. in Crore)

Particulars	As at March 31, 2020	Recognised in the Statement of Profit and Loss during the year	As at March 31, 2021
Property, Plant and Equipment	744.81	225.34	970.15
Intangible Assets	254.72	31.13	285.85
Goodwill	(29.75)	39.92	10.17
Investment	0.60	0.03	0.63
Trade Receivables	(3.79)	-	(3.79)
Provision for Gratuity	(0.05)	(0.10)	(0.15)
Provision for compensated absences	(0.16)	(0.01)	(0.17)
Unabsorbed depreciation (recognised to the extent of deferred tax liability)	(966.38)	(296.31)	(1,262.69)
TOTAL	-	-	-

16.2 The Group 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.

16.3 Deferred Tax on unrecognised deductible temporary differences, unused tax losses, unabsorbed depreciation and Goodwill.

Particulars	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation (Refer Note 16.5)	450.27	435.87
WDV of Goodwill not recognised for the purpose of Deferred Tax working as per amendment in Income Tax Act, 1961 (the Act) w.e.f April 1, 2020 (Refer Note 16.4 and 16.5)	18.15	18.15
	468.42	454.02

16.4 In accordance with the Section 50(2) & Section 55(2) of the Act, the Group will be entitled to claim WDV of goodwill not allowed as depreciation w.e.f April 1, 2020 as cost of acquisition in accordance with Section 49 of the Act on sale or transfer of the transportation business, accordingly disclosed under unrecognized deferred tax assets and amount is determined based on long term capital gain tax rate.

16.5 Unrecognized deferred tax assets, as per the Income tax regulations, can be carried forward indefinitely.

NOTE 17. OTHER NON CURRENT LIABILITIES

	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Others		
Income Received In Advance (Refer Note 17.1 to 17.3)	572.47	1,078.34
Other Payables	0.20	-
TOTAL	572.67	1,078.34

17.1 Includes net contracted capacity payments of 554.47 Crore (Previous year Rs. 1,073.77 Crore) for which the Group is obliged to transport gas in future.

17.2 Contract Liability (Current and Non Current)

Particulars	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period;		
Income from transportation of gas (GTA)	271.34	-

17.3 Contract liabilities have decreased by Rs. 271.34 Crore due to increase in GTA revenues.

NOTE 18. TRADE PAYABLES

Particulars	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Micro and Small Enterprises (Refer Note 18.1)	1.39	1.98
Others	710.95	545.13
TOTAL	712.34	547.11

18.1 Dues to micro, small & medium enterprises as defined under the MSMED Act, 2006.

The Company does not have any over dues outstanding to the micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management.

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal amount overdue to micro and small enterprises	-	-
b) Interest due on above	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

18.2 Trade Payables Ageing

Outstanding for following periods from due date of payment

						(Rs. in Crore)
As at March 31, 2022	Not due*	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	Total
MSME	0.45	0.94	-	-	-	1.39
Others	28.19	680.39	1.37	-	0.50	710.95
As at March 31, 2021	Not due*	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	Total
MSME	2.13	0.85	-	-	-	2.98
Others	28.31	514.69	1.10	0.03	-	544.13

* Includes unbilled amount of Rs. 15.79 Crore (Previous year Rs. 10.94 Crore)

18.3 Relationship with struckoff companies.

					(Rs. in Crore)
Name of struck off company	Nature of transaction	Transactions during the year March 31, 2022	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company	
Four Seasons Hotels Private Limited	Payables*	0.00	0.00	Vendor	

* Amount payable Rs. 13,570.

NOTE 19. OTHER CURRENT LIABILITIES

			(Rs. in Crore)
	As at March 31, 2022	As at March 31, 2021	
Income Received In Advance (Refer Note 19.1 and 17.1 to 17.3)	724.23	479.22	
Statutory Dues	7.77	3.91	
Payable to Related Party	0.00	0.98	
Other payables (Refer Note 19.2)	4.10	2.08	
TOTAL	736.10	486.19	

19.1 Includes net contracted capacity payments of Rs. 711.68 Crore (Previous year Rs. 464.17 Crore) for which Group is obliged to transport gas in future.

19.2 (a) Includes Security deposits received from customers.

(b) 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 Group 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.)

