5TH
ANNUAL
REPORT

FINANCIAL YEAR
2022-23

INDIA INFRASTRUCTURE TRUST

CONTENTS

CORPORATE INFORMATION

INDIA INFRASTRUCTURE TRUST ("TRUST")
SEBI Registration Number: IN/InvIT/18-19/0008

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
E-mail: compliance@pipelineinfra.com
Website: www.indinfratrust.com

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

Valuer
Mr. S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238

Securities Information
BSE Limited: 542543
ISIN: INE05KD23015

REGISTRAR & TRANSFER AGENT OF THE TRUST
KFin Technologies 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")
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*
Ms. Swati Mandava, *Non-executive Director*

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

REPORT OF THE INVESTMENT MANAGER OF INDIA INFRASTRUCTURE TRUST FOR THE YEAR ENDED MARCH 31, 2023

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 the 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 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

During 2022, the global energy crisis triggered by the Russian invasion of Ukraine put natural gas supply security and market stability at the centre of policy interventions. This included the introduction of more stringent storage regulations, LNG procurement mechanisms based on enhanced co-ordination, and wholesale market interventions aiming to reduce price volatility. LNG supply growth was relatively modest in 2022, despite an unprecedented rise in Liquified Natural Gas ("LNG") demand in Europe following the gradual decline in Russian pipeline gas deliveries throughout the year.[1]

In 2022, global LNG trade expanded by 5.4%, a slightly lower growth rate than in 2021. LNG import growth in 2022 was led by Europe with a sharp 63% increase, compensating for a significant drop in pipeline gas imports from Russia. Meanwhile, demand in the Asia Pacific region was lower than expected and registered an 8% decline. China's imports were down by 21% (the largest annual decline in both absolute and percentage terms since the start of LNG imports in 2006), due to slow economic growth and Covid related disruptions. Japan was once again the world's largest LNG importer, despite a modest 3% drop in LNG inflows in 2022. Korea imported the same amount of LNG in 2022 as in 2021. Conversely, price-sensitive South Asian importers saw sharp declines: India and Bangladesh both saw LNG imports decrease by 17%, while Pakistan was down by 18%, as high and volatile spot LNG prices supressed demand. Despite the high price environment, Malaysia (up 45%), Thailand (up 28%), Singapore (up 22%), Indonesia (up 6%) and Chinese Taipei (up 4%) saw growing LNG imports, fuelled by strong power demand and economic activity – and in some cases also by declining domestic and pipeline gas supply. LNG imports in Central and South America dropped significantly (down 38%), thanks to the recovery of hydroelectric reservoir levels after the historic drought of 2021. LNG imports into Brazil dropped by 72% compared with 2021.[2]

LNG demand trends were dominated by a sharp surge in gross LNG imports into Europe (up 66 bcm), which was balanced by a steep decline in the rest of the world, particularly in Asia. While the United States supplied approximately two-thirds (43 bcm) of the incremental LNG inflows into Europe, other "swing suppliers" were also able to redirect significant flexible volumes to the European market, with Qatar (5 bcm), Egypt (5 bcm), Norway (3 bcm), Angola (2 bcm), the Russian Federation (2 bcm) and Trinidad and Tobago (2 bcm) providing the bulk of the remaining one-third.[2]

1 BP Energy Outlook 2023 - India
2 Consumption & production growth % https://iea.blob.core.windows.net/assets/c6ca64dc-240d-4a7c-b327-e1799201b98f/GasMarketReportQ12023.pdf

Emerging Asia's (which includes all countries and regions in Asia excluding mainland China, India and OECD Asia plus other high income Asian countries and regions) natural gas consumption is expected to increase by 9% between 2021 and 2025, adding nearly 21 bcm of incremental gas demand during the forecast period. Soaring LNG prices in H2 2021 and H1 2022 have already prompted periodic gas shortages, power cuts, fuel switching away from gas and demand destruction in certain industries across the region. Moreover, Emerging Asia's already high exposure to spot LNG prices is only expected to increase, as neither Vietnam nor the Philippines – the region's two prospective new LNG importers have signed any long-term contracts to date. Therefore, sustained high prices throughout the forecast period could further derail Emerging Asia's gas and LNG demand growth prospects, and leave much of the region's planned new LNG-to-power infrastructure further delayed or even uncompleted.[1]

Industry forecasts expect LNG demand to reach 650 to over 700 million tonnes a year by 2040. More investment in liquefaction projects is required to avoid a supply-demand gap that is expected to emerge by the late 2020s. Growing industry focus on the development and deployment of decarbonized gases – including renewable natural gas, synthetic natural gas, hydrogen, and ammonia – to deliver more sustainable energy security in the future.[3]

Indian Economy

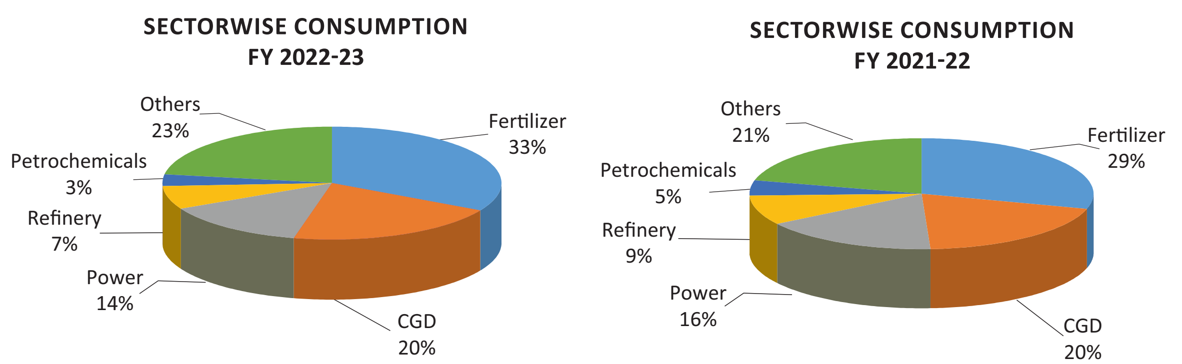
As per Economic Survey 2022-23 published by International Monetary Fund ("IMF") India's real GDP growth for FY 2023-24 is projected at 6.5 - 7% and in the next two years, India would emerge as the fastest-growing economy.[4]

As per the data released by Ministry of Commerce & Industry, the output of India's eight core industries increased by 6% in February 2023 as against 5.9% over the corresponding period of previous year. The cumulative expansion during April 2022 to February 2023 has been 7.8%. Barring Crude Oil (-4.9%), the output of Coal, Natural Gas, Petroleum refinery products, Steel, Cement, Fertilizers and Electricity increased by 8.5%, 3.2%, 3.3%, 6.9%, 7.3%, 22.2% and 7.6%, respectively, during April 2022 to February 2023 over corresponding period of the previous year.[5]

Natural Gas Production in India rose to 94.38 Million Metric Standard Cubic Meters per Day ("MMSCMD") in FY 2022-23 from 93.22 MMSCMD in FY 2021-22. The rise in production was contributed by increased gas production from Reliance Industries Limited - British Petroleum Joint Venture cluster fields in KG-D6 and start of production from Oil and Natural Gas Corporation ("ONGC") fields. LNG Imports decreased from an average of 85.01 MMSCMD in FY 2021-22 to an average of 74.03 MMSCMD in FY 2022-23, thereby reducing the overall dependency in LNG imports to 44% in FY 2022-23 from 47.7% in FY 2021-22.

The share of natural gas in total primary energy is expected to reach 7-11% in 2050 supported by demand from Industry and heavy road transport.[1]

Sector wise consumption of Natural Gas for FY 2022-23 and its comparison with FY 2021-22 is shown below:



1 BP Energy Outlook 2023 - India
3 Shell LNG Outlook 2023
4 Economic Survey 2022-23
5 Ministry of Commerce & Industry: Estimates of IIP, February 2023

PIL Pipeline (1,375 km trunk pipeline, excluding 105 km of spur lines and interconnects) traverses from Kakinada in Andhra Pradesh through the States of Telangana, Karnataka and Maharashtra, Silvassa, Union Territory of Daman, Dadra and Nagar Haveli and to Bharuch in Gujarat, with design capacity of 85 MMSCMD. The Pipeline includes a network of 10 Compressor Stations ("CS") and 2 operation centers, which incorporate modern telecommunication, emission control and operational systems for safe and efficient operations. It constitutes nearly 7% of the 21,129 km of operational Natural Gas Pipeline Network in India. In capacity terms, PIL pipeline constitutes 26% of the design capacity and contributes to nearly 14.7% of the total gas volumes transported in India.[7]

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 the financial year 2007 and was completed in the financial year 2009.

The trunk pipeline owned by PIL is 48" in diameter and 1,375 km in length, and traverses five states from Kakinada in Andhra Pradesh to Bharuch in Gujarat, with design capacity of 85 MMSCMD. Interconnects/spur lines have been installed for delivering gas to the customers either directly or through third party networks, with a cumulative length of interconnects/ spur lines of approximately 105 km. All tie-ins/terminals have been provided with ultrasonic type of metering systems along with pressure regulation/control and gas quality measurement systems. The 48" 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 10 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 Vijaipur Jagdishpur ("HVJ") /Dahej Vijaipur Gas Pipeline ("DVPL") in Maharashtra and KG Basin network in Andhra Pradesh (owned and operated by GAIL (India) Limited), 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") customers. Further, PIL Pipeline is connected to various domestic gas sources such as KG-D6 gas block operated by Reliance Industries Limited ("RIL") as well as ONGC gas fields on the east coast and to LNG terminal operated by SHELL Energy India Private Limited in the state of Gujarat, in west coast. The Pipeline also transports gas from LNG terminals at Dahej and Dhabol through inter-connected pipelines of GAIL and GSPC.

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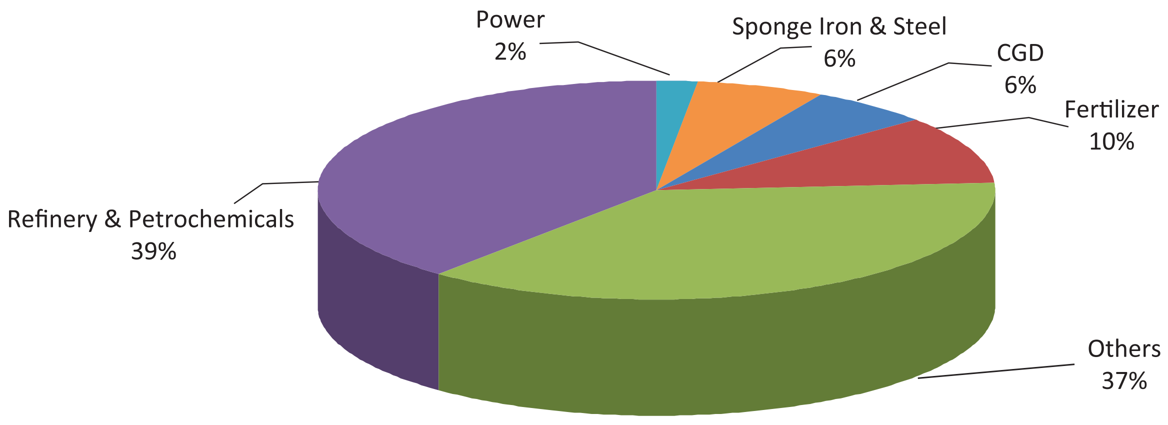
[7] https://pngrb.gov.in/eng-web/data-bank.html#ngpl-1

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 2022-23



Operational Performance

The Pipeline system has crossed the mark of 130.74 Billion Standard Cubic Meter ("SCM") cumulatively for gas transportation since commencement of operations in 2009. The Pipeline delivered 7.499 Billion SCM during the year FY 2022-23, without any business loss. System Use Gas as a percentage of total gas delivered was 1.23% against PIL score card SUG target 1.25% and Unaccounted for Gas was 0.003%, against the benchmark of ±0.10%. The Pipeline transported physically a volume of 20.54 MMSCMD as compared to 19.43 MMSCMD in FY 2021-22.

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 FY 2022-23 i.e. April'22 to March'23 based on the design capacity of 85 MMSCMD is 27.86% compared to the industry average capacity utilization of 35.30%[#]. Contractual volume actually transported and billed is 23.68 MMSCMD.

PIL successfully executed several new projects during the year. 5 Projects were completed during the year. Out of said Projects, Gas Supplies to 3 CGD connectivity projects, namely, M/s. Megha Engineering Infrastructure Limited at M&R54, M&R61 and M&R63; were commenced along with mechanical completion of 2 other connectivity projects, namely ONGC connectivity at M&R60 and Silvassa connectivity at M&R62; on readiness of the customer. With this, we now have assets installed and commissioned in the union territory of Silvassa along with existing 5 states. Completion of 2 CGD connectivity projects, namely M/s. AGP at M&R63 and M/s. Bhilosa Industries at M&R65; is planned for FY 2023-24. These connectivities will facilitate the flow of additional gas volumes through PIL Pipeline.

Further, to attain greater operational efficiency, PIL also underwent few technology upgradation activities during the year. PIL digital landscape is now enriched with its first vibration study through "Motion Application", to understand high vibration issues and avoid station shutdowns post taking mitigations. Remote data access of GEG systems was re-established at CS02, enabling easy access, monitoring of Gas Engine Generator ("GEG") parameters and timely identification & resolution of issues. The Drone Survey was completed for non-restricted areas (Green Zone – 1,060 km) of PIL pipeline, resulting in reduced Green House Gas ("GHG") emissions and aiding our Environmental, Social and Governance ("ESG") goals. Methane Leak detection study with Optical Gas Imaging ("OGI") camera for identifying leaks that are not recordable with

[#] Ready Reckoner, PPAC, September 2022. Includes pipelines which are operational and under construction

Lower Explosive Limit ("LEL") meters was completed at all PIL installations, enabling enhancement of process safety and achieve GHG reduction. Rationalization of Alarms was completed for all PIL installations (except CS07) which has enabled reduction in toggling alarms (40%-50% per CS) and increased focus on actionable alarms to avoid business interruptions. Implementation of these alarms has been completed at CS02, CS03 and CS06.

Major projects/upgradations activities include installation and commissioning of additional scrubber at CS01, installation of additional suction and discharge valves at CS02, CCC controller upgradation at CS10A & B enabling reduction in trip, life cycle enhancement till 2040 and online replacement of cards with no requirement of shutdown. Swapping of GEG B from CS04 to CS03 (post completion of 60K operation hours) and 20K maintenance of swapped GEG was completed, to achieve improved reliability and maintain equipment lifecycle. Conceptualized & implemented Integrated CCC control of all Gas Turbine Compressor ("GTC") units (5 nos.) under single Master Controller at CS10, which will enable Fuel Saving and achieving operational flexibility during parallel operations of CS10A & B. Major Inspection of GTC C unit at CS10B was completed at 32K hours, as per OEM, enabling improved reliability and maintaining equipment lifecycle. In view of business continuity and higher future volumes, GEG control system upgrade with Dia. Ne XT4 version was completed for all GEG units at CS02 to ensure power reliability for compressor station operations. The installation and commissioning of Orifice Metering System Diagnostics at M&R38 and M&R48 was completed enabling remote diagnostic of orifice meter and monitoring any abnormality in the orifice plates.

PIL had engaged DNV GL to perform an impact study on PIL pipeline. The objective was to analyse liquid condensate found in scrubbers at CS01. As per the report, the PIL pipeline and associated equipment are safe. First of its kind "Vendor Convention '22" was hosted by PIL with all the representatives of 20 organizations wherein Vendors appreciated PIL's Transparent approach, Fairness, Processes & Invoice Management for timely payments. Enabling improvement in occupational and workplace environment, upgradation of the LCC building (multi-purpose utilization with an overall facelift) and Guard Room was completed in CS03, CS04 & CS08.

In view of competency development, the quarterly technical magazine "Technical Chronicle" was initiated with effect from July 18, 2022. The journal provides a single platform for employees to learn and develop competencies. A collection of 120 presentations on multidisciplinary activities being performed at field called Multitasking Stack in addition to the schedule for Field Engineers to all sites was rolled. This initiative will enable engineers to improve their skills across technical domains and thus operate efficiently. For the development of technical (contractual) manpower at field, assessment tests were carried out for 222 personnel, wherein 93% personnel passed the assessment at first attempt.

Pipeline class locations were revised based on the survey results and High Consequence Area ("HCA") locations were revised accordingly. Mitigation measures such as installation of concrete slabs and implementation of Pipeline Intrusion Detection System add ("PIDS") before are being planned and will be implemented in phases. Concrete slab installation/ soil filling completed at 13 identified HCA locations against the target of 13. PIDS installed and commissioned for MLV 26 to MLV 28 (52.750 km) and MLV 26 to CS 07 (48.338 km). Intelligent pigging of trunk line along with spur line was carried out smoothly without any safety incident and business interruption despite COVID restrictions. All metal loss anomalies are acceptable for pipeline Maximum Allowable Operating Pressure ("MAOP"), Dent strain assessment carried out and stress <4%, no significant growth in corrosion anomalies reported, no anomalies predicted to require investigation/ repair within next 10 years. Satellite Remote Sensing technology for performing ground movement survey in seismically active areas (Palghar - KP 1150 to KP 1200) was adopted. Magnetic Tomography Method ("MTM") and subsequent In-Line Inspection ("ILI") the identified pipeline sections did not reveal any major anomalies. Closed Interval Potential Logging ("CIPL") Survey for checking the effectiveness of Cathodic Protection ("CP") system and Direct Current Voltage Gradient Survey ("DCVG") survey for checking the coating integrity were completed for entire pipeline. Based upon the report, rectification of all identified & feasible 11 nos. moderate severity defects completed.

Financial Performance

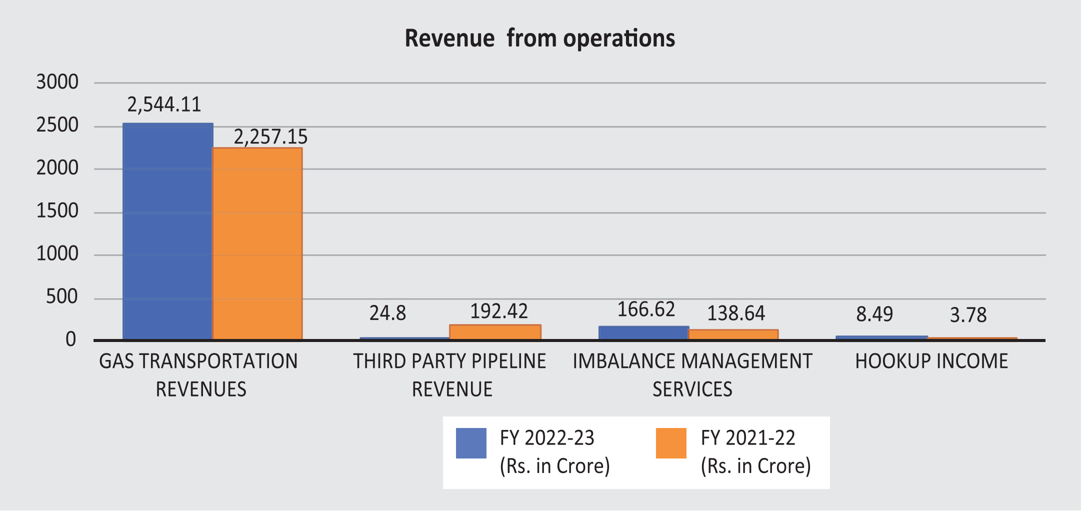
The Financial year ended March 31, 2023, was PIL's fourth full financial cycle since it was incorporated on April 20, 2018 and business was operative from July'18 to March'19 during FY 2018-19. PIL considered internal and external information while finalizing estimates in relation to its financial statement and has not identified any material impact on the carrying value of assets, liabilities or provisions.

Brief details of financial performance of PIL for the financial year ended March 31, 2023, are as under:

(Amount in Rs. Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Turnover	2,744.02	2,591.99
Other Income	56.41	38.54
Fair value gain on Non Convertible Debentures measured at FVTPL	517.25	37.48
Total Income	3,317.68	2,668.01
Profit / (Loss) before Tax	500.98	(30.53)
Less: Current Tax	-	-
Deferred Tax	-	-
Profit / (Loss) for the year	500.98	(30.53)
Add: Other Comprehensive Income / (Loss)	(0.51)	0.12
Total Comprehensive Income/ (Loss) for the year attributable to the owners of the Company	500.47	(30.41)

During the financial year 2022-23, PIL transported an average ~23.68 MMSCMD (at gross conversion value of 37000 BTU per SCM) of gas volume and earned a transportation revenue of Rs. 2,710.73 Crore, including the revenues under Parking, lending and Deferred Delivery Services ("DDS") PIL offered as value added service to customers. As a result of prudent maintenance, the Critical Equipment Availability was 97.7% and Reliability was 99.8%.



EBIDTA for the FY 2022-23 is Rs. 2,108.51 Crore as against Rs. 2,019.98 Crore for FY 2021-22 (excluding fair value loss/ gain on Non-Convertible Debentures measured at Fair Value). APTEL upheld the submissions made by PIL in the Capacity Matter against PNGRB and issued directions to PNGRB to declare PIL Pipeline capacity, after considering changes in operating parameters; a favourable step towards PIL.

Health, Security, Safety and Environment ("HSSE")

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, 7 high risk (potential) incidents were reported. All incidents were investigated, and recommendations were tracked till closure. It was a Lost Time Injury ("LTI") free year. As on March 31, 2023, PIL completed cumulative 17.48 safe million man-hours and 2596 days without LTI incidents. HSSE score for the financial year 2022-23 was 94% against the target of 94%.

PIL is committed towards achieving the highest standards of HSSE performance. In recognition of such commitment, PIL has bagged a 5-star grading in Occupational Health & Safety Audit and won Sword of Honour award conducted by British Safety Council. PIL has contributed to protecting the environment throughout the complete life cycle of its assets – from business development, project planning, design, and operation. Not just because we must, but because we want to.

PIL is Emergency Response and Disaster Management Plan (“ERDMP”) certified entity by PNGRB approved Third Party Inspection agency. Emergency mock drills were conducted regularly to verify the emergency planning, preparedness & response and feedbacks of such drills were used to enhance response and mitigation measures. One off-site emergency mock drill was conducted at CS02, CS03, CS04 & CS06 area each in presence of statutory and administrative authorities including emergency services. Authorities were impressed with the response and had appreciated the emergency planning and preparedness for its pipeline operations.

Business Outlook

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, PIL has signed an MoU with GAIL (India) Limited (“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.

A committee headed by Mr. Kirit Parekh was appointed by the Government of India to boost the penetration of natural gas in the primary energy basket in the country. This committee has recommended reformations in the price of domestic natural gas and these recommendations are under active consideration of Government of India for implementation.[8]

On the regulatory front PNGRB has amended PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations to incorporate the regulations pertaining to Unified Tariff for National Gas Grid System (“NGGS”) to achieve a mission of “One Nation, One Grid and One Tariff”. This reform will especially benefit the consumers located in the far-flung areas where currently the additive tariff is applicable and facilitate development of gas markets and vision of government to increase the gas utilization in the country.

PIL is connected to cross country pipeline networks of GAIL and Gujarat State Petronet Limited (“GSPL”), and to all major domestic gas sources on east & west coast like Reliance Industries Limited (“RIL”)/Oil and Natural Gas Corporation Limited (“ONGC”) and RLNG terminal. It is well positioned to cater to pan-India demand centers. PIL is also evaluating connectivity opportunities with new CGD entities for viable and sustainable growth opportunities in the near future. PIL being a critical limb of the national gas grid, contributes to the development of gas based economy in the country.

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 Crore, at par, to the Trust, on private placement basis (“NCDs”),

[8] https://www.indiatimes.com/explainers/news/explained-kirit-parikh-panel-recommendations-for-gas-pricing-freedom-586797.html"Explained: Kirit Parikh Panel Recommendations For Gas Pricing Freedom (indiatimes.com)

from which the Trust derives interest income. The said NCDs have been issued for a term of 20 years from the date of allotment.

On April 23, 2019, PIL has redeemed 6,45,20,000 NCDs of Rs. 1,000 each aggregating to Rs. 6,452 Crore, at par, out of the aforesaid 12,95,00,000 NCDs issued on March 22, 2019. The proceeds from the redemption was utilized by the Trust to redeem the Trust NCDs.

As on March 31, 2023, in line with the terms of issuance of the aforesaid NCDs, PIL had made payment of an aggregate amount of Rs. 1,098.82 Crore (during the year under review – Rs. 314.82 Crore and as on the date of this Report - Rs. 1,185.07 Crore) as Principal, from time to time, towards partial re-payment of the remaining 6,49,80,000 NCDs of Rs. 1,000 each, thereby proportionately reducing the face value of NCDs. Accordingly, as on March 31, 2023, the face value of the remaining 6,49,80,000 NCDs of Rs. 1,000 each has been reduced to Rs. 830.90 each (as on the date of this Report to Rs. 817.63 each).

