

DIGITAL FIBRE INFRASTRUCTURE TRUST

1ST ANNUAL REPORT

FINANCIAL YEAR 2020-21

CONTENTS

Particulars	Page no.
Corporate Information	2
Report of the Investment Manager of Digital Fibre Infrastructure Trust for the year ended March 31, 2021	3
Standalone Financial Statements	75
Consolidated Financial Statements	99

CORPORATE INFORMATION

<p>Digital Fibre Infrastructure Trust (the “Trust”) SEBI Registration Number: IN/InvIT/18-19/0010 Principal Place of Business: 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai – 400 021 Tel: +91 22 3555 5000 Fax: +91 22 3555 5560 Email: digital.fibre@zmail.ril.com</p> <p>Compliance Officer of the Trust: Ms. Sneha Raheja</p>	<p>Investment Manager of the Trust Infinite India Investment Management Limited CIN: U74140MH2006PLC163489 Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025 Tel: +91 22 6630 3030 Fax: +91 22 6630 3223 Email: mcainfinity@jmfl.com</p>
<p>Auditors M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Firm Registration Number: 117366W/W-100018 One International Centre, Tower 3, 31st Floor Senapati Bapat Marg Elphinstone Road (West) Mumbai – 400 013 Maharashtra, India Tel: + 91 22 6185 4000 Fax: +91 22 6185 4501</p>	<p>Trustee of the Trust Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400 028 Tel: + 91 22 6230 0451 Fax: +91 22 6230 0700 E-mail: debenturetrustee@axistrustee.com</p>
<p>Valuer M/s. BDO Valuation Advisory LLP, Registered Valuer IBBI Registration Number IBBI/RV-E/02/2019/103 The Ruby, Level 9, North East Wing, Senapati Bapat Marg, Dadar West, Mumbai-400028, India Tel: +91 22 6277 1600 Fax: +91 22 6277 1700 Email: latamore@bdo.in</p>	<p>Registrar and Transfer Agent of the Trust KFin Technologies Private Limited (Unit: Digital Fibre Infrastructure Trust) Selenium Tower B, Plot 31-32, Financial District, Nankramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: digitalfibre.invit@kfintech.com</p>

REPORT OF THE INVESTMENT MANAGER OF DIGITAL FIBRE INFRASTRUCTURE TRUST FOR THE YEAR ENDED MARCH 31, 2021

Digital Fibre Infrastructure Trust (the “**Trust**”/ “**DFIT**”/ “**InvIT**”) was established by Reliance Industrial Investments and Holdings Limited (the “**RIIHL**”/ “**Sponsor**”) on January 31, 2019, as a contributory irrevocable trust under the provisions of the Indian Trust Act, 1882 pursuant to an ‘Indenture of Trust’ executed between the Sponsor and Axis Trustee Services Limited as the “**Trustee**” of the Trust. Infinite India Investment Management Limited (the “**IIIML**”) is the investment manager of the Trust and Jio Infrastructure Management Services Limited is the Project Manager. The Trust was registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (the “**SEBI InvIT Regulations**”) on March 20, 2019, having registration number IN/InvIT/18-19/0010. The Indenture of Trust was amended vide amendment to Indenture of Trust dated September 21, 2020 and again on November 4, 2020.

The Trust has been established with the objective of undertaking activity as an Infrastructure Investment Trust in accordance with the SEBI InvIT Regulations. The Trust holds 51% of the equity share capital in Jio Digital Fibre Private Limited (the “**JDFPL**”/ “**Fibre Co.**”) which operates a pan-India network of operational optic fibre cable network of over 20.00 million fibre pair kilometers (the “**FPKM**”). JDFPL’s fibre network consists of inter-city or National Long Distance (the “**NLD**”) network, intra-city network and Fibre to the home (“**FTTH**”) network. JDFPL offers telecommunication operators, under long-term contracts, each of the individual categories of NLD and intra-city including FTTH and Enterprise Access networks of its fibre infrastructure on a whole sale basis in the form of designated number of fibre pairs.

The Trust undertook an initial offer of its units (the “**Units**”) vide placement memorandum dated September 29, 2020 and raised Rs.14,706 crore by the issue of 147,06,00,000 Units at an issue price of Rs.100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE INVESTMENT MANAGER AND DETAILS OF ASSETS OF THE TRUST

Economic Overview

Global Economy

The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with Covid-induced lockdowns. Despite the steep global decline in CY 2020, global GDP decline was lower than initially feared primarily due to unprecedented monetary policy support from global central banks and fiscal stimulus from governments. The global economy is expected to see a rebound in 2021 with the International Monetary Fund (IMF) expecting 6% growth, with US stimulus and vaccine optimism leading to further opening up of the economies. The growth recovery is likely to be led by the US and China – the US is estimated to grow 6.4% in 2021 and China by 8.4%. Governments and Central Banks are expected to maintain supportive policies until the recovery is firmly underway. The strength of recovery will depend on vaccine roll-out.

Indian Economy

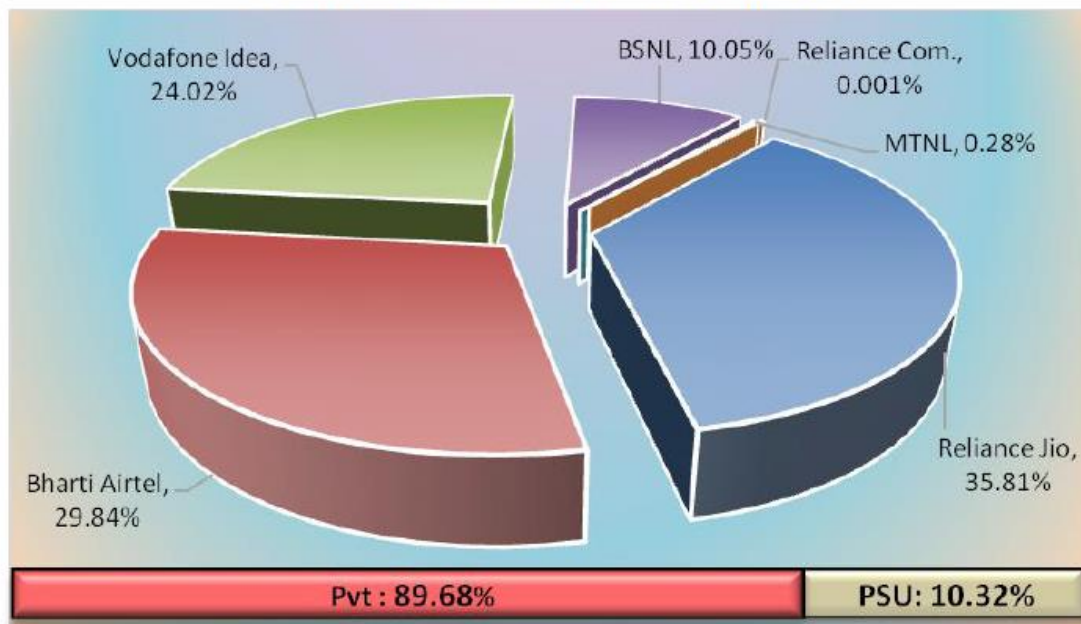
The Indian economy is estimated to decline by 8% in FY 2020-21, the first year of contraction since 1980. India's economic decline was sharper than other key economies due to strict and early lockdowns to control the spread of Covid-19. The Reserve Bank of India (the "RBI"), and the central and state governments provided critical support to the economy during the crisis. The RBI maintained loose monetary policy, cutting repo rates by 115 bps during early CY 2020. To keep funding markets easy, the RBI maintained liquidity surplus through various monetary measures.

Telecom sector

The number of telephone subscribers in India increased to 1,201.20 million at the end of March 2021. Urban telephone subscription increased to 663.77 million and the rural subscription also increased to 537.42 million during the same period. The overall Tele-density in India increased to 88.17 at end of March 2021 with Urban Tele-density at 141.03 and Rural Tele-density at 60.27.

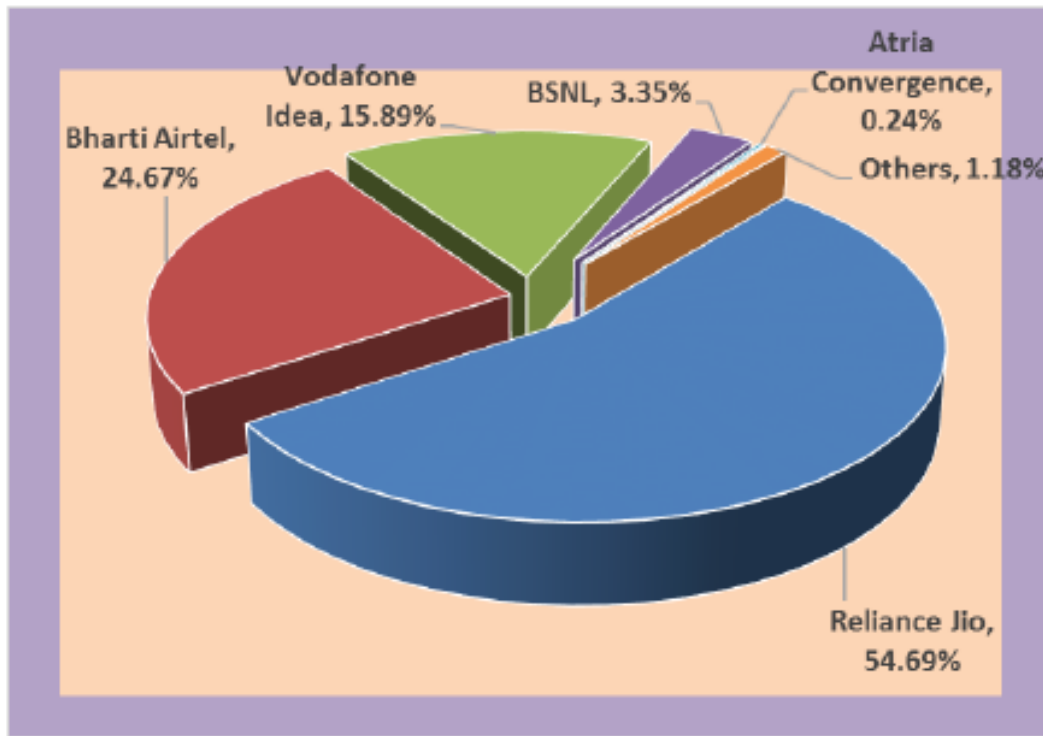
Total wireless subscribers increased to 1,180.96 million at the end of March 2021 with wireless subscription in urban areas at 645.20 million and in rural areas at 535.75 million. As at March 31, 2021, the private access service providers held 89.68% market share of the wireless subscribers whereas BSNL and MTNL, the state owned enterprises held market share of 10.32%.

Access Service Provider-wise Market Shares in term of Wireless Subscribers as on 31st March, 2021



The number of broadband subscribers increased to 778.09 million at the end of March 2021 with Reliance Jio Infocomm Limited (the "RJIL") having the largest market share in terms of broadband subscribers at 54.69%.

Service Provider-wise Market Share of Broadband (wired + wireless) Services as on 31st March 2021



Asset Overview

Operational Performance

The 'Fibre Infrastructure Business' was demerged into JDFPL from RJIL pursuant to a scheme of arrangement with effect from close of business hours March 31, 2019.

During the current financial year, JDFPL entered into an amended and restated fibre and duct use agreement which came into effect from September 29, 2020. JDFPL also entered into amended and restated operations and maintenance agreement as well as amended and restated project execution agreement.

During the financial year ended March 31, 2021, JDFPL built additional fibre network to take the total FPKM capacity to 20.20 million FPKM and the route kilometer ("RKM") to 6,64,405 RKM. Total capex incurred during the financial year ended March 31, 2021 was Rs. 16,308 crore.

Financial Performance

Brief details of financial performance of DFIT on consolidated basis for the year ended March 31, 2021 is provided below:

(Rs. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from operations	76,398	61,257
Other income	242	136
Total income	76,640	61,393
Profit / (loss) before taxes	(65,942)	(69,054)
Loss for the year	(48,149)	(51,747)
Attributable to Unitholders	(42,011)	(66,393)
Attributable to non-controlling shareholders	(6,138)	14,646

Revenue from operations increased by 24.7% during the financial year ended March 31, 2021 primarily on account of increase in fibre off-take by RJIL as well as revised rates pursuant to the amended and restated fibre and duct use agreement coming into effect from September 29, 2020.

During the year, DFIT executed a long term (30 year) borrowing agreement with Sikka Ports & Terminals Limited (the “SPTL”) and Jamnagar Utilities and Power Private Limited (the “JUPL”) for Rs.25,000 crore. Further, JDFPL achieved financial closure with senior lenders in December 2020 which involved refinancing of existing borrowings as well as sanctions for additional borrowing to meet capex requirements. The increased borrowings led to increase in finance cost by 6.3%.

Additional capex led to increased depreciation costs during the year by 6.9%. Further other expenses increased substantially to Rs.2,507 million in the financial year ended March 31, 2021 from Rs.150 million in the financial year ended March 31, 2020. The increase was primarily attributable to fair valuation of put / call option (net) of Rs.2,252 million under the shareholders and option agreement entered into by the Trust (acting through the Trustee), the investment manager, the Sponsor, Reliance Industries Limited and JDFPL.

Due to the above, the losses before taxes for the year decreased to Rs.65,942 million and post adjustment of deferred taxes, the losses for the year decreased to Rs.48,149 million.

Health, Safety and Environment (the “HSE”)

We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in our operations. Our HSE program involves a combination of (a) training including (i) online HSEF training at the time on on-boarding of SP resources (ii) defensive driving classroom training (iii) electrical safety classroom training and (iv) fibre safety classroom training; (b) PPE issuance (such as safety helmets, safety shoes, goggles, full body harness and reflective jackets) at the stage of on-boarding; (c) HSE audit; and (d) R&R program. The HSE compliance is regularly monitored.

Future Business Outlook

We continue to remain confident on the future business outlook of JDFPL. We believe that the breadth of our fibre assets and our pan-India coverage position us well to capture growing demand for fibre from likes of both mobile and broadband service providers. We intend to

actively market our fibre assets to new 3rd party customers to generate additional sources of revenue and cash flows over time.

Details of Trust's holding in JDFPL's debt

The Trust has extended loans aggregating Rs.39,706 crore to JDFPL as under:

- (a) Trust Loan 1: Trust has extended Rs.14,706 crore from the proceeds of the issuance of Units to JDFPL pursuant to 'Staggered Interest Loan' agreement entered into with JDFPL. JDFPL during the year has paid Rs.7,184 million to the Trust towards Trust Loan 1.
- (b) Trust Loan 2: Trust has extended Rs.24,720 crore from the proceeds of its borrowings from SPTL and JUPL to JDFPL pursuant to 'Fixed Interest Loan' agreement entered into with JDFPL. JDFPL during the year has paid Rs.7970 million to the Trust towards Trust Loan 2. Additionally, JDFPL during the year has paid Rs. 17 million as interest paid in advance to the Trust.
- (c) Trust Loan 3: Trust has extended Rs.280 crore from the proceeds of its borrowings from SPTL and JUPL to JDFPL pursuant to 'Trust Loan 3' agreement entered into with JDFPL. No interest is payable on Trust Loan 3.

FINANCIAL INFORMATION AND OPERATING EXPENSES OF THE TRUST

Summary of Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2021, is as follows:

(Rs. In Millions)

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2020	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	15,439	76,640	-	61,393
Total Expenditure	10,675	142,582	306	130,447
Profit / (Loss) before tax	4,764	(65,942)	(306)	(69,054)
Less: Provision for tax				
Current tax	-	-	-	-
Deferred tax	-	(17,793)	-	(17,307)
Profit/(Loss) for the period	4,764	(48,149)	(306)	(51,747)
Other comprehensive income	-	0	-	-
Total comprehensive income/(loss) for the period	4,764	(48,149)	(306)	(51,747)

Key operating expenses of the Trust for the financial year ended March 31, 2021, are as follows:

(Rs. In millions)

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Interest	8,363	237
Fair Value of Put/Call option (net)	2,252	-
Management Fees	24	24
Project Management Fees	24	24
Professional Fee	9	3
Audit Fee	2	18
Trusteeship fees	2	2

Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2021 along with the Report of Auditors thereon forms part of this Annual Report.

DETAILS OF UNITS ISSUED BY THE TRUST

The Trust undertook an initial offer of its units vide placement memorandum dated September 29, 2020 and raised Rs.14,706 crore by the issue of 147,06,00,000 Units at an issue price of Rs.100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

Credit Rating

Jio Digital Fibre Private Limited incorporated as a Special Purpose Vehicle received a rating of CARE AAA/Stable for long term bank facilities aggregating to Rs. 40,000 crore; and a rating of CARE AAA/Stable for Non-Convertible Debentures aggregating to Rs. 25,342 crore. Additionally, it has received a rating of CRISIL AAA/Stable for long term bank loan facilities aggregating to Rs. 50,000 crore.

SUMMARY OF THE VALUATION AS PER THE FULL VALUATION REPORT AS AT THE END OF THE YEAR

As per SEBI InvIT Regulations and amendments thereon, an annual valuation of the assets of the Trust are conducted by an independent valuer at the end of the financial year ending as on March 31. For this purpose, the Trust and Investment Manager appointed BDO Valuation Advisory LLP (“the **Valuers**”) to carry out fair valuation of the InvIT Assets in accordance with the SEBI InvIT Regulations as on March 31, 2021 (the “**Valuation Date**”).

The Valuers have estimated the Enterprise Value of the InvIT Asset using Discounted Cash Flows (“DCF”) method under the Income Approach. For the purpose of this valuation exercise, they were provided with the financial projections of JDFPL by the management of the Trust as on the valuation date. The projections were based on the best judgement of the Management on the future cash flows.

Based on the methodology and assumptions discussed above, the Enterprise Value (“EV”) of JDFPL is arrived at Rs. 1,86,206.2 Crore as on the Valuation Date.

VALUATION OF ASSETS AND NET ASSET VALUE (“NAV”)

The Net Asset Value of Trust is arrived at using Net Asset Value method by considering the value of the Trust Loan 1 + Trust Loan 2 + Trust Loan 3 + value of the equity shares of JDFPL held by the Trust less the InvIT Loan less consideration payable for the Novation Agreement less fair value of liability recorded for the valuation of options under the Shareholders and Option Agreement (the “**SHOA**”) as on March 31, 2021. The net asset value of the Units of the Trust has been determined at Rs. 98.39 per Unit (rounded off).

Standalone Statement of Net Assets of the Trust as at March 31, 2021 as per the Audit report dated June 16, 2021:

Particulars	Book value as at March 31, 2021 (In Rs.)	Fair value as at March 31, 2021 (In Rs.)
A. Assets	400,00,28,74,008	400,00,28,74,008
B. Liabilities	255,30,90,24,321	255,30,90,24,321
C. Net Asset (A-B)	144,69,38,49,687	144,69,38,49,687
D. Number of Units	147,06,00,000	147,06,00,000
E. NAV per Unit (C / D)	98.39	98.39

NAV per Unit is not applicable for the prior periods as the initial offer of the Units was undertaken only on September 29, 2020.

INVESTMENT MANAGER (“IM”) OF THE TRUST

Infinite India Investment Management Limited was appointed as the IM of the Trust pursuant to the provisions of SEBI InvIT Regulations and the Investment Management Agreement dated January 31, 2019, (Original IMA), executed between Infinite India Investment Management Limited and Axis Trustee Services Limited, in the capacity of Trustee to the Trust (the “**Trustee**”). The said Investment Management Agreement was amended on September 21, 2020 and again on November 4, 2020 (the “**Amended and Restated Investment Management Agreement**”).

A. Details of Infinite India Investment Management Limited (Investment Manager) as on March 31, 2021

The Investment Manager is a wholly owned subsidiary of JM Financial Limited. The Investment Manager has over 10 years of experience in fund management, being the investment manager of JM Financial Property Fund, a real estate focused venture capital fund registered with the SEBI under the SEBI VCF Regulations.

Further, neither the Investment Manager nor any of the promoters or directors of the Investment Manager: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are persons who are categorized as wilful defaulters by any bank or financial institution, as defined under the Companies Act, 2013, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI.

Further, in accordance with the eligibility criteria specified under the SEBI InvIT Regulations, the Investment Manager had a consolidated net worth of not less than Rs. 100 million as on March 31, 2021.

Board of Directors of the Investment Manager

1. Mr. Vishal Nimesh Kampani – Non-Executive Chairman (DIN – 00009079)

Mr. Vishal Kampani, is a Master of Commerce from University of Mumbai and has completed his M.S. (Finance) from London Business School, University of London.

Mr Kampani is currently also the Managing Director of JM Financial Limited (“JMFL”), the holding company of the Investment Manager. In his professional career spanning over 24 years, Mr Kampani has worked as a senior banker in the investment banking division of JM Morgan Stanley, which was then a joint venture between the Sponsor Group and Morgan Stanley, where he was responsible for building and maintaining key client relationships, procuring and overseeing the execution of business transactions, advising corporate clients in raising capital, etc.

Prior to working in India, Mr Kampani also worked with Morgan Stanley Dean Witter & Co. in New York, in the equity capital markets group, where he was involved in structuring creative products for the firm’s clients most of whom were Fortune 500 companies.

2. Ms. Dipti Neelakantan – Non-Executive Director (DIN – 00505452)

Ms. Dipti Neelakantan retired in mid 2019 as Group Chief Operating Officer and part of the Firm Management at JM Financial Group. She has over four decades of professional experience in the financial and capital markets. Ms. Neelakantan joined the JM Financial group in the year 1981 as a trainee and grew in various disciplines and position.

Her bouquet of experience consists of various capacities, locations and disciplines spanning across corporate governance, risk management, financial structuring, end to end delivery of capital market transactions, mergers and acquisition advisory, non-banking financial activities, active engagement for regulatory approvals, syndication, compliance, stock broking, fund management, sales and distribution of financial products.

Having been a director of various companies in JM Financial group for several years, she has a deep understanding of Board procedures, responsibilities and governance angles as well as corporate risk management.

During her career, she has been actively engaged with various policy makers including SEBI and RBI for development of regulatory framework and continuous reforms in financial and capital markets.

She has been a member of various committees of SEBI. She is also a member of FICCI’s Capital Market Committee and CII’s National Committee on Financial Markets.

Ms. Neelakantan is a fellow member of the Institute of Company Secretaries of India and a graduate in Commerce from Sydenham College, Mumbai.

3. Mr. Shailesh Shankarlal Vaidya – Independent Director (DIN – 00002273)

Mr. Shailesh Vaidya is a practicing Advocate and Solicitor. He is a partner in Messrs. Kanga and Company, a reputed firm of Advocates & Solicitors, which is more than 131 years old law firm in Mumbai. He has completed his law graduation from Government Law College, Mumbai in the year 1981 and became a Solicitor in the year 1983. He is a partner of Messrs. Kanga and Company, Solicitors, since the year 1985.

In his professional capacity, Mr. Vaidya is a Director in several public / private limited companies, including Apcotex Industries Limited, Excel Industries Limited, Powerica Limited etc. He specializes in Property and Corporate Law matters. His name and firm reference features in “Guide to the World’s Leading Real Estate Lawyers”, 7th Edition, published by Legal Media Group, United Kingdom. His firm has been awarded India Business Law Journal Award for best legal practice in “Construction and Real Estate” from 2008 to 2020. His firm is also ranked by LEGAL 500 and Chambers Asia Pacific as one of the top Firms in Real Estate. Asia Law, 2020 mentions him as a leading lawyer in Real Estate.

Mr. Vaidya is a past President of the prestigious Indian Merchant’s Chamber (now known as IMC Chamber of Commerce and Industry). He has been past President of Rotary (centennial year) of the Rotary Club of Bombay Queen City and also associated as Trustee / advisor with several educational / social organizations.

4. Mr. Rajendra Dwarkadas Hingwala – Independent Director (DIN – 00160602)

During his 38 years of service as Director / Partner with PricewaterhouseCoopers Private Limited (PwC), Mr. Rajendra Hingwala’s area of work included advising on various provisions of Double Taxation Avoidance Agreements, direct and indirect tax implications of acquiring undertakings / companies, structuring of business transactions, compliance of tax laws including litigation support and structuring of investment by foreign entities in India through various investment routes.

The InvIT Committee of the Board of Directors of the Investment Manager (“InvIT Committee”)

The Board of the Investment Manager, at its meeting held on July 21, 2020, had constituted the InvIT Committee for managing and administering the Trust and its assets in accordance with the SEBI InvIT Regulations and other applicable laws and had also approved the terms of reference of the Committee.

Details of the holding of the Investment Manager and its Directors in the Trust

During the year under review neither the Investment Manager nor any of its Director held any units of the Trust.

Net Worth of Investment Manager

Net Worth of the Investment Manager as per its latest Annual Audited Standalone Financial Statements for the financial year ended March 31, 2021 is in line with the requirement specified under regulation 4(2)(e) of the SEBI InvIT Regulations.

Functions, Duties and Responsibilities of the Investment Manager

The functions, duties and responsibilities of the Investment Manager of the Trust, were in accordance with the SEBI InvIT Regulations. Half of the Directors on the Board of the Investment Manager are Independent Directors having extensive and relevant experience.

B. Codes/Policies

In line with the requirements of SEBI InvIT Regulations and in order to adhere to the good governance practices for the Trust, the Investment Manager has adopted various policies and codes in relation to the Trust, which are explained as under:

1. Distribution policy

The Distribution Policy provides a structure for distribution of the net distributable cash flows of the Project SPV to the Trust and the Trust to the Unitholders.

2. Policy on appointment of Auditor and Valuer

This Policy on appointment of Auditor and Valuer provides a framework for ensuring compliance with applicable laws with respect to appointment of auditor and Valuer to be followed by the Trust.

3. Borrowing policy

The Borrowing policy has been adopted to outline the process for borrowing monies in relation to the Trust, to ensure that all funds borrowed in relation to the Trust are in compliance with the SEBI InvIT Regulations.

4. Policy on Related Party Transactions

The Policy has been adopted to regulate the transactions of the Trust with its Related Parties based on the laws and regulations applicable to the Trust and best practices.

5. Policy for Determining Materiality of Information for Periodic Disclosures

The policy outlines the process and procedures for determining materiality of information in relation to periodic disclosures required to be made to trustee and the unitholders in relation to the Trust.

SPONSOR OF THE TRUST

Reliance Industrial Investments and Holdings Limited (the “**Sponsor**”/“**RIIHL**”) is the Sponsor of the Trust. The Sponsor was incorporated in India under the Companies Act, 1956. The Sponsor was originally incorporated on October 1, 1986 as Trishna Investments and Leasings Private Limited. The Sponsor was considered as a ‘deemed’ public company under Section 43A of the Companies Act, 1956 with effect from August 20, 1988 and accordingly,

the word ‘private’ was deleted. Subsequently, the name of the Sponsor was changed from Trishna Investments and Leasings Limited to Reliance Industrial Investments and Holdings Limited and a fresh certificate of incorporation was issued on August 6, 1993. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai has, by its order dated December 28, 2018, confirmed the alteration of the memorandum of association of the Sponsor for shifting the registered office from Maharashtra to Gujarat. Currently, the corporate identity number of the Sponsor is U65910GJ1986PLC106745.

The Sponsor’s registered office is situated at Office - 101, Saffron, Near Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad Gujarat 380 006.

There has been no change in the Sponsor during the financial year ended March 31, 2021 and as on the date of this Report.

Board of Directors of the Sponsor

Brief Profiles for each of the Directors of the Sponsor as on March 31, 2021:

1. Mr. Hital R. Meswani – Director (DIN – 00001623)

Mr. Hital R. Meswani is the Director of the Sponsor since October 20, 2003. He holds Management & Technology graduate from the University of Pennsylvania (UPenn) in the USA, Bachelor of Science in Chemical Engineering from the School of Engineering and Applied Sciences, UPenn, and a Bachelor of Science in Economics from the Wharton Business School.

Mr. Meswani’s overall responsibility in Reliance group spans the Petroleum Refining and Marketing Business, Petrochemicals Manufacturing and several corporate functions. He has been involved with almost all mega initiatives of the group through its growth journey. He was instrumental in execution of the world class petrochemicals complex at Hazira and the mammoth Reliance Jamnagar Refinery complex, the largest in the world at any single location. He had also led a company-wide business transformation initiative, which has resulted in the development of the constitution of RIL – the Reliance Management System.

2. Mr. Vinod M. Ambani - Director (DIN – 00003128)

Mr. Vinod M. Ambani is the Director of the Sponsor since June 30, 2005. He is a Commerce Graduate, Chartered Accountant and Diploma holder in Tax Management from Bombay University.

He has more than five decades of experience and wide spectrum of knowledge in the field of corporate law, legal, compliance, secretarial, accounts, taxation, insider trading etc.

3. Mr. M. N. Bajpai - Director (DIN – 00005963)

Mr. M.N. Bajpai is the Director of the Sponsor since June 30, 2005. He is a Science Post-Graduate with specialization in Physics. He has had a brilliant academic career. His areas of specialization include Direct Taxes and International Taxes.

He joined Indian Revenue Services in 1974. He had initial assessment exposure in big companies like Hindustan Lever, Bharat Petroleum, Caltex, Indian Organic and several other companies in Mumbai. He has functioned as Assistant Director as well as Additional Director

in Regional Training Institute in Lucknow for approximately 8 years. He has been Departmental Representative in ITAT, Mumbai and after promotion posted as Member, Appropriate Authority, Ahmedabad. Post Voluntary Retirement in 1998, Shri M.N. Bajpai has been functioning as a Consultant of Corporate Taxes with Reliance group till date and handling all Direct Tax and International Tax Matters.