NOTE 20. PROVISIONS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Refer Note 22)	0.01	0.59
Provision for compensated absences (Refer Note 22)	0.79	0.66
TOTAL	0.80	1.25

NOTE 21. REVENUE FROM OPERATIONS

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from Services		
Income from Transportation of Gas	2,449.57	1,681.72
Other Operating Income		
Deferred Delivery and Parking Services	138.64	96.15
Others	3.78	13.86
TOTAL	2,591.99	1,791.73

21.1 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, Parking Services and others.

NOTE 22. EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and Bonus	27.50	25.30
Contribution to Provident Fund, Gratuity and other Funds	1.18	1.14
Staff welfare expenses	2.06	1.69
TOTAL	30.74	28.13

22.1 Disclosure as per Indian Accounting Standard 19 “Employee Benefits” are given below :**Defined Contribution Plan**

Provident fund contributions amounting to Rs. 0.82 Crore (Previous year Rs. 0.72 Crore) have been charged to the Statement of Profit and Loss, under Contribution to Provident Fund, Gratuity and other funds.

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

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.

As per the agreement between the Subsidiary and East West Pipeline Limited (EWPL), EWPL was the custodian of the asset value shown below and was maintaining the asset on behalf of the Subsidiary. During the year, EWPL has transferred the asset value to the Subsidiary's Gratuity Trust

The details in respect of the status of funding and the amounts recognised in the Group's financial statements for the year ended March 31, 2022, for these defined benefit schemes are as under:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Defined Benefit Obligation at beginning of the year	1.94	1.57
b. Current Service Cost	0.28	0.27
c. Interest Cost	0.13	0.11
d. Liability Transferred Out	-	0.09
e. Actuarial gain	0.09	(0.09)
f. Benefits paid	(0.17)	(0.01)
g. Defined Benefit Obligation at end of the year	2.27	1.94

ii) Reconciliation of opening and closing balances of fair value of Plan Assets

Particulars	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Fair value of Plan Assets at beginning of the year	1.36	1.36
b. Interest Income	0.20	0.19
c. Actuarial Gain / (Loss)	0.10	(0.19)
d. Assets Transferred In / Transferred Out	-	-
e. Employer Contributions	0.60	-
f. Benefits paid	-	-
g. Fair value of Plan Assets at the end of the year	2.26	1.36
h. Actual Return on Plan assets	0.30	-

iii) Reconciliation of fair value of assets and obligations

Particulars	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Fair value of Plan Assets at end of the year	2.26	1.36
b. Present value of Obligation as at end of the year	2.27	1.94
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	(0.01)	(0.58)

iv) Expenses recognised during the year

Particulars	(Rs. in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Current Service Cost	0.28	0.27
b. Interest Cost	0.13	0.11
c. Interest Income	(0.20)	(0.19)
d. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	(0.02)	0.11
e. Expenses recognised during the year	0.19	0.30

v) Investment Details**Particulars of Investments - Gratuity (%)**

The Gratuity Trust has taken Gratuity Policies from Life Insurance Corporation of India.

vi) Actuarial Assumptions

Mortality Table (IALM)

Particulars	Gratuity	Gratuity
	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate	7.30%	6.90%
Salary escalation	5.00%	5.00%
Employee turnover	3.00%	3.00%

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.

vii) Maturity Profile of Defined Benefit Obligation

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average duration (based on discounted cashflows)	13 years	13 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	0.11	0.09
2 to 5 years	0.51	0.41
6 to 10 years	0.93	0.79
More than 10 years	5.80	4.92

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:

Particulars	For the year ended 31st March, 2022		For the year ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	0.15	(0.13)	0.13	(0.12)
Change in rate of salary increase (delta effect of +/- 0.5%)	(0.14)	0.15	(0.12)	0.14
Change in rate of Attrition rate (delta effect of +/- 25%)	(0.05)	0.04	(0.04)	0.03
Change in rate of Attrition rate (delta effect of +/- 25%)	(0.01)	0.01	(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 Group to actuarial risks such as: interest rate risk, liquidity risk, salary escalation risk, demographic risk, regulatory risk, asset liability mismatching or market risk and investment risk.

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of defined obligation plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Leave encashment plan and compensated absences:

The Group 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.

