

# PenBrook Capital Advisors

Date: November 13, 2019

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Maharashtra, India

**Sub.: Report of India Infrastructure Trust for the half year ended September 30, 2019**

**Ref.: India Infrastructure Trust (Scrip Code 542543)**

Dear Sir/Madam,


Pursuant to Regulation 23(4) of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, please find attached the report of India Infrastructure Trust for the half year ended September 30, 2019.

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully,

**For India Infrastructure Trust**  
**PenBrook Capital Advisors Private Limited**  
*(Acting in its capacity as the Investment Manager to India Infrastructure Trust)*



**Sridhar Rengan**  
**Director**  
**DIN: 03139082**

**CC:**  
**Axis Trustee Services Limited**  
Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli,  
Mumbai – 400 025, Maharashtra, India

# PenBrook Capital Advisors

## Report for India Infrastructure Trust for the half year ended September 30, 2019

We, PenBrook Capital Advisors Private Limited, Investment Manager of India Infrastructure Trust ("InvIT/Trust") hereby submit its report on InvIT for the half-year ended September 30, 2019.

### 1. Investment Manager's brief report on the activities of the InvIT and summary of audited consolidated financial statements for the year of the InvIT

The Trust has been settled 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 SEBI (Infrastructure Investment Trust) 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 subsequently raising funds and to make investments in compliance with the provisions of the SEBI InvIT Regulations.

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

On March 18, 2019, the Trust acquired 100% of the issued equity shares of Pipeline Infrastructure Limited (name changed from Pipeline Infrastructure Private Limited consequent upon conversion into a public limited company w.e.f. April 25, 2019) ("PIL"), which owns and operates the Pipeline.

On March 22, 2019 the Trust was allotted 12,95,00,000 - unlisted, secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each, aggregating to Rs. 1,29,50,00,00,000, on private placement basis ("PIL NCDs"), from which the Trust derived interest income. On March 22, 2019 the beneficial management control of PIL was transferred to the Trust.

Further, on March 22, 2019, the Trust had issued 63,700 Secured, Rated, Listed, Redeemable NCDs having face value of Rs. 10,00,000 each aggregating to Rs. 63,700 million, to banks and non-banking financial institutions ("Trust NCDs"). The Trust NCDs were listed on BSE Limited w.e.f. March 25, 2019. The proceeds Trust NCDs were used to partially invest in the abovementioned PIL NCDs.

The balancing investment in PIL NCDs and equity were funded through unit subscriptions from the Trust's Unitholders.



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Further, on April 23, 2019, PIL issued 64,520 Secured, Rated, Listed, Redeemable NCDs in the denomination of Rs. 10,00,000 each aggregating to Rs. 64,520 million ("Issue"). These NCDs are listed on Debt Segment of BSE Ltd. w.e.f. April 26, 2019. The proceeds from the said Issue were utilized by PIL to immediately repay 6,45,20,000 PIL NCDs (out of 12,95,00,000 PIL NCDs issued) and in turn the Trust used the proceeds to repay in full the 63,700 Trust NCDs at a clean redemption price of INR 10,12,873 per NCD.

In terms of SEBI CIR/IMD/DF/127/2016 dated November 29, 2016, the un-audited standalone and consolidated financial information of the InvIT for the half year ended September 30, 2019 along with the Limited Review Reports of the Auditors, as approved by the Board of Directors of PenBrook Capital Advisors Private Limited (acting in its capacity as Investment Manager to the InvIT) at its meeting held on November 12, 2019, is attached as Annexure I.

## 2. Brief details of all the assets of the InvIT, project-wise

The Trust has only one asset, comprising the PIL Pipeline as mentioned above. As at September 30, 2019, the Trust owns 100% of the issued equity shares of PIL.

PIL pipeline was laid in 2008, single largest pipeline of that time, 1375 km in length and 48 inch diameter, traversing 5 states cutting across the peninsular region. Additionally there are spur lines of nearly 85 km in length. PIL is the first common carrier pipeline in India to be built on the regulations of Petroleum and Natural Gas Regulatory Board ("PNGRB"). As a pure gas transporter, the massive pipeline helps evacuate gas from upstream facilities of ONGC, Reliance Industries Limited and GSPC on the east coast and from RLNG terminals on west coast like Shell, Hazira Terminal and PLN, Dahej Terminal.

PIL customers are as diversified as Refineries, Fertilizers, Petrochemicals, Power, City Gas Distribution. PIL earns gas transportation revenue for providing the pipeline capacity and gas transportation service.

PIL pipeline is the only bi-directional pipeline connecting sources and customers on East and West coast of India. By virtue of its location, it can cater to customers on a Pan-India basis. Tap off provisions present at every 30-35 km, available along the length of the pipeline, can cater to numerous present and future customers.

The facilities include eleven compressor stations ("CS") installed along the length of the pipeline for transporting the design capacity of up to 80 MMSCMD of natural gas. These standalone CS have gas turbine driven compressors (GTCs), gas after-coolers, scrubbers, fuel gas conditioning systems scrapper traps, gas blow-down system, fire alarms and firefighting systems, instrumentation and control systems, gas engine generators (GEGs), emergency diesel engine generators (DG), buildings and other utilities.

Pipeline is remotely operated round the clock through control centres located at Gadimoga, Kakinada and Ghansoli, Navi Mumbai, to ensure reliable operations. State-of-the-art Supervisory Control and Data Acquisition (SCADA) and Optical Fiber Cable (OFC) networks form the backbone of remote operation. Main line valves are strategically located at every 30-35 km to isolate



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pipeline sections in case of any emergency. Pipeline is equipped with various safety systems like leak detection system, environment friendly fire protection systems, (more significant systems to be added), emergency shut-down and blow-down systems, Safety Instrumented System, Fire & Gas Detection systems, Pipeline application software, etc.

### 3. Details of revenue during the year, project-wise from the underlying projects

For the half year ended September 30, 2019, PIL generated Rs. 10,677 million in revenue from operations and Rs. 169 million in interest and other revenue.

### 4. Brief summary of valuation as per full valuation report as at the end of the year and updated valuation report by the valuer taking into account any material developments during the previous half year ended September 30, 2019

In terms of Regulation 21(4) of SEBI InvIT Regulations, Valuation Report dated May 30, 2019 for assets of the InvIT for the financial year ended March 31, 2019, issued by Mandar Vikas Gadkari, Registered Valuer, was submitted to the Stock Exchange and to the Trustee of the Trust, on July 14, 2019 i.e. within the prescribed timelines.

Also, the full valuation for the financial year 2019-20 shall be conducted by the Valuer at the end of the financial year within two months from the end of such year and the report shall be submitted to the Stock Exchange within 15 days of receipt of the Valuation Report.

Further, there has been no material developments/ changes during the reporting period and hence, disclosure on valuation is not applicable.

### 5. Any information or report pertaining to specific sector or sub-sector that may be relevant for an investor to invest in units of the InvIT

- PNGRB had, vide order dated March 12, 2019, declared the levelized tariff of Rs. 71.66/mmbtu to be applicable to the Pipeline effective from April 1, 2019. The final tariff declared is 37% higher from the initial tariff of Rs. 52.23/MMBtu. PIL submitted its Zonal apportionment of tariff to PNGRB vide letter dated March 19, 2019 for approval. Subsequently PNGRB amended regulations on May 27, 2019, whereby the tariffs are made applicable on prospective basis after approval of zonal tariffs i.e. applicable from the first day of the month following the month in which the zonal tariff order is issued by the Board. PNGRB approved the Zonal apportionment of tariff vide order TO/2019 – 20/06 June 4, 2019, the zonal tariffs to be applicable from July 1, 2019. The zonal tariff order provides that adjustment for the tariff charged by PIL for the period for April 1, 2019 to June 30, 2019 shall be done in the next tariff review. PIL has accordingly implemented the revised higher tariffs effective July 1, 2019.
- PNGRB has fixed the capacity of PIL Pipeline at higher value than the actual capacity for past years. The capacity determination dispute is before APTEL for resolution. Arguments/

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pleadings have been completed and presently the APTEL Order is reserved. The outcome of this determination will improve the cash flows of PIL if the matter is decided in favour of PIL.

- PNGRB had issued Provisional Authorization letter in favour of PIL on March 22, 2019 for PIL-Pipeline. Final authorization has been issued in favour of PIL by PNGRB vide letter PNGRB/Auth/2-NGPL (2)/2018 dated June 21, 2019.
- PIL is in the process of concluding arrangements with operators of upcoming new gas fields on the east coast for evacuation of their gas vis PIL-Pipeline. PIL is also pursuing to establish connectivity between PIL Pipeline and new CGD networks and other potential gas consumption units. Business opportunities are being evaluated for interconnecting PIL Pipeline with under construction and proposed cross-country pipelines in India as well as RLNG terminals.

## 6. Details of changes during the half-year ended September 30, 2019 pertaining to

- a. 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

- b. Valuation of assets and NAV (as per the full valuation reports):

Not Applicable

- c. Borrowings or repayment of borrowings (standalone and consolidated):

(Amount in Rs. million)

Transaction	PIL Standalone		Trust Standalone	Consolidated
	Lender			
	Trust	Lender Consortium	Lender Consortium	Lender Consortium
Opening borrowings	(1,29,500)	-	(63,700)	-
NCD Redemption	364	-	-	-
NCD Issuance	-	(64,520)	-	(64,520)
NCD Redemption	64,520	-	63,700	-
NCD Redemption	372	-	-	-
Closing borrowings	(64,244)	(64,520)	0	(64,520)

- d. Credit rating

On April 23, 2019, the Trust NCDs were fully redeemed. Hence, as on September 30, 2019 and as on the date of this Report, there are no outstanding NCDs issued by the Trust and accordingly the requirement for credit rating is not applicable.

