WIP (INDIA) PRIVATE LIMITED

CIN: U67190MH2010PTC202800

Registered Office: Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India | **Tel No.:** +91 22 6600 0700 | **Fax No.:** +91 22 6600 0777 | **Email:** compliance@pipelineinfra.com

November 13, 2020

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

Sub.: Report of Tower Infrastructure Trust for the half year ended September 30, 2020
Ref.: Tower Infrastructure Trust (Scrip Code 543225)

Dear Sir/Madam,

Pursuant to Regulation 23(4) of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, please find attached the report of Tower Infrastructure Trust for the half year ended September 30, 2020.

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully,

For **Tower Infrastructure Trust**

WIP (India) Private Limited
(acting in its capacity as the Investment Manager of Tower Infrastructure Trust)

WIP (India) Private Limited

Inder Mehta
Compliance Officer of Tower Infrastructure Trust

CC: **Axis Trustee Services Limited** ("Trustee of the Trust")
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 025, Maharashtra, India

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Report for Tower Infrastructure Trust
for the half year ended September 30, 2020

We, WIP (India) Private Limited, Investment Manager of Tower Infrastructure Trust ("Trust") hereby submit its report on the InvIT for the half-year ended September 30, 2020.

1. Investment Manager's brief report on the activities of the Trust and summary of un-audited consolidated financial statements for the half year of the Trust

The Trust has been settled on January 31, 2019 as an irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Trust was registered as an Infrastructure Investment Trust under the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations") on March 19, 2019, having registration number IN/InvIT/18-19/0009. The investment objectives of the Trust are to carry on the activities of an Infrastructure Investment Trust as permissible under the SEBI InvIT Regulations, and as stated in the private placement memorandum dated August 31, 2020 includes the following:

a. To raise funds in accordance with applicable law, for the purpose of attaining the investment objectives and purpose of the Trust;
b. To make investments or re-investments in accordance with the indenture of Trust dated January 31, 2019, the Investment Management Agreement dated September 25, 2020, the Project Implementation and Management Agreement dated January 13, 2020, and any other document with respect to the Trust or the units thereof (collectively referred to in the private placement memorandum as InvIT Documents) and applicable law; and
c. To make distributions to the unitholders in the manner set out in the indenture of the Trust dated January 31, 2019.

On August 31, 2020, the Trust acquired 100% of the issued equity shares of Reliance Jio Infratel Private Limited ("RJIPL"), which is engaged in the business of setting up and maintaining passive tower infrastructure and related assets, and providing passive tower infrastructure services ("Tower Infrastructure Business").

Summary of un-audited standalone and consolidate financial information of the Trust for the half year ended September 30, 2020:

(Amount in Rs. Mln)

Particulars	Standalone		
	Six months ended September 30, 2020	Six months ended March 31, 2020	Six months ended September 30, 2019
Total Income	2,017	-	-
Total Expenditure	(73)	(93)	(73)
Profit / (Loss) before tax	1,944	(93)	(73)
Less: Provision for tax			
Current tax	-	-	-
Deferred tax	-	-	-
Profit/(Loss) for the period	1,944	(93)	(73)

(Amount in Rs. Mln)

Particulars	Standalone		
	Six months ended September 30, 2020	Six months ended March 31, 2020	Six months ended September 30, 2019
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	1,944	(93)	(73)

(Amount in Rs. Mln)

Particulars	Consolidated		
	Six months ended September 30, 2020	Six months ended March 31, 2020	Six months ended September 30, 2019
Total Income	17,280	17,129	16,400
Total Expenditure	(26,140)	(27,029)	(27,634)
Profit / (Loss) before tax	(8,860)	(9,900)	(11,234)
Less: Provision for tax			
Current tax	-	-	-
Deferred tax	-	-	-
Profit/(Loss) for the period	(8,860)	(9,900)	(11,234)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	(8,860)	(9,900)	(11,234)

Further, the un-audited standalone and consolidated financial information of the InvIT for the half year ended September 30, 2020 along with the Limited Review Reports of the Auditors, as approved by the Board of Directors of WIP (India) Private Limited (acting in its capacity as Investment Manager to the InvIT) at its meeting held on November 12, 2020, is attached as Annexure I.

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

The Trust has only one asset, comprising Reliance Jio Infrastructure Private Limited ("RJIPL") which holds the Tower Infrastructure Business. The Tower Infrastructure Business was transferred from Reliance Jio Infocomm Limited ("RJIL") to RJIPL by way of a slump sale on a going concern basis under a scheme of arrangement ("Scheme") with effect from March 31, 2019. As at September 30, 2020, the Trust owns 100% of the issued equity share capital of RJIPL.

RJIPL is into the business of setting up and maintaining passive tower infrastructure and related assets and providing passive tower infrastructure services to telecommunication service providers. RJIPL has 1,35,671 operational telecommunication towers as on September 30, 2020 and 38,780 under under-construction and underdevelopment towers.

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

For the half year ended September 30, 2020, RJIPL generated Rs. 17,231 million in revenue from operations and Rs. 49 million in other revenue.

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4. Brief summary of valuation as per full valuation report as at the end of the year and updated valuation report by the valuer taking into account any material developments during the previous half year ended September 30, 2020

The trust issued, allotted and listed its units on September 1, 2020. Hence, there is no requirement to conduct valuation for the half year ended September 30, 2020.

Also, the valuation details as per the valuation report addendum dated August 21, 2020 was disclosed in the Placement Memorandum.

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

No such information has been received for the half year ended September 30, 2020.

6. Details of changes during the half-year ended September 30, 2020 pertaining to

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

On August 31, 2020, the Trust issued 2,521,500,000 Units at an Issue Price of Rs. 100 per Unit, aggregating to Rs. 2,52,150 million, on a private placement basis.

The proceeds were utilised for the following purposes:

a. Acquisition by the Trust of the remaining 49% of the outstanding paid-up equity share capital of the Reliance Jio Infratel Private Limited ("RJIPL"); and,
b. For granting a loan to Reliance Jio Infratel Private Limited ("RJIPL") which was utilised
   i. For part repayment of the Reliance Ventures Limited ("RVL") Loan; and
   ii. Repayment and prepayment, in full or part, of the borrowing (including accrued interest) availed from banks and Reliance Industries Limited ("RIL") including arrangement fees.

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

Not Applicable.

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

(Amount in Rs. Mln)

Transaction	RJIPL Standalone		Trust Standalone	Consolidated
	Trust	Lenders	Lenders	Lenders
Opening borrowings as on 1 April 2020	**-**	**2,38,194**	**1,100**	**2,39,294**
Add: Issuances during the period				
Issuance of Non Convertible Debentures		1,18,360	-	1,18,360
Term loan from Banks	-	54,000	-	54,000
Upfront fees paid	-	(1,246)	-	(1,246)

(Amount in Rs. Mln)

Transaction	RJIPL Standalone		Trust Standalone	Consolidated
	Trust	Lenders	Lenders	Lenders
Less: Repayment during the period				
Repayment of loan	-	(1,19,834)	(1,100)	(1,20,934)
Redemption of Non Convertible Debentures		(1,18,360)	-	(1,18,360)
Closing borrowings as on 30 September 2020	**-**	**1,71,114**	**-**	**1,71,114**

d. Credit rating

Neither the aggregate consolidated borrowings and deferred payments of the InvIT and RJIPL (net of cash and cash equivalents) exceed the thresholds specified in the SEBI InvIT Regulations, nor has the Trust issued any debt securities and accordingly the requirement for credit rating is not applicable.

CRISIL has assigned its 'CRISIL AAA/Stable' rating on the Non-Convertible Debentures (NCDs) of Reliance Jio Infratel Private Limited (RJIPL) while reaffirming its 'CRISIL AAA/Stable' rating on the existing long-term bank facilities.

The rating rationale (RR) can be accessed on the following link: Rating Rationale.

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

(i) Sponsors

a. Reliance Industrial Investments and Holdings Limited

Reliance Industrial Investments and Holdings Limited (“Reliance Sponsor”) is a Sponsor of the Trust. The Reliance Sponsor was incorporated on October 1, 1986 under the Companies Act 1956 as Trishna Investments and Leasings Private Limited. Subsequently, the name was changed to Reliance Industrial Investments and Holdings Limited with effect from August 6, 1993. The Reliance Sponsor’s registered office is situated at Office – 101, Saffron, Near Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat – 380 006.

The Reliance Sponsor is a wholly owned subsidiary of Reliance Industries Limited (“RIL”), the largest private sector company in India in terms of market capitalisation as at September 30, 2020 with presence across energy, material value chain, retail and telecommunication sectors. The equity shares of RIL, both fully paid-up and partly paid-up, are listed on BSE and NSE, with its global depository receipts listed on the Luxembourg Stock Exchange and traded on the International Order Book of the London Stock Exchange and amongst the qualified institutional investors on the over-the-counter market in the United States of America.

Directors of the Reliance Sponsor

The details of Board of Directors of the Reliance Sponsor as on September 30, 2020 are mentioned below:

Sr. No.	Name of Director	Date of appointment
1	Hital Rasiklal Meswani	October 20, 2003
2	Vinod Mansukhlal Ambani	June 30, 2005
3	Mahendra Nath Bajpai	June 30, 2005
4	Savithri Parekh	March 28, 2019
5	Dhiren Vrajlal Dalal	March 31, 2015
6	Balasubramanian Chandrasekaran	March 31, 2015

b. BIF IV Jarvis India Pte Ltd

BIF IV Jarvis India Pte. Ltd. ("Brookfield Sponsor") is a Sponsor of the Trust. The Brookfield Sponsor was incorporated on May 31, 2019 under the laws of Singapore. The Brookfield Sponsor is 100% held by BIP IV India Holdings Pte. Ltd. ("BIF IV India"), a company incorporated in Singapore. The Brookfield Sponsor and BIF IV India are controlled by Brookfield Asset Management Inc ("BAM"). The registered office of the Brookfield Sponsor is situated at Income at Raffles, 16 Collyer Quay, #19-00 Singapore 049 318.

BAM together with its affiliates ("Brookfield") has a history of over 115 years of owning and operating assets with a focus on infrastructure, renewable power, property and other real assets. Brookfield currently controls over USD 9 billion of assets in India, with approximately 1,000 employees. BAM is listed on the New York Stock Exchange and the Toronto Stock Exchange, and has a market capitalisation of approximately USD 52 billion as of September 30, 2020. Further, Brookfield's infrastructure group ("Brookfield Infrastructure") owns and operates one of the largest infrastructure portfolios in the world, with approximately USD 128 billion of assets under management as on June 30, 2020. Brookfield Infrastructure's publicly listed infrastructure vehicles include Brookfield Infrastructure Partners L.P ("BIP"), a publicly traded infrastructure investor and operator, targeting long-life assets with high barriers to entry that provide essential services to the global economy. BIP is listed on the New York Stock Exchange and the Toronto Stock Exchange and has a market capitalisation of approximately USD 23 billion as of September 30, 2020. The Brookfield Sponsor has relied on BAM and BIP for meeting the eligibility criteria under the SEBI InvIT Regulations.

Directors of the Brookfield Sponsor

The details of Board of Directors of the Brookfield Sponsor as on September 30, 2020 are mentioned below:

Sr. No.	Name of Director	Date of appointment
1	Ho Yeh Hwa	31.05.2019
2	Aanandjit Sunderaj	04.06.2019
3	Liew Yee Foong	31.05.2019
4	Walter Zhang Shen	25.10.2019
5	Taswinder Kaur Gill	25.10.2019

(ii) Investment Manager

Infinite India Investment Management Limited ("Infinite India") was the Investment Manager for the Trust during the period under review. The Investment Manager was originally incorporated under the Companies Act, 1956 as Infinite India Investment Management Private Limited on August 2, 2006 at Mumbai. Subsequently, the Investment Manager was converted from a private company to a public company and the name of the Investment Manager was changed from Infinite India Investment Management Private Limited to Infinite India Investment Management Limited. A fresh certificate of incorporation consequent to the conversion of the Investment Manager to a public limited company was issued by the RoC, Maharashtra at Mumbai on August 27, 2014. The Investment Manager's registered office is situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. The CIN of the Investment Manager is U74140MH2006PLC163489.

The Investment Manager is a wholly owned subsidiary of JM Financial Limited and 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 and has also served as an investment advisor to certain off-shore funds for direct co-investments of about Rs. 8,000 million.

Further, JM Financial Limited, the holding company of the Investment Manager is one of India's prominent financial services group specialising in a wide spectrum across investment banking and securities business, fund based activities, alternative asset management and asset management.

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 the RBI.

Further, in accordance with the eligibility criteria specified under the InvIT Regulations, the Investment Manager had a consolidated net worth of not less than ₹ 100 million as on March 31, 2020

Board of Directors of the Investment Manager as on September 30, 2020

The Board of Directors of the Investment Manager is entrusted with the responsibility for the overall management of the Investment Manager. Please see below the details in relation of the board of directors of the Investment Manager:

Sr. No.	Name	DIN
1.	Shailesh Shankarlal Vaidya	00002273
2.	Vishal Nimesh Kampani	00009079
3.	Rajendra Dwarkadas Hingwala	00160602
4.	Dipti Neelakantan	00505452

Change of Investment Manager

There was no change in Investment Manager during half year ended September 30, 2020.