NOTE 23. FINANCE COSTS

	(Rs. in Crore)	
	For the year ended March 31, 2022	
	For the year ended March 31, 2021	
Interest Expenses	580.71	578.54
Other Borrowing Costs	6.38	6.41
TOTAL	587.09	584.95

NOTE 24. OTHER EXPENSES

	(Rs. in Crore)	
	For the year ended March 31, 2022	
	For the year ended March 31, 2021	
OPERATION AND MAINTAINANCE EXPENSES		
Stores and Spares	55.65	26.24
Electricity, Power and Fuel	124.32	41.30
Other Operational Expenses (Refer Note 24.1)	56.33	55.64
ADMINISTRATION EXPENSES		
Rent	0.65	0.78
Rates and Taxes	1.46	1.21
Contracted and others services	2.56	12.87
Travelling and Conveyance	6.45	4.90
Professional Fees	6.84	6.43
Letter of credit and bank charges	3.14	1.48
Loss on sale of Fixed Assets	0.56	0.95
Fair value loss of Put Option	0.87	0.05
Fair value loss of Call Option	11.63	9.01
General Expenses	15.61	9.42
TOTAL	286.07	170.28

24.1 Includes maintenance charges of Rs. 47.55 Crore (Previous year Rs. 45.95 Crore)

24.2 Breakup of payment to Auditors

PAYMENT TO AUDITORS	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Auditor		
Statutory Audit Fees	1.73	1.39
Tax Audit Fees	0.10	0.10
Other Audit Fees*	1.77	1.77
(b) Certification Fees	0.03	0.05
(c) Expenses reimbursed	0.01	0.02
TOTAL	3.64	3.33

*Represents audit fees paid for audit of group reporting package as per group referral instructions under the PCAOB standards, for year ended December 31, 2021.

NOTE 25. EARNINGS PER UNIT (EPU)

	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Net Profit / (Loss) as per Statement of Profit and Loss attributable to Unit Shareholders (Rs. in Crore)	549.30	(427.07)
ii) Weighted Average number of units	66,40,00,000	66,40,00,000
Reporting period (in days)	365	365
Units allotted (in days)	365	365
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	66,40,00,000
v) Earnings per unit of unit value of Rs. 77.6800 each (Previous year unit value Rs. 84.0461 each)		
- For Basic (Rs.)	8.27	(6.43)
- For Diluted (Rs.)	8.27	(6.43)

NOTE 26. RELATED PARTY DISCLOSURES

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

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

- a) **Ultimate Holding Company**
Brookfield Asset Management Inc.
- b) **Entity which exercise control on the Trust**
Rapid Holdings 2 Pte. Ltd.
- c) **Entity under common control**
Data Infrastructure Trust (formerly known as Tower Infrastructure Trust) w.ef. October 13, 2020
- d) **Members of same group**
Pipeline Management Services Private Limited
Peak Infrastructure Management Services Private Limited
Summit Digital Infrastructure Private Limited (formerly known as Reliance Jio Infratel Private Limited)
Space Teleinfra Private Limited

II. List of additional related parties as per Regulation 2(1) (zv) of the SEBI InvIT Regulations**a) Parties to the Trust**

Brookfield India Infrastructure Manager Private Limited (Formerly known as WIP (India) Private Limited (Investment Manager) w.e.f April 01, 2020 (as per InvIT regulation 4 as amended)
 ECI India Managers Private Limited (Project manager as per InvIT regulation 4 as amended)
 Axis Trustee Services Limited(Trustee as per InvIT regulation 4 as amended)

b) Directors of the parties to the Trust specified in ii(a) above**(i) ECI India Managers Private Limited**

Mr. Mihir Anil Nerurkar (upto February 10, 2022)
 Mr. Jeffrey Wayne Kendrew (upto February 10, 2022)
 Mr. Darshan Vora (effective February 10, 2022)
 Mr. Nawal Saini (upto September 30, 2021)
 Mr. Anish Kedia (effective September 30, 2021)

(ii) Brookfield India Infrastructure Manager Private Limited (Investment Manager w.e.f April 1, 2020)

Ms. Pooja Aggarwal (effective September 30, 2021)
 Mr. Nawal Saini (upto September 30, 2021)
 Mr. Rishi Tibriwal (Upto June 30, 2021)
 Mr. Darshan Vora (effective July 1, 2021 and upto September 30, 2021)
 Mr. Sridhar Rengan
 Mr. Chetan Desai
 Mr. Narendra Aneja

(iii) Rapid Holdings 2 Pte. Ltd.

