

## **INDIA INFRASTRUCTURE TRUST (“TRUST”)**

### **Transcript of the Second Annual General Meeting**

<b>Day &amp; Date of meeting</b>	Friday, September 25, 2020
<b>Duration of the meeting</b>	11.00 a.m. to 11.26 a.m.
<b>Venue</b>	Through Video Conferencing

#### **Attendees:**

##### **Directors of WIP (India) Private Limited (Investment Manager to Trust) (“WIP”):**

- Mr. Sridhar Rengan - Non-executive Director – *Chairperson appointed at the meeting*
- Mr. Rishi Tibriwal - Non-executive Director
- Mr. Chetan R. Desai - Independent Director
- Mr. Narendra Aneja - Independent Director

##### **Invitees:**

- Ms. Neha Jalan - Compliance Officer of the Trust
- Representatives of Axis Trustee Services Limited (acting in its capacity as Trustee of the Trust)
- Scrutinizer appointed by WIP
- Representative of Auditors of the Trust
- Representatives of Pipeline Infrastructure Limited, Special Purpose Vehicle of the Trust (“PIL”)
- Representatives of the 6 Unitholders representing 98.86% of the unit capital of the Trust.

**Ms. Neha Jalan:** I, Neha Jalan, Compliance Officer of India Infrastructure Trust, welcome all the unitholders, Directors of WIP (India) Private Limited - Investment Manager of the Trust and Invitees to the 2<sup>nd</sup> Annual General Meeting of the Trust.

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

Please be informed that the meeting is being conducted through video conferencing in compliance with SEBI InvIT Regulations and circulars issued by SEBI thereunder and is being recorded.

The Annual Report, including the notice of this meeting, was served electronically to all the unitholders within the prescribed timelines and is also available on Trust’s website i.e. [www.indinfratrust.com](http://www.indinfratrust.com).

The documents referred to in the Notice are available for inspection by the unitholders during the Meeting by writing an email to the Compliance Officer at [compliance@pipelineinfra.com](mailto:compliance@pipelineinfra.com).

Investment Manager of the Trust has appointed Mr. Jatin Prabhakar Patil as the Scrutinizer to scrutinize the entire voting process i.e. remote e-voting and e-voting at the Meeting, in a fair and transparent manner. The Scrutinizer is present at the meeting and he will submit his report to WIP by end of the day.

On basis of Scrutinizer's Report, the result of the voting will be announced by the Trust by end of the day, which will then be submitted to BSE Limited and will also be uploaded on the Trust's website.

Representative of Deloitte Haskins & Sells LLP, Auditors of the Trust and Representatives of Axis Trustee Services Limited, Trustee of the Trust are also attending the meeting.

*I now propose to the Unitholders to appoint Mr. Sridhar Rengan, Chairperson of WIP, as the Chairperson for the meeting and request the unitholders to convey their vote in the chat box by writing "Yes" or "No".*

Can I request all the Unitholders to post their votes for Sridhar to be the chairperson, in the chat box.

*(All unitholders present at the meeting consented to appoint Mr. Rengan as the Chairperson of the meeting.)*

With that, I would request Mr. Sridhar Rengan to chair the Meeting and commence the proceedings.

**Mr. Sridhar Rengan:** Thank you Neha.

Thank you and Good Morning to everyone. I welcome each one of you to the 2<sup>nd</sup> Annual General Meeting of the Unitholders of India Infrastructure Trust.

I sincerely hope and pray that you and your family are all safe in this trying times. I have Mr. Chetan Desai, Mr. Narendra Aneja and Mr. Rishi Tibriwal, Directors of the Investment Manager, joining me through VC in this meeting from their respective locations.

I confirm that:

- the Meeting is being attended by 6 Unitholders representing 98.86% of the unit capital of the Trust and the Trust has received the necessary corporate authorizations from the unitholders. The quorum being present, I call the meeting to order.
- All reasonable efforts have been made by Investment Manager, to enable unitholders to participate and vote on the items being considered at the meeting
- Facility for remote e-voting was open for unitholders till Tuesday, 22<sup>nd</sup> September, 2020 till 6:00 p.m. and the facility for e-voting at the meeting is also available for unitholders.
- Only those unitholders who have not casted their votes through remote e-voting are eligible to cast their vote at the meeting.
- Voting process will be verified and scrutinized by Scrutinizer who will submit his report to the Chairperson after the meeting.
- With the permission of the Unitholders present at the meeting, I take the Notice of the 2<sup>nd</sup> Annual General Meeting as read.

