

DIGITAL FIBRE INFRASTRUCTURE TRUST

2ND ANNUAL REPORT

FINANCIAL YEAR 2021-22

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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. Janisha Shah</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: mcainfinite@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 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, 2022

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 Trusts 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 24.72 million fibre pair kilometers (the “FPKM”) as of March 31, 2022. 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 ₹ 14,706 crore by the issue of 147,06,00,000 Units at an issue price of ₹ 100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

The Trust undertook right issue of its units vide letter of offer dated December 2, 2021 and raised ₹ 47,88,66,82,100 by the issue of 47,88,66,821 Units at an issue price of ₹ 100 per Unit.

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

Economic Overview

Global Economy

The global economy is currently going through a challenging time with inflationary trends being witnessed across the globe. Key drivers of inflation include the ongoing conflict in Ukraine which has impacted energy costs across the globe as well as continued supply chain related issues arising from China. Federal banks across several economies have been increasing interest rates to tame inflation. However, with rising interest rates there are growing fears of growth being negatively impacted. For instance, the US economy shrank by about 1.6% in the first quarter of CY 2022 while at the same time facing a 4 decade high inflation. Global growth is expected to slow down from an estimated 6.1% in CY 2021 to around 3.6% in CY 2022 (IMF World Economic Outlook April 2022). Growth is expected to be subdued in the near term.

Indian Economy

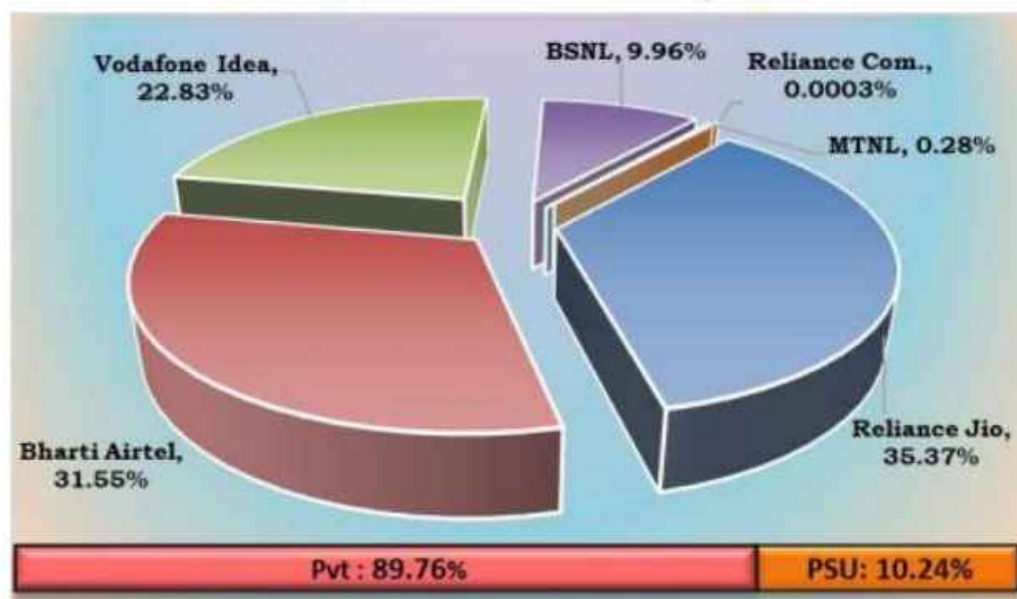
The Indian economy is estimated to grow at a rate of 7.2% for the fiscal year 2022-23 (RBI April 2022 MPC meeting minutes) which would make it the one of the fastest growing large economies of the world. CPI headline inflation rose to 7.8% in April 2022 in line with the inflationary trends witnessed globally. RBI too has taken to increasing the repo rates by 50 bps to 4.90% and one may witness further hikes in near term as RBI would remain focused on inflation.

Telecom sector

The number of telephone subscribers in India increased to 1,166.93 million at the end of March 2022. Urban telephone subscription increased to 647.11 million and the rural subscription also increased to 519.82 million during the same period.

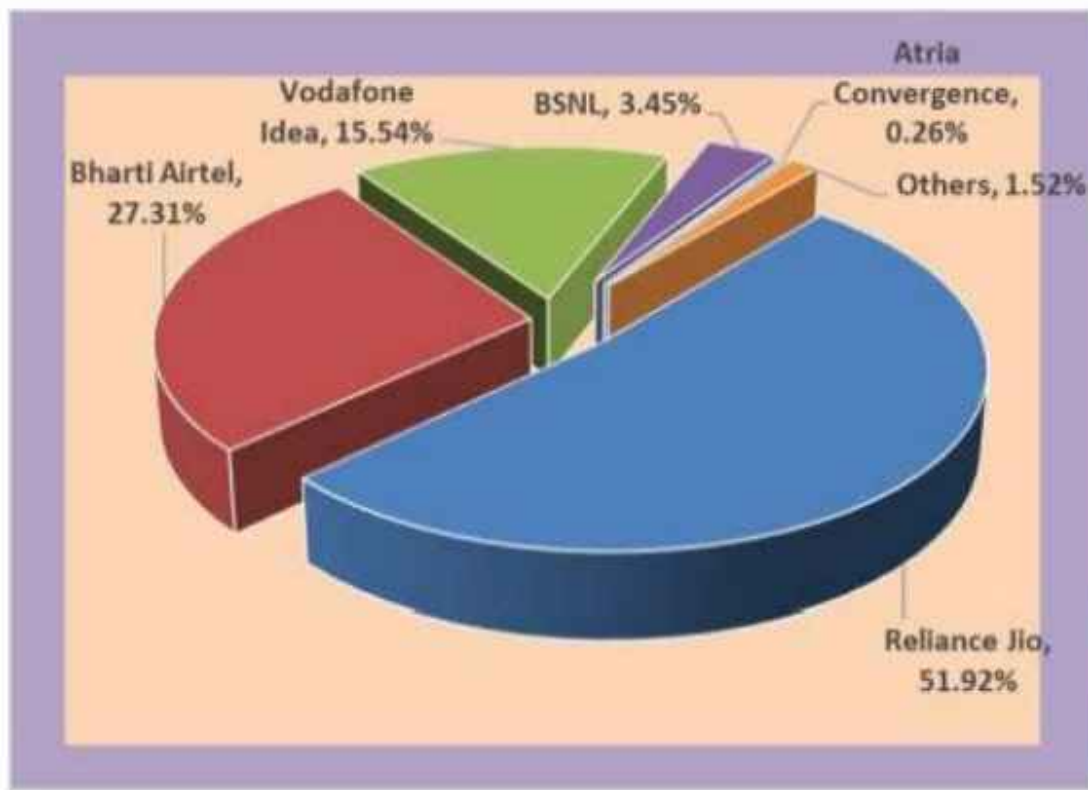
Total wireless subscribers increased to 1,142.09 million at the end of March 2022 with wireless subscription in urban areas at 624.23 million and in rural areas at 517.86 million. As at March 31, 2022, the private access service providers held 89.76% market share of the wireless subscribers whereas BSNL and MTNL, the state owned enterprises held market share of 10.24%.

Access Service Provider-wise Market Shares in term of Wireless Subscribers as on 31st March, 2022



The number of broadband subscribers, Reliance Jio Infocomm Limited (the “**RJIL**”) holds the largest market share in terms of broadband subscribers at 51.92%.

Service Provider-wise Market Share of Broadband (wired + wireless) Services as on 31st March 2022



Asset Overview

Operational Performance

During the financial year ended March 31, 2022, JDFPL entered into an amendment to the amended and reated fibre and duct use agreement entered into with Reliance Jio Infocomm Limited (“RJIL”). Further JDFPL entered into amendment agreements to the amended and restated project execution agreement entered into with Reliance Projects & Property Management Services Limited (“RPPMSL”) and the amended and restated operations and maintenance agreement with RPPMSL.

During the financial year ended March 31, 2022, JDFPL established additional fibre network to take the total FPKM capacity to 24.72 million FPKM and the route kilometer (“RKM”) to 794,669 RKM. Total capex incurred during the financial year ended March 31, 2022 was ₹ 18,124 crore.

Financial Performance

Brief details of financial performance of DFIT on consolidated basis for the year ended March 31, 2022 is provided below:

(₹ in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from operations	1,17,125	76,398
Other income	311	242
Total income	1,17,436	76,640
Profit / (loss) before taxes	(39,781)	(65,942)
Loss for the year	(25,818)	(48,149)
Attributable to Unitholders	(5,504)	(42,011)
Attributable to non-controlling shareholders	(20,305)	(6,138)

Revenue from operations increased by 53.3% during the financial year ended March 31, 2022. The increase was on account of increase in fibre off-take by RJIL to ~ 16.42 million FPKM as well as revised billing rates for additional fibre off-take by RJIL post September 2021 in terms of the amended FUA. Other income also increased by 28.5% due to profits from mutual fund investments by JDFPL.

Network operating expenses increased by 24.3% due to increase in the scope of the overall project. The total RKM as at end of March 2022 was ~ 794,000 RKM. Employee benefit expenses also increased to ₹ 46 million in Fiscal 2022 from ₹ 6 million in Fiscal 2021. Finance costs increased by 27.3% due to increased borrowings at the level of the Trust and JDFPL which was partially offset by lower interest rates negotiated at JDFPL level. Depreciation decreased by 5.9% which was primarily due to increase in useful life estimates of intangible assets which was partially offset by additional capex in laying and establishing fibre assets. Other expenses decreased from ₹ 2,507 million in Fiscal 2021 to ₹ 133 million in Fiscal 2022 primarily on account of option valuation being accounted for first time in Fiscal 2021 and only the incremental impact of valuation being recorded in Fiscal 2022.

On account of the above, the loss before taxes reduced from ₹ 65,942 million in Fiscal 2021 to ₹ 39,781 million in Fiscal 2022. Post considering the impact of deferred taxes the loss for the Fiscal 2022 reduced to ₹ 25,818 million from ₹ 48,149 million in Fiscal 2021.

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 ₹ 52,620 crore to JDFPL as under:

- (a) Trust Loan 1: Trust has extended to JDFPL ₹ 14,706 crore from the proceeds of the initial offer of Units pursuant to 'Staggered Interest Loan' agreement entered into with JDFPL. During the financial year ended March 31, 2022, the Trust has also provided an additional loan of ₹ 4783 crore under Trust Loan 1 from the proceeds of the rights issue of Units.
- (b) Trust Loan 2: Trust had extended ₹ 24,720 crore from the proceeds of its borrowings from Sikka Ports and Terminals Limited ("SPTL") and Jamnagar Utilities & Power Private Limited ("JUPL") to JDFPL pursuant to 'Fixed Interest Loan' agreement entered into with JDFPL in Fiscal 2021. During the financial year ended March 31, 2022, the Trust has also provided an additional loan of ₹ 8131 crore under Trust Loan 2 from proceeds of additional borrowings by the Trust.
- (c) Trust Loan 3: Trust had extended ₹ 280 crore from the proceeds of its borrowings from SPTL and JUPL to JDFPL pursuant to 'Trust Loan 3' agreement entered into with JDFPL in Fiscal 2021.

FINANCIAL INFORMATION AND OPERATING EXPENSES OF THE TRUST

Summary of Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2022, is as follows:

(₹ in Millions)

Particulars	Financial Year ended March 31, 2022		Financial Year ended March 31, 2021	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	50,114	117,436	15,439	76,640
Total Expenditure	34,422	157,217	10,675	142,582
Profit / (Loss) before tax	15,692	(39,781)	4,764	(65,942)
Less: Provision for tax				
Current tax	-	-	-	-
Deferred tax	-	(13,963)	-	(17,793)
Profit/(Loss) for the period	15,692	(25,818)	4,764	(48,149)
Other comprehensive income	-	9	-	0
Total comprehensive income/(loss) for the period	15,692	(25,809)	4,764	(48,149)

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

(₹ in millions)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Interest	34,341	8,363
Fair Value of Put/Call option (net)	1,884	2,252
Management Fees	24	24
Project Management Fees	24	24
Professional Fee	9	9
Audit Fee	1	2
Trusteeship fees	2	2

Audited Standalone and Consolidated Financial Information of the Trust for the financial year ended March 31, 2022 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 ₹ 14,706 crore by the issue of 147,06,00,000 Units at an issue price of ₹ 100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

During the year under review, the Trust undertook right issue of units vide letter of offer dated December 2, 2021 and allotted 47,88,66,821 Units at an issue price of ₹ 100 each to the existing Unitholders and raised ₹ 4788.67 crore. Pursuant to the same, the number of units have increased from 147,06,00,000 Units to 194,94,66,821 Units.

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 ₹ 40,000 crore; and a rating of CARE AAA/Stable for Non-Convertible Debentures aggregating to ₹ 25,342 crore. Additionally, it has received a rating of CRISIL AAA/Stable for long term bank loan facilities aggregating to ₹ 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 **Valuer**”) to carry out fair valuation of the InvIT Assets in accordance with the SEBI InvIT Regulations as on March 31, 2022 (the “**Valuation Date**”).

The Valuer 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 ₹ 2,02,929 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, 2022. The net asset value of the Units of the Trust has been determined at ₹ 100 per Unit (rounded off).

Standalone Statement of Net Assets of the Trust as at March 31, 2022 as per the Audit report dated May 30, 2022:

Particulars	Book value as at March 31, 2022 (In ₹)	Fair value as at March 31, 2022 (In ₹)
A. Assets	5,29,29,05,95,862	5,29,29,05,95,862
B. Liabilities	3,36,72,05,33,377	3,36,72,05,33,377
C. Net Asset (A-B)	1,92,57,00,62,485	1,92,57,00,62,485
D. Number of Units	194,94,66,821	194,94,66,821
E. NAV per Unit (C / D)	99.54	99.54

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, 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, 2022

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 ₹ 100 million as on March 31, 2022.

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 the Non-Executive Vice Chairman of JM Financial Limited (“JMFL”) the holding company of the Investment Manager. Mr. Kampani also served as Managing Director of JMFL from 2016 -2021. 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 nearly 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 M/s. 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 M/s. 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. India Business Law Journal has recently ranked him as one of India’s Top 100 lawyers in the ‘A’ List published in November 2021 issue.

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, 2022 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, 2022 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, 2022:

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, 2022 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.	Ms. Deepa Rath *	Managing Director and Chief Executive Officer	09163254

** Ms. Deepa Rath has been appointed as a director on the Board w.e.f May 1, 2021 in place of Mr. Sanjay Sinha Retire as Managing Director and Chief Executive Officer with effect from April 30, 2021*

Brief profile of the directors is provided below:

1. Mr. Rajesh Kumar Dahiya

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

He is a general management professional with over three decades of experience across industries and business functions. He was an Executive Director on the Board of Axis Bank Ltd till 31.12.2021, responsible for multiple Governance functions under the Corporate Centre of the Bank.

Before joining the Axis Bank in June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales. Presently he is the MD & CEO of Good Govern and he also serves on the Board of Max Life Insurance.

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. 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, 2022 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

There is no change in clauses in the trust deed, investment management agreement or any other agreement entered into pertaining to the activities of the Trust as on March 31, 2022.

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

During the year under review, JDFPL entered into a framework agreement with the Trust (acting through the Trustee), the Investment Manager, Reliance Industries Limited and the Sponsor in terms of which JDFPL shall undertake capex aggregating ₹ 350,000 million. Total capex incurred during the Fiscal 2022 was ₹ 181,239 million.

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. The Trust after receiving requisite consents from all the Unitholders entered into a 'Framework Agreement' dated September 27, 2021 with the signatories to the Shareholders and Option Agreement, that provided for *inter alia* (a) the Trust to undertake additional borrowings aggregating ₹ 8,131 crore by making necessary amendment to the loan agreement entered into by the Trust and SPTL and JUPL; (b) the Trust to undertake a rights issue aggregating up to ₹ 4,800 crore; (c) utilize the proceeds of the additional borrowings and the rights issue (net of issue expenses) to be extended as loans under the terms of the Trust Loan 2 Agreement and Trust Loan 1 Agreement respectively to JDFPL by making necessary amendments to the respective loan agreements; (d) permit JDFPL to borrow additionally up to ₹ 22,086 crore from external lenders and / or Reliance Industries Limited as loans or non-convertible debentures; (e) permitting JDFPL to carry out additional capex of up to ₹ 35,000 crore to build additionally up to 8.2 million FPKM (1.84 lakh RKM); and (f) make necessary amendments to the amended and

restated fibre and duct use agreement (“FUA”) entered into between JDFPL and RJIL, the amended and restated operations and maintenance agreement (“O&M”) and the amended and restated project execution agreement (“PEA”) entered into between JDFPL and RPPMSL.