Mr. Tang Qichen (effective September 15, 2021)
 Ms. Taswinder Kaur Gill (upto September 13, 2021)
 Mr. Velden Neo Jun Xiong (effective August 13, 2021)
 Mr. Walter Zhang Shen (upto July 1, 2021)
 Mr. Aanandjit Sunderaj (upto June 9, 2021)
 Mr. Liew Yee Foong
 Ms. Ho Yeh Hwa

(iv) Axis Trustee Services Limited

Ms. Deepa Rath (effective May 01, 2021)
 Mr. Sanjay Sinha (upto April 30, 2021)
 Mr. Rajesh Kumar Dahiya
 Mr.Ganesh Sankaran

III) Transactions during the year with related parties :

Sr. No.	Particulars	Relationship	(Rs. in Crore)	
			For the year ended March 31, 2022	For the year ended March 31, 2021
1	Trustee Fee Axis Trustee Services Limited	Trustee	0.21	0.21
2	Investment management fee Brookfield India Infrastructure Manager Private Limited	Investment manager	2.83	2.83
3	Legal/Professional fees/reimbursement of expenses Brookfield India Infrastructure Manager Private Limited	Investment manager	0.64	0.61

Sr. No.	Particulars	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
4	Project Management fee ECI India Managers Private Limited	Project Manager	1.77	1.77
5	Interest Distributed Rapid Holdings 2 Pte. Ltd.	Sponsor	533.63	603.58
6	Other Income Distributed Rapid Holdings 2 Pte. Ltd.	Sponsor	5.66	0.89
7	Repayment of Unit Capital (Rs. 6.9860 Paid out of Units of Rs. 91.0321) Rapid Holdings 2 Pte. Ltd.	Sponsor	359.28	397.36
8	Pipeline Maintenance Expenses Pipeline Management Services Private Limited	Members of same group	47.55	45.95
9	Income from Support Services Pipeline Management Services Private Limited	Members of same group	3.83	1.55
10	Reimbursement of expenses Pipeline Management Services Private Limited	Members of same group	-	0.08
11	Secretarial and legal services expenses Peak Infrastructure Management Services Private Limited	Members of same group	-	0.04
12	Reimbursement of expenses Peak Infrastructure Management Services Private Limited	Members of same group	-	0.01
13	Managerial Remuneration			
	Akhil Mehrotra	Key Managerial Personnel	3.02	2.91
	Kunjali Thacker	Key Managerial Personnel	1.69	1.38
	Neha Jalan (Appointed w.e.f. December 10, 2020)	Key Managerial Personnel	0.40	0.13
	Puja Tandon (Resigned w.e.f. November 30, 2020)	Key Managerial Personnel	-	0.69
14	Sitting Fees			
	Mr. Arun Balakrishnan	Independent Director	0.06	0.05
	Mr. Chaitanya Pande	Independent Director	0.06	0.04
	Mr. Premesh Kumar Jain (Ceased to be a Director w.e.f. April 20, 2021, due to sudden demise)	Independent Director	-	0.03
	Ms. Radhika Haribhakti (Appointed w.e.f. June 30, 2021)	Independent Director	0.05	-

IV) Balances as at end of the year

				(Rs. in Crore)
Sr. No	Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
1	Reimbursement of Expense payable			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.17	0.16
2	Investment Manager Fee Payable			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	0.22	-
3	Project Manager fee payable			
	ECI India Managers Private Limited	Project Manager	0.81	0.83
4	Units value			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	3,868.46	4,780.55
5	Other Current Assets			
	Pipeline Management Services Private Limited	Members of same group	4.43	1.21

NOTE 27. TAXATION

			(Rs. in Crore)
Tax Expenses	For the year ended March 31, 2022	For the year ended March 31, 2021	
Current Tax	1.38	1.58	
Deferred Tax	-	-	
Total Tax Expenses	1.38	1.58	

Reconciliation of tax expenses and book profit multiplied by Tax rate:

			(Rs. in Crore)
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
Profit / (Loss) before Tax	550.68	(425.49)	
Tax at the rates applicable to respective entities	135.57	(111.84)	
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income			
Tax impact of interest cost on loan to SPV	(160.05)	(179.95)	
Deferred tax assets not recognised because realisation is not probable	14.40	259.27	
Effect of non-deductible expenses	11.46	12.32	
Tax rate difference on items deductible at lower tax rates	-	21.78	
Income Tax expense	1.38	1.58	

Note:

The rate of Income tax for a domestic company as per the section 115BAA of the Income Tax Act, 1961 ("the Act") is 25.168%. The same is applicable to PIL i.e. SPV for the assessment year 2022-23 (FY 2021-22) and 2021-22 (FY 2020-21). The total income of a Business Trust is taxed at the rate 42.74% i.e. maximum marginal rate (MMR) as per the section 115UA(2) of the Act.