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e. Sponsor, Investment Manager, Trustee, Valuer, Directors of the Trustee or Investment Manager or sponsor, etc.

(i) Sponsor

**Rapid Holdings 2 Pte Limited** is the Sponsor of the Trust. The Sponsor was incorporated on December 19, 2016 in Singapore with registration number 201634453Z. The Sponsor is a Private Company limited by shares. The Sponsor's Registered Office is situated at 16 Collyer Quay, # 19-00 Income at Raffles, Singapore 049318.

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

The Sponsor is a wholly owned subsidiary of Rapid Holdings 1 Pte. Ltd. ("Rapid 1"), a Company incorporated in Singapore. Rapid 1 is held 70.58% by BIF III India Holdings (Bermuda LP) ("Bermuda LP 1"), A Limited Partnership incorporated in Bermuda and 29.42% by BIP BIF III AIV (Bermuda) LP ("Bermuda LP 2") A Limited Partnership incorporated in Bermuda.

There has been no change in the Sponsor during the half year ended September 30, 2019 and as on the date of this Report.

## Directors of the Sponsor

During the half year ended September 30, 2019, Ms. Ho Yeh Hwa has been appointed as the Director of the Sponsor w.e.f. April 11, 2019.

The details of Board of Directors of Sponsor as on September 30, 2019 are mentioned below:

Sr. No.	Name of Director	Date of appointment
1	Aanandjit Sunderaj	November 8, 2017
2	Liew Yee Foong	February 21, 2017
3	Aviral Chaturvedi	December 19, 2016
4	Ho Yeh Hwa	April 11, 2019

Further, post close of the reporting period and till the date of this report, there has been following changes in the Directors of Sponsor:

(1) Ms. Taswinder Kaur Gill and Mr. Zhang Shen, have been appointed as the Directors of the Company w.e.f. October 25, 2019; and



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(2) Mr. Aviral Chaturvedi, has resigned from the directorship of the Company w.e.f. October 31, 2019.

## (ii) Investment Manager

**PenBrook Capital Advisors Private Limited** (formerly Peninsula Brookfield Investment Managers Private Limited) ("PenBrook") is the Investment Manager of the Trust.

PenBrook was incorporated in India on November 24, 2011 under the Companies Act, 1956 with Corporate Identification Number U74120MH2011PTC224370. The Investment Manager's Registered Office is situated at Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 .

The Investment Manager was established as a joint venture between Brookfield Asset Management (Barbados) Inc. ("Brookfield (Barbados)") and Peninsula Land Limited ("PLL") by the Joint Venture Agreement dated December 15, 2011 which was amended by (i) the Amendment Agreement dated February 24, 2012; (ii) the amended and restated joint venture agreement dated August 28, 2012; (iii) the amended agreement dated October 9, 2013; and (iv) the amendment agreement dated July 31, 2018 (the "JV Agreement"). The Investment Manager has been appointed as the Investment Manager of the Trust pursuant to the Investment Management Agreement dated November 22, 2018 ("IMA").

The Investment Manager manages two SEBI registered Category II Alternative Investment Funds, (i) 'Peninsula Brookfield India Real Estate Fund' (bearing registration number IN/AIF2/12-13/0039) since October 3, 2012 and (ii) 'PenBrook India Real Opportunities Fund' (bearing registration number IN/AIF2/17-18/0371) since September 20, 2017.

Further, pursuant to Clause 14.2 of the IMA and in accordance with the applicable provisions of the SEBI InvIT Regulations, PenBrook has tendered its resignation as the Investment Manager of the InvIT vide its letter dated August 26, 2019.

In terms of the provisions of Regulation 9(15) of the SEBI InvIT Regulations, the Trustee of the InvIT is in the process of appointing WIP (India) Private Limited ("WIP"), as the new Investment Manager of the InvIT. WIP is a Private Limited Company engaged in the business of rendering investment advisory services. Brookfield Asset Management Inc. ("Brookfield") (through its affiliates) has entered into a share purchase agreement on August 23, 2019 to acquire 100% of the share capital of WIP from its existing shareholders.

At the unitholder's meeting held on September 30, 2019, the Trustee has obtained approval of the unitholders of the InvIT in this regard and has also filed the necessary application on September 24, 2019 for obtaining approval of Securities and Exchange



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Board of India ("SEBI"), for change in the investment manager of the InvIT in terms of the provisions of SEBI InvIT Regulations.

PenBrook's resignation from the role of Investment Manager of InvIT will be effective upon approval from SEBI for appointment of new Investment Manager in accordance with the provisions of the SEBI InvIT Regulations. Hence, till such time, PenBrook will continue to act as the Investment Manager of the InvIT.

## Directors of the Investment Manager

The details of the Board of Directors of the Investment Manager as on September 30, 2019 and as on the date of this Report, are mentioned below:

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Chetan Rameshchandra Desai*	03595319	July 31, 2018
2.	Narendra Aneja*	00124302	July 31, 2018
3.	Rajeev Ashok Piramal	00044983	November 24, 2011
4.	Sridhar Rengan	03139082	August 4, 2016

\* Independent Directors

### (iii) Details of the Trustee

Axis Trustee Services Limited is the Trustee of the Trust. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Debenture Trustee since January 31, 2014 having registration number IND000000494 and is valid until suspended or cancelled by SEBI. The Trustee's Registered Office and address for correspondence is Axis House, Bombay Dyeing Mills Compound, Pandurang Budhakar Marg, Worli, Mumbai - 400 025, Maharashtra, India.

The Trustee is a wholly owned subsidiary of Axis Bank Limited. The Trustee is authorised pursuant to its memorandum to engage in various areas of debentures and bond trusteeships, including advisory functions and management functions. The Trustee is also authorised to provide services inter-alia as: (i) facility agent (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as safe keeper and (v) monitoring agency.

### Directors of the Trustee

During the half year ended September 30, 2019, Mr. Ganesh Sankaran has been appointed as the Director of the Trustee w.e.f. April 18, 2019. The details of Board of





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Directors of Trustee as on September 30, 2019 and as on the date of this Report, are mentioned below:

Sr. No.	Name of Director	DIN	Date of appointment
1	Sanjay Sinha	08253225	October 10, 2018
2	Rajesh Kumar Dahiya	07508488	July 11, 2018
3	Ram Bharosey Lal Vaish	00150310	November 8, 2011
4	Ganesh Sankaran	07580955	April 18, 2019

- f. **Clauses in the Trust Deed, Investment Manager agreement or any other agreement entered into pertaining to the activities of the InvIT**

## Amendment to Trust Deed

The Trust Deed dated November 22, 2018 was executed between the Ms. Ruhi Goswami, Settlor of the InvIT, Sponsor and the Trustee, in respect of the establishment of the InvIT ("Trust Deed").

Further to the update on amendment as disclosed in the half-yearly report for the year ended March 31, 2019, the following amendments have been made to the Trust Deed:

- (1) The Unitholders of InvIT, in their meeting held on August 23, 2019, had approved the following amendment in the Trust Deed so as to permit the Trust to create security on its assets for the purpose of securing obligations of its subsidiaries or SPVs or other third parties.

## **Amendment to Clause 9.1.9 of the Trust Deed**

### Current clause:

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

### Replaced clause:

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



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to secure and guarantee the performance or any obligations of its subsidiaries or SPVs or other third parties as it may deem fit.”

- (2) The Unitholders of InvIT, in their meeting held on September 30, 2019, had approved the following amendment in the Trust Deed so as to relieve the Settlor from taking any further action in relation to the InvIT going forward:

Added Article 17.4:

“Notwithstanding anything contained in this Second Amendment Agreement, but subject to Articles 17.1 and 17.2, the Settlor hereby grants the authority to the Trustee and the Sponsor to carry out all amendments to the Indenture by way of a written declaration or a deed of amendment executed by and between the Trustee and the Sponsor, which for the avoidance of doubt will not require the consent of the Settlor. The Settlor hereby confirms that, on and from the Second Amendment Agreement Effective Date, he/ she will have no further role in the management, operation and/or functioning of the Trust, and shall not be required to execute any documents or agreements in relation or to give effect to the Indenture.”

**g. Any regulatory changes that has impacted or may impact cash flows of the underlying projects**

- (1) Public Consultation Document has been issued by PNGRB on September 26, 2019, regarding review of pipeline tariff due to change in Corporate Income Tax Rates announced by the Government of India (“GOI”).
- PNGRB regulations provide that the pre-tax rate of return on capital employed shall be computed by grossing-up twelve percent by the nominal rate of income tax applicable for corporate assesses. Regulations also provided for tariff review in between two tariff review periods due to change in applicable nominal rate of income tax rate for corporate assess.
  - Consequent to amendment in Income Tax Rates by GOI for the corporate assesses, an option has been provided to corporates for adopting reduced tax rate of 22% which after surcharges and education cess comes to effective tax rate of 25.17%. PNGRB issued public consultation documents for review of tariff due to change in the Income tax rate and views of stakeholders has been taken. It is expected that PNGRB may implement the revised tariff from FY21. Likely implication on PIL tariff would be around 10%.
- (2) By March’ 20, PNGRB is slated to finalize the regulations to establish gas trading hub In India and gas trading hub is likely to come up in first quarter of FY21. Trading hub would pave the way for free trading of natural gas - both short-term and long-term - through dedicated exchanges. Trading hubs are expected to play vital role in achieving stated objective of GOI for a gas based economy and increase penetration of natural gas to

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15% in the near foreseeable future from current 6% of the primary energy basket. PIL-Pipeline is critical link for eastern and western markets & sources.

(3) PNGRB vide its Tariff Order no. TO/17/2019 has determined the final initial unit natural gas pipeline tariff on a levelized basis for the East West Natural Gas Pipeline ("EWNGPL") at Rs. 71.66/MMBTU, on Gross Calorific Value (GCV) basis with effect from July 1, 2019.