2. Subsequent to the Framework Agreement, the Trust executed the amendment to the loan agreement it entered into with JUPL and SPTL. Further JDFPL executed necessary amendment agreements to the FUA, O&M and PEA as well as necessary amendments to the Trust Loan 1 Agreement and Trust Loan 2 Agreement.

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, 2022, 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:

The Trust earned interest revenue of ₹ 50,114.6 million with respect to the ICD’s held by it during the year under review.

Details of consolidated revenue of the Trust

(₹ in Million)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Revenue from operations	117,125	76,398	61,257

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:

(₹ in Million)

Transaction	Financial Year ended March 31, 2022		Financial Year ended March 31, 2021	
	Standalone	Consolidated	Standalone	Consolidated
Opening borrowing	252,800	866,933	2,630	715,484
Additions during the period	81,310	199,257	252,800	867,498
Repayments during the period	-	-	(2,630)	(716,050)
Closing borrowings	334,110	1,066,190	252,800	866,932

As at March 31, 2022, the Trust had ICD borrowings of ₹ 334,110 million. The ICD borrowing had a maturity period of more than 10 years.

The Key gearing ratios of the Trust as at March 31, 2022 are as follows:

Debt to Equity:- 1.71

Credit Rating: JDFPL received a rating of CARE AAA/Stable for long term bank facilities aggregating to ₹ 40,000 crore; and a rating of CARE AAA/Stable for Non-Convertible Debentures aggregating to ₹ 25,342 crore. Additionally, it has received a rating of CRISIL AAA/Stable for long term bank loan facilities aggregating to ₹ 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, 2022 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 ₹ 14,706 crore by the issue of 147,06,00,000 Units at an issue price of ₹ 100 per Unit. The Units of the Trust are unlisted in accordance with the provisions of the SEBI InvIT Regulations.

The Trust undertook right issue of its units vide letter of offer dated December 2, 2021 and raised ₹ 47,88,66,82,100 by the issue of 47,88,66,821 Units at an issue price of ₹ 100 per Unit.

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, 2022 are as under:

Date of declaration	Return on Capital (₹ per unit)	Date of payment	Yield % (Not Annualized)
December 23, 2020	2.4183	December 28, 2020	2.42%
March 22, 2021	2.4228	March 30, 2021	2.42%
June 24, 2021	2.4407	June 28, 2021	2.44%
September 23, 2021	2.4454	September 28, 2021	2.45%
December 23, 2021	1.9420	December 28, 2021	2.44%
March 24, 2022	2.4124	March 28, 2022	2.41%

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, 2022, are as under:

(₹ in Millions)

Sr. No.	Particulars	Relationship	Financial year ended March 31, 2022	Financial year ended March 31, 2021
1.	Loan granted to Jio Digital Fibre Private Limited (Only this exceeds 5% of InvIT asset value)	Subsidiary	129,140	397,060

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, 2022 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 129,140 million and the total outstanding Loan to JDFPL as at March 31, 2022 is Rs 526,200 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 24.72 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, 2022, on a consolidated basis, we had ₹ 10,49,203 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. Janisha Shah
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 2022

Ref LM/May30-22 /2022

Date: May 30, 2022

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, Cnergy, Appasaheb Marathe Marg,

Prabhadevi,

Mumbai, 400025.

India

Dear Sir(s)/Madam(s),

Sub: Enterprise Valuation of Jio Digital Fibre Private Limited (“Fibre Co” or “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 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 herewith (“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”) as well as the net asset value (“NAV”) of the Units of the Trust as of March 31, 2022. We have considered the cut-off date for the current valuation exercise to be March 31, 2022 (“Valuation Date”) and market factors, have been considered up to March 31, 2022.

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 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.

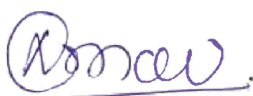
We have no present or planned future interest in Fibre Co, the Sponsors or the Investment Manager or the Trustee, except to the extent of our appointment as an independent valuer for this Report.

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 our 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,

BDO Valuation Advisory LLP



Registered Valuer

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

Encl: As above

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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 and 3 rd amendment agreement dated September 27, 2021
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 and further amended vide 2 nd amendment agreement dated September 27, 2021
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 and further amended vide 2 nd amendment agreement dated September 27, 2021
Basic Maintenance Services	Means the maintenance services for the Contract Fibers and Contract Ducts
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	Crore
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 52,620 crore (INR Fifty-two thousand six hundred and twenty crore only) comprising of INR 14,706 crore (INR Fourteen thousand seven hundred and six crore only) from the Unit Issue, INR 4,783 crore (INR Four thousand seven hundred and eighty-three crore only) from the right issue and INR 33,411 crore (INR Thirty-three thousand four hundred and eleven 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
Right Issue	The further issue of units by the Trust on right basis in accordance with the SEBI InvIT Regulations
InvIT Loan	Loans raised by the Trust aggregating INR 33,131 crore (INR Thirty-three thousand one hundred and thirty-one 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 and further amended vide amendment agreement dated September 27, 2021
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 dated September 29, 2020
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
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
Framework Agreement	Framework agreement dated September 27, 2021 entered into between the Trust (acting through the Trustee), the Investment Manager, the Fibre Co, RIL and RIIHL
Transaction Documents	Transaction Documents” means and includes: i. Project Agreements and the Initial Project Agreements;

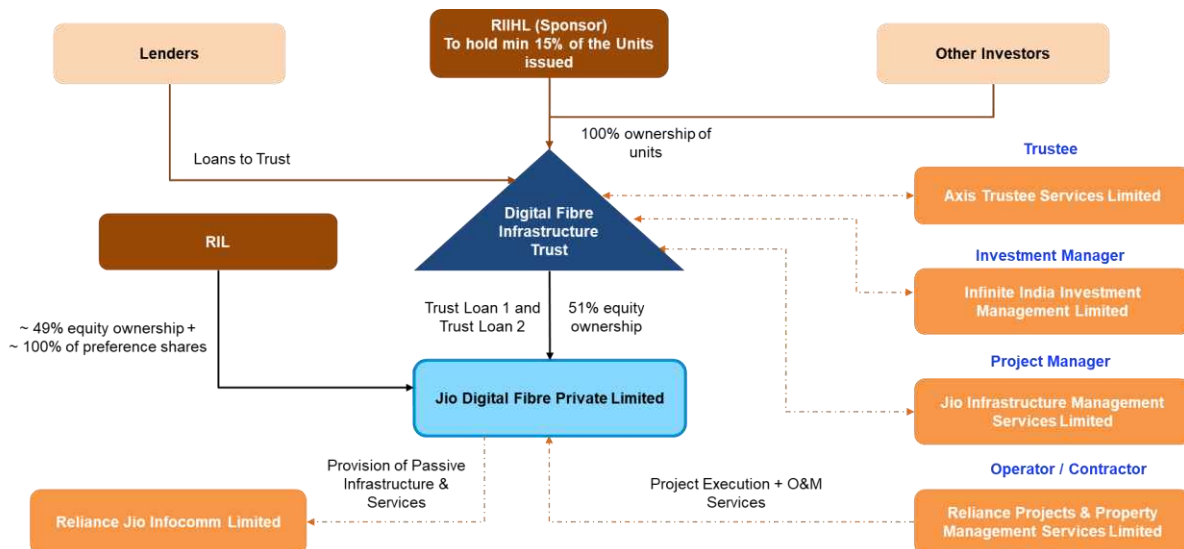
	<ul style="list-style-type: none"> ii. Trust Deed; iii. Shareholders and Option Agreement; iv. Trust Loan 1 Agreement; v. Trust Loan 2 Agreement; vi. Trust Loan 3 Agreement; vii. Novation Agreement; viii. Placement memorandum (including the preliminary placement memorandum) w.r.t to the Unit Issue; ix. 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' plus Additional Trust Loan 1 aggregating INR 4,783 crore pursuant to the amendments to 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' plus Additional Trust Loan 2 aggregating INR 8,131 crore pursuant to the amendments to 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 and further amended on September 27, 2021 and on December 2, 2021
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 and further amended on September 27, 2021 and on December 2, 2021
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, 2022
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”) and is the sponsor of the Trust.
- 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.

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2.1.9 The Trust carried out an initial offer of its Units on September 29, 2020 and raised INR 14,706 crore. The proceeds of the initial offer of its Units were extended as Trust Loan 1 to the Fibre Co. Additionally the Trust borrowed INR 25,000 crore under the InvIT Loan Agreement in December 2020 and this amount was extended as Trust Loan 2 (INR 24,720 crore) and Trust Loan 3 (INR 280 crore) to the Fibre Co.

2.1.10 The Trust entered into the Framework Agreement dated September 27, 2021. The Framework Agreement laid down the details of acquisition of additional fibre assets by JDFPL including indicative fibre asset roll out plan, the estimated capex requirements and the funding plan.

2.1.11 Pursuant to the Framework Agreement, the Trust borrowed INR 8,131 crore (INR Eight thousand one hundred and thirty-one crore only) on September 29, 2021 in terms of the InvIT Loan Agreement and extended Additional Trust Loan 2 to the Fibre Co. in terms of Trust Loan 2 Agreement.

2.1.12 The Trust made right issue of Units in December 2021 and raised approximately INR 4,789 crore. The proceeds of right issue, net of issue expenses, aggregating INR 4,783 crore (Four thousand seven hundred and eighty-three only) were extended as Additional Trust Loan 1 to the Fibre Co. in terms of Trust Loan 1 Agreement.

2.1.13 The Additional Trust Loan 1 and Additional Trust Loan 2 would part-fund the additional fibre to be acquired by the Fibre Co.

2.1.14 The Investment Manager has appointed BDO VAL to undertake the valuation of the InvIT Asset 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.

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 2,02,929 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 The Trust holds 51% of the outstanding equity share capital of JDFPL in terms of the SPA and the remaining 49% of the outstanding equity share capital in Fibre Co is held by RIL and certain other minority shareholders.
- 3.2.2 The Trust carried out an initial offer of its Units on September 29, 2020 and raised INR 14,706 crore. The proceeds of the initial offer of its Units were extended as Trust Loan 1 to the Fibre Co. Additionally the Trust borrowed INR 25,000 crore under the InvIT Loan Agreement in December 2020 and this amount was extended as Trust Loan 2 (INR 24,720 crore) and Trust Loan 3 (INR 280 crore) to the Fibre Co.
- 3.2.3 The Trust entered into the Framework Agreement dated September 27, 2021. The Framework Agreement laid down the details of acquisition of additional fibre assets by JDFPL including indicative fibre asset roll out plan, the estimated capex requirements and the funding plan.
- 3.2.4 Pursuant to the Framework Agreement, the Trust borrowed INR 8,131 crore (INR Eight thousand one hundred and thirty-one crore only) on September 29, 2021 in terms of the InvIT Loan Agreement and extended Additional Trust Loan 2 to the Fibre Co. in terms of Trust Loan 2 Agreement.
- 3.2.5 The Trust made right issue of Units in December 2021 and raised approximately INR 4,789 crore. The proceeds of right issue, net of issue expenses, aggregating INR 4,783 crore (Four thousand seven hundred and eighty-three only) were extended as Additional Trust Loan 1 to the Fibre Co. in terms of Trust Loan 1 Agreement.
- 3.2.6 The Additional Trust Loan 1 and Additional Trust Loan 2 would part-fund the additional fibre to be acquired by the Fibre Co.
- 3.2.7 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 and made in accordance with the SEBI InvIT Regulations guidelines requiring an independent valuation. (“Purpose”).
- 3.2.8 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, FY ended March 31, 2021
- iv. Provisional Financial Statements of Fibre Co for FY ended March 31, 2022;
- v. Income Tax computation for FY22;
- vi. Projections of Fibre Co from April 1, 2022 to September 30, 2050 with the underlying assumptions;
- vii. Transaction Documents made available to us and relevant extracts of the documents provided to us as requested;
- viii. Copy of the Scheme of Arrangement;
- ix. 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;
- x. Information available in public domain and provided by leading database sources; and
- xi. Management Representation Letter.

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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 our 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 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.
- 4.2.18 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.

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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	RCP Kalyan	Mumbai	August 30, 2021
2	RCP Sanpada	Mumbai	August 30, 2021
3	Span between Nerul-Sanpada	Mumbai	August 30, 2021
4	Span between Prabhadevi - Sewri	Mumbai	August 30, 2021
5	GDC-Bandra	Mumbai	August 30, 2021
6	Span - Devanahalli-Chintamani	Bengaluru	August 27, 2021
7	Span - Bangalore_Whitefield-Hoskote	Bengaluru	August 27, 2021
8	Span - Aswath Nagar-Bangalore-Whitefield Path 2 Span - Aswath Nagar-Bellandur AG2	Bengaluru	August 27, 2021
9	Span - I-KA-KYLR-AG1-4400 Hoskote to KYLR	Bengaluru	August 27, 2021
10	Span - Manesar - Sohana Road	Delhi	August 30, 2021
11	Span - GRGN-RIL-0482_DLHI-RIL-6010	Delhi	August 30, 2021
12	Span - Dwarka _Bawana	Delhi	August 30, 2021
13	Span - VKSP_Rajouri Garden	Delhi	August 30, 2021
14	Span - DLHI-AG1-3117_DLHI-AG1-5565 - Dwarka to Najafpur	Delhi	August 30, 2021
15	Span - Anand Vihar - Loni	Delhi	August 30, 2021
16	Span - 6510 - 5729 ring 4 - Shahadra to Seemapuri Border	Delhi	August 30, 2021
17	Span - Hadapsar to Ghorpadi	Pune	August 30, 2021
18	Span - Ghorpadi to Vimannagar	Pune	August 30, 2021
19	Span - Swargate to Dhankawadi	Pune	August 30, 2021
20	Span - Hinjewadi SAG2 to Aundh AG2	Pune	August 30, 2021
21	Span - Hinjewadi SAG2 to Akurdi AG2	Pune	August 30, 2021

- iv. Due to the ongoing CoVID pandemic we could not conduct an upto date visit of Network Operating Centre.
- 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, 2022, the Fiber Assets consisted of 24.72 million FPKM which is expected to increase to 29.32 million FPKM by Fiscal 2024.

6.2 Site Visit Details

- 6.2.1 Owing to the spread of the InvIT assets over 7,50,000 kms approximately 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.
- 6.2.2 We have not visited the control room located at Reliance Corporate Park in Navi Mumbai, Maharashtra due to access controls being a sensitive site as result of COVID-19 protocol.
- 6.2.3 This exercise, we believe reasonably meets the requirements of conducting physical verification by the Valuer under the SEBI InvIT Regulations.

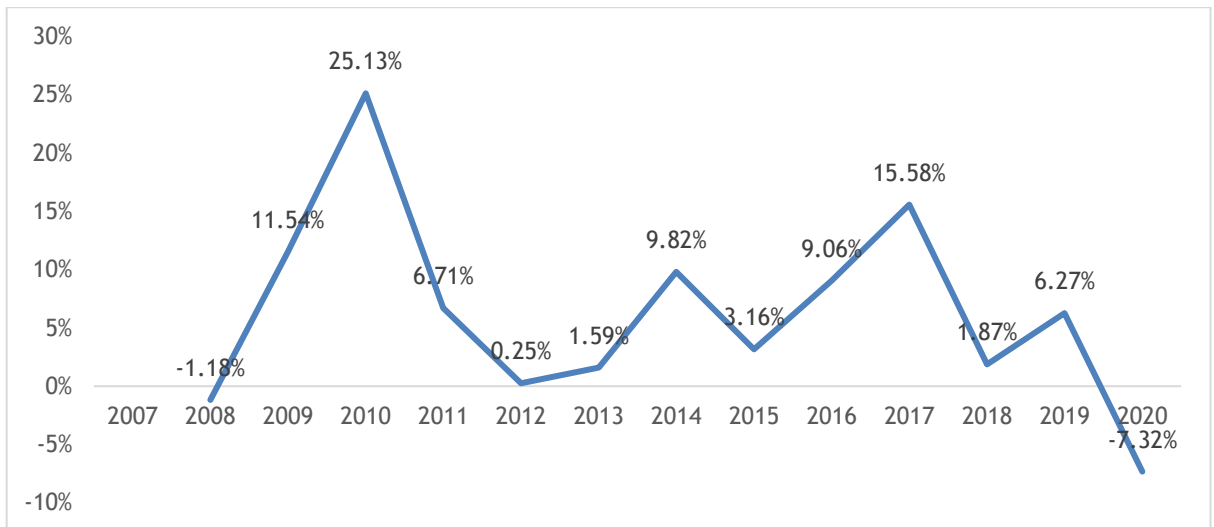
6.3 Other disclosures as required under the SEBI InvIT Regulations have been provided in Annexure IV of the Report.