Before we take up the agenda items I have the CEO of PIL - Mr. Akhil Mehrotra and the CFO of PIL - Mr. Kunjal Thacker, joining the meeting through VC from their respective locations. I am now requesting Mr. Mehrotra to give a brief update on the performance of business and probably he can spend couple of minutes and then there will Q&A session post the reading of agenda, which will allow the unitholders to post any questions to the Management.

**Mr. Akhil Mehrotra:** Thank you Sridhar and Good Morning to all. I will give brief overview on the performance of PIL, while Mr. Kunjal Thackar will provide an update on financial performance.

As you all know, this has been an unprecedented year, economy is in trouble, we have seen minus 24% growth rate in last quarter, but we are lucky that we are in Energy Sector.

There have been downside in gas volumes in April & May, but I think most of the volumes have come back as we sit today in oil and gas sectors. In Comparison, gas and other fuels like petrol & diesels, are minus 6-7% only. We have recovered faster than many other sectors, which is a blessing, because energy is an essential commodity. Our HSE performance has been great. We, as a Company have clocked around 1,655 days without any loss time incident, that's been fantastic and we have also clocked 10.93 million cumulative man hours without any incidents. These two statistics tell us that HSE performance of PIL has been in top quartile.

In terms of operations of the Pipeline, our Pipeline availability and reliability remains near 100%, which is also one of the top quartile performance and there have been no major breakdowns during the year. Our system availability, all the compressors or major equipment availability, is around 99%, which is again a great performance.

In terms of Projects, we have been doing some projects, which is connectivity to many new city gas projects across our pipelines, most of these projects are now mechanically complete. We are waiting for the CGDs for connectivity and some of them have got delayed because of the roll out of city gas companies themselves. In terms of new gas availability, we expect the same by November and December, lot of new gas will start coming from the KGD6, which will increase the volumes going forward.

In terms of Man power, our man power attrition has been low, almost 3-4%, which is fantastic, which also shows the kind of culture we have developed in the Company to be the best place to work.

I request Mr. Kunjal Thackar to give the update on financial performance.

**Mr. Kunjal Thackar:** Thank you and Good Morning to all.

For the financial performance, I will draw your attention to page no. 98 to 100 of Annual Report of the Trust, we have performed very well. Considering we are in energy sector and our SPV i.e. PIL deals only with major customers and there is no delay in any receipt even during Covid times. This was the 1<sup>st</sup> full year of operations of the Trust.

Our revenue from operations was Rs. 664.7 crores. Fair value gain on NCDs referred in the financials is an accounting adjustment that will unwind going forward but, keeping this Rs. 1817 crores profit aside also, we have had good performance for full year, all expenses were as expected and finance cost looks substantial because till 23<sup>rd</sup> March, 2020, loan was in Trust and then loan moved out to SPV and that is why there is financial cost and after this also our profit is healthy at Rs. 2340 Crores, Rs. 523 crores excluding FVTPL, next year we expect our profit to increase over this.

In Trust, all income from SPV is a pass through and there is no tax on it, but there is a minor tax expenditure on other income. So, at standalone level even PAT we are in profit of Rs. 2,339 crores, however, at consolidated level there is a loss (refer page 122), because SPV is in loss, but in next 2 years SPV is expected to become profitable.

SPV is at loss because right now utilization is low, but as KGD6 starts performance and ONGC comes in, then in next 2 years even on consolidated level we expect profit. This was a brief on financials. Anybody having any questions on it then happy to answer.

**Mr. Sridhar Rengan:** We will take up the questions after the agenda items. Thank you Mr. Mehrotra & Mr. Thackar.

Congratulations to you all for the great performance in this trying times. I am now taking up the following agenda items as per the Notice:

**Agenda Item No. 1** relates to consideration and adoption of the Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended 31<sup>st</sup> March, 2020 together with the Report of Investment Manager and Auditors thereon;

**Agenda Item No. 2** relates to the consideration and adoption of the Valuation Report of the assets of the Trust for the financial year ended 31<sup>st</sup> March, 2020, issued by M/s. BDO Valuation Advisory LLP, Registered Valuer, who were appointed as the Valuer of the Trust;

**Agenda Item No. 3** relates to appointment of the Auditors of the Trust for the financial year 2020-21 and authorizing the Investment Manager to fix their remuneration; and

**Agenda Item No. 4** relates to appointment of Valuer of the Trust for the financial year 2020-21 and authorizing the Investment Manager to fix their remuneration.