**h. Changes in material contracts or any new risk in performance of any contract pertaining to InvIT**

Not applicable.

**i. Any legal proceedings which may have significant bearing on the activities or revenues or cash flows of the InvIT**

Not Applicable.

**j. Any other material changes during the year**

Pipeline Infrastructure Private Limited ("SPV of the Trust") converted into a public company w.e.f. April 25, 2019 and consequently name of the SPV of the Trust was changed to Pipeline Infrastructure Limited.

No material changes since the date of last report and during the half year ended September 30, 2019 except as disclosed elsewhere in this Report.

## 7. Revenue of the InvIT for the last 5 years, project-wise

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

Accordingly, revenue details for the last 5 years is not applicable for the Trust. However, the Trust has only earned interest revenue of Rs. 310.93 million with respect to the PIL NCDs that it held for March 22, 2019 to March 31, 2019. Further, during the half year ended September 30, 2019 the Trust has earned interest revenue of Rs. 3,550.19 million with respect to the PIL NCDs held by it, interest on Fixed Deposit of Rs. 12.56 million and profit on sale of investments of Rs. 9.45 million.

## 8. Update on the development of under-construction projects, if any

- PIL achieved mechanical completion of facilities to connect PIL Pipeline with pipeline of GSPL India Transco Limited (GITL) in the state of Andhra Pradesh for transportation of upto 2.2 MMSCMD Gas to Ramagundam Fertilizers and Chemicals Limited (RFCL). GITL Pipeline and

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RFCL are currently under commissioning and RFCL expected to commence gas off-take in the remaining period of FY 2019-20.

- PIL has entered into agreements for connecting PIL Pipeline with various City Gas Distribution entities for transportation of gas to their networks. These projects are under implementation.

## 9. Details of outstanding borrowings and deferred payments of the InvIT including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis as at September 30, 2019

The borrowings by way of NCDs of Rs. 63,700 million were redeemed in full by the Trust on April 23, 2019 in accordance with the Debenture Trust Deed dated March 11, 2019.

Since there are no borrowings outstanding at a standalone level as on September 30, 2019 and as on the date of this Report, key gearing ratios are not applicable for the InvIT.

Further, the details for InvIT on a consolidated basis for the half-year ended September 30, 2019 are as under:

- Credit Rating for PIL external NCDs: AAA/Stable by CRISIL Limited and Care Ratings Limited
- Debt Maturity Profile for external debt availed by PIL: March 2024
- Key Gearing Ratios:
  - Debt Equity Ratio – 4.08 times
  - Debt Service Coverage Ratio: 0.08

## 10. The total operating expenses of the InvIT along with the detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the half year ended September 30, 2019

Key operating expenses during the half year ended September 30, 2019, are as follows:

Particulars	Amount (in Rs. million)	Notes
Investment Manager Fees	16.70	-
Valuation expenses	2.18	-
Trustee Fee	1.06	-
Project Manager Fees	8.85	-
Finance cost	1,192.44	Finance cost include Interest paid to debenture holders and loss on sale of debentures.
Payment to Auditors	1.01	-
Other expenses	100.90	Other Expenses include Transaction Advisory fees, legal & Professional expenses, bank charges and other miscellaneous expenses.
<b>Total</b>	<b>1,323.14</b>	

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## 11. Past performance of the InvIT with respect to unit price, distributions made and yield for the last 5 years, as applicable.

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

The Trust had issued 664 Million Units of Rs. 100 each on March 18-19, 2019 which were listed on BSE Limited w.e.f. March 20, 2019.

Accordingly, past performance of the InvIT with respect to unit price and yield for the last 5 years is not applicable.

As per the Distribution Policy adopted in the Placement Memorandum and the terms of the Transaction Documents and the Trust Documents, Investment Manager of the Trust has to make timely declaration of distributions to the unitholders, pursuant to the provisions of SEBI InvIT Regulations.

During the current financial year, the Trust had declared the following distributions to the unitholders of InvIT:

- (1) Distribution of Rs. 0.9738 per unit as Return of Capital declared on April 6, 2019, which was paid on April 16, 2019.
- (2) Distribution of Rs. 3.8132 per unit declared on July 9, 2019, which was paid on July 18, 2019, as per following details:

Particulars	Rs. (per unit)
Return of Capital	1.1128
Return on Capital	2.6896
Miscellaneous Income	0.0108

- (3) Distribution of Rs. 6.7155 per unit declared on October 7, 2019, which was paid on October 17, 2019, as per following details:

Particulars	Rs. (per unit)
Return of Capital	4.5266
Return on Capital	2.1806
Miscellaneous Income	0.0083

## 12. Unit price quoted on the exchange at the beginning and the end of the half year ended September 30, 2019, the highest and the lowest unit price and the average daily volume traded during the half year ended as on September 30, 2019

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The Trust had issued 664 Million Units of Rs. 100 each on March 18-19, 2019, which were listed on BSE Limited w.e.f. March 20, 2019.

Since the date of listing, the Units have not been traded and accordingly the aforesaid data is not applicable as on September 30, 2019.

## 13. (1) Details of all related party transactions during the year, the value of which exceeds five percent of value of the InvIT assets

Details of all related party transactions entered into by the InvIT during the half year ended September 30, 2019, are as under:

(Amount in Rs. million)

Sr. No	Particulars	Relations	Six months ended September 30, 2019
1	Interest Received Pipeline Infrastructure Ltd.	Subsidiary	3550.19
2	Trustee Fee Axis Trustee Services Ltd.	Trustee	1.06
3	Investment Manager Fee PenBrook Capital Advisors Pvt. Ltd.	Investment Manager	16.70
4	Repayment of Unit Capital (Rs.2.09 Paid out of Units of Rs.100) Rapid Holdings 2 Pte Ltd	Sponsor	1186.86
4	Repayment of NCD Pipeline Infrastructure Limited	Subsidiary	65,255.98
6	Professional fee/ PenBrook Capital Advisors Pvt. Ltd.	Investment Manager	2.01
7	Project Management fee ECI India Managers Pvt. Ltd.	Project Manager	8.85
8	Interest Distributed Rapid Holdings 2 Pte Ltd	Sponsor	1,529.84
9	Other Income Distributed Rapid Holdings 2 Pte Ltd	Sponsor	6.14
10	Advance Received Pipeline Infrastructure Ltd.	Subsidiary	666.73

## (2) Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle in which it has investment in

As on September 30, 2019 and as on the date of this Report, the Trust has only one SPV i.e. PIL.



# PenBrook Capital Advisors

On March 22, 2019, the Trust had subscribed to 12,95,00,000 PIL NCDs aggregating to Rs. 1,29,500 million. On April 23, 2019, PIL had redeemed 6,45,20,000 PIL NCDs of Rs. 1000 each aggregating to Rs. 64,520 million.

As on September 30, 2019, the InvIT had an outstanding investment Rs. 64,244 million in PIL NCDs.

## 14. Details of issue and buyback of units during the half year ended September 30, 2019, if any

The Trust had issued 664 million Units of Rs. 100 each on March 18-19, 2019, which were listed on BSE Limited w.e.f. March 20, 2019.

There was no buyback of Units by the Trust during the half year ended September 30, 2019 and till the date of this report.

## 15. Brief details of material and price sensitive information

During the reporting period, the Trust has been providing details of all material and price sensitive information to the Stock Exchange in accordance with the InvIT Regulations.

## 16. 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 half year ended September 30, 2019

The details are attached as Annexure II

## 17. Risk factors

The details are attached as Annexure III.

## 18. Information of the contact person of the InvIT

Mr. Prashant Sagwekar  
Compliance Officer  
Address: Unit 804, 8<sup>th</sup> Floor, A Wing, One BKC  
Bandra Kurla Complex, Bandra East  
Mumbai – 400051.  
Tel: +91 22 66000739  
Fax: +91 22 66000777  
Email: Prashant.sagwekar@penbrookcapital.com

## 19. Un-audited Consolidated and Standalone Financial Information for the half year ended September 30, 2019

PenBrook Capital Advisors Private Limited

(Formerly Known as Peninsula Brookfield Investment Manager Pvt Ltd.)

1, Peninsula Spenta Mathuradas Mills  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013, India

Phone : +91 22 6622 9300  
Fax : +91 22 6622 9304  
CIN : U74120MH2011PTC224370



# PenBrook Capital Advisors

In terms of SEBI CIR/IMD/DF/127/2016 dated November 29, 2016, unaudited consolidated and standalone financial information of the InvIT for the half year ended September 30, 2019 ("Financial Statements") along with the Limited Review Reports thereon issued by the Auditors of the InvIT, duly approved by the Board of Directors of the Investment Manager, shall be submitted to the designated stock exchange within 45 days from the end of the half year i.e. November 14, 2019.

Accordingly, the aforesaid Financial Statements along with the Limited Review Reports issued by the Auditors of the InvIT, as approved by the Board of Directors of PenBrook (acting in its capacity as Investment Manager to the InvIT) at its meeting held on November 12, 2019 has been submitted to BSE Limited on November 12, 2019 and is attached as Annexure I.

## 20. Any other material events during the half year ended September 30, 2019

There have been no material events during the half year ended September 30, 2019 except as reported to the Stock Exchange from time to time and as disclosed in this Report.

For India Infrastructure Trust

PenBrook Capital Advisors Private Limited

(Acting in the capacity as Investment Manager for India Infrastructure Trust)



**Sridhar Rengan**  
Director  
DIN: 03139082



Date: November 13, 2019

Place: Mumbai

PenBrook Capital Advisors Private Limited

(Formerly Known as Peninsula Brookfield investment Manager Pvt Ltd.)