4. Ms. Savithri Parekh - Director (DIN – 00274934)

Ms. Savithri Parekh is the Director of the Sponsor since March 28, 2019. Ms. Savithri Parekh has 28 years of experience. Prior to joining Reliance, she was the Sr Vice President Legal & Company Secretary of Pidilite Industries Ltd for 9 years. She has worked in VFS Global Services Pvt Ltd (a company engaged in outsourcing of visa facilitation services where she handled work in multiple jurisdictions), real estate fund, print and electronic media (publishers of The Telegraph, Business-world etc), pharmaceutical, textiles & Chemicals industry.

She has been a guest faculty at IIM Kolkata for over 10 years and has also authored three books on Companies Act, 2013 and another on Listing Regulations.

5. Mr. Dhiren V. Dalal - Director (DIN – 01218886)

Mr. Dhiren V. Dalal is the Director of the Sponsor since March 31, 2015. He is a Commerce Graduate and a Fellow Member of the Institute of Chartered Accountants of India.

He is a Practicing Chartered Accountant and has a wide spectrum of knowledge and experience in the field of audit, finance and accounts and non-banking financial companies. He has been an Auditor of various registered Non-Banking Financial Companies.

6. Mr. Balasubramanian Chandrasekaran - Director (DIN – 06670563)

Mr. Balasubramanian Chandrasekaran is the Director of the Sponsor since March 31, 2015. He is a Commerce Graduate, CAIIB and an alumni of IIM Ahmedabad.

He has a wide spectrum of knowledge and experience in the field of banking and finance and accounts. He has also worked with SREI Infrastructure Finance Limited as Head – Treasury from April, 2011-March, 2013 and with Reliance Industries Limited as Senior Vice President-Banking and Finance from October, 1992-June, 2010.

TRUSTEE OF THE TRUST

Axis Trustee Services Limited is the Trustee of the Trust (the “Trustee”). The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000494 and is valid until suspended or cancelled. The Trustee’s registered office is situated at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 and corporate office is situated at The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai- 400 028.

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. As Trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and

management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safe-keeper; (v) a trustee to real estate investment funds etc.

The Trustee confirms that it has and undertakes to ensure that it will at all times, maintain adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance with the INVIT Regulations, the Indenture of Trust and other applicable law.

The Trustee is not an Associate of the Sponsor, or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) is a promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are persons who are categorized as wilful defaulters by any bank or financial institution, as defined under the Companies Act, 2013, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Board of Directors of the Trustee

Details of the Board of Directors of the Trustee as on March 31, 2021 are mentioned below:

Sr. No.	Name of Director	Designation	DIN
1.	Rajesh Kumar Dahiya	Non-Executive Director	07508488
2.	Ganesh Sankaran	Non-Executive Director	07580955
3.	Sanjay Sinha*	Managing Director and Chief Executive Officer	08253225

*Mr. Sanjay Sinha has retired from the Board w.e.f. April 30, 2021 and Ms. Deepa Rath has been appointed as a director on the Board w.e.f May 1, 2021.

Brief profile of the directors is provided below:

1. Mr. Rajesh Kumar Dahiya

Mr. Rajesh Kumar Dahiya is a non-executive director on the Board of the Trustee.

Mr. Rajesh Kumar Dahiya, Executive Director, Axis Bank Ltd, is an Engineer with a Masters in Management. Before joining Axis Bank in June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales.

In his current role as Executive Director, he supervises all functions under Corporate Centre viz. Internal Audit, Human Resources, Compliance, Company Secretary, Corporate Communications, Corporate Real Estate Services, Chief Business Relations Officer (CBRO), Corporate Social Responsibility, Ethics & Sustainability and law.

In addition, Mr. Dahiya also oversees the functioning of the Axis Bank Foundation. He is also on the Board of Axis PE Ltd.

2. Mr. Ganesh Sankaran

Mr. Ganesh Sankaran is a non-executive director on the Board of the Trustee.

Mr. Ganesh Sankaran is the Group Executive - Wholesale Banking Coverage Group at Axis Bank Limited. He has nearly 25 years of experience across coverage, credit and risk functions and has handled verticals like Corporate Credit, Financial Institutions, Business Banking, Mortgages, Commercial Transportation, Equipment Finance & Rural Lending.

Before joining Axis Bank, he was Executive Director at Federal Bank, responsible for business architecture across the Wholesale Bank, Micro/Rural bank, Business Banking and international operations. Additionally, he had also served as a Member of the Board of Directors for Equirus Capital and Fedbank Financial Services. Prior to that he was associated with HDFC Bank where he was Co-Head, Corporate Banking.

Mr. Ganesh Sankaran is an Engineer with a Master's degree in Business Administration.

3. Mr. Sanjay Sinha

Mr. Sanjay Sinha, is the managing director and chief executive officer of the Trustee. He began his career with State Bank of India in 1985 as a Probationary Officer and handled many responsibilities with leadership roles across banking verticals including corporate banking, project finance, branch banking.

He joined Axis Bank Ltd in 2006 and served in the Risk and Corporate Credit departments of the bank. Part of the core team that helped set up Axis Bank UK Ltd in London in 2012 and served there as the Head of Credit & Investment Banking. Moved to Axis Trustee in 2018 and has been successful in establishing Axis Trustee's leadership position in trusteeship services for specialized products.

He is a science graduate with certificate in credit management from NIBM, Pune and Indian Institute of Bankers, Mumbai. He is acknowledged as a result oriented financial professional with an equal penchant for compliance function and has been recognized by World BFSI Congress & Awards in their 101 Top most influential BFSI leaders listing for 2020.

4. Ms. Deepa Rath

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

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

Ms. Deepa is known for her strategic leadership, customer centric approach, superior people & relationship management skills which have helped her set up and scale up New Businesses & High Impact Teams across domains. Prior to taking over as MD & CEO of Axis Trustee Services Ltd, Ms. Deepa was part of the founding leadership team and spearheaded TReDS (Trades Receivable Discounting System) platform business at INVOICEMART / A. TReDS LTD (JV of Axis Bank & Mjunction), a pioneer work in the space of Digital & Transparent Financing of MSMEs, Financial Inclusion, API Integration & Blockchain implementation.

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

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

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

During the year under review, there have been no changes in the Directors of the Trustee. However, the changes in the Directors post closure of the financial year ended March 31, 2021 have been mentioned above.

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

There is no specific update / information pertaining to specific sector or sub-sector that may be relevant for an investor to invest in units of the InvIT.

DETAILS OF CHANGES DURING THE YEAR

A. Change in clauses in the trust deed, investment management agreement or any other agreement entered into pertaining to the activities of the Trust

1. Amendment to the Indenture of Trust at the Extra Ordinary General Meeting ("EOGM") held on November 4, 2020

The Indenture of the Trust was amended on September 21, 2020 and again on November 4, 2020 (EOGM Serial No.1/2020-21) to provide for, amongst other things, (i) issuance of units on unlisted basis; (ii) fixing borrowing limits computed on the basis of consolidated borrowings and deferred payments less cash and cash equivalents as percentage to value of InvIT Assets at 75%; (iii) removing requirement of prior SEBI approval for change in Investment Manager in case units are unlisted; (iv) provide for

additional representations from Trustee and Sponsor; and (v) amending clause on limitation of liability to exclude the Sponsor.

2. Amendment to the Investment Management Agreement at the Extra Ordinary General Meeting (“EOGM”) held on November 4, 2020

The Investment Management Agreement was amended on September 21, 2020 and again on November 4, 2020 (EOGM Serial No.1/2020-21) to align with the amendments made in Indenture of Trust.

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

There are no regulatory changes that has impacted or may impact the cash flows of the underlying project as on the date of the report.

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

Not Applicable for the period under review.

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

The following are the changes for the period under review:

1. JDFPL entered into the amended and restated fibre and duct use agreement that came into effect from September 29, 2020 (“FUA”). The FUA replaced the existing fibre and duct use agreement, JDFPL had executed with RJIL. The FUA will remain valid for 30 years and pursuant to the FUA, JDFPL is required to provide and RJIL is entitled to use the contract fibre, contract ducts and support infrastructure for the link periods as set out in the FUA. JDFPL is entitled to received fees and charged under the FUA comprising (i) Upfront fee and monthly fibre fees; (ii) maintenance fees; and (iii) charges in relation to underlying rights subsisting as of the closing date of the FUA, levied by any government, statutory, municipal or panchayat authorities or local bodies or any other persons.
2. JDFPL entered into the amended and restated O&M agreement with the Project Manager and Reliance Projects and Property Management Services Limited (“RPPMSL”) as the operator which came into effect from September 29, 2020 (“O&M Agreement”) and would remain valid for 30 years. In terms of the O&M Agreement, RPPMSL shall provide O&M services as specified in the agreement to JDFPL.
3. JDFPL entered into the amended and restated project execution agreement with the Project Manager, Reliance Jio Infocomm Limited and RPPMSL as the contractor

which came into effect from September 29, 2020 (“PEA”) and would remain valid for 30 years. In terms of the PEA, RPPMSL shall establish contract fibre, contract ducts and associated support infrastructure.

4. The Trust entered into the Shareholders and Option agreement (“SHOA”) with the Investment Manager, the Sponsor, JDFPL and Reliance Industries Limited that provides certain rights and obligations in relation to JDFPL. The SHOA came into effect on September 29, 2020.
5. The Indenture of the Trust was amended on September 21, 2020 and again on November 4, 2020 to provide for amongst other things (i) issuance of units on unlisted basis; (ii) fixing borrowing limits computed on the basis of consolidated borrowings and deferred payments less cash and cash equivalents as percentage to value of InvIT Assets at 75%; (iii) removing requirement of prior SEBI approval for change in Investment Manager in case units are unlisted; (iv) provide for additional representations from Trustee and Sponsor; and (v) amending clause on limitation of liability to exclude the Sponsor.
6. The Investment Management Agreement was also amended on September 21, 2020 and again on November 4, 2020 to align with the amendments made in Indenture of Trust.

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

There are no material litigations and regulatory actions pending against the Trust as on March 31, 2021, which may have significant bearing on the activities or revenues or cash flows of the Trust.

F. Other material changes during the year

There have been no material changes during the year under review and as on the date of this Report, except as disclosed elsewhere in the Report.

PROJECT-WISE REVENUE OF THE TRUST

The Trust was formed on January 31, 2019, and was registered as an infrastructure investment trust under SEBI InvIT Regulations on March 20, 2019.

During the previous year under review, the Trust had only one asset i.e. JDFPL. Accordingly, the details of revenue of the Trust for the previous year and the year under review are as under:

FY 2020-21: The Trust earned interest revenue of Rs. 15,439.3 million with respect to the ICD’s held by it during the year under review.

UPDATE ON THE DEVELOPMENT OF UNDER-CONSTRUCTION PROJECTS

Not applicable for the period under review.

DETAILS OF OUTSTANDING BORROWINGS AND DEFERRED PAYMENTS OF THE TRUST INCLUDING ANY CREDIT RATING(S), DEBT MATURITY PROFILE, GEARING RATIOS OF THE INVIT AS AT THE END OF THE YEAR

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

(Rs. In Million)

Transaction	Digital Fibre Infrastructure Trust (Standalone)	Digital Fibre Infrastructure Trust (Consolidated)
Opening borrowing	2,630	715,484
Additions during the period	252,800	868,419
Repayments during the period	(2,630)	(716,970)
Closing borrowings	252,800	866,933

As at March 31, 2021, the Trust had ICD borrowings of Rs. 252,800 million. The ICD borrowing had a maturity period of more than 10 years.

The Key gearing ratios of the Trust as at March 31, 2021 are as follows:

Debt to Equity:- 1.74

Credit Rating: JDFPL received a rating of CARE AAA/Stable for long term bank facilities aggregating to Rs. 40,000 crore; and a rating of CARE AAA/Stable for Non-Convertible Debentures aggregating to Rs. 25,342 crore. Additionally, it has received a rating of CRISIL AAA/Stable for long term bank loan facilities aggregating to Rs. 50,000 crore.

Debt maturity profile is disclosed in the financial statements which form a part of this annual report.

Financial Covenants:

The following 2 covenants are to be tested on annual basis from March' 22 onwards till final repayment:

Sr. No.	Ratios	Parameter
1.	Fixed Asset Cover Ratio (FACR)	Not less than 1.25x
2.	Debt Service Coverage Ratio (DSCR)	Not less than 1.10x

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

The Trust undertook an initial offer of its units vide placement memorandum dated September 29, 2020 and raised Rs.14,706 crore by the issue of 147,06,00,000 Units at an issue price of

Rs.100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

Distributions made by the Trust

Pursuant to the provisions of SEBI InvIT Regulations and in line with the Distribution Policy, the Investment Manager has made timely distributions to the unitholders.

The details of distributions declared and made during the year ended March 31, 2021 are as under:

Date of declaration	Return on Capital (Rs. per unit)	Date of payment
December 23, 2020	2.4183	December 28, 2020
March 22, 2021	2.4228	March 30, 2021

DETAILS OF ALL RELATED PARTY TRANSACTIONS DURING THE YEAR, THE VALUE OF WHICH EXCEEDS FIVE PERCENT OF VALUE OF THE TRUST

Details of all related party transactions wherein the value exceeds 5% of the value of the Trust, entered into by the Trust on Standalone basis during the year ended March 31, 2021, are as under:

(Rs in Millions)

Sr. No.	Particulars	Relationship	Financial year ended March 31, 2021
1.	Loan granted to Jio Digital Fibre Private Limited	Subsidiary	397,060
2.	Interest received on loan given to JDFPL	Subsidiary	15,439
3.	Units allotted to:-		
	Reliance Projects and Property Management Services Ltd	Unitholder	64,500
	Jamnagar Utilities & Power Private Limited	Unitholder	35,500
	Reliance Industrial Investment and Holding Limited	Unitholder	22,060

For further details, please refer Related Party disclosures in the Standalone Finance Statements.

DETAILS REGARDING THE MONIES LENT BY THE TRUST TO THE HOLDING COMPANY OR THE SPECIAL PURPOSE VEHICLE IN WHICH IT HAS INVESTMENT

As on March 31, 2021 and as on the date of this Report, the Trust has only one SPV i.e. Jio Digital Fibre Private Limited.

During the year, the Trust had given Loan to JDFPL of Rs 397,060 million.

BRIEF DETAILS OF MATERIAL AND PRICE SENSITIVE INFORMATION

There were no material and price sensitive information in relation to the Trust for the period under review.

BRIEF DETAILS OF MATERIAL LITIGATIONS AND REGULATORY ACTIONS WHICH ARE PENDING AGAINST THE INVIT, SPONSOR(S), INVESTMENT MANAGER, PROJECT MANAGER(S) OR ANY OF THEIR ASSOCIATES AND THE TRUSTEE, IF ANY, AT THE END OF THE YEAR

There are no material litigation or regulatory actions, in each case against the Trust, the Sponsor, the Investment Manager, the Project Manager, or any of their Associates and the Trustee, that are currently pending and that have any impact on the structure or activities of the Trust.

RISK FACTORS

References to “we”, “us” and “our” are to the Trust and Fibre Co, on a consolidated basis.

Risks Related to Fibre Co’s Business and Industry

- RJIL currently contributes to substantially all of Fibre Co’s revenues and is expected to continue to contribute significantly to its revenues going forward. Accordingly, its results of operations and financial condition are linked to those of RJIL. As a result, any and all the factors that may adversely affect the business of RJIL would adversely and materially affect the results of operations and financial condition of Fibre Co. Further, any delay in payments from RJIL would materially and adversely affect Fibre Co’s cash flows and distributions to our Unitholders.
- The business growth strategy for Fibre Co involves targeting new customers and diversifying Fibre Co’s customer base and instituting and maintaining efficient capital structures to maximize distributions to Unitholders. Fibre Co has expanded its total fibre network to 21.10 million FPKM, which we believe would provide an attractive opportunity to tap into the growing demand for fibre infrastructure by both RJIL as well as other third party customers.

The success in implementing this business strategy may be adversely affected by factors within and outside our control, including the following:

- the inability to attract additional customers to Fibre Co;
- RJIL’s inability to meet its fibre utilization commitments under the Shareholders’ and Option Agreement;
- general economic conditions in India, including economic disruptions caused by the actual or threatened outbreak of any severe communicable disease, particularly COVID-19 (as defined below);
- changes in anticipated demand for the Fibre Assets for any reason, including changes in laws or regulations;
- the inability to continually improve or adapt to rapid technology changes;
- adverse changes to the Trust’s or Fibre Co’s cost structure;
- the inability to attract qualified employees;
- the inability to manage foreign exchange fluctuations;
- operational, financial and legal challenges (including compliance with foreign laws); and
- negative press and reputational risks that adversely affect our brand.

We cannot assure that this growth strategy will be successfully implemented and failure to do so could have an adverse effect on our business, financial condition and results of operations, which in turn could restrict the ability to re-invest in our Fibre Assets and grow Fibre Co's business.

- We are subject to risks associated with outbreaks of diseases or similar public health threats, such as the recent coronavirus disease (“Covid-19”) pandemic, which could have a material adverse impact on Fibre Co's business and our results of operations and financial condition.
- The composite scheme of arrangement undertaken by RJIL, Fibre Co, Reliance Jio Infratel Private Limited and their respective shareholders in relation to transfer of RJIL's Fibre Assets are subject to several risks in relation to the transfer of the relevant ROW Approvals.

While Fibre Co may continue to operate the fibre network under the existing ROW Approvals, there can be no assurance that they will be able to continue to do so. Further, the relevant authority may levy penalties on the transferee for not having obtained or maintained permits, which may be applicable until such times as the transfers of these permits are completed. We cannot assure that any difficulties that Fibre Co has in obtaining, maintaining or renewing the required ROW Approvals will not materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

- The Trust's substantial indebtedness could adversely affect our business, prospects, financial condition, results of operations and cash flows. As of March 31, 2021, on a consolidated basis, we had ₹ 866,932 million in non-current term loan borrowings (comprising secured loans from banks, secured NCDs, unsecured loans from others and redeemable preference shares). If we do not generate sufficient cash from operations, we may not be able to make principal and interest payments on our external debt and may not be able to make distributions to the Unitholders.

Our substantial indebtedness could also limit our ability to obtain additional financing (including for hedging purposes), limit our flexibility in planning for, or reacting to, changes in Fibre Co's business, the industry in which it operates and the general economy and potentially increase our future cost of borrowing. There can also be no assurance that we will be able to engage in hedging transactions or enter into new financing arrangements on commercially reasonable terms.

While the Trust remains unlisted, any future consolidated borrowings and deferred payments net of cash and cash equivalents of the Trust and Fibre Co would be limited to such percentage of the value of the Trust's assets in accordance with the provisions of the Indenture of Trust. If the Trust is listed in the future, any future consolidated borrowings and deferred payments net of cash and cash equivalents of the Trust and Fibre Co would be subject to the limits prescribed under the SEBI InvIT Regulations. Though the purpose of increased leverage may be for organic growth, various conditions associated with it may

limit the ability of the Trust and/or Fibre Co to incur additional debt required to support its organic and/or acquisition growth strategy.

Our ability to meet our payment obligations under our current and future outstanding debt depends on Fibre Co's ability to generate significant cash flows in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control.

- A decrease in demand for optic fibre infrastructure in India could materially and adversely affect new customer acquisitions at Fibre Co. As Fibre Co generates revenues by providing optic fibre network infrastructure for telecommunications operators, its business is dependent on the financial conditions of telecommunications operators in India and economic conditions affecting them. If Fibre Co's current customer or other major telecommunications operators in India are unable to or less willing to incur additional expenditures, demand for optic fibre network infrastructure in India may not grow or grow at a slower pace than currently anticipated, there may not be sufficient demand for Fibre Co's surplus optic fibre network, which could in turn have a material adverse effect on our results of operations. In particular, if the financial condition of wireless telecommunications service providers deteriorates (for example, due to declining tariffs or media convergence) or if telecommunications providers are adversely affected by general economic conditions, the ability and willingness of telecommunications service providers to maintain or increase capital expenditures may decrease, and our business, financial condition, results of operations or prospects may in turn be adversely affected.

There are other factors also that could adversely affect demand for optic fibre infrastructure in India.

- Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render current technologies obsolete and may require us to make substantial capital investments.
- Further development and expansion of our optic fibre cable network and maintenance of our existing network may be limited by our ability to obtain or renew access rights or ROW Approvals from local government authorities or societies.
- The continuity of Fibre Co's services is highly dependent on the proper functioning of its network and physical infrastructure, and any damage to or failure in its network or such infrastructure could lead to significant costs and disruptions and materially and adversely affect our business.
- Any failure by Fibre Co to comply with applicable service parameters could damage its reputation or result in claims against Fibre Co. Successful assertions of one or more claims against Fibre Co could have a significant adverse effect on our reputation, our relationship with our customers and therefore, our business and prospects.

- Exposure to information technology and cyber security risks and disruptions in disaster recovery systems or business continuity planning could affect our normal business operations.
- Our insurance policies may not provide adequate protection against various risks associated with Fibre Co's operations. Further, we are subject to various risks in the operation of the Fibre Assets, including on account of accidents. Fibre Co's principal types of insurance coverage include a cellular network policy that covers, among other things, material damages due to mechanical and electronic breakdown / failure, third party liability including cross liability, marine risks, storage, erection and installation risks, burglary and theft. Despite efforts to take insurance policies which are in line with typical business requirements, such insurance coverage might not be adequate to cover all risks or losses that may arise or we might not be able to procure adequate insurance coverage at commercially reasonable rates in the future.
- We depend on third parties to undertake activities in relation to the construction, operation and maintenance of Fibre Co's optic fibre network. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect the ability to effectively operate or maintain the Fibre Assets.
- Any asset impairment could adversely affect our financial condition and results of operations.
- Fibre Co, the Sponsor, the Project Manager, the Investment Manager, the Trustee and their respective Associates are involved in certain legal and other proceedings, which may not be decided in their favour.
- Failure to comply with applicable safety, health and environmental laws and regulations or adverse changes in such applicable laws and regulations may materially and adversely affect Fibre Co's business and our results of operations and financial condition.
- Fluctuations in exchange rates between the Rupee and foreign currencies, and particularly, the U.S. Dollar may affect Fibre Co's business, our results of operations and financial condition and the foreign currency equivalent of the value of the Units and any distributions.

Risks Related to our Organization and the Structure of the Trust

The Trust and Fibre Co are subject to restrictive covenants under their financing agreements that could limit our business operations or use of cash or other assets.

Risks Related to the Trust's Relationships with the Investment Manager

The Trust is dependent on the Investment Manager to (i) manage and administer the Trust and the Trust Assets, (ii) make investment and divestment decisions, (iii) comply with ongoing reporting and management obligations and (iv) maintain the eligibility conditions specified

under Regulation 4 of the SEBI InvIT Regulations on an ongoing basis. There can be no assurance that the Investment Manager will successfully fulfil its duties.

Risks Related to India

- The Trust and in particular Fibre Co's business depends 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 a material, adverse effect on Fibre Co's business and our results of operations and financial condition.
- Fibre Co's business and our results of operations and financial condition is linked to the stability of policies and the political situation in India.
- Our ability to raise additional debt capital may be constrained by Indian law
- Any downgrading of India's sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our results of operations and financial condition.
- Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have an adverse effect on Fibre Co's business and our results of operations and financial condition.
- India is vulnerable to natural disasters that could severely disrupt the normal operation of Fibre Co.
- It may not be possible for the Unitholders to enforce foreign judgments.
- We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could materially and adversely affect our business.
- Changing laws, rules and regulations and legal uncertainties may materially and adversely affect Fibre Co's business and our results of operations and financial condition.
- Significant differences could exist between Ind AS and other accounting principles, such as Indian GAAP and IFRS, which may affect investors' assessments of the Trust's financial condition.

Risks Related to Ownership of the Units

- The regulatory framework governing infrastructure investment trusts in India is relatively new and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition and results of operations and our ability to make distributions to the Unitholders.
- We may not be able to make distributions to the Unitholders or the level of distributions may fall.

- The Units are illiquid investment instruments, and no active trading market is expected.
- The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.
- Information and the other rights of the Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions.
- Any additional debt financing or issuance of additional Units may have a material, adverse effect on the Trust's distributions, and your ability to participate in future rights offerings may be limited.
- Any future issuance of Units or convertible securities or other equity-linked securities by us may dilute investors' holdings of Units.
- Our rights and the rights of the Unitholders to recover claims against the Investment Manager, the Sponsor or the Trustee are limited.

Risks Related to Tax

Entities operating in India are subject to a variety of Government and State Government tax regimes and surcharges and changes in legislation or the rules relating to such tax regimes and surcharges could materially and adversely affect Fibre Co's business and our results of operations and financial condition.

INFORMATION OF THE CONTACT PERSON OF THE TRUST

Ms. Sneha Raheja
Compliance Officer
Address: 7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025
Tel: +91 22 6630 3030
Email: digital.fibre@zmail.ril.com

Valuation Report

**Digital Fibre Infrastructure Trust (“Trust”)
(Acting through the Trustee - Axis Trustee Services Limited)**

And

**Infinite India Investment Management Limited
(In its capacity as Investment Manager of the Trust)**

**Valuation of InvIT Asset as per Securities and Exchange Board of
India (Infrastructure Investment Trusts) Regulations, 2014**

May 2021

Ref: LM/May31-24/2021

Date: May 31, 2021

To,

Digital Fibre Infrastructure Trust (the “Trust”)

Acting through its Trustee - Axis Trustee Services Limited

9th Floor, Maker Chamber IV,

222 Nariman Point, Mumbai - 400 021, India

To,

Infinite India Investment Management Limited

(In its capacity as the “Investment Manager” of the Trust)

7th Floor, Energy, Appasaheb Marathe Marg,

Prabhadevi,

Mumbai, 400025.

India

Dear Sir(s)/Madam(s),

Sub: Valuation of InvIT Asset as per Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended

We refer to engagement letter appointing BDO Valuation Advisory LLP (hereinafter referred to as “BDO VAL”, or “Valuer” or “we,” or “our,” or “us”), to provide professional services to Infinite India Investment Management Limited (“Investment Manager”) acting in the capacity of investment manager of the Digital Fibre Infrastructure Trust (“Trust”) with respect to determination of enterprise value of Jio Digital Fibre Private Limited (“Fibre Co” or “InvIT Asset”) as per the requirements of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder (“SEBI InvIT Regulations”). Reliance Industrial Investments and Holdings Limited (“RIIHL” / “Sponsor”) is the sponsor of the Trust.

The Trust currently holds 51% of the outstanding equity share capital in Fibre Co and the remaining 49% of the outstanding equity share capital in Fibre Co is held by Reliance Industries Limited (“RIL”) and certain other minority shareholders. Further RIL and certain minority shareholders hold 100% of the participating and optionally convertible preference shares (“OCPS”) of the Fibre Co and RIL further holds 100% of the redeemable preference shares (“RPS”) of the Fibre Co. The Trust and/or Fibre Co along with other parties have entered into various agreements collectively referred as the Transaction Documents (defined in Section 1 of this Report) which *inter alia* govern the rights and interest of Trust in Fibre Co and the commercial agreements in relation to the Fibre Infrastructure Business (defined in Section 1 of this Report) of Fibre Co.

We thereby, enclose our independent valuation report dated May 30, 2021 (“the Report” or “this Report”) providing our opinion on the fair enterprise value of the Fibre Co on a going concern basis under the SEBI InvIT regulations considering the data as stated in “Sources of Information” of the Report as well as discussions with the relevant personnel of the Trust, Fibre Co and the Investment Manager (“Management”). We have considered the cut-off date for the current valuation exercise to

be March 31, 2021 (“Valuation Date”) and market factors, have been considered up to March 31, 2021.

This valuation report has been prepared solely for annual compliance requirements of the SEBI InvIT Regulations as well as for submission to Securities and Exchange Board of India (“SEBI”) or any other regulatory or statutory authority as may be required for the Issue and made in accordance with the SEBI InvIT Regulations guidelines requiring an independent valuation. This Report should not be used or relied upon for any other purpose.

In terms of the SEBI InvIT Regulations, we hereby confirm and declare that:

- We are competent to undertake the valuation;
- We are independent and have prepared this Report on a fair and unbiased basis;
- This Report is prepared in compliance with regulation 13(1) and regulation 21 of the SEBI InvIT Regulations; and
- We comply with the responsibilities as stated in regulation 13(1) and regulation 21 of the SEBI InvIT Regulations.

We further confirm that the valuation of Fibre Co is carried out as per internationally accepted valuation methodologies and in cognizance of international valuation standards and Valuation Standards 2018 issued by ICAI Registered Valuers Organisation.

We have no present or planned future interest in Fibre Co, the Sponsors or the Investment Manager or the Trustee, except to the extent of my appointment as an independent valuer for this Report.

A summary of the analysis is presented in the accompanying the Report, as well as description of the methodology and procedure used, and the factors considered in formulating my opinion. The Report is subject to the attached exclusions and limitations and to all terms and conditions provided in the engagement letter for this assignment.

This valuation report is based on the information provided to us by the Management. The projections provided by the Management are only the best estimates of growth and sustainability of revenue and cash flows. We have reviewed the financial forecast for consistency and reasonableness, however we have not independently verified the data provided.