However, the previous investment manager i.e. Infinite India, had tendered its resignation as the Investment Manager of the Trust vide its letter dated September 1, 2020.

Consequent to the above resignation and pursuant to the approval of unitholders' of the Trust at its meeting held on September 23, 2020 and approval of SEBI vide its letter dated October 9, 2020, obtained by the Trustee for change in the investment manager of the Trust in terms of the provisions of SEBI InvIT Regulations and pursuant to the Investment Management Agreement dated September 25, 2020 entered into between WIP (India) Private Limited ("WIP") and the Trustee, WIP has been appointed as the new Investment Manager of the Trust with effect from October 13, 2020.

WIP was incorporated in India on May 6, 2010 under the Companies Act, 1956 with Corporate Identification Number U67190MH2010PTC202800. The Investment Manager's registered office is situated at Unit No. 804, 8th Floor, A Wing One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

WIP is engaged in the business of rendering investment and advisory services. WIP is an affiliate of BAM, and its entire equity share capital is held by BHAL Global Corporate Limited ("BHAL") (with one share held by Brookfield Global Subinvestments Limited in the beneficial interest of BHAL).

Directors of the WIP

The Board of Directors of WIP as on October 13, 2020 and as on the date of this Report, are mentioned below:

Sr. No.	Name of Director	Designation	DIN	Date of Appointment
1.	Mr. Sridhar Rengan	Non-executive Director & Chairperson	03139082	November 21, 2020
2.	Mr. Chetan Desai	Independent Director	03595319	November 21, 2020
3.	Mr. Narendra Aneja	Independent Director	00124302	April 1, 2020
4.	Mr. Rishi Tibriwal	Non-executive Director	00044983	April 1, 2020

(iii) Details of the Trustee

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

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

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

<u>Board of Directors of the Trustee</u>

There has been no change in the Directors of the Trustee during the half year ended September 30, 2020. Details of the Board of Directors of the Trustee as on September 30, 2020 and as on the date of this Report, are mentioned below:

Sr. No.	Name of Director	DIN	Date of appointment
1	Mr. Sanjay Sinha	08253225	October 10, 2018
2	Mr. Rajesh Kumar Dahiya	07508488	July 11, 2018
3	Mr. Ganesh Sankaran	07580955	April 18, 2019

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

Amendment to Trust Deed

The Trust Deed dated January 31, 2019 was executed between the Reliance Sponsor, Settlor of the InvIT, Sponsor and the Trustee, in respect of the establishment of the InvIT ("Trust Deed").

With respect to the half year ended September 30, 2020, the following amendment has been made to the Trust Deed:

A Deed of Accession to the Trust Deed was executed on August 26, 2020 between the Reliance Sponsor, Brookfield Sponsor and the Trustee, pursuant to which the Brookfield Sponsor has been designated as a 'sponsor' of the Trust in addition to the Reliance Sponsor.

As per Clause 2 of the Deed of Accession, the Brookfield Sponsor agrees that it shall:

- Assume and perform all obligations applicable to a sponsor under the SEBI InvIT Regulations and as may be prescribed by SEBI and the stock exchange from time to time;
- Execute such binding document as may be required by the Trustee and the Investment Manager;
- Provide to the Investment Manager such information regarding the assets as may be required to make adequate disclosure in an offer document or placement memorandum; and
- Subscribe to and hold such number of units of the Trust as may be required under the SEBI InvIT Regulations.

During the process of changing the Investment Manager of the Trust from Infinite India to WIP, WIP had entered into a new IMA with Axis Trustee Services Limited on September 25, 2020, which has become effective w.e.f. October 13, 2020, post receipt of SEBI approval for the said change.

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

Not Applicable

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

Not applicable.

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

The CENVAT credit on the telecommunication tower was disputed by the Service Tax authorities. The Bombay High Court in a different matter had held that telecom tower is immovable in nature and accordingly CENVAT credit on tower is not permitted to be claimed. The decision of the Bombay High Court has been challenged in the Supreme Court. In view of the ongoing litigation and also due to the fact that under GST law also the telecom towers have been expressly been excluded from the definition of plant and machinery, the CENVAT credit claimed on telecom towers was reversed under protest and simultaneously a refund claim was filed by RJIL. The amount paid under protest has been transferred to RJIPL under the scheme of demerger. Vide order dated August 30, 2019, the Commissioner of Central Tax, Central Excise and Service Tax (Appeals), Raigarh has rejected the refund claim and an appeal has been filed by RJIL in Mumbai CESTAT against the rejection. In view of the above, the amount of Rs. 2,535 million is presently shown under non-current asset and if the same is decided against RJIL and therefore in effect against RJIPL the same would be capitalized. This is the status as on September 30, 2020.

j. Any other material changes during the year

No material changes have occurred during the half year ended September 30, 2020 except as disclosed elsewhere in this Report.

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

The Trust was formed on January 31, 2019 and was registered as an Infrastructure Investment Trust under SEBI InvIT Regulations on March 19, 2019. It completed its first investment on March 31, 2019.

Accordingly, revenue details for the last 5 years is not applicable for the Trust. Consolidated revenue and other income for trust has been given below:

(Amount in Rs. Mln)

	Half year ended September 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operation	17,231	33,404	-
Other Income *	49	125	5
Total Income	17,280	33,529	5

** Other income includes net gain on sale of short term investments.*

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

Reliance Jio Infratel Pvt. Ltd., (“RJIPL”), Jio Infrastructure Management Services Limited (“Project Manager”), Reliance Digital Platform & Project Services Limited (“Contractor”) and Reliance Jio Infocom Ltd. has entered into Amended and Restated Project Execution Agreement, dated December 16, 2019, for the establishment of passive tower infrastructure and this has been amended from time to time. Pursuant to this arrangement, the work to be performed under this Agreement by the Contractor is for the establishment of Passive Infrastructure including the towers at such site, and also includes the related procurement, erection, installation, establishment, inspection, and testing work.

As on September 30, 2020, RJIPL has 1,35,671 operational telecommunication towers and 38,780 under under-construction and underdevelopment towers.

9. Details of outstanding borrowings and deferred payments of the Trust including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis as at September 30, 2020

Since there are no borrowings outstanding at a standalone level as on September 30, 2020 and as on the date of this Report, key gearing ratios are not applicable for the InvIT.

Further, the details for InvIT on a consolidated basis for the half-year ended September 30, 2020 are as under:

a. The borrowings by way of NCDs of INR 118,360 million were issued by Reliance Jio Infratel Private Limited to Reliance Industries Limited. Debt maturity profile for NCDs is August 31, 2032.
b. Reliance Jio Infratel Private limited has also borrowed term loan from various banks and NBFC of Rs. 54,000 million. Debt maturity profile of borrowing to the extent of Rs. 8,000 million is August 31, 2032 and for Rs. 46,000 million is September 01, 2032.

- Credit Rating for RJIPL's external borrowings: AAA/Stable by CRISIL Limited
- Key Gearing Ratios:
  - Debt Equity Ratio- 0.8 times
  - Debt Service Coverage Ratio: 1.1 times.

10. The total operating expenses of the InvIT along with the detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the half year ended September 30, 2020

Key operating expenses during the half year ended September 30, 2020, are as follows:

Amount in Rs. Mln

Particulars	Amount	Notes
Legal & Professional Fees	16.7	INR 11.8 million relates to Units issuance costs.
Stamp Duty Expenses	12.6	
Investment Manager Fees	11.8	Relates to Units issuance costs.
Project Manager Fees	11.8	
Maintenance Charges	1.2	
Fees - stock exchange and depositories	1.0	
Trustee Fee	0.8	
Payment to Auditors	0.1	
Bank Charges	0.0	
Total	**56.1**	

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

The Trust was formed on January 31, 2019 and was registered as an Infrastructure Investment Trust under SEBI InvIT Regulations on March 19, 2019. It completed its first investment on March 31, 2019.

The Trust had issued 2,521.5 Million Units of Rs. 100 each on August 31, 2020 which were listed on BSE Limited w.e.f. September 1, 2020.

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

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

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

No distribution to unitholders has been declared by the Trust for the half year ended September 30, 2020. The Tower InvIT Committee approved to make a distribution of Rs. 0.5932 per unit as Return on Capital on or before November 2, 2020, payable to the unitholders of the Trust as on the Record Date (October 27, 2020).

12. Unit price quoted on the exchange at the beginning and the end of the half year ended September 30, 2020, the highest and the lowest unit price and the average daily volume traded during the half year ended as on September 30, 2020

The Trust had issued 2,521.5 Million Units of Rs. 100 each on August 31, 2020 which were listed on BSE Limited w.e.f. September 1, 2020.

Since the date of listing, the Units have not been traded and accordingly the aforesaid data is not applicable as on September 30, 2020.

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

Details of all related party transactions entered into by the InvIT during the half year ended September 30, 2020, are as under:

Amount in Rs. Mln

Sr No	Particulars	Relation	Half year ended 30th September, 2020
1	**Professional Fees**		
	Axis Trustee Service Limited	Trustee	1
	Infinite India Investment Manager Limited	Investment Manager	12
	Jio Infrastructure Management Services Limited	Project Manager	12
2	**Interest Income on Loan given**		
	Reliance Jio Infratel Private Limited	Subsidiary (SPV)	2,017

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Amount in Rs. Mln

Sr No	Particulars	Relation	Half year ended 30th September, 2020
3	**Acquisition of shares of Reliance Jio Infratel Private Limited**		
	Reliance Industries Limited	Promotor of Sponsor	1,054
4	**Loans and Advances given**		
	Reliance Jio Infratel Private Limited	Subsidiary (SPV)	2,50,000
5	**Issue of unit capital to Sponsor**		
	BIF IV Jarvis India Pte Ltd, Singapore	Holding Company/ Co-Sponsor	2,26,410
6	**Contribution to Corpus**		
	Reliance Industrial Investments and Holdings Limited	Co-Sponsor	116

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

As on September 30, 2020 and as on the date of this Report, the Trust has only one SPV i.e. RJIPL.

By way of a loan agreement dated August 26, 2020, the Trust had provided an unsecured term loan facility to RJIPL aggregating to Rs. 2,50,000 million.

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

The Trust had issued 2,521.5 Million Units of Rs. 100 each on August 31, 2020 which were listed on BSE Limited w.e.f. September 1, 2020.

There was no buyback of Units by the Trust during the half year ended September 30, 2020 and till the date of this report.

15. Brief details of material and price sensitive information

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

16. Brief details of material litigations and regulatory actions which are pending against the InvIT, sponsor(s), Investment Manager, Project Manager(s) or any of their associates and the Trustee, if any, at the end of the half year ended September 30, 2020

The details are attached as **Annexure II.**

17. Risk factors

The details are attached as **Annexure III**.

18. Information of the contact person of the Trust

Mr. Inder Mehta
Compliance Officer
Address: Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Tel: +91 22 6600 0700; Fax: +91 22 6600 0744
Email: inder.mehta@summitdigitel.com

19. Un-audited Consolidated and Standalone Financial Information for the half year ended September 30, 2020

In terms of SEBI CIR/IMD/DF/127/2016 dated November 29, 2016, unaudited consolidated and standalone financial information of the InvIT for the half year ended September 30, 2020 ("Financial Information") along with the Limited Review Reports thereon issued by the Auditors of the InvIT, duly approved by the Board of Directors of the Investment Manager, shall be submitted to the designated stock exchange within 45 days from the end of the half year i.e. November 14, 2020.

Accordingly, the aforesaid Financial Information along with the Limited Review Reports issued by the Auditors of the InvIT, as approved by the Board of Directors of WIP at its meeting held on November 12, 2020 has been submitted to BSE Limited on November 12, 2020 and is attached as **Annexure I**.

20. Any other material events during the half year ended September 30, 2020

There have been no material events during the half year ended September 30, 2020 except as reported to the Stock Exchange from time to time and as disclosed in this Report.