1, Peninsula Spenta Mathuradas Mills  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013, India

Phone : +91 22 6622 9300

Fax : +91 22 6622 9304

CIN : U74120MH2011PTC224370



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

**TO THE BOARD OF DIRECTORS OF  
Penbrook Capital Advisors Private Limited – The Investment Manager of India  
Infrastructure Trust ("the Investment Manager")**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial information of **India Infrastructure Trust** ("the Trust") and its subsidiary Pipeline Infrastructure Limited (together referred to as the "Group"), comprise of the unaudited consolidated statement of profit and loss, explanatory notes thereto and the additional disclosure as required by paragraph 6 of Annexure A to the SEBI circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("the SEBI circular") for the half year ended September 30, 2019 ("the Statement"). The statement is being submitted by Penbrook Capital Advisors Private Limited pursuant to the requirement of Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014 as modified from time to time.
2. This Statement, which is the responsibility of the Investment manager and approved by the Investment manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015 as amended and in accordance with the SEBI circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 11 of the Statement which states that the comparative information for the corresponding half year ended September 30, 2018 is not available as trust was registered with Securities and Exchange Board of India (SEBI) on January 23, 2019.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the SEBI circular or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Registration No. 117366W/W100018)



**Rupen K. Bhatt**  
Partner

Membership No. 046930  
UDIN: 19046930AAAAD7380

Mumbai, November 12, 2019

**India Infrastructure Trust**

Principal place of Business : Unit No. 804, 8th Floor, A - Wing, One BKC, Bandra Kurla complex,  
Bandra East, Mumbai - 400051, India.

Phone No: 022-62104100. E-mail : compliance @pipelineinfra.com

(SEBI Registration Number : IN/INvIT/18-19/0008)

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2019**

**I. Unaudited Consolidated Statement of Profit and Loss for the half year ended 30<sup>th</sup> September, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Half year ended 30 <sup>th</sup> September, 2019 Unaudited	For the period 22 <sup>nd</sup> November 2018 to 31 <sup>st</sup> March, 2019 Audited
<b>I.</b>	<b>INCOME AND GAINS</b>		
	Revenue from Operations	106,766	2,791
	Interest	615	23
	Profit on sale of Investments	1,062	6
	Other Income*	233	444
	<b>Total Income and gains</b>	<b>108,676</b>	<b>3,264</b>
<b>II.</b>	<b>EXPENSES AND LOSSES</b>		
	Valuation Expenses	22	16
	Audit Fees	56	23
	Insurance and Security Expenses	1,561	14
	Employee Benefits Expenses	634	39
	Project Manager Fee	89	-
	Investment Manager Fee	167	69
	Trustee Fee	11	2
	Depreciation on Property, Plant and Equipment	36,493	1,852
	Amortization of Intangible Assets	5,119	253
	Finance Costs	37,602	1,477
	Custodian Charges	7	32
	Registration Fees	-	138
	Repairs and Maintenance	1,928	62
	Transmission Charges	38,871	1,372
	Electricity, Power and Fuel	4,269	196
	Other Expenses**	7,689	4,986
	<b>Total Expenses and losses</b>	<b>134,518</b>	<b>10,531</b>
<b>III.</b>	<b>Loss for the period before Income Tax (I-II)</b>	<b>(25,842)</b>	<b>(7,267)</b>
<b>IV.</b>	<b>Tax Expenses</b>		
	Current Tax	94	-
	Deferred Tax	-	2,300
	<b>Total Tax Expense</b>	<b>94</b>	<b>2,300</b>
<b>V.</b>	<b>Loss for the period after Income Tax (III-IV)</b>	<b>(25,936)</b>	<b>(9,567)</b>
<b>VI.</b>	<b>Items of other Comprehensive Income</b>		
(a) i	Item that will not be reclassified to profit or loss	4	-
ii	Income tax relating to items that will not be reclassified to profit or loss	-	-
(b) i	Item that will be reclassified to profit or loss	-	-
ii	Income tax relating to items that will be reclassified to profit or loss	-	-
	<b>Other Comprehensive Income</b>	<b>4</b>	<b>-</b>
<b>VII.</b>	<b>Total Comprehensive Income for the period (V+VI)</b>	<b>(25,932)</b>	<b>(9,567)</b>

\*Other Income for the half year ended 30th September, 2019 mainly includes rental income, recovery from contractors and other miscellaneous income vis-a- vis other income for the period 22<sup>nd</sup> November, 2018 to 31<sup>st</sup> March, 2019 which mainly includes fair value gain on financial instrument, supervision charges and other miscellaneous income.

\*\* Other Expenses for the half year ended 30<sup>th</sup> September, 2019 mainly includes professional fees, transaction advisory fees, stores and spares consumption and other miscellaneous expenses vis-a- vis other expenses for the period 22<sup>nd</sup> November, 2018 to 31<sup>st</sup> March, 2019 which mainly includes fair value loss on financial instrument, professional fees, stores and spares consumption and other miscellaneous expenses.



**Notes to Unaudited Consolidated Financial Information of India Infrastructure Trust for the half year ended 30<sup>th</sup> September, 2019:**

- 1 Investors can view the Statement of Unaudited Consolidated Financial Information of the India Infrastructure Trust on the Trust's website ([www.indinfratrust.com](http://www.indinfratrust.com)) or on the website of BSE ([www.bseindia.com](http://www.bseindia.com)).
- 2 The unaudited consolidated interim financial information of India Infrastructure Trust ("the Trust") and its subsidiary Pipeline Infrastructure Limited (together referred to as the "Group") comprises of unaudited consolidated statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29<sup>th</sup> November, 2016 (SEBI Circular) of India Infrastructure Trust for the half year ended 30<sup>th</sup> September, 2019 ("Consolidated interim financial information").
- 3 The unaudited consolidated interim financial information for the half year ended 30<sup>th</sup> September, 2019 has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The above financial information has been reviewed and approved by the Board of Directors of the Investment Manager at their meeting held on 12<sup>th</sup> November, 2019. The Statutory auditors of the India Infrastructure Trust have carried out Limited Review of the consolidated interim financial information for the half year ended 30<sup>th</sup> September, 2019.
- 4 India Infrastructure Trust (The "Trust"/"InvIT") is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on 22<sup>nd</sup> November, 2018, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 23<sup>rd</sup> January, 2019 having registration number IN/INVIT/18-19/0008. Sponsor of the Trust is Rapid 2 Holdings Pte Ltd., a company registered in Singapore. The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee"). Investment Manager for the Trust is Penbrook Capital Advisors Private Limited (the "Investment Manager"). The address of the registered office of the Investment Manager is 1, Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
- 5 The InvIT Committee of Board of Directors of the Investment Manager have declared two Distributions during the half year ended 30<sup>th</sup> September, 2019 as follows:  
Distribution of Re 0.9738 per unit as return of capital declared in their meeting held on 6<sup>th</sup> April, 2019, which was paid on 16<sup>th</sup> April, 2019.  
Distribution of Rs 3.8132 per unit which comprises of Rs.2.6896 per unit as return on capital, Rs 1.1128 per unit as return of capital and Rs 0.0108 per unit as miscellaneous income declared in their meeting held on 9<sup>th</sup> July, 2019 which was paid on 18<sup>th</sup> July, 2019.
- 6 The initial accounting for the business combination entered into by the group in financial year 2018-19 is incomplete by the end of the reporting period. The group has reported provisional amounts for the property plant and equipment, intangible assets including Pipeline Authorisation, recognition of financial instruments, assets/liabilities arising out of Pipeline Usage Agreement, consequent implications on deferred tax and goodwill for which the accounting is incomplete. These provisional amounts will be adjusted during the measurement period, (i.e upto 21<sup>st</sup> March, 2020) or additional assets or liabilities will be 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.
- 7 The Group'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", since this activity falls within a single business and geographical segment, segment - wise position of business and its operations is not applicable to the Group.
- 8a Effective 1<sup>st</sup> April, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method of transition, accordingly, comparatives for the year ended 31<sup>st</sup> March, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per unit, total assets, total liabilities and adjustment to retained earnings.
- 8b During the half year ended, the Subsidiary company has availed the option to pay income tax at the lower rate as per the recently promulgated Taxation Laws (Amendment) Ordinance 2019, which has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions / incentives. The option needs to be exercised within the prescribed time of filing the return of income under section 139(1) of the Income Tax Act, 1961, for the assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.
- 9 The Petroleum and Natural Gas Regulatory Board ('PNGRB') vide its Tariff Order no. TO/17/2019 has determined the final initial unit natural gas pipeline tariff on a levelized basis for the East West Natural Gas Pipeline ("EWNGPL") at Rs 71.66/MMBTU, on Gross Calorific Value (GCV) basis with effect from 1<sup>st</sup> July, 2019.
- 10 Debenture Redemption Reserve (DRR) is not required to be created in view of the loss incurred by the SPV during the current period. Also as per MCA Notification GSR574(E) dated 16<sup>th</sup> August, 2019, Debenture Redemption Reserve (DRR) is not required to be created since the SPV is a debt listed entity.
- 11 The comparative information for corresponding half year ended 30<sup>th</sup> September, 2018 was not available as trust was registered with the Securities and Exchange Board of India on 23<sup>rd</sup> January, 2019.
- 12 The previous period figures have been regrouped wherever necessary to make them comparable with those of current period.