Regards,

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103



Lata R. Gujar More

IBBI Regn No.: IBBI/RV/06/2018/10488

Partner

Encl: As above

Table of Contents

Sr. No.	Particulars	Page No.
1	Definitions, Abbreviations & Glossary of Terms	5
2	Executive Summary	9
3	Introduction	11
4	Exclusions & Limitations	13
5	Assignment Approach	16
6	Overview of Fibre Infrastructure Business	17
7	Industry Overview	18
8	Valuation Approach	31
9	Valuation of InvIT Asset	34
10	Valuation Summary	40
11	Annexures	41

1 Definitions, Abbreviations & Glossary of Terms

FUA	Amended and restated fiber and duct use agreement dated September 21, 2020 between Jio Digital Fibre Private Limited, Reliance Jio Infocomm Limited and Reliance Projects & Property Management Services Limited as amended vide amendment agreement dated October 29, 2020 and further amended vide 2 nd amendment agreement dated December 18, 2020
O&M Agreement	Amended and restated operations and maintenance agreement dated September 21, 2020 between Jio Digital Fibre Private Limited, Jio Infrastructure Management Services Limited and Reliance Projects & Property Management Services Limited as amended vide agreement dated October 29, 2020
PEA	Amended and restated project execution agreement dated September 21, 2020 between Jio Digital Fibre Private Limited, Jio Infrastructure Management Services Limited and Reliance Projects & Property Management Services Limited as amended vide agreement dated October 29, 2020
Basic Maintenance Services	Means the maintenance services for the Contract Fibers and Contract Ducts as specified in the FUA
BV	Breakup Value
CAGR	Compounded Annual Growth Rate
Closing	Allotment of the units under the private placement
Contract Ducts	Means the existing contract ducts, balance contract ducts and any other empty ducts ordered and accepted by Reliance Jio Infocomm Limited (“RJIL”) from time to time under the FUA
Contract Fiber	Means the fiber assets forming part of the FUA including contracted fiber yet to be built as well as any other Dark Fiber ordered and accepted by RJIL from time to time in terms of the FUA
Cr	Core
CTM	Comparable Transaction Multiple
Dark Fiber	Means the fiber optic strand pairs located within cable and ducts which are provided without electronics or optronics and which are not lit or activated
DCF	Discounted Cash Flow
DE	Debt-Equity
Equity Shares	Equity shares of JDFPL of face value Re 1/- each
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to Firm
FPKM	Fiber Pair Kilometer
FTTH	Fiber to the home
FY	Financial Year

ICAI	Institute of Chartered Accountants of India
Investment Amount	INR 39,706 crore (INR Thirty-nine thousand seven hundred and six crore only) comprising of INR 14,706 crore (INR Fourteen thousand seven hundred and six crore only) from the Unit Issue and INR 25,000 crore (INR Twenty five thousand crore only) from the InvIT Loan.
Investment Manager	Infinite India Investment Management Limited
Investment Management Agreement	The investment management agreement dated January 31, 2019 entered into between the Trustee and the Investment Manager as amended vide amendment agreement dated September 21, 2020 and further amended vide agreement dated November 4, 2020
IRU	Indefeasible rights of use
Unit Issue	The initial offer of units by the Trust by way of private placement in accordance with the SEBI InvIT Regulations
InvIT Loan	Loans raised by the Trust aggregating INR 25,000 crore (INR Twenty-five thousand crore only) in terms of the InvIT Loan Agreement
InvIT Loan Agreement	Agreement dated September 21, 2020 entered into between the Trust, RIHL, Sikka Ports & Terminals Limited and Jamnagar Utilities & Power Private Limited as amended vide agreement dated October 29, 2020
InvIT Asset	Jio Digital Fibre Private Limited
Initial Project Agreements	Collectively (i) Fiber and Duct Use Agreement dated March 27, 2019 as amended vide agreement dated April 5, 2019; (ii) Operations and Maintenance Agreement dated March 31, 2019; and (iii) Project Execution Agreement dated March 31, 2019 The Initial Project Agreements would stand replaced by the Project Agreements with effect from the Closing Date
Last Mile Fibers	Means RJIL's optic fibers and ducts which connects RJIL's in-line amplifiers, points of presence, colocation premises or other network infrastructure or equipment with the Fiber Assets (as defined herein below) at the nearest manhole / handhole / chamber.
NAV	Net Asset Value
NCD	Non-convertible debentures of the Fibre Co
Mn	Million
NCLT	National Company Law Tribunal
NLD	National long distance
PM	Placement Memorandum
RPS	0.01% cumulative, redeemable, non-participating and non-convertible preference shares of face value of Rs.10/- each of JDFPL
Project Agreement	Together the FUA, O&M Agreement and the PEA

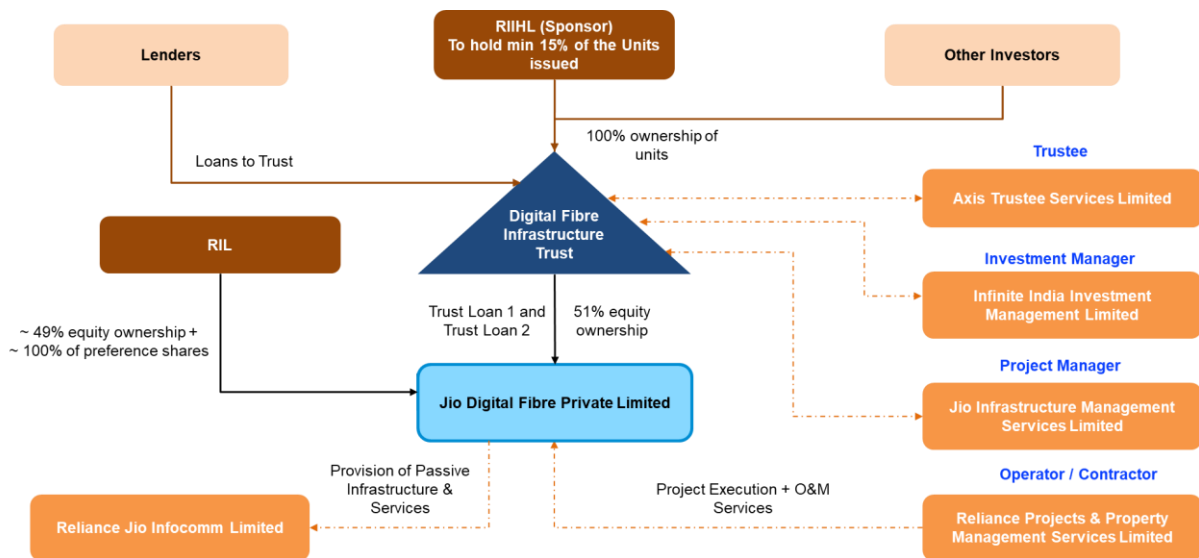
Project Manager or JIMSL	Jio Infrastructure Management Services Limited
Purpose	Enterprise valuation of Fibre Co for annual compliance requirements of the SEBI InvIT Regulations as well as for submission to SEBI or any other regulatory or statutory authority as may be required for the Issue and made in accordance with the SEBI InvIT Regulations guidelines requiring an independent valuation.
Sponsor / RIIHL	Reliance Industrial Investments and Holdings Limited
RPPMSL	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Projects Services Limited)
RIL	Reliance Industries Limited
RVL Loan	Loan taken by the Trust from Reliance Ventures Limited (“RVL”) to acquire 51% of the equity share capital in JDFPL as well as to meet other operating expenses of the Trust
Scheme / Scheme of Arrangement	Scheme of arrangement involving RJIL, Reliance Jio Infratel Private Limited, JDFPL and their respective shareholders and creditors in terms of which the Fibre Infrastructure Business was demerged and transferred to JDFPL as a going concern with effect from close of business hours March 31, 2019
SEBI InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder
Services	Means the operations and maintenance services set out in the O&M Agreement
SHOA	Shareholders and Option Agreement dated September 21, 2020 between the Trust (acting through its Trustee), the Investment Manager, RIL, RIIHL and JDFPL as amended vide agreement dated October 29, 2020
SPA	Share purchase agreement dated March 31, 2019 entered into between the Trust (acting through the Trustee), the Investment Manager, RIIHL, Digital Media Distribution Trust (acting through its trustee) and RIL
OCPS	0.01% redeemable, cumulative, participating and optionally convertible preference shares of face value of Rs.10/- each of JDFPL
Fibre Co / JDFPL / the Company	Jio Digital Fibre Private Limited
Fibre Infrastructure Business	The business of setting up and maintaining passive optic fiber cable infrastructure and related assets and providing passive optic fiber cable infrastructure services
Transaction Documents	Transaction Documents” means and includes: i. Project Agreements and the Initial Project Agreements; ii. Trust Deed; iii. Shareholders and Option Agreement; iv. Trust Loan 1 Agreement; v. Trust Loan 2 Agreement; vi. Trust Loan 3 Agreement;

	<ul style="list-style-type: none"> vii. Novation Agreement; viii. Placement memorandum (including the preliminary placement memorandum) w.r.t to the Unit Issue; ix. InvIT Loan agreement x. Investment Management Agreement; and xi. Project Implementation and Management Agreement;
Trust	Digital Fibre Infrastructure Trust
Trust Deed	Indenture of Trust dated January 31, 2019 executed between RIIHL as the settlor and sponsor of the Trust and Axis Trustee Services Limited as the Trustee as amended vide amendment to Indenture of Trust effective September 21, 2020 and as further amended vide amendment to indenture of Trust effective November 4, 2020
Trust Loan 1	Loan extended by the Trust to Fibre Co aggregating INR 14,706 crore pursuant to a 'Trust Loan 1 Agreement'
Trust Loan 2	Loan extended by the Trust to Fibre Co aggregating INR 24,720 crore pursuant to a 'Trust Loan 2 Agreement'
Trust Loan 3	Loan extended by the Trust to Fibre Co aggregating INR 280 crore pursuant to a 'Trust Loan 3 Agreement'
Novation Agreement	Agreement dated December 22, 2020 between the Trust (acting through the Trustee), Infinite India Investment Management Limited (in its capacity as the Investment Manager of the Trust), JDFPL and Reliance Ventures Limited, pursuant to which the Trust novated the RVL Loan together with interest due thereon to JDFPL for a consideration of Rs.280 crore
Trust Loan 1 Agreement	Agreement dated September 21, 2020 entered into between the Trust and JDFPL as amended vide amendment agreement dated October 29, 2020
Trust Loan 2 Agreement	Agreement dated September 21, 2020 entered into between the Trust and JDFPL as amended vide amendment agreement dated October 29, 2020
Trust Loan 3 Agreement	Agreement dated December 22, 2020 entered into between the Trust and JDFPL
Trustee	Axis Trustee Services Limited
Valuation Date	March 31, 2021
WACC	Weighted Average Cost of Capital

2 Executive Summary

2.1 Brief Background and Purpose

- 2.1.1 The Digital Fibre Infrastructure Trust (“Trust”) was settled vide Trust Deed dated January 31, 2019 with Reliance Industrial Investments and Holdings Limited (“RIIHL”) as the settlor as well as the sponsor and Axis Trustee Services Limited as the Trustee. The Trust was subsequently registered as an infrastructure investment trust under the SEBI InvIT Regulations vide registration dated March 20, 2019.
- 2.1.2 The main object of the Trust is to carry on the activity of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations, namely, to raise resources and to make investments in accordance with the SEBI InvIT Regulations and such other incidental and ancillary matters thereto.
- 2.1.3 The Trust currently holds 51% of the equity share capital in Jio Digital Fibre Private Limited (“Fibre Co”) which is in the business of designing, planning, establishing, operating, maintaining and managing passive optic fiber cable infrastructure assets for telecommunication service providers (“Fibre Infrastructure Business”).
- 2.1.4 Infinite India Investment Management Limited (“Investment Manager”) is the Investment Manager of the Trust.
- 2.1.5 Reliance Industrial Investments and Holdings Limited (“RIIHL” or “Sponsor”) is a wholly owned subsidiary of Reliance Industries Limited (“RIL”).
- 2.1.6 Jio Infrastructure Management Services Limited (“JIMSL” or “Project Manager”), a subsidiary of RIIHL is the Project Manager and has entered into a Project Implementation and Management Agreement with Fibre Co and the Trustee in accordance with the SEBI InvIT Regulations.
- 2.1.7 Reliance Projects & Property Management Services Limited (“RPPMSL” or “Contractor” or “Operator”), a company wholly owned by RIL has been appointed as the “Contractor” in terms of the Amended and Restated Project Execution Agreement and as the “Operator” in terms of the Amended and Restated O&M Agreement.
- 2.1.8 The following structure illustrates the relationship amongst the Parties to the Trust (being the Trust, Trustee, the Sponsor, the Investment Manager and the Project Manager), the Contractor / Operator, JDFPL and the Unitholders as of the Closing Date.



2.1.9 From the proceeds of the Unit Issue (INR 14,706 crore) and the InvIT Loan (INR 25,000 crore), the Trust (i) extended Trust Loan 1 (INR 14,706 crore) to the Fibre Co; (ii) extended Trust Loan 2 (INR 24,720 crore) to the Fibre Co; and (iii) extended Trust Loan 3 (INR 280 crore) to the Fibre Co. The Fibre Co used the proceeds of the Trust Loan 1, Trust Loan 2 and Trust Loan 3 to repay / pre-pay in part or in full certain of its existing borrowings and interest obligations as well as creditors for capital expenditure.

2.1.10 The Investment Manager has appointed BDO VAL to undertake the valuation of the InvIT Asset for presentation to the investors.

2.2 Valuation Methodology Adopted

2.2.1 Considering the nature of business, facts of the assignment, the terms of the Transaction Documents and the capital structure, InvIT Asset has been valued using Discounted Cash Flow (“DCF”) Method under Income Approach. Free Cash Flow to Firm (“FCFF”) model under the DCF Method has been used to arrive at the enterprise value of InvIT Asset.

2.3 Valuation Conclusion

2.3.1 The enterprise value of InvIT Asset is arrived at INR 1,86,206.2 crore.

3 Introduction

3.1 Terms of Engagement

3.1.1 We, BDO Valuation Advisory LLP, Registered Valuer vide Registration Number IBBI/RV-E/02/2019/103, have been appointed by Infinite India Investment Management Limited in the capacity of Investment Manager to the Trust, to determine the enterprise value of InvIT Asset on a going concern basis as per SEBI InvIT Regulations.

3.1.2 This Report has been prepared by us pursuant to terms of engagement letter between BDO VAL and the Investment Manager including the terms and conditions set out therein.

3.2 Background and Purpose of Valuation

3.2.1 Pursuant to the Scheme, the Fibre Infrastructure Business of RJIL was demerged and transferred to JDFPL as a going concern with effect from close of business hours March 31, 2019. JDFPL as a consideration for the demerger issued and allotted as follows:

- (a) 500,00,00,009 Equity Shares of face value Re 1/- each to the equity shareholders of RJIL;
- (b) 7813,96,66,092 OCPS of face value of Rs.10 each to the shareholders of RJIL; and
- (c) 12,50,000 Preference Shares of face value of Rs.10 each to the preference shareholders of RJIL.

3.2.2 Thereafter the Trust acquired 51% of the outstanding equity share capital of JDFPL in terms of the SPA.

3.2.3 From the proceeds of the Unit Issue (INR 14,706 crore) and the InvIT Loan (INR 25,000 crore), the Trust (i) extended Trust Loan 1 (INR 14,706 crore) to the Fibre Co; (ii) extended Trust Loan 2 (INR 24,720 crore) to the Fibre Co; and (iii) extended Trust Loan 3 (INR 280 crore) to the Fibre Co. The Fibre Co used the proceeds of the Trust Loan 1, Trust Loan 2 and Trust Loan 3 to repay / pre-pay in part or in full certain of its existing borrowings and interest obligations as well as creditors for capital expenditure.

3.2.4 Additionally, in terms of the Novation Agreement, the Trust has novated the RVL Loan together with accrued interest to JDFPL for a consideration of Rs.280 crore. RVL Loan has since been repaid by JDFPL.

3.2.5 In order to give effect to the transactions described hereinabove and in light of the initial offer of units by the Trust, the following agreements have been entered into

- (a) The SHOA; and
- (b) The Project Agreements which would replace the Initial Project Agreements from the Closing Date.

3.2.6 The Investment Manager has appointed Valuer to undertake the valuation of InvIT Asset to comply with the SEBI InvIT Regulations for determination of the enterprise value of Fibre Co for annual compliance requirements of the SEBI InvIT Regulations as well as for submission to

SEBI or any other regulatory or statutory authority as may be required for the Issue and made in accordance with the SEBI InvIT Regulations guidelines requiring an independent valuation. (“Purpose”).

3.2.7 This Report should not be used or relied upon for any other purpose. The suitability or applicability of this Report for any purpose other than that mentioned above has not been verified by me.

3.3 Source of Information

3.3.1 For the purpose of this valuation exercise, we have relied on the following sources of information:

- i. Background of the Fibre Infrastructure Business;
- ii. Background of the Optic Fibre industry;
- iii. Audited Financial Statements of Fibre Co for the financial year (“FY”) ended March 31, 2019, FY ended March 31, 2020 and FY ended March 31, 2021;
- iv. Projections of Fibre Co from April 1, 2021 to September 30, 2050 with the underlying assumptions;
- v. Transaction Documents made available to us and relevant extracts of the documents provided to us as requested;
- vi. Copy of the Scheme of Arrangement;
- vii. Other relevant data and information provided to us by the Management whether in oral or physical form or in soft copy, and discussions with them;
- viii. Information available in public domain and provided by leading database sources; and
- ix. Management Representation Letter.

4 Exclusions and Limitations

4.1 Restricted Audience

- 4.1.1 This Report and the information contained herein are absolutely confidential and are intended for the use of the Investment Manager, Sponsor and the Trust in connection with the Purpose set out in the Report.
- 4.1.2 It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without my written consent. It can however be relied upon and disclosed in connection with any statutory and regulatory filing with SEBI or any other regulatory/statutory authority for the Purpose mentioned herein as per the SEBI InvIT Regulations without any consent. In the event the Investment Manager, Sponsor or the Trust extend the use of the Report beyond the purpose mentioned earlier in the Report, with or without our consent, we will not accept any responsibility to any other party (including but not limited to the investors, if any) to whom this Report may be shown or who may acquire a copy of the Report.
- 4.1.3 It is clarified that this Report is not a fairness opinion under any of the stock exchange/listing regulations. In case of any third-party having access to this Report, please note that this Report is not a substitute for the third party's own due diligence/appraisal/enquiries/independent advice that the third party should undertake for its purpose.

4.2 Limitation Clause

- 4.2.1 The Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2.2 The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Further, conducting a financial or technical feasibility study was also not covered.
- 4.2.3 During the course of work, valuer has relied upon assumptions and projections as provided by Management. These assumptions require exercise of judgment and are subject to uncertainties.
- 4.2.4 Further, this Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of InvIT Asset. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. The information presented in this valuation Report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation Report materially.
- 4.2.5 Valuation is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment as the valuation analysis is governed by the concept of materiality. There is therefore no indisputable single value.

While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on the businesses.

- 4.2.6 Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 4.2.7 The realization of these projections is dependent on the continuing validity of the assumptions on which they are based. Since the projections relate to the future, actual results are likely to be different from the projected results in case of events and circumstances not occurring as projected and the differences may be material. My work did not constitute a validation of the financial projections of the Company under consideration and accordingly, we do not express any opinion on the same. Although, we have reviewed the financial projections provided by Management for consistency and reasonableness our reliance on the financial projections for the purpose of valuation should not be construed as an assurance about the accuracy of the assumptions or the achievability of the financial projections.
- 4.2.8 This Report is based on information received from sources mentioned herein and discussions with the Management. we have assumed that the parties involved have furnished to us all information, which they are aware of concerning the financial statements and respective liabilities, which may have an impact on Report. We have ignored some data provided to us which we believe may not be material for the purpose of assignment.
- 4.2.9 We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Trust or Fibre Co or any of other entity mentioned in this Report and have considered them at the value as disclosed by the Trust in their regulatory filings or in submissions, oral or written, made to us. Nothing has come to our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.2.10 The Valuer have not made any independent verification with respect to the Fibre Co's claim to title of assets or property for the purpose of this valuation. With respect to claim to title of assets or property the Valuer have solely relied on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Report.
- 4.2.11 Except to the extent required under the SEBI InvIT Regulations, we are not responsible for matters of legal nature including issues of legal title and compliance with local laws in respect of Fibre Co and also no consideration has been given to litigation and other contingent liabilities that are not recorded in the financial of Fibre Co.
- 4.2.12 The fee for the Report is not contingent upon the outcome of the Report.
- 4.2.13 It may be noted that a draft of this Report (without valuation numbers) was provided to the Management to review the factual information in the Report as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final Report.

-
- 4.2.14 This Report does not look into the business/commercial reasons behind the Purpose nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits of the Trust are sole responsibility of the investors of the Trust and we do not express any opinion on the suitability or otherwise of entering into any financial or other transactions with the Investment Manager, the Trust or Fibre Co.
- 4.2.15 In rendering this Report, we have not provided any legal, regulatory, tax, accounting, actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 4.2.16 For the present valuation exercise, we have also relied upon information available in the public domain, however, the accuracy and timeliness of the same has not been independently verified by me.
- 4.2.17 Further, after declaration of Covid-19 as a pandemic by World Health Organisation and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.
- 4.2.18 In the particular circumstances of this case, we shall be liable only to the Investment Manager, Sponsor and the Trust. We shall have no liability (in contract or under statute or otherwise) to any other party for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused, as laid out in the engagement letter, for such valuation work.
- 4.2.19 Whilst, all reasonable care has been taken to ensure that facts stated in the Report are accurate and opinions given are fair and reasonable, neither us, nor any of professional associates who worked as team member shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.

(This Space has been intentionally left blank)

5 Assignment Approach

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

- i. Submission of detailed information checklist for valuation of InvIT Asset.
- ii. Review of information provided as per the checklist for initial understanding of the business followed by a preliminary discussion with the Management to gain insight on the business operations and brief background of the Fibre Infrastructure Business.
- iii. The site visits were conducted as below:

Sr. No.	Location	Zone	Date of Visit
1	Network Operating Centres (Control Centre visit and system based checks of Intercity and Intracity Monitoring)	Mumbai	February 26, 2020
2	Kasarkud to Vapi & Vikramgad to Dahanu Span at Palghar/Dahanu	Mumbai	March 13, 2020
3	Kalyan to Murbad Span at Kalyan	Mumbai	March 13, 2020
4	Kylur to Hoskote Span	Whitefield, Bengaluru	March 13, 2020
	Hoskote to Mallur Span Hoskote to Kolar Span Devanhalli to Chinthamani Span checked in route Whitefield, Bengaluru		
5	Bengaluru to Tumkur Span	Peenya, Bengaluru	March 13, 2020
	Gubbi to Tumkur Span Tumkur to Madhugiri Span Tumkur to Magadi Span Tumkur to Sira Span checked in route Peenya, Bengaluru		
6	Nangal Rai to Vikashpuri West Span Vikas puri to Kirti Nagar-1 Span	Delhi West	March 13, 2020
7	P & T Colony to Shanti Nagar Span P & T Colony to Connaught Place Span	Delhi North	March 13, 2020
8	Connaught Place to Kirti Nagar Span Noida Sector 1 to MV - 1 Span	Delhi Central East	March 13, 2020

- iv. Due to the ongoing CoVID pandemic and the associated lock-downs we have been unable to conduct a more up to date physical verification of assets.
- v. Analysis of additional information received post preliminary discussion and site visit. Valuer and its professional associates had various meetings with the Management to discuss business model, assumptions considered and future business outlook.
- vi. Obtained various disclosures from the Management pertaining to approvals and litigations of the InvIT Asset as required under the SEBI InvIT Regulations.
- vii. Carried out the valuation based on internationally accepted valuation methodologies and in cognizance of international valuation standards and Valuation Standards 2018 issued by ICAI Registered Valuers Organization.

6 Overview of Fibre Infrastructure Business

6.1 Fibre Infrastructure Business

- 6.1.1 The Fibre Infrastructure Business was demerged and transferred to JDFPL as a going concern from RJIL in terms of the Scheme. The Scheme was approved by the National Company Law Tribunal, Ahmedabad with effect from close of business hours on March 31, 2019.
- 6.1.2 The Fibre Infrastructure Business, prior to the Scheme coming into effect, was carried on by RJIL, primarily for its captive consumption for its telecommunication service operations.
- 6.1.3 The Fibre Infrastructure Business includes a nation-wide network of owned as well as IRU of underground cables and ducts with embedded Dark Fiber as well as a network of empty ducts (i.e. not having any or fiber in it), each connecting a manhole to another manhole and situated between two ends of a designated route where fibers are already laid by JDFPL (together referred to as “Fiber Assets”). It is being clarified that the Fiber Assets do not include Last Mile Fibers.
- 6.1.4 The Fiber Assets have been classified as NLD (own build), NLD (IRU), ‘Intra-city’, ‘Enterprise Access’ and FTTH.
- 6.1.5 JDFPL has entered into the FUA with RJIL to provide RJIL the use of the Contract Fibers and Contract Ducts and providing Basic Maintenance Services.
- 6.1.6 As of March 31, 2021, the Fiber Assets consisted of 20.20 million FPKM which is expected to increase to 21.66 million FPKM during Fiscal 2022.

6.2 Site Visit Details

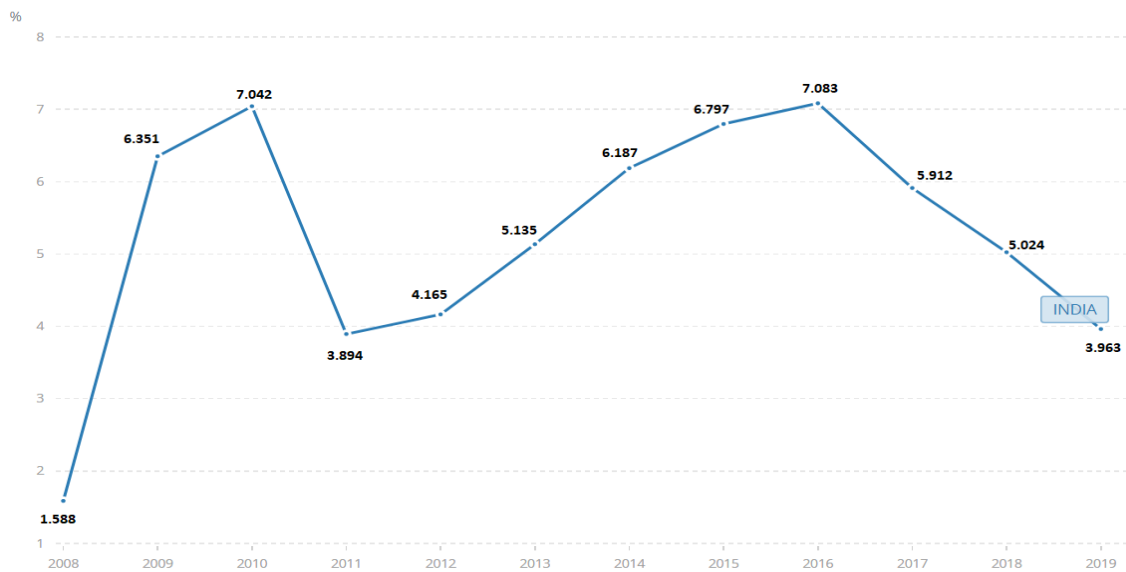
- 6.2.1 Owing to the spread of the InvIT assets over 6,60,000 kms and the nature of the assets being deployed under the ground, it was not possible to physically verify the whole of the InvIT assets and hence our verification team had visited the control room located at Reliance Corporate Park in Navi Mumbai, Maharashtra to check the control systems deployed to check the InvIT assets and its functioning as well as select spans in Mumbai, Delhi and Bengaluru areas for undertaking physical inspection of the Fiber Assets vide the Optical Time Domain Refractometers readings of the lit fibres in 2020. This exercise we believe reasonably meets the requirements of conducting physical verification by the Valuer under the SEBI InvIT Regulations. However, on account of the ongoing CoVID pandemic and the associated lock-downs we have not recently undertaken a physical site inspection.

- 6.3 **Other disclosures as required under the SEBI InvIT Regulations have been provided in Annexure IV of the Report.**

7 Industry Overview

7.1.1 India is the fastest growing economy in the world and the third largest economy when its gross domestic product (“GDP”) is compared in terms of purchasing power parity (PPP). India’s total GDP size was USD 2.87 trillion in 2019 according to the World Bank. India’s GDP per capita has consistently grown between 5% and 7% between year 2013 and 2018, according to the World Bank.