Further, the total cumulative Expenditure Component Sweep paid by PIL to the Trust is Rs. 741.30 Crore as on March 31, 2023 and Rs. 134.97 Crore during the year under review, which is treated as advance and will be settled against the future repayments of the principal of NCDs as per the agreement(s).

During the year under review, the Trust has earned Rs. 608.61 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, 2023, average daily flow of natural gas through PIL Pipeline was 23.67 MMSCMD (at gross conversion value of 37,000 BTU per SCM). During the financial year 2022-23, PIL generated a revenue Rs. 2,744.02 Crore from its operations and Rs. 56.41 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, 2023, is as follows:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	611.35	2,803.14	639.15	2,633.76
Total Expenditure (Including fair Value loss)	540.19	2,255.89	58.74	2,083.08
Profit before tax	71.16	547.25	580.41	550.68
Less: Provision for tax				
Current tax	1.17	1.17	1.38	1.38
Deferred tax	-	-	-	-
Profit for the year	69.99	546.08	579.03	549.30
Other Comprehensive Income / (Loss)	-	(0.51)	-	0.12
Total Comprehensive Income for the year	69.99	545.57	579.03	549.42

Key operating expenses of the Trust for the financial year ended March 31, 2023 and March 31, 2022, are as follows:

(Amount in Rs. Crore)

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Investment Manager Fees	2.83	2.83
Legal, Professional and advisory fees	0.64	0.68
Trustee Fee	0.21	0.21
Demat Charges	0.34	0.36
Valuation Expenses	0.23	0.18
Listing fees	0.12	0.12
Project Manager Fees	1.77	1.77
Custodian Expenses	0.06	0.11
Bank Charges	0.02	0.02
Payment to Auditors	2.66	2.45
Other expenses	0.08	0.03
Total	**8.96***	**8.76***

** Does not include loss on fair valuation of call/put option Rs. 13.98 Crore (Previous year Rs. 12.50 Crore).*

Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2023 along with the Report of Auditors thereon form part of this Annual Report.

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, Mr. S. Sundararaman, Registered Valuer (IBBI Registration Number: IBBI/RV/06/2018/10238) ("Valuer"), was appointed as the Valuer of the Trust to carry out the valuation of Trust Assets for FY 2022-23 in accordance with the SEBI InvIT Regulations.

In terms of the provisions of regulation 10 and regulation 21(4) of the SEBI InvIT Regulations, the Valuation Report for the financial year ended March 31, 2023, dated May 15, 2023, issued by the Valuer of the Trust, has been filed with BSE Limited on May 19, 2023 i.e. within the prescribed timelines 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. 12,453 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, 2023 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, 2023 is as under:

(Amount in Rs. Crore)

Particulars		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
		Book Value	Fair Value	Book Value	Fair Value
A.	Assets*	6,097.56	6,870.74	7,063.23	7,400.44
B.	Liabilities at Book value**	85.02	85.02	73.93	73.93
C.	Net Assets (A-B)	6,012.54	6,785.72	6,989.30	7,326.51
D.	Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E.	NAV per Unit (C/D) (Amount in Rs.)	90.55	102.19	105.26	110.34

**Assets includes the Fair Value of the Enterprise Value attributable to the Trust as at March 31, 2023 including book value of Trust assets. Assets are valued as per valuation reports issued by independent valuers appointed under the SEBI InvIT Regulations and as per IND AS.*

*** Liabilities include book value of Trust liabilities.*

INVESTMENT MANAGER ("IM") OF THE TRUST

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

The Company was a wholly-owned subsidiary of BHAL Global Corporate Limited ("BHAL") - an affiliate of Brookfield Asset Management Inc. ("BAM"). During the year, pursuant to an internal re-structuring, the existing shareholders transferred their holdings as under:

- Brookfield Global Subinvestments Limited (nominee of BHAL) transferred 1 equity share of the Company to Brookfield India GP ULC on November 30, 2022; and
- BHAL transferred 83,39,557 equity shares of the Company to Brookfield Manager Holdings Limited ("BMHL") on December 1, 2022.

Consequent to the abovementioned transfers, the Company ceased to be the subsidiary of BHAL and became the subsidiary of BMHL w.e.f. December 1, 2022 and continues to be a subsidiary of BMHL as on the date of this Report.

Pursuant to the informal Guidance issued by SEBI on March 12, 2020, the Company may act as a common 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, during the year and as on the date of this Report, the Company is acting as a Common IM to the Trust and Data Infrastructure Trust ("Data InvIT"), another InvIT set up by Brookfield under the SEBI InvIT Regulations.

Board of Directors of BIIMPL

Details of Board of Directors of BIIMPL as on March 31, 2023 are as under:

Sr. No.	Name of Director	Designation	DIN
1.	Mr. Sridhar Rengan	Non-executive Director ("NED") and Chairperson	03139082
2.	Mr. Chetan Desai	Non-executive Independent Director	03595319
3.	Mr. Narendra Aneja	Non-executive Independent Director	00124302
4.	Ms. Swati Mandava	NED	07625343

Further, 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.	Ms. Pooja Aggarwal	Resigned as an Additional NED with effect from April 6, 2022
2.	Ms. Swati Mandava	Appointed as a NED with effect from June 28, 2022

Brief Profile of Directors of BIIMPL as on March 31, 2023

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. He retired as Managing Partner from M/s. Haribhakti & Co. LLP - a leading CA Firm in India - in 2018. Earlier, for many years he was heading the audit & assurance practice of the Firm. He is on the Board of a few companies.

   During his professional career of 47 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 wide knowledge and exposure in the fields of corporate governance, compliance, corporate laws, accounting and related areas.

3. Mr. Narendra Aneja

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

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

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

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

4. Ms. Swati Mandava

   Swati Mandava is Legal Counsel and Corporate Secretary for Brookfield Corporation. In this role, she is responsible for providing legal advice in relation to existing and new initiatives of the Corporation, serving as Corporate Secretary to the Board of Directors of the Corporation, and having oversight of legal and compliance activities.

Ms. Mandava joined Brookfield in 2015 and has held several roles including serving as senior lawyer for Brookfield's India and Middle East business. Prior to joining Brookfield, she worked for a leading corporate law firm in India, where she focused on mergers and acquisitions, private equity and advising on a variety of corporate transactions.

Ms. Mandava holds a dual Bachelor of Arts and Law degree from NALSAR, University of Law in Hyderabad, India.

Pipeline InvIT Committee of the Company

Considering that the Company is acting as a common IM to the Trust and Data InvIT, 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 investment manager that pertain to the management and operation of the respective InvIT in accordance with the SEBI InvIT Regulations, respective Trust Documents, Investment Management Agreement 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, 2023 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 Investment Manager

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 half of its Directors as Independent Directors having extensive and relevant experience.

A. Codes/Policies

(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:

The Code of Conduct for Prohibition of Insider Trading ("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 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. <u>Representatives on the Board of Directors of PIL, Special Purpose Vehicle ("SPV") of the Trust</u>

In terms of the SEBI InvIT Regulation, majority of Board of Directors of PIL i.e. SPV of the Trust, have been appointed by IM of the Trust.

During the year and as on the date of this Report, the following changes took place in the Board Composition of PIL:

Name of the Director & DIN	Nature of change	Effective date of change
Ms. Adhwa Abdulla A Alabdulkarim DIN: 09356931	Resigned as an Additional NED	April 12, 2022
Ms. Pooja Aggarwal DIN: 07515355	Appointed as a NED	April 12, 2022
Mr. Anish Kedia DIN: 01916638	Resigned as a NED	August 12, 2022
Mr. Prateek Shroff DIN: 09338823	Appointed as a NED	August 12, 2022
Mr. Jeffrey Kendrew DIN: 08020501	Resigned as a NED	November 23, 2022
Mr. Varun Saxena DIN: 09797032	Appointed as a NED	November 23, 2022

BIIMPL had ensured that voting of the Trust was exercised at the following general meetings of PIL:

- Extra-ordinary General Meeting (No. 01/2022-23) held on May 5, 2022;
- 4th Annual General Meeting held on September 15, 2022; and
- Extra-ordinary General Meeting (No. 02/2022-23) held on December 16, 2022.

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 Collyer Quay Centre, 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, 2023 and as on the date of this Report.

Directors of the Sponsor

The details of Board of Directors of Sponsor as on March 31, 2023 are as under:

Sr. No.	Name of Director	Identification No.
1	Mr. Liew Yee Foong	S8779790B
2	Ms. Ho Yeh Hwa	S7838513H
3	Mr. Tan Aik Thye Derek	S9339299Z
4	Ms. Tay Zhi Yun	S8945483B
5	Ms. Talisa Poh Pei Lynn	S9086937Z

Further, changes in the Directors of the Sponsor during the year ended March 31, 2023 and as on the date of this report are as under:

Sr. No.	Name of Director	Details of changes
1	Mr. Tan Aik Thye Derek	Appointed with effect from April 29, 2022
2	Mr. Velden Neo Jun Xiong	Resigned with effect from April 29, 2022
3	Mr. Tang Qichen	Resigned with effect from October 12, 2022
4	Ms. Tay Zhi Yun	Appointed with effect from October 12, 2022
5	Ms. Talisa Poh Pei Lynn	Appointed with effect from October 12, 2022

Brief Profiles of Directors of the Sponsor as on March 31, 2023:

1. Mr. Liew Yee Foong

   Liew Yee Foong is a Senior Vice President – Head of Fund Management and Finance of Brookfield Singapore. He has over a decade of work experience for which the initial 4 years were within the audit space auditing fund, private equity, asset management, real estate and logistics companies. This was followed by 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. Tan Aik Thye Derek

Derek is an Investment Professional in Brookfield Singapore and manages investments conducted in Asia. He has over 5 years of work experience in private investment managers focused on real estate. In his prior experience, he covers investments, portfolio management and fund management for close end funds and perpetual open end vehicles.

Derek holds a Bachelor of Business Administration (Hons) from Nanyang Business School, Nanyang Technological University.

4. Ms. Tay Zhi Yun

Tay Zhi Yun is Vice President – Finance of Brookfield Singapore. She has over 11 years of work experience, of which the initial 4 years were spent in the professional services space, auditing a sovereign wealth fund, real estate companies and financial institutions. This is followed by commercial experience focusing on fund managers and funds with mandates within real estate, private equity, infrastructure and renewable investments.

Tay Zhi Yun holds a Bachelor of Accountancy from Nanyang Technological University and is also a Chartered Accountant ("CA") Singapore.

5. Ms. Talisa Poh Pei Lynn

Talisa is an Investment Professional in Brookfield Singapore and manages investments conducted in Asia. She has over 8 years of work experience from which the initial first year performing finance business support and revenue assurance and 7 years within Valuations, Deals M&A. In her prior experience, she has led teams to complete valuation exercises for potential acquisition or investment, and financial reporting purposes in accordance with the accounting standards.

Talisa holds a Bachelor (Hons) of Economics and Finance from University of Manchester, United Kingdom.

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 laws.

There has been no change in the Trustee during the financial year ended March 31, 2023 and as on the date of this Report.

Board of Directors of the Trustee

The details of the Board of Directors of the Trustee as on March 31, 2023 are as under:

Sr. No.	Name of Director	DIN
1	Ms. Deepa Rath	09163254
2	Mr. Rajesh Kumar Dahiya	07508488
3	Mr. Ganesh Sankaran	07580955

Further, there has been no change in the Board of Directors of the Trustee during the financial year ended March 31, 2023 and as on the date of this Report.

Brief Profiles of Directors of the Trustee as on March 31, 2023:

1. Ms. Deepa Rath

   Ms. Deepa Rath is the Managing Director & CEO on the Board of Axis Trustee Services Limited.

   Ms. 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.

   Ms. Rath 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. Rath 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, Ms. Deepa also has completed "Advanced Program in Fintech & Financial Blockchain" from IIM Calcutta to continue her strive for knowledge & learning.

2. Mr. Rajesh Kumar Dahiya

   Mr. Rajesh Kumar Dahiya is a non-executive director on the board of the Trustee and also the Chairman of Axis Trustee Services Limited.

   He is a general management professional with over three decades of experience across industries and business functions. He was an Executive Director on the Board of Axis Bank Limited till December 31, 2021, responsible for multiple Governance functions under the Corporate Centre of the Bank.

Before joining the 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. Presently, he is the MD & CEO of Good Govern. He also serves on the Board of Max Life Insurance and Calibre Chemicals.

3. Mr. Ganesh Sankaran

Mr. Ganesh Sankaran is a Non-executive Director on the board of the Trustee.

Mr. 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.

Mr. Sankaran is an Engineer with a Master's degree in Business Administration. Presently, he also serves on the Board of Cauvery Basin Refinery and Petrochemicals.

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

- During the year, gas supplies from newly developed domestic fields on the east coast ramped up and customers from sectors such as City Gas Distribution ("CGD"), Fertilizer, Power, and other industrial sectors are consuming the gas from these fields. Production of gas from new fields and further ramp-up in supplies from gas fields on the east coast Blocks of RIL viz. RIL-BPEAL and ONGCL etc., is expected.
- During the financial year 2022-23, the newly authorised CGD entities commenced commercial activities of gas supplies and additional gas volumes started to flow through the cross country and regional pipeline networks to meet the demand of CGD sector. Gas supplies to CGD as well as other industrial sectors is expected to further increase with the development of network infrastructure in the near future. The incremental gas volume will augment capacity utilization and revenue for pipeline operators in the country.
- In order to boost infrastructure development in the natural gas sector for transportation of gas from various sources including terminals, Petroleum and Natural Gas Regulatory Board ("PNGRB") invited expression of interest from potential investors and pipeline operators to invest in creation of cross country pipelines. This would help in improving capacity utilisations of other gas pipelines and increase the penetration of natural gas in the primary energy basket to fifteen percent (15%) as envisaged in the stated policy of government of India.
- During the period, the impact of geopolitical situation between Russia and Ukraine continued to influence global LNG prices. Domestic Natural Gas price was increased by 110% w.e.f April 1, 2022, while Gas Price Ceiling saw an increase of 62% over previous period prices. Subsequently in September 2022 for second half of FY 2022-23, the Domestic Natural Gas price saw an increase of 40% and Gas Price Ceiling was increased by 26% due to high global gas and fuel prices. Govt of India has constituted a panel/committee to review domestic natural gas pricing formula to determine "fair price to the end-consumer" with an endeavour to moderate gas prices.
- A committee headed by Mr. Kirit Parekh was appointed by the Government of India to boost the penetration of natural gas in the primary energy basket in the country. This committee has recommended reformations in the price of domestic natural gas and these recommendation are under active consideration of Government of India for implementation.

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 FY11 till FY19, 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 March, 2019, had declared the levelized tariff of Rs. 71.66/MMBTU and corresponding zonal apportionment of the tariff in June, 2019 which were made applicable from July 1, 2019.

(3) Subsequent to above, PNGRB has notified several amendments to the "Determination of Natural Gas Pipeline Tariff Regulations, 2008" (Tariff Regulations) as below:

a. Amendment notified in March, 2020 stipulating consideration of lowest nominal rate of income tax in tariff computation in case more than one nominal rates of income tax are available to the entity. This amendment was issued consequent to the amendment in Income Tax Rates by GOI in FY 2019-20, for the corporate assesses. This may lead to negative implication on PIL Pipeline tariff during next review. However, the reduction in tax outflows in subsequent years offset such reduction substantially.

b. Amendments notified in November, 2020 including longer Economic Life, lower no of working days in a year etc.

c. Subsequent to above, PNGRB issued public consultation document in August 2022, followed by notification of Amendments in November, 2022, which included consideration of authorized capacity, SUG on normative basis, allowance of transmission loss, prospective applicability of revised corporate tax rate etc.

The abovementioned amendments in Tariff regulations would have minor implication on overall basis on PIL Pipeline tariff at the time of next tariff review.

(4) PIL has submitted tariff review application to PNGRB on March 22, 2023. PNGRB is expected to process the tariff review application in next 2-3 months.

(5) PNGRB has notified amendments in regulations for Determination of Natural Gas Pipeline Tariff, Second Amendment Regulations, 2020 relating to unified tariff. The pan India unified tariff shall come into force from April 1, 2023. Under Unified tariff regime, multiple pipelines belonging to different entities, including PIL Pipeline, will constitute National Gas Grid System ("NGGS") and charge customers the applicable unified zonal tariff as determined by PNGRB in place of individual zonal tariff approved by PNGRB. The difference between unified tariff based revenue and revenue entitlement based on PNGRB approved tariff for each pipeline entity will be settled as per settlement mechanism stipulated under the tariff regulations. In the Unified Tariff regime, each transporter shall remain revenue neutral.

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

Not Applicable for the period under review.

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

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

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

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

F. Credit Rating

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.

During the period under review CCR was revised for standardising rating scales used by Credit Rating Agencies, due which, CRISIL has migrated the CCR of the Trust to "CRISIL AAA/Stable" (pronounced as CRISIL triple A rating with Stable outlook) from "CCR AAA/Stable", on December 13, 2022.

The aforesaid rating has been re-affirmed by CRISIL on April 27, 2023.

G. Other material changes during the year

Details of material changes during the year under review and as on the date of this Report are mentioned below:

Pursuant to the recommendation of the Investment Manager, Unitholders of the Trust, at its 1st Extra-ordinary General Meeting for FY 2022-23, held on May 6, 2022, have approved following matters by way of special majority, in terms of the SEBI InvIT Regulations:

- 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; and
- change of Principal Place of Business of the Trust 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', effective May 6, 2022.

In addition to the above, SEBI, vide its circular dated February 14, 2023, has made various amendments in the SEBI InvIT Regulations requiring significant changes in the governance structure of the Investment Manager to discharge its obligations under the SEBI InvIT Regulations effective from April 1, 2023. However, the competent authority has, vide its email dated April 6, 2023, allowed additional period of two months to BIIMPL, to comply with the governance norms. Accordingly, the Company is in the process of implementing the required changes by June 1, 2023, post which necessary intimations and submissions will be made to SEBI, stock exchange and the Trustee.

Further, except as disclosed herein above or elsewhere in the Report, there has been no material change during the year under review and as on the date of this Report which require disclosure 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 the 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:

(Amount in Rs. Crore)

Particulars	FY 2018-19 (for the period March 22, 2019 to March 31, 2019)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Interest revenue w.r.t. the PIL NCDs	31.09	664.73	715.97	635.92	608.61
Interest revenue on fixed deposits	-	3.09	3.64	3.14	2.59
Gain (net) on financial assets	-	0.94	0.05	0.09	0.15
Total	**31.09**	**668.76**	**719.66**	**639.15**	**611.35**

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 2 (two) other CGD connectivity projects with PIL Pipeline and declared ready for commissioning on readiness of the customer. Completion of 2 CGD connectivity projects, namely M/s. AGP at M&R63 and M/s. Bhilosa Industries at M&R65; is planned for FY 2023-24. These connectivities will facilitate flow of additional gas volumes through PIL Pipeline.

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

There are no borrowings outstanding at standalone level as on March 31, 2023, 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, 2023 are as under:

- Credit Rating for Trust: “CRISIL AAA/Stable” by CRISIL
- Credit Rating for PIL external NCDs: AAA/Stable by CRISIL and Care Ratings Limited
- Debt Maturity Profile for external debt availed by PIL: March 2024
- Covenants of PIL:
    - Debt Limit: 48.68%
    - Interest Service Coverage Ratio: 3.54

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

(Amount in Rs. Crore)

Transaction	PIL Standalone		Trust Standalone	Consolidated
	Trust	Lender Consortium	Lender Consortium	Lender Consortium
Opening borrowings (Carrying Value)	**(5,714.00)***	**(6,452.00)**	**-**	**(6,452.00)**
NCD Repayment	314.82	-	-	-
NCD Issuance	-	-	-	-
Closing borrowings (Carrying Value)	**(5,399.18)#**	**(6,452.00)**	**-**	**(6,452.00)**

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

 # Fair Value through Profit and Loss of the said NCDs as at March 31, 2023 - Rs. 5,997.19 Crore.

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

Unit price (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
FY 2021-22	Rs. 101	Rs. 98	Rs. 98

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

The Trust had issued 66,40,00,000 units of Rs. 100 each aggregating to Rs. 6,640 Crore on March 18-19, 2019, which are listed on BSE Limited w.e.f. March 20, 2019. However, pursuant to payment of 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 on March 31, 2023 is 66,40,00,000 units of Rs. 70.9059 each aggregating to Rs. 4,708.15 Crore and as on the date of this Report is 66,40,00,000 units of Rs. 69.0724 each aggregating to Rs. 4,586. 41 Crore.

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

Summary of Unit Price and Volume for the financial year ended March 31, 2023 is as under:

Particulars	BSE Limited
Unit Price at the beginning of the period (Open Price of April 5, 2022)	Rs. 98
Unit Price at the close of the period (Close price of March 17, 2023)	Rs. 92
Highest Unit Price (September 5, 2022)	Rs. 100
Lowest Unit Price (March 1, 2023)	Rs. 83.50
Average daily volume traded (No. of units)	9,17,143

(As per the data available on BSE Limited)

Distributions made by the Trust

Pursuant to the provisions of the SEBI InvIT Regulations and in line with the Distribution Policy, the Transaction Documents and the Trust Documents, Brookfield India Infrastructure Manager Private Limited i.e. the IM of the Trust, has made timely distributions to the unitholders.

The details of distributions declared and made by the Trust since formation and as on March 31, 2023 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

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
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
July 7, 2022	1.7327	2.2849	-	4.0176	July 19, 2022
October 7, 2022	1.7463	2.2772	-	4.0235	October 18, 2022
January 6, 2023	1.7193	2.2108	-	3.9301	January 18, 2023

After the closure of the financial year 2022-23 and as on the date of this Report, following distributions were declared and made by the IM of the Trust, pursuant to the provisions of the SEBI InvIT Regulations and in line with the Distribution Policy, the Transaction Documents and the Trust Documents:

Date of declaration	Return of Capital (Rs. Per unit)	Return on Capital (Rs. Per unit)	Miscellane-ous Income (Rs. Per unit)	Total (Rs. Per unit)	Date of payment
April 6, 2023	1.8335	2.0805	-	3.9140	April 18, 2023

Yield for the last 5 years

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%
2022-23	70.9058	6.7742	8.9902	15.7644	11.96%

***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, 2023, are provided under Note 21 of the Standalone Financial Statements forming part of this Report.

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, 2023 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 Crore, 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 Crore.

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. 314.82 Crore as Principal, from time to time, towards partial re-payments of the remaining 6,49,80,000 NCDs of Rs. 1,000 each, thereby reducing the face value of NCDs to Rs. 830.90 as on March 31, 2023.

Accordingly, as on March 31, 2023, the Trust had an outstanding investment of Rs. 5,997.19 Crore (previous year Rs. 6,964.23 Crore) in PIL NCDs which includes fair valuation gain of Rs. 1,339.29 Crore (previous year Rs. 1,856.56 Crore).

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 the 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

<u>Pipeline Infrastructure Limited</u>

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 audited Financial Statements as of March 31, 2023 was Rs. 2,800.43 Crore. Accordingly, all outstanding civil litigation (i) involving an amount equivalent to or exceeding Rs. 14 Crores (being 0.50% of the total income of PIL provided as per audited Financial Statements as of March 31, 2023), 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, 2022 and ended March 31, 2023 was US$ 56.2 million. Accordingly, all outstanding civil litigation against the Sponsor and the Project Manager which (i) involve an amount equivalent to or exceeding US$ 2.8 million (being 5.00% of the total income of the Sponsor for the period ended March 31, 2023) 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, 2023.

Investment Manager

The total income of the Investment Manager i.e. Brookfield India Infrastructure Private Limited as per the Audited Financial Statements for the financial year ended March 31, 2023 was Rs. 5.55 Crore. Accordingly, all outstanding civil litigation against the Investment Manager which (i) involve an amount equivalent to or exceeding Rs. 0.28 Crore (being 5.00% of the total income as per the audited consolidated financial statements for the financial year ended March 31, 2023), 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. 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 Investment 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 Investment Manager, as on March 31, 2023.

Trustee

All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding Rs. 1.23 Crore (being 5.00% of the profit after tax as on March 31, 2023 based on the audited standalone financial statements of the Trustee for the financial year ended March 31, 2023) 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, 2023 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, 2023 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, 2023, 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. <u>Civil matters</u>

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

The right of use in respect of the Pipeline was granted to RGTIL (former name of EWPL) under section 6 of the PMP Act through various notifications issued by the Government of India. The implementation of the right of user under the PMP Act was enforced through the competent authorities authorised by the central government to perform functions under the PMP Act. In certain instances landowners 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) 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 Rs. 51 crores. The matter is currently pending.

(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. 45 Crore. The suit is pending.

(c) Ishwarlal Thakorbhai 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. 91 Crore, under the PMP Act. The matter was disposed, however the same was restored by the Court and the same is currently pending.