*m*



II. Additional Disclosures as required by Paragraph 6 of Annexure A to SEBI Circular No.CIR/IMD/DF/127/2016:  
A. Statement of Net Distributable Cash Flows (NDCF) of PIL

Description	(Rs. in Lakhs)	
	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November 2018 to 31 <sup>st</sup> March, 2019
<b>Profit/(loss) after tax as per Statement of profit and loss (standalone) (A)</b>	(49,855)	(6,534)
<b>Adjustments:-</b>		
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	43,456	2,104
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)	35,502	3,109
Add / (Less): - Dividend or other amounts distributed to the Trust to the extent debited to statement of profit and loss. In case of reversal of distribution same needs to be deducted	-	-
Add / (Less): Increase / decrease in net working capital deployed in the ordinary course of business	(36,072)	(547)
Add / (Less): Loss/gain on sale of infrastructure assets	-	-
Add / (Less): Amount funded by/refunded to the Contractor as per terms of the O&M Agreement	-	-
Less: Amount determined as O&M Surplus as per the O&M Agreement and retained in PIL	-	-
Add / (Less): Expenditure Component Sweep as defined in the NCD Terms	-	-
Add / (Less): Net CCP	87,028	2,746
Less - Accrued dividend, if any, payable to holders of Preference Shares to the extent not debited to statement of profit and loss account	-	-
Less - RIL Upside Share calculated in terms of the Pipeline Usage Agreement, to the extent not debited to statement of profit and loss account	-	-
Add Proceeds from sale of infrastructure assets adjusted for the following: -related debts settled or due to be settled from sale proceeds -directly attributable transaction costs -proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the SEBI InvIT Regulations	-	-
Add Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently net of any profit / (loss) recognised in statement of profit and loss	-	-
Less Capital expenditure, if any	(1,451)	-
Add / (Less) Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to (a) Any decrease/increase in carrying amount of an asset or a liability recognised in statement of profit and loss and expenditure on measurement of the asset or the liability at fair value (b) Interest cost as per effective interest rate method (difference between accrued and actual paid) (c) Deferred tax (d) Lease rent recognised on straight line basis	1,518	2,300
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	(891)	-
Less Repayment of external debt (principal) / redeemable preference shares / debentures, etc./ cash set aside to comply with borrowing requirements under agreements including DSRA.	(14,560)	-
Add: Proceeds from external debt (principal) / redeemable preference shares / debentures, etc.	645,200	-
Add/ (Less): Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents	-	-
<b>Total Adjustments (B)</b>	<b>759,730</b>	<b>9,712</b>
<b>Net Distributable Cash Flows (C)=(A-B)</b>	<b>709,875</b>	<b>3,178</b>

An amount of Rs. 652,560 Lakhs has been redeemed to InvIT and Rs. 6,667 Lakhs has been paid as an advance to InvIT



**B. Statement of Net Distributable Cash Flows (NDCFs) of the Trust**

(Rs in Lakhs)

Particulars	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November 2018 to 31 <sup>st</sup> March, 2019
Cash flows received from Portfolio Assets in the form of Interest	30,035	800
Cash flows received from Portfolio Assets in the form of Dividend	-	-
Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	220	-
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust*	659,227	661
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from sale of assets of the portfolio Assets not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
<b>Total cash flow at the InvIT level (A)</b>	<b>689,482</b>	<b>1,461</b>
Less: one-time re-imbursment of expenses in relation to the Issue undertaken by the Sponsor on behalf of the Trust	-	-
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	18,696	-
Less: Net cash set aside to comply with DSRA requirement under loan agreements	4,362	-
Less: Costs/retentions associated with sale of assets of the Portfolio Assets	-	-
Relate debts settled or due to be settled from sale proceeds of portfolio Assets	-	-
Transaction costs paid on sale of the assets of the Portfolio Assets, and Capital gains taxes on sale of assets/shares in portfolio Assets/ other Investment	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the SEBI INvIT Regulations	-	-
Less: Repayment of external debt at the Trust level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing)	637,000	-
Less: Income tax (if applicable) at the standalone Trust level	49	-
Less: Amount invested in any of the INvIT Assets for service of debt or interest	-	-
Less: Reserve for debentures/loans/capex expenditure in the intervening period till next proposed distribution if deemed necessary by the Investment Manager invested in permitted investments	-	-
<b>Total cash outflows/retention at the Trust</b>	<b>660,107</b>	<b>-</b>
<b>Net Distributable Cash Flows (C) = (A-B)</b>	<b>29,375</b>	<b>1,461</b>
Net Distributable Cash Flows as per above	29,375	1,461
Amount received from Sponsor - available for distribution	-	1,000
<b>Total Net Distributable Cash Flows</b>	<b>29,375</b>	<b>2,461</b>

\* Includes Rs 6,667 Lakhs received as advance from SPV, (Previous period Rs 661 Lakhs)

The Net distributable Cash Flows (NDCFs) as above is distributed as follows in the respective manner:

(Rs in Lakhs)

Date of distribution payment	Return of Capital	Return on Capital	Miscellaneous Income	Total
16 <sup>th</sup> April, 2019	-	6,466	-	6,466
18 <sup>th</sup> July, 2019	17,859	7,389	72	25,320
<b>Total</b>	<b>17,859</b>	<b>13,855</b>	<b>72</b>	<b>31,786</b>



C) Pursuant to Investment Management Agreement, the Investment Manager is entitled to an Investment Management fee of Rs.20 Lakhs per month exclusive of GST. Investment Manager is also entitled to reimbursement of any cost incurred in relation to activity pertaining to Trust such as administration of Trust, appointment of staff, director, Transaction expenses incurred with respect to investing, monitoring and disposing off investment of Trust.

#### D) Statement of Earnings per unit

Sr.No.	Particulars	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November 2018 to 31 <sup>st</sup> March, 2019
1	Loss for the period (Rs.in Lakhs)	(25,936)	(9,567)
2	Number of units outstanding for computation of basic and diluted earnings per unit (No in Lakhs)	6,640	511*
3	Earnings per unit in Rs. (Basic and Diluted)	(3.91)	(18.73)

\*Weighted average number of units

#### E) Statement of Contingent liabilities and Commitments

(Rs.in Lakhs)

Sr.No.	Particulars	As at 30 <sup>th</sup> September, 2019	As at 31 <sup>st</sup> March, 2019
1	Contingent Liabilities	Nil	Nil
2	Commitments	10.49	16.04

#### F) Statement of Related Party Disclosures

##### I) List of related parties as per Regulation 2(1) (zv) of the SEBI INvIT Regulations

##### A. Parties to India Infrastructure Trust

Rapid Holdings 2 Pte Limited – Sponsor of India Infrastructure Trust

Penbrook Capital Advisors Private Limited – Investment Manager of India Infrastructure Trust

ECI India Managers Private Limited - Project Manager of India Infrastructure Trust

Axis Trustee Services Limited – Trustee of India Infrastructure Trust

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

- (i) **Directors of ECI India Managers Private Limited**  
Mr. Mihir Anil Nerurkar  
Mr. Jeffrey Wayne Kendrew  
Mr. Nawal Saini
- (ii) **Directors of Penbrook Capital Advisors Private Limited**  
Mr.Chetan Rameshchandra Desai  
Mr. Sridhar Rengan  
Mr. Narendra Aneja  
Mr. Rajeev Ashok Piramal
- (iii) **Directors of Rapid Holdings 2 Pte Limited**  
Mr.Anandjit Sunderaj  
Mr.Liew Yee Foong  
Mr.Aviral Chaturvedi (resigned w.e.f 31<sup>st</sup> October, 2019)  
Ms.Ho Yeh Hwa  
Ms.Taswinder Kaur Gill (Appointed w.e.f 25<sup>th</sup> October, 2019)  
Mr. Zhang Shen (Appointed w.e.f 25<sup>th</sup> October, 2019)  
Mr. Timothy Peter Lewis (Resigned w.e.f 1<sup>st</sup> March, 2019)
- (iv) **Directors of Axis Trustee Services Limited**  
Mr.Ram Bharosey Lal Vaish  
Mr.Rajesh Kumar Dahiya  
Mr.Ganesh Sankaran  
Mr.Sanjay Sinha



## F) Statement of Related Party Disclosures

### II. Transactions with related parties during the period

(Rs. in Lakhs)

Sr. No	Particulars	Relations	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November 2018 to 31 <sup>st</sup> March, 2019
1	Trustee Fee Axis Trustee Services Limited	Trustee	11	2
2	Investment Manager Fee Penbrook Capital Advisors Private Limited	Investment Manager	167	69
3	Units value Rapid Holdings 2 Pte Ltd	Sponsor	-	568.800
4	Repayment of Unit Capital (Rs.2.09 Paid out of Units of Rs. 100) Rapid Holdings 2 Pte Ltd	Sponsor	11,869	-
5	Professional fee Penbrook Capital Advisors Private Limited	Investment Manager	20	-
6	Registration Expenses Rapid Holdings 2 Pte Ltd	Sponsor	-	138
7	Project Management fee ECI India Managers Private Limited	Project Manager	89	-
8	Interest Distributed Rapid Holdings 2 Pte Ltd	Sponsor	15,298	-
9	Other Income Distributed Rapid Holdings 2 Pte Ltd	Sponsor	61	-

### III. Outstanding balances as at period end

(Rs. in Lakhs)

Sr. No	Particulars	Relations	As at 30 <sup>th</sup> September, 2019	As at 31 <sup>st</sup> March, 2019
1	Reimbursement of Expense payable Rapid Holdings 2 Pte Ltd Penbrook Capital Advisors Private Limited	Sponsor Investment Manager	- 4	138 67
2	Investment Manager Fee Payable Penbrook Capital Advisors Private Limited	Investment Manager	22	-
3	Trustee Fee Payable Axis Trustee Services Limited	Trustee	-	2
4	Units value Rapid Holdings 2 Pte Ltd	Sponsor	556.931	568.800
5	Trustee Fee paid in Advance Axis Trustee Services Limited	Trustee	11	-

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

*Sridhar Rengan*

Sridhar Rengan  
Director  
DIN : 03139082

Date : 12<sup>th</sup> November, 2019  
Place : Mumbai



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL INFORMATION

### TO THE BOARD OF DIRECTORS OF Penbrook Capital Advisors Private Limited – The Investment Manager of India Infrastructure Trust ("the Investment Manager")

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial information of **India Infrastructure Trust** ("the Trust"), which comprise of the unaudited standalone statement of profit and loss, explanatory notes thereto and the additional disclosure as required by paragraph 6 of Annexure A to the SEBI circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("the SEBI circular") for the half year ended September 30, 2019 ("the Statement"). The statement is being submitted by the Investment Manager pursuant to the requirement of Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014 as modified from time to time.
2. This Statement, which is the responsibility of the Investment manager and approved by the Investment manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015 as amended and in accordance with the SEBI circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 6 of the Statement which states that the comparative information for the corresponding half year ended September 30, 2018 is not available as trust was registered with Securities and Exchange Board of India (SEBI) on January 23, 2019.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the SEBI circular, or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Registration No. 117366W/W100018)



**Rupen K. Bhatt**  
Partner

(Membership No. 046930)  
UDIN: 19046930AARAFAC9095

Mumbai, November 12, 2019



**India Infrastructure Trust**

Principal place of Business : Unit No. 804, 8th Floor, A - Wing, One BKC, Bandra Kurla complex, Bandra East, Mumbai - 400051, India.