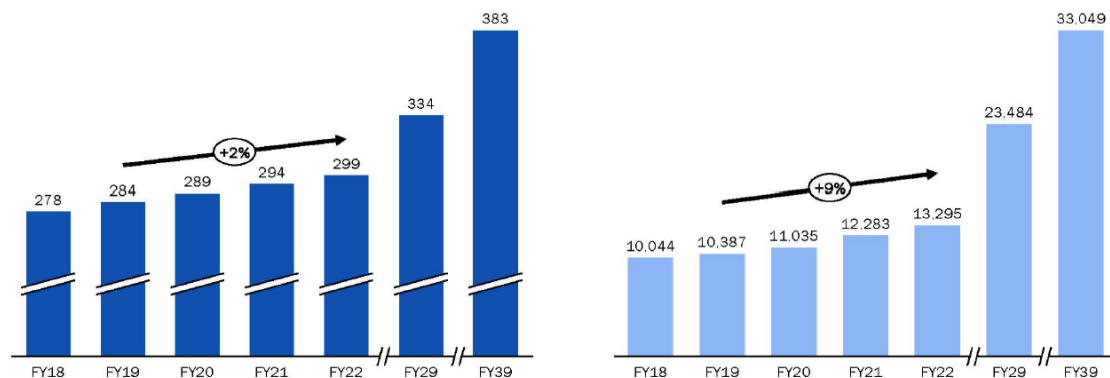
The following diagram sets forth India’s GDP per capita growth for the periods indicated:



(Source: World Bank, accessed on July 27, 2020 at <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?locations=IN>)

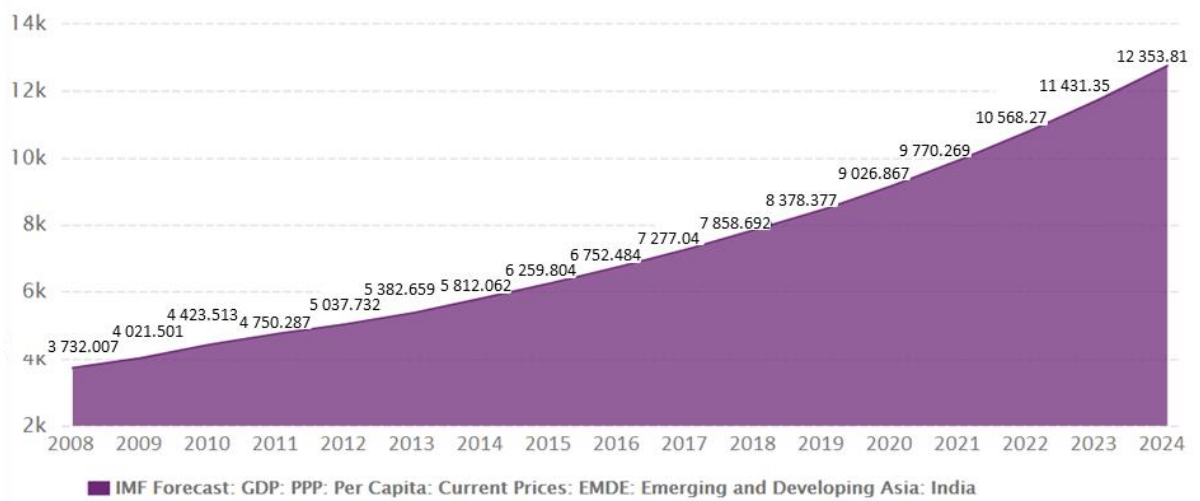
7.1.2 India’s per capita income has also risen in recent years. According to the International Monetary Fund (the “IMF”), India’s GDP per capita at current prices in 2019 was estimated to be USD 2,170. (Source: International Monetary Fund, accessed on July 27, 2020 at <http://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD/IND>)

7.1.3 According to Analysys Mason, India’s Gross National Income (“GNI”) per household and the number of households in India are expected to increase by CAGRs of 2% and 9%, respectively.



(Source: Analysys Mason)

- 7.1.4 India is becoming increasingly urbanized. In 2019, India's urban population increased to approximately 460.3 million representing 34% of India's population. (Source: World Bank, accessed on July 27, 2020 at <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?view=map>).
- 7.1.5 The CEIC expects that India's economy will continue to grow rapidly. India's GDP per capita on PPP basis is forecasted to be USD 12,353.81 in 2024. This records an increase from the last reported number of USD 8,378.38 in 2019.



(Source: CEIC Data, accessed on July 27, 2020)

- 7.1.6 Further, India has recorded a significant improvement in ease of doing business. In the World Bank's latest Doing Business Report 2020 ("DB 2020"), India was ranked 63rd among 190 countries assessed by the World Bank in terms of ease of doing business in 2019, representing an improvement of 14 positions compared to India's rank of 77th in 2018. (Source: World Bank, accessed on July 27, 2020, <https://www.worldbank.org/en/news/feature/2019/10/24/doing-business-2020-sustaining-the-pace-of-reforms>, Ministry of Commerce & Industry, India, accessed on July 27, 2020 at <https://www.phdcci.in/wp-content/uploads/2019/10/India-jumps-14-spots-in-Ease-of-Doing-Business-rankings-2020-ranks-63rd-out-of-190-countries.pdf>)
- 7.1.7 The World Bank's Doing Business assessment provides objective measures of business regulations and their enforcement on ten parameters affecting a business through its life cycle. In DB 2020, India was classified as one of the ten economies that improved the most in their ease of doing business scores in 2019 compared to 2018. The other nine economies were Bahrain, China, Jordan, Kuwait, Nigeria, Pakistan, Saudi Arabia, Tajikistan and Togo.

TABLE O.2 The 10 economies improving the most across three or more areas measured by *Doing Business* in 2018–19

Economy	Ease of doing business rank	Change in ease of doing business score	Reforms making it easier to do business									
			Starting a business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Saudi Arabia	62	7.7	✓	✓	✓		✓	✓		✓	✓	✓
Jordan	75	7.6					✓		✓			✓
Togo	97	7.0	✓	✓	✓	✓	✓					
Bahrain	43	5.9		✓	✓	✓	✓	✓	✓	✓	✓	✓
Tajikistan	106	5.7	✓					✓		✓		
Pakistan	108	5.6	✓	✓	✓	✓			✓	✓		
Kuwait	83	4.7	✓	✓	✓	✓	✓	✓		✓		
China	31	4.0	✓	✓	✓				✓	✓	✓	✓
India	63	3.5	✓	✓						✓		✓
Nigeria	131	3.4	✓	✓	✓	✓				✓	✓	

(Source: World Bank, accessed on July 27, 2020 at <https://www.worldbank.org/en/news/feature/2019/10/24/doing-business-2020-sustaining-the-pace-of-reforms>)

7.2 Indian Telecommunication Industry

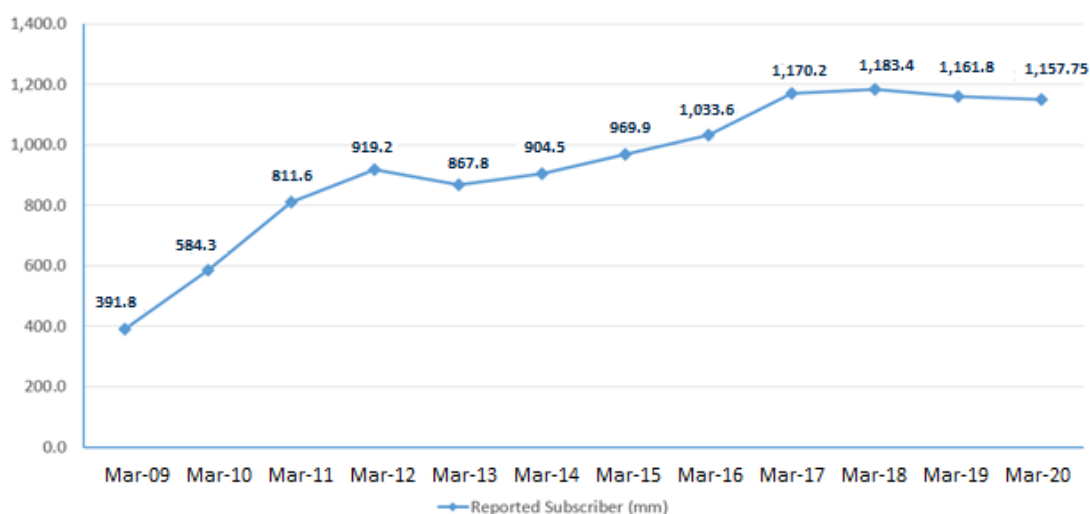
Indian mobile telecommunications services sector

- 7.2.1 The mobile telecommunications industry is an integral part of the Indian economy. The industry has contributed to the economic growth and the GDP of the country by generating revenue for the Government and creating new jobs, directly and indirectly.
- 7.2.2 India is currently the world’s second-largest telecommunications market by subscribers and strong customer demand has led to a rapid growth in this sector, according to Deloitte. As of December 31, 2020, India had a total reported subscriber base (including wireless and wireline subscribers) of 1,173.83 million, according to TRAI.
- 7.2.3 Mobile telecommunications operators offer two basic subscription methods, pre-paid and post-paid. The pre-paid subscription model is currently the most widely used subscription method in the mobile telecommunications industry in India.

(In millions)	Wireless	Wireline	Total
Total Telephone Subscribers as of Dec 31, 2020	1,153.77	20.05	1,173.83
Urban Telephone Subscribers as of Dec 31, 2020	629.67	18.24	647.91
Rural Telephone Subscribers as of Dec 31, 2020	524.11	1.81	525.92
Broadband Subscribers (in millions) as of Dec 31, 2020	769.64	25.54	747.41

(Source : - Telecom Regulatory Authority of India (TRAI))

The chart below illustrates the annual subscriber base from March 31, 2009 to March 31, 2020:



7.2.4 The mobile telecommunications industry in India is divided into 22 service areas - three metro service areas (Delhi, Mumbai, and Kolkata) and 19 other service areas. These other service areas are categorized as Circle 'A', Circle 'B' and Circle 'C', in descending order on the basis of the degree of affluence, infrastructure development and revenue potential across each service area. The licensed service areas of the various cellular service providers as of March 31, 2021 are provided below:

Service Provider	Licensed Service Area
Bharat Sanchar Nigam Limited ("BSNL")	All India (except Delhi & Mumbai)
Bharti Airtel Limited ("Bharti Airtel")	All India
Mahanagar Telephone Nigam Limited ("MTNL")	Delhi & Mumbai
Reliance Jio Infocom Limited ("Reliance Jio")	All India
Reliance Telecom Limited	Kolkata, Madhya Pradesh, West Bengal, Himachal Pradesh, Bihar, Odisha, Assam & North East
Vodafone Idea Limited ("Vodafone Idea")	All India

7.2.5 The following table sets forth the wireless subscriber base for the key access service providers for each service area:

Subscribers as of December 31, 2020	Bharti Airtel	Vodafone Idea	Reliance Jio
Circle	(In millions)		
Andhra Pradesh	30.43	16.44	31.37
Assam	8.88	3.35	8.85
Bihar	35.11	12.38	31.45
Delhi	15.85	15.60	18.97
Gujarat	11.44	25.02	25.42
Haryana	5.07	8.05	8.91
Himachal Pradesh	3.33	0.71	4.00
Jammu & Kashmir	5.55	0.52	4.47
Karnataka	29.49	9.58	20.89
Kerala	6.49	17.32	9.91
Kolkata	5.90	6.96	10.86
Madhya Pradesh	14.71	21.38	33.15
Maharashtra	17.90	32.85	35.58
Mumbai	9.86	9.33	14.65

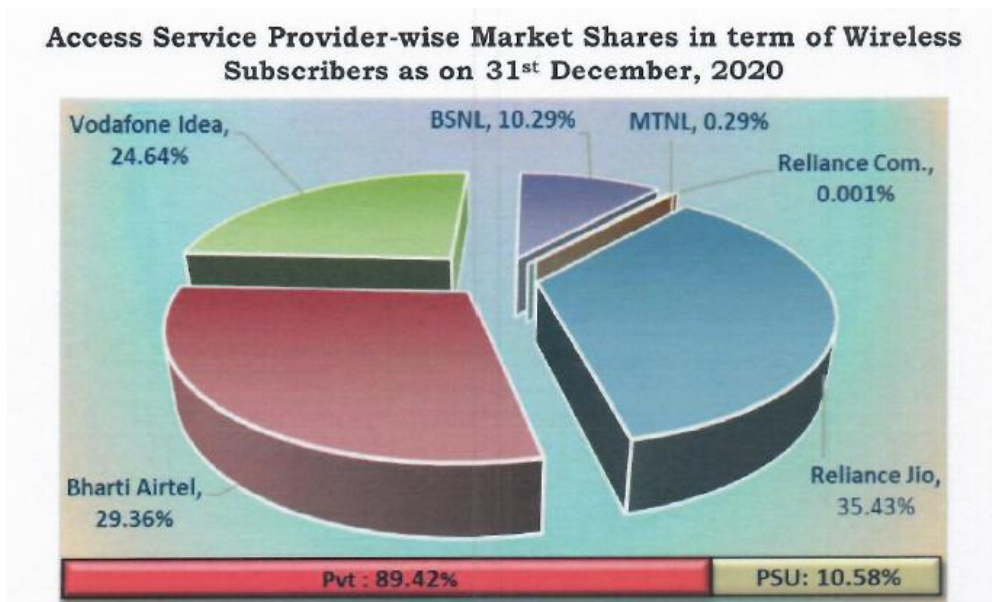
Subscribers as of December 31, 2020	Bharti Airtel	Vodafone Idea	Reliance Jio
North East	5.31	1.47	4.06
Orissa	10.86	2.54	13.71
Punjab	10.67	8.71	12.49
Rajasthan	21.56	12.23	25.00
Tamil Nadu (incl. Chennai)	26.05	19.07	24.33
Uttar Pradesh (East)	33.43	23.42	30.09
Uttar Pradesh (West)	15.81	20.33	20.41
West Bengal	14.98	17.29	20.18
Total	338.71	284.26	408.77

(Source: TRAI)

7.2.6 The wireless telecommunication industry in India has undergone a massive transformation since 2016 with the launch of services by RJIL. RJIL brought about a change in the fundamental tenet of the industry with entire growth being driven by affordable data services. As of December 31, 2020, RJIL had 408.77 million wireless subscribers on its network, according to TRAI. As of March 31, 2021, RJIL had 426.2 million subscribers.

7.2.7 As of December 31, 2020, according to TRAI, private access service providers held an 89.42% market share in terms of wireless subscribers, whereas BSNL and MTNL, the two public service undertaking access service providers, held a combined market share of 10.58%. Among private access service providers, notable companies include Vodafone Idea (with a market share of 24.64%), Bharti Airtel (with a market share of 29.36%) and RJIL (with a market share of 35.43%).

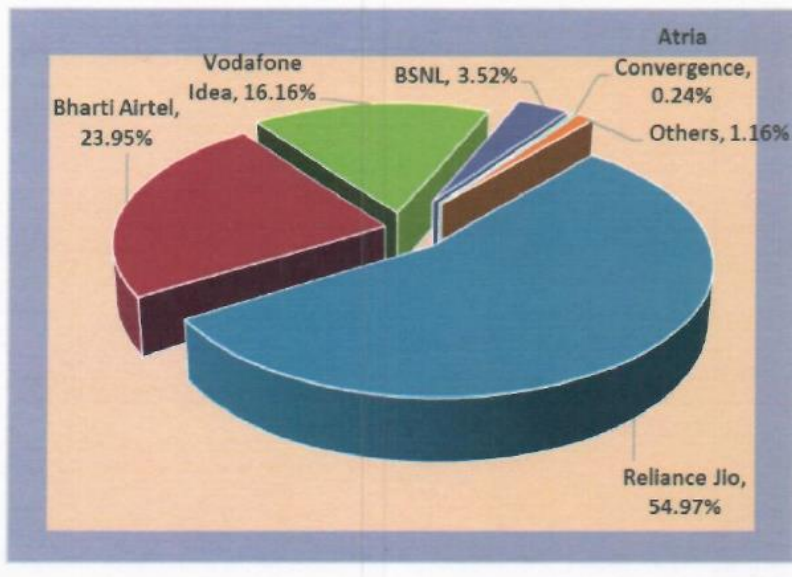
The following diagrams show the graphical representation of access service provider-wise market share based on wireless subscribers as of December 31, 2020:



(Source: TRAI)

On the other hand, within the subset of broadband service providers, RJIL holds the largest market share with 54.97% as of December 31, 2020 based on the number of subscribers. This is followed by Bharti Airtel with 23.95% and Vodafone Idea with 16.16% of market share.

**Service Provider-wise Market Share of Broadband
(wired + wireless) Services as on 31st December 2020**



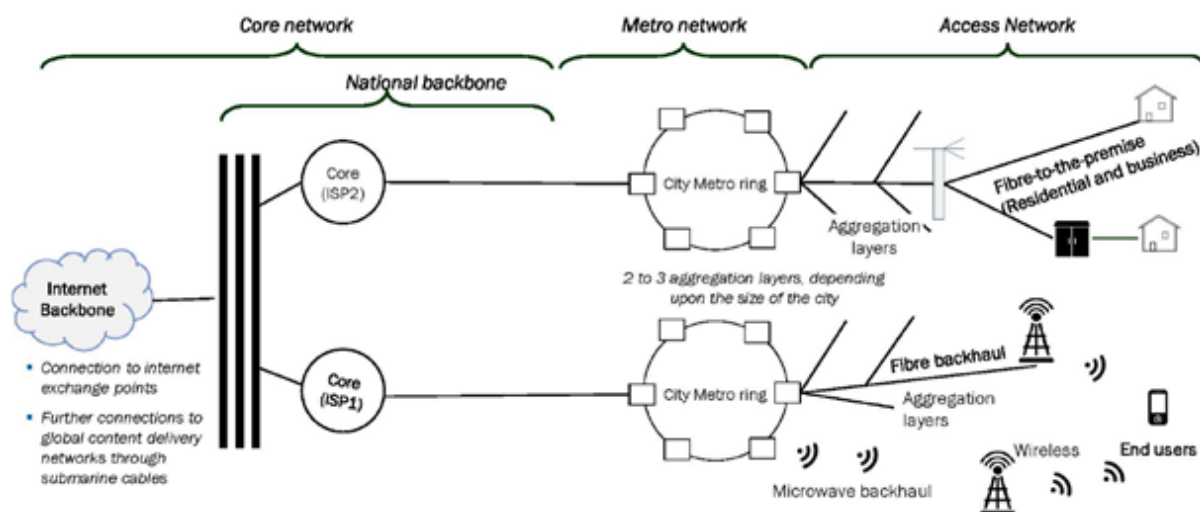
(Source: TRAI)

Recent updates on Telecom Industry:

- 7.2.8 Aircel Group's admission to National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC);
- 7.2.9 Reliance Communications Limited (RCom) decision to shut down wireless business and subsequent filing of insolvency petition with NCLT under IBC;
- 7.2.10 Sale of Sistema Shyam Teleservices Limited (SSTL) to RCom and consequent merger of both;
- 7.2.11 Tata Group's decision to exit telecom business and consequent merger with Bharti Airtel Limited (Bharti Airtel) and Tata Teleservices Limited (TTSL);
- 7.2.12 Vodafone India Limited (Vodafone) and Idea Cellular Limited (Idea) merger and Bharti Airtel and Telenor (India) Communication Private Limited (Telenor) merger causing closing down of many sites.
- 7.2.13 The Hon'ble Supreme Court ruled that definition of adjusted gross revenue ("AGR") for telecom companies should include all revenue accrued to carriers, including that from non-core activities. The ruling has caused severe losses to the recent results of major telecom companies in the Industry.

Indian Optic Fibre Industry

7.2.14 A nationwide optic fibre network comprises three key components, access, metro and core network.



(Source: Analysys Mason)

7.2.15 Each network can create demand for wholesale fibre leases from various telecommunications entities such as mobile network operators, fixed broadband players and other internet service providers. According to Analysys Mason, demand on fibre network at the market level is expected to near-capacity on access network in Fiscal Year 2022 and also stabilize on metro network and national backbone by Fiscal Year 2022.

Optic Fibre Segments

According to Analysys Mason, fibre demand in India is expected to be driven by two distinct segments, FTTP/B and BTS fiberisation.

FTTB/P - Residential and Business

Key Demand Drivers

7.2.16 Demand on fibre network in the FTTP/B market is directly correlated with the expansion of fibre-based fixed broadband networks, driven by the following factors:

- the entry of a disruptive FTTP player, Reliance Jio (JDFPL);
- the surge of fibre roll-outs from incumbents;
- a shift in technologies from DSL and cable modems to FTTP/B;
- growing demand for high-speed broadband and competitive pressure; and
- government and policy makers' focus on increasing access to high-speed broadband.

Technologies

7.2.17 The FTTP/B market is currently supported by a combination of network infrastructure using old technologies such DSL and cable modem as well as the next generation technology such as FTTH.

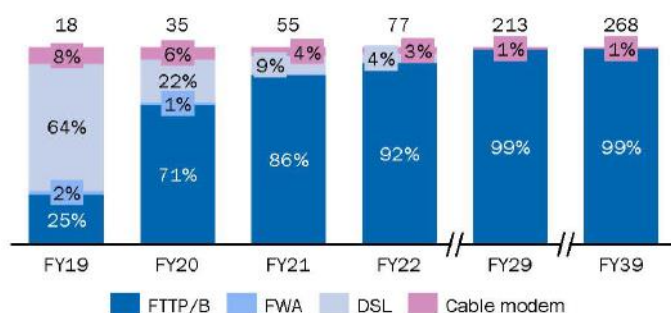
The following diagram sets forth a comparison of technologies across network architecture, capital expenditure (capex) per premise and end-user throughput:

Technology	FTTH	DSL	DOCSIS	WiMesh	Remarks
Network architecture - Reliability	●	◐	◑	◑	Fewer active equipment in FTTH makes it more reliable
Network architecture - Scalability	◑	◐	◑	◑	DSL and DOCSIS rely on deployments of PSTN and cable lines respectively, thereby making them less scalable
End-user throughput	●	◑	◑	◑	FTTH has by far the highest end-user throughputs followed by DOCSIS
Capex per premise connected (at 40% utilisation)	◑	●	◑	◑	DSL has lowest capex if it only requires upgrading existing copper lines; otherwise greenfield deployment is very expensive DOCSIS capex is lower than FTTH but it increases significantly if the cable line has to be upgraded from analog to digital
Overall	◑	◑	◑	◑	Even though FTTH has a high capex, its equipment costs have been declining as the roll-out of FTTH has increased. Additionally, due to its high reliability, scalability and user experience, FTTH scores the highest overall



(Source: Analysys Mason)

The following diagram sets forth a breakdown of fixed broadband (“FBB”) technologies such as FTTP/B, fixed wireless access (“FWA”), DSL and cable modem:



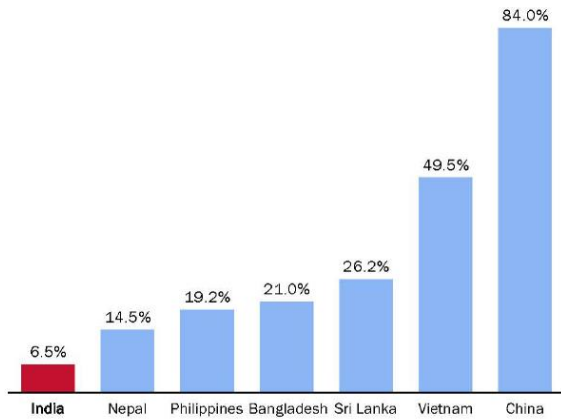
(Source: Analysys Mason)

Industry Outlook

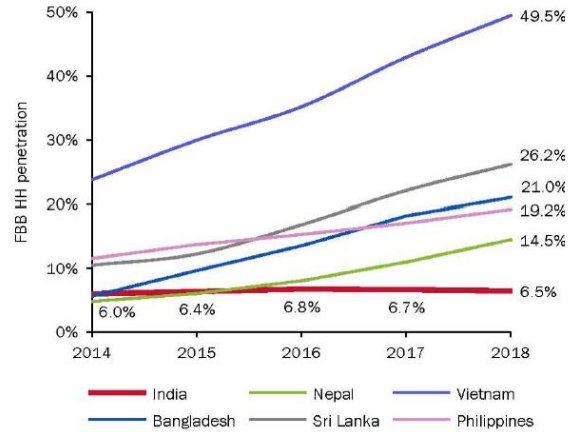
7.2.18 According to Analysys Mason, the level of FBB penetration in India is low at 6.5%, compared to other Asian countries and has been stagnant in the past because of constraints on the supply side, primarily due to operational challenges associated with the deployment of fibre in the intra-city and last-mile network segments.

7.2.19 The following diagrams set forth the current FBB penetration in Asian countries and the benchmark of FBB penetration in Asian countries over the past five years:

FBB HH penetration in Asian countries



Benchmarks of FBB penetration between 2014 and 2018



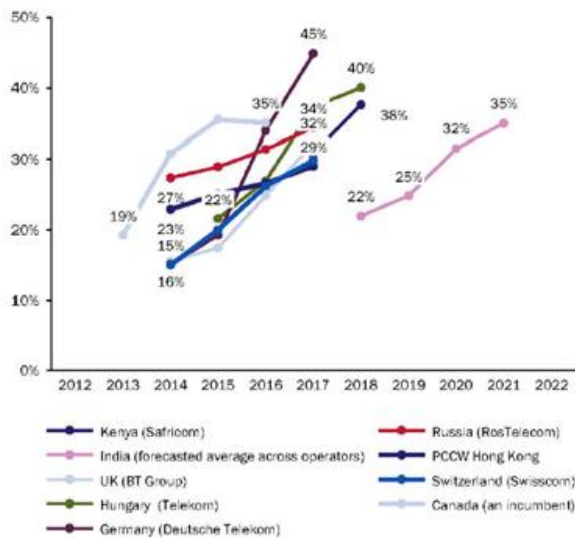
(Source - Analysys Mason)

7.2.20 According to Analysys Mason, the supply side constraints are expected to dissipate as a result of investments in FTTP network in recent times by telecommunications operators, including RJIL, and continuing investment expected over the next few years. Analysys Mason expects that this will facilitate rapid growth in the penetration of FBB and bring India in line with global benchmarks.

7.2.21 Analysys Mason expects that, based on the international benchmarks, the take rate of FTTP/B services for an internet service provider can easily increase up to 35% by Fiscal Year 2022.

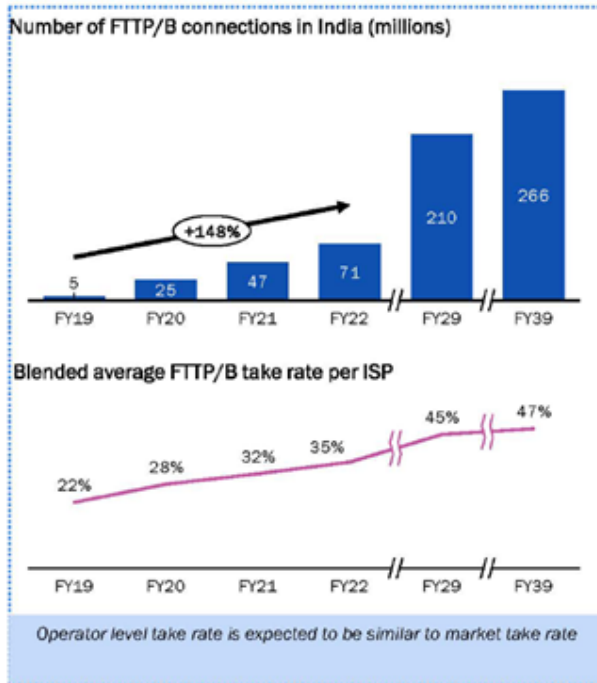
Trend of FTTP/B take rate and forecasted take rate for India

India is expected to follow a take up rate trend similar to other benchmarked countries



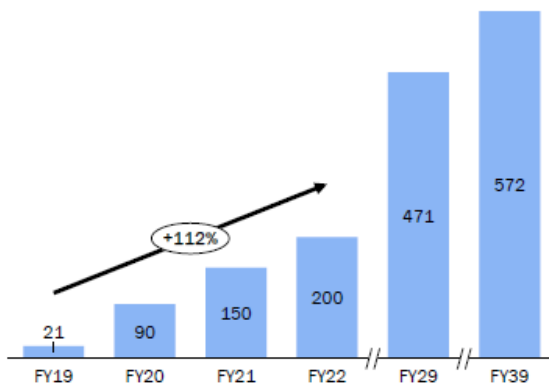
(Source: Analysys Mason)

7.2.22 Analysys Mason also forecasts that FTTP/B connections in India is expected to increase at an expected blended average take rate of 35% per internet service provider and up to 200 million non-unique premises by Fiscal Year 2022.



Non-unique premises passed by internet service providers (millions)

We expect that each premise will be served by approximately two ISPs, implying reach to just over 100 million unique premises



(Source: Analysys Mason)

Mobile Market - BTS fiberisation

Key Demand Drivers

7.2.23 According to Analysys Mason, fibre backhaul or ‘fiberisation’ of BTS is expected to be critical to support increased mobile bandwidth which will be required to support significant growth in data traffic. As a result, a shift from microwave backhaul to next generation networks with

denser and more efficient fibre infrastructure and fibre backhaul will be necessary. Such fibre backhaul will need to be supported by the combination of the following factors:

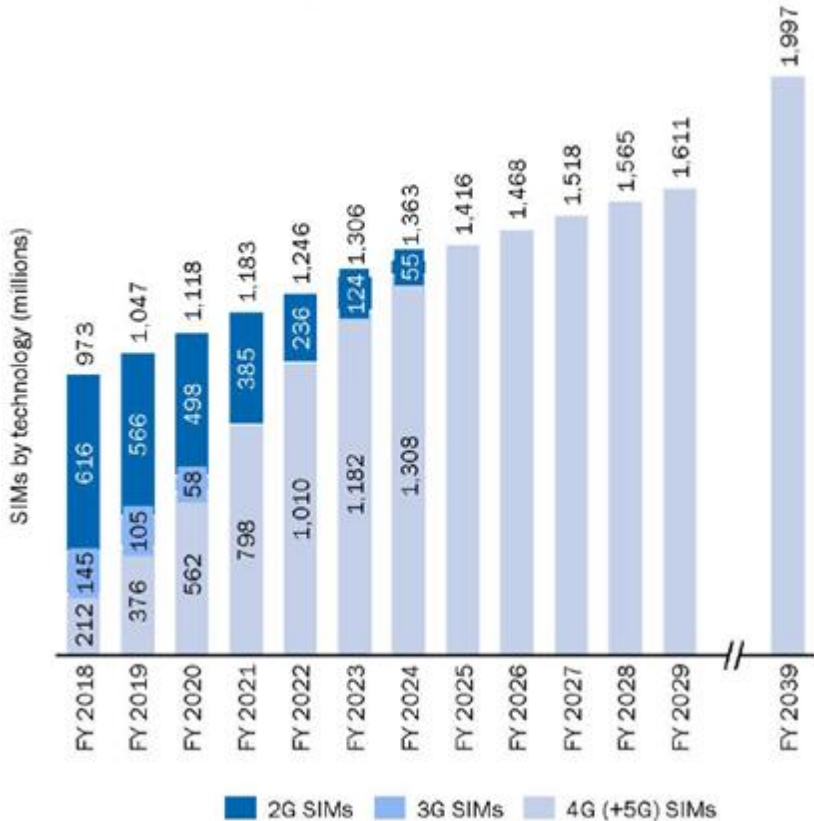
- high-speed 4G/5G;
- compatible devices;
- affordable data tariff; and
- extensive video content.