For **Tower Infrastructure Trust**
WIP (India) Private Limited
(Acting in the capacity as Investment Manager for Tower Infrastructure Trust)

WIP (India) Private Limited

Inder Mehta
Compliance Officer of Tower Infrastructure Trust

Date: November 12, 2020
Place: Mumbai

Annexure I

Tower Infrastructure Trust

Principal place of business: 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021
Website: https://towerinfratrust.com/
SEBI Registration Number: IN/InvIT/18-19/0009

STATEMENT OF UNAUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 30th SEPTEMBER 2020

I. Unaudited Standalone Statement of Profit and Loss for the half year ended 30th September 2020

INR Million

Sr. No	Particulars	Half year ended		
		30th September 2020	31st March 2020	30th September 2019
		Unaudited	Unaudited (Refer note 9)	Unaudited (Refer note 9)
I	**INCOME AND GAINS**			
	Revenue from Operations	2,017	-	-
	Other Income	-	-	-
	Total Income and Gains	**2,017**	**-**	**-**
II	**EXPENSES AND LOSSES**			
	Investment Manager Fee	12	14	10
	Trustee Fee	1	1	1
	Project Manager Fee	12	24	-
	Audit Fees	0	2	13
	Interest on Loan	41	49	49
	Legal and Professional Fees	5	3	-
	Listing fee	1	-	-
	Other Expenses *	1	0	0
	Total Expenses and Losses	**73**	**93**	**73**
III	**Profit/(Loss) before Tax (I-II)**	**1,944**	**(93)**	**(73)**
IV	Tax Expenses	-	-	-
V	**Profit/(Loss) after Tax (III-IV)**	**1,944**	**(93)**	**(73)**
VI	Other Comprehensive Income	-	-	-
VI	**Total Comprehensive Income for the period (V+VI)**	**1,944**	**(93)**	**(73)**

* Other expenses for the half year ended 30th September 2020 includes bank charges.

Deloitte Haskins & Sells LLP CHARTERED ACCOUNTANTS

TOWER INFRASTRUCTURE TRUST

Notes to Unaudited Standalone Financial Information of Tower Infrastructure Trust for the half year ended 30 September 2020:

1. Investors can view the Statement of Unaudited Standalone Financial Information of the Tower Infrastructure Trust on the Trust's website (www.towerinfratrust.com) or on the website of BSE (www.bseindia.com).

2. The Unaudited Standalone Financial Information comprises of the unaudited standalone statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29th November, 2016 ('SEBI Circular') of Tower Infrastructure Trust for the half year ended 30th September, 2020 ("Standalone interim financial information").

3. The Standalone interim financial information for the half year ended 30th September, 2020 has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The above financial information has been reviewed and approved by the Board of Directors of the Investment Manager – WIP (India) Private Limited at their meeting held on 12th November, 2020. The Statutory auditors of the Tower Infrastructure Trust have carried out Limited Review of the Standalone financial information for the half year ended 30th September 2020.

4. Tower Infrastructure Trust (The "Trust"/"InvIT") is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on 31st January, 2019 and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 19th March, 2019 having registration number IN/INvIT/18-19/0009. Sponsors of the Trust are BIF IV Jarvis India Pte. Ltd, a company registered in Singapore and Reliance Industrial Investments and Holdings Limited, a company incorporated in India. The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee"). Investment Manager for the Trust was Infinite India Investment Management Limited (the " erstwhile Investment Manager"). The address of the registered office of the Investment Manager was 7th Floor, Cnergy, Appasaheb Marg, Prabhadevi Mumbai 400025. With effect from 13th October 2020, WIP (India) Private Limited has been appointed as the Investment Manager to the Trust. The address of the registered office of the Investment Manager is Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India.

5. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days, which further was extended upto 30th June 2020, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

   The Trust has invested in Reliance Jio Infratel Private Limited ("RJIPL"), which is engaged in the business of providing tower infrastructure and related operations in India and is in its second year of business operations. RJIPL has executed a long term Master Services Agreement (MSA) with Reliance Jio Infocomm Limited (RJIL) (the largest telecommunication service provider in India) as its customer, which results into committed revenues and cash flows for the RJIPL, 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 RJIPL currently caters to.

   In view of all the above, the Trust does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months.

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

6. On 31st August 2020, the Trust issued 2,521,500,000 units at an Issue Price of INR 100 per unit to the subscribers. BIF IV Jarvis India Pte. Ltd. subscribed 89.79% of the units and is the immediate parent company.

7. Tower Infrastructure Trust (Controlling entity) owns 100% of the equity shares of Reliance Jio Infratel Private Ltd as on 30th September 2020. On 31st August 2020, Tower Infrastructure Trust acquired 49% of the equity shares of Reliance Jio Infratel Private Limited from Reliance Industries Limited.

8. The InvIT has not made any distributions during the half year ended 30th September 2020.

9. The figures for half year ended 31st March, 2020 are the balancing figures derived from the figures for the full financial year, which are subject to audit as reduced by the figures for the half year 30th September 2019. Figures for the half year ended 31st March, 2020 and 30th September, 2019 have not been subjected to limited review by the Statutory Auditors.

10. The previous period's figures have been regrouped, wherever necessary to make them comparable with those of current period.

Dhananjay Joshi

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

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

A. Statement of Net Distributable Cash Flows (NDCFs) of Tower Infrastructure Trust

INR Million

Description	Half year ended		
	30th September, 2020	31st March, 2020	30th September, 2019
	Unaudited	Unaudited	Unaudited
Cash flows received from SPV in the form of interest / accrued interest	-	-	-
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	-	-	-
Total cash flow at the Trust level (A)	**-**	**-**	**-**
Less: issue expenses payable by Trust including as reimbursements towards expenses of Trust met by the Sponsors	(24)	-	-
Less: annual expenses of the Trust including audit fees, project manager fees, investment management fees, stock exchange fees, other statutory fees, depository fees, legal expenses, credit rating fees and valuer fees	(32)	(44)	(23)
Less: income tax (if applicable) at the standalone Trust level and payment of other statutory dues	-	-	-
Less: Repayment of external debt (including interest) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager	(2,51,141)	(49)	(50)
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	-	-	-
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	-	-	-
Less: Amount invested in any of the Portfolio Assets for service of debt or interest	-	-	-
Less: Capital expenditure if any (including acquisition of other infrastructure assets / SPVs)	(1,054)	-	-
Add: Proceeds from fresh issuance of units	2,52,150	-	-
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)	**(101)**	**(93)**	**(73)**
Net Distributable Cash Flows (C) = (A+B)	**(101)**	**(93)**	**(73)**

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Dhananjay Joshi

B. Pursuant to Investment Management Agreement, the Investment Manager is entitled to an Investment Management fee of INR 20 Million per annum exclusive of GST. Investment Manager is also entitled to reimbursement of any cost incurred in relation to activity pertaining to Trust such as administration of Trust, appointment of staff, director, transaction expenses incurred with respect to investing, monitoring and disposing off the investment of the Trust. Infinite India Investment Manager Limited was Investment Manager till 12th October 2020. With effect from 13th October 2020, WIP (India) Private Limited has been appointed as Investment Manager to the Trust.

Pursuant to Project Management Agreement, the Project Manager is entitled to a Project Management fee of INR 20 Million per annum exclusive of GST.

C. Statement of Earnings per unit

Particulars	**Half year ended 30th September, 2020**
	Unaudited
Profit after tax for the period (INR in million)	1,944
Weighted average number of units outstanding for computation of basic and diluted earnings per unit (no. in million)	427
Earnings per unit in INR (Basic and Diluted)	4.55

Trust has issued units on 31st August 2020. Hence, EPS for previous periods is not applicable.

D. Contingent liabilities as at 30th September 2020 is NIL (31st March 2020: NIL, 30th September 2019: NIL)

E. Commitments as at 30th September 2020 is NIL (31st March 2020: NIL, 30th September 2019: NIL)

F. Statement of Related Party Disclosures

I. List of Additional Related Parties as per regulation 2(1) (zv) of SEBI InvIT Regulations

A. Parties to Tower Infrastructure Trust

	Name of Party	Relationship
1	Brookfield Asset Management Inc.	Ultimate Holding Company
2	BIF IV India Invest Holdings Pte Ltd	Intermediate Holding Company
3	BIF IV Jarvis India Pte Ltd.	Immediate Holding Company
4	Reliance Jio Intratel Private Limited	Subsidiary (SPV)

B. List of Additional Related Parties to Tower Infrastructure Trust

	Name of Party	Relationship
1	BIF IV Jarvis India Pte Ltd, Singapore	Holding Company/ Co-Sponsor
2	Axis Trustee Service Limited	Trustee
3	Infinite India Investment Manager Limited	Investment Manager
4	Jio Infrastructure Management Services Limited	Project Manager
5	Reliance Industrial Investments and Holdings Limited	Co-Sponsor
6	Reliance Industries Limited	Promotor of Sponsor

C. Director of the Parties to the Trust Specified I (A) above

i)	Director of Jio Infrastructure Management Services Limited
1	Sudhakar Saraswatula
2	Nikhil Chakrapani Suryanarayana Kavipurapu
3	Hariharan Mahadevan

ii)	Directors of Infinite India Investment Manager Limited
1	Shailesh Shankarlal Vaidya
2	Vishal Nimesh Kampani
3	Rajendra Dwarkadas Hingwala
4	Dipti Neelakantan

iii)	Directors of BIF IV Jarvis India Pte Ltd, Singapore
1	Ho Yeh Hwa
2	Walter Zhang Shen
3	Taswinder Kaur Gill
4	Liew Yee Foong
5	Aanandjit Sunderaj

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

iv)	Director of Reliance Industrial Investments and Holdings Limited
1	Hital Rasiklal Meswani
2	Vinod Mansukhlal Ambani
3	Mahendra Nath Bajpai
4	Savithri Parekh
5	Dhiren Vrajlal Dalal
6	Balasubrmanian Chandrasekaran

v)	Directors of Axis Trustee Service Limited
1	Rajesh Kumar Dahiya
2	Ganesh Sankaran
3	Sanjay Sinha

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

II Transactions with Related Parties during the period

INR Million

Sr No	Particulars	Relation	Half year ended 30th September, 2020	Half year ended 31st March, 2020	Half year ended 30th September, 2019
			Unaudited	Unaudited	Unaudited
1	**Professional Fees**				
	Axis Trustee Service Limited	Trustee	1	1	1
	Infinite India Investment Manager Limited	Investment Manager	12	14	10
	Jio Infrastructure Management Services Limited	Project Manager	12	24	-
2	**Interest Income on Loan given**				
	Reliance Jio Infratel Private Limited	Subsidiary (SPV)	2,017	-	-
3	**Acquisition of shares of Reliance Jio Infratel Private Limited**				
	Reliance Industries Limited	Promotor of Sponsor	1,054	-	-
4	**Loans and Advances given**				
	Reliance Jio Infratel Private Limited	Subsidiary (SPV)	2,50,000	-	-
5	**Issue of units capital to Sponsor**				
	BIF IV Jarvis India Pte Ltd, Singapore	Holding Company/ Co-Sponsor	2,26,410	-	-
6	**Contribution to Corpus**				
	Reliance Industrial Investments and Holdings Limited	Co-Sponsor	116	124	-

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Dhananjay Jain

III Outstanding balance at the period end

INR Million

Sr No	Particulars	Relation	As at		
			30th September, 2020	31st March, 2020	30th September, 2019
			Unaudited	Unaudited	Unaudited
1	Axis Trustee Service Limited	Trustee	1	2	1
2	Infinite India Investment Manager Limited	Investment Manager	12	24	10
3	Jio Infrastructure Management Services Limited	Project Manager	12	-	-
4	Reliance Industrial Investments and Holdings Limited *	Co-Sponsor	240	124	0
5	Reliance Jio Infratel Private Limited (Loan Balance)	Subsidiary (SPV)	2,50,000	-	-
6	Reliance Jio Infratel Private Limited (Interest Receivable)	Subsidiary (SPV)	2,017	-	-

For and on behalf of the Board of Directors of

WIP (India) Private Limited
(acting as Investment Manager of Tower Infrastructure Trust)

TOWER INFRASTRUCTURE TRUST

Date: 12th November 2020

Place: Mumbai

Sridhar Rengan
Chairperson of the Board
DIN: 03139082

Dhananjay Joshi
Member of Tower InvIT Committee

Inder Mehta
Compliance Officer of the Trust

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

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

TO THE BOARD OF DIRECTORS OF

WIP (India) Private Limited - The Investment Manager of Tower Infrastructure Trust ("the Investment Manager")

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial information of Tower Infrastructure Trust (the Trust"), which comprise of the Unaudited Standalone Statement of Profit and Loss, explanatory notes thereto and the additional disclosure as required by paragraph 6 of Annexure A to the SEBI circular No. CIR/IMD/DF/127/2016 dated 29th November, 2016 (the "SEBI circular") for the half year ended 30th September, 2020 (the "Statement"). The Statement is being submitted by the Investment Manager pursuant to the requirement of Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014 as modified from time to time.

2. This Statement, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015 as amended and in accordance with the SEBI circular. Our responsibility is to express a conclusion on the Statement based on our review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   As stated in Note 9 of the Statement, figures for the half year ended 31st March, 2020 and 30th September, 2019 have not been reviewed and is not covered by our review report.