(d) Ashok Desai & ors filed a Civil Miscellaneous Application (DC) No. 34 of 2021 against Union of India, CA of DNEPL & RGTILEWPL before the District Court Valsad demanding additional compensation of Rs. 21.42 Crore. The suit is pending.

(e) Suraner Venkata Satya Tirumala Rao had filed an appeal bearing no. WP 3935/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 0.04 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 14 Crore by the petitioner. The appeal is pending.

(f) Gadde Venkatanarasimha Rao had filed an appeal bearing no. WP 2172/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 0.35 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 16 Crore by the petitioner. The appeal is pending.

(g) Gadde Venkateswara Rao (died) Represented by Petitioners Nos. 2 to 7 had filed an appeal bearing no. WP 3001/2019 before High Court of Andhra Pradesh to set aside the decree (decree amount of Rs. 1.84 million) passed by Principal District Court, Krishna at Machilipatnam against the original claim of Rs. 16.03 Crore by the petitioner. The appeal 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. 41.56 Crore 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. 13.21 Crore 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. The landowner filed a Writ Petition against PIL for laying pipeline without acquiring ROU and prayed 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 dated 04.01.2022 u/s 3(1) of the PMP Act. On 02.03.2022, Bombay High Court heard the WP and was 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. Competent Authority heard Petitioner's objection and dismissed objections raised by Petitioner and ordered that compensation will be paid as per the provisions of PMP Act as only right of user is being acquired in the land. Aggrieved with this order, the Petitioner filed another writ, WP No. 7115 of 2022 on June 2022 against the CA of PIL and UOI.

Meanwhile, MoPNG notified acquisition of RoU by issuing a gazette notification dated 19th September 2022 u/s 6(1) & (4) of PMP Act.

High Court heard the WP on 8.02.2023 and vide order dated 27.03.2023 dismissed the WP stating that the Executive Order passed by the Central Govt. u/s 113 is not enforceable under Art.73 of the Constitution of India without it being approved by Parliament. A caveat application was moved by PIL before Supreme Court.

The Petitioner challenged the said order by filing SLP (Civil) No. 8363 of 2023 to stay the operation of the Judgement dated 27.03.2023 of the Bombay High Court. Supreme Court heard the matter on 24.03.2023 and directed respondents to file a reply to the SLP. The matter is tentatively posted on 03.07.2023.

(iv) **LAR 93 of 2014 filed by Landowners of Survey No. 395**

The landowners in Village Bhadbhut, Taluka Bharuch (Survey No: 395; Area: 3-02-00 Hec-Are-Sq mts) whose land was acquired under Land Acquisition Act 1884, for setting up Compressor Station 10 filed a Land Acquisition Reference case No.93 of 2014 challenging award dated 06.04.2011 of the Land Acquisition Officer who determined the market value @Rs. 69/- per sq.mtr. in the Award for the land acquired, later corrected, and passed modified award of Rs. 58/- per sq. mtr.

The landowners approached Dist. Court demanding the higher compensation @Rs.3,652/- per Sq.mt, solatium 30%, 12% increment plus 9% interest for 1st year and 15% interest for following years by filing a Reference No.93 of 2014. The Dist. Court dismissed the Reference vide order dated 20.10.2021 on the grounds of limitation.

The said decision of the Dist. Court was challenged before the High Court of Gujarat by the landowners filing First Appeal No. 492 of 2022 which was also dismissed vide order dated 10.03.2022 on the same grounds of limitation.

The landowners challenged the said decision of the High Court dated 10.03.2022 before the Supreme Court by filing SLP No. 19053/2022. The Hon'ble Supreme Court vide order dated 12.12.2022 allowed the SLP with a direction to the Reference Court for disposal of the reference case on merits within a period of 9 months from date of the judgement. Pursuant to the direction of the Supreme Court, the proceeding under reference case bearing LAR 93 of 2014 commenced and being held on weekly basis. PIL filed its written submissions and final arguments concluded in the matter. The matter is reserved for orders and posted on 26.06.2023.

IV. Litigation against the Sponsor

There are no material litigations and regulatory actions pending against the Sponsor as on March 31, 2023.

V. Litigation against the Investment Manager

There are no material litigations and regulatory actions pending against the Investment Manager as on March 31, 2023.

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, 2023.

VII. Litigation against the Project Manager

There are no material litigation and regulatory actions currently pending against the Project Manager as on March 31, 2023.

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, 2023.

IX. Litigation against the Trustee

There are no material litigations and no regulatory actions currently pending against the Trustee as on March 31, 2023.

RISK FACTORS

Risks Related to the Organization and the Structure of the Trust

- The regulatory framework governing infrastructure investment trusts in India is new and untested. The interpretation and enforcement of the framework involves uncertainties. Certain interpretations or changes to the regulatory framework may have a material, adverse effect on the ability of certain categories of investors to invest in the Units, the Trust's business, financial conditions and results of operations, and our ability to make distributions to Unitholders.
- We must maintain certain investment ratios, which may present additional risks to us.
- Due to our initial lack of asset diversification, negative developments such as any governmental action negatively affecting the Pipeline, any economic recession particularly affecting the areas concerned, any natural disaster or any natural event or inadequacy of the reserves supplying the Pipeline that may adversely affect the volume of gas transported would have a significant adverse effect on our business, financial condition and results of operations and our ability to make distributions to Unitholders.

Risks Related to Our Business and Industry

- There are outstanding proceedings and regulatory actions against the erstwhile Investment Manager and outstanding proceedings and regulatory actions involving the Pipeline Business and PIL. Any adverse outcome in any of such proceedings may adversely affect our profitability and reputation and may have an adverse effect on our business, results of operations and financial condition.
- Our business may be adversely affected by non-performance of obligations by Reliance Industries Limited ("Reliance'') under the various operating agreements entered into by PIL and Reliance (& its affiliates) that include the Pipeline Usage Agreement, Shareholders' and Options Agreement ("SHA"), Operations & Maintenance Agreement ("O&M Agreement"), Operations and Maintenance Sub-Contract Agreement. In particular, our business may be adversely affected by Reliance's non-performance of its obligations under the Pipeline Usage Agreement. Any event or factor which adversely impacts Reliance's business and its ability, or its unwillingness, to comply with its payment obligations under the Pipeline Usage Agreement (or other such agreements) would adversely affect our business and PIL's ability to pay interest and principal payments on its non-convertible debentures when due, as well as make distributions to our Unitholders.
- Separately to the Pipeline Usage Agreement, our gas transportation business derives a significant portion of its revenue from Reliance and a few other key customers. The loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition and cash flows.
- The Pipeline Business requires certain statutory approvals and registrations, including renewal of existing approvals and registrations. We may be required to incur substantial costs or may be unable to continue commercial operations if it cannot obtain or maintain necessary approvals and registrations.
- The Pipeline's business is exposed to a variety of gas market and gas production risks. The relative price and availability of gas and its competitive position with other energy sources (including electricity, coal, fuel oils, solar, wind and other alternative energy sources) may significantly change demand levels for the Pipeline capacity. If there is an unforeseen shortage in the availability of competitively priced gas, either as a result of gas reserve depletion or

the unwillingness or inability of gas production companies to produce gas, the Pipeline's revenue may be adversely affected. While exploration of new gas resources from other wells is underway, we cannot provide absolute assurance that enough reserves will be identified, or that the supply from such alternative resources will be routed through the Pipeline. Continued development of new gas supply sources in the west or north of India could impact the Pipeline customers' demand for the Pipeline. There is risk that Government of India or PNGRB may stipulate or impose conditions which result in lower pipeline capacity utilization. All these factors may adversely impact our operations and revenues and our ability to make distributions to Unitholders.

- PIL has entered into agreements with third parties for receiving operation and management services and any failure on their part to perform their obligations could adversely affect our reputation, business, results of operations and cash flows.
- The O&M Agreement entered into by PIL includes budget plans for the cost of operating and maintaining the Pipeline facilities for a period of 20 years (from March 22, 2019). In the event the cost of operating and maintaining the Pipeline facilities exceeds such budgets or estimates, our results of operations and cash flows may be adversely affected. Further, in the event the actual budget and business plan prepared for any Financial Year exceeds the budget plan as included in the O&M Agreement, or the actual costs and expenses incurred exceed such budget and business plan, the Contractor as defiled in the O&M Agreement may be obliged to subscribe to optionally fully convertible debentures, convertible into equity shares of PIL (at the option of PIL), in accordance with the O&M Agreement. While the optionally fully convertible debentures are convertible at the option of PIL, any such conversion if exercised would result in a dilution of the Trust's equity interest in PIL leading to potentially lower returns to the Trust.
- Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which is owned, leased or intended to be acquired. Further, while the Ministry of Petroleum and Natural Gas, Government of India under the PMP Act declared that the right of use of the acquired land for the Pipeline vested with East West Pipeline Limited, the Pipeline Business is and may continue to be subject to civil proceedings by land owners claiming additional compensation or disputing compensation paid. In addition, the Pipeline Business entered into agreements to obtain crossing rights through highways, roads, railways, rivers and canals during the construction of the Pipeline. If the Pipeline Business fails to comply with the terms of such crossing agreements, the Pipeline Business could be subject to additional costs towards curing such breaches and resolving disputes. The Pipeline Business could also be negatively impacted if land access costs increase, including through rental increases, renewals of expiring agreements, prevention of easement encroachments or lack of enforcement of the Pipeline's current land access rights.
- The Pipeline is subject to many environmental and safety regulations. The Pipeline is subject to extensive central, state, and local regulations, rules and ordinances relating to pollution, the protection of the environment and the handling, transportation, treatment, disposal and remediation of hazardous substances. The Pipeline may incur substantial costs, including fines, damages and criminal or civil sanctions, and experience interruptions in the Pipeline's operations for actual or alleged violations arising under applicable environmental laws and/or implementing preventive measures. Violations of operating permit requirements or environmental laws can also result in restrictions to or prohibitions on Pipeline operations, substantial fines and civil or criminal sanctions.
- The Pipeline Business and our results of operations could be adversely affected by stringent labour laws, strikes or work stoppages by employees. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution. This makes it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which could adversely affect our business. Any delays, stoppages and interruptions, due to a strike or other work stoppage at any of our work sites could have an adverse effect on our ability to operate and meet our contractual obligations and on our financial performance and condition.

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

  Government intervention in the pricing decisions of the Pipeline may adversely affect its business. The Government, through the PNGRB tariff regime, has the ultimate discretion to regulate the prices at which the Pipeline may offer its natural gas transportation services. PNGRB vide order dated March 12, 2019, declared the levelized tariff of Rs. 71.66/MMBTU to be applicable to the Pipeline effective from April 1, 2019. 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 2020-21 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.

  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.

  Further, in November, 2022, PNGRB notified Amendments in the Tariff Regulations & related regulations of Capacity determination and Authorization Regulations. The amendments in Tariff Regulations including consideration of authorized capacity, SUG on normative basis, allowance of transmission loss, prospective applicability of revised corporate tax rate etc. Implementation of these amended tariff parameters at the time of next tariff review is likely to have positive impact on the PIL pipeline tariff during next tariff review

  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. Matter is under sub-judice and hearing in the matter is yet to be commenced. Favorable order in the matter will have positive impact on the tariff.

  PNGRB has notified amendments in regulations for Determination of Natural Gas Pipeline Tariff, Second Amendment Regulations, 2020 relating to Unified Tariff. The pan India unified tariff shall come into force from 01st April 2023. Under Unified tariff regime, multiple pipelines belonging to different entities, including PIL Pipeline, will constitute national gas grid system (NGGS) and charge customers the applicable unified zonal tariff as determined by PNGRB in place of individual zonal tariff approved by PNGRB. The difference between unified tariff based revenue and revenue entitlement based on PNGRB approved tariff for each pipeline entity will be settled as per settlement mechanism stipulated under the tariff regulations. In the Unified Tariff regime, each transporter shall remain revenue neutral.

  The gas volumes expected from new domestic gas fields on east coast has been delayed due to reasons including 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.
- 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.
- 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

Ms. Puja Tandon
Company Secretary of Investment Manager
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

Date: May 19, 2023

Annexure A

Prepared for:

India Infrastructure Trust ("the Trust")

Brookfield India Infrastructure Manager Private Limited ("the Investment Manager")

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation of the SPV:

Valuation Date: 31st March 2023

RV/SSR/R/2024/08

Date: 15th May 2023

The Board of Directors
Brookfield India Infrastructure Manager Private Limited
(In its capacity as the "Investment Manager" of the Trust)
Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Bandra East,
Mumbai - 400 051, Maharashtra, India.

The Board of Directors
India Infrastructure Trust
Acting through Axis Trustee Services Limited
(In its capacity as the Trustee of the Trust)
Seawoods Grand Central, Tower-1, 3rd Level, C Wing – 301 to 304,
Sector 40, Seawoods Railway Station,
Navi Mumbai - 400 706,
Thane, Maharashtra, India.

Sub: Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sirs/Madams,

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 22nd December 2022 as an independent valuer, as defined under the SEBI InvIT Regulations, by **Brookfield India Infrastructure Manager Private Limited** ("the **Investment Manager**" or "**BIIMPL**"), acting as the investment manager for **India Infrastructure Trust** ("the **Trust**" or "**InvIT**" or "the **client**") for the purpose of the financial valuation of the Special Purpose Vehicle ("the **SPV**") as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**").

The Trust operates & maintains the SPV named Pipeline Infrastructure Limited ("PIL") which owns & operates a 48-inch diameter, 1,480 km long from Kakinada to Bharuch, natural gas transmission pipeline.

The SPV was acquired by the Trust and is to be valued as per Regulation 21 (4) contained in the Chapter V of the SEBI InvIT Regulations.

As per Regulation 21 (4) of Chapter V of the 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"

In this regard, the Investment Manager and the Trustee intends to undertake the fair enterprise valuation of the SPV as on 31st March 2023. ("**Valuation Date**")

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

I am enclosing the Report providing opinion on the fair enterprise value of the SPV on a going concern basis as at the Valuation date.

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("SEBI") thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 10 of this Report. This letter and the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 10. This letter should be read in conjunction with the attached Report.

Yours faithfully,

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/20918/10238
Place: Chennai
UDIN: 23028423BGYWGU5126

Table of contents:

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BIIMPL	Brookfield India Infrastructure Manager Private Limited
Capex	Capital Expenditure
CCP	Contracted Capacity Payment
CCPS	0% Compulsory Convertible Preference Shares
Contractor	Pipeline Management Services Private Limited
DCF	Discounted Cash Flow
DTD Agreement	Debenture Trust Deed dated April 16, 2019 between PIL And IDBI Trusteeship Services Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EV	Enterprise Value
EWPPL	East West Pipeline Private Limited
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to the Firm
FY / Financial Year	Financial Year Ended 31st March
Framework Agreement	The framework agreement dated August 28, 2018, entered amongst RIHPL, the Sponsor, the Investment Manager and PIL
GTA	Gas Transportation Agreement
Ind AS	Indian Accounting Standards
Infrastructure Sharing Agreement	Infrastructure Sharing Agreement dated February 11, 2019 between Contractor, Sub-Contractor and PIL
INR	Indian Rupee
Investment Manager or IM	Brookfield India Infrastructure Manager Private Limited
InvIT or Trust	India Infrastructure Trust
InvIT Asset or Pipeline or Initial Portfolio Asset	The cross-country pipeline (including spurs) between Kakinada in Andhra Pradesh and Bharuch in Gujarat, transferred to PIL with effect from the Appointed Date, pursuant to the Scheme of Arrangement, being the InvIT Asset for the purposes of the SEBI InvIT Regulations
IVS	ICAI Valuation Standards 2018
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
Kms	Kilometres
LNG	Liquefied Natural Gas
Management	Management of PIL and IM

Abbreviations	Meaning
Mn	Million
Mmbtu	One Million British Thermal Units
Mmscmd	Million Metric Standard Cubic Meter Per Day
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
O&M	Operation & Maintenance
O&M Agreement	Operations and Maintenance Agreement, dated February 11, 2019 amongst PIL, Contractor and Project Manager
O&M Sub-Contractor Agreement	Operations and Maintenance Sub-Contractor Agreement, dated February 11, 2019 amongst PIL, Contractor and Sub-Contractor
PIL	Pipeline
Infrastructure Private Limited)	Pipeline Infrastructure Limited (Previously known as Pipeline Infrastructure Private Limited)
PIL SHA	Shareholders and Options Agreement dated February 11, 2019 amongst PIL, EWPPL, RIL, IM and the Trust and amendments thereto
Pipeline Business	The entire activities and operations historically carried out by EWPPL 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
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 https://www.pngrb.gov.in/Hindi-Website/pdf/vision-NGPV-2030-06092013.pdf
PNGRB Technical Report	Report Issued On Technical Assesment of the Natural Gas Grid in India available at https://pngrb.gov.in/eng-web/reports.html
Project Manager	ECI India Managers Private Limited
PUA	Pipeline Usage Agreement
PPP	Public Private Partnership
RGPL	Reliance Gas Pipelines Ltd
RIIHL	Reliance Industrial Investments and Holdings Limited
RIL	Reliance Industries Limited
RIL Upside Share	RIL Upside Share as determined in the manner to be set out in the PUA over a period of 20 years
ROCE	Return on Capital Employed
RV	Registered Valuer

Abbreviations	Meaning
Scheme/ Scheme of Arrangement	The scheme of arrangement between EWPPL (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 EWPPL to PIL
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Shared Services Agreement	The Shared Services Agreement dated February 11, 2019 entered amongst RIL, PIL and the Contractor and amendments thereto
SPA	Share Purchase Agreement dated February 11, 2019 amongst the Trust, the Investment Manager, RIHPL and PIL and amendments thereto
Sponsor	Rapid Holdings 2 Pte.. Ltd.
SSA	PIL Share Subscription Agreement dated February 11, 2019 amongst PIL, RIIHL and the Trust
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

1. Executive Summary

1.1. **Background**

The Trust

1.1.1. India Infrastructure Trust ("the **Trust**") was established on 22nd November 2018 as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Trust is sponsored by Rapid Holdings 2 Pte. Ltd. The Trust is registered with Securities and Exchange Board of India ("SEBI") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"). The units of the Trust are listed on BSE Limited since 20th March 2019. The Trust is registered on 23rd January 2019 under the SEBI InvIT Regulations having registered number Reg No. – IN/InvIT/18-19/0008.

1.1.2. 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.

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

1.1.4. Unit Holders of the Trust as on 31st March 2023 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsor & Sponsor Group	49,80,00,000	75.00%
2	Mutual Funds	3,56,00,000	5.36%
3	Financial Institutions or Banks	1,46,00,000	2.20%
4	Insurance Companies	70,00,000	1.05%
5	Other Institutions	24,00,000	0.36%
6	Non-institutional investors	10,64,00,000	16.02%
	Total	**66,40,00,000**	**100.00%**

Source: BSE Limited

The Sponsor

1.1.5. Rapid Holdings 2 Pte. Ltd. ("the **Sponsor**") is a wholly owned subsidiary of Rapid Holdings 1 Pte. Ltd. ("**Rapid 1**"), a company incorporated in Singapore. The Sponsor is an entity forming part of the Brookfield Group (i.e. the entities which are directly or indirectly controlled by Brookfield Asset Management, Inc.).

Shareholding of the Sponsor as on 31st March 2023 is as under:

Sr. No.	Particulars	No. of Units	%
	Equity Shares		
1	BIP BIF III AIV (Bermuda) LP	57,143	28.57%
2	BIF III India Holdings (Bermuda) LP	1,42,857	71.43%
	Total	**2,00,000**	**100.00%**
	Preference Shares		
1	BIP BIF III AIV (Bermuda) LP	11,61,94,286	28.57%
2	BIF III India Holdings (Bermuda) LP	29,04,85,714	71.43%
	Total	**40,66,80,000**	**100.00%**

Source: Investment Manager

Investment Manager

1.1.6. Brookfield India Infrastructure Manager Private Limited ("the **Investment Manager**" or "**BIIMPL**") is an asset management company and is the investment manager of the two Category II alternative investment funds registered with the SEBI. The Investment Manager has over five years of experience in fund management. Further, the Investment Manager has appointed the Project Manager to (directly or indirectly) undertake operations and management of the Trust Assets, including the Pipeline.

Shareholding of the Investment Manager as on 31st March 2023 is as under:

Sr. No.	Particulars	No. of Units	%
1	Brookfield Manager Holdings Limited	83,39,557	100%
2	Brookfield India GP UL	1	0.00%
	Total	**83,39,558**	**100%**

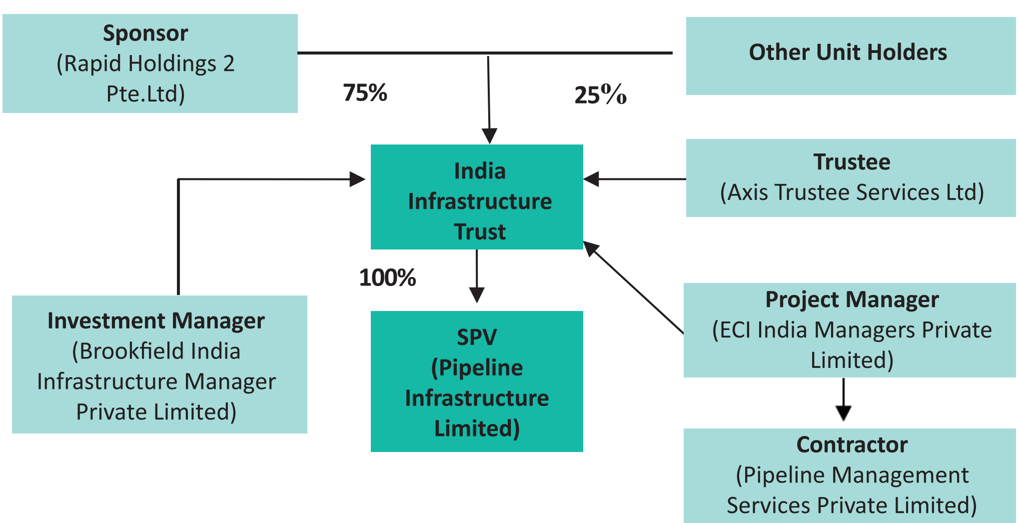
Source: Investment Manager

1.1.7. **Financial Asset to be Valued**

Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The financial asset under consideration to be valued at Enterprise Value is as follows:-

Sr. No.	Name of the SPV
1	Pipeline Infrastructure Limited

Structure of the Trust as at 31st March 2023:



1.2. **Purpose and Scope of Valuation**

Purpose of Valuation

1.2.1. As per Regulation 21(4) of Chapter V of the 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."

In this regard, the Investment Manager intends to undertake the fair enterprise valuation of the PIL as on 31st March 2023.

1.2.2. In this regard, the Investment Manager have appointed Mr. S. Sundararaman (“**Registered Valuer**” or “**RV**” or “**I**” or “**My**” or “**Me**”) bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at the enterprise level of the PIL as per the SEBI InvIT Regulations as at 31st March 2023. Enterprise Value (“**EV**”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.2.3. Registered Valuer declares that:

i. The RV is competent to undertake financial valuation in terms of SEBI InvIT Regulations;

ii. The RV is independent and has prepared the Report on a fair and unbiased basis;

iii. RV has valued the SPV based on the valuation standards as specified / applicable as per the SEBI InvIT Regulations.

1.2.4. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

<u>Scope of Valuation</u>

1.2.5. **Nature of the Asset to be Valued**

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value (“EV”) of the SPV. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.2.6. **Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, RV has determined the fair value of PIL at the enterprise level. Fair Value Bases defined as under:

Fair Value

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 valuation date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

1.2.7. **Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the PIL is 31st March 2023 (“**Valuation Date**”). The attached Report is drawn up by reference to accounting and financial information as on 31st March 2023. The RV is not aware of any other events having occurred since 31st March 2023 till date of this Report which he deems to be significant for his valuation analysis.

1.2.8. **Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the PIL on a Going Concern Value defined as under:

Going Concern Value

Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

1.2.9. For the amount pertaining to the operating working capital, the Investment Manager has acknowledged to consider the provisional financial statements as on 31st March 2023 to carry out the valuation of the PIL.

1.3. **Summary of Valuation**

I have assessed the fair enterprise value of the SPV on a stand-alone basis by using the discounted cash flow method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence, NAV method has been considered for background reference only.
Income Approach	Discounted Cash Flow	Yes	In present scenario, the true worth of the business would be reflected from its potential to earn income in the future and therefore, DCF method under the income approach has been considered as an appropriate method for the purpose of valuation.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the Discounted Cash Flow (DCF) Method, Free Cash Flow to Equity (FCFE) has been used for the purpose of valuation of PIL. In order to arrive at the fair EV of the SPV under the DCF Method, I have relied on provisional financial statements as at 31st March 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPV prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the SPV for the purpose of this valuation exercise is based on the Cost of Equity for the SPV.

The SPV owns a natural gas pipeline that stretches from Kakinada (Andhra Pradesh) to Bharuch (Gujarat). The SPV provides transportation Services to customers for transportation of gas from any particular entry point to any exit point and the terms of service are agreed in the Gas Transportation Agreement (GTA).