Industry Outlook

Active SIMs by Technology

7.2.24 Wireless penetration has been benchmarked at a circle-level to forecast SIMs split by technology. Analysys Mason expects that there will be 1.6 billion active SIMs in India by Fiscal Year 2029.

Active SIMs by technology, FY2018 - FY2039

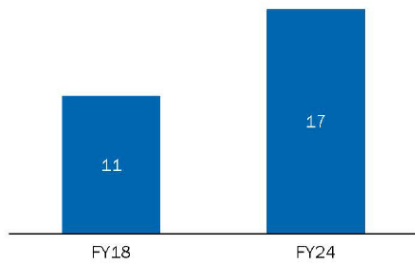


(Source: Analysys Mason)

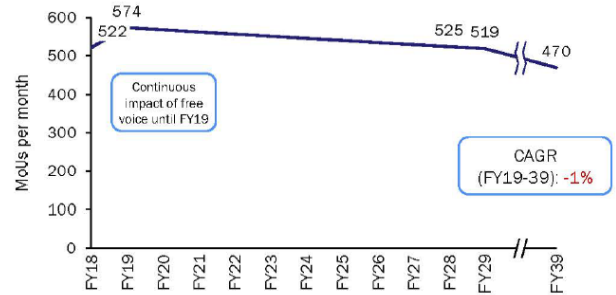
Data Usage

7.2.25 According to Analysys Mason, data usage per subscriber is expected to increase to 17 GB per month in Fiscal Year 2024 and voice usage is expected to decline.

4G (+5G) data usage per sub per month (GB/month)



Voice usage per subscriber per month, FY2018 - FY2039

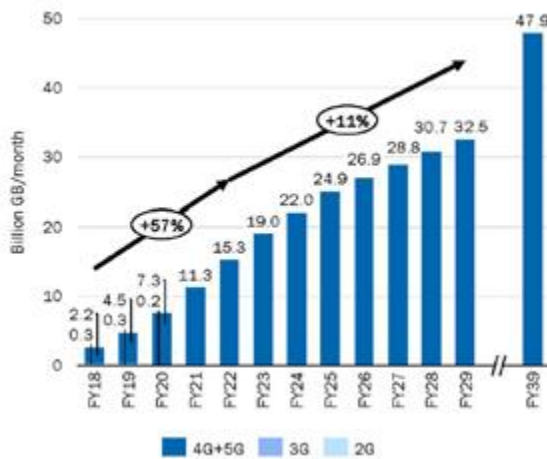


(Source: Analysys Mason)

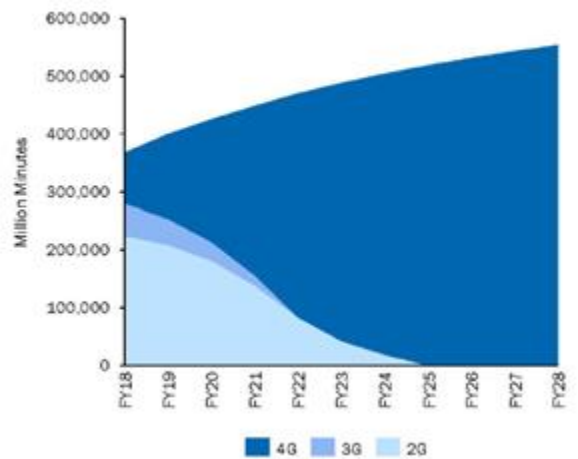
Data Traffic

7.2.26 Driven by the growth in the number of subscribers and usage per subscriber, wireless data traffic is expected to grow at a CAGR of 57% between Fiscal Year 2018 and Fiscal Year 2022.

Total data traffic in India by technology¹, FY2018-FY 2039



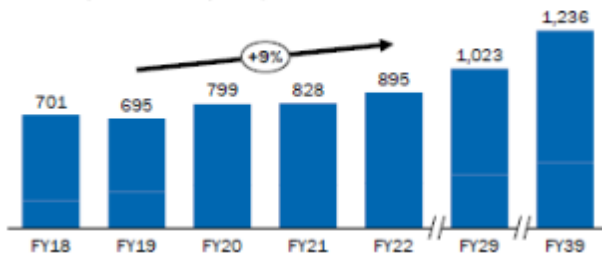
Voice traffic by technology, FY2018-FY2028

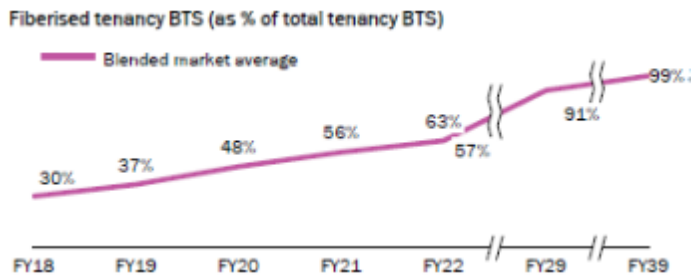


(Source: Analysys Mason)

7.2.27 According to Analysys Mason, growth in data traffic is expected to lead to capacity-driven tenancy BTS reaching 895,000 by Fiscal Year 2022. Analysys Mason also forecasts that fiberized BTS will reach 63% of the total tenancy BTS by Fiscal Year 2022, which is in line with global benchmarks, due to increasing need for mobile backhaul ‘fiberisation’ and growth in data traffic.

Total tenancy BTS in India (*'000s)





(Source: Analysys Mason)

7.2.28 The following diagrams set forth demand in the access network, the metro network and the national backbone translated into FPKM (which is calculated as route kilometres multiplied by an average number of fibre pairs installed per route kilometre):



(Source: Analysys Mason)

(This Space has been intentionally left blank)

8 Valuation Approach

The present valuation exercise is being undertaken to arrive at enterprise value of InvIT Asset for the Purpose. Considering internationally accepted valuation methodologies and in cognizance of international valuation standards and ICAI Valuation Standards 2018 issued by ICAI Registered Valuers Organisation, there are three generally accepted approaches to valuation:

- i. “Cost” Approach
- ii. “Income” Approach
- iii. “Market” Approach

Within these three basic approaches, several methods may be used to estimate the value. A brief overview of these approaches is as follows:

8.1 Cost Approach

8.1.1 The cost approach values the underlying assets of the business to determine the business value of the InvIT Asset. This valuation method carries more weight with respect to holding companies than operating companies. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

i. Net Asset Value Method

- The Net Asset Value (“NAV”) method under cost approach, consider the assets and liabilities, including intangible assets and contingent liabilities. The net assets, after reducing the dues to the preference shareholders, if any, represent the equity value of a company.
- NAV method is appropriate in a case where the major strength of the business is its asset base rather than its capacity or potential to earn profits.
- This valuation approach is mainly used in cases where the asset base dominates earnings capability.
- As an indicator of the total value of the entity, the net asset value method has the disadvantage of only considering the status of the business at one point in time.
- Additionally, net asset value does not consider the earning capacity of the business or any intangible assets that have no historical cost. In many respects, net asset value represents the minimum benchmark value of an operating business.

ii. Break Up Value Method

- Under the Break Up Value (“BV”) method, the assets and liabilities are considered at their realizable (market) values including intangible assets and contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the payable value of all liabilities (existing plus potential) are deducted to arrive at the BV of the company.

-
- This valuation approach is mostly used in case of companies where there are huge operating investments or surplus marketable investments.

8.2 Income Approach

8.2.1 The Income approach focuses on the income prospects of a company.

i. Discounted Cash Flow Method

- Under the Discounted Cash Flow (“DCF”) method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.
- Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and lenders to the business.
- Discount rate is the Weighted Average Cost of Capital (“WACC”), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.
- The perpetuity (terminal) value is calculated based on the business’s potential for further growth beyond the explicit forecast period. The “constant growth model” is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.
- The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business’s future operations.
- The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.
- In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

8.3 Market Approach

i. Market Price Method

- Under this approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors’ perception about the true worth of the company.

ii. Comparable Companies Multiple Method

- Under the Comparable Companies Multiple (“CCM”) method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.
- To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

- Under the Comparable Transactions Multiple (“CTM”) method, the value of a company can be estimated by analysing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company.

8.4 Conclusion on Valuation Approach

Sr. No.	Valuation Approach	Valuation Methodology	Used	Explanation
I	Cost Approach	- Net Asset Value & Break Up Value	No	NAV or the BV does not capture the future earning potential of the business.
II	Income Approach	- Discounted Cash Flow	Yes	Fibre Co derives its true value from the potential to earn income in the future. Hence, we have considered DCF method under Income Approach for Valuation.
III	Market Approach	- Market Price	No	Fibre Co is not listed on any stock exchange, therefore we have not considered market price method of valuation.
		- Comparable Companies	No	There are no listed companies directly comparable to the business of the InvIT Asset considering the distinct nature of asset and capital structure. Hence, we have not considered CCM method.
		- Comparable Transactions	No	Due to unavailability of transactions in the public domain with business, scale and characteristics similar to Fibre Co.

- Accordingly, in the instant case, the Discounted Cash Flow Method was considered as the most appropriate method for valuation of the InvIT Asset. Under the DCF method, we have used Free Cash Flow to Firm (“FCFF”) model for valuation.

(This Space has been intentionally left blank)

9 Valuation of InvIT Asset

- 9.1.1 The audited balance sheet position of Fibre Co as on March 31, 2021 has been considered as the opening balance sheet of Fibre Co for the purpose of valuation.
- 9.1.2 Fibre Co and RJIL have entered into the FUA in terms of which Fibre Co shall provide RJIL the use of the Contract Fiber and Contract Ducts and provide RJIL Basic Maintenance Services for a period of 30 years from the Closing Date as provided for in the FUA. The financial projections provided by the Management for the period beginning from April 1, 2021 till September 30, 2050 has been considered for valuation. We have reviewed the financial forecast for consistency and reasonableness, however we have not independently verified the data provided.
- 9.1.3 Following are the key assumptions considered in the financial projections while determining the operating cash flows of Fibre Co:

i. Fiber Assets roll-out:

Year	As of March 31, 2021 (million FPKM)	As of March 31, 2022 (million FPKM)
NLD-Own build	7.34	7.34
NLD-IRU	0.62	0.62
Intra city		
A	0.68	0.69
B	2.47	2.66
Others	6.18	6.55
Enterprise Access	0.09	0.09
FTTH	2.82	3.71
Total	20.20	21.66

- The Fibre Assets is expected to increase from 20.20 million FPKM as of March 31, 2021 to 21.66 million FPKM by March 31, 2022. Currently, RJIL is the single largest user of the Fiber cables. However, the fibre infrastructure in India is at nascent stage and the demand for data usage is growing exponentially due to increase in rollout of 4G technology along with the arrival of 5G technology. Considering the demand for the fibre infrastructure we have considered other third-party customers as well for the current valuation exercise.
- The following is the split of the FPKM assumed to have been tied up with RJIL and third-party customers for each of Fiscal 2022, 2023 and 2024

Year	Fiscal 2022 (million FPKM)	Fiscal 2023 (million FPKM)	Fiscal 2024 (million FPKM)
<i>RJIL</i>			
NLD-Own build	4.98	4.98	4.98
NLD-IRU	0.62	0.62	0.62
Intra city			
A	0.34	0.35	0.35
B	1.31	1.33	1.33
Others	3.23	3.28	3.28
Enterprise Access	0.06	0.06	0.06
FTTH	2.13	2.56	2.56
Total	12.67	13.17	13.17

Year	Fiscal 2022 (million FPKM)	Fiscal 2023 (million FPKM)	Fiscal 2024 (million FPKM)
<i>Third party customers</i>			
NLD-Own build	0.51	0.83	1.12
NLD-IRU	-	-	-
Intra city			
A	0.07	0.12	0.16
B	0.28	0.46	0.63
Others	0.69	1.15	1.56
Enterprise Access	0.01	0.01	0.01
FTTH	0.22	0.40	0.55
Total	1.78	2.97	4.03

ii. **Fiber Fees:**

In terms of the FUA, RJIL is required to pay 'Upfront Fiber Fees', computed in the manner specified in the FUA which shall be amortized over the life of the FUA. Additionally, RJIL, shall pay 'Monthly Fiber Fees' for all Contract Fiber. As of March 31, 2021, the total Upfront Fiber Fees already paid by RJIL aggregated INR 15,849 crore.

Similar assumptions of fiber fees has been taken with respect to third party customers.

Further given that RJIL is currently the primary customer and would continue to remain the key customer of the Fibre Co estimated to take up approximately 60% of the total 21.66 million FPKM to be built and operated by the Fibre Co, RJIL has been given 60% discount to the rate card in the total fiber fees payable over the life of the FUA. Additionally, and given the expectation that the requirements from third party customers would be more diverse and scattered across the total Fiber Assets of the Fibre Co. It has been assumed that the Fiber Co would be able to charge a premium of 10% to the rate card in the fiber fees payable by such third-party customer over the life their respective fiber and duct usage agreements.

iii. **Maintenance Fees:**

In addition to the fiber fees, the FUA provides for 'Monthly Maintenance Fees' to be charged to RJIL. The Maintenance Fees is determined in accordance with the terms of the FUA.

Similar maintenance fees would be charged from the third-party customers.

The amortization of the Upfront Fiber Fees, the Monthly Fiber Fees and the Monthly Maintenance Fees together constitute the total revenue for the Fiber Co.

iv. **O&M Contract Price**

The fees to be paid by Fiber Co. to the Operator including the escalations thereon has been considered in terms of the O&M Agreement to determine the forecasted O&M expenses.

v. **Other expenses**

The manpower head count of 50 with an average salary p.a. of INR 6.2 lakhs with escalation of 3% p.a. has been assumed. Additionally, fixed administration expenses of INR 25.0 crore with escalation of 1% p.a. and other variable administration expenses computed at 60% of the manpower costs p.a. has been estimated. Further certain miscellaneous expenditure of INR 53.0 crore with escalation of 5% p.a.

vi. **Capital Expenditure**

Fiber Co. projects a total capex of ~ INR 1,675 crore (excluding GST) for completion of the balance Fiber Assets. The capex is majorly towards laying of additional optic fiber cables.

vii. **Discounted Cash Flow**

- The explicit period has been considered from April 1, 2021 to September 30, 2050 and we understand that the FUA, O&M Agreement and PEA has come into effect from the Closing Date. It has been further assumed that the Fiber Co. would complete the capex for additional Fiber Assets by FY22;
- We have considered working capital requirement and changes in working capital as provided by the Management during the forecast period namely (a) 30 days receivable for third party customer billings; (b) 30 days payables towards total operating costs; and (c) other current liabilities at INR 5.0 crore. No credit period has been assumed for payments due from RJIL in the projections;
- The FCFF method under DCF has been used to calculate enterprise value of Fiber Co;
- In FCFF, the free cash flows available to the company are discounted by WACC to derive the net present value. We have considered a WACC of 10.79%;
- We have discounted the projected net cash flows back to their present value using mid-year discounting convention. The use of mid-year discounting factors better reflects the assumption that net cash flows will be generated throughout the year, rather than at the beginning or at the end of the year;
- We have not considered any terminal cash flow given the fixed term of the Project Agreements and have considered recoupment of all working capital at the end of the forecast period;

- Income Tax rate of 25.17% being the tax rate prevailing in India has been considered.
- The enterprise value (“Enterprise Value”) of Fiber Co is arrived at INR 1,86,206.2 crore, determined as an aggregate of the present value of forecast period.

viii. **Discounting Factor**

- We have used the Free Cash Flows to Firm (“FCFF”) model under DCF method to estimate the Enterprise Value of Fiber Co. In FCFF, the free cash flows available are discounted by Weighted Average Cost of Capital (“WACC”) to arrive the net present value.
- The WACC is arrived at after considering the cost of equity, the cost of OCPS, the cost of the Preference Shares, the post-tax cost of debt (including NCDs) and the post-tax cost of the Loan 1 and Loan 2 and their respective weights in the capital structure of Fiber Co.
- The break-up of the debt (excluding any interest due thereon) as of March 31, 2021 is provided below

Particulars	As of March 31, 2021 in Rs. crore	As of March 31, 2022 in Rs. crore + Additional borrowing to fund Capex
Long term and short term loans (including current maturity of long term borrowings) and interest accrued	36,500	40,500
NCDs	25,342	25,342
Preference Shares	1.25	1.25
Trust Loan 1	14,706	14,706
Trust Loan 2	24,720	24,720
Trust Loan 3	280	-
Total	1,01,549	1,05,269

- The following is the break-up of the split of the share capital structure as of March 31, 2021.

Particulars	As of March 31, 2021 in Rs. crore
Equity Share capital	515
OCPS capital	78,140

Total	78,655
--------------	---------------

- While the Trust Loan 1 and Trust Loan 2 is in the nature of debt at the level of Fiber Co, at the consolidated Trust level, the same would be cancelled as inter-entity transaction. Further the Trust Loan 3 is expected to be set-off against the novation consideration. However, the InvIT Loan would continue to reflect as a loan at the consolidated Trust level. For the purpose of this valuation exercise, we have considered the following to determine the WACC.

WACC = (Cost of External Debt * (1-tax rate) * External Debt as of March 31, 2021 (adjusted for any refinancing and additional debt for capex) + Cost of Loan 1 * (1-tax rate) * Loan 1 + Cost of Loan 2 * (1-tax rate) * Loan 2 + Cost of OCPS * OCPS capital + Cost of Preference Shares * Preference Share capital + Cost of Equity Shares * Equity Share capital) / (External Debt as of March 31, 2021 including refinanced and additional debt + Loan 1 + Loan 2 + OCPS capital + Preference Share capital + Equity Share capital as of March 31, 2021).

- The Preference Shares carry the cost of the fixed dividend payable on the Preference Shares.
- The OCPS cost has been determined as the higher of (i) the fixed dividend payable to the OCPS; and (ii) the discount rate at which all the excess cash flow available to the OCPS holder in terms of the SHOA when discounted equals the face value the OCPS.
- We have considered the capital structure of the Fiber Co for determining the cost of equity. The following may be noted:
 - The OCPS are in the nature of cumulative participating and optionally convertible preference shares and the holders of the OCPS shall be entitled to surplus assets of the Fiber Co either on winding up or liquidation or otherwise.
 - Further the OCPS holders also have preferential rights vis-à-vis Equity Share holder in payment of dividends.
 - Accordingly the only right available to an equity share holder is the right to receive dividends in the event the same is declared (subject to the preferential right available to both the OCPS holder and the Preference Share holder) and the right to receive the face value of the equity share capital in the event of a winding up or liquidation.
 - Having regards to the above as well as the proportion of equity in the capital structure of the Fiber Co, we understand that the cost of equity in this case will be subservient to cost of OCPS and hence the cost of equity is considered to be same as cost of OCPS of 16.34%.

(This Space has been intentionally left blank)

-
- Since, redeemable preference shares carry coupon of 0.01% we have considered cost of 0.01% for redeemable preference shares.
 - Further, we have considered post tax cost of external debt of 6.4% and post-tax cost of Trust Loan 1 of 13.2% and Trust Loan 2 of 9.1% respectively.
 - We understand that there has been a slight slippage in the actual FY21 performance vis-à-vis the projected performance as well as there are no third-party customers on board as on the date of valuation, however the management has confirmed that this is expected to be temporary purely arising out of Covid-19 impact. Considering the same we have added a nominal risk premium of 0.25%.
 - After considering the above we have determined the WACC of 11.79% for the valuation.

(This Space has been intentionally left blank)

10 Valuation Summary

- 10.1. The current valuation has been carried out based on the valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations, were given due consideration.
- 10.2. I would like to highlight that in the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of an entity or business.
- 10.3. The enterprise value of InvIT Asset is arrived at INR 1,86,206.2 crore, corresponding to an asset base of 20.20 million FPKM as of March 31, 2021.
- 10.4. Further the net asset value of the Units of the Trust has been determined at INR 100 per Unit (rounded off). The net asset value of the Units has been determined considering the value of the Trust Loan 1 + Trust Loan 2 + Trust Loan 3 + value of the equity shares of JDFPL held by the Trust less the InvIT Loan less consideration payable for the Novation Agreement less fair value of liability recorded for the valuation of options under the SHOA.

(This Space has been intentionally left blank)

11 Annexures

11.1 Annexure I

A. Valuation of InvIT Asset as per DCF Method

Valuation as per Discounted Cash Flow Method as on March 31, 2021 (INR Cr)										
WACC @ Normal Rate 11.79%										
Year Ending	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Net Sales	13,923.4	17,503.4	19,816.9	21,252.4	29,209.6	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8
Growth Rate	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%
EBITDA	12,620.5	16,182.5	18,480.5	19,900.2	27,841.4	27,886.2	27,869.5	27,852.6	27,835.3	27,817.8
EBITDA Margins	91%	92%	93%	94%	95%	95%	95%	95%	95%	95%
Less : Outflows										
Add/(Less): Amortization of Upfront fee (shown as revenue)	24,904.0	7,958.4	3,959.1	1,879.2	(1,944.3)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)
Add/(Less): Capital Expenditure and change in GST block	(118.5)	9.6	-	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	106	(186)	(162)	(97)	(366)	1	1	1	1	1
Less: Taxation	-	(483)	(3,109)	(3,702)	(5,900)	(6,080)	(6,218)	(6,335)	(6,433)	(6,515)
Free Cash Flows (FCF)	37,512	23,482	19,168	17,980	19,631	19,802	19,647	19,514	19,398	19,299
Present Value Factor	0.95	0.85	0.76	0.68	0.61	0.54	0.48	0.43	0.39	0.35
Present Value of Cash Flows	35,479	19,867	14,507	12,173	11,889	10,727	9,521	8,459	7,522	6,694
NPV of Explicit Period	1,86,206.2									
Enterprise Value (EV)	1,86,206.2									

Valuation as per Discounted Cash Flow Method as on March 31, 2021 (INR Cr)										
Year Ending	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41
Net Sales	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8
Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
EBITDA	27,799.8	27,781.6	27,763.0	27,744.0	27,724.6	27,704.8	27,684.6	27,664.0	27,643.0	27,621.5
EBITDA Margins	95%	95%	95%	95%	95%	95%	95%	95%	94%	94%
Less : Outflows										
Add/(Less): Amortization of Upfront fee (shown as revenue)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)
Add/(Less): Capital Expenditure and change in GST block	-	-	-	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	1	2	2	2	2	2	2	2	2	2
Less: Taxation	(6,584)	(6,642)	(6,690)	(6,730)	(6,763)	(6,791)	(6,813)	(6,831)	(6,846)	(6,857)
Free Cash Flows (FCF)	19,212	19,136	19,069	19,010	18,957	18,910	18,868	18,829	18,794	18,761
Present Value Factor	0.31	0.28	0.25	0.22	0.20	0.18	0.16	0.14	0.13	0.11
Present Value of Cash Flows	5,961	5,311	4,735	4,222	3,766	3,361	3,000	2,678	2,391	2,135

Valuation as per Discounted Cash Flow Method as on March 31, 2021 (INR Cr)										
Year Ending	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51*
Net Sales	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	29,270.8	14,635.4
Growth Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	-50%
EBITDA	27,599.5	27,577.1	27,554.1	27,530.6	27,506.5	27,481.9	27,456.7	27,430.9	27,404.4	13,689.8
EBITDA Margins	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%
Less : Outflows										
Add/(Less): Amortization of Upfront fee (shown as revenue)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(2,005.5)	(1,002.7)
Add/(Less): Capital Expenditure and change in GST block	-	-	-	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	2	2	2	2	2	2	2	2	2	1,507
Less: Taxation	(6,866)	(6,872)	(6,877)	(6,879)	(6,881)	(6,881)	(6,880)	(6,878)	(6,875)	(3,427)
Free Cash Flows (FCF)	18,730	18,701	18,674	18,648	18,622	18,598	18,573	18,550	18,526	10,767
Present Value Factor	0.10	0.09	0.08	0.07	0.07	0.06	0.05	0.05	0.04	0.04
Present Value of Cash Flows	1,907	1,703	1,521	1,359	1,214	1,084	969	865	773	413

*Represent period ending as on September 30, 2050

11.2 Annexure II - Details of all Permissions

- Certain other key permissions are required for carrying out the present business of the Fiber Co such as (i) RoW from various local (rural and urban), appropriate authorities, municipal corporations, public works departments, forest departments, gram panchayats, military cantonment board and railway authorities.
- Certain approvals may have expired in their normal course and the Fiber Co has either made applications for renewal or is in the process of making such renewal applications.

11.3 Annexure III - Litigations Details

- We have been given to understand that there are no material litigations involving the Fiber Co or there being any other regulatory actions involving the Fiber Co warranting a disclosure herein.

11.4 Annexure IV - Other Disclosures as required under SEBI InvIT Regulations

Statement of Assets

- The Trust currently holds 51% of the outstanding equity share capital in the Fiber Co. Fiber Co is in the business of setting up and maintaining passive optic fiber infrastructure to be used by telecommunication service providers under long term fiber use agreements. The Fiber Infrastructure Business was demerged and transferred as a going concern from RJIL to the Fiber Co with effect from close of business hours March 31, 2019 under the Scheme. As per the audited financial statements of Fiber Co as of March 31, 2021, the Fiber Co had gross tangible fixed assets consisting of assets related to Fiber Infrastructure Business aggregating INR 1,24,502 crore and intangible assets aggregating INR 53,033 crore.

Details of Major Repairs - Past and Proposed

- As per discussions with Management and given the relatively newer portfolio of assets, we understand that no major repairs have been done in the past to the operational Fiber Assets.
- Going forward, the maintenance (including any major maintenance) costs are to be borne by RPPMSL in terms of the O&M Agreement and accordingly we understand that there is no major repair costs that Fiber Co would need to incur.

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

- The Management has confirmed to us that there are no revenue pendency including local authority taxes associated with the InvIT Assets and compounding charges.

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

- The Management has confirmed to us that there is no vulnerability to natural or induced hazards that may not have been covered in town planning / building control.

(This Space has been intentionally left blank)

11.5 Annexure V - Site Visit Photographs

Kasurkud to Vapi & Vikramgad to Dahanu Span at Palghar/Dahanu



Equipment Location, Palghar/Dahanu



Fiber Cables leading upto the Equipment



Vikramgad - Dahanu Span OTDR Readings



Umargaon - Dahanu Span OTDR Reading

Kalyan to Murbad/Surat Span at Kalyan



Equipment Location, Kalyan



Fiber Cables leading upto the Equipment



Mumbai Surat Span I OTDR Readings



Mumbai Surat Span II OTDR Readings

Bengaluru Spans at Whitefield, Bengaluru



Equipment Location, Whitefield, Bengaluru



Hoskote to Kolar OTDR Reading



Kylur to Hoskote OTDR Reading



Hoskote to Mallur OTDR Reading

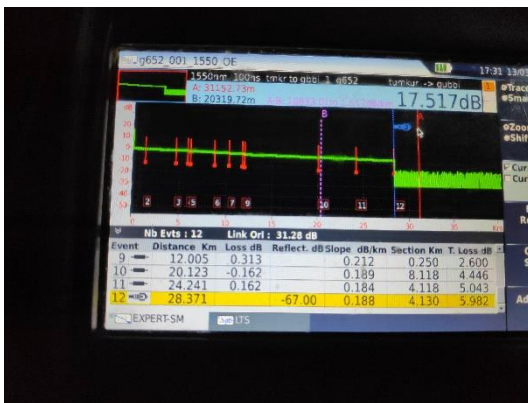
Bengaluru Spans at Peenya, Bengaluru



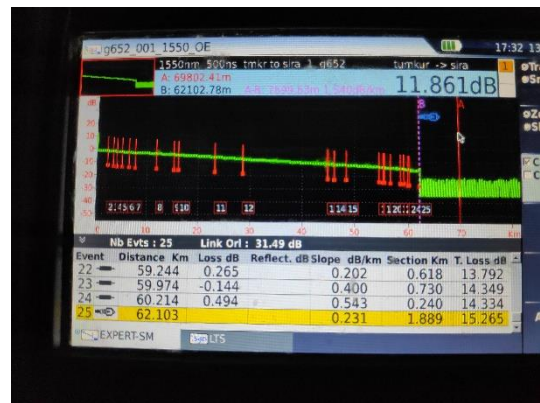
Equipment Location, Peenya



Tumkur to Magadi OTDR Reading



Gubbi to Tumkur OTDR Reading



Tumkur to Sira OTDR Reading

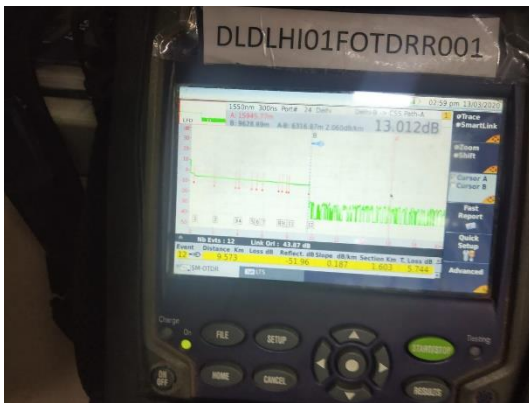
Delhi West and North Spans



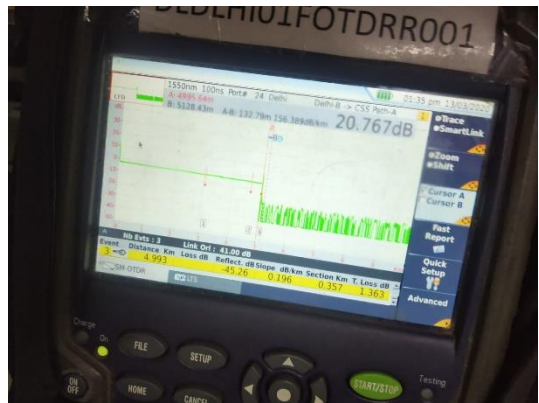
Delhi OTDR Readings by Valuer



Delhi Fibers Duct at the Equipment Location



Vikasपुरी to Kirti Nagar-1 Span OTDR Reading



Nangal Rai to Vikasपुरी West Span OTDR

Delhi Central East Spans



Delhi Central East OTDR Checking



Delhi Central East Fiber Ducts and Cables within





Noida Sec 1 to Mayur Vihar-1 OTDR Reading



Connaught Place to Kirti Nagar OTDR Reading

Network Operating Centres



**Deloitte
Haskins & Sells LLP**

Chartered Accountants
One International Centre,
Tower 3, 31st Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4501

INDEPENDENT AUDITOR’S REPORT

**Digital Fibre Infrastructure Trust (the “Trust”)
acting through Axis Trustee Services Limited, as the trustee (the “Trustee”)
Axis House, 2nd Floor, Wadia International Centre, Panbhurang Budhkar Marg,
Worli, Mumbai 400025**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Digital Fibre Infrastructure Trust (“the Trust”), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, Statement of Net Assets at fair value as at 31st March, 2021, Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of (India Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with the SEBI circular number CIR/IMD/DF/114/2016, dated October 20, 2016 (together referred to as the “InvIT Regulations”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations, of the state of affairs of the InvIT as at March 31, 2021, and its profit including other comprehensive income, its changes in equity, the cash flows for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021 and total returns at fair value and net distributable cash flows of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Deloitte Haskins & Sells LLP

Emphasis of matters

We draw attention to Note 6 of the standalone financial statements which describes the presentation of "Unit Capital" as "Equity" to comply with InvIT Regulations. Our opinion is not modified in respect of this matter.