NOTE 28. CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
(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	22.27	29.01

NOTE 29. SEGMENT REPORTING

The Groups'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. 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 three customer represents more than 10% of the Group's revenue for the year

(Rs. in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Customer A ⁽¹⁾	887.11	50.52
Customer B	356.59	1,272.62
Customer C ⁽¹⁾	332.12	66.40
Customer D ⁽²⁾	121.86	194.17

(1) Previous year figures are less than 10% of revenue but are disclosed for better presentation.

(2) Current year figures are less than 10% of revenue but are disclosed for better presentation.

NOTE 30. CAPITAL MANAGEMENT

The Group adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- Maintain financial strength to ensure AAA or equivalent ratings at individual Trust and subsidiary level.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Leverage optimally in order to maximize unit holder returns while maintaining strength and flexibility of the Balance sheet.

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 year was as follows:

(Rs. in Crore)

	As at March 31, 2022	As at March 31, 2021
Borrowings#	6,445.65	6,438.71
Cash and Marketable Securities*	596.57	533.03
Net Debt (A)	5,849.08	5,905.68
Total Equity (As per Balance Sheet) (B)	7,219.81	7,727.88
Net Gearing (A/B)	0.81	0.76

* Cash and Marketable Securities include Cash and Cash equivalents of Rs. 1.76 Crore (Previous year Rs. 91.57 Crore) and Current Investments of Rs. 594.81 Crore (Previous year Rs. 441.46 Crore).

#inclusive of upfront arranger fee of Rs. 12.74 Crore (Previous year Rs. 19.11 Crore)

The Company is regular in complying with debt covenants.

NOTE 31. FINANCIAL INSTRUMENTS - FAIR VALUE DISCLOSURE**Financial Assets and Liabilities**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2022. (Rs. in Crore)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	203.66				7.51			
Trade Receivables	113.01				121.66			
Cash and Cash Equivalents	1.76				91.57			
Other Bank Balances	33.36				100.70			
Other Current Financial Assets	12.75				2.68			
At FVTPL								
Investments	594.81		594.81		441.46		441.46	
Fair value of put option	3.72		3.72		4.59		4.59	
Financial Liabilities								
At Amortised Cost*								
Borrowings	6,445.65		-		6,438.71		-	
Lease Liabilities	26.98				28.83			
Trade Payables	712.34				547.11			
At FVTPL								
Fair value of call option	70.12		70.12		58.49		58.49	

* 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**Foreign Currency Risk**

The following table shows foreign currency exposures in SGD, USD, EUR and GBP on financial instruments at the end of the reporting year. The exposure to foreign currency for all other currencies are not material.

Particulars	As at March 31, 2022				As at March 31, 2021			
	SGD	USD	EUR	GBP	SGD	USD	EUR	GBP
Trade and Other Payables	-	18.00	13.95	0.05	0.08	4.56	11.31	-
Net Exposure	-	18.00	13.95	0.05	0.08	4.56	11.31	-

Sensitivity analysis of 1% change in exchange rate at the end of reporting year net of hedges**Foreign Currency Sensitivity**

(Rs. in Crore)

Particulars	As at March 31, 2022				As at March 31, 2021			
	SGD	USD	EUR	GBP	CAD	USD	EUR	GBP
1% Depreciation in INR								
Impact on Equity								
Impact on P&L	-	(0.18)	(0.14)	(0.00)	(0.00)	(0.05)	(0.11)	-
Total	-	(0.18)	(0.14)	(0.00)	(0.00)	(0.05)	(0.11)	-
1% Appreciation in INR								
Impact on Equity								
Impact on P&L	-	0.18	0.14	0.00	0.00	0.05	0.11	-
Total	-	0.18	0.14	0.00	0.00	0.05	0.11	-

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 the Group forecasting their cash and liquidity requirements. Treasury pools the cash surplus 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 as on March 31, 2022							
Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long Term Loans	143.98	145.56	287.96	7,592.42	-	-	8169.92#
Total Borrowings*	143.98	145.56	287.96	7,592.42	-	-	8169.92#

(Rs. in Crore)

Maturity Profile of Borrowings at amortized cost as on March 31, 2021							
Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long Term Loans	143.98	145.56	287.96	7,592.42	-	-	8169.92#
Total Borrowings*	143.98	145.56	287.96	7,592.42	-	-	8169.92#

*Including interest

#Upfront arranger fee of Rs. 12.74 Crore. (Previous year Rs. 19.11 Crore) is not included.