Phone No: 022-62104100. E-mail : compliance @pipelineinfra.com

(SEBI Registration Number : IN/INvIT/18-19/0008)

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2019**

**I. Unaudited Standalone Statement of Profit and Loss for the half year ended 30<sup>th</sup> September 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Half year ended 30 <sup>th</sup> September, 2019 Unaudited	For the period 22 <sup>nd</sup> November, 2018 to 31 <sup>st</sup> March, 2019 Audited
<b>I</b>	<b>INCOME AND GAINS</b>		
	Revenue from Operations	35,502	3,109
	Interest on Fixed Deposits	126	-
	Profit on sale of Investments	94	-
	Other Income*	-	442
	<b>Total Income and gains</b>	<b>35,722</b>	<b>3,551</b>
<b>II</b>	<b>EXPENSES AND LOSSES</b>		
	Valuation Expenses	22	16
	Investment Manager Fee	167	69
	Registration Fees	-	138
	Trustee Fee	11	2
	Arranger Fee (for NCD)	-	3,759
	Project Manager Fee	89	-
	Audit Fees	10	20
	Custodian Charges	7	32
	Finance Costs	11,924	1,457
	Other Expenses **	1,002	4,277
	<b>Total Expenses and losses</b>	<b>13,232</b>	<b>9,770</b>
<b>III</b>	<b>Profit / (Loss) for the period before Income Tax (I-II)</b>	<b>22,490</b>	<b>(6,219)</b>
<b>IV</b>	<b>Tax Expenses</b>		
	Current Tax	94	-
	Deferred Tax	-	-
<b>V</b>	<b>Profit / (Loss) for the period after Income Tax (III-IV)</b>	<b>22,396</b>	<b>(6,219)</b>
<b>VI</b>	<b>Items of other Comprehensive Income</b>	-	-
<b>VII</b>	<b>Total Comprehensive Income for the period (V+VI)</b>	<b>22,396</b>	<b>(6,219)</b>

\*Other Income for the period 22<sup>nd</sup> November, 2018 to 31<sup>st</sup> March, 2019 includes fair value gain on financial instrument.

\*\* Other Expenses for the half year ending 30<sup>th</sup> September, 2019 includes Transaction Advisory fees, Legal & Professional expenses and other miscellaneous expenses vis-a- vis Other Expenses for the period 22<sup>nd</sup> November, 2018 to 31<sup>st</sup> March, 2019 includes fair value loss on financial instrument, Legal & Professional expenses and other miscellaneous expenses.



**Notes to Unaudited Standalone Financial Information of India Infrastructure Trust for the half year ended 30<sup>th</sup> September, 2019:**

1. Investors can view the Statement of Unaudited Standalone Financial Information of the India Infrastructure Trust on the Trust's website ([www.indinfratrust.com](http://www.indinfratrust.com)) or on the website of BSE ([www.bseindia.com](http://www.bseindia.com)).
2. The unaudited standalone interim financial information comprises of the standalone statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29<sup>th</sup> November, 2016 ('SEBI Circular') of India Infrastructure Trust for the half year ended 30<sup>th</sup> September, 2019 ("Standalone interim financial information").
3. The unaudited standalone interim financial information for the half year ended 30<sup>th</sup> September, 2019 has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The above financial information has been reviewed and approved by the Board of Directors of the Investment Manager at their meeting held on November 12, 2019. The Statutory auditors of the India Infrastructure Trust have carried out Limited Review of the financial information for the half year ended 30<sup>th</sup> September, 2019.
4. India Infrastructure Trust (The "Trust"/"InvIT") is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on November 22, 2018, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 23<sup>rd</sup> January, 2019 having registration number IN/INVIT/18-19/0008. Sponsor of the Trust is Rapid 2 Holdings Pte Limited, a company registered in Singapore. The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee"). Investment Manager for the Trust is Penbrook Capital Advisors Private Limited (the "Investment Manager"). The address of the registered office of the Investment Manager is 1, Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
5. The InvIT Committee of Board of Directors of the Investment Manager have declared two Distributions during the half year ended 30<sup>th</sup> September, 2019 as follows:  
  
Distribution of Re.0.9738 per unit as return of capital declared in their meeting held on 6<sup>th</sup> April, 2019, which was paid on 16<sup>th</sup> April 2019.  
  
Distribution of Rs.3.8132 which comprises of Rs.2.6896 per unit as return on capital, Rs.1.1128 per unit as return of capital and Re.0.0108 per unit as miscellaneous income declared in their meeting held on 9<sup>th</sup> July, 2019, which was paid on 18<sup>th</sup> July, 2019.
6. The comparative information for corresponding half year ended 30<sup>th</sup> September, 2018 was not available as trust was registered with the Securities and Exchange Board of India on 23<sup>rd</sup> January, 2019.
7. The previous period figures have been regrouped, wherever necessary to make them comparable with those of current period.



II. Additional Disclosures as required by Paragraph 6 of Annexure A to SEBI Circular No.CIR/IMD/DF/127/2016:

a) Statement of Net Distributable Cash Flows (NDCFs)

(Rs.in Lakhs)

Particulars	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November, 2018 to 31 <sup>st</sup> March, 2019
Cash flows received from Portfolio Assets in the form of Interest	30,035	800
Cash flows received from Portfolio Assets in the form of dividend	-	-
Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	220	-
Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust *	6,59,227	661
Proceeds from the Portfolio Assets for a capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Proceeds from sale of assets of the portfolio Assets not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently	-	-
<b>Total cash flow at the InvIT level (A)</b>	<b>689,482</b>	<b>1,461</b>
Less: one-time re-imburement of expenses in relation to the Issue undertaken by the Sponsor on behalf of the Trust.	-	-
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	18,696	-
Less: Net cash set aside to comply with DSRA requirement under the term Trust NCD Documents	4,362	-
Less: Costs/retentions associated with sale of assets of the Portfolio Assets	-	-
Relate debts settled or due to be settled from sale proceeds of portfolio Assets	-	-
Transaction costs paid on sale of the assets of the Portfolio Assets;and	-	-
Capital gains taxes on sale of assets/shares in portfolio Assets/ other Investments	-	-
Less: Proceeds reinvested or planned to be reinvested in accordance with Regulation 18(7)(a) of the SEBI INvIT Regulations	-	-
Less: Repayment of external debt at the Trust level and at the level of any of the underlying portfolio assets/special purpose vehicles (excluding refinancing)	637,000	-
Less: Income tax (if applicable) at the standalone Trust level	49	-
Less: Amount invested in any of the INvIT Assets for service of debt or interest	-	-
Less : Reserve for debentures/loans/capex expenditure in the intervening period till next proposed distribution if deemed necessary by the Investment Manager invested in permitted investments	-	-
<b>Total cash outflows/retention at the Trust level (B)</b>	<b>660,107</b>	<b>-</b>
<b>Net Distributable Cash Flows (C) = (A)-(B)</b>	<b>29,375</b>	<b>1,461</b>

Net Distributable Cash Flows as per above	29,375	1,461
Amount received from sponsor – available for distribution	-	1,000
<b>Total Net Distributable Cash Flows</b>	<b>29,375</b>	<b>2,461</b>

\* Includes Rs.6,667 lakhs received as advance from SPV, (Previous period Rs. 661 lakhs).