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

The Investment Manager is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

Infinite India Investment Management Limited ("Investment Manager") is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, changes in equity, net assets at fair value, total returns at fair value and net distributable cash flows of the Trust in accordance with the InvIT Regulations, Ind AS and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors of Investment Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Investment Manager is also responsible for overseeing the Trust's financial reporting process.



Deloitte Haskins & Sells LLP

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with



Deloitte Haskins & Sells LLP

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the InvIT Regulations, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) The Standalone Balance Sheet, Standalone Statement of Profit and Loss (including Other Comprehensive income), Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account of the Trust;
- c) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations; and
- d) In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the disclosures, in accordance with the InvIT Regulations, in respect of the net assets at fair value as at March 31, 2021, the total returns at fair value for the year ended March 31, 2021 and the net distributable cash flows for the year then ended.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Reg. No. 117366W/W-100018)



Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 21103999AAAAGS9971

Place: Chicalim Goa
Dated: June 16, 2021

Digital Fibre Infrastructure Trust

**STANDALONE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH
31, 2021**

Digital Fibre Infrastructure Trust

Standalone Balance Sheet as at 31st March, 2021

Particulars	Notes	(Amount In Rs.)	
		As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non Current Assets			
Financial Assets:			
Investments	1	2,62,65,00,005	2,62,65,00,000
Loans and Advances	2	3,97,06,00,00,000	-
Other Financial Assets	3	4,00,98,471	-
Total Non Current Assets		3,99,72,65,98,476	2,62,65,00,000
Current Assets			
Financial Assets:			
Cash and Cash Equivalents	4	79,06,528	2,91,34,652
Other Financial Assets	5	26,83,69,004	-
Total Current Assets		27,62,75,532	2,91,34,652
Total Assets		4,00,00,28,74,008	2,65,56,34,652
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	6	1,47,06,00,00,000	-
Contribution to Corpus	7	31,83,10,000	26,35,10,000
Reserves and Surplus	8	(2,68,44,60,313)	(30,97,29,348)
Total Equity		1,44,69,38,49,687	(4,62,19,348)
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	9	2,50,00,00,00,000	-
Other Financial Liabilities	10	5,09,21,74,597	-
Total Non-Current Liabilities		2,55,09,21,74,597	-
Current Liabilities			
Financial liabilities			
Trade Payables due to			
total outstanding dues of micro enterprises and small enterprise		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		75,92,652	4,22,64,000
Other Financial Liabilities	11	20,92,49,572	2,63,00,00,000
Other Current Liabilities	12	7,500	2,95,90,000
Total Current Liabilities		21,68,49,724	2,70,18,54,000
Total Liabilities		2,55,30,90,24,321	2,70,18,54,000
Total Equity and Liabilities		4,00,00,28,74,008	2,65,56,34,652

See accompanying Notes to the Standalone Financial Statements



(Handwritten signatures)

Digital Fibre Infrastructure Trust
Standalone Balance Sheet
as at March 31, 2021

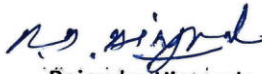
As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager



Varsha A. Fadte
Partner



Rajendra Hingwala
DIN: 00160602



Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Standalone Statement of Profit and Loss for the year ended 31st March 2021

(Amount in Rs.)

	Notes	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
INCOME			
Revenue from Operations	13	15,43,92,83,310	-
Other Income		-	-
Total Income		15,43,92,83,310	-
EXPENSES			
Finance Costs	14	8,36,30,28,493	23,67,00,000
Other Expenses	15	2,31,23,23,797	6,97,86,882
Total Expenses		10,67,53,52,290	30,64,86,882
Profit / (Loss) before tax		4,76,39,31,020	(30,64,86,882)
Tax expenses		-	-
Profit / (Loss) for the year		4,76,39,31,020	(30,64,86,882)
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss) for the year		4,76,39,31,020	(30,64,86,882)
Earning per unit of face value of Rs. 100 Each	16		
- For Basic (Rs.)		6.43	-
- For Diluted (Rs.)		6.43	-

See accompanying Notes to the Standalone Financial Statements



Signature

Digital Fibre Infrastructure Trust
Standalone Statement of P&L
for the year ended March 31, 2021

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager


Varsha A. Fadte
Partner


Rajendra Hingwala
DIN:00160602


Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Standalone Statement of Changes In Equity for the year ended 31st March, 2021

	(Amount In Rs.)	
	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
(A) Unit Capital		
Balance at the beginning of the year	-	-
Issuance during year	1,47,06,00,00,000	-
Balance at the end of the year	1,47,06,00,00,000	-
(B) Contribution to Corpus		
Balance at the beginning of the year	26,35,10,000	10,000
Changes in Contribution during the year	5,48,00,000	26,35,00,000
Balance at the end of the year	31,83,10,000	26,35,10,000
(C) Reserve and Surplus		
Particulars	Retained Earnings	Total
April 1, 2019 to March 31, 2020		
Balance at the beginning of the reporting year	(32,42,466)	(32,42,466)
Total Comprehensive (Loss) for the year	(30,64,86,882)	(30,64,86,882)
Balance at the end of the year	(30,97,29,348)	(30,97,29,348)
April 1, 2020 to March 31, 2021		
Balance at the beginning of the year	(30,97,29,348)	(30,97,29,348)
Total Comprehensive Profit for the year	4,76,39,31,020	4,76,39,31,020
Less : Distribution to Unit holders	(7,11,93,21,660)	(7,11,93,21,660)
Units issuance costs	(1,93,40,325)	(1,93,40,325)
Balance at the end of the year	(2,68,44,60,313)	(2,68,44,60,313)



[Handwritten signatures]

Digital Fibre Infrastructure Trust
Standalone statement of changes in
Equity for the year ended March 31, ~~2021~~
2021

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager


Varsha A. Fadte
Partner


Rajendra Hingwala
DIN:00160602


Dipti Neelakantan
DIN: 00505452

Type text here

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Standalone Cash Flow Statement for the year ended 31st March 2021

	1st April, 2020 to 31st March, 2021	(Amount in Rs) 1st April, 2019 to 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	4,76,39,31,020	(30,64,86,882)
Adjusted for		
Finance costs	8,36,30,28,493	23,67,00,000
Operating Profit/ (Loss) before Working Capital Changes	13,12,69,59,513	(6,97,86,882)
(Decrease) / Increase in Trade Payables	(3,46,71,348)	4,22,64,000
Increase in other current liabilities	2,26,25,92,093	2,63,47,534
(Increase) in Other Current Assets	(26,83,69,004)	-
(Increase) in Other Non Current Financial Assets	(4,00,98,471)	-
Net Cash flow generated from / (used in) Operating Activities (A)	15,04,64,12,782	(11,75,348)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Loans and advances given	(3,97,06,00,00,000)	-
Net Cash flow (used in) Investing Activities (B)	(3,97,06,00,00,000)	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	2,50,00,00,00,000	-
Other Financial Liability	2,80,00,00,000	-
Repayment of long term Borrowings	(2,63,00,00,000)	-
Contribution to corpus during the year	5,48,00,000	26,35,00,000
Interest paid	(8,15,37,78,921)	(23,67,00,000)
Issuance of Unit capital	1,47,06,00,00,000	-
Units issuance costs	(1,93,40,325)	-
Distribution to Unit holders	(7,11,93,21,660)	-
Net Cash flow generated from Financing Activities (C)	3,81,99,23,59,094	2,68,00,000
Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	(2,12,28,124)	2,56,24,652
Opening Balance of Cash and Cash Equivalents	2,91,34,652	35,10,000
Closing Balance of Cash and Cash Equivalents - Refer note 4	79,06,528	2,91,34,652



Handwritten signature

Handwritten signature

Digital Fibre Infrastructure Trust
Standalone Cash Flow Statement for
the year ended March 31, 2021

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager


Varsha A. Fadte
Partner


Rajendra Hingwala
DIN:00160602


Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

A INTRODUCTION

Digital Fibre Infrastructure Trust a contributory irrevocable infrastructure investment trust has been registered under the provision of Trust Act under the Registration Act, 1908. The Trust is Registered with SEBI as an InvIT under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. The objective of the Trust is to carry on the activity of Investment in Infrastructure Projects.

B ACCOUNTING POLICIES

B.1 Basis of preparation of Standalone financial statements

The standalone Financial Statements of Trust comprises the Standalone Balance Sheets as at 31st March 2021; the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended 31 March 2021 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31 March 2021, the Statement of Total Returns at Fair Value and Statement of Net Distributable Cash Flows for year then ended, and other additional financial disclosures as required under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. The standalone Financial Statements have been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations"), as amended from time to time read with the SEBI circular number 1. CIR/IMD/DF/114/2016 dated 20 October 2016 ("SEBI Circular"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT Regulations (refer note 6.1 on presentation of "Unit Capital" as "Equity" instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India. The financial statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Rupee, except when otherwise indicated.

These standalone financial statements for the year ended 31st March 2021 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 6 to the standalone financial statements.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification:

The Trust presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification .

An asset is treated as Current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle;

Held primarily for trading;

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

Held primarily for trading;

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Trust classifies all other liabilities as non-current.

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

The Trust has considered 12 months as its normal operating cycle.

(d) Finance Cost

Borrowing Costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as a part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(e) Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(f) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income and equity.



Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets on carry forward losses is recognised based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short term benefits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Trust cash management

(j) Revenue recognition

The Trust earns revenue primarily from Investments.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Revenue is recognised when the Trust's right to receive the payment is established.

(k) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Investment in Subsidiaries and Associates

The Company has accounted for its investments in subsidiaries and associates at cost.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Trust's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Global Health Pandemic On COVID-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were not impacted due to COVID-19.



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

	As at 31st March, 2021	(Amount in Rs.) As at 31st March, 2020
1 Investment-in Subsidiary Company		
Investments measured at Cost		
In Equity Shares of Jio Digital Fibre Private Limited unquoted, fully paidup (262,65,00,005 shares (PY 262,65,00,000) of Rs. 1 each)	2,62,65,00,005	2,62,65,00,000
Total	2,62,65,00,005	2,62,65,00,000
2 Loans and Advances		
(Unsecured Considered Good)		
Loan to Jio Digital Fibre Private Limited	3,97,06,00,00,000	-
Total	3,97,06,00,00,000	-
3 Non Current Financial Assets		
Put Option on Jio Digital Fibre Private Limited Shares (Refer note 23)	4,00,98,471	-
Total	4,00,98,471	-
	As at	(Amount in Rs.) As at
	31st March, 2021	31st March, 2020
4 Cash and Cash Equivalents		
Balances with Banks in current accounts	79,06,528	2,91,34,652
Total	79,06,528	2,91,34,652
	As at	(Amount in Rs.) As at
	31st March, 2021	31st March, 2020
5 Other Curret Financial Asset		
Interest Receivable	26,83,69,004	-
Total	26,83,69,004	-



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

(Amount in Rs.)
As at As at
31st March, 2021 31st March, 2020

6 Unit capital

6.1 Unit capital

Issued, Subscribed and fully paid up Unit Capital

1,47,06,00,000 (31st March 2020 : Nil) units of Rs 100 (31st March 2020 : Nil) each 1,47,06,00,00,000 -

The SEBI circular no. CIR/IMD/DF/114/2016 dated 20-Oct-2016 issued under the SEBI InvIT Regulation require that the 'Unit Capital' should be presented as 'Equity' in the financial statements of the Trust. Further, the SEBI InvIT Regulation requires that 90% of the Net Distributable Cash Flows of the Trust should be distributed to the Unitholders. Any instrument which contains an obligation to mandatorily pay its holders, is a compound financial instrument under Ind AS 32 - Financial Instruments: Presentation has to be accounted as such. However, considering the requirements of the SEBI InvIT Regulation, a special legislation, the 'Unit Capital' has been presented as 'Equity' in the Financial Statements.

Rights and Restrictions of Units

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

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

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

6.2 Information in unitholders holding more than 5% of Unit Capital

Name of Unitholder	Relationship	As on 31st March 2021		As on 31st March 2020	
		No of Unit held	Percentage	No of Unit held	Percentage
Reliance Industrial Investments And Holdings Limited	Sponsor	22,06,00,000	15.00%	-	-
Jamnagar Utilities And Power Private Limited	Uniholder	25,50,00,000	17.34%	-	-
Platinum Compass B 2018 RSC Limited	Uniholder	37,50,00,000	25.50%	-	-
Public Investment Fund	Uniholder	37,50,00,000	25.50%	-	-
Sikka Ports & Terminals Limited	Uniholder	24,50,00,000	16.66%	-	-

6.3 Reconciliation of the units outstanding at the beginning and at the end of the Financial year

Particulars	As at	As at
	31st March, 2021	31st March, 2020
Units at the beginning of the year	-	-
Issued during the year	1,47,06,00,000	-
Units at the end of the year	1,47,06,00,000	-

(Amount in Rs.)
As at As at
31st March, 2021 31st March, 2020

7 Contribution to Corpus

By Settlor	31,83,10,000	26,35,10,000
Total	31,83,10,000	26,35,10,000

(Amount in Rs.)
As at As at
31st March, 2021 31st March, 2020

8 Reserves and Surplus

Retained earning		
As per last Balance Sheet	(30,97,29,348)	(32,42,466)
Profit / (Loss) for the year	4,76,39,31,020	(30,64,86,882)
Less : Distribution to Unit holders	(7,11,93,21,660)	-
Units issuance costs	(1,93,40,325)	-
Total	(2,68,44,60,313)	(30,97,29,348)



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

	As at 31st March, 2021	(Amount in Rs) As at 31st March, 2020
9 Borrowings		
At amortised Cost		
Unsecured:		
Loan from Others	2,50,00,00,00,000	-
Total	2,50,00,00,00,000	-

Loan of Rs.25000,00,00,000 carrying interest rate of 12.01% p.a. repayable in 108 quarterly installments, starting from December 2024

10 Other Financial Liabilities		
Amount payable as Consideration for Novation	2,80,00,00,000	-
Call Option on Jio Digital Fibre Private Limited Shares (Refer Note 23)	2,29,21,74,597	-
Total	5,09,21,74,597	-

11 Other Financial Liabilities		
Current maturities of Borrowing	-	2,63,00,00,000
Interest Payable	20,92,49,572	-
Total	20,92,49,572	2,63,00,00,000

	As at 31st March, 2021	(Amount in Rs) As at 31st March, 2020
12 Other Current Liabilities		
Statutory Dues	7,500	2,95,90,000
Total	7,500	2,95,90,000

	1st April, 2020 to 31st March, 2021	(Amount in Rs) 1st April, 2019 to 31st March, 2020
13 Revenue from Operations		
Interest on loan	15,43,92,83,310	-
Total	15,43,92,83,310	-

14 Finance Costs		
Interest	8,36,30,28,493	23,67,00,000
Total	8,36,30,28,493	23,67,00,000

15 Other Expenses		
Audit Fee	19,47,000	1,79,36,000
Professional Fee	5,81,68,446	5,18,48,000
Demat Charges	-	1,348
Fair Value of Put/Call option (net)	2,25,20,76,126	-
Miscellaneous Expenses	1,32,225	1,534
Total	2,31,23,23,797	6,97,86,882



Handwritten signatures

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

	As at 31st March, 2021	As at 31st March, 2020
16 EARNING PER UNIT (EPU)		
The following reflects the income and unit data used in the basic and diluted EPU Computations		
(i) Net Profit / (loss) as per Statement of Profit and Loss attributable to Unit	4,76,39,31,020	(30,64,86,882)
(ii) Weighted Average number of Units used as denominator for calculating Basic	1,47,06,00,000	-
Unit Allotted (in days)	184	-
(iii) Weighted Average number of Potential Units	74,13,43,562	-
(iv) Total Weighted Average number of units used as denominator		
(v) Earning per unit of unit value of Rs 100		
- For Basic (Rs.)	6.43	-
- For Diluted (Rs.)	6.43	-

17 RELATED PARTY DISCLOSURES

(i) List of related parties where control exists and with whom transactions have taken place and relationships :

Sr No	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	Sponsor & Unit Holder
2	Axis Trustee Service Limited	Trustee
3	Infinite India Investment Management Limited	Investment Manager
4	Jio Digital Fibre Private Limited (JDFPL)	Subsidiary
5	Jio Infrastructure Management Services Limited	Project Manager
6	Reliance Industries Limited (RIL)	Promotor of sponsor
7	Jamnagar Utilities & Power Private Limited (JUPPL)	Unit holder
8	Reliance Projects and Property Management Services Limited (wef from 29 September 2020 to 29 October 2020)	Unit holder
9	Platinum Compass B 2018 RSC Limited	Unit holder
10	Public Investment Fund	Unit holder

(ii) Transactions during the year with related parties

(Amount in Rs)

Particulars	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
Professional Fees		
Axis Trustee Service Limited	16,52,000	16,52,000
Infinite India Investment Management Limited	2,36,00,000	2,36,00,000
Jio Infrastructure Management Services Limited	2,36,00,000	2,36,00,000
Loan granted to JDFPL	3,97,06,00,00,000	-
Novation of RVL loan together with interest to JDFPL	2,80,00,00,000	-
Interest on loan granted to JDFPL	15,43,92,83,310	-
Units Allocated		
Reliance Projects and Property Management Services Limited (wef from 29 September 2020 to 29 October 2020)	64,50,00,00,000	-
Jamnagar Utilities & Power Private Limited (JUPPL)	35,50,00,00,000	-
Reliance Industrial Investments and Holdings Limited	22,06,00,00,000	-
Distribution to Unitholders		
Platinum Compass B 2018 RSC Limited	1,81,54,12,500	-
Public Investment Fund	1,81,54,12,500	-
Reliance Industrial Investments and Holdings Limited	1,06,79,46,660	-
Contribution to Corpus		
Reliance Industrial Investments and Holdings Limited	5,48,00,000	26,35,00,000



Dipak Kumar

Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2021

(iii) Closing Balance:

(Amount in Rs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Axis Trustee Service Limited	-	16,52,000
Infinite India Investment Management Limited	-	2,36,00,000
Reliance Industrial Investments and Holdings Limited - Contribution to Corpus	31,83,00,000	26,35,10,000
Jio Digital Fibre Private Limited (JDFPL) - Interest Receivable	26,83,69,005	-
Jio Digital Fibre Private Limited (JDFPL)- Novation - (Credit Balance)	2,80,00,00,000	-
Jio Digital Fibre Private Limited (JDFPL) - Investment	2,62,65,00,005	-
Jio Digital Fibre Private Limited (JDFPL) - Loan	3,97,06,00,00,000	-
Reliance Industrial Investments and Holdings Limited - Units Allocated	22,06,00,00,000	-
Platinum Compass B 2018 RSC Limited - Units Allocated	37,50,00,00,000	-
Public Investment Fund - Units Allocated	37,50,00,00,000	-

Note - Also refer note 23

18 CONTINGENT LIABILITIES AND COMITMENTS - Nil

19 FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT HIERARCHY:

As at March 31, 2021	Carrying amount		Fair value		
	Total	Level 1	Level 2	Total	
Financial assets					
At Amortised Cost					
Cash and cash equivalents	79,06,528	-	-	-	-
Loan Given	3,97,06,00,00,000	-	-	-	-
Other Current Financial Assets	26,83,69,004	-	-	-	-
At Fair Value					
Other Non Current Financial Assets	4,00,98,471	-	4,00,98,471	-	4,00,98,471
At Cost					
Investment	2,62,65,00,005	-	-	-	-
Total	4,00,00,28,74,008		4,00,98,471		4,00,98,471
Financial liabilities					
At Amortised Cost					
Trade Payables	75,92,652	-	-	-	-
Borrowings	2,50,00,00,00,000	-	-	-	-
Other Current Financial Liabilities	20,92,49,572	-	-	-	-
Other Non Current Financial Liabilities	2,80,00,00,000	-	-	-	-
At Fair Value					
Other Non Current Financial Liabilities	2,29,21,74,597	-	2,29,21,74,597	-	2,29,21,74,597
Total	2,55,30,90,16,821		2,29,21,74,597		2,29,21,74,597
As at March 31, 2020					
	Carrying amount		Fair value		
	Total	Level 1	Level 2	Total	
Financial assets					
At Amortised Cost					
Cash and cash equivalents	2,91,34,652	-	-	-	-
At Cost					
Investment	2,62,65,00,000	-	-	-	-
Total	2,65,56,34,652				
Financial liabilities					
At Amortised Cost					
Trade Payables	4,22,64,000	-	-	-	-
Other Non Current Financial Liabilities	2,63,00,00,000	-	-	-	-
Total	2,67,22,64,000				

The Trust considers that the carrying amount recognised in the financial statements for financial assets and financial liabilities measured at amortised cost

approximates their fair value. Option contracts are valued using Black-Scholes model which is based on volatility in interest rates and market values.



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

20 Financial Risk Management

The different types of risks the Trust is exposed to include market risk, credit risk and liquidity risk. The Trust takes measures to judiciously mitigate the above mentioned risks.

i) Market Risk

a) Interest Rate Risk

The Trust exposure to the risk of changes in market interest rate relates to the floating rate debt obligations.

The exposure of the Trust borrowings and derivatives to interest rate changes at the end of the reporting period are as follows:

Particulars	Interest Rate Exposure	
	As at 31st March 2021	As at 31st March 2020
Borrowings		
Non-Current - Floating (Includes Current Maturities)*	-	-
Non-Current - Fixed (Includes Current Maturities)*	2,50,00,00,00,000	-
Total	2,50,00,00,00,000	-

* Fair value sensitivity analysis for fixed-rate borrowings:

The Trust does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of 1% change in Interest rate (floating rate borrowings):

Particulars	Interest Rate Sensitivity	
	As at 31st March 2021	
	Up Move	Down Move
Total Impact		
Impact on Equity	-	-
Impact on P&L	-	-

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the trust. Credit risk arises

from trust's activities in investments and outstanding receivables from customers.

The Trust has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through advance payments.

iii) Liquidity Risk

Liquidity risk arises from the Trust's inability to meet its cash flow commitments on the due date. Trust's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. Treasury monitors rolling forecasts of the Trust's cash flow position and ensures that the Trust is able to meet its financial obligation at all times including contingencies.

Maturity profile of financial liabilities as on 31st March, 2021

Particulars	0 to 1 year	1-3 Years	More than 3 years	Total
Trade Payables	75,92,652	-	-	75,92,652
Borrowings	-	-	2,50,00,00,00,000	2,50,00,00,00,000
Other Non Current Financial Liabilities	-	-	2,80,00,00,00,000	2,80,00,00,00,000
Other Current Financial Liabilities	20,92,49,572	-	-	20,92,49,572
Total	21,68,42,224	-	2,52,80,00,00,000	2,53,01,68,42,224

Maturity profile of financial Assets as on 31st March, 2021

Particulars	0 to 1 year	1-3 Years	More than 3 years	Total
Other Current Financial Asset	26,83,69,004	-	-	26,83,69,004
Total	26,83,69,004	-	-	26,83,69,004

Maturity profile of financial liabilities as on 31st March, 2020

Particulars	0 to 1 year	1-3 Years	More than 3 years	Total
Trade Payables	4,22,64,000	-	-	4,22,64,000
Other Financial Liabilities	2,63,00,00,000	-	-	2,63,00,00,000
Total	2,67,22,64,000	-	-	2,67,22,64,000



Handwritten signatures and initials.

Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2021

21 Segment Reporting

The Trust activities comprise of owing and investing in Infrastructure SPVs to generate cash flow for distribution to the beneficiaries. Based on guiding principles given in Ind AS 108 "Operating Segment", this activity falls within a single operating segment and accordingly the disclosures of Ind AS 108 have not separately been provided.

22 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act 2006 to whom Trust owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the trust.

23 Put and Call Option

As per the terms of the Shareholders and Option Agreement entered into between the Trust, the Investment Manager, Reliance Industries Limited (RIL), Reliance Industrial Investments and Holdings Limited (RIIHL) and Jio Digital Fibre Private Limited (JDFPL), RIL has a right, but not obligation, to purchase the entire equity stake of the Trust in JDFPL after a specific term or occurrence of certain events for a consideration of Rs. 262,65,00,000 or the fair value at the exercise date, which ever is lower. Likewise, after a specific term, the Trust has the right, but not the obligation, to sell its entire stake in JDFPL to RIIHL for a consideration of Rs. 262,65,00,000 or the fair value at the exercise date, which ever is lower.

24 Disclosures as required by InvIT Regulation:

(A) Calculation of Net Distributable Cash Flows:

Description	Amount in Rs.	
	Year ended	
	31st March 2021	
Cash flows received from SPV in the form of interest / accrued interest / additional interest	15,17,09,14,306	
Cash flows received from SPV in the form of dividend / buy-back of equity shares / capital reduction of equity shares	-	
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	-	
Add: Cash flows/ Proceeds from the SPV towards the repayment of the debt issued to the SPV by the Trust	-	
Contribution to Corpus	5,48,00,000	
Proceeds from Unit issuance	1,47,06,00,00,000	
Borrowings at the Trust level	2,52,80,00,00,000	
Total cash flow at the Trust level (A)	4,15,08,57,14,306	
Less: issue expenses payable by Trust including as reimbursements towards expenses of Trust met by the Sponsors		
Less: annual expenses of the Trust including audit fees, project manager fees, investment management fees, other statutory fees, depository fees, legal expenses, credit rating fees and valuer fees, if any	13,61,69,294	
Less: income tax (if applicable) at the standalone Trust level and payment of other statutory dues	-	
Less: Repayment of debt at the Trust Level (including principal, interest and other monies payable in terms of the relevant loan agreement)	10,78,38,73,716	
Less: net cash set aside to comply with DSRA requirement under loan agreements, if any	-	
Add: Net proceeds (after applicable taxes) 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 InvIT Regulations	-	
Add: Net proceeds (after applicable taxes) from sale of infrastructure assets at the Trust level not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently	-	
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	3,97,06,00,00,000	
Less: Capital expenditure if any (including acquisition of other infrastructure assets / SPVs)	-	
Add: Proceeds from fresh issuance of units	75,40,325	
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	-	
Total cash outflows/retention at the Trust level (B)	4,07,98,75,83,335	
Net Distributable Cash Flows (C) = (A+B)*	7,09,81,30,971	

* This does not include the opening Cash & Bank Balance of Rs.29134652.44



Signature

Signature

Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2021

(B) Debt Payment History

	As at 31st March, 2021	As at 31st March, 2020
(i) Loan from Others		
Carrying amount of debt at the beginning of the year	2,63,00,00,000	2,63,00,00,000
Additional borrowing during the year	-	-
Repayments during the year	2,63,00,00,000	-
Other adjustments	-	-
Carrying amount of debt at the end of the year	-	2,63,00,00,000

(C) Statement of Net Assets at Fair Value

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Book Value	Fair Value*	Book Value	Fair Value*
A. Assets	4,00,00,28,74,008	4,00,00,28,74,008	2,65,56,34,652	2,65,56,34,652
B. Liabilities	<u>2,55,30,90,24,321</u>	<u>2,55,30,90,24,321</u>	<u>2,70,18,54,000</u>	<u>2,70,18,54,000</u>
C. Net Assets (A-B)	<u>1,44,69,38,49,687</u>	<u>1,44,69,38,49,687</u>	<u>(4,62,19,348)</u>	<u>(4,62,19,348)</u>

* Fair value has been determined based on the fair valuation report of independent valuer appointed under the InvT Regulations.