Further, the SPV has entered into Pipeline Usage Agreement (PUA) with RIL wherein RIL will reserve capacity, including of transportation, storage or other capacity, of up to 33 mmscmd (“Reserved Capacity”) in the Pipeline for a period of 20 years.

Based on the methodology and assumptions discussed further, RV has arrived at the Fair Enterprise Value of the PIL as on the Valuation Date:

Sr. No.	SPV	Projection Period	COE	Fair EV (INR Mn)
1	PIL	~ 16 years	18.15%	1,24,530
Total				

2. Procedures adopted for current valuation exercise

2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 (“IVS”) issued by the Institute of Chartered Accountants of India read with SEBI InvIT Regulations.

2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:

2.2.1. Requested and received financial and qualitative information relating to the SPV;

2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;

2.2.3. Discussions with the Investment Manager on:

- Understanding of the business of the SPV – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;

2.2.4. Undertook industry analysis:

- Research publicly available market data including economic factors and industry trends that may impact the valuation;
- Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;

2.2.5. Analysis of other publicly available information;

2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;

2.2.7. Conducted physical site visit of the assets of the SPV;

2.2.8. Determination of fair EV of the SPV.

3. Overview of the InvIT and the SPV

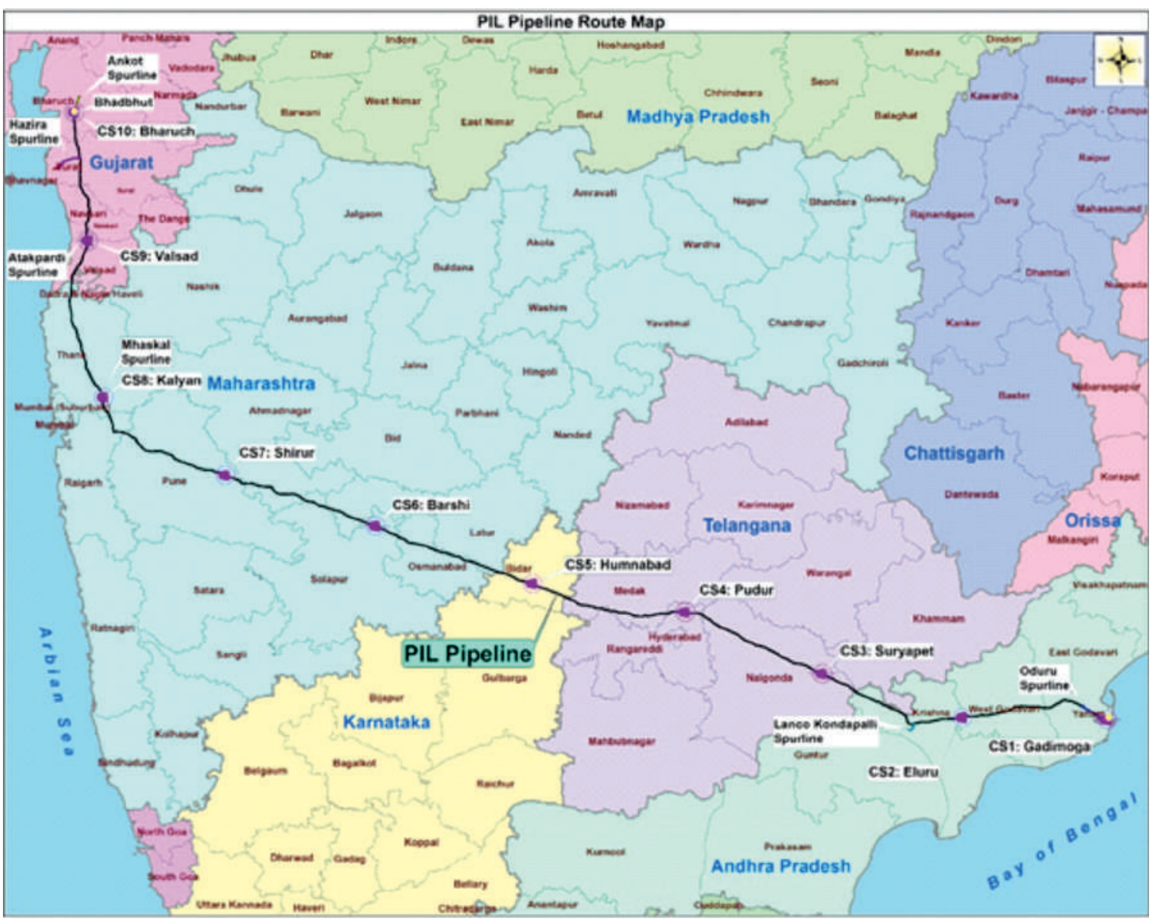
The Trust

3.1. The Trust is registered with Securities and Exchange Board of India ("SEBI") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"). The Trust was established on 22nd November 2018 by Rapid Holdings 2 Pte. Limited ("Rapid Holdings" or "the Sponsor"). It is established to invest in infrastructure assets primarily being in the natural gas sector in India. The units of the Trust are listed on BSE Limited since 20th March 2019.

3.2. 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.

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

3.4. Following is PIL Pipeline Route Map:



Source: PIL's Website.

3.5 Overview of the SPV

3.5.1 The Pipeline is a cross country, natural gas pipeline with a pipeline length of ~1,480 kms (including spur 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 & Gujarat.

3.5.2 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 East West Pipeline Private Limited ("EWPPL").

3.5.3 The Pipeline includes a network of 11 compressor stations and two operation centres, which incorporate modern telecommunication, emission control and operational systems for safe and efficient operations.

3.5.4 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.

3.5.5 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.

3.5.6 The Pipeline connects certain supply hubs and demand centres located in the eastern and western India which we believe acts as an important link in the development of India's national natural gas grid. It connects a number of domestic gas sources including the KG-D6 gas block and GSPC's natural gas fields on the east coast and the HLPL LNG terminal at Hazira, Gujarat, with existing markets in the eastern, western and northern regions of India, as well as to consumers along the route.

3.5.7 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.

3.5.8 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.

3.5.9 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).

3.5.10 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.

3.5.11 Key Terms of 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 30*MDQ* (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

Tariff Determination as per Tariff Regulations

3.5.12 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.

3.5.13 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.

3.5.14 The key factors considered while determination on tariff as follows:

Sr. No.	Factors	Terms
1	Economic Life	30 years (as amended Nov'20)
2	Tariff Method	DCF,ROCE @12% post tax
3	Capex & Opex	Lower of Normative/Actual
4	Working Capital	30 days opex and 18 days receivables
5	System Use Gas	(Gas price + Tariff) x Quantity
6	Volume for Tariff Fixation	Higher of Normative or Actual
		Normative Volumes are determined as under-
		- 1-5 years: 60%,70%,80%,90%,100% of 75% of Capacity
		- Year 6 onwards: 75% of Capacity or firm contracted volumes
		whichever is higher
		- Volume Adjustment in first five years is permitted
7	Capacity	- As determined by PNGRB under relevant guidelines
8	Tariff Overview	- Initial Tariff for first year
		- First regular tariff for next five years
		- Subsequently fixed and reviewed every five years

3.5.15 **Site Visit Details:**

We have conducted physical site visit of the Compressor Station No. 1 located near Kakinada (CS – 01) on May 11, 2023. Following are the pictures of the site visit conducted:





3.6 Overview of the Transaction agreements

3.6.1 Framework Agreement :-

PIL, RIHPL, the Investment Manager and the Sponsor entered into a framework agreement, dated August 28, 2018 (the “Framework Agreement”), which records 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 PIL NCDs;

(3) transfer of the Pipeline Business from EWPPL to PIL pursuant to the Scheme of Arrangement for a net consideration of 6,500 million, payable through cash consideration of 6,000 million and issuance and allotment of 50,000,000 Redeemable Preference Shares to EWPPL by PIL.

(4) repayment of the unsecured liability of 164,000 million (“Outstanding Payables”), owed by EWPPL in relation to the Pipeline Business, and transferred to PIL pursuant to the Scheme of Arrangement. Accordingly, through the Scheme of Arrangement, the Pipeline Business has been demerged from EWPPL to PIL for an asset value of INR 170,500 million along with the Outstanding Payables, i.e. for net consideration of INR 6,500 million.

3.6.2 Share Purchase Agreement :-

PIL, RIHPL, the Trust (acting through its Trustee) and the Investment Manager have entered into a share purchase agreement, dated February 11, 2019 (the “Share Purchase Agreement”) for the purchase of 100% of the equity share capital of PIL by the Trust from RIHPL, for a purchase consideration of INR 500 million.

3.6.3 Share Subscription Agreement :-

PIL, Reliance Industrial Investments and Holdings Limited (“RIIHL”) and the Trust have entered into a share subscription agreement dated February 11, 2019 (the “Share Subscription Agreement”). RIIHL has (either by itself or through one or more members of the RIL group) agreed to subscribe to 4,000 million compulsorily convertible preference shares of [1] 10 each of PIL aggregating to INR 40,000 million (the “CCPS”) on the date when the PIL NCDs are allotted to the Trust (“Transfer Date”).

3.6.4 Shareholders’ & Options Agreement :-

PIL, EWPPL, Reliance, the Trust and the Investment Manager have entered into the PIL SHA to set out their rights and obligations in relation to PIL. The rights and obligations under the PIL SHA include those of the Trust as the equity shareholder of PIL and the holder of the PIL NCDs, of the holders of the Preference Shares and of Reliance and the Trust in relation to the purchase and transfer of the equity shares of PIL.

The parties to the PIL SHA have agreed that the cash flows of PIL shall be distributed in the manner stipulated, such that distributions would be made to the holders of the PIL NCDs, followed by the equity shareholders from the cash available to PIL at the discretion of the Trust.

3.6.5 Pipeline Usage Agreement :-

PIL and Reliance have entered into a pipeline usage agreement, the form of which has been agreed between the parties, on the Completion Date (the “Pipeline Usage Agreement”), which set out the terms for Reliance to reserve transportation, storage or other capacity in the Pipeline for a period of 20 years. Under the Pipeline Usage Agreement, RIL will agree to reserve a capacity of up to a maximum of 33 mmscmd in the Pipeline for a period of 20 years, pursuant to which Reliance shall pay PIL Contracted Capacity Payments determined for four blocks of five years each in the manner specified and calculated with reference to the Benchmark Rate i.e. Annual Interest rate, and subject to certain adjustments.

3.6.6 **O&M Agreement :-**

PIL, the Contractor and the Project Manager have entered into an operations and maintenance agreement, dated February 11, 2019 ("O&M Agreement"), in order to set out the terms for delegation of obligations by the Project Manager to the Contractor, towards the operation and maintenance of the Pipeline. The O&M Agreement includes budget plans for the cost of operating and maintaining the Pipeline facilities, for a period of 20 years, as well a process of drawing up annual budgets and provides for the manner of dealing with amounts in excess of or less than actual amounts spent towards operation and maintenance of the Pipeline.

3.6.7 **O&M Sub contract Agreement :-**

PIL, the Contractor and the Sub-Contractor have entered into an operations and maintenance subcontract, dated February 11, 2019 ("O&M Sub-Contract Agreement"), in order to set out the terms for delegation of certain obligations by the Contractor to the Sub-Contractor for a certain portion of the Pipeline, i.e., from compressor station 8 to compressor station 10.

3.6.8 **Infrastructure Sharing Agreement:-**

PIL, the Contractor and RGPL have entered into an infrastructure sharing agreement dated February 11, 2019 ("Infrastructure Agreement") in order to set out the terms for permitting RGPL non-exclusive access to certain facilities of RGPL which are laid on the Pipeline's right of usage area and are co-located with the Pipeline facilities.

3.6.9 **Shared Services Agreement :-**

PIL, Reliance and the Contractor have entered into an shared services agreement, dated February 11, 2019 ("Shared Services Agreement"), in order to set out the terms for Reliance 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 EWPPL to PIL.

4. Overview of the Industry

4.1 Introduction

4.1.1 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 backseat. Global environmental commitments and domestic regulations are pushing India to switch cleaner and more efficient energy sources, forcing the country to place energy infrastructure at the top agenda.

4.1.2 This increase in consumption is expected to be supplemented by an alteration in the primary energy mix of India on account of the substitution of oil by natural gas. The share of natural gas in the energy mix of India is expected to increase to 20% in 2025 as compared to 11% in 2010. However, given that all the plans for expansion in natural gas supply in the country with the help of additional RLNG terminals, nation-wide transmission pipeline network and transnational pipelines are expected to materialize by 2025, it is envisaged that the share of natural gas in the primary energy mix would reach 20% till 2030 if not more

4.1.3 In recent years the demand for natural gas in India has increased significantly due to its higher availability, development of transmission and distribution infrastructure, the savings from the usage of natural gas in place of alternate fuels, the environment friendly characteristics of natural gas as a fuel and the overall favourable economics of supplying gas at reasonable prices to end consumers. Power and Fertilizer sector remain the two biggest contributors to natural gas demand in India and continue to account for more than 55% of gas consumption. India can be divided into six major regional natural gas markets namely Northern, Western, Central, Southern, Eastern and North-Eastern market, out of which the Western and Northern markets currently have the highest consumption due to better pipeline connectivity.

4.1.4 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 northwestern 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 prescriaing sector- wise allocation for gas being produced from the KG Basin.

4.1.5 The following period, 2011 to 2015, witnessed an unprecedented decline in 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.

4.2 Demand-Side Scenario

4.2.1 In future, the natural gas demand is all set to grow significantly at a CAGR of 6.8% from 242.6 MMSCMD in 2012-13 to 746 MMSCMD in 2029-30. This demand represents the Realistic Demand for natural gas in India.

4.2.2 Gas based power generation is expected to contribute the highest, in the range of 36% to 47%, to this demand in the projected period (2012-13 to 2029-30). The share of fertilizer sector in the overall gas consumption in the country is expected to go down from 25% in FY 2013 to 15% in FY 2030 owing to higher growth in other sectors.

4.2.3 The contribution to the overall demand from the CGD sector is set to increase from 6% to 11% during the projected period.

4.2.4 The capacity of RLNG terminals in India is expected to increase from 17.3 MMTPA in 2012-13 to 83 MMTPA in 2029-30 assuming all the existing and planned terminals in India would materialize

Consolidated segment wise demand for natural gas from 2012-13 to 2029-30

MMSCMD	2012-13	2016-17	2021-22	2026-27	2029-30
Power	86.50	158.88	238.88	308.88	353.88
Fertilizer	59.86	96.85	107.85	110.05	110.05
City Gas	15.30	22.32	46.25	67.96	85.61
Industrial	20.00	27.00	37.00	52.06	63.91
Petchem/Refineries/Internal Cons.	54.00	65.01	81.99	103.41	118.85
Sponge Iron/Steel	7.00	8.00	10.00	12.19	13.73
Total Realistic Demand	**242.66**	**378.06**	**516.97**	**654.55**	**746.03**

4.3 Supply-Side Scenario

4.3.1 The supply of natural gas is likely to increase in future with the help of increase in domestic gas production and imported LNG.

4.3.2 However, the expected increase in domestic production at present is significantly lower than earlier projections due to a steady reduction in gas output from the KG D6 field

4.3.3 The capacity of RLNG terminals in India is expected to increase from 17.3 MMTPA in 2012-13 to 83 MMTPA in 2029-30 assuming all the existing and planned terminals in India would materialize.

4.3.4 Natural gas availability through non-conventional sources like Shale Gas and Gas Hydrates has not been considered in gas supply projections in the absence of clarity on key variables like data as most of India remains unexplored/ underexplored, regulatory policy and lack of domestic infrastructure.

4.3.5 The total supply of natural gas is expected to grow at a CAGR of 7.2% from 2012 to 2030 reaching 400 MMSCMD by 2021-22 and 474 MMSCMD by 2029-30.

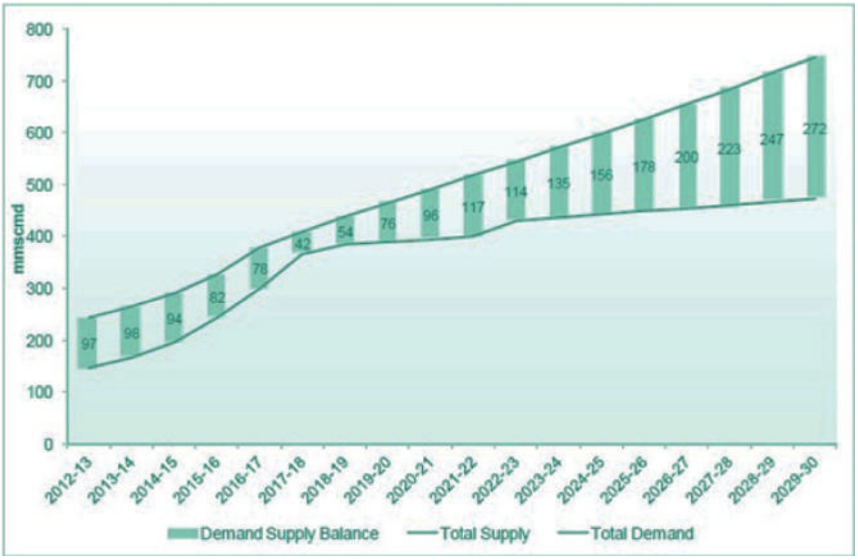
4.3.6 The supply profile for the projected period has been provided in Table below.

Table: Consolidated source wise supply of natural gas from 2012-13 to 2029-30

MMSCMD	2012-13	2016-17	2021-22	2026-27	2029-30
Domestic Sources	101	157	182	211	230
LNG Imports	45	143	188	214	214
Gas Imports (Cross border Pipelines)	-	-	30	30	30
Total	**146**	**300**	**400**	**455**	**474**

4.3.7 The demand-supply gap is likely to again increase post 2017-18 and reach about 272 MMSCMD by 2029-30 as increase in supply lag behind a steady increase in demand. The demand-supply gap that is likely to prevail over the projected period has been depicted in the graph below.

Figure: Demand Supply balance of natural gas from 2012-13 to 2029-30



4.3.8 India, currently, has a network of about 13,000 km of natural gas transmission pipelines with a design capacity of around 337 MMSCMD. This pipeline network is expected to expand to around 28,000 Kms with a total design capacity of around 721 MMSCMD in next 5-6 years, putting in place most of the National Gas Grid that would connect all major demand and supply centre in India. This would ensure wider availability across all regions and also potentially help to achieve uniform economic and social progress. A summary of planned additions to the natural Natural Gas Infrastructure in India during the projected period has been provided in the Table below:

Table: Summary of Planned additions to pipeline infrastructure

Pipelines	Design Capacity (mmscmd)	Length (Kms)
Existing till 2012	306	12,144
Expected addition in the 12th Plan	416	15,928
Expected addition in the 13th Plan	60	3,360
Capacity addition MBBVPL/MBPL/SuratParadip/pipelines beyond 13th Plan and till 2030	33	1,295
Total	**815**	**32,727**

4.3.9 The design capacity of pipeline network in India is expected to reach 815 MMSCMD in 2029-30. However, considering the addition of capacity directly linked to the existing/planned sources of natural gas in the country, the gas grid capacity in India (pipeline emanating from source) is expected to reach 582 MMSCMD in 2029-30 from the present 274 MMSCMD.

4.3.10 This capacity is expected to take care of the natural gas supply scenario in the projected period. In addition to the trunk lines regional gas pipelines, similar to the intra-state network of Gujarat, are recommended for highly industrialized states.

4.3.11 It is expected that going forward the Southern and Northern part of India would catch-up with the Western part in terms of pipeline infrastructure while Eastern and North Eastern part of the country would lag behind and would require policy boost for industrial development to attract more investments.

4.4 Future Outlook of Natural Gas

4.4.1 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.

4.4.2 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.

4.4.3 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 GD network.

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

Period	Domestic Natural Gas Price in USD/MMBTU	Gas Price ceiling USD/MMBTU
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

4.4.5 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.

4.5 Indian Gas Transmission Infrastructure

4.5.1 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.

4.5.2 Though gas industry in India as witnessed growth in terms of demand and infrastructure n 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.

4.5.3 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.

4.5.4 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.

4.5.5 GAIL India ("GAIL") owns the largest network of the natural gas transmission infrastructure present in the country. The company currently owns and operates 9,000km of high-pressure natural gas pipelines with a transmission capacity of more than 160mmscmd. At around 3,750 km in length, GAIL's Hazira-Vijaipur-Jagdishpur (HVJ) pipeline is the longest natural gas pipeline network in the country operating at 100% capacity.

4.5.6 With no free capacity, this network has been unable to meet the increase in domestic natural gas supplies stemming from the commencement of production at the KG D6 field and the increase in India's overall RLNG capacity.

4.5.7 To overcome this problem, GAIL has done expansion and upgradation of its network. The rest of the country's natural gas trunk pipelines network is owned by Gujarat State Petronet Limited (GSPL) and PIL with a small network owned by Gujarat Gas Company Limited (GGCL) and Assam Gas Company Limited (AGCL).

4.5.8 Although the gas pipeline coverage has increased, it is still inadequate to channelize the gas supply to demand centers in the country. The present state of natural gas transmission infrastructure in the country has been summarized in the below table:

Table: Natural gas transmission infrastructure in India

Name of pipeline	Name of entity	Length Kms	Design Capacity in MMSCMD
HVJ+GREP+DVPL	GAIL	4222	53
DVPL-GREP Upgradation	GAIL	1280	54
Dahej-Uran-Panvel-Dabhol	GAIL	815	19.9
Agartala P/L network	GAIL	61	2.3
Mumbai regional P/L network	GAIL	129	7
Assam regional P/L network	GAIL	8	2.5
KG Basin regional P/L network	GAIL	878	16
Gujarat regional P/L network	GAIL	760	3.9
Cauvery regional P/L network	GAIL	271	3.9
PIL	PIL	1460	80

Table: Natural gas transmission infrastructure in India – Regional Distribution

Region	Approx. % of Total gas P/L network	% of consumption	States with infrastructure and consuming gas	States lacking pipeline infrastructure
Western	40%	53%	Gujarat, Maharashtra	Goa
Northern	20%	26%	Delhi, UP, Haryana, Rajasthan	Punjab, J&K, Himachal Pradesh, Uttarakhand
Central	13%	3%	Madhya Pradesh	Chattisgarh
Southern	16%	14%	Tamilnadu, Andhra Pradesh	Kerala, Karnataka
Eastern	0%	NIL	-	Bihar, West Bengal, Jharkhand, Orissa
North Eastern	10%	4%	Assam, Tripura	Meghalaya, Sikkim, Arunachal Pradesh, Mizoram, Manipur, Nagaland

4.5.9 The western region of India accounts for the highest proportion of the existing pipeline network of the country and also for the highest consumption of natural gas. At the same time the presence of pipeline network remains significantly low in the central, southern and eastern parts of the country.

Source: PNGRB 2023 Vision Report

5. Valuation Methodology and Approach

5.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPV.

5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.

5.3. There are three generally accepted approaches to valuation:

(a) "Cost" approach

(b) "Market" approach

(c) "Income" approach

5.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost 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.

<u>Net Asset Value ("NAV") Method</u>

The NAV Method under Cost Approach considers 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 a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "going concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

5.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

<u>Comparable Companies Multiples ("CCM") Method</u>

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the 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.

<u>Comparable Transactions Multiples ("CTM") Method</u>

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.

Market Price Method

Under this method, the market price of an equity share of the company 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.

5.6. **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the FCFF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital ("WACC"). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' 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.

In case of free cash flows to equity ("FCFE"), 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 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' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

Conclusion on Valuation Approach

5.7. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.

5.8. The goal in selection of valuation approaches and methods for any financial instrument is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

Cost Approach

The existing book value of EV of the SPV comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the provisional financial statements as at 31st March 2023 and based on the audited financial statements as at 31st March 2022 prepared as per Indian Accounting Standards (Ind AS) are as under:

(INR Mn)	31-Mar-22	31-March-23
Book value of EV	1,25,081	1,21,364
Total	**1,25,081**	**1,21,364**

In the present case, the SPV operate and maintain the gas pipeline in accordance with the terms and conditions under the relevant regulations. The amount of tariff that they may collect are notified by the relevant government agency, in this case the PNGRB which are usually revised from time to time as specified in the relevant tariff order notifications. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

Market Approach

The present valuation exercise is to undertake fair EV of the SPV engaged in the Natural Gas Infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPV depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Income Approach

In the present case, we have used the Discounted Cash Flow **(“DCF”)** method, to determine the enterprise value of the company. Under the FCFE method, cash flows available to the equity holders of the company after all expenses including debt repayment is calculated. The value then discounted to its present value using the Cost of Equity **(“COE”)** to determine the equity value of the company. Further, Enterprise Value (“EV”) is then computed as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The surplus assets / non-operating assets are also adjusted.

6. Valuation of the SPV

I have estimated the EV of the SPV using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager.