Credit ratings of “CRISIL AAA/Stable” from CRISIL Ratings Limited and “CARE AAA/Stable” from CARE Ratings Limited, obtained by the SPV for its listed Non-Convertible Debentures issued on April 23, 2019, have been re-affirmed during financial year 2021-22. As on date, there is no revision in the credit ratings.

NOTE 33. STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF) OF PIL

(Rs. in Crore)

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (loss) after tax as per Statement of profit and loss (standalone) (A)	(30.53)	(1,190.74)
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.	871.35	844.61
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).	635.92	715.97
Add / (Less): Increase / decrease in net working capital deployed in the ordinary course of business.	(3.10)	156.81
Add / (Less): Expenditure Component Sweep as defined in the NCD Terms	-	-
Add / (Less): Net Contracted Capacity Payments (CCP)	(105.81)	893.58
Less: Capital expenditure, if any	(69.15)	(52.39)
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	(35.09)	77.96
(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.		
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	(126.87)	(171.25)
(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.		
Total Adjustments (B)	1,167.25	2,465.29
Net Distributable Cash Flows (C)=(A+B)	1,136.72	1,274.55

STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF_s) OF TRUST (Rs. in Crore)

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows received from Portfolio Assets in the form of interest	635.92	715.97
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.	6.69	0.11
Cash flows / Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	422.71	464.21
Total cash flow at the InvIT level (A)	1,065.32	1,180.29
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.	(6.66)	(9.29)
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues.	(1.10)	(1.32)
Total cash outflows/retention at the Trust level (B)	(7.76)	(10.61)
Net Distributable Cash Flows (C) = (A+B)	1,057.56	1,169.68

* Includes Rs. 142.80 Crore received as advance from Pipeline Infrastructure Limited [SPV]. (Previous year Rs.255.44 Crore)

An amount of Rs. 1,057.49 Crore has been distributed to unit holders as follows:

For the year ended March 31, 2022	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 19, 2021	132.91	155.87	-	288.78
July 19, 2021	98.78	159.27	-	258.05
October 18, 2021	93.42	157.89	6.61	257.92
January 18, 2022	97.59	155.15	-	252.74
	422.70	628.18	6.61	1057.49
For the year ended March 31, 2021	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 20, 2020	147.66	146.37	0.50	294.53
July 16, 2020	88.56	206.37	0.54	295.47
October 16, 2020	116.86	175.78	-	292.64
January 19, 2021	110.80	176.08	-	286.88
Total	463.88	704.60	1.04	1,169.52

NOTE 34. LONG TERM CONTRACT

The Trust has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Trust has reviewed and ensured that adequate provision as required under any law / accounting standard there are no foreseeable losses on such long term contracts has been made in the books of accounts.

NOTE 35. OTHER STATUTORY INFORMATION

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (iv) The provisions of section 135 of the Act and rules made thereunder are applicable to the SPV for FY 2021-22 and 2020-21, however, the SPV was not required to make any expenditure towards CSR activity during the years under review. Being a responsible corporate citizen, and pursuant to the approval of its Board, the SPV had provisioned Rs. 1 Crore to be utilized towards the CSR initiatives by the SPV during both these years. SPV's CSR activities were mainly focused towards health and sanitation, education, sustainable livelihood and rural development. These provisions are not applicable to the Trust.
- (v) On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to Group from April 1, 2022. The Group has evaluated the amendment and the impact is not expected to be material.
- i. Ind AS 109 – Financial Instrument
 - ii. Ind AS 16 – Property, Plant and Equipment
 - iii. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