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

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAAFI8390

Chicalim, Goa, November 12, 2020

Tower Infrastructure Trust

Principal place of business: 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021
Website: https://towerinfratrust.com/
(SEBI Registration Number: IN/InvIT/18-19/0009)
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 30th SEPTEMBER 2020

I. Unaudited Consolidated Statement of Profit and Loss for the half year ended 30th September 2020

INR Million

Sr. No	Particulars	Half year ended		
		30th September 2020	31st March 2020	30th September 2019
		Unaudited	Unaudited (Refer note 12)	Audited
I	**INCOME AND GAINS**			
	Revenue from Operations	17,231	17,076	16,328
	Interest Income	-	-	6
	Gain on Investments	49	53	66
	Total Income and Gains	**17,280**	**17,129**	**16,400**
II	**EXPENSES AND LOSSES**			
	Networking Operating Expenses	2,480	1,547	2,968
	Depreciation on Property, Plant and Equipment	9,722	9,089	8,695
	Legal and Professional Fees	25	20	23
	Project Manager Fee	12	24	-
	Investment Manager Fee	12	14	10
	Employee Cost	11	1	-
	Audit Fees	4	4	19
	Trustee Fee	1	1	1
	Listing fee	1	-	-
	General and Administrative expenses *	106	177	31
	Finance Costs	13,766	16,152	15,887
	Total Expenses and Losses	**26,140**	**27,029**	**27,634**
III	**Loss for the period before Taxes (I-II)**	**(8,860)**	**(9,900)**	**(11,234)**
IV	Tax Expenses	-	-	-
V	**Loss for the period after Taxes (III-IV)**	**(8,860)**	**(9,900)**	**(11,234)**
VI	Other Comprehensive Income	-	-	-
VI	**Total Comprehensive Income for the period (V+VI)**	**(8,860)**	**(9,900)**	**(11,234)**
VII	Attributable to Owner of the Trust	(4,711)	(5,107)	(5,778)
VIII	Attributable to Non-Controlling Interest	(4,149)	(4,793)	(5,456)

* Other expenses for the half year ended 30th September 2020 includes bank charges.

Notes to Unaudited Consolidated Financial Information of Tower Infrastructure Trust for the half year ended 30 September 2020:

1. Investors can view the Statement of Unaudited Consolidated Financial Information of the Tower Infrastructure Trust on the Trust's website (www.towerinfratrust.com) or on the website of BSE (www.bseindia.com).

2. The Unaudited Consolidated financial information of Tower Infrastructure Trust ("the Trust") and its subsidiary Reliance Jio Infratel Private Limited (together referred to as the " Group") comprises of unaudited consolidated statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29th November, 2016 ('SEBI Circular') of Tower Infrastructure Trust for the half year ended 30th September, 2020 ("Consolidated interim financial information").

3. The Consolidated interim financial information for the half year ended 30th September, 2020 has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The above financial information has been reviewed and approved by the Board of Directors of the Investment Manager - WIP (India) Private Limited at their meeting held on 12th November, 2020. The Statutory auditors of the Tower Infrastructure Trust have carried out Limited Review of the financial information for the half year ended 30th September 2020.

4. Tower Infrastructure Trust (The “Trust”/”InvIT”) is registered as a contributory irrevocable trust set up under the Indian Trusts Act, 1882 on 31st January, 2019 and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on 19th March, 2019 having registration number IN/INvIT/18-19/0009. Sponsors of the Trust are BIF IV Jarvis India Pte. Ltd, a company registered in Singapore and Reliance Industrial Investments and Holdings Limited, a company incorporated in India. The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee"). Investment Manager for the Trust was Infinite India Investment Management Limited (the "erstwhile Investment Manager"). The address of the registered office of the Investment Manager was 7th Floor, Cnergy, Appasaheb Marg, Prabhadevi Mumbai 400025. With effect from 13th October 2020, WIP (India) Private Limited has been appointed as Investment Manager to the Trust. The address of the registered office of the Investment Manager is Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India.

5. The Group is engaged in setting up, operating and managing of tower infrastructure in India. All activities of the Group revolve around this main business. Accordingly, the Group has this single segment as per the requirements of Ind AS 108 - Operating Segment.

6. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days, which further was extended upto 30th June 2020, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

   The Trust has invested in Reliance Jio Infratel Private Limited (“RJIPL”), which is engaged in the business of providing tower infrastructure and related operations in India and is in its second year of business operations. The Group has executed a long term Master Services Agreement (MSA) with Reliance Jio Infocomm Limited (RJIL) (the largest telecommunication service provider in India) as its customer, which results into committed revenues and cash flows for the Group, on a long-term basis. Moreover, the COVID-19 pandemic has not had a material adverse impact on

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

the operations of the telecommunication industry to which the Group currently caters to. Also, the Group has completed substantial portion of its planned capital expenditure and for the balance as well as for the operations and maintenance of the tower sites, the Group has in place long-term arrangements with reputed and experienced contractors/service providers. Further, part of its sanctioned borrowings is available to the Group for utilization on need basis to meet its liquidity requirements.

In view of all of the above, the Group does not expect any significant challenges, including emanating out of COVID-19, particularly in the next 12 months.

7. On 31st August 2020, the Trust issued 2,521,500,000 units at an Issue Price of INR 100 per unit to the subscribers. BIF IV Jarvis India Pte. Ltd. subscribed 89.79% of the units and is the immediate parent company.

8. Tower Infrastructure Trust (Controlling entity) owns 100% of the equity shares of Reliance Jio Infratel Private Ltd as on 30th September 2020. On 31st August 2020, Tower Infrastructure Trust acquired 49% of the equity shares of Reliance Jio Infratel Private Limited from Reliance Industries Limited.

9. Network Operating Expenses comprises of the following expenses:
   a. Power & Fuel - NIL (net of recovery INR 15,972 Million)
   b. Rent – NIL (net of recovery INR 6,510 Million)
   c. Repairs and maintenance – INR 2,480 Million

10. The Group has recorded in net current liability of INR 8,505 Million towards working capital adjustment payable to Reliance Jio Infocomm Limited ("RJIL") under the Amended and Restated Master Service Agreement ("MSA") with a corresponding impact to 'Other equity – Retained earnings' as this relates to the acquisition transaction (Refer note 7 and 8 above).

11. The InvIT has not made any distributions during the half year ended 30th September 2020.

12. The figures for half year ended 31st March, 2020 are the balancing figures derived from figures for the full financial year which were subjected to audit as reduced by the figures for the half year 30th September, 2019. Figures for the half year ended 31st March, 2020 have not been subjected to limited review by the Statutory Auditors.

13. The previous period's figures have been regrouped, wherever necessary to make them comparable with those of current period.

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

TOWER INFRASTRUCTURE TRUST

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

A. Statement of Net Distributable Cash Flows (NDCFs) of Reliance Jio Infratel Private Limited

INR Million

Description	Half year ended		
	30th September, 2020	31st March, 2020	30th September, 2019
	Unaudited	Unaudited	Audited
Loss after tax as per profit and loss account (standalone) (A)	**(10,803)**	**(9,807)**	**(11,161)**
Add: Depreciation and amortisation as per profit and loss account. In case of impairment reversal, same needs to be deducted from profit and loss.	9,722	9,089	8,695
Add: Interest on loan to the SPV from the Trust as per the profit and loss account	2,017	-	-
Add / less: Loss / gain on sale of infrastructure assets	-	-	-
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	-	-	-
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 / (loss) recognised in profit and loss account	-	-	-
Less: Capital expenditure, if any	(1,03,085)	(38,543)	(46,096)
Less: Investments made in accordance with the investment objective, if any	-	-	-
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	-	-	-
• provisions;	-	-	-
• deferred taxes;	-	-	-
• any other non-cash item, lease rents recognised on a straight-line basis, etc.	-	-	-
Add / less: Working capital changes	(9,930)	5,397	6,530
Add / less: Provisions made in earlier period and expensed in the current period		-	-
Less: Any cash paid to the lease owners not accounted for in the working capital changes	-	-	-
Add: Additional borrowings (including debentures / other securities) (external as well as borrowings from Trust)	4,22,360	44,202	80,050
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.	(3,04,350)	(9,930)	(37,983)
Less: Cash reserved to make due payments to secured lenders and any other transferrable	-	-	-
Add / less: Proceeds from any fresh issuance of preference shares / redemption of any preference shares	-	-	-
Add: Proceeds from any fresh issuance of equity shares	-	-	-
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)	**16,734**	**10,216**	**11,196**
Net Distributable Cash Flows (C) = (A+B)	**5,931**	**409**	**35**

Dhananjay Jain

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

B. Statement of Net Distributable Cash Flows (NDCFs) at the consolidated Trust level:

INR Million

Description	Half year ended		
	30th September, 2020	31st March, 2020	30th September, 2019
	Unaudited	Unaudited	Unaudited
Cash flows received from SPV in the form of interest / accrued interest	-	-	-
Cash flows received from SPV in the form of dividend / buy-back of equity shares / capital	-	-	-
Any other income accruing at the Trust level and not captured above, including but not	-	-	-
Add: Cash flows/ Proceeds from the SPV towards the repayment of the debt issued to the	-	-	-
Total cash flow at the Trust level (A)	**-**	**-**	**-**
Less: issue expenses payable by Trust including as reimbursements towards expenses of Trust met by the Sponsors	(24)	-	-
Less: annual expenses of the Trust including audit fees, project manager fees, investment management fees, stock exchange fees, other statutory fees, depository fees, legal expenses, credit rating fees and valuer fees	(32)	(44)	(23)
Less: income tax (if applicable) at the standalone Trust level and payment of other statutory dues	-	-	-
Less: Repayment of external debt (including interest) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager	(2,51,141)	(49)	(50)
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 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	-	-	-
Less: Capital expenditure if any (including acquisition of other infrastructure assets / SPVs)	(1,054)	-	-
Add: Proceeds from fresh issuance of units	2,52,150	-	-
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)	**(101)**	**(93)**	**(73)**
Net Distributable Cash Flows (C) = (A+B)	**(101)**	**(93)**	**(73)**

B. Pursuant to Investment Management Agreement, the Investment Manager is entitled to an Investment Management fee of INR 20 Million per annum exclusive of GST. Investment Manager is also entitled to reimbursement of any cost incurred in relation to activity pertaining to Trust such as administration of Trust, appointment of staff, director, transaction expenses incurred with respect to investing, monitoring and disposing off investment of the Trust.

Infinite India Investment Manager Limited was Investment Manager till 12th October 2020. With effect from 13th October 2020, WIP (India) Private Limited has been appointed as Investment Manager to the Trust.

Pursuant to Project Management Agreement, the Project Manager is entitled to a Project Management fee of INR 20 Million per annum exclusive of GST.

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

C. **Statement of Earnings per unit**

INR Million

Particulars	**Half year ended 30th September, 2020**
	Unaudited
Loss for the period (INR Million)	(4,700)
Weighted average number of units outstanding for computation of basic and diluted earnings per unit (no. Million)	427
Earnings per unit in INR (Basic and Diluted)	(11.00)

Trust has issued units on 31st August 2020. Hence, EPS for previous periods is not applicable.

D. **Contingent liabilities and Commitments**

INR Million

Particulars	**As at September 30, 2020**	**As at March 31, 2020**	**As at September 30, 2019**
	Unaudited	**Audited**	**Audited**
Contingent liabilities	Nil	Nil	Nil
Estimated amount of contracts remaining to be executed on other commitment not provided for	5,567	11,475	36,322

E. **Statement of Related Party Disclosures**

I. **List of Additional Related Parties as per regulation 2(1) (zv) of SEBI InvIT Regulations**

A. **Parties to Tower Infrastructure Trust**

	Name of Party	**Relationship**
1	Brookfield Asset Management Inc.	Ultimate Holding Company
2	BIF IV India Invest Holdings Pte Ltd	Intermediate Holding Company
3	BIF IV Jarvis India Pte Ltd.	Immediate Holding Company
4	Reliance Jio Intratel Private Limited	Subsidiary (SPV)

B. **List of Additional Related Parties to Tower Infrastructure Trust**

	Name of Party	**Relationship**
1	BIF IV Jarvis India Pte Ltd, Singapore	Holding Company/ Co-Sponsor
2	Axis Trustee Service Limited	Trustee
3	Infinite India Investment Manager Limited	Investment Manager
4	Jio Infrastructure Management Services Limited	Project Manager
5	Reliance Industrial Investments and Holdings Limited	Co-Sponsor
6	Reliance Industries Limited	Promotor of Sponsor

Dhananjay Joshi

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

C. Director of the Parties to the Trust Specified I (A) above

i)	Director of Jio Infrastructure Management Services Limited
1	Sudhakar Saraswatula
2	Nikhil Chakrapani Suryanarayana Kavipurapu
3	Hariharan Mahadevan

ii)	Directors of Infinite India Investment Manager Limited
1	Shailesh Shankarlal Vaidya
2	Vishal Nimesh Kampani
3	Rajendra Dwarkadas Hingwala
4	Dipti Neelakantan

iii)	Directors of BIF IV Jarvis India Pte Ltd, Singapore
1	Ho Yeh Hwa
2	Walter Zhang Shen
3	Taswinder Kaur Gill
4	Liew Yee Foong
5	Aanandjit Sunderaj

iv)	Director of Reliance Industrial Investments and Holdings Limited
1	Hital Rasiklal Meswani
2	Vinod Mansukhlal Ambani
3	Mahendra Nath Bajpai
4	Savithri Parekh
5	Dhiren Vrajlal Dalal
6	Balasubrmanian Chandrasekaran

v)	Directors of Axis Trustee Service Limited
1	Rajesh Kumar Dahiya
2	Ganesh Sankaran
3	Sanjay Sinha