The Net distributable Cash Flows (NDCF) as above is distributed as follows;

(Rs.in Lakhs)

Date of Distribution payment	Return on Capital	Return of Capital	Miscellaneous Income	Total
16 <sup>th</sup> April, 2019	-	6,466	-	6,466
18 <sup>th</sup> July, 2019	17,859	7,389	72	25,320
<b>Total</b>	<b>17,859</b>	<b>13,855</b>	<b>72</b>	<b>31,786</b>

- b) Contingent Liabilities as at 30<sup>th</sup> September, 2019 is Nil (31<sup>st</sup> March, 2019 : Nil)
- c) Commitments as at 30<sup>th</sup> September, 2019 is Nil (31<sup>st</sup> March, 2019 : Nil)
- d) Pursuant to Investment Management Agreement, the Investment Manager is entitled to an Investment Management fee of Rs.20 Lakhs per month exclusive of GST. Investment Manager is also entitled to reimbursement of any cost incurred in relation to activity pertaining to Trust such as administration of Trust, appointment of staff, director, Transaction expenses incurred with respect to investing, monitoring and disposing off investment of Trust.

e) Statements of Earnings per unit:

Particulars	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November, 2018 to 31 <sup>st</sup> March, 2019
Profit/(loss) for the period (Rs.in Lakhs)	22,396	(6,219)
Number of units outstanding for computation of basic and diluted earnings per unit (No.in Lakhs)	6,640	511*
Earnings per unit in Rs. (Basic and Diluted)	3.37	(12.18)

\* Weighted average number of units

**f) Related Party Disclosures**

**I. List of related parties as per the requirements of Ind AS 24 – “Related Party Disclosures”**

**A. Related Parties where control exists**

**Subsidiary (SPV)**

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

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

**A. Parties to India Infrastructure Trust**

Rapid Holdings 2 Pte Limited – Sponsor of India Infrastructure Trust

Penbrook Capital Advisors Private Limited – Investment Manager of India Infrastructure Trust

ECI India Managers Private Limited - Project Manager of India Infrastructure Trust

Axis Trustee Services Limited – Trustee of India Infrastructure Trust

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

**i. Directors of ECI India Managers Private Limited**

Mr. Mihir Anil Nerurkar

Mr. Jeffrey Wayne Kendrew

Mr. Nawal Saini



ii. **Directors of Penbrook Capital Advisors Private Limited**

Mr.Chetan Rameshchandra Desai  
Mr. Sridhar Rengan  
Mr. Narendra Aneja  
Mr. Rajeev Ashok Piramal

iii. **Directors of Rapid Holdings 2 Pte Limited**

Mr.Anandjit Sunderaj  
Mr.Liew Yee Foong  
Mr.Aviral Chaturvedi (resigned w.e.f.31<sup>st</sup> October, 2019)  
Ms.Ho Yeh Hwa  
Ms.Taswinder Kaur Gill (Appointed w.e.f 25<sup>th</sup> October, 2019)  
Mr. Zhang Shen (Appointed w.e.f 25<sup>th</sup> October, 2019)  
Mr. Timothy Peter Lewis (resigned w.e.f 01<sup>st</sup> March, 2019)

iv. **Directors of Axis Trustee Services Limited**

Mr.Ram Bharosey Lal Vaish  
Mr.Rajesh Kumar Dahiya  
Mr.Ganesh Sankaran  
Mr.Sanjay Sinha

**III. Transactions with related parties during the period**

(Rs. in Lakhs)

Sr. No	Particulars	Relations	Half year ended 30 <sup>th</sup> September, 2019	For the period 22 <sup>nd</sup> November, 2018 to 31 <sup>st</sup> March, 2019
1	<b>Interest Income</b> Pipeline Infrastructure Limited	Subsidiary	35,502	3,109
2	<b>Trustee Fee</b> Axis Trustee Services Limited	Trustee	11	2
3	<b>Investment Manager Fee</b> Penbrook Capital Advisors Private Limited	Investment Manager	167	69
4	<b>Units value</b> Rapid Holdings 2 Pte Limited	Sponsor	-	5,68,800
5	<b>Repayment of Unit Capital</b> (Rs.2.09 Paid out of Units of Rs.100) Rapid Holdings 2 Pte Limited	Sponsor	11,869	-
6	<b>Investment in Non- Convertible Debentures (NCD)</b> Pipeline Infrastructure Limited	Subsidiary	-	12,95,000
7	<b>Repayment of NCD</b> Pipeline Infrastructure Limited	Subsidiary	6,52,560	-
8	<b>Investment in Equity Shares</b> Pipeline Infrastructure Limited	Subsidiary	-	5,000
9	<b>Professional fee</b> Penbrook Capital Advisors Private Limited	Investment Manager	20	-
10	<b>Registration Expenses</b> Rapid Holdings 2 Pte Limited	Sponsor	-	138
11	<b>Project Management fee</b> ECI India Managers Private Limited	Project Manager	89	-
12	<b>Interest Distributed</b> Rapid Holdings 2 Pte Limited	Sponsor	15,298	-
13	<b>Other Income Distributed</b> Rapid Holdings 2 Pte Limited	Sponsor	61	-
	<b>Advance received</b> Pipeline Infrastructure Limited	Subsidiary	6,667	-



IV. Outstanding balances as at period end

(Rs. in Lakhs)

Sr. No	Particulars	Relations	As at 30 <sup>th</sup> September, 2019	As at 31 <sup>st</sup> March, 2019
1	<b>Reimbursement of Expense Payable</b> Rapid Holdings 2 Pte Limited Penbrook Capital Advisors Private Limited	Sponsor Investment Manager	-	138
			4	67
2	<b>Investment Manager Fee Payable</b> Penbrook Capital Advisors Private Limited	Investment Manager	22	-
3	<b>Advance Received</b> Pipeline Infrastructure Limited	Subsidiary	7,328	661
4	<b>Trustee Fee Payable</b> Axis Trustee Services Limited	Trustee	-	2
5	<b>Interest receivable</b> Pipeline Infrastructure Limited	Subsidiary	7,776	2,309
6	<b>Investment in Equity Shares</b> Pipeline Infrastructure Limited	Subsidiary	5,000	5,000
7	<b>Investment in NCD</b> Pipeline Infrastructure Limited	Subsidiary	642,440	12,95,000
8	<b>Units value</b> Rapid Holdings 2 Pte Limited	Sponsor	5,56,931	5,68,800
9	<b>Trustee Fee paid in Advance</b> Axis Trustee Services Limited	Trustee	11	-

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

*Sridhar Rengan*

Sridhar Rengan  
Director  
DIN No: 03139082

Date: 12<sup>th</sup> November, 2019  
Place: Mumbai



## Annexure II

### LEGAL AND OTHER INFORMATION

*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 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 SPV and the Pipeline business has been disclosed.*

#### **SPV and Pipeline business**

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

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

*The total income of PIL based on the Audited Financial Statements as of March 31, 2019 was Rs. 10677.3 million. Accordingly, all outstanding civil litigation (i) involving an amount equivalent to or exceeding Rs. 53.39 million (being 0.50% of the total income of PIL provided as per Audited Financial Statements as of March 31, 2019), 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 consolidated total income of the Sponsor based on the un-audited consolidated financial statements of the Sponsor for the period ended September 30, 2019 was US\$ 31.65 million. Accordingly, all outstanding civil litigation against the Sponsor and the Project Manager which (i) involve an amount equivalent to or exceeding US\$ 1.58 million (being 5.00% of the consolidated total income of the Sponsor for the period ended September 30, 2019), 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 September 30, 2019.*

### **Investment Manager**

*The total consolidated income of the Investment Manager for the Financial Year 2019 was Rs. 85.89 million as per the audited consolidated financial statements of the Investment Manager. Accordingly, all outstanding civil litigation against the Investment Manager which (i) involve an amount equivalent to or exceeding Rs. 4.29 million (being 5.00 % of the total consolidated income as per the audited consolidated financial statements for the Financial Year 2019), and (ii) wherein the amount is not ascertainable but are considered material, have been disclosed.*

### **Associates of the Investment Manager**

*Disclosures with respect to material litigations relating to Associates of the Investment Manager which form part of the Brookfield Group, have been made on the basis of public disclosures made by BAM, under which all entities, (i) which control, directly or indirectly, shareholders of the Investment Manager, and (ii) the shareholders of the Investment Manager (who form part of the Brookfield Group), get consolidated for financial and regulatory reporting purposes. BAM is currently listed on the NYSE and the TSE. All pending regulatory proceedings where all entities who are the shareholders of the Investment Manager, or which control, directly or indirectly, the shareholders of the Investment Manager, in case forming part of the Brookfield Group, are named defendants have been considered for disclosures. Disclosures with respect to material litigations against the Associates of the Investment Manager (other than pertaining to entities forming part of the Brookfield Group) have been made on the basis of the materiality threshold equivalent to or exceeding Rs. 176.72 million (being 5.00 % of the total consolidated income as per the audited consolidated financial statements for the Financial Year 2019 of Peninsula Land Limited, which is the flagship entity in the Peninsula Group and all regulatory proceedings against such Associates have been disclosed. Further, there is no outstanding litigation and regulatory action against any of the entities controlled, directly or indirectly, by the Investment Manager, as on September 30, 2019.*

### **Trustee**





*All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding Rs. 9.5 million (being 5.00% of the profit after tax for the Financial Year 2019 based on the audited standalone financial statements of the Trustee for Financial Year 2019), 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 September 30, 2019 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 September 30, 2019 and the date of this Report. Pursuant to the Scheme of Arrangement, all suits, actions and legal proceedings of whatsoever nature by or against 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 September 30, 2019, the process of including PIL as a party to litigation involving the Pipeline business (as described below) is still in progress.

#### ***Regulatory Matters***

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



parties concerned. Final arguments were concluded on August 29, 2019, orders are not yet passed by the Board.

#### IV. Litigation involving the Pipeline business

*The Pipeline was previously owned and operated by EWPL and therefore all material litigations, regulatory actions and criminal matters involving EWPL, which are in relation to the Pipeline business, as on September 30, 2019 have been disclosed.*

##### **Regulatory Matters**

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

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

Zonal apportionment of tariff has been submitted to PNGRB on March 20, 2019, for which approval is awaited. New tariff has to be implemented after zonal tariffs are approved by PNGRB. APTEL Bench has directed PNGRB to declare capacity for all past years i.e. FY13 onwards by 31st Dec'19. Final arguments in the said appeal were concluded on September 6, 2019. APTEL has not yet passed the final orders in the appeal.