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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. Although GDP per Capita Growth rate in the year 2020 was -7.32% due to pandemic effect.

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

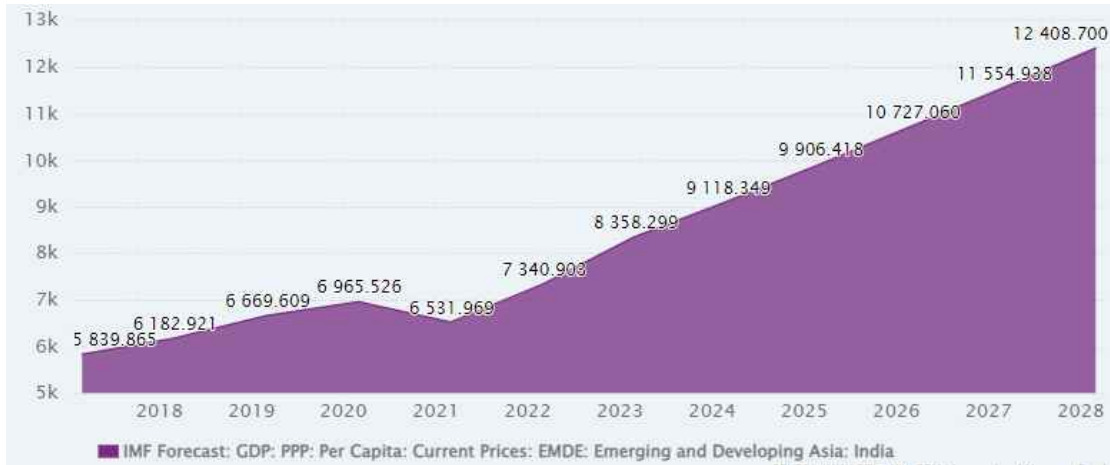


(Source: World Bank, accessed on May 16, 2022 at <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?locations=IN>)

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 2022 was estimated to be USD 2,520. (Source: International Monetary Fund, accessed on May 16, 2022 at: <http://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOORLD/IND>)

7.1.3 India is becoming increasingly urbanized. In 2020, India’s urban population increased to approximately 481.9 million representing 35% of India’s population. (Source: World Bank, accessed on May 16, 2022 at <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?view=map>).

7.1.4 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 12,408.7 in 2028. This records an increase from the last reported number of USD 7,340.9 in 2022.



(Source: CEIC Data, accessed on May 16, 2022)

7.2 Indian Telecommunication Industry

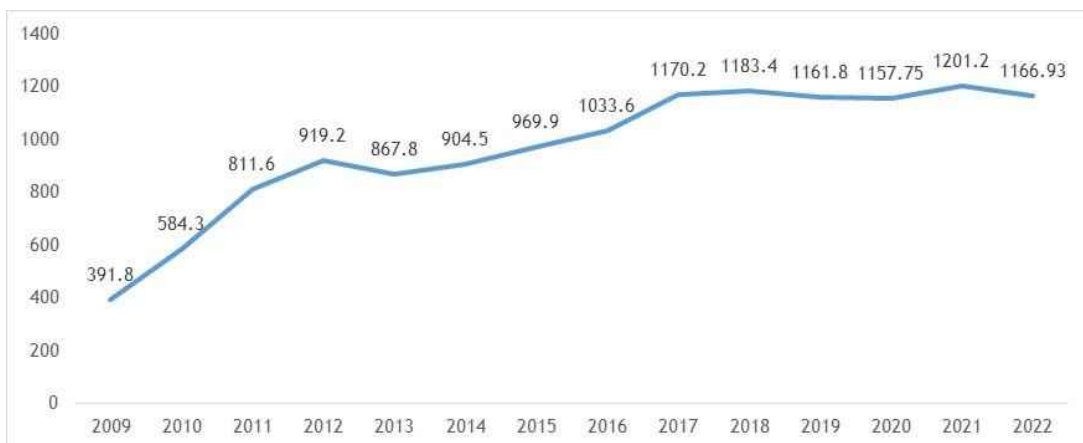
Indian mobile telecommunications services sector

- 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. As of March 31, 2022, India had a total reported subscriber base (including wireless and wireline subscribers) of 1,166.93 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 March 31, 2022	1,142.09	24.84	1,166.93
Urban Telephone Subscribers as of March 31, 2022	624.23	22.88	647.11
Rural Telephone Subscribers as of March 31, 2022	517.86	1.96	519.82
Broadband Subscribers (in millions) as of March 31, 2022	761.05	27.25	788.30

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

The chart below illustrates the annual subscriber base from March 31, 2009 to March 31, 2022:



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, 2022 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 March 31, 2022	Bharti Airtel	Vodafone Idea	Reliance Jio
Circle	(In millions)		
Andhra Pradesh	31.37	13.69	28.76
Assam	10.04	2.50	8.29
Bihar	37.41	10.19	33.28
Delhi	16.24	16.13	17.75
Gujarat	11.98	23.79	25.95
Haryana	5.92	7.83	8.53
Himachal Pradesh	3.32	0.56	3.52
Jammu & Kashmir	5.63	0.43	4.57
Karnataka	30.66	7.64	19.51
Kerala	7.73	15.95	9.17
Kolkata	5.71	6.08	9.73
Madhya Pradesh	15.08	19.98	35.67
Maharashtra	20.27	28.71	36.65
Mumbai	9.69	11.84	11.64
North East	5.63	1.10	3.83
Orissa	11.07	1.83	13.37
Punjab	11.91	8.55	11.23
Rajasthan	21.82	11.07	23.75
Tamil Nadu (incl. Chennai)	27.40	17.93	23.80
Uttar Pradesh (East)	37.15	20.54	31.86
Uttar Pradesh (West)	18.50	18.76	20.87
West Bengal	15.78	15.66	22.28
Total	360.33	260.77	403.99

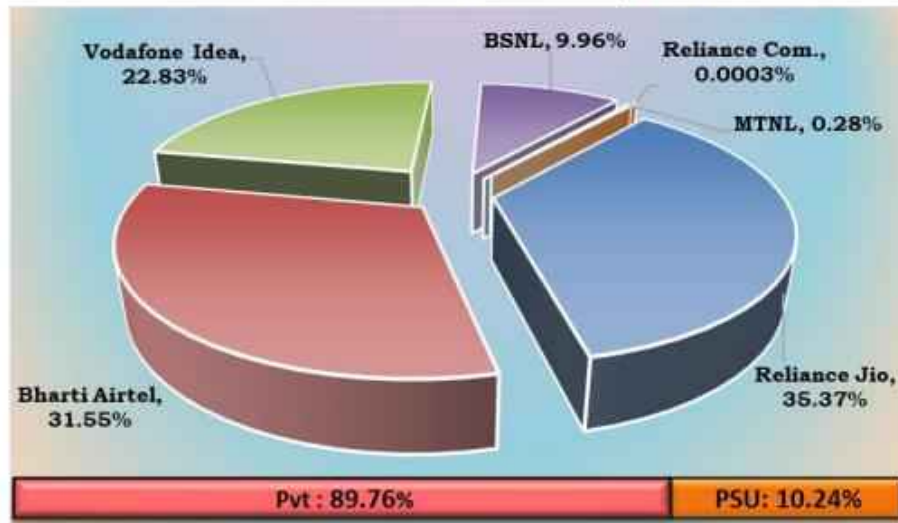
(Source: TRAI)

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 March 31, 2022, RJIL has 403.99 million subscribers.

7.2.7 As of March 31, 2022, according to TRAI, private access service providers held an 89.76% 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 10.24%. Among private access service providers, notable companies include Vodafone Idea (with a market share of 22.83%), Bharti Airtel (with a market share of 31.55%) and RJIL (with a market share of 35.37%). The following diagrams show the graphical representation of access service provider-wise market share based on wireless subscribers as of March 31, 2022:

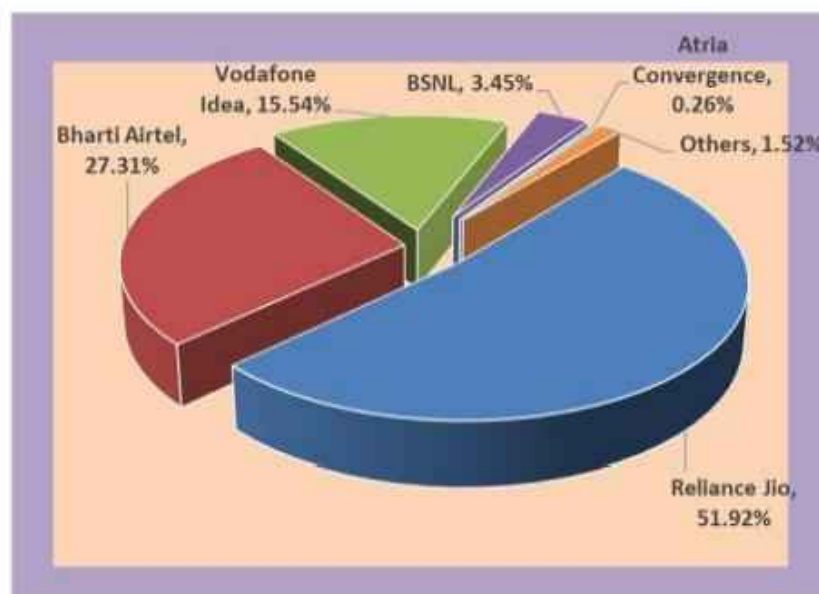
Access Service Provider-wise Market Shares in term of Wireless Subscribers as on 31st March, 2022



(Source: TRAI)

7.2.8 On the other hand, within the subset of broadband service providers, RJIL holds the largest market share with 51.92% as of March 31, 2022 based on the number of subscribers. This is followed by Bharti Airtel with 27.31% and Vodafone Idea with 15.54% of market share.

Service Provider-wise Market Share of Broadband (wired + wireless) Services as on 31st March 2022



(Source: TRAI)

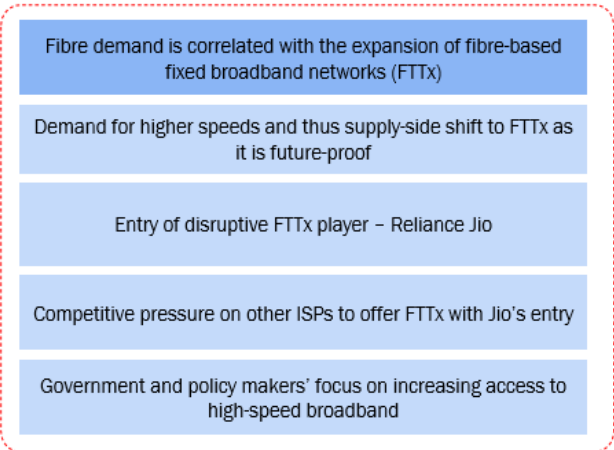
Recent updates on Telecom Industry:

- 7.2.9 In Union Budget 2022-23 the Department of Telecommunications was allocated INR 84,587 crore out of which INR 30,436 crore was revenue expenditure which was 36% of the total expenditure and INR 54,150 crore was capital expenditure which is 64.01% of total expenditure.
- 7.2.10 The Department of Telecommunications stated that it is working on a package to reduce the revenue share licence fee to 6% of adjusted gross revenue (AGR) of the operators from the current 8%. This would be done by reducing the 5% universal service obligation levy by two percentage points. The reduction in the licence fee would provide a relief of around INR 3,000 crore annually to the operators.
- 7.2.11 The Union Cabinet approved INR 12,195 crore production-linked incentive (PLI) scheme for telecom & networking products under the Department of Telecom. On October 14, 2021, 31 companies comprising 16 MSMEs and 15 Non-MSMEs (eight domestic and seven global companies) have been approved under the Production-linked Incentive (PLI) Scheme. DOT has shortlisted Nokia India, HFCL, Tejas Networks, Flextronics, Foxconn, Coral Telecom, VVDN Technologies, Frog Cellsat, Syrma, Resolute, GX India, Dixon Technologies etc among others for the PLI scheme.
- 7.2.12 In January 2022, Google invested US\$ 1 billion in Bharti Airtel to jointly develop India-specific network domain use cases for 5G, to grow the cloud ecosystem in India to accelerate digital adoption of enterprises, especially small and medium ones and to bring down the cost of smartphones for 350 million featurephone users to provide them online access.
- 7.2.13 British satellite operator Inmarsat Holdings Ltd got approval from the Indian Government to sell high-speed broadband to planes and shipping vessels. The company had struck deals with Indian airline SpiceJet Ltd and the Shipping Corp of India Ltd.
- 7.2.14 Dixon Technologies is planning to invest INR 200 crore under production linked incentive scheme which includes acquiring a Ludhiana-based manufacturing unit of Bharti Group to start making telecom gears.
- 7.2.15 Bharti Airtel will invest INR 50 billion to expand its data centre business to meet customer demand in and around India and to boost its enterprise and consumer offering as the company plans to launch 5G services. The investment will triple its installed capacity to more than 400 MW.
- 7.2.16 Tata group company Nelco is in advanced talks with Canadian firm Telesat to ink a commercial pact for launching fast satellite broadband services in India under the latter's Lightspeed brand, which will pit the combine against Bharti Enterprises-backed OneWeb, Elon Musk's SpaceX and Amazon.

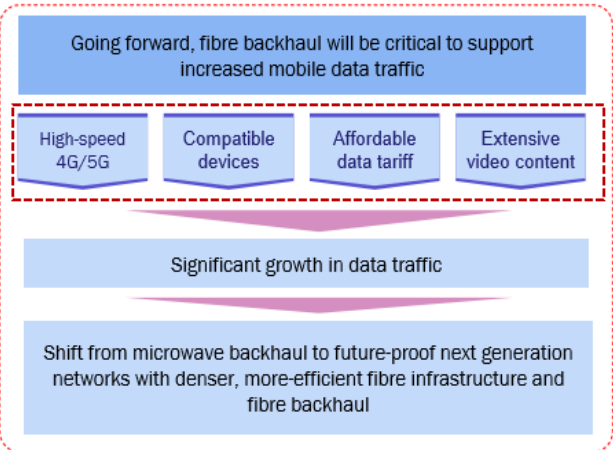
Indian Optic Fibre Industry

- 7.2.17 The demand for Fibre in India will be driven by extensive FTTx deployment for connecting homes and businesses and BTS fiberisation to support mobile traffic growth.