Key Assumptions

6.1. **Cash Flows:**

- As per Pipeline Usage Agreement (PUA), RIL will reserve capacity, including of transportation, storage or other capacity, of up to 33 mmscmd ("Reserved Capacity") in the Pipeline for a period of 20 years commencing from the Completion Date ("PUA Term") in accordance with the said agreement. In consideration to this, RIL will make Contracted Capacity Payments (CCPs) of ~2,124 Cr annually which will be paid quarterly and may vary at the beginning of every Block of 5 year in the manner provided in the PUA.

6.2. **Projection Period/Terminal Value:**

- As per the PIL SHA, 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 INR 500 Mn. ("Call Option") Correspondingly, the Trust has the right, but not the obligation to sell its entire equity stake in PIL after a specific term or occurrence of certain events for a consideration of INR 500 Mn ("Put Option") or value determined by valuer, whichever is lower.
- The Investment Manager expects that the option shall trigger at the expiry of 20 years from the date on which the completion occurs in accordance with the SPA (Option Exercise Event). Further, on the Option Exercise Event, the Investment Manager expects that Call Option shall be exercised by RIL and hence, I have limited the projection period to the Option Exercise Event i.e. 20 Years from the Completion Date as per the SHA.
- As per the PUA, at the option trigger date, RIL will be able to acquire the equity shares of PIL from the InvIT by paying a mere consideration of INR 500 Mn or value determined by valuer, whichever is lower.
- Hence, I have considered the present value of INR 500 Mn as the terminal period value for the InvIT.

6.3. **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.
- I have also referred on the technical report titled "EWPPL Due Diligence Abridged Report" ("”Technical Report") dated March 23, 2021 issued by Wood Mackenzie. The Technical Report provides with the estimations of gas volumes expected to be extracted from the discovered and undiscovered basins.
- 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 KG D6, etc. fields in the east coast of India.

6.4. **Gas Transportation Tariff**:

The Pipeline operations and business adhere to an established regulatory and statutory framework set out by the PNGRB Act 2006, the PMP Act 1962 and the regulations issued thereunder.

The levelised tariff rate currently fixed by the PNGRB vide order date March 12, 2019 for the pipeline is INR 71.66/ MMBtu. As discussed with the Investment Manager of PIL, the levelised tariff rate is expected to increase in near future to around INR 79/MMBtu due to change in economic life, working days, corporate tax rate, operating cost and system used gas price and other related parameters that are expected to be effective from April 2025 in accordance with the Notified Tariff Amendment, 2020/2022 and Tariff Review Adjustments.

6.5. **Operation & Maintenance Expenses:**

PIL, Pipeline Management Services Private Limited (the Contractor) and the Project Manager have entered into the O&M Agreement, in order to delegate obligations to the Contractor for the operation and maintenance of the Pipeline. The O&M Agreement includes budget plans for the cost of operating and maintaining the Pipeline facilities, over certain categories, for a period of 20 years from the Completion Date. Certain expenses are to be incurred directly by PIL, while others are to be incurred by the Contractor and then reimbursed by PIL. The cost of operating and maintaining the Pipeline facilities included in the O&M Agreement are based on agreed projections and estimates between the parties to the O&M Agreement.

6.6. **Interest and Principal Repayment of Debt:**

- As per the DTD Agreement, payment of interest component will be at the Annual Interest Rate ("AIR") which will be computed on the outstanding principal of Total NCDs (i.e. InvIT NCDs + Listed NCDs). For first five years upto March 22, 2024, the AIR 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 considered to be 9.54% for each 5-year block post March 22, 2024 based on forward rates.
- From such interest component, first the payment will be made for interest payable to the Listed NCDs and balance interest shall be paid to InvIT NCDs. The interest on Listed NCDs is fixed as 8.95% upto March 31, 2024. Thereafter as per information provided by the Management, the Listed NCDs are assumed to be refinanced and to be repaid within a period 15 years. The interest rate on refinancing of Listed NCDs is assumed to be 8.1% per annum payable quarterly based on expected future interest rate for a period of 15 years for a AAA rated bond using FIMMDA Corporate Spread.
- Similar approach is adopted for payment of principal portion of the Total NCDs where first the payment will be made for principal payable to Listed NCDs and balance principal portion shall be paid to InvIT NCDs.

6.7. **Capital Expenditure:**

I have considered the maintenance capex for the projected period as represented by the Investment Manager. The Investment Manager also estimates capex relating to Hook up services as per the approved Business Plan and the same has been considered for the projected period.

6.8. **Working Capital:**

The Investment Manager has represented the working capital requirement of the SPV for the projected period. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of inventories, advance to vendors, prepaid expense, trade receivables, trade payables, etc.

6.9. **Direct Tax**:

As per the discussions with the Investment Manager, the new provision of Income Tax Act, 1961 (Section 115BAA) has been considered for the projected period of the SPV, which inter alia does not provide benefits of additional depreciation and section 80-IA and Sec 115 JB. Accordingly, the base corporate tax rate of 22% (with applicable surcharge and cess) is considered.

6.10. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

K(e) = Rf + [ERP*Beta] + CSRP

Wherein:

K(e) = cost of equity

Rf = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSRP = Company Specific Risk Premium

For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation.

6.11. **Risk Free Rate:**

I have applied a risk free rate of return of 7.17% on the basis of the zero coupon yield curve as on 31st March 2023 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited ("CCIL").

6.12. **Equity Risk Premium ("ERP"):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the above a 7% equity risk premium for India is considered appropriate.

6.13. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period.

Based on my analysis of the listed InvITs and other companies in Infrastructure sectors, I find it appropriate to consider the beta of Gujarat State Petronet Ltd ("GSPL"), Gail India Ltd, Mahangar Gas Ltd, Indraprastha Gas Ltd, Gujarat Gas Ltd and Petronet LNG Ltd.for an appropriate period for the current valuation exercise. I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

Unlevered Beta = Levered Beta / [1 + (Debt / Equity) *(1-T)]

Further I have re-levered it based on debt-equity at 50:50 based on the average debt: equity ratio of the project over its life using the following formula:

Re-levered Beta = Unlevered Beta * [1 + (Debt / Equity) *(1-T)]

Accordingly, as per above, I have arrived at re-levered betas of the SPV.

6.14. **Company Specific Risk Premium:**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, I found it appropriate to consider 3% as CSRP.

6.15. **Debt : Equity Ratio:**

In present valuation exercise, I have considered debt: equity ratio of 50:50 based on average debt: equity ratio of a SPV project over its life. Accordingly, I have considered the same weightage to arrive at the COE of the SPV.

7. Valuation Conclusion

7.1. The current valuation has been carried out based on the discussed 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.

7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at EV of the SPV.

7.3. Based on the above analysis, the EV as on the Valuation Date of the SPV is as mentioned below:

SPV	Explicit Projection period		Enterprise Value (INR Mn)
	End Date	**Balance Period**	
PIL	22nd March 2039	16 years	1,24,530
	Total of the SPV		**1,24,530**

(Refer Appendix 1 for detailed computations)

7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

7.5. The fair EV of the SPV is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

7.6. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of 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.

8. Additional Procedures to be complied with in accordance with InvIT regulations

Scope of Work

8.1. The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPV are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets included;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Limitations

8.2. This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

8.3. I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

8.4. I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

8.5. I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for the SPV

A. <u>List of one-time sanctions/approvals which are obtained or pending:</u>

The list of such sanctions/ approvals obtained by the SPV or pending till 31st March 2023 is provided in Appendix 3.

B. <u>List of up to date/ overdue periodic clearances:</u>

The Investment Manager has confirmed that the SPV are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st March 2023.

C. Statement of assets included:

The details of assets of the SPV as at 31st March 2023 are as mentioned below:

INR Mn

Sr. No.	SPV	Net Fixed Assets	Net Intangible Assets	Other Non-Current Assets	Current Assets
1	PIL	1,17,068	12,132	534	4,612

D. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:

As per discussions with the Management, we understand that no major repairs have been done in the past to the Pipeline. Following is the estimate of already carried as well as proposed major repairs of the SPV:

Historical major repairs **INR Mn**

SPV	FY 20	FY 21	FY 22	FY 23
PIL	367	412	669	683

Source: Investment Manager

Forecasted major repairs **INR Mn**

SPV	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
PIL	404	253	529	398	420	448	333	613

SPV	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39
PIL	1,589	1,253	788	903	184	409	220	204

Source: Investment Manager

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

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 RGTIL. 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.

Investment Manager has informed me that there are no other material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPV (InvIT assets).

F. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of ongoing litigations are updated in Appendix 4. The Investment Manager has informed us that it expects majority of the cases to be settled in favour of SPV. Further, Investment Manager has informed us that majority of the cases are having low risk and accordingly no material outflow is expected against the litigations. As represented by the Investment Manager, the RIL would indemnify the Trust and its SPV against any financial losses suffered or incurred in connection with any pending or threatened claims against the Trust or SPV made prior to the transfer of the assets to the Trust.

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

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

9. Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

9.1. Audited financial statements of the SPV for period ending March 2019, March 2020, March 2021 and March 2022;

9.2. Provisional financial statements of the SPV as on 31st March 2023

9.3. Projected financial information for the remaining project of the SPV;

9.4. Tariff Order by PNGRB dated 12th March 2019;

9.5. Details of brought forward losses and MAT credit (as per Income Tax Act) of the SPV as at 31st March 2023;

9.6. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 31st March 2023;

9.7. Details of Actual/ Estimated Volumes transported by PIL from April 2020 till March 2039.

9.8. Framework Agreement amongst RIHPL and the sponsor and the investment manager and PIL dated August 28, 2018;

9.9. Scheme of Arrangement between EWPPL and PIL and their respective shareholders and creditors for transfer of Pipeline Business from EWPPL to PIL.

9.10. 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.

9.11. PIL SHA dated February 11, 2019 amongst PIL, EWPPL, Investment manager and RIL and first Amendment Agreement dated March 9, 2019 to the PIL SHA and second Amendment Agreement dated April 22, 2019 to the Joint Venture Agreement.

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

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

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

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

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

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

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

9.19. Projected business plan of PIL covering total revenue, volumes, tariff, revenue expenditure, capital expenditure and working capital requirement for operations of PIL from April 1, 2023 to March 22, 2039;

9.20. Estimated EYI, ECS and their interest for the period starting from April 1, 2023 to March 22, 2039.

9.21. Deferred Revenue Working related to contractual capacity payment by RIL for the period of April 1, 2022 to March 31, 2023.

9.22. Technical Report titled “EWPL Due Diligence Abridged Report” dated December 21, 2018 issued by Wood Mackenzie.

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

9.24. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPV;

9.25. Details of projected Repairs and Capital Expenditure (Capex);

9.26. Management Representation Letter by the Investment Manager dated May 12, 2023;

9.27. Relevant data and information about the SPV provided to us by the Investment Manager either in written or oral form or in the form of soft copy;

9.28. Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates, however, considering the outbreak of COVID-19 Pandemic and the consequent economic slowdown, the risks and uncertainties relating to the events occurring in the future, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow.

10. Exclusions and Limitations

10.1. My 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 herein.

10.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st March 2023 (“Valuation Date”) mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPV till 31st March 2023 . The Investment Manager has represented that the business activities of the SPV have been carried out in normal and ordinary course between 31st March 2023 and the Report Date and that no material changes have occurred in the operations and financial position between 31st March 2023 and the Report date.

10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to me.

10.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.

10.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.

10.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

10.8. 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 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 his purpose.

10.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

10.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.

10.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.

10.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

10.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of 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 accePte.d. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

10.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.

10.15. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.

10.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.

10.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

10.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.

10.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.

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

10.21. This Report 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.

10.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV's claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

10.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPV.

10.24. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.

10.25. **Limitation of Liabilities**

- It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.
- In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).
- It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Place: Chennai
UDIN: 23028423BGYWGU5126

Appendix 1 – Valuation of the SPV as on 31st March 2023 under DCF Method

COE **18.15%**

Year	Revenue	EBITDA	EBITDA Margin	Capex	Principal Repayment	Interest Outflow	Wcap	Tax	FCFE	CAF	DF	PV FCFE
FY24	40,517	27,945	69%	1,235	3,378	11,561	(232)	-	12,003	0.50	0.92	11,042
FY25	47,586	33,774	71%	4,140	3,732	10,584	1,287	-	14,031	1.50	0.78	10,925
FY26	57,210	42,884	75%	2,444	4,088	10,226	1,495	-	24,632	2.50	0.66	16,232
FY27	57,375	43,238	75%	517	4,478	9,835	1,197	-	27,211	3.50	0.56	15,176
FY28	58,373	44,367	76%	515	4,905	9,431	1,130	5,059	23,328	4.50	0.47	11,012
FY29	58,459	46,114	79%	21	5,373	8,959	1,374	7,955	22,433	5.50	0.40	8,962
FY30	53,737	43,825	82%	19	5,885	8,444	1,275	7,721	20,482	6.50	0.34	6,925
FY31	48,848	39,407	81%	31	6,446	7,544	(821)	7,015	19,192	7.50	0.29	5,492
FY32	42,330	32,285	76%	133	7,061	6,707	(1,744)	5,580	14,548	8.50	0.24	3,523
FY33	37,512	27,592	74%	31	7,734	5,900	(1,615)	4,731	10,810	9.50	0.20	2,216
FY34	34,399	25,214	73%	30	8,472	4,997	(1,502)	4,468	8,749	10.50	0.17	1,518
FY35	32,831	22,973	70%	30	9,280	4,008	(1,905)	4,246	7,315	11.50	0.15	1,074
FY36	32,042	22,005	69%	30	10,165	2,931	(1,867)	4,351	6,395	12.50	0.12	795
FY37	32,476	22,543	69%	30	11,134	1,832	(1,893)	4,829	6,610	13.50	0.11	695
FY38	33,185	23,133	70%	20	12,196	755	(2,064)	5,305	6,920	14.50	0.09	616
FY39	33,998	23,929	70%	21	14,187	(802)	(2,823)	5,946	7,401	15.49	0.08	559
Sum of Explicit Period												**96,761**
Sum of Terminal Period												**38**
Add: Cash & Cash Equivalents												**7,355**
Free Cash Flows to Equity												**104,154**
Less: Present value of net cash flow accruing to RIL												(96,761)
Equity Value												**7,393**
Add: Net Debt												**1,17,137**
Enterprise Value - InvIT Assets												**1,24,530**

Appendix 2 – Cost of Equity of the SPV as on 31st March 2023

Particulars	Mar-23	Remarks
Risk Free Rate (Rf)	7.2%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Equity Risk Premium (ERP)	7.0%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (unlevered)	0.65	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Debt / (Debt + Equity)	50.0%	Debt : Equity ratio computed as [D/(D+E)] is considered as 50%
Tax rate of SPV	25.2%	Tax Rate Applicable to SPV is considered
Beta (relevered)	1.14	Relevered Beta
Company Specific Risk Premium (CSRP)	3.0%	Evaluated Based on operational & financial parameters
Adjusted Cost of Equity (Ke)	**18.15%**	**Adjusted Ke = Rf + (ERP) * f3 + CSRP**

Appendix 3.1 – Business permission and approvals

Sr. No.	Description of the permits	Issuing Authority	Current Status
	Approvals in relation to trust		
1	Certificate of registration under SEBI InvIT Regulations, for registration of the Trust as an infrastructure investment trust.	SEBI	Active
	Approvals in relation to transfer of Initial Portfolio Asset		
2	Approval for the scheme of arrangement ("Scheme") between EWPPL and PIL, for the transfer of the Pipeline Business from EWPPL to PIL.	NCLT, Ahmedabad & Mumbai	Active
3	In-principle approval for renunciation of the authorization granted to EWPPL for the Pipeline, in favor of PIL dated September 27, 2018. This approval is subject to certain terms and conditions.	PNGRB	Active
4	Approval in relation to the acquisition of the entire equity shareholding of PIL by the Trust dated September 11, 2018	Competition Commission of India	Active
	Approvals in relation to Initial Portfolio Asset		
	Following is an indicative list of all material approvals required for operation of Initial Portfolio Asset:		
5	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
6	Approval in respect of the expression of interest for allocation of capacity in a pipeline	Ministry of Petroleum and Natural Gas	Active
7	Right of use in the land for laying the pipeline under section 6 of the PMP Act	Ministry of Petroleum and Natural Gas	Active

Appendix 3.2 – PIL : Summary of approval and licences

Business Permissions and Approvals:

Sr. No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
1	Environmental Clearance	EIA Rules,2006	Kakinada Hyderabad Pipeline	One time
			Hyderabad Ahmedabad Pipeline	One time
2	Forest Clearances	The Forest Conservation Act, 1980 &The Indian Forest Act, 1928	East West Pipeline Private Limited	One time
3	CRZ Clearance	CRZ Notification	East West Pipeline Private Limited	One time
4	Public Liability Insurance Policy	Public Liability Insurance Act, 1991	East West Pipeline Private Limited	30-Apr-24
5	Consent to Establish	Water Act, 1974 & Air Act, 1981	CS-01 to CS-10	One time
6	Consent to Operate & Hazardous Waste Authorization	Water Act,1974, Air Act 1981, Hazardous Waste (M&TM) Rule, 2016	CS01 - CS02	28-Feb-25
			CS03 to CS04	28-Feb-24
			CS05	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	Till Cancellation
			premises	
			CS02	31-Dec-24
			CS03	31-Dec-24
			CS04	31-Dec-24
			CS05	31-Dec-25
			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	2-Mar-23
			CS03	One Time
			CS04	One Time
			CS05	Approval Pending
			CS06	15-Jun-26
			CS07	7-Jun-26

Sr. No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
			CS08	21-Apr-26
			CS09	31-Aug-24
			CS010	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
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
11	Fire NOCs	A P state Disaster Response and Fire Services Department	CS01	26-Aug-26

Sr. No.	Type of Approval	Acts or Rules under which requirement specified	Facility for which permit obtained	Validity
		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	6-Jan-24
		Directorate Maharashtra Fire Services	CS06, CS07 & CS08	One Time
		Gujarat Fire Services	CS09	8-Mar-23
		Gujarat Fire Services	CS10	31-Dec-23
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
			CS010	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-23
16	State Electricity Authorization	The Electricity Act 2003 read with the Indian Electricity Rules, 1956	East West Pipeline Private Limited	One time
17	Pipeline Authorization	PNGRB Act, 2006	East West Pipeline Private Limited	One time

Appendix 4: Summary of Ongoing Litigations

Sr No.	Against	Pending Before	Details of the Case
Disputes in connection with the right of user granted to EWPL under the PMP Act			
1	EWPL/RGTIL	District Judge, Pune	[Ramchandra Jaggnath Sabale ("Claimant") filed a miscellaneous application against RGTIL (former name of EWPL) before the District Judge, Pune. The application was made under the PMP Act for enhancement of compensation [to a total claim of Rs. 52.10 million]]. The court has granted exemption from payment of court fee. 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 Rs. 510.00 million. The matter is currently pending].
3	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 Rs 70.00 million] which was dismissed for default on August 18, 2018]. [Savitaben Patel has also filed an application for restoration. The court has allowed restoration petition and restored to its original state.
4	EWPL/RGTIL	Principal District Judge Court, Navsari	[Thakorbhai Khandubhai and others ("Claimants") filed an application before the Principal District Judge Court, Navsari against RGTIL (former name of EWPL) demanding additional compensation, [amounting to a total claim of Rs. 910.00 million]. It was dismissed for default on August 18, 2018.] [However, the Claimants have filed an application for restoration]. The court has allowed restoration petition and restored to its original state.
Royalty Related			
5	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.

Sr No.	Against	Pending Before	Details of the Case
Other Tariff Related			
6	NA	PNGRB	PIL has filed a review petition on January 11, 2019 before the PNGRB seeking review of the order passed by the PNGRB dated December 10, 2018 (the “Order”), pursuant to which PNGRB determined the levelized tariff for the high pressure Gujarat gas grid (“HP Gas Grid”) of Gujarat State Petronet Limited (“GSP Limited”) and the Dahej-Uran-PanvelDhabol 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. PIL is not following this case as its outcome as no impact on PIL.
			(i) modification of the Order to make it effective prospectively from April 1, 2019 as opposed to the Order currently making the tariff applicable retrospectively from April 1, 2018, and
			(ii) modification of the zonal levelized tariff considering the point of origin for GSP Limited’s HP Gas Grid as Mora as opposed to the Order currently fixing the tariff on the bases of Eklara as the point of origin.
			PIL has also sought an interim relief for a stay on the Order. PNGRB vide order dated 15/03/2019 stayed the operation of the Order, GSPL challenged the said order before the High Court of Delhi by filing WP No 3128 of 2019. High Court setting aside the Order (vide order dated 03/04/2019) directed PNGRB to pass fresh orders after giving the opportunity of hearing to all the parties concerned. In compliance to Delhi High Court order, PNGRB Vide an order dated 19.03.2020 partially allowed the Review Petition filed by PIL and RIL recognising “Mora” as point of injuction is point of origin instead of “Atakpardi”. As a result, tariff for transportation of Gas from Mora to Jamnagar has been reinstated to Zone-2 instead of earlier classification of Zone 3.
			PNGRB differed reviewing the other issue i.e., retrospective operation of the Tariff Order, till final disposal of the Writ Petitions filed by Deepak Fertilisers before Delhi High Court and the Torrent before High Court of Gujarat

Appendix 4: Summary of Ongoing Litigations

Sr No.	Nature of Dispute	A.Y. for which the case relates	Details of the Case
Direct Tax and Indirect Tax related litigations			
1	Non-Issue of Refund	2019-20	Appeal filed for FY 2018-2019 in PIL u/s 246A against order issued u/s 154 as credit in respect of tax deducted at source (TDS) is not granted by CPC amounting to approx Rs 13.28 crores. PIL is also following up with AO to do the needful.
2	GST Inquiry	July 17- March 21	DGCI(Gujarat) has issued summons on PIL along with audit notice regarding issuance of outward invoices from the state of gujarat and availament of ITC theron. PIL has responded to the conerned authority with the facts and provisions along with the relevent supporting documents. Further proceeding is pending from the authority side.
3	Notice for Inspection of records/ GST Audit - State GST Authority of Andhra Pradesh	2017 to 2021	Routine audit notice has been received in the state of Andhra Pradesh for the period F.Y. 2017-18 to FY 2020-2021. PIL has responded to the conerned authority with the facts and provisions along with the relevent supporting. Further proceeding is pending from the authority side.
4	GST Inquiry - State GST Authority of Telengana	July 2017 to March 2020	Audit inspection Notice under section 65 of CGST Act 2017 has been received in the state of telangana for the period July 2017 to March 2020. PIL has responded to the conerned authority initially with basic data, however considering the change in audit party, further audit is on hold and once new audit team would be appointed from the authority further proceeding would take place.
5	Notice for Inspection under sub section (2) of section 67 of CGST Act - State GST Authority of Karnataka		Karnataka state GST office has issued notice w.r.t. discripencies in ITC claimed in 20-21 v/s ITC available in 2A for the said period, PIL has responded to the concerned authority with the relevent facts and the supportings. Further proceeding is pending from the department side.
6	Rectification order u/s 154 AY 2020-21	FY 2019-20	CPC has issued order under section 154 wherein lower loss allowed to be carrried forward vis a vis claimed in Income Tax Return. Request has been raised on IT Portal for reprocessing of Return

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, 2023, 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, 2023, 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, 2023, and its profit (including other comprehensive income), its changes in unitholders' equity, its cash flows for the year ended March 31, 2023, its net assets at fair value as at March 31, 2023, 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 10.2 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	Fair valuation of Investment in Non- convertible debentures (NCDs): 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. As at March 31, 2023, fair value of these NCDs was Rs. 5,997.19 crores. These NCDs are measured at fair value and classified as "Level 3" of the fair value hierarchy. The fair value of these NCDs is determined by an independent valuer using discounted cash flow method. 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. Refer note 22 to the standalone financial statements.	Principal audit procedures performed: Our audit procedures related to the discount rate used to determine the fair value of the investment in NCDs included the following, among others: • 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 th fair valuation.