NOTE 36. RATIOS

Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.66	0.93	(29)%	(Refer note 36.1 (i))
Debt- Equity Ratio	Total Debt ⁽¹⁾	Shareholder's Equity ⁽²⁾	0.89	0.83	7%	
Debt Service Coverage	Earnings available for debt services ⁽³⁾	Debt service ⁽⁴⁾	3.39	1.73	96%	(Refer note 36.1 (ii))
Return on Equity Ratio	Net profit / (loss) after tax	Average Shareholder's Equity	7.35%	(5.01)%	(247)%	(Refer note 36.1 (iii))
Inventory Turnover Ratio ⁽⁵⁾	Cost of goods sold	Average Inventory	NA	NA	NA	-
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	22.09	15.34	44%	(Refer note 36.1 (iv))
Trade Payables Turnover Ratio	Total Purchases of services & other expenses	Average Trade Payables	0.95	1.51	(37)%	(Refer note 36.1 (v))
Net Capital Turnover Ratio	Revenue from operations	Working Capital	(5.23)	(24.77)	(79)%	(Refer note 36.1 (vi))
Net Profit Ratio	Net Profit	Revenue from operations	21.19%	(23.84)%	(189)%	(Refer note 36.1 (iv))
Return on Capital Employed	Earnings before Interest and Tax	Capital Employed ⁽⁶⁾	8%	1%	640%	(Refer note 36.1 (vii))
Return on Investment						
On Mutual funds	Income generated from investments	Time weighted average investments	3.40%	3.20%	6%	
On Fixed deposits	Income generated from investments	Time weighted average investments	5.64%	6.74%	(16)%	

- ⁽¹⁾ Total Debt represents Non Current Borrowings + Current Borrowings (i.e. current maturities of long term debt).
- ⁽²⁾ Shareholder's equity is excluding Other Comprehensive Income (OCI).
- ⁽³⁾ Net profit after tax + non- cash operating expense + interest + other adjustments (like (profit)/ loss on sale of fixed assets).
- ⁽⁴⁾ Including lease payments for the year.
- ⁽⁵⁾ The Group is into service industry, hence inventory turnover ratio is not applicable. The inventory appearing in the balance sheet pertains to the stock of stores and spares consumed by the compressor stations during the course of operations.
- ⁽⁶⁾ Tangible net worth + Total Debt + Deferred tax Liability.

Note 36.1 Reasons for variance

- (i) Current ratio has decreased mainly due to increase in the trade payables.
- (ii) Improvement in Debt Service Coverage Ratio is on account of higher earnings available for debt service due to increase in gas transportation revenue.
- (iii) Improvement in Return on Equity is mainly on account of improvement in the net profit of the Group due to higher gas transportation revenue partially offset by higher cost.
- (iv) Increase in the gas transportation revenue has resulted in an improvement in the ratio.
- (v) Improvement in the trade payables turnover ratio is mainly due to lower transmission charges pertaining to gas transportation in third party pipeline.
- (vi) Improvement in Net Capital Turnover Ratio is mainly on account of increase in revenue due to higher gas transportation which is partially offset by decrease in the working capital.
- (vii) Improvement in the return on capital employed is on account of increase in EBIT due to increase in gas transportation revenue.

NOTE 37. SUBSEQUENT EVENTS

On a review of the Business operations of the group, review of minutes of meetings, review of the Trial Balances of the periods subsequent to March 31, 2022, there are no subsequent events that have taken place requiring reporting in the financials of FY 2021-22.

NOTE 38.

The previous year figures have been regrouped wherever necessary to make them comparable with those of current year.

NOTE 39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors of the Investment Manager to the Trust in its meeting held on May 19, 2022.

For and on behalf of the Board
Brookfield India Infrastructure Manager Private Limited
 (Formerly known as WIP (India) Private Limited)
 (as an Investment Manager of India Infrastructure Trust)

Sridhar Rengan
 Chairperson of the Board
 DIN: 03139082
 Place : Mumbai

Akhil Mehrotra
 Member of the Pipeline
 InvIT Committee
 PAN: ADNPM5006E
 Place : Navi Mumbai

Pratik Desai
 Compliance Officer of the Trust
 PAN: ALZPD6476H
 Place : Navi Mumbai

Date : May 19, 2022

INDIA INFRASTRUCTURE TRUST

Principal Place of Business: Seawoods Grand Central, Tower-1, 3rd Level, C Wing - 301 to 304, Sector 40, Seawoods Railway Station, Navi Mumbai, Thane, Maharashtra - 400706, India; **Tel:** +91 22 3501 8000;
Email: compliance@pipelineinfra.com; **Website:** www.indinfratrust.com