FTTx market – Homes and business

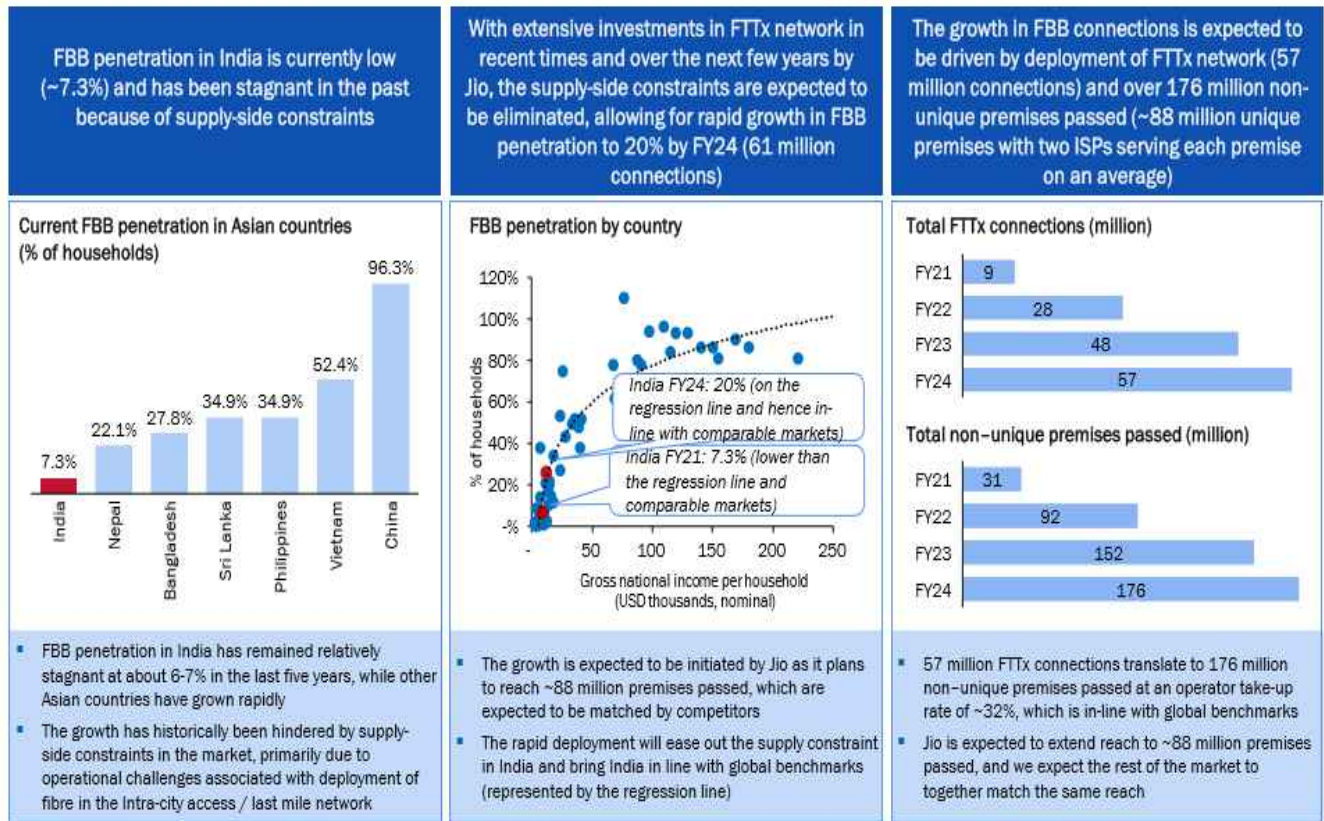


Mobile market – BTS fiberisation



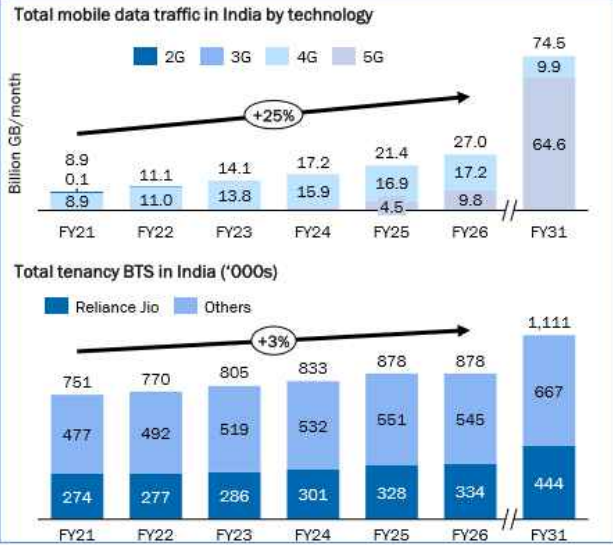
(Source: Analysys Mason)

7.2.18 According to Analysys Mason, India currently lags in terms of FBB penetration, the FBB penetration is expected to grow from 7.3% in FY21 to 19.8% by FY24, resulting in 176 million non-unique FTTx premises passed.

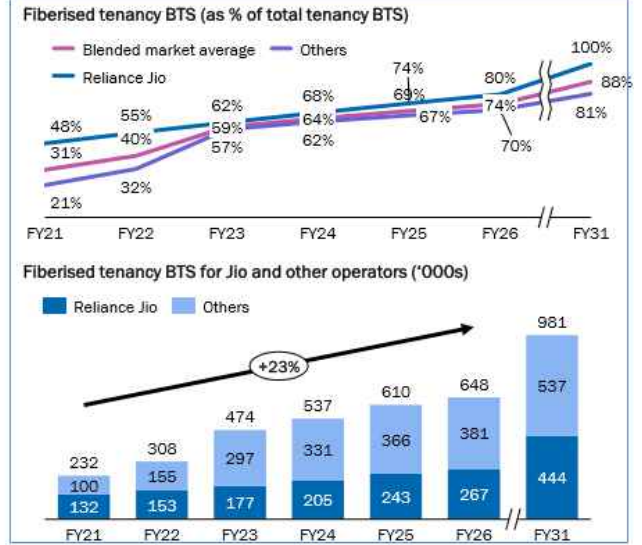


7.2.19 The increased MBB take-up and data usage will drive mobile traffic growth and thus increase the need for fiberisation. 648k BTS are expected to be fiberised by FY26 (~74% fiberisation).

Driven by growth in number of subscribers as well as usage per subscriber, wireless data traffic is expected to grow at 25% CAGR over the next 5 years. Growth in traffic will lead to capacity-driven tenancy BTS reaching 878K by FY 26



Need for increase in mobile backhaul 'fiberisation' considering the growth in data traffic will result in fiberised BTS reaching 74% of total tenancy BTS by FY26, which is inline with the global benchmarks



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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.

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9 Valuation of InvIT Asset

9.1.1 The provisional balance sheet position of Fibre Co as on March 31, 2022 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, 2022 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:

Years	As of March 31, 2021 (million FPKM)	As of March 31, 2022 (million FPKM)	As of March 31, 2023 (million FPKM)	As of March 31, 2024 (million FPKM)
NLD-Own build	7.34	9.04	9.51	9.51
NLD-IRU	0.62	0.62	0.62	0.62
Intra City				
A	0.68	0.75	0.79	0.79
B	2.47	2.98	3.25	3.25
Others	6.18	7.36	7.94	7.94
Enterprise Access	0.09	0.09	0.09	0.09
FTTH	2.82	3.88	5.64	7.12
Total	20.20	24.72	27.84	29.32

- The Fibre Assets is expected to increase from 24.72 million FPKM as of March 31, 2022 to 29.32 million FPKM by March 31, 2024. Currently, RJIL is the single largest user of the Fibre 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 and 5G technology. Considering the demand for the fibre infrastructure we have considered other third-party customers as well for the current valuation exercise. Further, as informed by the Management, the negotiations with third-party customers are in advanced stage.
- The following is the split of the FPKM assumed to have been tied up with RJIL and third-party customers for each of Fiscal 2023 to 2029.

Particulars	Fiscal 2022 (million FPKM)	Fiscal 2023 (million FPKM)	Fiscal 2024 (million FPKM)	Fiscal 2025 (million FPKM)	Fiscal 2026 (million FPKM)
NLD-Own build	6.037	6.46	6.46	6.46	6.46
NLD-IRU	0.62	0.62	0.62	0.62	0.62
Intra City					
A	0.44	0.47	0.47	0.47	0.47
B	1.88	1.99	1.99	1.99	1.99
Others	4.56	4.84	4.84	4.84	4.84
Enterprise Access	0.06	0.06	0.06	0.06	0.06
FTTH	2.83	3.71	3.85	3.91	3.91
Total	16.43	18.16	18.29	18.35	18.35

Particulars	Fiscal 2022 (million FPKM)	Fiscal 2023 (million FPKM)	Fiscal 2024 (million FPKM)	Fiscal 2025 (million FPKM)	Fiscal 2026 (million FPKM)	Fiscal 2027 (million FPKM)	Fiscal 2028 (million FPKM)	Fiscal 2029 (million FPKM)
Third party tenants								
NLD-Own build	0.00	0.52	1.05	1.31	1.37	1.46	1.48	1.48
NLD-IRU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intra City								
A	0.00	0.06	0.12	0.15	0.15	0.16	0.16	0.16
B	0.00	0.21	0.42	0.53	0.56	0.60	0.61	0.61
Others	0.00	0.53	1.06	1.33	1.40	1.48	1.51	1.51
Enterprise Access	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01
FTTH	0.00	0.14	0.27	0.34	0.72	1.23	1.35	1.35
Total	0.00	1.47	2.94	3.67	4.22	4.94	5.12	5.12

ii. **Fiber Fees:**

RJIL had paid INR 17,010 crore as 'Upfront Fibre Fees' which would be amortized over the life of the FUA w.r.t to fibre off-take by RJIL under the FUA prior to the amendment dated September 27, 2021. As of March 31, 2022, the total unamortized Upfront Fees was INR 15,240.4 crore. Additionally, RJIL, shall pay 'Monthly Fiber Fees' for all Contract Fiber. Pursuant to the amendment to the FUA on September 27, 2021, RJIL shall pay only Monthly Fibre Fees to JDFPL for all additional fibre taken up by RJIL after September 27, 2021. The Monthly Fibre Fees was revised upwards to take into account the Upfront Fee portion that was otherwise payable under the FUA prior to its amendment.

A construct of upfront fees and monthly fibre fees has been assumed for 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 62% of the total 29.32 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 Fiber 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 of 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 6.4 lakhs with escalation of 3% p.a. has been assumed. Additionally, fixed administration expenses of INR 25.5 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 55.1 crore with escalation of 5% p.a.

vi. **Capital Expenditure**

Fiber Co. projects a total capex of ~ INR 14,244 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, 2022 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 FY24;
- 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 12.8%;
- 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 2,02,929 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, 2022 is provided below

Particulars	As of March 31, 2022 in Rs. Crore	As of March 31, 2022 in Rs. crore + Additional borrowing to fund Capex and refinancing
Long term and short term loans (including current maturity of long term borrowings) and interest accrued	48,321	64,656
NCDs	25,342	25,342
Preference Shares	1.25	1.25
Trust Loan 1	19,489	19,489
Trust Loan 2	32,851	32,851
Trust Loan 3	280	-
Total	1,26,284	1,42,340

- The following is the break-up of the split of the share capital structure as of March 31, 2022.

Particulars	As of March 31, 2022 in INR 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 amounts due from the Trust in terms of Novation Agreement. 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, 2022 (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, 2022 including refinanced and additional debt + Loan 1 + Loan 2 + OCPS capital + Preference Share capital + Equity Share capital as of March 31, 2022).

- 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 redeemable, 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 16.1%.

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- 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 12.4% and Trust Loan 2 of 9.5% respectively.
- We understand that there has been a slight slippage in the actual FY22 performance vis-à-vis the projected performance as well as there is risk in onboarding third-party tenants as there are no third-party tenants till the valuation report date. However, the management has confirmed that the negotiations with third-party customers are at advanced stage. Considering the same we increased the risk premium by 0.5%. The risk premium considered for the current valuation exercise is 2.0%.
- After considering the above we have determined the WACC of 12.8% for the current valuation exercise.

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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 2,02,929 crore, corresponding to an asset base of 24.72 million FPKM as of March 31, 2022.
- 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.

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11 Annexures

11.1 Annexure I

A. Valuation of InvIT Asset as per DCF Method

Jio Digital Fibre Private Limited

Valuation as per Discounted Cash Flow Method as on March 31, 2022 (INR Cr)

Year Ending	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Net Sales	17,328.0	21,100.1	23,588.7	31,633.2	35,608.0	37,297.8	37,297.8	37,297.8	37,297.8
EBITDA	15,831.6	19,386.8	21,856.8	29,881.9	33,836.9	35,506.3	35,485.5	35,464.3	35,442.8
EBITDA Margins	91%	92%	93%	94%	95%	95%	95%	95%	95%
Less : Outflows									
Add/(Less): Amortization of Upfront fee (shown as revenue)	6,613.5	9,773.6	7,705.8	4,510.0	8,909.4	3,258.2	(2,210.7)	(2,210.7)	(2,210.7)
Add/(Less): Capital Expenditure and change in GST block	(12,799.3)	4,599.9	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	213	(176)	(161)	(305)	(230)	(122)	2	2	2
Less: Taxation	(169)	(2,372)	(3,374)	(5,716)	(6,984)	(7,636)	(7,827)	(7,988)	(8,124)
Free Cash Flows (FCF)	9,690	31,212	26,028	28,371	35,532	31,006	25,449	25,267	25,109
Present Value Factor	0.94	0.83	0.74	0.66	0.58	0.52	0.46	0.41	0.36
Present Value of Cash Flows	9,124	26,053	19,260	18,612	20,665	15,986	11,632	10,238	9,020
NPV of Explicit Period	2,02,929.0								
Enterprise Value (EV)	2,02,929.0								

Valuation as per Discounted Cash Flow Method as on March 31, 2022 (INR Cr)

Year Ending	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41
Net Sales	37,297.8	37,295.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8
EBITDA	35,420.8	35,396.5	35,368.7	35,345.6	35,322.1	35,298.1	35,273.6	35,248.7	35,223.3	35,197.4
EBITDA Margins	95%	95%	95%	95%	95%	95%	95%	95%	94%	94%
Less : Outflows										
Add/(Less): Amortization of Upfront fee (shown as revenue)	(2,210.7)	(2,208.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)
Add/(Less): Capital Expenditure and change in GST block	-	-	-	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	2	2	2	2	2	2	2	2	2	2
Less: Taxation	(8,239)	(8,334)	(8,414)	(8,482)	(8,538)	(8,585)	(8,624)	(8,656)	(8,682)	(8,703)
Free Cash Flows (FCF)	24,973	24,855	24,753	24,662	24,582	24,512	24,448	24,392	24,340	24,293
Present Value Factor	0.32	0.28	0.25	0.22	0.20	0.17	0.15	0.14	0.12	0.11
Present Value of Cash Flows	7,953	7,017	6,195	5,472	4,836	4,275	3,780	3,343	2,957	2,617

Valuation as per Discounted Cash Flow Method as on March 31, 2022 (INR Cr)

Year Ending	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51*
Net Sales	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	37,290.8	18,645.4
EBITDA	35,171.0	35,144.0	35,116.5	35,088.5	35,059.8	35,030.5	35,000.6	34,970.0	34,938.8	17,454.6
EBITDA Margins	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%
Less : Outflows										
Add/(Less): Amortization of Upfront fee (shown as revenue)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(2,203.7)	(1,101.8)
Add/(Less): Capital Expenditure and change in GST block	-	-	-	-	-	-	-	-	-	-
Add/(Less): Incremental Working Capital	2	2	2	2	2	2	2	3	3	1,596
Less: Taxation	(8,719)	(8,732)	(8,742)	(8,750)	(8,755)	(8,758)	(8,759)	(8,759)	(8,757)	(4,362)
Free Cash Flows (FCF)	24,250	24,210	24,173	24,137	24,104	24,071	24,040	24,010	23,980	13,587
Present Value Factor	0.10	0.08	0.08	0.07	0.06	0.05	0.05	0.04	0.04	0.03
Present Value of Cash Flows	2,316	2,050	1,814	1,606	1,422	1,259	1,114	987	874	452

*Represent period ending as on September 30, 2050

11.2 Annexure II - Details of all Permissions (to be revised)

- 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, 2022, the Fiber Co had gross tangible fixed assets consisting of assets related to Fiber Infrastructure Business aggregating INR 1,77,287 crore and intangible assets aggregating INR 13,931 crore.