##### **Civil matters**

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

*The right of use in respect of the Pipeline was granted to RGTIL (former name of EWPL) under section 6 of the PMP Act through various notifications issued by the government of India. The implementation of the right of user under the PMP Act was enforced through*



*the competent authorities authorised by the central government to perform functions under the PMP Act. In certain instances land owners disputed the compensation amounts determined to be paid to them under section 10(2) of the PMP Act, some of which are outstanding as of the date of this Report and are considered material, as follows:*

- (a) 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 by its order dated April 27, 2016 dismissed the application filed by the Claimant directing him to pay the court fees on the amount of compensation claimed. The matter is currently pending.
- (b) Savitaben Patel and others filed an application before the Principal District Judge Court, Navsari Gujarat against the Deputy Collector and Competent Authority, mer 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 and the matter is currently pending.
- (c) Manharlal Shivilal Panchal and others filed a land acquisition reference before the court of the Senior Civil Judge, Bharuch, against RGTIL (former name of EWPL) and the district collector claiming excess compensation to the tune of Rs. 107.45 million. The matter is currently pending.
- (d) 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 and the matter is currently pending.
- (e) Gamanlal Maganlal Patel filed a Civil Miscellaneous Application No. 241 of 2019 against CA of RGTIL, EWPL, R K Dhadda, Reliance Industries Ltd. and Mukesh D Ambani before the District Court Surat demanding additional compensation of Rs. 450.00 million. The suit is pending.

**(ii) Royalty Related**

EWPL has received demand notices from the revenue authorities (under the provisions of the Maharashtra Land Revenue Code, 1966 and the rules framed thereunder) in Maharashtra levying royalty (together with penalty and other charges) of Rs. 415.60 million on the grounds that EWPL 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. EWPL has already paid a penalty of approximately Rs. 132.06 million under duress. EWPL 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.



## V. Litigation against the Sponsor

There are no material litigations and regulatory actions pending against the Sponsor as on September 30, 2019.

## VI. Litigation against the Investment Manager

Ansal Hi-Tech Townships Limited ("AHTL") filed a civil suit before the Bombay High Court against the Investment Manager and others (collectively referred to as "Defendants") seeking *inter alia*, (i) damages amounting to Rs. 2,000.00 million (along with interest) and (ii) a declaration that AHTL had not defaulted on any payments due to be made to the Defendants in terms of a debenture subscription agreement dated June 18, 2014 ("DSA") and a debenture trust deed dated June 18, 2014 ("DTD"). The primary ground on which AHTL has sought the relief is that though the Defendants had assured AHTL that they would invest Rs. 3,000.00 million in AHTL in terms of the DSA, the Investment Manager only subscribed to one tranche of debentures (by investing Rs. 2,000.00 million and did not subscribe to the second tranche of Rs. 1,000.00 million). The matter is currently pending.

## VII. Litigation against the Associates of the Investment Manager

### A. Peninsula Land Limited ("PLL")

#### *Criminal Matters*

##### I. **ASHOK TOWERS:**

- Ashok Towers CHS Ltd. and Ors. filed a Criminal Complaint 188 of 2014 under section 13 of the Maharashtra Ownership Flat Act, 1963 ("MOFA") against PLL & Ors. before the 29<sup>th</sup> Court of Metropolitan Magistrate, Bhoiwada, Mumbai in relation to project 'Ashok Tower A, B & C Ltd.' alleging deficiencies in service on grounds of no society was formed, defect in title certificate, failed to make full disclosure and convey the land, no separate accounts maintained for sums received and failure in handing over of accounts, unauthorized construction and defects in construction, amongst other grounds. On 3rd August, 2019, Hon'ble Magistrate has passed the following order:  
Issue process against accused No.1 to 10 u/s.3,4,5,6, 7(1) (II), 10,11 punishable u/s 13 r.w. 14 of MOFA and contravention of section 6 of Maharashtra fire prevention & Life safety measures act 2006. Complaint u/sec 406,420 r/w 34 of IPC stands dismissed u/s 203 of Cr.P.C.

This matter is pending and PLL and other accused are in process of filing Criminal Revision Application against the aforesaid order dated August 3, 2019.

- Ashok Towers CHS Limited and Ors. filed a Criminal Complaint 192 of 2014 under section 13 of the Maharashtra Ownership Flat Act, 1963 ("MOFA") against PLL and certain other parties before the 29<sup>th</sup> Court of Metropolitan Magistrate, Bhoiwada, Mumbai in relation to project 'Ashok Tower D CHS Ltd. And Ors.' alleging deficiencies in service on grounds of no society was formed, defect in title certificate, failed to make full disclosure and convey the land, no separate



accounts maintained for sums received and failure in handing over of accounts, unauthorized construction and defects in construction, amongst other grounds. On August 3, 2019, Hon'ble Magistrate has passed the following order: *Issue process against accused No.1 to 10 u/s.3,4,5,6, 7(1) (II), 10,11 punishable u/s 13 r.w. 14 of MOFA and contravention of section 6 of Maharashtra fire prevention & Life safety measures act 2006.Complaint u/sec 406,420 r/w 34 of IPC stands dismissed u/s 203 of Cr.P.C.*

This matter is pending and PLL and other accused are in process of filing Criminal Revision Application against the aforesaid order dated August 3, 2019.

II. **ASHOK GARDENS:**

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

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

- A Criminal Writ Petition 4052 of 2015 has been filed by Mr. Rajesh Yaggopal Singh Chaddha before the Bombay High Court against the order of stay issued by the City Civil and Sessions Court under Criminal



Revision Application No. 1248 of 2013 staying the order of issuance of process passed by the Metropolitan Court on August 7, 2013. The Bombay High Court has stayed the proceedings in the lower court in 30/SS of 2013 vide order dated March 7, 2018. This matter is admitted.

### ***Tax Matters***

From time to time, PLL is involved in disputes with income tax authorities in India with respect to assessment orders which are pending at various stages of adjudication. PLL is currently disputing assessments for 14 assessment years, being 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 where the total aggregate amount involved (to the extent ascertainable) is approximately Rs. 4418.96 million. These matters are currently pending before the Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal.

#### ***B. Litigation involving promoters of PLL***

One of the promoters of PLL, Urvi Piramal, is involved in one direct tax matter involving an amount of Rs. 1.23 million.

#### **VIII. Litigation against the Project Manager**

There are no material litigation and regulatory actions currently pending against the Project Manager as on September 30, 2019.

#### **IX. 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 September 30, 2019.

#### **X. Litigation against the Trustee**

There are no material litigations and no regulatory actions currently pending against the Trustee.



## Annexure III

### 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.
- The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPVs, nor are they opinions, expressed or implied, as to the future trading price of the Units. The valuation contained therein may not be indicative of the true value of the Project SPV's assets.
- 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 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 Reliance's non-performance of its 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, SHA, O&M Agreement, O&M 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 GOI or PNGRB may stipulate or impose conditions which result in lower pipeline capacity utilization. All these factors may adversely impact our operations and revenues and our ability to make distributions to Unitholders.

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





- Any disruption, failure or delay in the operation of the Pipeline information systems may disrupt Pipeline operations and cause an unanticipated increase in costs. These system include supervisory control and data acquisition ("SCADA") system and other specialized planning, optimization and scheduling tools allow adjustments in the operation of the Pipeline.
- Government intervention in the pricing decisions of the Pipeline may adversely affect its business. The Government, through the PNGRB tariff regime, has the ultimate discretion to regulate the prices at which the Pipeline may offer its natural gas transportation services. PNGRB vide order dated March 12, 2019, declared the levelized tariff of INR 71.66/mmbtu to be applicable to the Pipeline effective from April 1, 2019. The final tariff declared is 37% increase over the initial tariff of INR 52.23/MMBtu. PIL submitted its Zonal apportionment of tariff to PNGRB vide letter dated March 19, 2019 for approval. Subsequently PNGRB amended regulations on May 27, 2019, whereby the tariffs are made applicable on prospective basis after approval of zonal tariffs i.e. applicable from the first day of the month following the month in which the zonal tariff order is issued by the Board. PNGRB approved the Zonal apportionment of tariff vide order TO/2019 – 20/06 June 4, 2019, the zonal tariffs to be applicable from July 1, 2019. This delay in PNGRB's approval for PIL's zonal tariff has affected cash flows for the period from April 1, 2019 to June 30, 2019. However the zonal tariff order provides that adjustment for the tariff charged by PIL for the period for 1st April 1, 2019 to June 30, 2019 shall be done in the next tariff review. Any other similar delay in approvals by PNGRB will affect the cash flows of PIL. Also PNGRB has fixed the capacity of PIL Pipeline at higher value than the actual capacity for past years. The capacity determination dispute is before APTEL for resolution. Arguments/ pleadings have been completed and presently the APTEL order is reserved. The outcome of this determination will improve the cash flows of PIL if the matter is decided in favour of PIL. Going forward any reduction in gas supply volumes and delay in finalization of tariffs may result in Pipeline incurring adverse impacts on revenue from gas transportation services. No absolute assurance can be provided that there will not be a significant change in Government policy, which may adversely affect the Pipeline's financial condition and results of operations.
- Gas transmission and distribution networks have significant occupational health and safety risks that could expose the Pipeline to claims and increased regulatory and compliance costs. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities which could adversely affect our business, prospects, financial condition, results of operations and cash flows.
- The Pipeline requires the services of third parties, including suppliers and contractors of labour material and equipment, which entail certain risks. The Pipeline also requires registrations with the relevant state assistant labour commissioners under the Contract Labour Regulation Act, 1971 for engaging contract labour for its compressor stations. Non-availability of skill of such third parties and at reasonable rates, and any default by its contractors could have an adverse effect on our business, results of operations or financial condition. There is also a risk that we may have disputes with the Pipeline contractors arising from, among other things, the violation of the terms of their contracts. While we will attempt to monitor and manage this risk through performance guarantees, contractual indemnities, disclosure and confidentiality obligations and limitations of liability, it may not be possible for us to protect the Pipeline Business from all possible risks and as a result, our business, results of operations or financial condition could be adversely affected.
- Under the Infrastructure Agreement, 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 SV 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 fulfill 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, PIPL 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.
- Investors may be subject to Indian taxes arising out of capital gains on the sale of the Units and on any dividend or 'interest' component of any returns from the Units.