Tower Infrastructure Trust

Chartered Accountants Deloitte Haskins & Sells LLP

F. Statement of Related Party Disclosures

II Transactions with Related Parties during the period

INR Million

Sr. No	Particulars	Relation	Half year ended 30th September 2020	31st March 2020	30th September 2019
			Unaudited	Unaudited	Audited
1	**Professional Fees**				
	Axis Trustee Service Limited	Trustee	1	1	1
	Infinite India Investment Manager Limited	Investment Manager	12	14	10
	Jio Infrastructure Management Services Limited	Project Manager	12	24	-
2	**Acquisition of shares of Reliance Jio Infratel Private Limited**				
	Reliance Industries Limited	Promotor of Sponsor	1,054	-	-
3	**Issue of units capital to Sponsor**				
	BIF IV Jarvis India Pte Ltd, Singapore	Co-Sponsor	2,26,410	-	-
4	**Contribution to Corpus**				
	Reliance Industrial Investments and Holdings Limited	Co-Sponsor	116	124	-
5	**Reliance Industries Ltd**	Promotor of Sponsor			
	Loan Taken		-	-	5,400
	Loans Repaid		(5,050)	-	(350)
	Interest on Non-Convertible Debenture		5,229	-	1,145
	Interest on Inter-corporate Deposits		195	-	403
	Other Borrowing Cost		91	-	125
	Repayment of Non-Convertible Debentures		(1,18,360)	-	(29,650)
	Issuance of Non-Convertible Debentures		1,18,360	-	-
	Trade Payables -Commission on Corporate Guarantee		58	-	-

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

III Outstanding balance at the period end

INR Million

Sr. No	Particulars	Relation	As at 30th September 2020	As at 31st March 2020	As at 30th September 2019
			Unaudited	Audited	Audited
1	Axis Trustee Service Limited	Trustee	1	2	1
2	Infinite India Investment Manager Limited	Investment Manager	12	24	10
3	Jio Infrastructure Management Services Limited	Project Manager	12	-	-
4	Reliance Industrial Investments and Holdings Limited*	Co-Sponsor	240	124	0
5	Reliance Industries Ltd	Promotor of Sponsor			
	Equity Shares Subscribed		-	1,056	1,056
	10 % Cumulative Optionally Convertible Preference Shares		500	500	500
	Borrowing - Non-convertible Debentures		1,18,360	1,18,360	1,18,360
	Borrowing - Term Loan (Current)		-	5,050	5,050
	Borrowing - Non-convertible Debentures (unsecured)		-	5,050	-
	Borrowing - Term Loan (Current)		-	9,587	-

* Half year ended 30th September 2019, includes contribution of INR 10,000.

For and on behalf of the Board of Directors of

WIP (India) Private Limited
(acting as Investment Manager of Tower Infrastructure Trust)

TOWER INFRASTRUCTURE TRUST

Date: 12th November 2020

Place: Mumbai

Sridhar Rengan
Chairperson of the Board
DIN: 03139082

Dhananjay Joshi
Member of Tower InvIT Committee

Inder Mehta
Compliance Officer of the Trust

TOWER INFRASTRUCTURE TRUST

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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Maharashtra, India

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

TO THE BOARD OF DIRECTORS OF

WIP (India) Private Limited - The Investment Manager of Tower Infrastructure Trust ("the Investment Manager")

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial information of Tower Infrastructure Trust (the Trust") and its subsidiary (Reliance Jio Infratel Private Limited) (together referred to as the "Group"), which comprise of the Unaudited Consolidated Statement of Profit and Loss, explanatory notes thereto and the additional disclosure as required by paragraph 6 of Annexure A to the SET circular No. CIR/IMD/DF/127/2016 dated 29th November, 2016 (the "SEBI circular") for the half year ended 30th September, 2020 (the "Statement"). The Statement is being submitted by Investment Manager pursuant to the requirement of Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations 2014 as modified from time to time.

2. This Statement, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015 as amended and in accordance with the SEBI circular. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   As stated in Note 12 of the Statement, figures for the half year ended 31st March, 2020 have not been reviewed and is not covered by our review report.

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

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

Varsha

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 20103999AAAAFJ5161

Chicalim, Goa, November 12, 2020

Annexure II

LEGAL AND OTHER INFORMATION

Except as stated in this section, there are no material litigation or actions by regulatory authorities, in each case against the Trust, the Reliance Sponsor, the Brookfield Sponsor, the Investment Manager, the Project Manager, or any of their Associates and the Trustee, that are currently pending.

With respect to the Reliance Sponsor and its Associates, there are no litigations that are considered material in relation to the structure and activities of the Trust.

The disclosures with respect to material litigations relating to the Brookfield Sponsor and its Associates have been made on the basis of the public disclosures made by BAM and BIP, the entities under which all other entities, which control, directly or indirectly, the Brookfield Sponsor, get consolidated for financial and regulatory reporting purposes. BAM and BIP are currently listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSE**"). In accordance with applicable securities law and stock exchange rules, BAM and BIP are required to disclose material litigations through applicable securities filings. The threshold for identifying material litigations in such disclosures is based on periodically reviewed thresholds applied by the independent auditors of BAM and BIP in expressing their opinion on the financial statements and is generally linked to various financial metrics of BAM and BIP, including total equity. Further, all pending regulatory proceedings where all entities, which control, directly or indirectly, the Brookfield Sponsor, are named defendants have been considered for disclosures in this Report. Further, there is no outstanding litigation and regulatory action against any of the entities controlled, directly or indirectly, by the Brookfield Sponsor, as on the date of this Report.

In respect of the Investment Manager, all outstanding cases which involve an amount equivalent to or exceeding ₹ 7.2 million (being 5.0% of the net worth of the Investment Manager for Fiscal 2019) have been considered material. All cases where the amount is not ascertainable, but considered material, have also been disclosed.

In respect of the Associates of the Investment Manager, all outstanding cases which involve an amount equivalent to or exceeding ₹ 1,789.32 million (being 5.0% of the consolidated total income of JM Financial Limited for Fiscal 2019) have been considered material. All cases where the amount is not ascertainable, but considered material, have also been disclosed.

With respect to the Project Manager and its Associates, there are no litigations that are considered material in relation to the structure and activities of the Trust.

All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding Rs. 0.91 Crore (being 5.00% of the profit after tax as on March 31, 2020 based on the audited standalone financial statements of the Trustee for the financial year ended March 31, 2020), have been considered material and have been disclosed in this section.

(i) **Litigation involving the Trust**

There are no material litigations and regulatory actions pending against the Trust as on the date of this Report.

(ii) **Litigation involving the Tower Co.**

The CENVAT credit on the telecommunication tower was disputed by the Service Tax authorities. The Bombay High Court in a different matter had held that telecom tower is immovable in nature and accordingly CENVAT credit on tower is not permitted to be claimed. The decision of the Bombay High Court has been challenged in the Supreme Court. In view of the ongoing litigation and also due to the fact that under GST law also the telecom towers have been expressly been excluded from the definition of

plant and machinery, the CENVAT credit claimed on telecom towers was reversed under protest and simultaneously a refund claim was filed by RJIL. The amount paid under protest has been transferred to RJIPL under the scheme of demerger. Vide order dated August 30, 2019, the Commissioner of Central Tax, Central Excise and Service Tax (Appeals), Raigarh has rejected the refund claim and an appeal has been filed by RJIL in Mumbai CESTAT against the rejection. In view of the above, the amount of ₹ 2,535 million is presently shown under non-current asset and if the same is decided against RJIL and therefore in effect against RJIPL the same would be capitalized.

(iii) **Litigation involving the Brookfield Sponsor**

There are no material litigations and regulatory actions pending against the Brookfield Sponsor as on the date of this Report.

(iv) **Litigation involving the Investment Manager**

There are no material litigations and regulatory actions pending against the Investment Manager as on the date of this Report.

Material litigation and regulatory actions pending against the Associates of the Investment Manager

JM Financial Limited (an Associate of the Investment Manager)

(a) JMFL filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT (A)**") in relation to a demand notice received by it on December 6, 2010 for a sum of ₹ 3,157.41 million for the assessment year 2008-2009. CIT(A) through its order dated July 29, 2011 ("**Order 1**") held that an amount of `17,713.36 million was to be treated as profit of business which was taxable. The Order 1 held JMFL liable for erroneously claiming excessive losses which amounted to concealment of its income. JMFL thereafter filed an appeal with the Income Tax Appellate Tribunal ("**ITAT**"), which partly allowed the appeal for statistical purposes and remanded certain matters to the file of the assessing officer. The Deputy Commissioner of Income Tax, through its order dated March 14, 2014 determined the total income for the assessment year to be ₹ 17,751.63 and ordered that penalty proceedings be initiated against JMFL. An appeal against the order dated March 14, 2014 was filed by JMFL before the CIT (A). On April 30, 2015, the CIT (A) held that the consideration of ₹ 17,713.36 million received by JMFL on the sale of equity shares of JM Morgan Stanley Securities Private Limited was to be charged to tax as long-term capital gains and allowed deduction for the indexed cost of acquisition. The CIT (A) however did not allow the claim for set-off of the long-term and short-term capital loss incurred by JMFL. Through a rectification order dated May 25, 2015 ("**Order 2**"), the CIT(A) partly allowed the appeals. JMFL however filed an appeal before the ITAT against the Order 2. Simultaneously, the Income Tax Department filed an appeal before the ITAT against the Order 2 allowing the gain on sale of equity shares of JM Morgan Stanley Securities Private Limited to be charged to tax as long-term capital gains. The matter is currently outstanding.

JM Financial Commtrade Limited (an Associate of the Investment Manager)

(a) SEBI has issued show cause notices under the applicable SEBI regulations to JM Financial Commtrade Limited in the matter of National Spot Exchange Limited. JM Financial Commtrade Limited has duly responded to the show cause notice(s). The lawyers/counsel retained by JM Financial Commtrade along with the Company's representatives appeared before the Whole Time Member of the SEBI on December 17, 2019. The Company has also been required to furnish further submissions to SEBI by January 12, 2020 which the Company has already submitted.

(v) **Litigation involving the Trustee**

There are no material litigations and regulatory actions pending against the Trustee as on the date of this Report.

Annexure III

RISK FACTORS

An investment in the Units involves risks. Prospective investors should carefully consider all the information in the Preliminary Placement Memorandum and this Placement Memorandum, including the risks and uncertainties described below, before making an investment in the Units. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections entitled "Business", "Audited Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 133, 226 and 165, respectively, as well as all other information contained in the Preliminary Placement Memorandum and this Placement Memorandum. If any of the risks described below occurs, our business, cash flows, financial condition and prospects could be materially and adversely affected, the trading price of the Units could decrease and investors could lose all or part of their original investment. The risks and uncertainties described in this section may not be the only risks and uncertainties the Trust currently faces. Additional risks and uncertainties not presently known to the Trustee or the investment manager of the Trust, or that the Trustee, the Sponsors or the investment manager of the Trust currently deem immaterial, may arise or may adversely affect our business, prospects, financial condition, cash flows, results of operations and the price of the Units. Unless otherwise stated in the relevant risk factors set forth below, the Trustee, the Sponsors and the investment manager of the Trust are not in a position to specify or quantify the financial or other risks mentioned herein.

This Placement Memorandum also contains forward-looking statements (including the financial projections (the "**Projections**") that involve risks, uncertainties and assumptions. The actual results of the Trust and the Tower Co. could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Preliminary Placement Memorandum and the Placement Memorandum.

In making an investment decision, prospective investors must rely upon their own examinations and the terms of the Issue, including the merits and the risks involved. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections entitled "Business", "Audited Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 133, 226 and 165, respectively, as well as all other information contained in the Preliminary Placement Memorandum and the Placement Memorandum. Investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Trust and the Tower Co. on a consolidated basis.