Particulars	INR Cr			
	Net Tangible Assets	Intangible Assets	Non Current Assets	Current Assets
Jio Digital Fibre Private Limited	1,77,287.2	13,931.0	9,230.3	648.0

Summary of Enterprise Value Changes over Valuation Dates

Particulars	INR Cr			
	March 31, 2022	September 30, 2021	March 31, 2021	March 31, 2020
	EV	EV	EV	EV
Jio Digital Fibre Private Limited	2,02,929.0	1,92,945.8	1,86,206.2	17,58,220.4

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 are 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

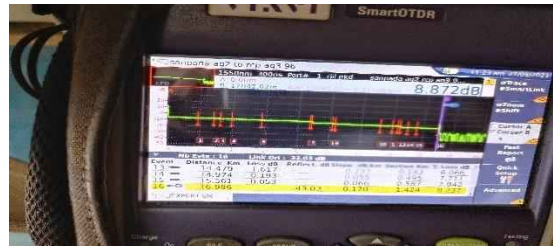
- The Management has confirmed to us that there is no vulnerability to natural or induced hazards that may not have been covered in town planning / building control

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11.5 Annexure V - Site Visit Photographs



Mumbai (Kalyan) Fibre Cables



Nerul-Sanpada Span OTDR Readings



Kalyan RCP



Mumbai



Mumbai Fibre Cables



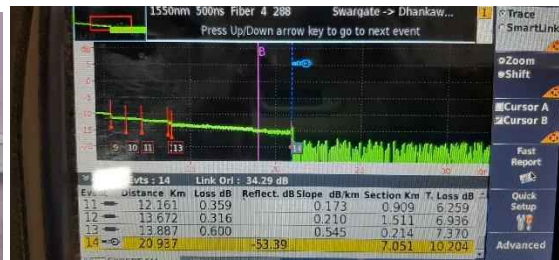
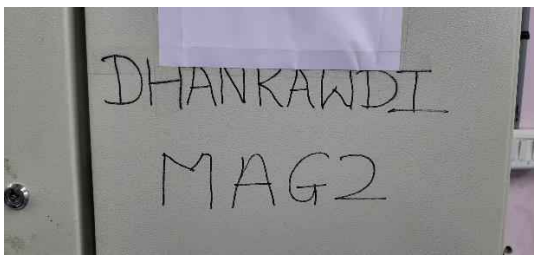
Kalyan

Delhi Spans



Manesar - Sohana Road Span OTDR Readings GRGN-RIL-0482_DLHI-RIL-6010 Span

Pune Span



Dhankawadi

Swargate to Dhankawadi Span OTDR Readings

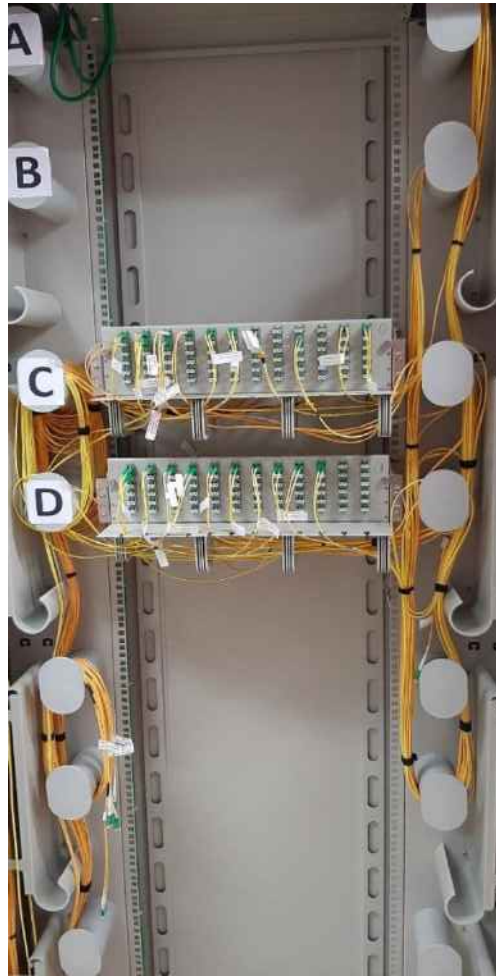


Dhankawadi

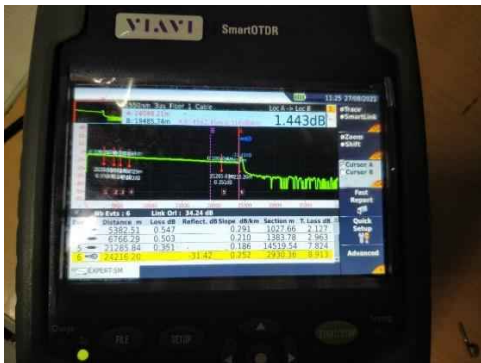
Bengaluru Span



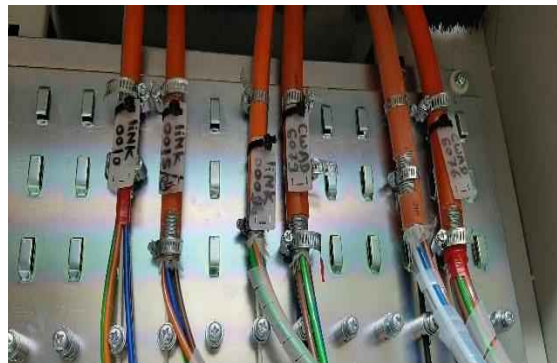
Bengaluru Fibre Cables



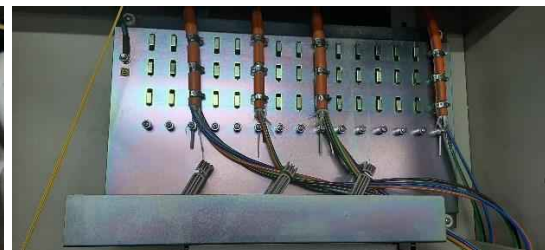
Bangalore_Whitefield (Fibre Cables)



Span - Bangalore_Whitefield-Hoskote



Aswath Nagar-Bellandur AG2 Span



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 2022, 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, 2022, 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 "SEBI 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 SEBI InvIT Regulations, of the state of affairs of the InvIT as at March 31, 2022, and its profit including other comprehensive income, its changes in equity, the cash flows for the year ended March 31, 2022, its net assets at fair value as at March 31, 2022 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.

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 SEBI InvIT Regulations. Our opinion is not modified in respect of this matter.

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

Infinite India Investment Management Limited ("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

The 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 SEBI InvIT Regulations, Ind AS and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI 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.



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.



Deloitte Haskins & Sells LLP

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 SEBI 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 SEBI 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 SEBI InvIT Regulations, in respect of the net assets at fair value as at March 31, 2022, the total returns at fair value for the year ended March 31, 2022 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: 22103999AJXBFS8943

Place: Panaji, Goa
Dated: May 30, 2022

DIGITAL FIBRE INFRASTRUCTURE TRUST

**STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH
31, 2022**

Digital Fibre Infrastructure Trust

Standalone Balance Sheet as at 31st March, 2022

Particulars	Notes	(Amount In INR)	
		As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non Current Assets			
Financial Assets:			
Investments	1	2,62,65,00,005	2,62,65,00,005
Loans and Advances	2	5,26,20,00,00,000	3,97,06,00,00,000
Other Financial Assets	3	2,71,68,760	4,00,98,471
Total Non Current Assets		5,28,85,36,68,765	3,99,72,65,98,476
Current Assets			
Financial Assets:			
Cash and Cash Equivalents	4	3,69,90,472	79,06,528
Other Financial Assets	5	39,99,36,625	26,83,69,004
Total Current Assets		43,69,27,097	27,62,75,532
Total Assets		5,29,29,05,95,862	4,00,00,28,74,008
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	6	1,94,94,66,82,100	1,47,06,00,00,000
Contribution to Corpus	7	31,83,10,000	31,83,10,000
Reserves and Surplus	8	(2,69,49,29,615)	(2,68,44,60,313)
Total Equity		1,92,57,00,62,485	1,44,69,38,49,687
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	9	3,31,31,00,00,000	2,50,00,00,00,000
Other Financial Liabilities	10	5,09,80,89,251	5,09,21,74,597
Total Non-Current Liabilities		3,36,40,80,89,251	2,55,09,21,74,597
Current Liabilities			
Financial liabilities			
Trade Payables due to			
Micro and Small Enterprises		-	-
Creditors Other than Micro and Small Enterprises		31,82,400	75,92,652
Other Financial Liabilities	11	27,50,48,753	20,92,49,572
Other Current Liabilities	12	3,42,12,973	7,500
Total Current Liabilities		31,24,44,126	21,68,49,724
Total Liabilities		3,36,72,05,33,377	2,55,30,90,24,321
Total Equity and Liabilities		5,29,29,05,95,862	4,00,00,28,74,008

See accompanying Notes to the Standalone Financial Statements



Digital Fibre Infrastructure Trust

Standalone Balance Sheet as at 31st March, 2022

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
Membership No. 103999



Rajendra Lingwala
Director
DIN : 00160602



Dipti Neelakantan
Director
DIN : 00505452



Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Digital Fibre Infrastructure Trust

Standalone Statement of Profit and Loss for the year ended 31st March 2022

	Notes	1st April, 2021 to 31st March, 2022	(Amount in INR) 1st April, 2020 to 31st March, 2021
INCOME			
Revenue from Operations	13	50,11,45,59,860	15,43,92,83,310
Other Income		-	-
Total Income		50,11,45,59,860	15,43,92,83,310
EXPENSES			
Finance Costs	14	34,34,15,01,917	8,36,30,28,493
Other Expenses	15	8,05,72,583	2,31,23,23,797
Total Expenses		34,42,20,74,500	10,67,53,52,290
Profit before tax		15,69,24,85,360	4,76,39,31,020
Tax expenses		-	-
Profit for the year		15,69,24,85,360	4,76,39,31,020
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		15,69,24,85,360	4,76,39,31,020
Earning per unit of face value of Rs. 100 Each	16		
- For Basic (Rs.)		9.73	6.43
- For Diluted (Rs.)		9.73	6.43

See accompanying Notes to the Standalone Financial Statements




Digital Fibre Infrastructure Trust



Standalone Statement of Profit and Loss for the year ended 31st March 2022

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
Membership No. 103999


Rajendra Hingwala
Director
DIN : 00160602 


Dipti Neelakantan
Director
DIN : 00505452

Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Digital Fibre Infrastructure Trust

Standalone Cash Flow Statement for the year ended 31st March 2022

	1st April, 2021 to 31st March, 2022	(Amount in INR) 1st April, 2020 to 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Statement of Profit and Loss	15,69,24,85,360	4,76,39,31,020
Adjusted for		
Finance costs	34,34,15,01,917	8,36,30,28,493
Operating Profit before Working Capital Changes	50,03,39,87,277	13,12,69,59,513
(Decrease) in Trade Payables	(44,10,257)	(3,46,71,348)
Increase in other current liabilities	4,01,20,132	2,26,25,92,093
(Increase) in Other Current Financial Assets	(13,15,67,621)	(26,83,69,004)
(Increase)/ Decrease in Other Non Current Financial Assets	1,29,29,711	(4,00,98,471)
Net Cash flow generated from Operating Activities (A)	49,95,10,59,242	15,04,64,12,783
B CASH FLOW FROM INVESTING ACTIVITIES:		
Loans and advances given	(1,29,14,00,00,000)	(3,97,06,00,00,000)
Net Cash flow (used in) Investing Activities (B)	(1,29,14,00,00,000)	(3,97,06,00,00,000)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	81,31,00,00,000	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
Interest paid	(34,27,57,02,736)	(8,15,37,78,921)
Issuance of Unit capital	47,88,66,82,100	1,47,06,00,00,000
Units issuance costs	(2,86,97,676)	(1,93,40,325)
Distribution to Unit holders	(15,67,42,56,986)	(7,11,93,21,660)
Net Cash flow generated from Financing Activities (C)	79,21,80,24,702	3,81,99,23,59,094
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	2,90,83,944	(2,12,28,124)
Opening Balance of Cash and Cash Equivalents	79,06,528	2,91,34,652
Closing Balance of Cash and Cash Equivalents - Refer note 3	3,69,90,472	79,06,528



Digital Fibre Infrastructure Trust

Standalone Cash Flow Statement for the year ended 31st March 2022

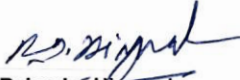
As per our Report of even date

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

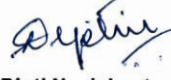
For and on behalf of the Board of Investment Manager



Varsha A. Fadte
Partner
Membership No. 103999



Rajendra Hingwala
Director
DIN : 00160602



Dipti Neelakantan
Director
DIN : 00505452

Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Digital Fibre Infrastructure Trust

Standalone Statement of Changes In Equity for the year ended 31st March, 2022

	1st April, 2021 to 31st March, 2022	(Amount in INR) 1st April, 2020 to 31st March, 2021
(A) Unit Capital		
Balance at the beginning of the year	1,47,06,00,00,000	-
Issuance during year	47,88,66,82,100	1,47,06,00,00,000
Balance at the end of the year	1,94,94,66,82,100	1,47,06,00,00,000
(B) Contribution to Corpus		
Balance at the beginning of the year	31,83,10,000	26,35,10,000
Changes in Contribution during the year	-	5,48,00,000
Balance at the end of the year	31,83,10,000	31,83,10,000
(C) Reserve and Surplus		
Particulars	Retained Earnings	Total
April 1, 2020 to March 31, 2021		
Balance at the beginning of the reporting 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)
April 1, 2021 to March 31, 2022		
Balance at the beginning of the year	(2,68,44,60,313)	(2,68,44,60,313)
Total Comprehensive Profit for the year	15,69,24,85,360	15,69,24,85,360
Less : Distribution to Unit holders	(15,67,42,56,986)	(15,67,42,56,986)
Units issuance costs	(2,86,97,676)	(2,86,97,676)
Balance at the end of the year	(2,69,49,29,615)	(2,69,49,29,615)



Digital Fibre Infrastructure Trust

Standalone Statement of Changes In Equity for the year ended 31st March, 2022

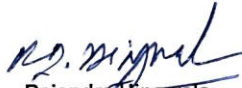
As per our Report of even date

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
Membership No. 103999



Rajendra Pingwala
Director
DIN : 00160602



Dipti Neelakantan
Director
DIN : 00505452

Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

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 PURPOSE AND BASIS OF ACCOUNTING AND PREPARATION OF IND AS FINANCIAL STATEMENTS

The standalone Financial Statement of Trust comprises the Standalone Balance Sheet as at 31st March 2022; the Standalone Statement of Profit and Loss, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year ended 31st March 2022 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31st March 2022, 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 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 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 2022 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 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 equivalents 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.

(b) Finance Costs

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.

(c) 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.

(d) 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.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with an original maturity of 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

(f) 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.

(g) 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 amortised 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 caused significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were not impacted due to COVID-19.



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

	As at 31st March, 2022	(Amount in INR) As at 31st March, 2021
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 of Rs. 1 each)	2,62,65,00,005	2,62,65,00,000
Total	<u>2,62,65,00,005</u>	<u>2,62,65,00,000</u>
2 Loans and Advances (Unsecured Considered Good)		
Loan to Jio Digital Fibre Private Limited	5,26,20,00,00,000	3,97,06,00,00,000
	<u>5,26,20,00,00,000</u>	<u>3,97,06,00,00,000</u>
3 Non Current Financial Assets		
Put Option on Jio Digital Fibre Private Limited Shares (Refer note 23)	2,71,68,760	4,00,98,471
	<u>2,71,68,760</u>	<u>4,00,98,471</u>
	As at	As at
	31st March, 2022	31st March, 2021
4 Cash and Cash Equivalents		
Balances with Banks in current accounts	3,69,90,472	79,06,528
Total	<u>3,69,90,472</u>	<u>79,06,528</u>
	As at	As at
	31st March, 2022	31st March, 2021
5 Other Current Financial Assets		
Interest Receivable	39,99,36,625	26,83,69,004
Total	<u>39,99,36,625</u>	<u>26,83,69,004</u>



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

	(Amount in INR)	
	As at 31st March, 2022	As at 31st March, 2021
6 Unit capital		
6.1 Unit capital		
Issued, Subscribed and fully paid up Unit Capital		
1,94,94,66,821 (31st March 2021: 1,47,06,00,000) units of Rs 100 each	1,94,94,66,82,100	1,47,06,00,00,000

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, as per the provisions of the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 and considering aforesaid 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.