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

- Brookfield India Infrastructure Manager Private Limited 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 do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the 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, 2023, net assets at fair value as at March 31, 2023, 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: 23119925BGZBIA1424)

Place: Mumbai
Date: May 19, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Crore)

Notes	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Investment in Subsidiary	3	**50.00**	50.00
Financials Assets			
Investments	4	**5,997.19**	6,964.23
Other Financial Assets	5	**48.91**	47.90
Total Non-Current Assets		**6,096.10**	7,062.13
Current Assets			
Financial Assets			
Investments	6	**0.53**	0.25
Cash and Cash Equivalents	7	**0.22**	0.24
Other Financials Assets	8	**0.57**	0.55
Other Current Assets	9	**0.14**	0.06
Total Current Assets		**1.46**	1.10
Total Assets		**6,097.56**	7,063.23
EQUITY AND LIABILITIES			
Equity			
Unit Capital	10	**4,708.15**	5,157.95
Other Equity			
Retained earning	11	**1,304.39**	1,831.35
Total Unit Holders' Equity		**6,012.54**	6,989.30
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities (Call Option)	12	**82.80**	70.12
Total Non-Current Liabilities		**82.80**	70.12
Current Liabilities			
Financial Liabilities			
Trade Payables	13		
Small Enterprises and Micro enterprises		**0.00**	1.21
Others		**2.01**	2.27
Other Financial Liabilities	14	**0.00**	0.00
Other Current Liabilities	15	**0.21**	0.33
Total Current Liabilities		**2.22**	3.81
Total Liabilities		**85.02**	73.93
Total Equity and Liabilities		**6,097.56**	7,063.23

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

Date : May 19, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

Pratik Desai
Compliance Officer
of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crore)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	**16**	**608.61**	635.92
Other income	**17**	**2.74**	3.23
Total Income		**611.35**	639.15
EXPENSES			
Valuation Expenses		**0.23**	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
Audit Fees	**18**	**2.66**	2.45
Other Expenses	**17**	**15.12**	13.70
Fair value Loss/ (gain) on Non convertible debentures measured at FVTPL		**517.25**	37.48
Total Expenses		**540.19**	58.74
Profit / (Loss) before Tax		**71.16**	580.41
Tax Expenses			
Current Tax		**1.17**	1.38
Deferred Tax		**-**	-
Profit / (Loss) for the period		**69.99**	579.03
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss		**-**	-
Total Comprehensive Income for the period		**69.99**	579.03
Earnings per unit of unit value			
- For Basic (Rs.)		**1.05**	8.72
- For Diluted (Rs.)		**1.05**	8.72

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

Date : May 19, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

STATEMENT OF CHANGES IN UNITHOLDER'S EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. UNIT CAPITAL (Rs. in Crore)

Balance at the beginning of previous reporting year i.e. April 1, 2021	Changes in unit capital during the year 2021-22*	Balance at the end of previous reporting year i.e. March 31, 2022	**Changes in unit capital during the year 2022-23***	**Balance as at the end of the reporting year i.e. March 31, 2023**
5,580.65	(422.70)	5,157.95	**(449.80)**	**4,708.15**

* 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, 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**
As at March 31, 2023			
Balance as at the beginning of the reporting year i.e. April 1, 2022	1,831.35	-	1,831.35
Total Comprehensive Income for the year	69.99	-	69.99
Return on Capital#	(596.95)	-	(596.95)
Other Income Distribution#	-	-	-
Balance as at the end of the reporting year i.e. March 31, 2023	**1,304.39**	**-**	**1,304.39**

\# 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

Date : May 19, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs.in crore)

	Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax as per Statement of Profit and Loss		**71.16**		580.41
	Adjusted for:				
	Fair Value loss/(gain) on Non Convertible Debenture measured at FVTPL	**517.25**		37.48	
	Fair value measurement loss on put option	**1.30**		0.87	
	Fair value measurement loss on call option	**12.68**		11.63	
	Interest income on Fixed Deposit	**(2.59)**		(3.14)	
	Profit on sale of Mutual Fund	**(0.14)**	**528.50**	(0.09)	46.75
	Operating profit before working capital changes		**599.66**		627.16
	(Increase)/Decrease in Other Finanacial assets	**0.00**		-	
	(Increase)/Decrease in Other Current Assets	**(0.05)**			
	Increase/(Decrease) in Trade Payables	**(1.46)**		1.88	
	Increase/(Decrease) in Other Current Liabilities	**(0.12)**	**(1.63)**	0.19	2.07
	Cash Generated from Operations		**598.05**		**629.23**
	Less : Taxes paid		**(1.22)**		(1.40)
	Net Cash Flow from Operating Activities		**596.83**		627.83
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Redemption / Principal repayment received on Non convertible debentures of Subsidiary		**314.82**		279.91
	Expenditure Component sweep received from subsidiary		**134.97**		142.80
	Sale proceeds of Mutual Funds		**42.43**		46.23
	Investment in Mutual Funds		**(42.59)**		(46.39)
	Reinvestment of DSRA BG Fixed Deposit		**(2.31)**		(0.56)
	Interest income received on Fixed Deposit with banks & MFs		**2.57**		7.48
	Net Cash Flow from Investing Activities		**449.90**		429.47
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Return of Capital to Unit holders		**(449.80)**		(422.70)
	Return on Capital to Unit holders		**(596.95)**		(628.18)
	Distribution of Miscelleneous income to Unit holders		-		(6.61)
	Net Cash Flow used in Financing Activities		**(1,046.75)**		(1,057.49)
	Net Increase/(Decrease) in Cash and Cash Equivalents		**(0.02)**		(0.19)
	Opening Balance of Cash and Cash Equivalents		**0.24**		0.43
	Closing Balance of Cash and Cash Equivalents		**0.22**		0.24

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

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

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

Date : May 19, 2023
Place : Mumbai

Date : May 19, 2023

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, 2023

(Rs. in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Book value	Fair value	Book value	Fair value
A. Assets*	6,097.56	6,870.72	7,063.23	7,400.44
B. Liabilities**	85.02	85.02	73.93	73.93
C. Net Assets (A-B)	6,012.54	6,785.70	6,989.30	7,326.51
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E. NAV (C/D)	90.55	102.19	105.26	110.34

* Assets includes the Fair Value of the Enterprise Value attributable to the InvIT as at March 31, 2023. 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 12.1)

B. Standalone Statement of Total Returns at Fair Value for the year ended March 31, 2023

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Comprehensive Income (As per the Statement of Profit and Loss)	69.99	579.03
Add/(less): Other Changes in Fair Value not recognized in Total Comprehensive Income	435.95	26.51
Total Return	**505.94**	**605.54**

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 current year, 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 is Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051 India.

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). 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, 2023; 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, 2023 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 2023, 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, 2023. 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 10.2 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, 2023 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 10.2 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 (Refer Note 22 to the 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 23.

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. 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 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) 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 SUBSIDIARY

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Investments in Non Convertible Debenture (NCD) (at FVTPL)		
649,80,000 (PY 649,80,000) Secured, Unlisted NCDs of Rs. 830.90 (Previous Year Rs.879.35) each issued by Pipeline Infrastructure Limited (Refer Note 22)	**5,997.19**	6,964.23
TOTAL	**5,997.19**	6,964.23

NOTE 5. NON CURRENT FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Put option on PIL shares (Refer Note 5.1)	**2.42**	3.72
Fixed deposit (as margin money to comply with DSRA requirement renewed for 24 months)	**46.49**	44.18
TOTAL	**48.91**	47.90

5.1 As per the terms agreed by the Trust, the Investment Manager, Pipeline Infrastructure Limited (PIL) and Reliance Industries Holdings Private Limited (RIHPL), the Trust has right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crore or such other amount determined by the option valuer, whichever is lower, after a specific term or occurrence of certain events.

NOTE 6. INVESTMENTS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Funds	**0.53**	0.25
TOTAL	**0.53**	0.25

NOTE 7. CASH AND CASH EQUIVALENTS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Balance with Banks	**0.22**	0.24
TOTAL	**0.22**	0.24

NOTE 8. OTHER FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Interest receivable on FD	**0.57**	0.55
TOTAL	**0.57**	0.55

NOTE 9. OTHER CURRENT ASSETS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	**0.05**	0.01
Advance tax (Net of Provision for Income Tax of Rs.1.17 cr)	**0.09**	0.05
(Previous year Rs. 1.38 cr)		
TOTAL	**0.14**	0.06

NOTE 10. UNIT CAPITAL

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
10.1 Unit Capital		
Issued, subscribed and fully paid up unit capital : 66,40,00,000 units(March 31, 2022 : 66,40,000 units)	**4,708.15**	5,157.95
TOTAL	**4,708.15**	5,157.95

Rights and Restrictions to Units

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

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

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

10.2 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.

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

Name of Unitholder	Relationship	As at March 31, 2023		As at March 31, 2022	
		No of Unit held	**Percentage**	No of Unit held	Percentage
Rapid Holdings 2 Pte. Ltd	Sponsor	**49,80,00,000**	**75.00%**	49,80,00,000	75.00%
ICICI Prudential Equity & Debt Fund	Unitholder	**2,06,00,000**	**3.10%**	3,42,00,000	5.15%

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

Particulars	As at March 31, 2023	As at March 31, 2022
	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 11. OTHER EQUITY

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Opening Balance	**1,831.35**	1,887.11
Profit for the year	**69.99**	579.03
Return on Capital to Unit holders	**(596.95)**	(628.18)
Distribution of income to Unit holders	**-**	(6.61)
TOTAL	**1,304.39**	1,831.35

NOTE 12. OTHER NON CURRENT FINANCIAL LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Call Option with RIL for PIL Shares (Refer Note 12.1)	**82.80**	70.12
TOTAL	**82.80**	70.12

12.1 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 such other amount determined by the option valuer, whichever is lower, after a specific term or occurrence of certain events.

NOTE 13. TRADE PAYABLES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Small Enterprises and Micro enterprises (Refer Note 13.1)	**0.00**	1.21
Others	**2.01**	2.27
TOTAL	**2.01**	3.48

13.1 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 as on 31st March 2023 and on 31st March 2022. The identification of micro and small enterprises is based on information available with the management.

13.2 Trade payables ageing schedule for the year ended March 31, 2023 and March 31, 2022.

Outstanding for following periods from due date of payment (Rs. in Crore)

As at March 31, 2023	**Not due**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
MSME	**0.00**	**-**	**-**	**-**	**-**	**0.00**
Others	**0.84**	**1.17**	**-**	**-**	**-**	**2.01**
Total	**0.84**	**1.17**	**-**	**-**	**-**	**2.01**

(Rs. in Crore)

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	-	-	-	1.20
Others	0.12	2.15	-	-	-	2.27
Total	0.38	3.09	-	-	-	3.47

NOTE 14. OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Other Payables*	**0.00**	0.00
TOTAL	**0.00**	0.00

*Amounts less than Rs. 50,000/-

NOTE 15. OTHER CURRENT LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities payable	**0.21**	0.33
TOTAL	**0.21**	0.33

NOTE 16. REVENUE FROM OPERATIONS

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating Income		
Income from Interest on Investment in Non Convertible Debenture	**608.61**	635.92
TOTAL	**608.61**	635.92

NOTE 17. OTHER INCOME

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Fixed Deposits	**2.59**	3.14
Realised gain on Investments in Mutual Funds	**0.14**	0.09
MTM gain on valuation of Investments in Mutual Fund	**0.01**	0.00
TOTAL	**2.74**	3.23

NOTE 18. OTHER EXPENSES

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Charges	**0.01**	0.02
Duties, Rates and Taxes	**0.00**	0.00
Legal & Professional fees	**0.64**	0.68
Custodian/Demat charges	**0.40**	0.47
Shared Services expenses	**0.04**	-
Miscellaneous Expenses	**0.05**	0.03
Fair value loss/ (gain) of put option	**1.30**	0.87
Fair value loss/ (gain) of call option	**12.68**	11.63
TOTAL	**15.12**	13.70

NOTE 19. PAYMENT TO AUDITORS AS :

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit fees	**0.65**	0.68
Other audit fees*	**2.01**	1.77
TOTAL	**2.66**	2.45

* Represents audit fees paid for audit of group reporting package as per group referral instructions under the PCAOB standards.

NOTE 20. EARNINGS PER UNIT (EPU)

(Rs. in Crore)

		For the year ended March 31, 2023	For the year ended March 31, 2022
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)	**69.99**	579.03
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. 70.9059 each (Previous year unit value Rs. 77.6800 each)		
	- For Basic (Rs. Per unit)	**1.05**	8.72
	- For Diluted (Rs. Per unit)	**1.05**	8.72

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

Entity which exercise control on the Trust

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

1 Pipeline Management Services Private Limited

2 Peak Infrastructure Management Services Private Limited

3 Summit Digitel Infrastructure Private limited
(formerly known as Reliance Jio Infratel Private Limited)

4 Crest Digitel Private Limited
(formerly known as 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

(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)

Ms. Sukanya Viswanathan (effective August 26, 2022)

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

Ms. Pooja Aggarwal (effective September 30, 2021 to April 6, 2022)

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

Ms. Swati Mandava (effective June 28, 2022)

iii. Rapid Holdings 2 Pte.Ltd

Mr. Tang Qichen (effective September 15, 2021 to October 12, 2022)

Ms. Taswinder Kaur Gill (upto September 13, 2021)

Mr. Velden Neo Jun Xiong (from August 13, 2021 to April 29, 2022)

Mr. Walter Zhang Shen (upto July 1, 2021)

Mr. Aanandjit Sunderaj (upto June 9, 2021)

Mr. Liew Yee Foong

Ms. Ho Yeh Hwa

Mr. Tan Aik Thye Derek (effective April 29, 2022)

Ms. Tay Zhi Yun (effective October 12, 2022)

Ms. Talisa Poh Pei Lynn (effective October 12, 2022)

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, 2023	Year ended March 31, 2022
1	**Interest Income**			
	Pipeline Infrastructure Limited	Subsidiary	**608.61**	635.92
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. 6.7742 per unit paid out of unit value of 77.6800) Rapid Holdings 2 Pte. Ltd.	Sponsor	**337.36**	359.28
5	**Repayment of NCD**			
	Pipeline Infrastructure Limited	Subsidiary	**314.82**	279.91
6	**Legal/Professional fees/reimbursement of expenses**			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	**0.50**	0.64
7	**Project Management fee**			
	ECI India Managers Private Limited	Project Manager	**1.77**	1.77
8	**Interest Distributed**			
	Rapid Holdings 2 Pte.Ltd.	Sponsor	**447.71**	533.63
9	**Other Income Distributed**			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	**-**	5.66
10	**Amount received towards expenditure component sweep**			
	Pipeline Infrastructure Limited	Subsidiary	**134.97**	142.80
11	**Shared Services - Rent**			
	Pipeline Infrastructure Limited	Subsidiary	**0.03**	-

IV. Balances at the end of year (Rs. in Crore)

Sr. No.	Particulars	Relations	As at March 31, 2023	As at March 31, 2022
1	**Reimbursement of Expense payable**			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	**0.05**	0.17
2	**Investment Manager Fee Payable**			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	**0.24**	0.22
3	**Project Manager fee payable**			
	ECI India Managers Private Limited	Project Manager	**0.81**	0.81
4	**Non Convertible Debentures at Fair value through Profit and Loss (FVTPL)***			
	Pipeline Infrastructure Limited	Subsidiary	**5,997.19**	6,964.23
5	**Shared Services - Rent**			
	Pipeline Infrastructure Limited	Subsidiary	**0.03**	-
6	**Investment in Subsidiary**			
	Pipeline Infrastructure Limited	Subsidiary	**50.00**	50.00
7	**Units value**			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	**3,531.11**	3,868.48

* ECS received from Pipeline Infrastructure Ltd is netted off against Investment in Non Convertible Debentures (NCD) at FV of Rs. 741.29 (Previous year Rs. 606.32).

NOTE 22. FINANCIAL INSTRUMENTS

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, 2023 (Rs. in Crore)

Particulars	As at March 31, 2023				As at March 31, 2022			
	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
<u>**Financial Assets**</u>								
At Amortised Cost*								
Cash and Cash Equivalents	**0.22**				0.24			
Other bank balances	**-**				-			
Other Financial Assets	**47.06**				48.50			
At FVTPL								
Investments in Mutual Funds	**0.53**		**0.53**		0.25		0.25	
Investments in Non Convertible Debentures (NCD)	**5,997.19**			**5,997.19**	6,964.23			6,964.23

Particulars	As at March 31, 2023				As at March 31, 2022			
	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
Put option on PIL shares	**2.42**			**2.42**	3.72			3.72
Financial Liabilities								
At Amortised Cost*								
Trade payables	**2.01**				3.48			
At FVTPL								
Call Option on PIL shares	**82.80**			**82.80**	70.12			70.12

* 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)

Valuation methodology:

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

1. NCD Valuation

The following table presents the changes in level 3 items related to Investment in NCDs for the year ended March 31, 2023 and March 31, 2022

Particulars	(Rs. in Crore)
As at April 1, 2022	6,964.23
Less: Fair Value Loss recognized in Profit & Loss	(517.25)
Less: Principal repayment of debentures	(314.82)
Less: Expenditure Component Sweep received during the year*	(134.97)
As at March 31, 2023	**5,997.19**
As at April 1, 2021	7,424.42
Less: Fair Value 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**

*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. 608.61 Crore (Previous year Rs. 635.92 Crore) is included under “Revenue from operations”. Other Fair value Loss on this NCD amounting to Rs. 517.25 Crore (Previous year Rs. 37.48 Crore) is included under “Fair value Loss 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 as per 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 9.54% based on forward rates.

The significant assumptions considered in the valuation are:

1. Discount rate considered for valuation: The discount rate is computed as Zero Coupon FIMMDA 10 Year spread as on the Valuation Date for AAA rated bond for maturity corresponding to the cash flows and a spread of 1% for additional risk perceived at the time of issue of InvIT NCDs primarily since InvIT NCDs shall be paid after the Listed NCDs. If the discount rate for each year increases by 0.5% then fair value of the NCD investment will reduce by Rs. 132.53 Crore, if the discount rate reduces by 0.5% then fair value of the NCD investment will increase by Rs. 138.54 Crore.

2. The rate at which Pipeline Infrastructure Limited (“PIL”) will be able to re-finance the external debt: The interest rate at which the Company will be able to refinance new NCDs is considered based on expected future interest rate for a AAA rated bond using a spread of 1.21% for additional risk. If this rate increases by 0.5% then Fair value of the debentures will decrease by Rs. 174.94 Crore and if this rate reduces by 0.5% then Fair value of the debentures will increase by Rs. 174.67 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.

2. Options Valuation

The following table presents the changes in level 3 items related to Options Valuation for the year ended March 31, 2023 and March 31, 2022

Call option

Particulars	(Rs. in Crore)
As at April 1, 2022	70.12
Add: Fair Value Loss recognized in Profit & Loss	12.68
As at March 31, 2023	82.80
As at April 1, 2021	58.49
Add: Fair Value Loss recognized in Profit & Loss	11.63
As at March 31, 2022	70.12

Put Option

Particulars	(Rs. in Crore)
As at April 1, 2022	3.72
Less: Fair Value Loss recognized in Profit & Loss	(1.30)
As at March 31, 2023	2.42
As at April 1, 2021	4.59
Less: Fair Value Loss recognized in Profit & Loss	(0.87)
As at March 31, 2022	3.72

The fair value of call option and put option written on the shares of SPV is measured using Black Scholes Model. Key inputs used in the measurement are:

(i) Stock Price: It is estimated based on the stock price as of the date of the transaction (March 22, 2019) of Rs. 50 crores, as increased for the interim period between March 22, 2019 and March 31, 2023 by the Cost of Equity as this would be expected return on the investment for the acquirer.

(ii) Exercise Price: Rs. 50 crores

(iii) Option Expiry: 20 years from March 22, 2019 i.e., March 22, 2039.

(iv) Risk free rate as on date of valuation 7.3% and cost of equity 17.9%.

The significant assumption considered in the valuation is volatility of comparable company as per Black Scholes Model. The valuation of Call and Put Option is computed using the volatility of comparable company as 36.4%.

Call Option: If the volatility of comparable company increases by 5% then fair value of the Call option will increase by Rs. 1.17 crores, if the volatility of comparable company reduces by 5% then fair value of the Call option will decrease by Rs. 1.01 crores.

Put Option: If the volatility of comparable company increases by 5% then fair value of the Put option will increase by Rs. 1.17 crores, if the volatility of comparable company reduces by 5% then fair value of the Put option will decrease by Rs. 1.01 crores.

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.

NOTE 24. STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCFs)

(Rs. in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows received from Portfolio Assets in the form of interest	**608.61**	635.92
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
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	**449.80**	422.70
Total cash flow at the InvIT level (A)	**1,058.41**	1,065.31

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less: re-imbursement of expenses in relation to the Transaction undertaken by the Sponsor on behalf of the Trust and payment of arranger fee.	-	-
Less: Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Project Manager, Auditor, Valuer, credit rating agency and the Debenture Trustee	**(10.50)**	(6.66)
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	**(1.00)**	(1.10)
Total cash outflows/retention at the Trust level (B)	**(11.50)**	(7.76)
Net Distributable Cash Flows (C) = (A+B)	**1,046.91**	1,057.55

* Includes Rs.134.97 Crore received as ECS advance from SPV. (Previous period Rs.142.80 Crore)

The Net Distributable Cash Flows ("NDCF") as above is for the year ended March 31, 2023. An amount of Rs. 1,046.75 Crore has been distributed to unit holders as follows.

(Rs. in Crore)

Date of Distribution payment for FY 2022-23	**Return of Capital**	**Return on Capital**	**Miscellaneous Income**	**Total**
April 20, 2022	**104.64**	**147.22**	**-**	**251.86**
July 19, 2022	**115.05**	**151.72**	**-**	**266.77**
October 18, 2022	**115.95**	**151.21**	**-**	**267.16**
January 18, 2023	**114.16**	**146.80**	**-**	**260.96**
	449.80	**596.95**	**-**	**1,046.75**

Date of Distribution payment for FY 2021-22	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

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 (Rs. in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before Tax	**71.16**	580.41
Tax at the Indian tax rate of 42.74% (Including 37 % surcharge & 4% cess)	**30.42**	248.07
Tax effects of amounts which are not deductible/ (taxable) in calculating taxable income		
PIL Interest Received since considered as pass through	**(260.12)**	(271.79)
Fair value loss/(gain) on Non convertible debentures measured at FVTPL	**221.07**	16.01
Expenses Disallowed since related interest income is exempt	**9.80**	9.09
Income Tax expense	**1.17**	1.38

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, 2023 (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 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:

a) Maintain financial strength to esnure AAA or equivalent ratings at individual Trust and subsidiary level.

b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

c) 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, 2023 and March 31, 2022 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, 2023 and March 31, 2022

(Rs. in Crore)

Particulars	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.66	0.29	125.92%	[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	1.08%	8.01%	-86.56%	[Refer Note 31.2.(ii)]
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	8.36	8.37	-0.12%	-
Net Capital Turnover ratio	Revenue from operations	Working Capital	-795.08	-235.39	237.77%	[Refer Note 31.2.(iii)]
Net Profit Margin	Net Profit	Revenue from operations	11.50%	91.05%	-87.37%	[Refer Note 31.2.(iv)]
Return on Capital Employed	Earnings before Interest & Tax	Capital Employed	1.18%	8.30%	-85.75%	[Refer Note 31.2.(iv)]
Return on Investment						
On Mutual Fund	Income generated from investments	Time weighted average investments	5.33%	3.35%	59.10%	[Refer Note 31.2.(v)]
On Fixed Deposit	Income generated from investments	Time weighted average investments	5.70%	6.74%	-15.41%	-

* Total Purchases of services & other expenses does not include Fair value of NCD measured at FVTPL.

31.1 Applicability of ratio

i) The Trust does not have any debt, therefore Debt-Equity ratio and Debt-Service Coverage ratio is not applicable.

ii) The Trust is into service industry, hence inventory turnover ratio is not applicable.

iii) The Trust does not have any Trade receivables. Therefore, Trade receivable turnover ratio is not applicable.

31.2 Reason for variance

i) Current liability is less as compared to last year as we have paid off the payables.

ii) Fair valuation of NCD has led to lower profit, therefore return on equity is reduced.

iii) Reduction in the Interest income has led to reduction in net capital turnover ratio.

iv) Reduction is due to reason mentioned in 31.2 (i).

v) Increase is due to higher return from the MF investments in the market.

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, 2023, no subsequent events requiring reporting in the financials of Financial year 2022-23 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, 2023.

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

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, 2023, 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, 2023, 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, 2023, its consolidated profit (including other comprehensive income), its consolidated changes in unitholders' equity, its consolidated cash flows for the year ended March 31, 2023, its consolidated net assets at fair value as at March 31, 2023, 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 Group.