The Unitholders who wish to speak or have any query on the agenda items or any comments on the performance laid out by Mr. Mehrotra & Mr. Thackar earlier, may post their question in the chat box or click on the "Raise Hand" tab available on the screen.

So this is the Q&A Session in which I would want the unitholders to post questions if any.

**Ms. Neha Jalan:** *So, we have received 2 questions from the Unitholders, I would request if we can answer:*

**Q. Reasons for High tax liability, while the loss has reduced**

**Mr. Sridhar Rengan:** Mr. Thackar, if you would like to take that up.

**Mr. Kunjal Thackar:** At standalone level, we are at profit. So I wanted to understand that question, whether it is on consolidated level or standalone level. And when I explained financial performance, I explained that on standalone level we are at profit and there is some tax which has come in because of other income.

**Mr. Prashant Shah (Representative of Serum Institute):** Can you please elaborate a bit more on the reasons for the loss at the SPV level versus profit at standalone level?

**Mr. Kunjal Thackar:** Trust has only one SPV i.e. PIL. PIL has incurred loss since the volumes are lower, however there is cash flow guaranteed to PIL through a certain mechanism. Therefore in cash flows we are protected. So, in Trust, because of steady interest income from PIL, there was Rs. 664 crores of interest income resulting in profits at standalone level, whereas at consolidated level we are at loss.

Mr. Prashant, I hope that answers your question.

I think Bank of Baroda had that question, so are they happy with the answer or they need some more clarification.

**Mr. Vinod Kumar (Representative from Bank of Baroda)**: Yes, it's clear now.

**Mr. Kunjal Thacker**: Thank you.

**Ms. Neha Jalan**: One more question we have

**Q. When will the Trust expect to come to PAT level.**

**Mr. Kunjal Thacker**: At standalone level, we are at PAT right now also, so I hope that question was at consolidated level and that's why I said in my explanation that in next 2 years we expect to come at PAT level, at consolidated level.

**Mr. Akhil Mehrotra**: Yes, because as I said in my opening remarks that we expect new gas to start in this November & December, which will ramp up from East coast in 1 and 1.5 year.

**Mr. Vinod Kumar**: Okay.

**Mr. Sridhar Rengan**: Any other questions from the Unitholders.

Fine, Thanks a lot. We will now commence the e-voting process for voting at the meeting and I would request Ms. Jalan to brief the unitholders on the voting process.

**Ms. Neha Jalan**: Thank you Sridhar.

- Link for e-voting will be shared in the chat box (please click on the message icon on your teams window to access the chat box)
- E-voting shall be exercised by only those Unitholders who have not exercised their option of remote e-voting earlier.
- In case a Unitholder who has already exercised their vote through remote e-voting also votes at the meeting, his votes cast earlier through remote e-voting will be considered.
- You are requested to click on the link and fill in the required details i.e. Name of the unitholder, DP ID/Client ID, No. of Units held and give your assent or dissent on all the 4 resolutions (In case you require any assistance with the details, please use the chat box or call on the designated numbers mentioned in the notice).
- You are requested to verify all the details before submitting the form and then Click on Submit.
- Multiple representatives attending on behalf of the Unitholder are requested to submit the form only once.

I will be now sharing the e-voting link in the chat box and the e-voting window will remain open for 30 minutes. I request the unitholders who have not exercised their vote through remote e-voting to complete the voting through the link and use the chat box to confirm once they complete the voting.

*(E-voting at the meeting commenced)*

Also, can I request the unitholders who have already voted through remote e-voting to confirm that they have already voted.

*(After receipt of confirmations from all the unitholders present at the meeting)*

Considering that all the unitholders present at the meeting have confirmed their voting either through remote e-voting or e-voting at the meeting, I would request Mr. Rengan to close the meeting.

**Mr. Sridhar Rengan:** Thank you Neha.

Considering that all the unitholders who are present at the meeting and are eligible to vote have completed their e-voting, I now conclude the meeting.

Please note that, on the basis of the Scrutinizer's Report, results of the voting will be announced by the Trust by end of the day and will be submitted to BSE Limited and also uploaded on the website of the Trust.

Thank you everyone for your presence.