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

Name of Unitholder	Relationship	As on 31st March 2022		As on 31st March 2021	
		No of Unit held	Percentage	No of Unit held	Percentage
Reliance Industrial Investments And Holdings Limited	Sponsor	29,24,33,280	15.00%	22,06,00,000	15.00%
Jamnagar Utilities And Power Private Limited	Uniholder	38,80,34,843	19.90%	25,50,00,000	17.34%
Platinum Compass B 2018 RSC Limited	Uniholder	49,71,10,062	25.50%	37,50,00,000	25.50%
Public Investment Fund	Uniholder	49,71,10,062	25.50%	37,50,00,000	25.50%
Sikka Ports & Terminals Limited	Uniholder	27,44,78,574	14.08%	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	
	31st March, 2022	31st March, 2021
Units at the beginning of the year	1,47,06,00,000	-
Issued during the year	47,88,66,821	1,47,06,00,000
Units at the end of the year	1,94,94,66,821	1,47,06,00,000

	As at 31st March, 2022	As at 31st March, 2021
	7 Contribution to Corpus	
By Settlor	31,83,10,000	31,83,10,000
Total	<u>31,83,10,000</u>	<u>31,83,10,000</u>

	As at 31st March, 2022	As at 31st March, 2021
	8 Reserves and Surplus	
Retained earning		
As per last Balance Sheet	(2,68,44,60,313)	(30,97,29,348)
Profit for the year	15,69,24,85,360	4,76,39,31,020
Less : Distribution to Unit holders	(15,67,42,56,986)	(7,11,93,21,660)
Units issuance costs	(2,86,97,676)	(1,93,40,325)
Total	<u>(2,69,49,29,615)</u>	<u>(2,68,44,60,313)</u>



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

	As at 31st March, 2022	(Amount in INR) As at 31st March, 2021
9 Borrowings		
At amortised Cost		
Unsecured:		
Loan from Others	3,31,31,00,00,000	2,50,00,00,00,000
Total	3,31,31,00,00,000	2,50,00,00,00,000

Loan of Rs.25000,00,00,000 carrying interest rate of 12.01% p.a. & Loan of Rs 8131,00,00,000 carrying interest rate of 12.00%p.a repayable in 27 annual installments, starting from September, 2024

10 Other Non Current Financial Liabilities		
Amount payable as Consideration for Novation	2,80,00,00,000	2,80,00,00,000
Call Option on Jio Digital Fibre Private Limited Shares (Refer Note 23)	2,29,80,89,251	2,29,21,74,597
Total	5,09,80,89,251	5,09,21,74,597

11 Other Current Financial Liabilities		
Interest Payable	27,50,48,753	20,92,49,572
Total	27,50,48,753	20,92,49,572

	As at 31st March, 2022	(Amount in INR) As at 31st March, 2021
12 Other Current Liabilities		
Statutory dues	3,09,18,973	7,500
Provision for expenses	32,94,000	-
Total	3,42,12,973	7,500

	1st April, 2021 to 31st March, 2022	(Amount in INR) 1st April, 2020 to 31st March, 2021
13 Revenue from Operations		
Interest on loan	50,11,45,59,860	15,43,92,83,310
Total	50,11,45,59,860	15,43,92,83,310

14 Finance Costs		
Interest	34,34,15,01,917	8,36,30,28,493
Total	34,34,15,01,917	8,36,30,28,493

15 Other Expenses		
Audit Fee	9,73,409	19,47,000
Professional Fees	6,05,25,121	5,81,68,446
Demat Charges	1,80,875	-
Fair Value of Put/Call option (net)	1,88,44,365	2,25,20,76,126
Miscellaneous Expenses	48,813	1,32,225.00
Total	8,05,72,583	2,31,23,23,797



Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2022

	As at 31st March, 2022	As at 31st March, 2021
16 EARNING PER UNIT (EPU)		
The following reflects the income and unit data used in the basic and diluted EPU Computations		
(i) Net Profit as per Statement of Profit and Loss attributable to Unit	15,69,24,85,360	4,76,39,31,020
(ii) Weighted Average number of Units used as denominator for calculating Basic	1,61,36,04,064	74,13,43,562
(iii) Earning per unit of unit value of Rs 100		
- For Basic (Rs.)	9.73	6.43
- For Diluted (Rs.)	9.73	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 Manager 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) (upto Oct 29, 2020)	Unit holder
8	Platinum Compass B 2018 RSC Limited	Unit holder
9	Public Investment Fund	Unit holder

(ii) Transactions during the period / year with related parties

(Amount in INR)

Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Professional Fees		
Axis Trustee Service Limited	16,52,000	16,52,000
Infinite India Investment Manager 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	1,29,14,00,00,000	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	50,11,45,59,860	15,43,92,83,310
Units Allocated		
Reliance Projects and Property Management Services Ltd	-	64,50,00,00,000
Platinum Compass B 2018 RSC Limited	12,21,10,06,200	-
Jamnagar Utilities & Power Private Limited (JUPPL)	Not Applicable	35,50,00,00,000
Reliance Industrial Investments and Holdings Limited	7,18,33,28,000	22,06,00,00,000
Public Investment Fund	12,21,10,06,200	
Distribution to Unitholders		
Platinum Compass B 2018 RSC Limited	3,99,69,03,554	1,81,54,12,500
Public Investment Fund	3,99,69,03,554	1,81,54,12,500
Reliance Industrial Investments and Holdings Limited	2,35,12,45,135	1,06,79,46,660
Contribution to Corpus		
Reliance Industrial Investments and Holdings Limited	-	5,48,00,000



Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2022

(iii) Closing Balance: (Amount in INR)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Infinite India Investment Manager Limited	31,50,000	-
Jio Infrastructure Management Services Limited	-	-
Reliance Industrial Investments and Holdings Limited -Contribution to Corpus	31,83,10,000	31,83,00,000
Jio Digital Fibre Private Limited (JDFPL) Interest Receivable	39,99,36,625	26,83,69,005
Jio Digital Fibre Private Limited (JDFPL)- Novation - (Credit Balance)	2,80,00,00,000	2,80,00,00,000
Jio Digital Fibre Private Limited (JDFPL) - Investment	2,62,65,00,005	2,62,65,00,005
Jio Digital Fibre Private Limited (JDFPL) - Loan	5,26,20,00,00,000	3,97,06,00,00,000
Reliance Industrial Investments and Holdings Limited -Units Allocated	29,24,33,28,000	22,06,00,00,000
Platinum Compass B 2018 RSC Limited - Units Allocated	49,71,10,06,200	37,50,00,00,000
Public Investment Fund - Units Allocated	49,71,10,06,200	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 31st March, 2022	Carrying Amount Total	Fair Value		
		Level 1	Level 2	Total
Financial Assets				
At Amortised Cost				
Cash and Bank Balances	3,69,90,472	-	-	-
Loan Given	5,26,20,00,00,000	-	-	-
Other Current Financial Assets	39,99,36,625	-	-	-
At Fair Value				
Other Non Current Financial Assets	2,71,68,760	-	2,71,68,760	2,71,68,760
At Cost				
Investment	2,62,65,00,005	-	-	-
Total	5,29,29,05,95,862	-	2,71,68,760	2,71,68,760
Financial Liabilities				
At Amortised Cost				
Trade Payables	31,82,400	-	-	-
Borrowings	3,31,31,00,00,000	-	-	-
Other Non Current Financial Liabilities	2,80,00,00,000	-	-	-
Other Current Financial Liabilities	27,50,48,753	-	-	-
At Fair Value				
Other Non Current Financial Liabilities	2,29,80,89,251	-	2,29,80,89,251	2,29,80,89,251
Total	3,36,68,63,20,404	-	2,29,80,89,251	2,29,80,89,251



Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2022

As at 31st March, 2021	Carrying Amount	Fair Value		
	Total	Level 1	Level 2	Total
Financial Assets				
At Amortised Cost				
Cash and Bank Balances	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 Non Current Financial Liabilities	2,80,00,00,000	-	-	-
Other Current Financial Liabilities	20,92,49,572	-	-	-
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

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.

20 Financial Risk Management

The different types of risks the Trust is exposed to are 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, 2022	As at 31st March, 2021
Borrowings		
Non-Current - Floating (Includes Current Maturities)*	-	-
Non-Current - Fixed (Includes Current Maturities)*	3,31,31,00,00,000	2,50,00,00,00,000
Total	3,31,31,00,00,000	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.



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

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 (non derivative) as on 31st March, 2022

Particulars	0 to 1 year	1-3 Years	More than 3 years	Total
Trade Payables	31,82,400	-	-	31,82,400
Borrowings	-	1,90,69,00,000	3,29,40,31,00,000	3,31,31,00,00,000
Other Non Current Financial Liabilities	-	-	2,80,00,00,000	2,80,00,00,000
Other Current Financial Liabilities	27,50,48,753	-	-	27,50,48,753
Total	31,82,400	1,90,69,00,000	3,32,20,31,00,000	3,34,38,82,31,153

Maturity profile of financial liabilities (non derivative) 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 Borrowings	21,68,42,224	-	2,52,80,00,00,000	2,53,01,68,42,224

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 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.



Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2022

24 Disclosures as required by InvIT Regulation:

(A) Calculation of Net Distributable Cash Flows:

Description	Amount in INR	
	Year ended 31st March 2022	31st March, 2021
Cash flows received from SPV in the form of interest / accrued interest / additional interest	49,98,29,92,239	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	47,88,66,82,100	1,47,06,00,00,000
Borrowings at the Trust level	81,31,00,00,000	2,52,80,00,00,000
Total cash flow at the Trust level (A)	1,79,17,96,74,339	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 (pro-rated for half year)	9,11,91,646	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)	34,24,51,41,763	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	1,29,14,00,00,000	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)	1,63,47,63,33,409	4,07,98,75,83,335
Net Distributable Cash Flows (C) = (A-B)	15,70,33,40,930	7,09,81,30,971

* This does not include the opening Cash & Bank Balance of Rs.79,06,528



Digital Fibre Infrastructure Trust
Notes to standalone Financial Statements for the year ended 31st March, 2022

(B) Debt Payment History	As at 31st March, 2022	As at 31st March, 2021
(i) Loan from Others		
Carrying amount of debt at the beginning of the year/ period	2,50,00,00,00,000	2,63,00,00,00,000
Additional borrowing during the period	81,31,00,00,00,000	2,50,17,00,00,00,000
Repayments during the period	-	2,80,00,00,00,000
Other adjustments	-	-
Carrying amount of debt at the end of the year/ period	<u>3,31,31,00,00,00,000</u>	<u>2,50,00,00,00,00,000</u>

(C) Statement of Net Assets at Fair Value

Particulars	As At 31st March, 2022		As At 31st March, 2021	
	Book Value	Fair Value*	Book Value	Fair Value*
A. Assets	5,29,29,05,95,862	5,29,29,05,95,862	4,00,00,28,74,008	4,00,00,28,74,008
B. Liabilities	<u>3,36,72,05,33,377</u>	<u>3,36,72,05,33,377</u>	<u>2,55,30,90,24,321</u>	<u>2,55,30,90,24,321</u>
C. Net Assets (A-B)	<u>1,92,57,00,62,485</u>	<u>1,92,57,00,62,485</u>	<u>1,44,69,38,49,687</u>	<u>1,44,69,38,49,687</u>

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

(D) Statement of Total Returns at Fair Value

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Total comprehensive Income (As per Statement of Profit and Loss)	15,69,24,85,360
Add/(Less): Other Changes in Fair Value (e.g. Property, Plant and Equipment)	-	-
Total Return	<u>15,69,24,85,360</u>	<u>4,76,39,31,020</u>

- 25 The outbreak of Coronavirus (COVID-19) pandemic globally and in India caused 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 and is in its third year of business operations. The subsidiary 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 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 30th May, 2022



Digital Fibre Infrastructure Trust

Notes to standalone Financial Statements for the year ended 31st March, 2022

For and on behalf of the Board of Investment Manager


Rajendra Hingwala
Director
DIN : 00160602


Dipti Neelakantan
Director
DIN : 00505452



Place: Mumbai
Date: May 30, 2022



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, 2022, 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, 2022, Consolidated Statement of Net Assets at fair value as at March 31, 2022, 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 "SEBI 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 SEBI InvIT Regulations, of the state of affairs of the Trust Group as at March 31, 2022, and its loss, including total comprehensive loss, the changes in equity, its cash flows for the year ended March 31, 2022, its net assets at fair value as at March 31, 2022 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.

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 SEBI InvIT Regulations. Our opinion is not modified in respect of this matter.

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

Infinite India Investment Management Limited ("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

The 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 SEBI InvIT Regulations, Ind AS and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI 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 SEBI 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.

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.

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 SEBI 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 SEBI 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 SEBI InvIT Regulations, in respect of the net assets at fair value as at March 31, 2022, the total returns at fair value for the year ended March 31, 2022 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: 22103999AJXBLQ6001

Place: Panaji, Goa
Date: May 30, 2022

DIGITAL FIBRE INFRASTRUCTURE TRUST

CONSOLIDATED

FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2022

Digital Fibre Infrastructure Trust

Consolidated Ind AS Balance Sheet as at March 31, 2022

Particulars	Notes	(Rs.in Million)	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	13,15,437	11,76,271
Goodwill		1,39,310	1,39,310
Other Intangible Assets	1	4,57,443	4,75,550
Financial Assets			
Other Financial Assets	2	5,416	5,147
Other Non-Current Assets	3	11,503	7,998
Total Non-Current Assets		19,29,109	18,04,276
CURRENT ASSETS			
Financial Assets			
Investments	4	25,971	1,494
Trade receivables	5	54	93
Cash and Cash Equivalents	6A	870	114
Other Bank Balances	6B	115	92
Other Financial Assets	7	66	3,017
Other Current Assets	8	50,298	38,636
Total Current Assets		77,374	43,446
Total Assets		20,06,483	18,47,722
EQUITY AND LIABILITIES			
EQUITY			
Unit Capital	9A	1,94,947	1,47,060
Contribution to Corpus	9B	319	319
Other Equity	10	5,07,333	5,28,559
Total Owner's Equity		7,02,599	6,75,938
Non-Controlling Interest		(1,41,203)	(1,20,898)
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	11	10,49,203	8,66,932
Other Non -Current Financial Liabilities	13	2,298	2,292
Deferred Tax Liabilities (Net)	12	2,20,009	2,33,972
Other Non -Current Liabilities	14	1,47,699	1,53,075
Provisions	19	0	0
Total Non-Current Liabilities		14,19,209	12,56,271
Current Liabilities			
Financial Liabilities			
Borrowings	15	16,988	-
Trade Payables Due to	16		
Micro and Small Enterprises		-	-
Other Than Micro and Small Enterprises		0	8
Other Financial Liabilities	17	2,383	241
Creditors for Capital Expenditure		379	30,027
Other Current Liabilities	18	6,112	6,135
Provisions	19	16	0
Total Current Liabilities		25,878	36,411
Total Liabilities		14,45,087	12,92,682
Total Equity and Liabilities		20,06,483	18,47,722

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



Digital Fibre Infrastructure Trust

Consolidated Ind AS Balance Sheet as at March 31, 2022

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
Membership No. 103999



Rajendra Hingwala
Director
DIN : 00160602



Dipti Neelakantan
Director
DIN : 00505452

Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	(Rs. in Million)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from Operations	20	1,17,125	76,398
Other Income	21	311	242
Total Income		1,17,436	76,640
EXPENSES			
Network Operating Expenses	22	12,937	10,408
Employee Benefits Expense	23	46	6
Finance Costs	24	84,681	66,534
Depreciation and Amortisation Expense	1	59,420	63,127
Other Expenses	25	133	2,507
Total Expenses		1,57,217	1,42,582
(Loss) before Tax		(39,781)	(65,942)
Tax Expenses			
i Current tax		-	-
ii Deferred tax		(13,963)	(17,793)
(Loss) for the year		(25,818)	(48,149)
Other Comprehensive Income			
(I) Items that will not be reclassified to profit or loss		12	0
(II) Income tax relating to items that will not be reclassified to profit or loss		(3)	(0)
		9	0
Total Comprehensive (Loss) for the year		(25,809)	(48,149)
Attributable to Owners of the Trust		(5,504)	(42,011)
Attributable to Non Controlling Interest		(20,305)	(6,138)
Earning per unit of face value of Rs. 100 Each	26		
- For Basic (Rs.)		(5.60)	(56.67)
- For Diluted (Rs.)		(5.60)	(56.67)