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	**Fair Value of net assets of the Trust:** 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, 2023, fair value of net assets was Rs. 6785.70 crores. The fair value of net assets of the Trust is determined by an independent valuer using discounted cash flow method. 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. Refer Consolidated Statement of Net assets at fair value and Consolidated Statement of total returns at fair value in the consolidated financial statements.	**Principal audit procedures performed among others:** 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: • 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 and business assumptions, shared by management with the independent valuer, by comparing it to source information used in preparing the inputs. • We evaluated the Trust'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 included in the 'Report of Investment Manager' but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The report of the Investment Manager 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 do not and 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 of the Investment Manager, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The 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, 2023, consolidated net assets at fair value as at March 31, 2023, 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: 23119925BGZBIB5978)

Place: Mumbai
Date: May 19, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	**11,923.89**	12,711.07
Capital Work-in-Progress	1	**36.73**	64.40
Goodwill	1	**40.40**	40.40
Other Intangible Assets	1	**1,618.30**	1,704.38
Intangible Assets Under Development	1	**-**	8.02
Financial Assets			
Other Financial Assets	2	**177.62**	207.38
Income tax assets (net)		**55.03**	87.36
Other Non-Current Assets		**5.93**	3.30
Total Non-Current Assets		**13,857.90**	14,826.31
Current Assets			
Inventories	3	**237.34**	136.66
Financial Assets			
Investments	4	**20.21**	594.81
Trade Receivables	5	**146.02**	113.01
Cash and Cash Equivalents	6	**389.68**	1.76
Other Bank Balances	7	**201.95**	33.36
Other Financial Assets	8	**26.67**	12.75
Other Current Assets	9	**39.16**	65.81
Total Current Assets		**1,061.03**	958.16
Total Assets		**14,918.93**	15,784.47
EQUITY AND LIABILITIES			
Equity			
Unit Capital	10	**4,708.15**	5,157.95
Other Equity	11	**(2,034.69)**	(1,983.31)
Total Equity attributable to the unit holders of the Trust		**2,673.46**	3,174.64
Non- Controlling Interest	12	**4,045.17**	4,045.17
Total Equity		**6,718.63**	7,219.81
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	**7.01**	6,445.65
Lease Liabilities	14	**19.79**	22.69
Other Financial Liabilities	15	**82.80**	70.12
Deferred Tax Liabilities (Net)	16	**-**	-
Other Non-Current Liabilities	17	**26.37**	572.67
Total Non-Current Liabilities		**135.97**	7,111.13
Current Liabilities			
Financial Liabilities			
Lease Liabilities	14	**2.61**	4.29
Borrowings	19	**6,445.63**	-
Trade Payables	18		
Total outstanding dues of Small Enterprises and Micro enterprises		**0.80**	1.39
Others		**135.34**	95.74
Other Financial Liabilities	20	**776.89**	618.87
Other Current Liabilities	21	**701.90**	732.44
Provisions	22	**1.16**	0.80
Total Current Liabilities		**8,064.33**	1,453.53
Total Liabilities		**8,200.30**	8,564.66
Total Equity and Liabilities		**14,918.93**	15,784.47
See accompanying Notes to the Financial Statements	1 - 41		

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, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
Brookfield India Infrastructure Manager 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 : Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crore)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	**23**	**2,744.02**	2,591.99
Interest		**22.37**	10.26
Realised/ Unrealised Gain on Mutual Funds		**23.30**	20.40
Other Income (net)		**13.45**	11.11
Total Income		**2,803.14**	2,633.76
EXPENSES			
Valuation Expenses		**0.23**	0.18
Audit Fees	**26.2**	**4.15**	3.64
Insurance & Security Expenses		**47.42**	45.47
Employee Benefits Expense	**24**	**34.56**	30.74
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**	**851.14**	762.94
Amortization of intangible assets	**1**	**102.22**	101.23
Finance Costs	**25**	**587.69**	587.09
Custodian fees		**0.40**	0.47
Repairs and maintenance		**68.43**	68.12
Transmission charges		**24.78**	192.32
Loss on sale of assets		**0.03**	0.56
Other Expenses	**26**	**530.03**	285.51
Total Expenses		**2,255.89**	2,083.08
Profit/ (Loss) Before Tax		**547.25**	550.68
Tax Expenses			
Current Tax	**29**	**1.17**	1.38
Deferred Tax	**16**	**-**	-
Profit/ (Loss) for the year		**546.08**	549.30
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to statement of profit and loss		**(0.51)**	0.12
Total Comprehensive Income / (Loss) for the year		**545.57**	549.42
Profit for the year attributable to:			
Unit holders of the Trust		**546.08**	549.30
Non- Controlling Interest		**-**	-
Total Comprehensive Income / (Loss) attributable to			
Unit holders of the Trust		**545.57**	549.42
Non- Controlling Interest		-	-
Earnings per unit			
- For Basic (Rs.)	**27**	**8.22**	8.27
- For Diluted (Rs.)	**27**	**8.22**	8.27
See accompanying Notes to the Financial Statements	**1 - 41**		

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, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
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Chairperson of the Board
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Member of the Pipeline InvIT Committee
PAN: ADNPM5006E
Place : Mumbai

Pratik Desai
Compliance Officer of the Trust
PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. UNIT CAPITAL

(Rs. in Crore)

Particulars	**Balance as at 1st April, 2022**	**Changes in Unit Capital during the year 2022-23***	**Balance as at 31st March, 2023**
Unit Capital	**5,157.95**	**(449.80)**	**4,708.15**

(Rs. in Crore)

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

B. OTHER EQUITY

(Refer Note 11 and 12) (Rs. in Crore)

Particulars	**Attributable to the unit holders of the Trust**			**Non-Controlling Interest**	**Total**
	Retained Earnings	**Other Comprehensive Income / (Loss)**	**Total**		
Balance as at the beginning of the reporting year i.e. April 1, 2022	(1,983.67)	0.36	(1,983.31)	4,045.17	**2,061.86**
Total Comprehensive Income / (Loss) for the year	546.08	(0.51)	545.57	-	**545.57**
Return on Capital #	(596.95)	-	(596.95)	-	**(596.95)**
Other Income Distribution #	-	-	-	-	
Balance as at the end of the reporting year i.e. March 31, 2023	**(2,034.54)**	**(0.15)**	**(2,034.69)**	**4,045.17**	**2,010.48**
Balance as at the beginning of the reporting year i.e. April 1, 2021	(1,898.18)	0.24	(1,897.94)	4,045.17	2,147.23
Total Comprehensive Income / (Loss) for the year	549.30	0.12	549.42	-	549.42
Return on Capital #	(628.18)	-	(628.18)	-	(628.18)
Other Income Distribution #	(6.61)	-	(6.61)	-	(6.61)
Balance as at the end of the reporting year i.e. March 31, 2022	(1,983.67)	0.36	(1,983.31)	4,045.17	2,061.86

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 35.

See accompanying Notes to the Financial Statements 1 - 41

As per our report of even date
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Rajendra Sharma
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PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

Date : May 19, 2023
Place : Mumbai

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Crore)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax as per Statement of Profit and Loss	**547.25**	550.68
	Adjusted for:		
	Depreciation and Amortisation	**953.36**	864.17
	Gain on sale of Current Investments (Net)	**(26.39)**	(19.59)
	Fair value (gain)/loss on valuation of Current Investments (Net)	**3.10**	(0.80)
	Loss on Sale of Fixed Assets	**0.02**	0.56
	(Reversal)/ Provision for diminution in inventory	**0.42**	(0.66)
	Fair Value measurement loss on put option	**1.30**	0.87
	Fair Value measurement loss on call option	**12.68**	11.63
	Interest Income	**(17.73)**	(10.26)
	Finance Costs	**587.69**	587.08
		1,514.45	1,433.00
	Operating profit before working capital changes	**2,061.70**	1,983.68
	Adjusted for:		
	Trade and Other Receivables	**(10.76)**	39.34
	Inventories	**(101.09)**	(30.07)
	Trade and Other Payables	**(381.05)**	(90.86)
		(492.90)	(81.59)
	Cash Generated from Operations	**1,568.80**	1,902.09
	Taxes (paid) / refund	**31.10**	(26.64)
	Net Cash Flow from Operating Activities	**1,599.90**	1,875.45
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment, capital work-in-progress and Intangibles	**(46.77)**	(69.15)
	Proceeds from disposal of Property, Plant and Equipment	**-**	0.08
	Fixed deposits placed with Banks	**(180.90)**	(133.78)
	Fixed deposits with Banks redeemed	**40.70**	0.20
	Purchase of Current Investments	**(3,779.62)**	(4,830.31)
	Sale of Current Investments	**4,377.49**	4,697.37
	Interest Received	**5.57**	9.82
	Net Cash Flow used in Investing Activities	**416.47**	(325.77)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Return of Capital to Unit holders	**(449.80)**	(422.70)
	Return on Capital to Unit holders	**(596.95)**	(628.18)
	Distribution of miscellaneous income to Unit holders	**-**	(6.61)
	Principal repayment on Lease liability	**(2.02)**	(1.85)
	Interest paid on Lease liability	**(2.27)**	(2.44)
	Interest paid	**(577.40)**	(577.71)
	Net Cash Flow used in Financing Activities	**(1,628.44)**	(1,639.49)
	Net Increase / (Decrease) in Cash and Cash Equivalents	**387.93**	(89.81)
	Opening Balance of Cash and Cash Equivalents	**1.76**	91.57
	Closing Balance of Cash and Cash Equivalents (Refer note 6)	**389.68**	1.76
	See accompanying Notes to the Financial Statements	**1 - 41**	
	Note: The figures in brackets represents cash outflow		

As per our report of even date
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Rajendra Sharma
Partner
Membership No. 119925

Date : May 19, 2023
Place : Mumbai

For and on behalf of the Board of Directors of
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Place : Mumbai

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PAN: ALZPD6476H
Place : Mumbai
Date : May 19, 2023

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, 2023

(Rs. in Crore)

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Book Value**	**Fair Value**	**Book Value**	**Fair Value**
A. Assets	14,918.93	14,986.00	15,784.47	15,891.17
B. Liabilities	8,200.30	8,200.30	8,564.66	8,564.66
C. Net Assets (A-B)	6,718.63	6,785.70	7,219.81	7,326.51
D. Number of Units (No. in Crore)	66.40	66.40	66.40	66.40
E NAV (C/D)	101.18	102.19	108.73	110.34

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, 2023

(Rs. in Crore)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Total Comprehensive Income / (Loss)(As per the Statement of Profit and Loss).	545.57	549.42
Add/(less): Other Changes in Fair Value (if cost model is followed) not recognized in Total Comprehensive Income.	(39.63)	56.15
Total Return	**505.94**	**605.57**

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, 2023

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, 2023.

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.

Effective 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 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 is Unit 1, 4th Floor, Godrej BKC, Bandra Kurla Complex, Mumbai, Maharashtra - 400051 India.

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). 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, 2023, 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, 2023 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, 2023, the Statement of Total Returns at Fair Value for the year ended March 31, 2023 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, 2023.

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 33 – 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, 2023 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 10.5 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, 2023. 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, 2023.

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) 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 Critical Accounting Judgements and Key Sources of Estimation uncertainties

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 at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment and impairment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below:

i) Property, plant and equipment and Intangible assets- useful life and impairment, Refer Note B.4 (a) & (b) and Note 1.

ii) Deferred tax liabilities, Refer Note B.4 (j) and Note 16 .

iii) Financial Instruments- Fair value disclosure, Refer Note B.4 (t) and Note 33 .

B.4 Summary of Significant Accounting Policies

(a) Property, plant and equipment:

i) Property, plant and equipment are stated at cost 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 Nil.

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 contact 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-employments 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. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. The Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

(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. Non-current assets and current assets, non-current liabilities and current liabilities in accordance with Ind AS 1 and Schedule III, Division II of Act notified by MCA. 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(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 33.

(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. property, property, plant & equipment) 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. However, the trade receivables that do not contain a significant financing component, are measured at transaction price.

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 01.04.2022	Additions	Deductions/ Adjustments	**As at 31.03.2023**	**As at 01.04.2022**	For the year	Deductions/ Adjustments	**As at 31.03.2023**	**As at 31.03.2023**	As at 31.03.2022
Property, Plant and Equipment										
Own Assets										
Freehold Land	94.85	-	-	**94.85**	-	-	-	-	**94.85**	94.85
Buildings	203.36	2.44	-	**205.80**	31.69	11.41	-	**43.10**	**162.70**	171.67
Plant and Machinery	14,547.48	58.56	0.03	**14,606.01**	2,223.78	832.28	0.01	**3,056.05**	**11,549.97**	12,323.70
Furniture and Fixtures	2.81	0.00	-	**2.81**	1.12	0.24	-	**1.36**	**1.45**	1.69
Office Equipment	18.59	5.36	0.03	**23.92**	3.12	4.00	0.02	**7.10**	**16.83**	15.47
Line pack gas	78.13	-	-	**78.13**	-	-	-	-	**78.13**	78.13
Sub-Total	**14,945.22**	**66.36**	**0.06**	**15,011.52**	**2,259.71**	**847.93**	**0.03**	**3,107.61**	**11,903.93**	12,685.51
Right-of-Use Assets										
Buildings	30.05	-	2.39	**27.66**	5.84	3.19	-	**9.03**	**18.63**	24.21
Leasehold Land	1.40	-	-	**1.40**	0.05	0.02	-	**0.07**	**1.33**	1.35
Sub-Total	**31.45**	**-**	**2.39**	**29.06**	**5.89**	**3.21**	**-**	**9.10**	**19.96**	25.56
Total (A)	**14,976.67**	**66.36**	**2.45**	**15,040.58**	**2,265.60**	**851.14**	**0.03**	**3,116.71**	**11,923.89**	12,711.07
Intangible assets										
Software*	12.93	16.14	-	**29.07**	3.28	2.38	-	**5.66**	**23.41**	9.65
Pipeline Authorisation	1,996.70	-	-	**1,996.70**	301.97	99.84	-	**401.81**	**1,594.89**	1,694.73
Total (B)	**2,009.63**	**16.14**	**-**	**2,025.77**	**305.25**	**102.22**	**-**	**407.47**	**1,618.30**	1,704.38
TOTAL (A+B)	**16,986.30**	**82.50**	**2.45**	**17,066.35**	**2,570.85**	**953.36**	**0.03**	**3,524.18**	**13,542.19**	14,415.45
Capital Work-in-Progress									**36.73**	64.40
Intangible Assets Under Development									**-**	8.02

* Other than internally generated

1.1 Building includes Rs. 56.52 Crore (Previous year Rs. 60.05 Crore) being building constructed on land not owned by the Company.

1.2 Refer Note 30 for capital commitments.

1.3 Refer Note 13.1 for properties mortgaged / hypothecated .

1.4 The balance useful life as on March 31, 2023 for rights under pipeline authorisation is 15 years 3 months.

(Rs. in Crore)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions/ Adjustments	**As at 31.03.2022**	As at 01.04.2021	For the year	Deductions/ Adjustments	**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
Office Equipment	5.79	12.88	0.08	**18.59**	0.59	2.57	0.04	**3.12**	**15.47**	5.20
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**	13,423.19
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	**2,265.59**	**12,711.07**	13,452.11
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	**2,570.84**	**14,415.45**	15,256.21
Capital Work-in-Progress									64.40	27.11
Intangible Assets Under Development									8.02	0.25

* Other than internally generated

Goodwill (Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Goodwill (Refer note 1.6)		
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.

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	0.16	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
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 As at March 31, 2023 and March 31, 2022, the recoverable amount was computed using the discounted cashflow method for which the estimated cashflows for the balance period of pipeline usage authorisation were developed using internal forecasts and a discount rate of 18.15% (previous year 19.6%). The Group has considered the levelized tariff rate as determined by PNGRB vide its order dated March 12, 2019 and the volumes as determined by the Management on the basis of inputs from technical experts 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 due to guaranteed cashflows under Pipeline Usage Agreement (PUA) .Based on the above, no impairment was identified as of March 31, 2023 and March 31, 2022 as the recoverable value exceeded the carrying value.

1.7 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.

1.8 During the year, the Company has reassessed residual value of certain items of Plant and Machinery based on technical evaluation by its external expert. Accordingly, the depreciation recognised over the remaining useful life of the Plant and Machinery is adjusted to take account of the revised estimate of residual value. The net effect of the change in the current financial year was increase in depreciation expense of INR 65.90 Crore.

1.9 Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2023 and March 31, 2022

(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	23.35	11.32	1.61	0.45	**36.73**
As at March 31, 2023	**23.35**	**11.32**	**1.61**	**0.45**	**36.73**

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

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, 2023 and March 31, 2022

(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	-	-	-	-	**-**
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**

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	-	-	-	8.02
As at March 31, 2022	8.02	-	-	-	8.02

Note: The Group does not have any intangible assets under development as on March 31, 2023.

NOTE 2. NON-CURRENT FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
(Unsecured and Considered Good)		
Loans & Advances	-	-
Security Deposits	**1.96**	2.00
Other Bank Balances (Refer Note 2.1)	**173.24**	201.66
Fair Valuation of Put Option (Refer Note 2.2)	**2.42**	3.72
TOTAL	**177.62**	207.38

2.1 Includes Rs. 173.24 Crore (Previous year Rs. 123.43 Crore) 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), the Trust has right, but not the obligation, to sell its entire stake in PIL to RIL for a consideration of Rs. 50 Crore or such other amount determined by the option valuer, whichever is lower, after a specific term or occurrence of certain events.

NOTE 3. INVENTORIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Stock of Natural Gas and Fuel	**102.73**	22.27
Stores and Spares	**134.61**	114.39
TOTAL	**237.34**	136.66

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

NOTE 4. CURRENT INVESTMENTS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Investments measured at Fair Value through Profit and Loss		
In Mutual Funds - Unquoted, fully paid up	**20.21**	594.81
TOTAL	**20.21**	594.81

NOTE 5. TRADE RECEIVABLES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
(Unsecured)		
Trade Receivables (considered good)	**146.02**	113.01
Trade Receivables (credit impaired)	**15.07**	15.07
Less: Provision for doubtful debts	**15.07**	15.07
TOTAL	**146.02**	113.01

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, 2023 and March 31, 2022

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	146.02	-	-	-	-	-	146.02
Disputed Trade receivables – credit impaired	-	-	-	6.74	-	8.33	15.07
	146.02	**-**	**-**	**6.74**	**-**	**8.33**	**161.09**
Less: Provision for doubtful debts	-	-	-	(6.74)	-	(8.33)	(15.07)
Total Trade Receivables at March 31, 2023	**146.02**	**-**	**-**	**-**	**-**	**-**	**146.02**

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)
Net As at March 31, 2022	113.01	-	-	-	-	-	113.01

NOTE 6. CASH AND CASH EQUIVALENTS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Balance with Banks in current accounts	**389.68**	1.76
TOTAL	**389.68**	1.76

NOTE 7. OTHER BANK BALANCES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
In bank deposits to the extent held as security against guarantees and other commitments	**95.85**	33.27
In fixed deposits	**106.10**	0.09
TOTAL	**201.95**	33.36

NOTE 8. OTHER CURRENT FINANCIAL ASSETS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
(Unsecured and Considered Good)		
Others (Refer Note 8.1)	**26.67**	12.75
TOTAL	**26.67**	12.75

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, 2023	As at March 31, 2022
(Unsecured and Considered Good)		
Balance with Good and Service Tax Authorities	**19.63**	47.68
Advance to vendors	**4.90**	5.39
Prepaid expenses	**11.58**	8.31
Other Receivables	**3.05**	4.43
TOTAL	**39.16**	65.81

NOTE 10. UNIT CAPITAL

(Rs. in Crore)

	As at March 31, 2023		As at March 31, 2022	
	Units	**Amount**	Units	Amount
Issued, Subscribed and Fully Paid up :				
Issued, subscribed and fully paid up unit capital : 66,40,00,000 units (March 31, 2022: 66,40,000 units)	**66,40,00,000**	**4,708.15**	66,40,00,000	5,157.95
TOTAL		**4,708.15**		5,157.95

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

Particulars	**As at March 31, 2023**	As at March 31, 2022
	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, 2023**		As at March 31, 2022	
		No. of Units	**% held**	No. of Units	% held
Rapid Holdings 2 Pte. Ltd.	Sponsor	**49,80,00,000**	**75.00%**	49,80,00,000	75.00%
ICICI Prudential Equity & Debt Fund	Unitholder	**2,06,00,000**	**3.10%**	3,42,00,000	5.15%

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%	0.00%

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. OTHER EQUITY

(Rs. in Crore)

	As at March 31, 2023		As at March 31, 2022	
Retained Earnings				
As at the beginning of the year	**(1,983.67)**		(1,898.18)	
Profit/ (Loss) for the year	**546.08**		549.30	
Return on Capital (Refer note 11.2)	**(596.95)**		(628.18)	
Other Income Distribution (Refer note 11.2)	**-**	**(2,034.54)**	(6.61)	(1,983.67)
Other Comprehensive Income [OCI]				
As at the beginning of the year	**0.36**		0.24	
Movement in OCI (Net) during the year	**(0.51)**	**(0.15)**	0.12	0.36
TOTAL		**(2,034.69)**		(1,983.31)

11.1 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, 2023.

11.2 Return on capital and other income as per NDCF is duly approved by investment manager. Refer NDCF working Note 35.

NOTE 12. NON-CONTROLLING INTEREST

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
0% Compulsorily Convertible Preference Shares	**4,000.00**	4,000.00
0% Redeemable Preference Shares (Refer Note 13.4)	**45.17**	45.17
TOTAL	**4,045.17**	4,045.17

12.1 **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, 2023	As at March 31, 2022
	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

Name of holders of CCPS	As at March 31, 2023		As at March 31, 2022	
	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

In the event of liquidation or winding-up of the Company, the CCPS shall immediately convert into Equity Shares in the manner set out above, which Equity Shares shall rank pari passu with the other Equity Shares issued by the Company at such point in time.

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

NOTE 13. BORROWINGS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
	Non Current	Non Current
DEBENTURES - AT AMORTISED COST		
(A) Secured - Listed		
Non Convertible Debentures- Amortised Cost	-	6,439.26
(B) Liability Component of Compound Financial Instrument		
0% Redeemable Preference Shares	**7.01**	6.39
TOTAL	**7.01**	6,445.65

13.1 Debentures :

The Listed, Secured, Redeemable Non - Convertible Debentures (NCDs) 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 by Listed NCDs on all assets of the 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 by Listed NCDs on land/leasehold rights thereto (as the case may be) of the SPV on which the pipeline assets are laid;

(d) The security creation and perfection on the movable assets as specified in the Deed of Hypothecation dated April 16, 2019 was completed, with the security creation on the immovable property pending No-objection from Petroleum and Natural Gas Regulatory Board (PNGRB). The SPV had received the No-objection from PNGRB on March 27, 2023 and the process for creation of security on the immovable assets of the SPV (as specified in the DTD) through Registered and Equitable Mortgage has been completed on March 29, 2023, within the prescribed timelines of the DTD. The SPV has also made necessary filing for modification of existing charge created on movable property with the Ministry of Corporate Affairs on March 30, 2023.

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, 2023**	As at March 31, 2022
	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

Name of holders of RPS	**As at March 31, 2023**		As at March 31, 2022	
	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, 2023	As at March 31, 2022
Lease Liabilities	**19.79**	22.69
TOTAL	**19.79**	22.69

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 (building).

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	**24.21**	27.55
Additions	**-**	-
Deletions/ Adjustments	**(2.39)**	-
Depreciation	**(3.19)**	(3.34)
Balance as at the end of the year	**18.63**	24.21

14.3 The following is the movement in lease liabilities:

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	**26.98**	28.83
Additions	**-**	-
Finance cost accrued during the year	**2.20**	2.44
Deletions/ Adjustments	**2.39**	-
Payment of lease liabilities	**(9.17)**	(4.29)
Balance as at the end of the year	**22.40**	26.98

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

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Non-Current Lease Liabilities	**19.79**	22.69
Current Lease Liabilities	**2.61**	4.29
TOTAL	**22.40**	26.98

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

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Less than one year	**4.29**	4.29
One to five years	**23.21**	25.79
More than five years	**1.23**	7.09
TOTAL	**28.73**	37.17

NOTE 15. OTHER NON CURRENT FINANCIAL LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Call Option with RIL for PIL Shares (Refer Note 15.1)	**82.80**	70.12
TOTAL	**82.80**	70.12

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 or such other amount determined by the option valuer, whichever is lower.

NOTE 16. DEFERRED TAX LIABILITIES (NET)

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
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, 2023 and March 31, 2022.

(Rs. in Crore)

Particulars	**As at March 31, 2022**	**Recognised in the Statement of Profit and Loss during the year**	**As at March 31, 2023**
Property, Plant and Equipment	1,132.10	87.81	1,219.91
Intangible Assets	302.77	8.05	310.82
Goodwill	10.17	-	10.17
Investment	0.76	(0.71)	0.05
Trade Receivables	(3.79)	(0.00)	(3.79)
Provision for Gratuity	(0.01)	(0.05)	(0.06)
Provision for compensated absences	(0.20)	(0.03)	(0.23)
ROU asset and lease liability	-	(0.95)	(0.95)
Unabsorbed depreciation & business losses (recognised to the extent of deferred tax liability)	(1,441.80)	(94.12)	(1,535.92)
	-	-	-

(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	1,132.10
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 & business losses (recognised to the extent of deferred tax liability)	(1,262.69)	(179.11)	(1,441.80)
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.

(Rs. in Crore)

Particulars	**As at March 31, 2023**	As at March 31, 2022
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 16.4)	**459.29**	450.27
	459.29	450.27

16.4 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, 2023	As at March 31, 2022
Others		
Income Received In Advance (Refer Note 17.1 to 17.3)	**0.78**	572.47
Other Contract Liability	**25.59**	0.20
TOTAL	**26.37**	572.67

17.1 Includes net contracted capacity payments of Rs. Nil (Previous year Rs. 554.47 Crore) for which Company is obliged to transport gas in future.