CIN: U67190MH2010PTC202800

Registered Office: Unit No. 804, 8th Floor, A Wing, One BKC, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India | **Tel No.:** +91 22 6600 0700 | **Fax No.:** +91 22 6600 0777 | **Email:** compliance@pipelineinfra.com

Risks Related to the Tower Co.'s Business and Industry

1. ***RJIL currently contributes all of the Tower 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 the Tower Co.. Further, any delay in payments from RJIL would materially and adversely affect the Tower Co.'s cash flows and distributions to our Unitholders***

   RJIL currently contributes to all of the Tower Co.'s revenues and it may continue to depend substantially on RJIL for its revenues and cash flows.
   Accordingly, its results of operations and performance heavily depends on factors affecting the growth of the business of RJIL and its ability to implement its business plans. RJIL's business is sensitive to factors such as the general growth of the Indian economy, the intensity of competition in the telecommunication industry, the telecommunications technology landscape, digital consumer behaviors regarding the adoption of digital services and the governmental policies or regulatory framework or any changes to such policies or framework for digital communications in India. RJIL's business is also affected by factors which have a significant impact on telecommunications companies, such as the usage of fiberized towers and fiber backhaul, the length and frequencies of network downtime, the availability of licenses and spectrum in relevant service areas and the appropriate selection of tower sites. Changes in RJIL's business requirements or focus, any adverse industry conditions and/or regulatory requirements that cause RJIL to re-consider its vendor selection, project prioritization, financial prospects, capital resources and expenditures as contemplated in their business plan or any deterioration in the creditworthiness of RJIL or its inability or unwillingness to meet its obligations under the Master Services Agreement, could significantly lead to delays or cancellations of its planned commitment to use the Tower Sites under the Master Services Agreement, which would increase the risk of fluctuations in the Tower Co.'s revenues and operating results. For details on the terms of the Master Services Agreement, please see the section titled "*Summary of the Tower Agreements – Master Services Agreement*" in this Placement Memorandum. Any such delay or cancellation of commitments by RJIL may affect the Tower Co.'s ability to continue to operate and maintain its tower assets, fund its working capital, service its debt obligations and make distributions to Unitholders.

   We expect that RJIL will continue to contribute materially to the Tower Co's revenue for the foreseeable future. Since the Tower Co. currently depends on RJIL for all of its revenues, the loss of, or a significant delay or reduction in payments by RJIL would have a material and adverse effect on its cash flows and distributions to our Unitholders.

2. Competition in the telecommunications tower industry may create pricing pressures that materially and adversely affect us

Competition in the telecommunications tower industry is substantial, and our potential customers / telecommunications service providers ("**TSPs**") have numerous alternatives for obtaining similar Passive Infrastructure Services, including:

- telecommunications operators that own (individually or together with other operators) site portfolios and offer space for installation of telecommunication equipment and antennas to third parties;

- independent tower companies that operate large site portfolios and offer space for installation of telecommunication equipment and antennas to third parties and a significant number of independent tower companies that operate smaller site portfolios; and

- in certain circumstances, owners of alternative site structures such as outdoor and indoor distributed antenna system networks, billboards and electric transmission towers, which may offer their infrastructure to be utilized for installation of the telecommunications equipment and antennas.

We believe competition in the tower infrastructure industry in India is based principally on size of site portfolio and pricing, tower location, relationships with telecommunications operators, tower quality and height, operational management and additional services to customers. Some of our competitors may have greater financial resources and have better relationship with other telecommunications operators than we do. In addition, some of our competitors may have a different return on investment criteria than we do and therefore may be able to offer services at a lower than market rate.

Competitive pressures could materially and adversely affect our monthly services income and availability of the sites for installation of towers and could result in potential customers availing services from our competitors and not from the Tower Co. We also face, and expect to continue to face, competition in identifying and successfully acquiring tower assets, particularly for high quality tower assets and large site portfolios, which could also make our tower acquisitions more costly. Any of the foregoing factors could materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

3. We may not be able to successfully expand our tower portfolio by acquisition. Our growth strategies depend on various factors, some of which are outside our control

We intend to expand our portfolio of telecommunications tower assets by acquiring additional telecommunications tower portfolios with secured and long-term service agreements with TSPs.

Our ability to execute the acquisition growth strategy will depend on a number of factors. We must identify suitable and available acquisition candidates at an acceptable cost, reach agreement with acquisition candidates and their shareholders on commercially reasonable terms and also secure financing to complete larger acquisitions or investments. We are continuously examining the merits, risks and feasibility of potential transactions and searching for acquisition opportunities. Such search and examination efforts, and any related discussions with third parties, may or may not lead to future acquisitions. If we are unable to complete any of these steps required in acquiring suitable telecommunications tower portfolios due to various reasons, including our inability to identify opportunities for acquisitions, it could negatively affect our revenue growth.

Our acquisition strategy will also place significant demands on the time and attention of our management. In addition to integrating, training and managing our expanding workforce, we will need to continue to develop and improve our financial and management controls, information systems and reporting procedures, including those of any acquired businesses. Additional risks associated with acquisitions include, but are not limited to, the following:

- it may be difficult to integrate the operations of an acquired business into our organization and we may have to incur expenditure to ensure integration of our technology into such acquired businesses;

- management, information, and accounting systems of an acquired business may be different from, and incompatible with, our current systems and may need to be successfully integrated;

- our failure to manage regulatory non-compliance following the acquisition of a business may result in the removal or cessation of the towers in the site portfolio of the acquired business; and

- we could lose some of the key employees of an acquired business.

Further, opportunities would be evaluated to construct new telecommunications towers to meet the requirements of RJIL and other TSPs, as well as acquiring new telecommunications towers constructed by RJIL for its captive use under the Master Services Agreement with RJIL. We cannot guarantee that the Tower Co. would be able to meet such requirements of RJIL in a timely manner or at all.

4. Failure to comply with, safety, health and environmental laws and regulations in India applicable to our business or adverse changes in such applicable laws and regulations, may materially and adversely affect our business

The Tower Co.'s business is subject to environmental, social, health and safety regulations and standards and various labor, workplace and related laws and regulations in India, including obtaining the authorization for handling, use, storage, generation, collection, disposal, treatment, transfer, emission and remediation of, and exposure to, hazardous and other wastes, monitoring of the electromagnetic field radiation from telecommunication equipment installed on tower sites, as regulated by the Department of Telecommunications, the Government of India ("**DoT**") and procurement of consent to establish and operate the diesel generator sets installed at tower sites for energizing tower sites, from relevant State Pollution Control Boards and Pollution Control Committees. Any adverse changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards which would adversely impact our operations. If we or contractors appointed by us fail to meet safety, health, social and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil and criminal proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us and may also result in removal, seizure or demolishment of tower sites. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

We might become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could materially and adversely affect business, prospects, results of operations, cash flows and financial condition.

5. ***The Tower Co. may be unable to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate the Tower Sites and any changes in current or future regulations could restrict our ability to operate our business as we currently do***

The Central law governing telecommunications in India is the Indian Telegraph Act, 1885 (including the rules, regulations, orders, and directions issued thereunder). The DoT issued guidelines to the State Governments effective from August 1, 2013, which were advisory in nature and dealt with the installation of mobile towers ("**2013 Guidelines**"). These guidelines aimed to streamline the process and documents required to be submitted by Infrastructure Provider ("**IP-1**") companies and to enable a single window clearance for grant of permit for installation of towers. Subsequently, the Central Government notified the Indian Telegraph Right of Way Rules, 2016 ("**ROW Rules**") dated November 15, 2016, under the Indian Telegraph Act, 1885 which regulate the procedure for the establishment and maintenance of underground and over ground telegraph infrastructure by any licensee (including Infrastructure Providers which establish towers). Under the ROW Rules, an application is made to the appropriate authority for establishing over ground telegraph infrastructure on immoveable property vested, in or under the control or management of such appropriate authority, along with the underlying documents, approvals and certificates specified under the ROW Rules and by the appropriate authority. Further, permits and approvals for the tower sites are also governed by the State specific policies and local laws, including any municipal laws or building laws, formulated by such States. The Indian Telegraph Act, 1885, 2013 Guidelines, ROW Rules, State specific tower policies and municipal laws are collectively referred to as "**Tower Legislations**".

The Tower Co. is required to obtain and maintain certain no objection certificates, permits, approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes, including Tower Legislations, regulated by various regulatory and governmental authorities for constructing and operating the Tower Sites, constructed on leasehold land (private or government) or freehold property. If the Tower Co. and/or its third-party contractor(s) fail to obtain, renew or maintain them, or fails to submit the underlying approvals or certificates required to be submitted along with the application for grant of tower approvals, or install the towers at specified locations, where such installation is restricted or prohibited, or if there is any delay in obtaining or renewing the tower permits, then such non-compliance may lead to removal, seizure or demolishment of tower sites and our business, financial condition and results of operations could be materially and adversely affected.

Further, few of the State policies governing installation and erection of tower sites in respective States are not consistent with the requirements and provisions of 2013 Guidelines and ROW Rules, issued by the Central Government. Certain provisions of State specific laws, rules and regulations governing installation of tower sites are inconsistent with the Central laws and their interpretation and application remain uncertain. Further, provisions governing our towers also differ amongst different States. Any non-compliance with the Central and State rules and regulations, governing our towers, may adversely impact our business, financial condition and results of operations. Further, any changes in current or future regulations may provide for stringent compliances, tower sites or re-registration of tower sites with revised and incremental fee structures, which may have an adverse impact on the revenue growth and our business.

Further, these permits, approvals, licenses, registrations and permissions, including the IP-1 registration certificate, are subject to several conditions, and we might not be able to meet such conditions or be able to prove compliance with such conditions to the statutory authorities. This could lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may materially and adversely affect our business, prospects, financial condition, cash flows and results of operations. Further, RJIL's failure to maintain requisite permits, approvals, licenses, registrations and permissions, may also interrupt our operations and may materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

As public concern over tower proliferation has grown in recent years and if such concern continues to rise, local authorities may restrict telecommunications tower construction, delay granting permits or impose technical standards on the construction and/or operation of telecommunications towers. Such policies, if adopted by local authorities, may materially and adversely affect the associated timing or cost of construction or operation of the towers and additional regulations may increase delays, or result in additional costs to us, or that prevent completion of construction of the towers in certain locations. Any failure to complete tower construction, modifications, additions of new antennas to a site, or site upgrades which could harm our ability to add additional site space or increased costs in operating or developing our towers could have an adverse effect on our revenues and, accordingly, on our ability to make distribution to the Unitholders.

6. ***The composite scheme of arrangement undertaken by RJIL, Jio Digital Fibre Private Limited ("JDFPL"), the Tower Co. and their respective shareholders in relation to transfer of RJIL's tower assets are subject to risks in relation to the transfer of the relevant licenses, approvals and permits***

The composite scheme of arrangement amongst RJIL, JDFPL, the Tower Co. and their respective shareholders and creditors (the "**Scheme of Arrangement**") in relation to transfer and vesting of the fibre and tower undertaking of RJIL to JDFPL and the Tower Co., respectively, are subject to several risks arising in relation to the transfer of the relevant licenses, approvals and permits from various regulatory authorities, including relevant local or municipal authorities and environmental approvals from the pollution control boards.

While the Tower Co. will continue to operate the towers under the existing licenses, approvals and permits, there can be no assurance that they will be able to continue to do so. Further, the relevant authority may levy penalties on the Tower Co. 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 you that any difficulties that the Tower Co. has in obtaining or maintaining the required approvals or permits will not materially and adversely affect our business, prospects, results of operations, cash flows and financial condition.

7. ***Our substantial indebtedness could adversely affect our business, prospects, financial condition, results of operations and cash flows***

As of September 30, 2019, our consolidated non-current borrowings was ₹ 230,943 million and our current borrowings (including current maturity of non-current borrowings) was ₹ 40,050 million. While some portion of the aforementioned borrowings is being refinanced from the Trust Loan and the consolidated borrowings and deferred payments would be subject to and in accordance with the provisions of the InvIT Regulations and the borrowing policy as approved by the investment manager of the Trust, the Tower Co.'s borrowings could affect our ability to service our Unitholders as well as impacting the operations and business of the Tower Co. in the following manner:

- reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

- limiting our ability to obtain additional financing;

- limiting our flexibility in planning for, or reacting to, changes in our business, the industry in which we operate and the general economy; and

- potentially increasing the cost of any additional financing.

Further, any increase in interest rates will increase our interest expense and have an adverse effect on our business, prospects, financial condition, results of operations and cash flows impacting our ability to service the Unitholders. There can be no assurance that we will be able to engage in hedging transactions and enter into new financing arrangements on commercially reasonable terms, that our counterparties will perform their obligations, or that these arrangements, if entered into, will protect us adequately against interest rate risks.

Further, any future consolidated borrowings and deferred payments net of cash and cash equivalents of the Trust and the Tower Co. would be limited to the extent of 70% of value of the Trust's assets in accordance with the requirements of the InvIT Regulations. If such borrowings and payments exceed 49% of the Trust's assets, the Trust will be required to, amongst others, have a track record of at least six distributions in terms of the InvIT Regulations on a continuous basis in the preceding years and obtain a credit rating of "AAA" or equivalent for the consolidated borrowing and proposed borrowing. Though the purpose for increased leverage may be for organic growth, various conditions associated with it may limit the ability of the Trust and/or the Tower Co. to incur additional debt required to support its organic and/or acquisition growth strategy.

Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows, impacting our ability to meet our distributions to the Unitholders. Our ability to meet our payment obligations under our current and future outstanding debt depends on our 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.