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



Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2022

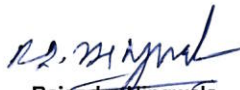
As per our Report of even date

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
Membership No. 103999



Rajendra Hingwala
Director
DIN : 00160602



Dipti Neelakantan
Director
DIN : 00505452

Place: Panaji, Goa
Date: May 30, 2022

Place: Mumbai
Date: May 30, 2022



Consolidated Ind AS statement of Cash Flows for the year ended March 31, 2022

	For the year ended March 31, 2022	(Rs. in Million) For the year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss as per Statement of Profit and Loss	(39,782)	(65,942)
Adjusted for:		
Depreciation and amortisation expense	59,420	63,127
Profit on sale of current investments	(295)	(203)
Gain on fair valuation of investments	(11)	(2)
Interest Income	(5)	(3)
Finance Costs	84,681	66,534
Operating cash flows before working capital changes	1,04,008	63,511
Adjusted for :		
Trade and Other Receivables	(15,514)	(20,590)
Trade and Other Payables	(5,388)	(6,626)
	(20,902)	(27,216)
Cash generated from operations	83,106	36,295
Taxes paid	(15)	(120)
Net Cash Flow from Operating Activities (A)	83,091	36,175
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(2,07,179)	(1,98,571)
Purchase of Investments	(1,30,793)	(1,35,604)
Sale of Investments	1,06,614	1,34,315
Interest income	5	3
Fixed Deposits with Banks	(23)	(55)
Net Cash flow (used in) Investing Activities (B)	(2,31,376)	(1,99,911)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Borrowings - Current	-	(1,45,000)
Proceeds from Borrowings - Non current	1,99,114	8,66,889
Repayment of Borrowings - Non current	-	(5,71,050)
Deposit repaid	-	(32,600)
Finance Costs Paid	(82,257)	(94,544)
Contribution received during the year	-	55
Issuance of Unit capital	47,887	1,47,060
Units issuance costs	(29)	(8)
Distribution to Unit holders	(15,674)	(7,119)
Net cash flow generated from financing activities (C)	1,49,041	1,63,685
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	756	(52)
Opening Balance of Cash and Cash Equivalents	114	166
Closing Balance of Cash and Cash Equivalents (Refer Note 6A)	870	114
Changes in Liabilities arising from financing activities		

	As at April 1, 2021	Cash Inflow	Cash Outflow	Non Cash	As at March 31, 2022
				Finance costs including amortisation	
Borrowings - Non-Current (Refer Note 11)*	8,66,932	1,99,114	-	143	10,66,190
Borrowings - Current (Refer Note 15)	-	-	-	-	-
Total	8,66,932	1,99,114	-	143	10,66,190

*includes current maturities of long term debt.

	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

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



Digital Fibre Infrastructure Trust

Consolidated Ind AS statement of Cash Flows for the year ended March 31, 2022

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Regn No: 117366W / W-100018

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Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Changes In Equity for the year ended March 31, 2022

	(Rs.in Million)	
	April 01, 2021 to March 31, 2022	April 01, 2020 to March 31, 2021
(A) Unit Capital		
Balance at the beginning of the year	1,47,060	-
Issuance during year	47,887	1,47,060
Balance at the end of the year	1,94,947	1,47,060

	(Rs.in Million)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(B) Initial Contribution		
Balance at the beginning of the year	319	264
Contribution during the year	-	55
Balance at the end of the year	319	319

(C) Non Controlling Interest		
Opening balance as at beginning of the year	(1,20,898)	(1,14,760)
Reversal of Deferred tax liability	-	-
Loss for the year	(20,305)	(6,138)
Balance at the end of the year	(1,41,203)	(1,20,898)

Particulars	(Rs.in Million)		
	Investment classified as Equity: Preference Shares	Reserves and Surplus: Retained Earnings	Total
April 1, 2021 to March 31,2022			
Balance at the beginning of the year i.e. April 1, 2021	7,81,397	(2,52,838)	5,28,559
Total Comprehensive Loss for the year	-	(5,504)	(5,504)
Units issuance costs	-	(48)	(48)
Distribution to Unit holders	-	(15,674)	(15,674)
Balance at the end of the reporting year i.e March 31, 2022	7,81,397	(2,74,064)	5,07,333

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 reporting 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 year i.e March 31, 2021	7,81,397	(2,52,838)	5,28,559

See accompanying Notes to the Consolidated Ind AS Financial Statements



Digital Fibre Infrastructure Trust

Consolidated Ind AS Statement of Changes In Equity for the year ended March 31, 2022

As per our Report of even date

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

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Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2022

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, 2022. 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 2022; 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 2022 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the Statement of Net Assets at Fair Value as at 31 March 2022, the Statement of Total Returns at Fair Value 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 2022 have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), to the extent not inconsistent with the InvIT regulations as more fully described above and Note 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 year 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 year, 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 year.

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 year, or
- (IV) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

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.



(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 year of the agreement. Customer Contracts are amortized using straight line method over the tenure of contract for 30 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 year 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 year 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 year 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 years so as to reflect a constant yearic 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 year 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 year 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 year in which they are incurred.



(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 year 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 year end. These are billed in subsequent years 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 year 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.



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 years.

(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 year 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 yearly in order to determine the amount of depreciation to be recorded during any reporting year.

(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.

D Amendments to standards issued but not effective.

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to Trust Group from April 1, 2022.

- i. Ind AS 109 – Financial Instruments
- ii. Ind AS 16 – Property, Plant and Equipment
- iii. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The Trust Group is in the process of evaluating the impact of above amendments to standards on its Financial Statements.



Tangible Assets :							
Plant and Equipments	12,45,021	1,81,239	-	14,26,260	68,750	42,073	-
Total (A)	12,45,021	1,81,239	-	14,26,260	68,750	42,073	-
Other Intangible Assets :							
Indefeasible right to use (IRU)	52,796	-	(76)	52,720	6,987	3,480	(1)
Customer Contracts	4,77,526	-	-	4,77,526	47,785	14,567	-
Total (B)	5,30,322	-	(76)	5,30,246	54,772	18,047	(1)
Total (A+B)	17,75,343	1,81,239	(76)	19,56,506	1,23,522	60,120	(1)
Previous Year Figures	16,13,163	1,63,785	(1,605)	17,75,343	59,747	63,821	(4)

Note:

1 Depreciation for the year includes depreciation of Rs.700 Million (Previous year 694 Million) capitalised during the year. Rs.63,127 Million (Previous year Rs.63,127 Million) has been considered in Statement of Profit and Loss.



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

	As at March 31, 2022		(Rs. In Million) As at March 31, 2021	
4 Current Investments				
Investments measured at Fair Value Through Profit or Loss (FVTPL)	Units	Amount	Units	Amount
<u>In Mutual Funds - Unquoted</u>				
SBI Liquid Fund-Growth-(Direct Plan) (Face value of Rs. 1000 each)	1812465	6,041	1,06,988	345
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (LFAGG) (Face value of Rs. 1000 each)	9,56,485	4,981	1,72,711	869
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan (Face value of Rs. 100 each)	1,34,66,995	4,621	-	-
Axis Liquid Fund- Growth - Direct Plan (Face value of Rs. 1000 each)	11,71,941	2,771	-	-
Tata Liquid Fund- Growth - Direct Plan (Face value of Rs. 1000 each)	6,88,072	2,316	-	-
IDFC Cash Fund-Growth-(Direct Plan) (Face value of Rs. 1000 each)	7,39,148	1,900	1,12,640	280
Kotak Liquid Fund- Growth - Direct Plan (Face value of Rs. 1000 each)	3,85,850	1,660	-	-
Kotak Overnight Liquid Fund- Growth - Direct Plan (Face value of Rs. 1000 each)	14,81,819	1,680	-	-
Total		25,971		1,494
5 Trade Receivables (Unsecured and considered good)		As at March 31, 2022		(Rs. In Million) As at March 31, 2021
Trade Receivables		54		93
Total		54		93
6A Cash and Cash Equivalents		As at March 31, 2022		(Rs. in Million) As at March 31, 2021
Balances with banks in Current Accounts		870		114
Total		870		114
6B Other Bank Balances		As at March 31, 2022		(Rs. in Million) As at March 31, 2021
Fixed Deposit with Banks*		115		92
Total		115		92

*Fixed Deposits with Bank of Rs. 115 Million (Previous Year Rs. 92 Million) have been pledged with government authorities.



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

	As at March 31, 2022	(Rs. in Million) As at March 31, 2021
7 Other Financial Assets - Current		
Interest accrued on Fixed Deposit*	1	0
Other Receivables**	65	3,017
Total	<u>66</u>	<u>3,017</u>

*Previous Year : Rs.4,20,105

** Includes Contractually reimbursable/receivable amount.

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

	As at March 31, 2022	(Rs. in Million) As at March 31, 2021
8 Other Current Assets (Unsecured and considered good)		
Balance with GST authorities*	50,046	38,397
Other Advances**	252	239
Total	<u>50,298</u>	<u>38,636</u>

*Includes Input tax credit pending for availment of Rs.6,590 million(Previous Year Rs 14,650 million)

**Includes prepaid expenses and advances to vendors



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
9A Unit capital		
Unit capital		
Issued, Subscribed and fully paid up Unit Capital		
1,94,94,66,821 units of Rs 100 (March 31, 2021 : 1,47,06,00,000 Units) each	1,94,947	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 has to be accounted as such. However, as per the provisions of the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 and considering aforesaid 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.

Information in unitholders holding more than 5% of Unit Capital

Name of Unitholder	Relationship	As on March 31, 2022		As on March 31, 2021	
		No of Unit held	Percentage	No of Unit held	Percentage
Reliance Industrial Investments And Holdings Limited	Sponsor	292433280	15.00%	220600000	15.00%
Jamnagar Utilities And Power Private Limited	Unitholder	388034843	19.90%	255000000	17.34%
Platinum Compass B 2018 RSC Limited	Unitholder	497110062	25.50%	375000000	25.50%
Public Investment Fund	Unitholder	497110062	25.50%	375000000	25.50%
Sikka Ports & Terminals Limited	Unitholder	274478574	14.08%	245000000	16.66%

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

Particulars	As at	
	March 31, 2022	March 31, 2021
Units at the beginning of the year	1,47,06,00,000	-
Issued during the year	47,88,66,821	1,47,06,00,000
Units at the end of the year	1,94,94,66,821	1,47,06,00,000

	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
9B Contribution to Corpus		
Balance at the beginning of the year	319	264
By Settlor	-	55
Balance at the end of the year	<u>319</u>	<u>319</u>

	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
10 Other Equity		
Instruments classified as equity		
0.01% 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	(2,52,838)	(2,03,707)
Total Comprehensive Loss for the year	(5,504)	(42,011)
Units issuance costs	(48)	-
Distribution to Unit holders	(15,674)	(7,120)
Balance at end of the year	<u>(2,74,064)</u>	<u>(2,52,838)</u>
TOTAL	<u>5,07,333</u>	<u>5,28,559</u>

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, 2022	As at March 31, 2021
	No. of Shares	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	<u>78,13,96,66,092</u>	<u>78,13,96,66,092</u>

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 September 30, 2021		As at March 31, 2021	
	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%



(Rs. in Million)

11 Borrowings	As at	
	March 31, 2022	March 31, 2021
At amortised cost	Non-Current	Non-Current
(I) Term Loan		
(a) Secured		
(i) From banks*	4,71,362	3,64,119
(b) Unsecured		
(i) From others	3,31,310	2,50,000
(II) Non Convertible Debentures		
(i) Secured**	2,46,518	2,52,800
(III) Redeemable Preference Shares (Unsecured)	13	13
Total	10,49,203	8,66,932

*Net off Rs. 1,190 million (Previous Year Rs. 880 million) as prepaid finance charges.

**Net off Rs. 570 million (Previous Year Rs. 620 million) as prepaid finance charges.

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

- Loan of Rs.40,000 millions carrying interest rate of 6.85 % p.a (Previous year Rs. 40,000 millions, 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.
- Loan of Rs.55,000 millions carrying interest rate of 6.85 % p.a (Previous year Rs.55,000 millions, 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.
- Loan of Rs.55,000 millions carrying interest rate of 6.85 % p.a (Previous year 55,000 millions, 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.
- Loan of Rs.48,850 millions carrying interest rate of 6.93 % p.a (Previous year Rs. 55,000 millions, 7.45% p.a.) and Rs.48,850 millions carrying interest rate of 6.85 % p.a. (Previous year Rs. 20,000 millions, 7.40 % p.a.) 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.
- Loan of Rs 40,000 millions carrying interest rate of 7.65 % p.a (Previous year Rs. 50,000 millions, 7.75% p.a.) and of Rs 40,000 millions carrying interest rate 6.75% (Previous year Rs 15,000 millions, 7.70 % p.a.) 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.
- Loan of Rs.49,000 millions carrying interest rate of 6.85 % p.a and Rs.49,000 millions carrying interest rate of 7.65 % p.a. (Previous year Rs. 75,000 millions, 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.
- Loan of Rs.40,000 millions carrying interest rate of 6.70 % p.a (Previous year Nil) from HDFC Bank, is repayable after 1 year of moratorium in 40 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.
- Loan of Rs.17,500 millions carrying interest rate of 6.25 % p.a (Previous year Nil) from Indusind Bank, is repayable after 5 years of moratorium in 8 quarterly instalments starting from 6th year from date of first disbursement 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.

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

Loan of Rs.3,31,310 million (Sikka Ports and Terminals Ltd - Rs.2,00,000 million and Jamnagar Utilities Port & Power Limited - Rs. 1,23,310 million and Krishna Enterprises - Rs. 8,000 million) ((Previous year 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%, which is repayable annually from September 28, 2024 till September 28, 2050.



(iii) Secured 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. 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.

(iv) 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.

- (v) 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. 25,340 million (PY 25,340 million). The subsidiary company shall create the Debenture Redemption Reserve out of Profits, if any in the future years.

12 Deferred Tax Liabilities (Net)	(Rs.in Million)		
	As at March 31, 2022		As at March 31, 2021
At the start of the year	(2,33,972)		(2,51,765)
On account of change in tax rate			
Credit to Profit and Loss account	13,963		17,793
At the end of the year	(2,20,009)		(2,33,972)
Component of Deferred Tax Asset/ Liabilities			
	As at beginning of the year	(Charge)/Credit to Statement of Profit and Loss during the year	As at March 31, 2022
Deferred tax asset/(liabilities) in relation to:			
Property, Plant and Equipment and Other Intangible Assets	(3,02,633)	(57,153)	(3,59,786)
Carried Forward Losses	68,661	71,116	1,39,777
Total	(2,33,972)	13,963	(2,20,009)

13 Other Non Current Financial Liabilities	(Rs.in Million)	
	As at March 31, 2022	As at March 31, 2021
Call Option (Refer Note 35)	2,298	2,292
Others*	-	0
Total	2,298	2,292

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

*Previous year - Rs. 2,19,456

14 Other Non Current Liabilities	(Rs.in Million)	
	As at March 31, 2022	As at March 31, 2021
Revenue received in advance	1,47,699	1,53,075
Total	1,47,699	1,53,075



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Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

	As at March 31, 2022	(Rs.in Million) As at March 31, 2021
15 Borrowings - Current		
Current maturities of long term debts Secured - At Amortized Cost		
(a) Term Loan : from Banks	10,653	-
(b) Non Convertible Debentures	6,335	-
Total	16,988	-

The abovementioned borrowings are "Current maturities of long term debts" referred in Note 11.

	As at March 31, 2022	(Rs.in Million) As at March 31, 2021
16 Trade Payables due to		
Micro and small enterprises	-	-
Creditors Other than Micro and Small enterprises*	0	8
Total	0	8

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

*Current year - Rs. 32,400

16.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2022 and as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	As at March 31, 2022	(Rs.in Million) As at March 31, 2021
17 Other Current Financial Liabilities		
Interest accrued but not due	2,374	231
Others*	9	10
Total	2,383	241

*Includes provision for audit fees, professional and certification fees .