(D) Statement of Total Return at Fair Value

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Total comprehensive Income (As per Statement of Profit and Loss)	4,76,39,31,020
Add/(Less): Other Changes in Fair Value (e.g. Property, Plant and Equipment)	-	-
Total Return	<u>4,76,39,31,020</u>	<u>(30,64,86,882)</u>

- 25 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Trust's main activity is to hold investment in subsidiary which is engaged in the business of providing Fibre infrastructure and related services operations in India. The subsidiary has executed a long term Master Services Agreement (MSA) with Reliance Jio Infocomm Limited (RJIL) (one of the largest telecommunication service provider in India) as its customer, which results into committed revenues and cash flows for the subsidiary, on a long term basis. Moreover, the COVID-19 pandemic has not had a material adverse impact on the operations of the telecommunication industry to which the subsidiary currently caters to. Also, the subsidiary has completed substantial portion of its planned capital expenditure and for the balance as well as for the operations and maintenance of the fibre assets, the subsidiary has in place long-term arrangements with reputed and experienced contractors/service providers. Further, part of its sanctioned borrowings are available to the subsidiary for utilization on need basis and the Trust also accesses global and local financial markets to meet its liquidity requirements. In view of the foregoing, the Trust does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months.
- 26 In accordance with section 10(23FC) of the Income Tax Act, 1961, the income of Trust in form of interest income from Project SPV is exempt from tax. Accordingly, the Trust is not required to provide for any tax liability.
- 27 **APPROVAL OF FINANCIAL STATEMENTS**
 The financial statements were approved for issue by the Board of Directors of Investment Manager on June 16, 2021



[Handwritten signatures]

Digital Fibre Infrastructure Trust
Standalone Financial Statements for
the year ended March 31, 2021

For and on behalf of the Board of Investment Manager



Rajendra Hingwala
DIN:00160602



Dipti Neelakantan
DIN: 00505452

Place: Mumbai
Date: June 16, 2021

INDEPENDENT AUDITOR'S REPORT

Digital Fibre Infrastructure Trust (the "Trust") acting through Axis Trustee Services Limited, as the trustee (the "Trustee") Axis House, 2nd Floor, Wadia International Centre, Panbhurang Budhkar Marg, Worli, Mumbai 400025

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Digital Fibre Infrastructure Trust (the "Trust") and its subsidiary (collectively, the "Trust Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statements of Profit and Loss (including other comprehensive income), the Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended March 31, 2021, Consolidated Statement of Net Assets at fair value as at 31st March, 2021, Consolidated Statement of Total Returns at fair value and the Statements of Net Distributable Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (Collectively, the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder read with the SEBI circular number CIR/IMD/DF/114/2016, dated October 20, 2016 (together referred to as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations, of the state of affairs of the Trust Group as at March 31, 2021, and its loss, including total comprehensive loss, the changes in equity, its cash flows for the year ended March 31, 2021, its net assets at fair value as at March 31, 2021 and total returns at fair value and net distributable cash flows of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust Group in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Consolidated Financial Statements.



Deloitte Haskins & Sells LLP

Emphasis of matters

We draw attention to Note 9A of the consolidated financial statements which describes the presentation of "Unit Capital" as "Equity" to comply with InvIT Regulations. Our opinion is not modified in respect of this matter.

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

The Investment Manager is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

Infinite India Investment Management Limited ("Investment Manager") is responsible for the preparation and presentation of the Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows, net assets at fair value, total returns at fair value and net distributable cash flows of the Trust in accordance with the InvIT Regulations, Ind AS and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations.

The Investment Manager and Board of Directors of the subsidiary company, respectively, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the InvIT Regulations for safeguarding of the assets of the Trust Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors of Investment Manager is responsible for assessing the Trust Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Group or to cease operations, or has no realistic alternative but to do so.



Deloitte Haskins & Sells LLP

The Investment Manager and Board of Directors of the subsidiary company, respectively, are also responsible for overseeing the Trust Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Financial Statements.

As part of an audit in accordance with SAs and other pronouncements issued by ICAI, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Trust Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.



Deloitte Haskins & Sells LLP

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Investment Manager and such other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the InvIT Regulations, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- c) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations; and
- d) In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the disclosures, in accordance with the InvIT Regulations, in respect of the net assets at fair value as at March 31, 2021, the total returns at fair value for the year ended March 31, 2021 and the net distributable cash flows for the year then ended.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Reg. No. 117366W/W-100018)



Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 21103999AAAAGT1496

Place: Chicalim Goa
Dated: June 16, 2021

DIGITAL FIBRE INFRASTRUCTURE TRUST

**CONSOLIDATED
FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2021**

Digital Fibre Infrastructure Trust

Consolidated Ind AS Balance Sheet as at March 31, 2021

(Rs.in Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	11,76,271	10,49,976
Goodwill		1,39,310	1,39,310
Other Intangible Assets	1	4,75,550	5,03,440
Financial Assets			
Other Financial Assets	2	5,147	5,243
Other Non-Current Assets	3	7,998	592
Total Non-Current Assets		18,04,276	16,98,561
CURRENT ASSETS			
Financial Assets			
Investments	4	1,494	-
Trade receivables	5	93	5
Cash and Cash Equivalents	6A	114	166
Other Bank Balances	6B	92	38
Other Financial Assets	7	3,017	26,893
Other Current Assets	8	38,636	25,467
Total Current Assets		43,446	52,569
Total Assets		18,47,722	17,51,130
EQUITY AND LIABILITIES			
EQUITY			
Unit Capital	9A	1,47,060	-
Contribution to Corpus	9B	319	264
Other Equity	10	5,28,559	5,77,690
Total Owner's Equity		6,75,938	5,77,954
Non-Controlling Interest		(1,20,898)	(1,14,760)
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	11	8,66,932	4,08,194
Other Non -Current Financial Liabilities	13	2,292	-
Deferred Tax Liabilities (Net)	12	2,33,972	2,51,765
Other Non -Current Liabilities	14	1,53,075	1,56,018
Total Non-Current Liabilities		12,56,271	8,15,977
Current Liabilities			
Financial Liabilities			
Borrowings	15	-	1,45,000
Trade Payables Due to	16		
Micro and Small Enterprises		-	-
Other Than Micro and Mmall Enterprises		8	43
Other Financial Liabilities	17	241	2,24,015
Creditors for Capital Expenditure		30,027	90,822
Other Current Liabilities	18	6,135	12,079
Total Current Liabilities		36,411	4,71,959
Total Liabilities		12,92,682	12,87,936
Total Equity and Liabilities		18,47,722	17,51,130

See accompanying Notes to the Consolidated Ind AS Financial Statements



Handwritten signature

Contd. Last page for Consolidated Ind AS
Balance Sheet as at March 31, 2021
of Digital Fibre Infrastructure Trust

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager



Varsha A. Fadte
Partner



Rajendra Hingwala
DIN:00160602



Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Notes	(Rs. in Million)	
		For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from Operations	19	76,398	61,257
Other Income	20	242	136
Total Income		76,640	61,393
EXPENSES			
Network Operating Expenses	21	10,408	8,620
Employee Benefits Expense	22	6	1
Finance Costs	23	66,534	62,619
Depreciation and Amortisation Expense	1	63,127	59,057
Other Expenses	24	2,507	150
Total Expenses		1,42,582	1,30,447
Loss before Tax		(65,942)	(69,054)
Tax Expenses			-
i Current tax		-	-
ii Deferred tax		(17,793)	(17,307)
Loss for the year		(48,149)	(51,747)
Other Comprehensive Income			
(I) Items that will not be reclassified to profit or loss		0	-
(II) Income tax relating to items that will not be reclassified to profit or loss		(0)	-
		0	-
Total Comprehensive loss for the year		(48,149)	(51,747)
Attributable to Owners of the Trust		(42,011)	(66,393)
Attributable to Non Controlling Interest		(6,138)	14,646
Earning per unit of face value of Rs. 100 Each	25		
- For Basic (Rs.)		(56.67)	-
- For Diluted (Rs.)		(56.67)	-

Note: "0" represents the amounts below the denomination threshold.
See accompanying Notes to the Consolidated Ind AS Financial Statements



[Handwritten signatures]

Contd. Last page of Consolidated Ind AS
Statement of P&L for the year
ended March 31, 2021
of Digital Fibre Infrastructure Trust

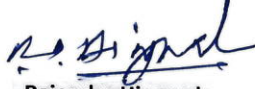
As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager



Varsha A. Fadte
Partner



Rajendra Hingwala
DIN:00160602



Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Changes In Equity for the year ended March 31, 2021

	(Rs.in Million)	
	April 01, 2020 to March 31, 2021	April 01, 2019 to March 31, 2020
(A) Unit Capital		
Balance at the beginning of the year	-	-
Issuance during year	1,47,060	-
Balance at the end of the year	1,47,060	-

	(Rs.in Million)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(B) Initial Contribution		
Balance at the beginning of the year (Previous year Rs.10,000)	264	-
Contribution during the year	55	264
Balance at the end of the year	319	264

(C) Non Controlling Interest		
Opening balance as at beginning of the year	(1,14,760)	(1,80,582)
Reversal of Deferred tax liability	-	51,176
(Loss)/ Profit for the year	(6,138)	14,646
Balance at the end of the year	(1,20,898)	(1,14,760)

Particulars	(Rs.in Million)		
	Investment classified as Equity: Preference Shares	Reserves and Surplus: Retained Earnings	Total
April 1, 2020 to March 31, 2021			
Balance at the beginning of the year i.e. April 1, 2020	7,81,397	(2,03,707)	5,77,690
Total Comprehensive Loss for the year	-	(42,011)	(42,011)
Distribution to Unit holders	-	(7,120)	(7,120)
Balance at the end of the reporting period i.e. March 31, 2021	7,81,397	(2,52,838)	5,28,559

Particulars	(Rs.in Million)		
	Investment classified as Equity: Preference Shares	Reserves and Surplus: Retained Earnings	Total
April 1, 2019 to March 31, 2020			
Balance at the beginning of the reporting period i.e. April 1, 2019	7,81,397	(1,90,580)	5,90,817
Total Comprehensive Loss for the year	-	(66,393)	(66,393)
Reversal of Deferred Tax Liability on account of change in tax rate (refer note 12)	-	53,266	53,266
Balance at the end of the reporting period i.e. March 31, 2020	7,81,397	(2,03,707)	5,77,690

See accompanying Notes to the Consolidated Ind AS Financial Statements



Signature

Contd. Last Page of Consolidated
Ind AS statement of changes in
Equity for the year ended
March 31, 2021
of Digital Fibre Infrastructure Trust

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager


Varsha A. Fadte
Partner

Type text here


Rajendra Hingwala
DIN:00160602


Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Consolidated Ind AS statement of Cash Flows for the year ended March 31, 2021

	For the year ended March 31, 2021	(Rs. in Million) For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss as per Statement of Profit and Loss	(65,942)	(69,054)
Adjusted for:		
Depreciation and amortisation expense	63,127	59,057
Profit on sale of current investments	(203)	(136)
Gain on fair valuation of investments	(2)	-
Interest Income	3	(0)
Finance Costs	66,534	62,619
Operating cash flows before working capital changes	63,517	52,486
Adjusted for:		
Trade and Other Receivables	(20,590)	19,988
Trade and Other Payables	(6,626)	1,67,192
	(27,216)	1,87,180
Cash generated from operations	36,300	2,39,666
Taxes paid	(120)	(21)
Net Cash Flow from Operating Activities (A)	36,180	2,39,645
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(1,98,571)	(2,33,131)
Purchase of Investments	(1,35,604)	(1,75,010)
Sale of Investments	1,34,315	1,75,335
Fixed Deposits with Banks	-	(38)
Net Cash flow (used in) Investing Activities (B)	(1,99,860)	(2,32,844)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Borrowings - Current	(1,45,000)	(1,27,920)
Proceeds from Borrowings - Non current	8,66,889	1,34,999
Repayment of Borrowings - Non current	(5,71,050)	(2,00,000)
Proceeds from Borrowings - Current	-	1,87,790
Deposit repaid	(32,600)	-
Finance Costs Paid	(94,544)	(34,515)
Inter corporate deposit taken	-	32,600
Contribution received during the year / period	1,47,060	264
Units issuance costs	(8)	-
Distribution to Unit holders	(7,119)	-
Net cash flow generated from/(used in) financing activities (C)	1,63,628	(6,782)
Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	(52)	19
Opening Balance of Cash and Cash Equivalents	166	147
Closing Balance of Cash and Cash Equivalents (Refer Note 6A)	114	166
Changes in Liabilities arising from financing activities		

	As at April 1, 2020	Cash Inflow	Cash Outflow	Non Cash		As at March 31, 2021
				Finance costs including amortisation		
Borrowings - Non-Current (Refer Note 11)	5,67,854	8,66,889	(5,68,420)	610	-	8,66,932
Borrowings - Current (Refer Note 15)	1,45,000	-	(1,45,000)	-	-	-
Total	7,12,854	8,66,889	(7,13,420)	610	-	8,66,932

	As at April 1, 2019	Cash flow		Non cash		As at March 31, 2020
				Finance costs including amortisation		
Borrowings - Non-Current (Refer Note 11)	6,35,376	(65,001)	-	109	-	5,67,854
Borrowings - Current (Refer Note 15)	85,130	59,870	-	-	-	1,45,000
Total	7,20,506	(5,131)	-	109	-	7,12,854

Note: "0" represents the amount below the denomination threshold.



Contd. Last Page of Consolidated Ind AS
Statement of Cash Flows for
the year ended March 31, 2021
of Digital Fibre Infrastructure Trust

As per our Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No: 117366W / W-100018

For and on behalf of the Board of Investment Manager



Varsha A. Fadte
Partner



Rajendra Hingwala
DIN:00160602



Dipti Neelakantan
DIN: 00505452

Place: Chicalim Goa
Date: June 16, 2021

Place: Mumbai
Date: June 16, 2021

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2021

A CORPORATE INFORMATION

The Consolidated Ind AS Financial Statements comprise financial statements of "Digital Fibre Infrastructure Trust" ("the Parent" / "the Trust") and its subsidiary viz., Jio Digital Fibre Private Limited (the "Company") (collectively referred to as "the Trust Group") for the year ended March 31, 2021. Digital Fibre Infrastructure Trust a contributory irrevocable infrastructure investment trust has been registered under the provision of Trust Act under the Registration Act, 1908. The Trust is also registered with SEBI as an Infrastructure Investment Trust (InvIT) under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended. The objective of the Trust is to carry on the activity of Investment in Infrastructure Projects i.e. business of providing fibre Infrastructure and related operations and maintenance services. The registered office address is 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai-400021

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION OF IND AS FINANCIAL STATEMENTS

The consolidated Financial Statements of Trust comprises the Consolidated Balance Sheets as at 31st March 2021; the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31 March 2021 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31 March 2021, the Statement of Total Returns at Fair Value and Statement of Net Distributable Cash Flows for year then ended, and other additional financial disclosures as required under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. The consolidated Financial Statements have been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations"), as amended from time to time read with the SEBI circular number CIR/IMD/DF/127/2016 dated 29 November 2016 ("SEBI Circular"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT Regulations (refer note 9A on presentation of "Unit Capital" as "Equity" instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The financial statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

These consolidated financial statements for the year ended 31st March 2021 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 9A to the consolidated financial statements.

B2 BASIS OF CONSOLIDATION

The consolidated Ind AS financial statements incorporate the financial statements of the Trust and entities controlled by the Trust. Control is achieved when the Trust Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

Consolidation of a subsidiary begins when the Trust Group obtains control over the subsidiary and ceases when the Trust Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated Statement of Profit and Loss from the date the Trust Group gains control until the date when the Trust Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Trust Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Trust Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Trust Group's accounting policies.

All intra Trust Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Trust Group are eliminated in full on consolidation.

Changes in the Trust Group's ownership interests in existing subsidiaries that do not result in the Trust Group losing the control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Trust Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Trust Group.



When the Trust Group loses control of a subsidiary, a gain or loss is recognised in Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Trust Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

B3 BUSINESS COMBINATION

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Trust Group, liabilities incurred by the Trust Group to the former owners of the acquiree and the equity interests issued by the Trust Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Trust Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

B.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification:

The Trust Group presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification as under:

An asset is treated as Current when it is:

- (I) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- (II) Held primarily for trading;
- (III) Expected to be realised within twelve months after the reporting period, or
- (IV) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (I) It is expected to be settled in normal operating cycle;
- (II) Held primarily for trading;
- (III) It is due to be settled within twelve months after the reporting period, or
- (IV) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Trust Group classifies all other liabilities as non-current.

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

The Trust Group has considered 12 months as its normal operating cycle.

(b) Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Plant and Equipment, other than construction equipment, is provided using straight-line method based on estimated useful life of 30 years. The estimated useful life is different from the useful life as prescribed under Schedule II to the Companies Act, 2013 and in the opinion of the Trust Group this represents the best estimate thereof on the basis of technical evaluation, other than construction equipment, which is depreciated based on useful life as prescribed in Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.



[Handwritten signatures]

(c) Other Intangible assets:

Other Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust Group and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Bandwidth capacities acquired under Indefeasible Right to Use (IRU) are amortized over the period of the agreement.

Customer Contracts are amortized using straight line method over the tenure of contract for 20 years.

(d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Trust Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Trust Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Trust Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Trust Group has the right to direct the use of the asset.

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

As a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Trust Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Trust Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Trust Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

(e) Finance costs

Finance costs comprises interest expenses and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation.

All other finance costs are charged to Statement of Profit and Loss in the period in which they are incurred.



Handwritten signatures

(f) Provisions

Provisions are recognised when the Trust Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(g) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in Other Comprehensive Income.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets on carry forward losses is recognised based on convincing evidence where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(h) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post Employment Benefits

Defined Contribution Plans

The Trust Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Trust Group pays gratuity to the employees whoever has completed five years of service with the Trust Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged or credited to the Other Comprehensive Income.

Other Long Term Employee Benefits

Compensated Absences are accrued and provided for on the basis of actuarial valuation made as at the year end by an independent actuary using the Projected Unit Credit Method.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Trust Group's cash management.



(j) Impairment of Non-Financial Assets - Property, Plant and Equipment & Other Intangible asset

At each balance sheet date, the Trust Group assesses whether there is any indication that any property, plant and equipment and other intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such impairment exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Trust Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(k) Foreign Currencies

Transactions and Translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings and that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or Statement of profit or loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, dates of transactions are determined for each payment or receipt of advance consideration.

(l) Revenue recognition

The Trust Group earns service revenue primarily from providing Optical fibre cable network and related service. Revenue is recognized when the Trust Group satisfies the performance obligation by transferring the promised services to the customers. Revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under Fibre Usage Agreement entered with customer. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Trust Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenues from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, are recognised to the extent the Trust Group has rendered the services, as per the contractual arrangements. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Unbilled revenue represents revenues recognized after the last invoice is raised on the customer at the period end. These are billed in subsequent periods based on the prices specified in the Fibre Usage Agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividend income is recognised when the Trust Group's right to receive the dividends is established.

(m) Financial Instruments

i) Financial assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.



B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Trust Group has elected to present the value changes in 'Other Comprehensive Income'.

D. Derecognition

The Trust Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

iii) Derivative Financial Instruments and Hedge Accounting

The Trust Group uses various derivative financial instruments such as forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair Value Hedge

The Trust Group designates derivative contracts or non derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

C. Derecognition:

A financial liability (or a part of financial liability) is derecognized from the Trust Group's Balance Sheet when the obligation specified in the contract is discarded or cancelled or expired.

(n) Cash Flow Statement

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, operating activities, investing and financing activities of the Trust Group are segregated.

(o) Contingent Liabilities

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



Signature

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Trust Group's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accounting disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Depreciation and useful lives of Property, Plant and Equipment

Plant and Equipment are depreciated over their estimated useful life which is based on technical evaluation, actual usage period and operations and maintenance arrangement with a vendor, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets periodically in order to determine the amount of depreciation to be recorded during any reporting period.

(b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Impairment of Non-Financial Assets

The Trust Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Trust Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a Trust Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(d) Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Trust Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

(e) Global Health Pandemic On COVID-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Trust Group's operations and revenue during the period were not impacted due to COVID-19.



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

(Rs. in Million)

NOTE 1. Property, Plant and Equipment and other Intangible Assets

Description	Gross Block		Depreciation and Amortisation		Net Block	
	As at	Additions	Deduction	As at	As at	As at
	01-Apr-20	31-Mar-21	01-Apr-20	31-Mar-21	31-Mar-21	31-Mar-20
Tangible Assets :						
Plant and Equipments	10,82,301	1,63,785	(1,065)	12,45,021	36,459	68,750
Total (A)	10,82,301	1,63,785	(1,065)	12,45,021	36,459	68,750
Other Intangible Assets :						
Indefeasible right to use (IRU)	53,336	-	(540)	52,796	3,493	6,987
Customer Contracts	4,77,526	-	-	4,77,526	23,869	47,785
Total (B)	5,30,862	-	(540)	5,30,322	27,362	54,772
Total (A+B)	16,13,163	1,63,785	(1,605)	17,75,343	63,821	1,23,522
Previous Year Figures	8,91,309	7,21,854	-	16,13,163	59,747	59,747
Note:						

1 Depreciation for the year includes depreciation of Rs. 694 Million (Previous period 690 Million) capitalised during the year. Thus the net amount of Rs.63,127 Million (Previous period Rs.59,057 Million) has been considered in Statement of Profit and Loss.



Delhite

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	As at March 31, 2021	(Rs. in Million) As at March 31, 2020
2 Other Financial Assets - Non Current (Unsecured and Considered Good)		
Security Deposits	5,107	5,243
Put Option (Refer note 34)	40	-
Total	5,147	5,243

	As at March 31, 2021	(Rs. in Million) As at March 31, 2020
3 Other Non-Current Assets (Unsecured and Considered Good)		
Capital advances*	-	0
Advance Income Tax**	141	21
Balance with GST authorities*	7,286	-
Others (comprises refundable customs duty)	571	571
Total	7,998	592

*Current Year: Nil, Previous Year : Rs.151

**Advance Income Tax:

Note: "0" represents the amount below the denomination threshold.

At beginning of year	21	-
Charge for the year - Current Tax	-	-
Tax Deducted at Source/Tax paid during the year	120	21
At end of year	141	21

3.1 Reconciliation of the income tax expenses to the accounting profit:

	For the year ended March 31, 2021	(Rs. In Million) For the year ended March 31, 2020
Loss before tax	(65,942)	(69,054)
Applicable tax rate	25.17%	25.17%
Computed tax expense	(16,596)	(17,380)
Tax effect of:		
Impact on account of Income exempt from tax	1,197	(73)
Current Tax Provision (A)	-	-
Deferred Tax Provision (B) (Refer note12)	(17,793)	(17,307)
Total Tax Expense / (Income) recognised in Statement of Profit and Loss (A+B)	(17,793)	(17,307)
Effective tax rate	26.98%	25.17%



(Handwritten signatures)

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	As at March 31, 2021		(Rs. In Million) As at March 31, 2020	
4 Current Investments				
Investments measured at Fair Value Through Profit or Loss (FVTPL)	Units	Amount	Units	Amount
IDFC Cash Fund-Growth-(Direct Plan) (Face value of Rs. 1000 each)	112640	280		-
SBI Liquid Fund-Growth-(Direct Plan) (Face value of Rs. 1000 each)	1,06,988	345		-
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (LFAGG) (Face value of Rs. 1000 each)	1,72,711	869		-
Total		<u><u>1,494</u></u>		<u><u>-</u></u>
5 Trade Receivables (Unsecured and considered good)		As at March 31, 2021		(Rs. In Million) As at March 31, 2020
Trade Receivables		93		5
Total		<u><u>93</u></u>		<u><u>5</u></u>
6A Cash and Cash Equivalents		As at March 31, 2021		(Rs. in Million) As at March 31, 2020
Balances with banks in Current Accounts		114		166
Total		<u><u>114</u></u>		<u><u>166</u></u>
6B Other Bank Balances		As at March 31, 2021		(Rs. in Million) As at March 31, 2020
Fixed Deposit with Banks*		92		38
Total		<u><u>92</u></u>		<u><u>38</u></u>

*Fixed Deposits with Bank of Rs. 38 Million have been pledged with government authorities.



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	As at March 31, 2021	(Rs. in Million) As at March 31, 2020
7 Other Financial Assets - Current		
Deposit for capital expenditure	-	23,000
Interest accrued on Fixed Deposit*	0	0
Other Receivables**	3,017	3,893
Total	3,017	26,893

*Current Year: Rs. 4,20,105, Previous Year : Rs.4,30,717

** Includes Contractually reimbursable/receivable/ MTM of derivative

Note: "0" represents the amount below the denomination threshold.

	As at March 31, 2021	(Rs. in Million) As at March 31, 2020
8 Other Current Assets (Unsecured and considered good)		
Balance with GST authorities*	38,397	25,459
Other Advances**	239	8
Total	38,636	25,467

*Includes Input tax credit pending for availment of Rs.14,650 million(Previous Year Rs 11,610 million)

**Includes prepaid expenses and advances to vendors



[Handwritten signatures]

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	(Rs. in Million)	
	As at March 31, 2021	As at March 31, 2020
9A Unit capital		
Unit capital		
Issued, Subscribed and fully paid up Unit Capital		
1,47,06,00,000 (March 31, 2020 : Nil) units of Rs 100 (March 31, 2020 : Nil) each	1,47,060	-

The SEBI circular no. CIR/MD/DF/114/2016 dated 20-Oct-2016 issued under the SEBI InvIT Regulation require that the 'Unit Capital' should be presented as 'Equity' in the financial statements of the Trust. Further, the SEBI InvIT Regulation requires that 90% of the Net Distributable Cash Flows of the Trust should be distributed to the Unitholders. Any instrument which contains an obligation to mandatorily pay its holders, is a compound financial instrument under Ind AS 32 - Financial Instruments: Presentation and has to be accounted as such. However, considering the requirements of the SEBI InvIT Regulation, a special legislation, the 'Unit Capital' has been presented as 'Equity' in the Financial Statements.

Rights and Restrictions of Units

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

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

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

Information in unitholders holding more than 5% of Unit Capital

Name of Unitholder	Relationship	As on March 31, 2021		As on March 31, 2020	
		No of Unit held	Percentage	No of Unit held	Percentage
Reliance Industrial Investments And Holdings Limited	Sponsor	220600000	15.00%	-	-
Jamnagar Utilities And Power Private Limited	Unitholder	255000000	17.34%	-	-
Platinum Compass B 2018 RSC Limited	Unitholder	375000000	25.50%	-	-
Public Investment Fund	Unitholder	375000000	25.50%	-	-
Sikka Ports & Terminals Limited	Unitholder	245000000	16.66%	-	-

Reconciliation of the units outstanding at the beginning and at the end of the Financial year

Particulars	As at	
	March 31, 2021	March 31, 2020
Units at the beginning of the year	-	-
Issued during the year	1,47,06,00,000	-
Units at the end of the year	1,47,06,00,000	-

	(Rs. in Million)	
	As at March 31, 2021	As at March 31, 2020
9B Initial Contribution		
Balance at the beginning of the year (Previous year Rs.10,000) By Settlor	264	-
	55	264
Balance at the end of the year	319	264

	(Rs. in Million)	
	As at March 31, 2021	As at March 31, 2020
10 Other Equity		
Instruments classified as equity		
0.01% (Previous year 10%) Redeemable, Cumulative, Participating and Optionally Convertible Preference Share of Rs.10 each, fully paid up'	7,81,397	7,81,397
Retained earnings		
As per last Balance Sheet	(2,03,707)	(1,90,580)
Total Comprehensive Loss for the year	(42,011)	(66,393)
Distribution to Unit holders	(7,120)	53,266
Balance at end of the year	(2,52,838)	(2,03,707)
TOTAL	5,28,559	5,77,690

10.1 Terms/ rights and restrictions attached to Preference Shares :

With effect from September 29, 2020, the terms of the 78,139,666,092, 10% Cumulative Participating and Optionally Convertible Preference Shares of Rs. 10/- each were changed to 0.01% Redeemable, cumulative, participating and optionally convertible preference shares of Rs. 10 each. These are convertible into 1 (One) Equity Share of Re.1 each for every 54 (Fifty Four) Preference Shares of Rs. 10 each at a premium of Rs. 539 per Equity Share at any time at the option of the Company but in any case not later than March 30, 2039 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 10 each but not in any case later than March 30, 2039. The Preference share shall be entitled to the surplus Assets either on winding up or liquidation or otherwise."

10.2 The reconciliation of the number of 0.01% Redeemable, Cumulative, Participating and Optionally Convertible Preference Share is set out below:

Particulars	As at	
	March 31, 2021 No. of Shares	March 31, 2020 No. of Shares
No. of shares at the beginning of the year	78,13,96,66,092	78,13,96,66,092
Add: Issue of Shares	-	-
No. of shares at the end of the year	78,13,96,66,092	78,13,96,66,092

10.3 Aggregate number of Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Pursuant to Fair Valuation of the assets acquired in the Scheme, 78,139,666,092 shares of Rs. 10 each were issued and allotted as fully paid for consideration other than in cash, to the shareholder of the demerged company as a consideration for the demerger and vesting of its Fibre Undertaking.

10.4 The details of shareholders holding more than 5% shares (10% Cumulative Optionally Convertible Preference Shares):

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% held	No of Shares	% held
Reliance Industries Limited	77,70,11,98,375	99.44%	77,70,11,98,375	99.44%



[Handwritten signatures]

		(Rs. in Million)	
		As at	As at
		March 31, 2021	March 31, 2020
		Non-Current	Non-Current
11 Borrowings			
	At amortised cost		
(I) Term Loan			
(a) Secured			
	(i) From banks*	3,64,119	1,34,761
(b) Unsecured			
	(i) From banks	-	20,000
	(ii) From others	2,50,000	-
(II) Non Convertible Debentures			
	(i) Unsecured	-	2,53,420
	(ii) Secured**	2,52,800	-
(III) Redeemable Preference Shares (Unsecured)		13	13
	Total	8,66,932	4,08,194

*Net off Rs. 880 millions (Previous Year Rs. 580 millions) as prepaid finance charges.