8. A decrease in demand for telecommunications tower infrastructure in India could materially and adversely affect our ability to attract potential customers in the market

We intend to actively market our Tower Sites to potential customers to improve utilization of our Tower Sites, reduce dependence on RJIL and increase revenue from operations and cash flows. As our business consists of building, acquiring, owning and operating telecommunications towers and providing access to these towers primarily to wireless telecommunications service providers, factors adversely affecting the demand for telecommunications towers in India in general would adversely affect our ability to attract potential customers in the market. Such factors could include:

- a decrease in consumer demand for wireless telecommunications services due to adverse general economic conditions or other factors;
- a deterioration in the financial condition of wireless telecommunications service providers generally due to declining tariffs, media convergence or other factors or their access to capital;
- the ability and willingness of wireless telecommunications service providers to maintain or increase capital expenditure;
- a decrease in the overall growth rate of wireless telecommunications or of a particular segment of the wireless telecommunications sector;
- the development and implementation of new technologies that enhance the efficiency of telecommunications networks;
- adverse changes in telecommunications regulations;
- unstable infrastructure, including frequent power failures, which may affect operations;
- delays or changes in the deployment of 5G or other telecommunications technologies;
- delays in regulatory changes that would permit tower infrastructure providers to use towers for other revenue-generating purposes;
- changing strategies of wireless telecommunications service providers with respect to owning or sharing towers;

- adverse developments with regard to increase in stamp duty rates on lease agreements, zoning, environmental, health and other government regulations; and

- technological changes including alternatives to wireless communication such as video conferencing.

Our business, proposed capital expenditure and strategic plans are based on the assumption that the demand for wireless telecommunications or digital services in India will grow at a rapid pace. If the market does not grow or grows at a slower rate than we expect, or the behavior of market players does not meet our current expectations, the demand for our towers will be adversely affected, which would affect our ability to attract potential customers in order to increase our revenue from operations and cash flows.

9. ***Merger or consolidation among wireless telecommunications service providers could have a material and adverse effect on our revenue and cash flow***

We believe that large telecommunications operators in India would continue to compete for incremental subscribers and invest for growth in network traffic and capacity requirements.

Any further consolidation among the telecommunication operators could result in a reduction in the need for base transceiver stations, since certain base transceiver stations may become redundant or additional tower spaces may be gained in the consolidation. In addition, consolidation may result in a reduction in future capital expenditures in the aggregate, if the expansion plans of the consolidated companies are similar. As a result, it may be difficult for the Tower Co. to find additional customers. If we experience a difficulty in finding additional customers, it could materially and adversely affect our revenue and cash flow, which in turn could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

10. ***Our costs could increase and the growth of our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated and regulatory requirements become applicable to telecommunication towers and related infrastructure***

Public perception of possible health risks associated with cellular and other wireless communications technology could slow the growth of wireless companies, which could in turn slow our revenue growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites. The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed around the world against wireless carriers and wireless device manufacturers. If a scientific study or court decision resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless services, as well as our wireless carrier customers, which could materially and adversely affect our business, financial condition and results of operation. We do not maintain any significant insurance with respect to these matters.

In relation to electromagnetic field radiation ("**EMF**"), the Inter Ministerial Committee ("**IMC**") had examined and issued recommendations in relation to the effect of such radiation from the base stations and mobile phones. The recommendations made by the IMC were accepted by the Government of India and consequently, directions in this regard were issued by Department of Telecommunications ("**DoT**") to the mobile service providers on April 10, 2012 making the new norms applicable to them from September 1, 2012 (with new test procedure notified in June 2018) (the "**EMF Norms**"). Subsequently, TRAI has released an information paper in 2014 titled "Effects of Electromagnetic Field Radiation from Mobile Towers and Handsets", where TRAI has highlighted the absence of any clear scientific evidence establishing the causality between EMF emitted by towers or cell phones and diseases in human beings. One of the strategies of the National Digital Communication Policy 2018 published by DoT is to ensure a holistic and harmonized approach for harnessing emerging technologies, which includes, amongst others, defining a policy for EMF radiation for machine-to-machine devices. However, no steps have been taken in this regard as on the date of this Placement Memorandum. Currently, the EMF norms are

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applicable only to telecommunications service providers and do not apply to tower and related infrastructure. We will comply with these regulations as and when they become applicable to us and all applicable regulations will be followed by us while erecting new towers.

The Telecom Regulatory Authority of India (the "**TRAI**") released its "Recommendations on Approach towards Green Telecommunications" dated April 12, 2011 pursuant to which the TRAI highlighted the challenges posed by telecommunications, to the environment and ways to address such challenges. Further, the DoT issued directives in 2012 for implementation of "green technologies" in the telecommunications sector (as further 60 supplemented by recommendations and directions issued by TRAI in 2017 and 2020, respectively and revised approach for ILD and NLD pursuant to DoT circular in 2019) (collectively, the "Green Tower Directives"). The Green Tower Directives inter alia regulate "carbon footprint including the consumption of grid power as well a power generated through DG sets" which are being installed at tower sites by tower companies. There is uncertainty with respect to the applicability of such Green Tower Directives to the tower companies (i.e., entities with IP-1 registration certificate) as opposed to telecommunications service providers since the Green Tower Directives are addressed to TSPs only.

The implementation of the EMF norms, Green Tower Directives or other similar recommendations could result in increased costs for telecommunications service providers and the tower companies, as applicable, and as a result, reduced demand for new towers from our customers, which could in turn adversely affect our business, prospects, results of operations, cash flows and financial condition. For further details, see the section "Regulations and Policies" on page 187.

In 2017, the Supreme Court of India, pursuant to a claim made by the petitioner therein of exposure to radiation from a mobile tower of BSNL, directed BSNL to deactivate the said tower (the "**BSNL Proceeding**"). Separately, certain litigation proceedings have been initiated against us before different judicial forums in relation to, inter alia, the alleged radioactive effects of our operations. We cannot assure you that the litigation proceedings initiated against us in this regard, will be determined in our favour and that the verdict of the Supreme Court in the BSNL Proceeding will not impact the outcome in the proceedings initiated against us.

11. We may experience local community opposition to some of our tower sites

We may in the future, experience local community opposition to our existing sites or the construction of new sites for various reasons, including concerns about alleged health risks. For example, residential communities or societies might take protectionist measures, refuse to allow our Tower Sites near certain facilities such as schools or hospitals and/or demand higher rents for our Tower Sites, which may result in fewer sites being available for our Tower Sites and/or higher operational expenses. Various cases have been filed in different courts and forums against us (including the cases filed against RJIL, which are transferred to the Tower Co., pursuant to the Scheme of Arrangement), which pertain to issues of radiation emitted, causing health hazards to the people in the vicinity of the tower site, and relief sought in such cases include removal or demolishment of the towers due to potential health hazards. As a result of such local community opposition, we could be required by the local authorities to dismantle and relocate certain towers or pay a larger amount of site rental. If we are required to relocate a material number of our towers and cannot locate replacement sites that are acceptable to our customers or incur higher operating expenses due to increased site rental fees, it could materially and adversely affect our revenue and cash flow, which in turn could have a material adverse effect on business, prospects, results of operations, cash flows and financial condition.

12. Our business depends on the availability of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost

Our Tower Sites require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers. In the non-urban areas where power supply is erratic, in order to ensure that the power supply to our sites is constant and uninterrupted, we also rely on batteries and diesel generator sets, the latter of which require diesel fuel and may require regulatory approval. A lack of adequate power supply and/or power outages could result in significant downtime at our Tower Sites, resulting in service level credits becoming due to our customers.

Our operating costs will increase if the price at which we purchase electrical power from the state electricity providers or the price of fuel increases. There is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for diesel generator sets, the lack of which could disrupt our customers' businesses, adversely affecting our business and results of operations. Under the Master Services Agreement, the Tower Co. currently passes through additional expenses from electrical power and fuel to its customers. If our estimates of fuel and electricity requirements are affected by external factors, and we incur additional expenses which we are unable to pass through to our customers, the Tower Co. may suffer an adverse impact on its business, prospects, results of operations, cash flows and financial condition. In the event of a material price increase or significant interruption or limitation in the supply of fuel from our current suppliers, we may need to procure fuel from other sources. However, there can be no assurance that we will be able to do so at commercially acceptable costs or at all, which could have a material adverse effect on business, prospects, results of operations, cash flows and financial condition.

13. We are exposed to information technology and cyber security risks and disruptions in our disaster recovery systems or business continuity planning could limit our ability to operate the business effectively

As our businesses and operations rely heavily on information technology, we are exposed to risks of cyber security threats, data privacy breaches as well as other network security and stability risks. The scale and level of sophistication of cyber security threats have increased especially in recent times. We rely on a number of vendors to implement and maintain its information technology systems. Any failure of these vendors to provide adequate and timely software and hardware support could have a material adverse effect our systems. Disruptions to our information technology systems, whether resulting from cyber-attacks, a failure by a key vendor or otherwise, that can cause interruptions to the operation of the Tower Sites and network and services provided to RJIL's end-customers, may result in litigation and/or regulatory fines and penalties.

In addition, in the event that a significant number of our management personnel are unavailable in the event of a disaster, our ability to effectively conduct business could be adversely affected. Further, any failure or deviation of our disaster recovery systems or business continuity plans to meet the relevant regulatory standards, rules or laws in India may result in additional costs in order to upgrade such systems and/or the imposition of sanctions, including financial penalties, upon us, which may have a material adverse effect on business, prospects, results of operations, cash flows and financial condition.

While we have established appropriate policies and frameworks to minimize the disruptions to our business operations, there can be no assurance that such policies and frameworks are sufficient or that our operations, financial condition and financial performance would not be adversely affected by such cyber security threats, data privacy breaches as well as other network security and stability risks.

14. If we are unable to extend our leases, or renew on commercially viable terms, or protect our rights to the land under our towers, it could adversely affect our business and operating results

Our site portfolio consists primarily of ground-based towers / masts constructed on land and roof top towers/poles constructed on the building's roofs, that we have leased under long-term lease and license agreements from private parties and government institutions. More than 75% of the Tower Sites are ground based and a large portion of our ground-based Tower Sites are on leased land or buildings that we do not own.

Under lease arrangements, the Tower Co. may require prior consent of the lessor/licensor to share its tower sites/ equipment with third parties and may be required to pay additional compensation / license fee to the lessor/ licensor, as may be mutually agreed, for sharing the tower/equipment with third parties. Further, the Tower Co. may require consent of the lessor/licensor for sub-leasing/sub-licensing with third parties. In the event, we are not able to procure such consent from the lessor/licensor, it would impact the Tower Co.'s ability to operate tower sites and to generate revenues. Further, certain leases and license agreements entered into by the Tower Co. (including the leases and license agreements entered into by RJIL, which are transferred to the Tower Co., pursuant to the Scheme of Arrangement) may not be duly stamped or registered. In the event the Tower Co. requires to enforce its rights under such agreements in a court of law, the required stamp duty and penalty will need to be paid by the Tower Co. in order for it to do so.

For various reasons, land owners may not want to or may not be able to renew their leasing arrangements with us, or they may lose their rights to the land or they may transfer their land interests to third parties, which could affect our ability to renew such arrangements on commercially viable terms. In the event that we cannot extend these leases or if the lease/license is terminated by the lessor/licensor, we will be required to dismantle or relocate these towers and may have to accordingly incur expenses in connection with such relocation and obtain the necessary regulatory approvals. There can be no assurance that we will be able to find a suitable substitute location for installation of the tower or obtain the necessary regulatory approvals for such substitute location. We may lose the cash flows derived from such towers during the period of relocation or may not be able to find a substitute location suitable for our customers, which may have a material adverse effect on business, prospects, results of operations, cash flows and financial condition. We cannot assure that we will be able to find a suitable alternate site for installation of the tower.

From time to time, we may also experience disputes with lessors regarding the terms of our lease agreement for our Tower Sites, which can affect our ability to access and operate the Tower Sites. The termination of leases for our Tower Sites, could have a material adverse effect on business, prospects, results of operations, cash flows and financial condition.

15. ***Our insurance policies may not provide adequate protection against various risks associated with our operations***

Our assets are subject to various risks that we may not be insured against, adequately or at all, including:

- changes in governmental and regulatory policies;
- shortages of, or adverse price movement for, construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of the tower assets and other equipment;
- improper installation or operation of the tower assets and other equipment;
- labor disturbances;
- public agitations/demonstrations;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including flooding, cyclones, droughts, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

Further, we are subject to various risks in the operation of the Tower Sites. The Tower Co. principal types of insurance coverage include an electronic equipment insurance policy, burglary insurance policy, cellular network policy and terrorism policy. Further, under the Project Execution Agreement, the Contractor is required to obtain cellular network policies for Passive Infrastructure at its own cost. Despite our efforts to take insurance policies which are in line with our 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.