	As at March 31, 2022	(Rs.in Million) As at March 31, 2021
18 Other Current Liabilities		
Revenue received in advance	5,418	5,420
Other Payables*	694	715
Total	6,112	6,135

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

19 Provisions	As at 31st March, 2022		As at 31st March, 2021	
	Non Current	Current	Non Current	Current
Provisions for Employee Benefits				
- Gratuity*	0	13	0	0
- Leave Encashment**	-	3	-	0
- Superannuation***	-	-	-	0
	0	16	0	0

Non Current Liabilities

*Current Year: Rs.4,61,620 , Previous Year : 2,19,456

Current Liabilities

*Previous Year : 4,415

**Previous Year : 1,51,139

***Current Year: Nil , Previous Year : 8,333



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Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

	For the year ended March 31, 2022	(Rs. in Million) For the year ended March 31, 2021
20 Revenue from Operations		
Sale of Services	1,17,125	76,398
Total	<u>1,17,125</u>	<u>76,398</u>
21 Other Income		
Interest Income	5	3
Profit on sale of current investments (Net)	295	203
Gain on fair valuation of investment	11	2
Miscellaneous Income*	-	34
Total	<u>311</u>	<u>242</u>
*Provision written back during the previous year.		
22 Network Operating Expenses		
Repairs and Maintenance	12,937	10,408
Total	<u>12,937</u>	<u>10,408</u>
23 Employee Benefits Expense		
Salaries and Wages	40	5
Contribution to Provident and Other Funds	6	1
Total	<u>46</u>	<u>6</u>
24 Finance Costs		
Interest Expenses	84,532	65,772
Exchange Loss (attributable to Finance costs)	-	152
Other Borrowing Cost	149	610
Total	<u>84,681</u>	<u>66,534</u>
25 Other Expenses		
Fair Value of Put/Call option (net)	19	2,252
Professional fees	67	105
Payment to Auditors	9	11
General Expenses	38	139
Total	<u>133</u>	<u>2,507</u>



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	As at March 31, 2022	As at March 31, 2021
26 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	(5,504)	(42,011)
(ii) Total number of Units	1,94,94,66,821	1,47,06,00,000
(iii) Weighted Average number of units used as denominator for calculating Basic	1,61,36,04,064	74,13,43,562
(iv) Earning per unit of unit value of Rs 100		
- For Basic (Rs.)	(3.41)	(56.67)
- For Diluted (Rs.)	(3.41)	(56.67)

27 As per Indian Accounting Standard 19 "Employee benefits" the disclosures as defined are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	(Rs. in Million)	
	2021-22	2020-21
Employer's Contribution to Provident Fund*	1	0
Employer's Contribution to Superannuation Fund**	0	0
Employer's Contribution to Pension Fund***	0	0

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

*Previous Year : Rs.1,40,362

**Previous Year : Rs.8,333

***Current Year: Rs. 70,564, Previous Year : Rs.60,000

Defined Benefit Plan

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

The Gratuity Liability is computed on actuarial valuation basis done at year end and the Trust Group's liability so determined as at the end of the financial year on an actuarial basis using the Project Unit Credit Method is provided for in the books of account and is based on a detailed working done by a certified Actuary. Actuarial gain or losses are recognized in full in the profit & loss account of the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.

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

	(Rs. in Million)	
	Gratuity (Unfunded)	
	2021-22	2020-21
Defined Benefit obligation at beginning of the year*	0	0
Add : Transfers	0	0
Current Service Cost**	1	0
Interest Cost***	0	0
Actuarial (gain) / loss****	12	0
Business Transfer (Refer Note 24)	0	0
Defined Benefit obligation at year end*****	13	0

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

*Current Year: Rs. 2,23,871, Previous Year : Rs.1,82,286

**Current Year: Rs. 6,38,993, Previous Year : Rs.44,114

***Current Year: Rs. 15,548, Previous Year : Rs.12,459

****Previous Year : Rs.(14,988)

*****Previous Year : Rs.2,23,871

II) Reconciliation of fair value of assets and obligations

	(Rs. in Million)	
	Gratuity (Unfunded)	
	As at 31st March, 2022	As at 31st March, 2021
Fair value of Plan assets	0	0
Present value of obligation*	13	0
Amount recognised in Balance Sheet*	13	0

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

*Previous Year : Rs.2,23,871

III) Expenses recognised during the year

	(Rs. in Million)	
	Gratuity (Unfunded)	
	2021-22	2020-21
Current Service Cost*	1	0
Interest Cost**	0	0
Expected return on Plan assets	0	0
Actuarial (gain) / loss	0	0
Net Cost***	1	0
In Other Comprehensive Income		
Actuarial (Gain) / Loss****	12	0
Net (Income)/Expense for the period recognised in OCI*****	12	0

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

*Current Year: Rs. 6,38,993, Previous Year : Rs.44,114

**Current Year: Rs. 15,548, Previous Year : Rs.12,459

***Previous Year : Rs.56,573

****Previous Year : Rs.(14,988)



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Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022
Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

IV) Actuarial assumptions

	(Rs. in Million)	
	Gratuity (Unfunded)	
	2021-22	2020-21
Mortality Table	2012-14	2012-14
Discount rate (per annum)	7.09%	6.95%
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

27 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

Particulars	(Rs. in Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Professional Fees		
Axis Trustee Service Limited	2	5
Infinite India Investment Manager Limited	24	24
Jio Infrastructure Management Services Limited	24	24
Units Allocated		
Public Investment Fund	12,211	-
Platinum Compass B 2018 RSC Limited	12,211	-
Jamnagar Utilities & Power Private Limited (JUPPL)	-	35,500
Reliance Projects and Property Management Services Limited	-	64,500
Reliance Industrial Investments and Holdings Limited	7,183	22,060
Distribution to Unitholders		
Public Investment Fund	3,997	1,815
Platinum Compass B 2018 RSC Limited	3,997	1,815
Reliance Industrial Investments and Holdings Limited	2,351	1,068
Reliance Industries Limited		
Repayment of Non Convertible Debentures (Unsecured)	-	2,53,420
Interest on Non Convertible Debentures	19,260	21,853
Issuance of Non Convertible Debentures (Secured)	-	2,53,420
Business Support Services	1	1
Guarantee Commission Fees	-	41
NCD Processing Fees	-	634
Reliance Projects and Property Management Services Limited		
Network Operating Expenses	Not Applicable	869
Capital Expenditure	Not Applicable	9,572
Jamnagar Utilities and Power Private Limited		
Repayment of Loans	Not Applicable	63,200
Loan Taken	Not Applicable	50,000
Interest on Loans	Not Applicable	6,079
Axis Bank Limited		
Loan Taken	-	55,000
Loan repaid	-	57,500
Refinancing Arrangement	-	-
Interest on Borrowings	4,086	4,165
Contribution to Corpus		
Reliance Industrial Investments and Holdings Limited	-	55



Digital Fibre Infrastructure Trust

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Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022
(iii) Closing Balance:

(Rs in Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Professional Fees payable		
Infinite India Investment Manager Limited	3	-
Reliance Industrial Investments and Holdings Limited		
Contribution to Corpus	319	319
Units Allocated	29,243	22,060
Public Investment Fund		
Units Allocated	49,711	37,500
Platinum Compass B 2018 RSC Limited		
Units Allocated	49,711	37,500
Reliance Industries Limited		
Equity Share Capital	2,495	2,495
0.01% Redeemable, Cumulative, Participating and Optionally Convertible Preference Share of Rs.10 each, fully paid up	7,81,397	7,81,397
0.01% 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	1,472	-
Vendor account- Internal Audit fees payable	1	1
Axis Bank Limited		
Axis Bank Limited - Bank Balances	225	28
Borrowings - Secured Term Loans- Axis Bank Limited	55,000	55,000

28 CONTINGENT LIABILITIES AND COMMITMENTS (Rs in Million)
As at March 31, 2022 As at March 31, 2021

(i) Contingent Liabilities
(i) Claims/disputed liabilities against the Trust Group not acknowledged as debts * 261 370
* The disputed liabilities are not likely to have any material effect on financial position of the Trust Group

(ii) Commitments (Rs in Million)
Estimated amount of contracts remaining to be executed on Capital account not provided for. As at March 31, 2022 As at March 31, 2021
1,42,433 15,125

29 Arrears of fixed cumulative dividend on redeemable, cumulative, participating and optionally convertible preference shares classified as 'Other Equity' Rs. 1,17,010 Million as on 31st March, 2022 and Rs 1,16,928 Million as on 31st March, 2021.

30 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, 2022	As at March 31, 2021
Gross Debt	10,66,190	8,66,932
Cash and Marketable Securities*	26,840	1,608
Net debt (A)	10,39,350	8,65,324
Total Equity (B)	7,02,599	6,75,938
Net debt to equity ratio (A/B)	1.48	1.28

*Cash and Marketable Securities includes Cash and Cash Equivalents of Rs.870 Million (Previous year Rs.114 Million) and current Investment Rs.25,967 Million (Previous Year Rs.1,494 Million)

31 FINANCIAL INSTRUMENTS

A. FAIR VALUE MEASUREMENT HIERARCHY:

(Rs in Million)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortized Cost						
Trade Receivables	54	-	-	93	-	-
Cash and Bank Balances	870	-	-	114	-	-
Other Bank Balances	115	-	-	92	-	-
Other Financial Assets	5,454	-	-	8,124	-	-
At FVTPL						
Investments	25,971	25,971	-	1,494	1,494	-
Financial Derivatives	27	-	27	40	-	40
Financial Liabilities						
At Amortized Cost						
Borrowings	10,66,190	-	-	8,66,932	-	-
Trade Payables	0	-	-	8	-	-
Other Financial Liabilities	2,383	-	-	241	-	-
Creditors for Capital Expenditure	379	-	-	30,027	-	-
At FVTPL						
Other Financial Liabilities	2,298	-	2,298	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.



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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) 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, 2022	As At March 31, 2021
Borrowings		
Non-Current - Floating*	4,30,169	6,14,119
Non-Current - Fixed*	6,36,022	2,52,813
Total	10,66,190	8,66,932

*Includes Current year Rs 1,760 million (Rs 1,531 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, 2022		As At March 31, 2020	
	Up Move	Down Move	Up Move	Down Move
Total Impact	(4,302)	4,302	(6,141)	6,141
Impact on Equity	-	-	-	-
Impact on P&L	(4,302)	4,302	(6,141)	6,141

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, 2022				Total
	0 to 1 year	1-3 Years	3-5 Years	Above 5 years	
Trade Payable (Refer Note 16)	0	-	-	-	0
Other Current Financial Liabilities (Refer Note 17)	2,374	-	-	-	2,374
Creditors for Capital Expenditure	379	-	-	-	379
Borrowings* (Refer Note 11, 15 and 17)	16,988	1,37,898	1,44,779	7,68,264	10,67,930
Total	19,740	1,37,898	1,44,779	7,68,264	10,70,683

* Includes Rs.1,760 Million as prepaid finance charges.

Particulars	Maturity Profile as at March 31, 2021				Total
	0 to 1 year	1-3 Years	3-5 Years	Above 5 years	
Trade Payable (Refer Note 16)	8	-	-	-	8
Other Current Financial Liabilities (Refer Note 17)	241	-	-	-	241
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	30,276	77,303	1,26,736	6,64,381	8,98,696

* Includes Rs.1500 Million as prepaid finance charges.



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32 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.

33 PAYMENT TO AUDITORS

	Current Year	(Rs. in Million) Previous Year
i Statutory Audit Fees	7	7
ii Tax Audit Fees	1	1
iii Certification Fees	0	2
iv Expenses Reimbursed	1	1
Total	9	11

34 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, 2022	March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Tax as per Statement of Profit and Loss	(55,465)	(70,691)
Adjusted for:		
Depreciation and Amortisation Expense	59,420	63,127
Profit on sale of current investments	(295)	(205)
Gain on fair valuation of investments	(11)	(2)
Interest Income	(5)	(3)
Finance Costs	1,00,453	73,609
Operating profit before working capital changes	1,04,098	65,835
Trade and Other Receivables	(15,394)	(20,282)
Other Payables	(5,422)	(8,855)
Cash Generated from Operations	83,281	36,698
Tax Paid	(15)	(120)
Net Cash generated from operating activities	83,266	36,578

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

	(Rs. In Million)	
Description	As at March 31, 2022	As at March 31, 2021
Loss after tax as per profit and loss account	(41,512)	(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.	59,420	63,127
Add / less: Loss / gain on sale of infrastructure assets	-	-
Add / less: Finance Cost	1,00,453	73,609
Add/ Less : Gain on sale of Mutual Fund Investment	(306)	(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	(2,07,179)	(1,98,571)
Less: Investments made in accordance with the investment objective, if any	(24,203)	(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;	(13,963)	(17,793)
• any other non-cash item, lease rents recognised on a straight-line basis, etc.	-	-
Add / less: Working capital changes	(20,818)	(29,137)
Add / less: Taxes paid	(15)	(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)	2,46,944	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 to DSRA) under loan agreements.	-	(7,48,820)
Less :Interest paid to third party	(48,119)	(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)	92,215	68,034
Net Distributable Cash Flows (C) = (A+B)	50,704	15,135



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

Description	(Rs. in Million)	
	As at March 31, 2022	As at March 31, 2021
Cash flows received from SPV in the form of interest / accrued interest / additional interest	49,983	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	47,887	1,47,060
Borrowings at the Trust level	81,310	2,52,800
Total cash flow at the Trust level (A)	1,79,180	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 (prorated for half year)	92	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)	34,245	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	1,29,140	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)	1,63,477	4,07,988
Net Distributable Cash Flows (C) = (A-B)	15,703	7,098



Digital Fibre Infrastructure Trust

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Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

(D) **Debt Payment History** (Rs. In Million)

	As at	
	March 31, 2022	March 31, 2021
(i) Term Loan from Banks		
Carrying amount of debt at the beginning of the year	3,64,119	3,14,421
Additional borrowing during the year	1,17,804	3,65,000
Repayments during the year	-	(3,15,000)
Other adjustments	91	(302)
Carrying amount of debt at the end of the year	<u>4,82,014</u>	<u>3,64,119</u>
(ii) Non Convertible Debenture (NCD) and Redeemable Preference Shares		
Carrying amount at the beginning of the year	2,52,814	2,53,433
Additional borrowing during the year	-	2,53,420
Repayments during the year	-	(2,53,420)
Other adjustments	53	(619)
Carrying amount at the end of the year	<u>2,52,866</u>	<u>2,52,814</u>
(iii) Loan from Others		
Carrying amount of debt at the beginning of the year	2,50,000	1,47,630
Additional borrowing during the year	81,310	2,50,000
Repayments during the year	-	(1,47,630)
Carrying amount of debt at the end of the year	<u>3,31,310</u>	<u>2,50,000</u>
(iv) Total ((i) to (iii))		
Carrying amount of debt at the beginning of the year	8,66,932	7,15,484
Additional borrowing during the year	1,99,114	8,66,889
Repayments during the year	-	(7,16,050)
Other adjustments	144	609
Carrying amount of debt at the end of the year	<u>10,66,190</u>	<u>8,66,932</u>

(E) **Statement of Net Assets at Fair Value**

(Rs. In Million)

Particulars	As At		As At	
	March 31, 2022	Fair Value*	March 31, 2021	Fair Value*
A. Assets	20,06,483	20,29,354	18,47,722	18,62,062
B. Liabilities	14,45,087	14,45,087	12,92,682	12,92,682
C. Net Assets (A-B)	<u>5,61,396</u>	<u>5,84,267</u>	<u>5,55,040</u>	<u>5,69,380</u>

* 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**

(Rs. In Million)

Particulars	As At	
	March 31, 2022	March 31, 2021
Total comprehensive (Loss) (As per Statement of Profit and Loss)	(25,809)	(48,149)
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	<u>(25,809)</u>	<u>(48,149)</u>

35 **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.

36 **List of Subsidiary**

Name of the Group	Place of Incorporation	Principal activities	% holding as on March 31, 2022	% holding as on March 31, 2021
Jio Digital Fibre Private Limited	India	Providing Fiber Infrastructure and related operations and maintenance services.	51%	51%

37 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 Fiber Usage Agreement (FUA) with Reliance Jio Infocomm Limited (RJIL) 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.

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

39 **APPROVAL OF FINANCIAL STATEMENTS**



The financial statements were approved for issue by Board of Directors on 30th May, 2022.



Digital Fibre Infrastructure Trust

Notes forming part of Consolidated Ind AS Financial Statements as at March 31, 2022

For and on behalf of the Board of Investment Manager


Rajendra Singhwala
Director
DIN : 00160602 


Dipti Neelakantan
Director
DIN : 00505452

Place: Mumbai
Date: May 30, 2022