17.2 Contract Liability (Income received in advance) (Current and Non Current)

(Rs. in Crore)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Revenue recognised during the year that was included in the contract liability balance at the beginning of the period;		
Income from transportation of gas (GTA)	**586.73**	271.34

17.3 Contract liabilities have decreased by Rs. 586.73 (Previous year Rs. 271.34 Crore) due to increase in GTA revenues.

NOTE 18. TRADE PAYABLES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Micro and Small Enterprises (Refer Note 18.1)	**0.80**	1.39
Others	**135.34**	95.74
TOTAL	**136.14**	97.13

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, 2023	As at March 31, 2022
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, 2023	Not due*	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	Total
MSME	0.80	-	-	-	-	0.80
Others	40.98	91.00	2.55	0.26	0.55	135.34

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	65.18	1.37	-	0.50	95.74

* Includes unbilled amount of Rs. 23.59 Crore (Previous year Rs. 15.79 Crore)

18.3 Relationship with struckoff companies.

During the year, the company has no transactions with companies struck off as per section 248 of the Companies Act, 2013. (Previous year Rs. 13,570 payable to Four Seasons Hotels Pvt Ltd).

NOTE 19. BORROWINGS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Current maturities of secured long term debt (Refer Note 13.1 and Note 19.1)	**6,445.63**	-
TOTAL	**6,445.63**	-

19.1 Includes Listed NCDs of Rs. 6,452 Crore which are due for maturity on March 2024. The Management intends to refinance these by March 2024.

NOTE 20. OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Security deposits received	**25.22**	3.66
Other Contractual Liability (Refer Note 20.1)	**751.67**	615.21
TOTAL	**776.89**	618.87

20.1 Other contractual liability represents amount payable under Pipeline Usage Agreement.

NOTE 21. OTHER CURRENT LIABILITIES

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Income Received In Advance (Refer Note 21.1 and 17.1 to 17.3)	**690.12**	724.23
Contract Liability	**0.10**	-
Statutory Dues	**5.48**	7.77
Payable to Related Party	**0.00**	0.00
Other payables (Refer Note 21.2)	**6.20**	0.44
TOTAL	**701.90**	732.44

21.1 Includes net contracted capacity payments of Rs. 679.42 Crore (Previous year Rs. 711.68 Crore) for which Company is obliged to transport gas in future.

21.2 Includes Imbalance and Overrun Charges (As per sub-regulation (10) of regulation (13) of notification no. G.S.R. 541E dated 17th Aug, 2008 issued and amended from time to time by Petroleum 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 22. PROVISIONS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (Refer Note 24)	**0.24**	0.01
Provision for compensated absences (Refer Note 24)	**0.92**	0.79
TOTAL	**1.16**	0.80

NOTE 23. REVENUE FROM OPERATIONS

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from Services		
Income from Transportation of Gas	**2,568.91**	2,449.57
Other Operating Income		
Parking and Lending Services	**166.62**	138.64
Others	**8.49**	3.78
TOTAL	**2,744.02**	**2,591.99**

23.1 PIL derives revenues primarily from operation of PIL Pipeline comprising of Income from transportation of gas and Other Operating Income i.e. Parking and Lending Services and others.

NOTE 24. EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	**30.77**	27.50
Contribution to Provident Fund, Gratuity and other Funds	**1.20**	1.18
Staff welfare expenses	**2.59**	2.06
TOTAL	**34.56**	30.74

24.1 Disclosure as per Indian Accounting Standard 19 "Employee Benefits" are given below :

Defined Contribution Plan

Provident fund contributions amounting to Rs. 0.91 Crore (Previous year Rs. 0.82 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 operates 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 contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

The details in respect of the status of funding and the amounts recognised in the Group's financial statements for the year ended March 31, 2023, for these defined benefit schemes are as under:

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

(Rs. in Crore)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
a. Defined Benefit Obligation at beginning of the year	**2.27**	1.94
b. Current Service Cost	**0.25**	0.28
c. Interest Cost	**0.17**	0.13
d. Liability Transferred Out	**-**	-
e. Actuarial gain	**0.52**	0.09
f. Benefits paid	**(0.52)**	(0.17)
g. Defined Benefit Obligation at end of the year	**2.69**	2.27

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

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Fair value of Plan Assets at beginning of the year	**2.26**	1.36
b. Interest Income	**0.16**	0.20
c. Actuarial Gain / (Loss)	**0.01**	0.10
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	**2.43**	2.26
h. Actual Return on Plan assets	**0.17**	0.30

iii) Reconciliation of fair value of assets and obligations

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Fair value of Plan Assets at end of the year	**2.43**	2.26
b. Present value of Obligation as at end of the year	**2.69**	2.27
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	**(0.26)**	(0.01)

iv) Expenses recognised during the year

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Current Service Cost	**0.25**	0.28
b. Interest Cost	**0.17**	0.13
c. Interest Income	**(0.16)**	(0.20)
d. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	**0.51**	(0.01)
e. Expenses recognised during the year	**0.77**	0.19

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, 2023	For the year ended March 31, 2022
Discount Rate	**7.50%**	7.30%
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, 2023	For the year ended March 31, 2022
Weighted average duration (based on discounted cashflows)	**6 years**	13 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	**0.94**	0.11
2 to 5 years	**0.77**	0.51
6 to 10 years	**0.84**	0.93
More than 10 years	**2.44**	5.80

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, 2023		For the year ended March 31, 2022	
	Decrease	**Increase**	Decrease	Increase
Change in discounting rate (delta effect of -/+ 0.5%)	**0.09**	**(0.08)**	0.15	(0.13)
Change in rate of salary increase (delta effect of -/+ 0.5%)	**(0.08)**	**0.09**	(0.14)	0.15
Change in rate of Attrition rate (delta effect of -/+ 25%)	**(0.02)**	**0.01**	(0.05)	0.04
Change in rate of Mortality rate (delta effect of -/+ 10%)	**(0.00)**	**0.00**	(0.01)	0.01

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 availabilty 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.

Asset Liability Mismatching or Market Risk: The duration of the liabilty 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 25. FINANCE COSTS

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses	**581.32**	580.71
Other Borrowing Costs	**6.37**	6.38
TOTAL	**587.69**	587.09

NOTE 26. OTHER EXPENSES

(Rs. in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
OPERATION AND MAINTAINANCE EXPENSES		
Stores and Spares	**58.87**	55.65
Electricity, Power and Fuel	**348.00**	124.32
Other Operational Expenses (Refer Note 26.1)	**60.43**	56.33
ADMINISTRATION EXPENSES		
Rent	**0.18**	0.65
Rates and Taxes	**2.05**	1.46
Contracted and others services	**3.49**	2.56
Travelling and Conveyance	**9.33**	6.45
Professional Fees	**7.77**	6.84
Letter of credit and bank charges	**3.44**	3.14
Fair value loss of Put Option	**1.30**	0.87
Fair value loss of Call Option	**12.68**	11.63
General Expenses	**22.49**	15.61
TOTAL	**530.03**	285.51

26.1 Includes maintenance charges of Rs. 51.64 Crore (Previous year Rs. 47.55 Crore)

26.2 Breakup of payment to Auditors

PAYMENT TO AUDITORS	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a) Auditor		
Statutory Audit Fees	**1.94**	1.73
Tax Audit Fees	**0.10**	0.10
Other Audit Fees*	**2.01**	1.77
(b) Certification Fees	**0.06**	0.03
(c) Expenses reimbursed	**0.04**	0.01
TOTAL	**4.15**	3.64

*Represents audit fees paid for audit of group reporting package as per group referral instructions under the PCAOB standards.

NOTE 27. EARNINGS PER UNIT (EPU)

		For the year ended March 31, 2023	For the year ended March 31, 2022
i)	Net Profit/ (Loss) as per Statement of Profit and Loss attributable to Unit Shareholders (Rs. in Crore)	**546.08**	549.30
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		
	- For Basic (Rs.)	**8.22**	8.27
	- For Diluted (Rs.)	**8.22**	8.27

NOTE 28. 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

d) Members of same group

Pipeline Management Services Private Limited

Peak Infrastructure Management Services Private Limited

Summit Digitel Infrastructure Private limited

Crest Digitel Private Limited

e) Post-employment benefit plan

Pipeline Infrastructure Limited Employees Gratuity Fund

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 (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 (from September 30, 2021 to August 26,2022)

Ms. Sukanya Viswanathan (effective August 26, 2022)

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

Ms. Pooja Aggarwal (from September 30, 2021 to April 6, 2022)
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
Ms. Swati Mandava (effective June 28, 2022)

(iii) **Rapid Holdings 2 Pte. Ltd.**

Mr. Tang Qichen from (effective September 15, 2021 to October 12, 2022)
Ms. Taswinder Kaur Gill (upto September 13, 2021)
Mr. Velden Neo Jun Xiong (from August 13, 2021 to April 29, 2022)
Mr. Walter Zhang Shen (upto July 1, 2021)
Mr. Aanandjit Sunderaj (upto June 9, 2021)
Mr. Liew Yee Foong
Ms. Ho Yeh Hwa
Mr. Tan Aik Thye Derek (effective April 29, 2022)
Ms. Tay Zhi Yun (effective October 12, 2022)
Ms. Talisa Poh Pei Lynn (effective October 12, 2022)

(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 :

(Rs. in Crore)

Sr. No.	Particulars	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
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	**0.50**	0.64
4	**Project Management fee**			
	ECI India Managers Private Limited	Project Manager	**1.77**	1.77
5	**Return on Capital**			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	**447.71**	533.63

(Rs. in Crore)

Sr. No.	Particulars	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
6	**Other Income Distributed**			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	-	5.66
7	**Repayment of Unit Capital**			
	(Rs. 6.7742 per unit paid out of unit value of 77.6800)			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	**337.36**	359.28
8	**Pipeline Maintenance Expenses**			
	Pipeline Management Services Private Limited	Members of same group	**51.64**	47.55
9	**Income from Support Services**			
	Pipeline Management Services Private Limited	Members of same group	**4.24**	3.83
10	**Reimbursement of expenses**			
	Pipeline Management Services Private Limited (Rs. 48,200/- transaction below Rs. 50,000 specified by 0.00)	Members of same group	**0.00**	-
	Rental and O&M reimbursement Income			
	Summit Digitel Infrastructure Limited	Members of same group	**1.23**	-
11	**Income from Support Services**			
	ECI India Managers Private Limited	Members of same group	**0.03**	-
12	**Contribution to Gratuity Fund**			
	Pipeline Infrastructure Limited Employees Gratuity Fund	Post-employment benefit plan	-	**0.60**
13	**Managerial Remuneration**			
	Akhil Mehrotra	Key Managerial Personnel of SPV	**3.40**	3.02
	Mahesh Iyer (Appointed w.e.f. September 29, 2022)	Key Managerial Personnel of SPV	**1.09**	-
	Kunjal Thackar (Resigned w.e.f. September 27, 2022)	Key Managerial Personnel of SPV	**1.75**	1.69
	Neha Jalan	Key Managerial Personnel of SPV	**0.45**	0.40
14	**Sitting Fees**			
	Mr. Arun Balakrishnan	Independent Director of SPV	**0.13**	0.06
	Mr. Chaitanya Pande	Independent Director of SPV	**0.12**	0.06
	Ms. Radhika Haribhakti (Appointed w.e.f. June 30, 2021)	Independent Director of SPV	**0.13**	0.05

IV) Balances as at end of the year

(Rs. in Crore)

Sr. No	Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
1	**Reimbursement of Expense payable**			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	**0.05**	0.17
2	**Investment Manager Fee Payable**			
	Brookfield India Infrastructure Manager Private Limited	Investment Manager	**0.24**	0.22
3	**Project Manager fee payable**			
	ECI India Managers Private Limited	Project Manager	**0.81**	0.81
4	**Units value**			
	Rapid Holdings 2 Pte. Ltd.	Sponsor	**3,531.11**	3,868.46
5	**Other Current Financial Assets**			
	Pipeline Management Services Private Limited	Members of same group	**0.54**	4.43
	Summit Digitel Infrastructure Limited	Members of same group	**0.91**	-
6	**Sundry Creditors**			
	Pipeline Management Services Private Limited	Members of same group	**6.32**	-
7	**Other Current Financial Assets**			
	Pipeline Management Services Private Limited	Members of same group	**0.03**	-

NOTE 29. TAXATION

(Rs. in Crore)

Tax Expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	**1.17**	1.38
Deferred Tax	**-**	-
Total Tax Expenses	**1.17**	1.38

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

(Rs. in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) before Tax	**547.25**	550.68
Tax at the rates applicable to respective entities	**134.18**	135.57
Tax effects of amounts which are not deductible/ (taxable) in calculating taxable income		
Tax impact of interest cost on loan to SPV	**(153.19)**	(160.05)
Deferred tax assets not recognised because realisation is not probable	**9.02**	14.40
Effect of non-deductible expenses	**11.16**	11.46
Income Tax expense	**1.17**	1.38

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 2023-24 (FY 2022-23) and 2022-23 (FY 2021-22). 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 30. CONTINGENT LIABILITITIES AND COMMITMENTS

(Rs. in Crore)

	As at March 31, 2023	As at March 31, 2022
(to the extent not provided for)		
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**22.85**	22.27

NOTE 31. 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, 2023	As at March 31, 2022
Customer A	**1,148.84**	1,376.08
Customer B	**554.67**	355.31
Customer C [(1)]	**214.94**	282.47

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

NOTE 32. CAPITAL MANAGEMENT

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

a) Maintain financial strength to ensure AAA or equivalent ratings at individual Trust and SPV level.

b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

c) 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, 2023	As at March 31, 2022
Borrowings#	**6,452.64**	**6,445.65**
Cash and Marketable Securities*	**409.89**	**596.57**
Net Debt (A)	**6,042.75**	**5,849.08**
Total Equity (As per Balance Sheet) (B)	**6,718.63**	**7,219.81**
Net Gearing (A/B)	**0.90**	**0.81**

* Cash and Marketable Securities include Cash and Cash equivalents of Rs. 389.68 Crore (Previous year Rs. 1.76 Crore) and Current Investments of Rs. 20.21 Crore (Previous year Rs. 594.81 Crore).

#inclusive of upfront arranger fee of Rs. 6.37 Crore (Previous year Rs. 12.74 Crore)

The Company is regular in complying with debt covenants.

NOTE 33. 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, 2023.

(Rs. in Crore)

Particulars	As at March 31, 2023				As at March 31, 2022			
	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	**175.20**				203.66			
Trade Receivables	**146.02**				113.01			
Cash and Cash Equivalents	**389.68**				1.76			
Other Bank Balances	**201.95**				33.36			
Other Current Financial Assets	**26.67**				12.75			
At FVTPL								
Investments	**20.21**		**20.21**		594.81		594.81	
Fair value of put option	**2.42**			**2.42**	3.72			3.72
Financial Liabilities								
At Amortised Cost*								
Borrowings	**6,452.64**		-		6,445.65		-	
Lease Liabilities	**22.40**				26.98			
Trade Payables	**136.13**				**97.13**			
At FVTPL								
Fair value of call option	**82.80**			**82.80**	70.12			70.12

* 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.

Options valuation methodology:

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

The following table presents the changes in level 3 items related to Options Valuation for the year ended March 31, 2023 and March 31, 2022

Call option

Particulars	(Rs. in Crore)
As at April 1, 2022	70.12
Add: Fair Value Loss recognized in Profit & Loss	12.68
As at March 31, 2023	**82.80**

Particulars	(Rs. in Crore)
As at April 1, 2021	58.49
Add: Fair Value Loss recognized in Profit & Loss	11.63
As at March 31, 2022	**70.12**

Put option

Particulars	(Rs. in Crore)
As at April 1, 2022	3.72
Add: Fair Value Loss recognized in Profit & Loss	(1.30)
As at March 31, 2023	**2.42**

Particulars	(Rs. in Crore)
As at April 1, 2021	4.59
Add: Fair Value Loss recognized in Profit & Loss	(0.87)
As at March 31, 2022	**3.72**

The fair value of call option and put option written on the shares of SPV is measured using Black Scholes Model. Key inputs used in the measurement are:

(i) Stock Price: It is estimated based on the stock price as of the date of the transaction (March 22, 2019) of Rs. 50 crores, as increased for the interim period between March 22, 2019 and March 31, 2023 by the Cost of Equity as this would be expected return on the investment for the acquirer.

(ii) Exercise Price: Rs. 50 crores

(iii) Option Expiry: 20 years from March 22, 2019 i.e., March 22, 2039.

(iv) Risk free rate as on date of valuation 7.3% and cost of equity 17.9%.

The significant assumption considered in the valuation is volatility of comparable company as per Black Scholes Model. The valuation of Call and Put Option is computed using the volatility of comparable company as 36.4%.

Call Option: If the volatility of comparable company increases by 5% then fair value of the Call option will increase by Rs. 1.17 crores, if the volatility of comparable company reduces by 5% then fair value of the Call option will decrease by Rs. 1.01 crores.

Put Option: If the volatility of comparable company increases by 5% then fair value of the Put option will increase by Rs. 1.17 crores, if the volatility of comparable company reduces by 5% then fair value of the Put option will decrease by Rs. 1.01 crores.

NOTE 34. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Foreign Currency Risk

The following table shows foreign currency exposures in 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.

Foreign Currency Exposure (Rs. in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Trade and Other Payables	**11.92**	**13.47**	**0.02**	18.00	13.95	0.05
Net Exposure	**11.92**	**13.47**	**0.02**	18.00	13.95	0.05

Sensitivity analysis of 1% change in exchange rate at the end of reporting year

Foreign Currency Sensitivity (Rs. in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	**EUR**	**GBP**	USD	EUR	GBP
1% Depreciation in INR						
Impact on Equity						
Impact on P&L	**(0.12)**	**(0.13)**	**(0.00)**	(0.18)	(0.14)	(0.00)
Total	**(0.12)**	**(0.13)**	**(0.00)**	(0.18)	(0.14)	(0.00)
1% Appreciation in INR						
Impact on Equity						
Impact on P&L	**0.12**	**0.13**	**0.00**	0.18	0.14	0.00
Total	**0.12**	**0.13**	**0.00**	0.18	0.14	0.00

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, 2023							
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	**143.59**	**145.17**	**6,740.75**	**-**	**-**	**-**	**7029.51#**
Total Borrowings [(1) (2)]	**143.59**	**145.17**	**6,740.75**	**-**	**-**	**-**	**7029.51#**

[(1)] Including interest

[(2)] The Listed NCDs of Rs. 6452 Crore are due for maturity in March 2024. The management intends to refinance these by March 2024. The Management is confident of being able to refinance the NCD due to assured cash flows under the PUA arrangement and as the loan will be secured by the assets of the entity.

(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#

*Including interest

#Upfront arranger fee of Rs. 6.37 Crore. (Previous year Rs. 12.74 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 2022-23. As on date, there is no revision in the credit ratings.

NOTE 35. STATEMENT OF NET DISTRIBUTABLE CASH FLOWs (NDCFs) OF PIL

(Rs. in Crore)

Description	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Profit /(loss) after tax as per Statement of profit and loss (standalone) (A)	**500.98**	**(30.53)**
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.	**934.85**	**871.35**
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).	**608.61**	**635.92**
Add / (Less): Increase / decrease in net working capital deployed in the ordinary course of business.	**5.87**	**(3.10)**
Add / (Less): Expenditure Component Sweep as defined in the NCD Terms	**-**	**-**
Add / (Less): Net Contracted Capacity Payments (CCP)	**(464.86)**	**(105.81)**
Less: Capital expenditure, if any	**(46.77)**	**(69.15)**

(Rs. in Crore)

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Add / (Less): Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to (a) Any decrease/increase in carrying amount of an asset or a liability recognised in statement of profit and loss and expenditure on measurement of the asset or the liability at fair value (b) Interest cost as per effective interest rate method (difference between accrued and actual paid) (c) Deferred tax (d) Lease rent recognised on straight line basis.	**(517.25)**	**(35.09)**
Less: Amount reserved for expenditure / payments in the intervening period till next proposed distribution, if deemed necessary by the Investment Manager, invested in permitted investments including but not limited to (a) Amount reserved for major maintenance which has not been provided in statement of profit and loss. (b) Amount retained /reserved for specified purposes including working capital requirements	**-**	**(126.87)**
Total Adjustments (B)	**520.45**	**1,167.25**
Net Distributable Cash Flows (C)=(A+B)*	**1,021.43**	**1,136.72**

*The difference between SPV NDCF and the Cash flows / Proceeds received by Trust from SPV is primarily on account of utilization of opening Funds at the SPV level for the year ended 31 March 2023.

STATEMENT OF NET DISTRIBUTABLE CASH FLOWs (NDCFs) OF TRUST (Rs. in Crore)

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows received from Portfolio Assets in the form of interest	**608.61**	**635.92**
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**
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	**449.80**	**422.70**
Total cash flow at the InvIT level (A)	**1,058.41**	**1,065.31**
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.	**(10.50)**	**(6.66)**
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues.	**(1.00)**	**(1.10)**
Total cash outflows/retention at the Trust level (B)	**(11.50)**	**(7.76)**
Net Distributable Cash Flows (C) = (A+B)	**1,046.91**	**1,057.55**

* Includes Rs. 134.97 Crore received as advance from Pipeline Infrastructure Limited [SPV]. (Previous year Rs.142.80 Crore)

An amount of Rs. 1,046.75 Crore has been distributed to unit holders as follows:

For the year ended March 31, 2023	Return of Capital	Return on Capital	Miscellaneous Income	Total
April 20, 2022	104.64	147.22	-	**251.86**
July 19, 2022	115.05	151.72	-	**266.77**
October 18, 2022	115.95	151.21	-	**267.16**
January 18, 2023	114.16	146.80	-	**260.96**
	449.80	**596.95**	**-**	**1,046.75**

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
Total	**422.70**	**628.18**	**6.61**	**1,057.49**

NOTE 36. 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 has been made in the books of accounts.

NOTE 37. 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 2022-23 and 2021-22, 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 31, 2023, 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 company from April 1, 2023. The Company has evaluated the amendment and the impact is not expected to be material.

i. Ind AS 101 – First time adoption of Indian Accounting Standards

ii. Ind AS 102 – Share-based payments

iii. Ind AS 103- Business Combinations
iv. Ind AS 107- Financial Instruments Disclosures
v. Ind AS 109- Financial Instruments
vi. Ind AS 115- Revenue from Contracts with Customers
vii. Ind AS 1- Presentation of Financial Statements
viii. Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
ix. Ind AS 12- Income taxes
x. Ind AS 34- Interim Financial Reporting

NOTE 38. RATIOS

Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	0.13	0.66	-80%	(Refer note 38.1 (i))
Debt- Equity Ratio	Total Debt[(1)]	Shareholder's Equity [(2)]	0.96	0.89	8%	
Debt Service Coverage	Earnings available for debt services [(3)]	Debt service [(4)]	3.54	3.39	4%	
Return on Equity Ratio	Net profit/ (loss) after tax	Average Shareholder's Equity	7.84%	7.35%	7%	
Inventory Turnover Ratio [(5)]	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	21.19	22.09	-4%	
Trade Payables Turnover Ratio	Total Purchases of services & other expenses	Average Trade Payables	5.83	6.42	-9%	
Net Capital Turnover Ratio	Revenue from operations	Working Capital	(4.92)	(5.23)	-6%	
Net Profit Ratio	Net Profit	Revenue from operations	19.90%	21.19%	-6%	
Return on Capital Employed	Earnings before Interest and Tax	Capital Employed [(6)]	9%	8%	3%	
Return on Investment						
On Mutual funds	Income generated from investments	Time weighted average investments	5.42%	3.20%	69%	(Refer note 38.1 (ii))
On Fixed deposits	Income generated from investments	Time weighted average investments	5.38%	6.74%	-20%	

(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 and natural gas consumed by the compressor stations during the course of operations.

(6) Net worth + Total Debt + Deferred tax Liability.

Note 38.1 Reasons for variance

(i) Current ratio has decreased due to significant increase in the current liability position which includes Listed NCDs of Rs. 6,452 Crore which are due for maturity on March 2024. The management intends to refinance these by March 2024. The Management is confident of being able to refinance the NCD due to assured cash flows under the PUA arrangement and as the loan will be secured by the assets of the entity.

(ii) Return on mutual funds has increased on account of better market performance.

NOTE 39. 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, 2023, there are no subsequent events that have taken place requiring reporting in the financials of FY 2022-23.

NOTE 40.

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

NOTE 41. 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, 2023.

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

Sridhar Rengan	**Akhil Mehrotra**	**Pratik Desai**
Chairperson of the Board	Member of the Pipeline	Compliance Officer
DIN: 03139082	InvIT Committee	of the Trust
Place : Mumbai	PAN: ADNPM5006E	PAN: ALZPD6476H
	Place : Mumbai	Place : Mumbai
		Date : May 19, 2023

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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