**Net off Rs. 620 million (Previous Year Nil) as prepaid finance charges.

(i) **Secured loans from Banks consist of:**

- a) Loan of Rs.40,000 Million carrying interest rate of 7.65 % p.a from Bank of Baroda, is repayable after 2 years of moratorium in 40 equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- b) Loan of Rs.55,000 Million carrying interest rate of 7.55 % p.a from Punjab National Bank, is repayable after 2 years of moratorium in 40 equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- c) Loan of Rs.55,000 Million carrying interest rate of 7.75 % p.a from Axis Bank, is repayable after 2 years of moratorium in 40 equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- d) Loan of Rs.55,000 Million carrying interest rate of 7.45 % p.a and of Rs 20,000 Million carrying interest rate 7.40% from HDFC Bank, is repayable after 2 years of moratorium in equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- e) Loan of Rs.50,000 Million carrying interest rate of 7.75 % p.a and of Rs 15,000 Million carrying interest rate 7.70% from ICICI Bank, is repayable after 2 years of moratorium in 40 equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- f) Loan of Rs.75,000 Million carrying interest rate of 7.65 % p.a from State Bank of India, is repayable after 2 years of moratorium in 40 equal quarterly instalments starting from end of 27th month from date of drawdown and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- g) Rs.1,34,761 Million outstanding as at March 31, 2020, which have been repaid during the year.

(ii) **Unsecured loans from banks consist of:**

Loan of Rs.20,000 Million outstanding as at March 31, 2020, which have been repaid during the year.

(iii) **Unsecured loans consist of:**

Loan of Rs.2,50,000 million (Sikka Ports and Terminals Ltd - Rs.2,00,000 million and Jamnagar Utilities Port & Power Limited - Rs. 50,000 million), carrying interest rate of 12.01%, and is repayable annually from September 28, 2024 till September 28, 2050.



[Handwritten signature]

[Handwritten signature]

- (iv) **Non-Convertible Debentures consist of:**
- a) 60,000, 7.60% Secured Non-Convertible Redeemable Debentures – Series PPD1 (NCD – Series PPD1) of face value of Rs. 10,00,000 each, redeemable after 2 years of moratorium in 40 equal quarterly instalments starting 22 Mar 2023 to 22 Dec 2032 and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- b) 1,00,000, 7.60% Secured Non-Convertible Redeemable Debentures – Series PPD2 (NCD – Series PPD2) of face value of Rs. 10,00,000 each, redeemable after 2 years of moratorium in 40 equal quarterly instalments starting 23 Mar 2023 to 23 Dec 2032 and secured on pari-passu basis by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories.
- c) 93,420, 7.60% Secured Non-Convertible Redeemable Debentures – Series PPD3 (NCD – Series PPD3) of face value of Rs. 253,420, 9.00% Non-Convertible Redeemable Debentures – Series II (NCD – Series II) of face value of Rs. 10,00,000 each, aggregating to Rs. 25,342 crores redeemable at par on or before March 30, 2029 at the option of the Company, have been fully redeemed in December.2020.
- (v) **Unsecured Non-Convertible Debentures consist of :**
- (vi) **Redeemable Preference Shares consist of :**
With effect from September 29, 2020, the terms of the 1,250,000 10% Cumulative, non-participating and non-convertible preference shares of Rs. 10/- each were varied to 0.01% Cumulative, redeemable, non-participating and non-convertible Preference Shares of Rs. 10 each, redeemable at any time at the option of the Trust Group at Rs. 10 each aggregating to Rs 12.5 million, but not in any case later than March 31, 2039. The Redeemable Preference Shares will carry a preferential right vis-à-vis Equity Shares and Preference Shares with respect to payment of dividend and repayment of capital. No right to participate in Surplus Assets either on winding up or on liquidation.
- (vi) In absence of profit as per Section 71(4) of Companies Act, 2013, the subsidiary company has not created the Debenture Redemption Reserve for cumulative amount of Rs. 2,534 million . The subsidiary company shall create the Debenture Redemption Reserve out of Profits, if any in the future years.

	As at March 31, 2021	As at March 31, 2020
12 Deferred Tax Liabilities (Net)		
At the start of the year	(2,51,765)	(3,73,515)
On account of change in tax rate		1,04,443
Credit to Profit and Loss account	17,793	17,307
At the end of the year	(2,33,972)	(2,51,765)
Component of Deferred Tax Asset/ Liabilities		
	As at beginning of the year	(Charge)/Credit to Statement of Profit and Loss during the year
Deferred tax asset/(liabilities) in relation to:		
Property, Plant and Equipment and Other Intangible Assets	(2,74,151)	(28,482)
Carried Forward Losses	22,386	46,275
Total	(2,51,765)	(2,33,972)

As per section 115BAA introduced by the Taxation Laws (Amendment) Act, 2019, the Trust Group had adopted new income tax rates and accordingly the effect had been given in the amount of brought forward deferred tax liabilities of the Trust Group during last year.

	As at March 31, 2021	As at March 31, 2020
13 Other Non Current Financial Liabilities		
Call Option (Refer Note 34)	2,292	-
Others*	0	-
Total	2,292	-

*Current Year: Rs. 2,19,456, Previous Year : Nil

*Provisions for Gratuity

	As at March 31, 2021	As at March 31, 2020
14 Other Non Current Liabilities		
Revenue received in advance	1,53,075	1,56,018
Total	1,53,075	1,56,018



Signature

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

15 Borrowings - Current	(Rs.in Million)	
	As at March 31, 2021	As at March 31, 2020
Unsecured - At amortised Cost		
(a) Term Loan : from Others*	-	1,45,000
Total	-	1,45,000

*Loan of Rs.81,800 Million from Sikka Port and Terminal Limited carrying interest rate of 9.25% p.a. outstanding as on March 31, 2020 has been fully repaid in current year.

*Loan of Rs.63,200 Million from Jamnagar Utilities Private Limited carrying interest rate of 9.25% p.a. outstanding as on March 31, 2020 has been fully repaid in current year.

Maximum amount outstanding at any time during the year in respect of monies raised by the Trust Group on Commercial Papers is Rs Nil (Previous year Rs. 25,730)

16 Trade Payables due to	(Rs.in Million)	
	As at March 31, 2021	As at March 31, 2020
Micro and small enterprises	-	-
Creditors Other than Micro and Small enterprises	8	43
Total	8	43

16.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2021 and as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

17 Other Current Financial Liabilities	(Rs.in Million)	
	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debt (secured)	-	1,59,660
Current Maturities of Long Term Debt (unsecured)*	-	2,630
Interest accrued but not due	231	29,120
Others**	10	32,605
Total	241	2,24,015

*consist of loan for Rs 2,630 million from Reliance Ventures Limited carrying interest rate 9% per annum transferred to JDFPL under novation agreement dated 18th December 2020.

**Includes deposit repayable on demand secured by the guarantee given by the Parent of the sponsor of the Trust and includes derivative liability in the previous year.

18 Other Current Liabilities	(Rs.in Million)	
	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	5,420	8,623
Other Payables*	715	3,456
Total	6,135	12,079

* Other Payables include statutory dues like GST, TDS etc.



[Handwritten signature]

[Handwritten signature]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	For the year ended March 31, 2021	(Rs. in Million) For the year ended March 31, 2020
19 Revenue from Operations		
Sale of Services	76,398	61,257
Total	<u><u>76,398</u></u>	<u><u>61,257</u></u>
20 Other Income		
Interest Income*	3	0
Profit on sale of current investments (Net)	203	-
Gain on fair valuation of investment	2	-
Miscellaneous Income	34	136
Total	<u><u>242</u></u>	<u><u>136</u></u>
*Current Year: Rs. 29,78,825, Previous Year : Rs.4,95,539		
Note: "0" represents the amount below the denomination threshold.		
21 Network Operating Expenses		
Repairs and Maintenance	10,408	8,620
Total	<u><u>10,408</u></u>	<u><u>8,620</u></u>
22 Employee Benefits Expense		
Salaries and Wages	5	1
Contribution to Provident and Other Funds	1	0
Total	<u><u>6</u></u>	<u><u>1</u></u>
Note: "0" represents the amount below the denomination threshold.		
23 Finance Costs		
Interest Expenses	65,772	61,869
Exchange Loss (attributable to Finance costs)	152	354
Other Borrowing Cost	610	396
Total	<u><u>66,534</u></u>	<u><u>62,619</u></u>
24 Other Expenses		
Fair Value of Put/Call option (net)	2,252	-
Professional fees	105	52
Payment to Auditors	11	24
General Expenses	139	74
Total	<u><u>2,507</u></u>	<u><u>150</u></u>



[Handwritten signature]

[Handwritten signature]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

	As at March 31, 2021	As at March 31, 2020
25 EARNING PER UNIT (EPU)		
The following reflects the income and unit data used in the basic and diluted EPU Computations		
(i) Net Loss as per Statement of Profit and Loss attributable to Unit	(42,011)	(66,393)
(ii) Weighted Average number of Units used as denominator for calculating Basic	1,47,06,00,000	-
Unit Allotted (in days)	184	-
(iii) Weighted Average number of Potential Units	74,13,43,562	-
(iv) Total Weighted Average number of units used as denominator		
(v) Earning per unit of unit value of Rs 100		
- For Basic (Rs.)	(56.67)	-
- For Diluted (Rs.)	(56.67)	-

26 RELATED PARTY DISCLOSURES

As per Ind AS 24 & SEBI InvIT Regulations, the disclosures of transactions with the related parties

(i) List of related parties, with whom transactions have taken place and relationships, as per the SEBI InvIT regulations:

Sr No	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	Sponsor & Unitholder
2	Axis Trustee Service Limited	Trustee
3	Infinite India Investment Manager Limited	Investment Manager
4	Jio Infrastructure Management Services Limited	Project Manager
5	Reliance Industries Limited	Promoter of sponsor
6	Reliance Projects and Property Management Services Limited (wef from 29 September 2020 to 29 October 2020)	Unitholder
7	Jamnagar Utilities and Power Private Limited (wef from 29 September 2020 to 29 October 2020)	Unitholder
8	Platinum Compass B 2018 RSC Limited	Unitholder
9	Public Investment Fund	Unitholder
10	Axis Bank Limited	Promoter of Trustee

(ii) Transactions during the year with related parties

(Rs.in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Professional Fees		
Axis Trustee Service Limited	5	2
Infinite India Investment Manager Limited	24	24
Jio Infrastructure Management Services Limited	24	24
Units Allotted		
Jamnagar Utilities & Power Private Limited (JUPPL)	35,500	-
Reliance Projects and Property Management Services Limited	64,500	-
Reliance Industrial Investments and Holdings Limited	22,060	-
Distribution to Unitholders		
Public Investment Fund	1,815	-
Platinum Compass B 2018 RSC Limited	1,815	-
Reliance Industrial Investments and Holdings Limited	1,068	-
Reliance Industries Limited		
Repayment of Non Convertible Debentures (Unsecured)	2,53,420	2,85,130
Interest on Non Convertible Debentures	21,853	23,528
Addition of Inter Corporate Deposit	-	12,790
Repayment of Inter Corporate Deposit	-	12,790
Interest on Inter Corporate Deposit	-	127
Issuance of Non Convertible Debentures (Secured)	2,53,420	-
Internal Audit Fees	1	-
Guarantee Commission Fees	41	-
NCD Processing Fees	634	-
Reliance Projects and Property Management Services Limited		
Network Operating Expenses	869	-
Capital Expenditure	9,572	-
Jamnagar Utilities and Power Private Limited		
Repayment of Loans	63,200	-
Loan Taken	50,000	-
Interest on Loans	6,079	-
Axis Bank Limited		
Loan Taken	55,000	25,000
Loan repaid	57,500	-
Refinancing Arrangement	-	27,500
Interest on Borrowings	4,165	4,692
Contribution to Corpus		
Reliance Industrial Investments and Holdings Limited	55	264



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

(iii) Closing Balance:

(Rs in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Professional Fees payable		
Axis Trustee Service Limited	-	2
Infinite India Investment Manager Limited	-	24
Reliance Industrial Investments and Holdings Limited		
Contribution to Corpus	319	264
Units Allocated	22,060	-
Public Investment Fund		
Units Allocated	37,500	-
Platinum Compass B 2018 RSC Limited		
Units Allocated	37,500	-
Reliance Industries Limited		
Equity Share Capital	2,495	2,495
0.01% (Previous year 10%) Redeemable, Cumulative, Participating and Optionally Convertible Preference Share of Rs.10 each, fully paid up	7,81,397	7,81,397
0.01% (Previous year 10%) Cumulative, redeemable, non-participating and non-convertible preference shares	13	13
Borrowings - Non Convertible Debentures	2,53,420	2,53,420
Interest accrued but not due on Non Convertible Debentures	-	20,527
Vendor account- Internal Audit fees payable	1	-
Axis Bank Limited		
Axis Bank Limited - Bank Balances	28	56
Borrowings - Secured Term Loans- Axis Bank Limited	55,000	57,291

27 CONTINGENT LIABILITIES AND COMITMENTS

(Rs in Million)
As at
March 31, 2021

(i) Contingent Liabilities

(i) Claims/disputed liabilities against the Trust Group not acknowledged as debts *

* The disputed liabilities are not likely to have any material effect on financial position of the Trust Group

(Rs in Million)
As at
March 31, 2020

(ii) Commitments

Estimated amount of contracts remaining to be executed on Capital account not provided for.

28 Arrears of fixed cumulative dividend on redeemable, cumulative, participating and optionally convertible preference shares classified as 'Other Equity' Rs. 1,16,928 Million as on 31st March, 2021 and Rs 78,140 Million as on 31st March, 2020.

29 Capital Management

The Group adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain AAA rating by ensuring that the financial strength of the Balance Sheet is preserved.
- Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

(d) Gearing Ratio

(Rs in Million)

The net gearing ratio at the end of the reporting year was as follows:

	As at March 31, 2021	As at March 31, 2020
Gross Debt	8,66,932	7,15,484
Cash and Marketable Securities*	1,608	166
Net debt (A)	8,65,324	7,15,318
Total Equity (B)	6,75,938	5,77,954
Net debt to equity ratio (A/B)	1.28	1.24

*Cash and Marketable Securities includes Cash and Cash Equivalents of Rs.114 Million (Previous year Rs.166 Million) and current investment Rs.1,492 Million (Previous Year Nil)



Signature

Signature

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

30 FINANCIAL INSTRUMENTS

A. FAIR VALUE MEASUREMENT HIERARCHY:

(Rs in Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortized Cost						
Trade Receivables	93	-	-	5	-	-
Cash and Bank Balances	114	-	-	166	-	-
Other Bank Balances	92	-	-	38	-	-
Other Financial Assets	8,124	-	-	32,136	-	-
At FVTPL						
Investments	1,494	1,494	-	-	-	-
Financial Derivatives	40	-	40	220	-	220
Financial Liabilities						
At Amortized Cost						
Borrowings	8,66,932	-	-	7,15,484	-	-
Trade Payables	8	-	-	43	-	-
Other Financial Liabilities	241	-	-	61,725	-	-
Creditors for Capital Expenditure	30,027	-	-	90,822	-	-
At FVTPL						
Other Financial Liabilities	2,292	-	2,292	-	-	-

The financial instruments are categorized into two levels based on inputs used to arrive at fair value measurements as described below:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Valuation methodology:

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

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates at the balance sheet date.
- The Trust Group considers that the carrying amount recognised in the financial statements for financial assets and financial liabilities measured at amortised cost approximates their fair value. Option contracts are valued using Black-Scholes model which is based on volatility in interest rates and market values.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

B. Financial Risk Management

The different types of risks the Trust Group is exposed to include market risk, credit risk and liquidity risk. The Trust Group takes measures to judiciously mitigate the above mentioned risks.

i) Market Risk

a) Foreign Currency Risk

Foreign currency risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. The Trust Group uses derivative financial instruments such as forward contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved Risk Management Policy framework.

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting year.

(In Million)

Particulars	Foreign Currency Exposure			
	As at March 31, 2021		As at March 31, 2020	
	USD	EURO	USD	EURO
Other Financial Liability	-	-	6,480	0
Derivatives				
Forward	-	-	(6,480)	(0)
Net Exposure	-	-	-	-

Note: "0" represents the amount below the denomination threshold.

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

(Rs. In Million)

Particulars	Foreign Currency Sensitivity		Foreign Currency Exposure	
	As at March 31, 2021		As at March 31, 2020	
	USD	EUR	USD	EUR
1% Depreciation in INR	-	-	-	-
Impact on Equity	-	-	-	-
Impact on P&L	-	-	-	-
1% Appreciation in INR	-	-	-	-
Impact on Equity	-	-	-	-
Impact on P&L	-	-	-	-



[Handwritten signatures]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

b) Interest Rate Risk

The Trust Group exposure to the risk of changes in market interest rate relates to the floating rate debt obligations. The exposure of the Trust Group's borrowings at the end of the reporting year are as follows:

Particulars	Interest Rate Exposure	
	As at March 31, 2021	As at March 31, 2020
Borrowings		
Non-Current - Floating*	6,14,119	3,15,000
Non-Current - Fixed*	2,52,813	2,56,063
Current - Fixed	-	1,45,000
Total	8,66,932	7,16,063

*Includes Current year Rs 1,531 million (Rs 579 million in previous year) towards Prepaid Finance Charges.

Fair value sensitivity analysis for fixed-rate borrowings:

The Trust Group does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of 1% (floating rate borrowings) change in Interest rate:

Particulars	Interest Rate Sensitivity			
	As at March 31, 2021		As At March 31, 2020	
	Up Move	Down Move	Up Move	Down Move
Total Impact	(6,141)	6,141	(3,150)	3,150
Impact on Equity	-	-	-	-
Impact on P&L	(6,141)	6,141	(3,150)	3,150

ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the Trust. Credit risk arises from Trust activities in investments and outstanding receivables from customers.

The Group has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through advance payments.

iii) Liquidity Risk

Liquidity risk arises from the Group inability to meet its cash flow commitments on the due date. The Group accesses global and local financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Group cash flow position and ensures that the Group is able to meet its financial obligation at all times including contingencies.

(Rs. In Million)

Particulars	Maturity Profile as at March 31, 2021				
	0 to 1 year	1-3 Years	3-5 Years	Above 5 years	Total
Trade Payable (Refer Note 16)	8	-	-	-	8
Other Current Financial Liabilities (Refer Note 17)	231	-	-	-	231
Creditors for Capital Expenditure	30,027	-	-	-	30,027
Borrowings* (Refer Note 11, 15 and 17)	-	77,303	1,26,736	6,64,381	8,68,420
Total	30,266	77,303	1,26,736	6,64,381	8,98,686

* Includes Rs.1,500 Million as prepaid finance charges.

Particulars	Maturity Profile as at March 31, 2020				
	0 to 1 year	1-3 Years	3-5 Years	Above 5 years	Total
Trade Payable (Refer Note 16)	43	-	-	0,00	43
Other Current Financial Liabilities (Refer Note 17)	29,120	-	-	-	29,120
Creditors for Capital Expenditure	90,822	-	-	-	90,822
Borrowings* (Refer Note 11, 15 and 17)	3,07,630	1,38,000	4,000	2,66,433	7,16,063
Total	4,27,615	1,38,000	4,000	2,66,433	8,36,048

* Includes Rs.579 Million as prepaid finance charges.

31 SEGMENT REPORTING

The Trust Group is engaged in setting up, operating and managing of Fiber Infrastructure. All activities of the Trust Group revolve around this main business. Accordingly the Trust Group has single segment as per the requirements of Ind AS 108 -Operating Segment. Significant portion of the revenue is derived from a single customer.

32 PAYMENT TO AUDITORS

	(Rs. in Million)	
	Current Year	Previous Year
i Statutory Audit Fees	7	24
ii Tax Audit Fees	1	-
iii Certification Fees	2	-
iv Expenses Reimbursed	1	-
Total	11	24



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

33 Disclosures as required by SEBI Circular No.CIR/IMD/DF/114/2016 dated October 20, 2016
The Trust consists of only one project.

(A) Operating cash flows

	(Rs. In Million)	
	As at March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Tax as per Statement of Profit and Loss	(70,691)	(68,744)
Adjusted for:		
Depreciation and Amortisation Expense	63,127	59,057
Profit on sale of current investments	(205)	(136)
Gain on fair valuation of investments	(2)	-
Interest Income	(3)	-
Finance Costs	73,609	62,382
Operating profit before working capital changes	65,835	52,559
Trade and Other Receivables	(20,282)	19,988
Other Payables	(8,855)	1,67,125
Cash Generated from Operations	36,698	2,39,671
Tax Paid	(120)	(21)
Net Cash generated from operating activities	36,578	2,39,650

(B) Statement of Net Distributable Cash Flows (NDCF) of Project

Description	(Rs. In Million)	
	As at March 31, 2021	
Loss after tax as per profit and loss account	(52,898)	
Add: Depreciation and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	63,127	
Add / less: Loss / gain on sale of infrastructure assets	-	
Add / less: Finance Cost	73,609	
Add/ Less : Gain on sale of Mutual Fund Investment	(207)	
Add: Net proceeds (after applicable taxes) 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 InvIT Regulations	-	
Add: Net proceeds (after applicable taxes) 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 /	-	
Less: Capital expenditure, if any	(1,98,571)	
Less: Investments made in accordance with the investment objective, if any	(1,344)	
Add / less: Any other item of non-cash expense / non-cash income charged / credited to profit and loss account, including but not limited to	-	
• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	-	
• provisions;	-	
• deferred taxes;	(17,793)	
• any other non-cash item, lease rents recognised on a straight-line basis, etc.	-	
Add / less: Working capital changes	(29,137)	
Add / less: Taxes paid	(120)	
Add / less: Provisions made in earlier year and expensed in the current year	-	
Less: Any cash paid to the lease owners not accounted for in the working capital changes or the profit and loss account	-	
Add: Additional borrowings (including debentures / other securities) (external as well as borrowings from Trust)	10,13,949	
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (Excluding refinancing) / net cash set aside to comply with reserve requirements (including but not limited	(7,48,820)	
Less :Interest paid to third party	(86,659)	
Less: Cash reserved to make due payments to secured lenders in subsequent years	-	
Add / less: Proceeds from any fresh issuance of preference shares / redemption of any preference shares including redemption or capital reduction of the optionally convertible preference shares (Net of monies attributable to optionally convertible preference shares and retained in the SPV)	-	
Add: Proceeds from any fresh issuance of equity shares	-	
Add: Unpaid and accrued interest and principal amount towards debt outstanding including but not limited to Trust Loan 1 and Trust Loan 2	-	
Less: Monies attributable to the optionally convertible preference shares in terms of SHOA / other transaction agreements	-	
Add / Less: Amounts added or retained to make the distributable cash flows in accordance with the transaction documents or the loan agreements	-	
Total Adjustments (B)	68,034	
Net Distributable Cash Flows (C) = (A+B)	15,136	



Handwritten signatures and initials in blue ink.

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

(C) Statement of Net Distributable Cash Flows (NDCFs) of Trust

Description	(Rs. In Million)	
	As at	
	March 31, 2021	
Cash flows received from SPV in the form of interest / accrued interest / additional interest	15,171	
Cash flows received from SPV in the form of dividend / buy-back of equity shares / capital reduction of equity shares	-	
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	-	
Add: Cash flows/ Proceeds from the SPV towards the repayment of the debt issued to the SPV by the Trust	-	
Contribution to Corpus	55	
Proceeds from Unit issuance	1,47,060	
Borrowings at the Trust level	2,52,800	
Total cash flow at the Trust level (A)	4,15,086	
Less: issue expenses payable by Trust including as reimbursements towards expenses of Trust met by the Sponsors		
Less: annual expenses of the Trust including audit fees, project manager fees, investment management fees, other statutory fees, depository fees, legal expenses, credit rating fees and valuer fees, if any (pro-rated for half year)	136	
Less: income tax (if applicable) at the standalone Trust level and payment of other statutory dues	-	
Less: Repayment of debt at the Trust Level (including principal, interest and other monies payable in terms of the relevant loan agreement)	10,784	
Less: net cash set aside to comply with DSRA requirement under loan agreements, if any	-	
Add: Net proceeds (after applicable taxes) 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 InvIT Regulations	-	
Add: Net proceeds (after applicable taxes) from sale of infrastructure assets at the Trust level not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently	-	
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	3,97,060	
Less: Capital expenditure if any (including acquisition of other infrastructure assets / SPVs)	-	
Add: Proceeds from fresh issuance of units	8	
Less: Reserve for debentures / loans / capex expenditure in the intervening year till next proposed distribution if deemed necessary by the Investment Manager invested in permitted investments	-	
Total cash outflows/retention at the Trust level (B)	4,07,988	
Net Distributable Cash Flows (C) = (A+B)	7,098	

(D) Debt Payment History

	(Rs. In Million)	
	As at	
	March 31, 2021	March 31, 2020
(i) Term Loan from Banks		
Carrying amount of debt at the beginning of the year	3,14,421	1,79,313
Additional borrowing during the year	3,65,000	1,34,999
Repayments during the year	(3,15,000)	-
Other adjustments	(302)	109
Carrying amount of debt at the end of the year	3,64,119	3,14,421
(ii) Non Convertible Debenture (NCD) and Redeemable Preference Shares		
Carrying amount at the beginning of the year	2,53,433	5,38,563
Additional borrowing during the year	2,53,420	-
Repayments during the year	(2,53,420)	(2,85,130)
Other adjustments	(619)	-
Carrying amount at the end of the year	2,52,814	2,53,433
(iii) Loan from Others		
Carrying amount of debt at the beginning of the year	1,47,630	2,630
Additional borrowing during the year	2,50,000	1,87,790
Repayments during the year	(1,47,630)	(42,790)
Carrying amount of debt at the end of the year	2,50,000	1,47,630
(iv) Total ((i) to (iii))		
Carrying amount of debt at the beginning of the year	7,15,484	7,20,506
Additional borrowing during the year	8,66,889	3,22,789
Repayments during the year	(7,16,050)	(3,27,920)
Other adjustments	609	109
Carrying amount of debt at the end of the year	8,66,932	7,15,484



[Handwritten signature]

[Handwritten signature]

Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2021

(E) Statement of Net Assets at Fair Value

Particulars	(Rs. In Million)			
	As At		As At	
	March 31, 2021		March 31, 2020	
	Book Value	Fair Value*	Book Value	Fair Value*
A. Assets	18,47,722	18,62,062	17,51,130	17,58,249
B. Liabilities	12,92,682	12,92,682	12,87,935	12,87,936
C. Net Assets (A-B)	5,55,040	5,69,380	4,63,195	4,70,313

* Fair value has been determined based on the fair valuation report of independent valuer appointed under the InvT Regulations.

(F) Statement of Total Return at Fair Value

Particulars	(Rs. In Million)	
	As At March 31, 2021	As At March 31, 2020
Total comprehensive Income/(Loss) (As per Statement of Profit and Loss)	(48,149)	(51,747)
Add / (Less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income	-	-
Total Return	(48,149)	(51,747)

34 Put and Call Option

As per the terms of the Shareholders and Option Agreement entered into between the Trust, the Investment Manager, Reliance Industries Limited (RIL), Reliance Industrial Investments and Holdings Limited (RIIHL) and Jio Digital Fibre Private Limited (JDFPL), RIL has a right, but not obligation, to purchase the entire equity stake of the Trust in JDFPL after a specific term for a consideration of Rs. 262,65,00,000 or the fair value at the exercise date, which ever is lower. Likewise, after a specific term, the Trust has the right, but not the obligation, to sell its entire stake in JDFPL to RIIHL for a consideration of Rs. 262,65,00,000 or the fair value at the exercise date, which ever is lower.

35 List of Subsidiary

Name of the Group	Place of Incorporation	Principal activities	% holding as on March 31, 2021	% holding as on March 31, 2020
Jio Digital Fiber Private Limited	India	Providing Fiber Infrastructure and related operations and maintenance services.	51%	51%

36 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Trust Group is engaged in the business of providing Fibre infrastructure and related services operations in India. The subsidiary of Trust Group has executed a long-term Fiber Usage Agreement (FUA) with Reliance Jio Infocomm Limited (RJIL) as its customer, which results into committed revenues and cash flows for the Trust Group, on a long-term basis. Moreover, the COVID-19 pandemic has not had a material adverse impact on the operations of the telecommunication industry to which the Trust Group currently caters to. Also, the Trust Group has completed substantial portion of its planned capital expenditure and for the balance as well as for the operations and maintenance of the fibre assets, the Trust Group has in place long-term arrangements with reputed and experienced contractors/ service providers. In view of the foregoing, the Trust Group does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months.

37 The figure for the corresponding previous year have been regrouped / rearranged wherever necessary, to make them comparable.

38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by Board of Directors on 16 June, 2021.

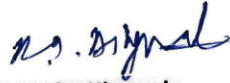


[Handwritten signature]

[Handwritten signature]

Contd.: Consolidated Financial
Statements for the years ended
March 31, 2021 (last page)
of Digital Fibre Infrastructure Trust

For and on behalf of the Board of Investment Manager



Rajendra Hingwala
DIN:00160602



Dipti Neelakantan
DIN: 00505452

Place: Mumbai
Date: June 16, 2021