Our insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us. Material losses in excess of insurance proceeds (if any at all) could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

16. ***We will depend on various third parties to undertake certain activities in relation to the operation and maintenance and construction of the Tower Sites. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the Tower Sites***

Reliance Projects & Property Management Services Limited ("**RPPMSL**") shall operate, maintain and manage the Tower Co.'s Passive Infrastructure and provide the related services. RPPMSL shall also be responsible for ensuring that the Tower Co. meets all the service level requirements under the Master Services Agreement. RPPMSL may at its discretion provide the O&M services by itself or through sub-contractors. While we believe we have adequate safe-guards in our O&M Agreement, there can be no assurance that we would not be exposed to any risks or be held liable for any acts or omissions by RPPMSL or its sub-contractors. Further in terms of the O&M Agreement, RPPMSL would be responsible for meeting service level obligations of RJIL or any other third party tenant. Any failure to meet the service level obligations could impact our business and our ability to effectively acquire new customers.

Further, under the Project Execution Agreement, RPPMSL has been appointed to perform work for establishment of Passive Infrastructure and related procurement, erection, installation, establishment, inspection, and testing work at the Tower Sites. RPPMSL can deploy manpower and staff as may be required for performance of its responsibilities and may sub-contract any of the work to be performed by it.

Any delay, default or unsatisfactory performance by PDPPSL or sub-contractors could materially and adversely affect our ability to effectively construct the Tower Sites.

Our results of operations and performance depends on factors affecting the ability of RPPMSL to carry out its operations. If RPPMSL fails to perform its obligations satisfactorily or within the prescribed time periods or budgets, or terminates its arrangements with us, we may be unable to operate the Towers or carry out the Tower Infrastructure Business. If this occurs, we may be required to incur additional cost or time to operate and maintain the Towers in a manner consistent with the applicable standards, which could result in reduced profits or, in some cases, significant penalties and losses which we may not be able to recover from any third party.

17. ***A failure by the Tower Co. to meet its service level obligations could have an adverse impact on our reputation and therefore, our business, prospects, results of operations, cash flows and financial condition***

As a part of the service level agreements (the "**SLAs**") that the Tower Co. entered into or may enter into with its customers, the Tower Co. has committed to and will commit to maintain certain service level standards, which impose or may in the future impose, as the case may be, stringent obligations upon the Tower Co. and its operations, including in relation to required minimum availability levels. For example, the Tower Co. must provide a link uptime calculated on a monthly basis to RJIL under the Master Services Agreement. For further details, please see the section entitled "Summary of the Tower

Agreements – Master Services Agreement" on page 145. We believe that the Tower Co.'s services are critical to the operations of its customers' businesses and hence its SLAs impose various service level credits on the Tower Co. in the event that it fails to meet its obligations.

Any failure by the Tower Co. to comply with applicable service levels could damage its reputation or result in claims against it. Successful assertions of one or more claims against the Tower Co., especially by its potential customers, could have a significant adverse effect on our reputation, our relationship with our customers and therefore, our business and prospects.

18. ***A portion of Trust Loan is intended to be used to pre-pay/repay in part or in full certain borrowings and interest obligations of the Tower Co. towards RIL. Further we propose to prepay in part the RVL Loan***

A portion of the Trust Loan aggregating approximately ₹ 127,758.75 million is intended to be used by the Tower Co. to pre-pay / repay in part or in full certain borrowings and interest obligations of the Tower Co. towards RIL. Further the Trust proposes to use from the Issue Proceeds ₹ 1,096.50 million towards part repayment of the RVL Loan. For further details of the utilization of the Issue Proceeds, see the section titled "Use of Proceeds" on page 155.

19. ***Our inability to successfully integrate, recruit, train, retain and motivate new management team of the Tower Co. may adversely affect our business***

It is proposed that on the consummation of the Share Purchase Agreement - II, the Tower Co. would build a suitable team to run the business of the Tower Co. There is also a shortage of skilled personnel in the telecommunications tower industry in India, which we believe is likely to continue. As a result, we may face increased competition for skilled employees in many job categories from tower companies, telecommunications operators and new entrants into the tower industry and this competition is expected to intensify. We cannot assure we will be able to successfully integrate, recruit, train, retain and motivate key employees, which could have a material adverse effect on business, prospects, results of operations, cash flows and financial condition of the Tower Co.

20. ***We have entered and may continue to enter into related-party transactions***

We have entered and may continue to enter into transactions with certain related parties. The transactions would be subject to the policy adopted by the investment manager of the Trust for related party transactions and would be undertaken in accordance with the InvIT Regulations. For more details see the section titled "Related Party Transactions" on page 178.

21. ***The investment manager of the Trust is proposed to be changed to an entity controlled by the Brookfield Sponsor or any of its affiliates***

In accordance with the terms of the Share Purchase Agreement - II, the investment manager of the Trust is proposed to be changed to an entity controlled by Brookfield Sponsor or any of its affiliates. Such a change in the investment manager of the Trust would require unitholders' approval under the InvIT Regulations and the approval of SEBI. The Brookfield Sponsor may be able to exercise significant influence over the new investment manager (the "**Jarvis IM**") and the actions of the new investment manager may be subject to conflict of interest vis-à-vis the Trust and the Unitholders other than the Brookfield Sponsor. Further under the Shareholder and Option Agreement, post the Closing Date and until the Jarvis IM is appointed as the investment manager of the Trust, certain actions of the Trust under the Shareholder and Option Agreement as well as any obligations that the Investment Manager is required to undertake under the InvIT Regulations require the prior consent of the Brookfield Sponsor. This may place restrictions on the activities of the Investment Manager and may adversely affect the interest of the Unitholders.

22. ***This Placement Memorandum contains information from the Analysys Mason Report which is a commissioned report. The accuracy of statistical and other information with respect to the telecommunication infrastructure sector and the Analysys Mason Report which are based on certain bases, estimates and assumptions that are subjective in nature, cannot be guaranteed***

    The information in the section entitled "Industry Overview" in this Placement Memorandum is based on the Analysys Mason Report and other publicly available information. The Analysys Mason report is a commissioned report. Neither we, nor the Trustee, the Sponsors, the Lead Manager, the investment manager of the Trust nor any other person connected with the Issue has verified the information in the Analysys Mason Report. Further, the Analysys Mason Report has been prepared based on information as of specific dates based on information available with Analysys Mason at the time and may no longer be current or reflect current trends. Opinions in the Analysys Mason Report based on estimates, projections, forecasts and assumptions may prove to be incorrect.

    Further, the Analysys Mason Report contains forecasts, projections and other "forward-looking" statements that relate to future events in relation to our businesses, which are, by their nature, subject to various limitations and are based upon certain bases, estimates, methodologies and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of us, the Reliance Sponsor and the investment manager of the Trust. The Analysys Mason Report reflects current expectations and views regarding future events involve known and unknown risks and uncertainties. Additionally, these are long-term projections and do not take into account short-term or microeconomic factors which may impact or affect our business in the near term. Therefore, these projections may not take into account, reflect or portray any short-term effect of unforeseen situations which may arise in the future.

    The future events referred to in the Analysys Mason Report involves risks, uncertainties and other factors which may cause our results of operations to be materially different from any future performance expressed or implied by the Analysys Mason Report. The bases, estimates, methodologies and assumptions adopted by Analysys Mason for the purposes of preparing the Analysys Mason Report might not prove to be accurate. If any of these bases or assumptions is incorrect, future conditions for the Tower Co. could be materially different from those that are set forth in the Analysys Mason Report and this Placement Memorandum.

23. ***There are no combined financial statements related to the Tower Co. for the period of three years preceding the date of the Private Placement Memorandum and only the Audited Consolidated Financial Statements of the Trust as of and for the six months ended September 30, 2019 and as of March 31, 2019 have been disclosed in this Placement Memorandum. Additionally only the summary financials of the Tower Co. as of and for the six months ended September 30, 2019 and as of March 31, 2019 have been disclosed.***

    The Tower Infrastructure Business was transferred by way of a slump sale on a going concern basis to the Tower Co. from RJIL under the Scheme of Arrangement as of and with effect from close of business hours on March 31, 2019. Prior to this, the Tower Infrastructure Business was carried out by RJIL for its own captive use and no financial statements of the same were prepared as it was not a separate division.

Accordingly there were no financial statements attributable to the Tower Infrastructure Business prior to March 31, 2019 which could be disclosed as combined financial statements related to the Tower Co.

24. ***Our actual results may be materially different from the expectations expressed or implied in the projections and the assumptions in the section titled "Projections of Revenue and Operating Cash Flows" of this Placement Memorandum are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those projected***

This Placement Memorandum contains forward-looking statements regarding, among other things, the projections of revenues and operating cash flows of the Tower Co. for the next three years. The projections are only estimates of possible future operating results and are not guarantees of future performance. The projections are based on a variety of estimates and assumptions are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial risks, uncertainties, contingency and other factors, many of which are beyond our control.

Such risks, uncertainties, contingencies and other factors may cause the actual results or performance of the Tower Co. to be materially different from any future results or performance expressed or implied by the projections. Our revenue will be depend on the cash flows from dividends, buyback of Tower Co. shares, and principal and interest payments (net of applicable taxes and expenses) from the Tower Co., whose revenue in turn depends on a number of factors which may decrease for a number of reasons. Accordingly, we might not be able to achieve the Projections or make the planned/expected distributions set out in the section entitled "Projections of Revenue and Operating Cash Flows".

If we do not achieve the projected revenues and operating cash flows, we may not be able to make the expected distributions, in which case the market price of the Units may decline materially. We will not, and disclaim any obligation to, furnish updated business plans or projections to the Unitholders, or to otherwise make public such information. As a result, you should not rely upon the projections in making an investment decision given the possibility that actual results may differ materially from the underlying estimates and assumptions. For further details, see the section titled "Projections of Revenue and Operating Cash Flows".

25. ***The Tower Co., the Sponsors, the Project Manager, the investment manager of the Trust and their respective Associates and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favor***

The Tower Co., the Sponsors, the Project Manager, the investment manager of the Trust and their respective Associates and the Trustee are involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals and regulatory authorities. Unfavorable outcomes or developments relating to these proceedings may have a material, adverse effect on our or their respective business, prospects, financial condition, cash flows and results of operations. Any losses, damages, costs and expenses suffered by the Trust and the Tower Co. arising from such proceedings besides any reputational damages or any other consequences thereof could have a material and adverse impact on our business, prospects, results of operations, cash flows and financial condition. For details of certain material outstanding legal proceedings and regulatory proceedings, see the section titled "Legal and other Information".

25A. ***We are subject to risks associated with outbreaks of diseases or similar pandemics or public health threats, such as the novel coronavirus COVID-19, which could have a material adverse impact on Tower Co.'s business and our results of operations and financial condition***

In the past, various contagious diseases have spread throughout the world, including India where the entire operations of Tower Co. are located. Most recently, beginning in late 2019 and continuing in 2020, the global spread of COVID-19 has created significant economic and political volatility and uncertainty and business disruption. The spread of COVID-19 has led governments around the world to take various measures such as the implementation of incoming and outgoing travel restrictions, voluntary and mandatory cessations of business operations, mandatory quarantines and work-from-home and other alternative working arrangements, curfews, limitations on social and public gatherings and partial lockdowns of cities or regions in order to limit the virus' spread. The spread of COVID-19 and governmental responses have resulted in worker absences, reduced business productivity, other business disruptions, reduced demand and stagnated economic activity in India and around the world. The ultimate extent of COVID-19 on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. More generally, any epidemic, pandemic or other health crisis, whether similar to COVID-19, SARS, H1N1, MERS or Zika or other past global diseases, could materially and adversely affect our business, financial condition and results of operations.

Risks Related to our Organization and the Structure of the Trust

26. The Trust is a recently settled trust with no established operating history and no historical financial information and, as a result, investors may not be able to assess its prospects on the basis of past records

The Trust was established by way of a trust deed dated January 31, 2019 under the provisions of the Indian Trust Act, 1882 and it is registered as an infrastructure investment trust in accordance with the InvIT Regulations. Accordingly, the Trust does not have any operating history or historical financial information by which its past performance may be evaluated. This could make it difficult for investors to assess the future performance and prospects of the Trust.

27. The Valuation Report and any underlying reports, are not opinions on the commercial merits of the Trust or the Tower Co., nor are they opinions, expressed or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Tower Co.'s assets

Sunil Kumar Saini is the Registered Valuer who has undertaken an independent appraisal of the enterprise value of the Tower Co. The Valuation Report, included in Annexure III to this Placement Memorandum, which sets out their opinion as to the value of the Tower Co. is based on assumptions which have inherent limitations and involves known and unknown risks and uncertainties.

The Valuation Report is not an opinion on the commercial merits and structure of the Trust or the Tower Co., nor is it an opinion, express or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing. The Valuation Report does not purport to contain all the information that may be necessary or 66 desirable to fully evaluate the Trust or the Tower Co. or an investment in the Trust or the Units. The Valuation Report makes no representation or warranty, expressed or implied, in this regard. The Valuation Report does not confer rights or remedies upon investors or any other person, and does not constitute and should not be construed as any form of assurance as to the financial condition or future performance of the Trust or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsors, the investment manager of the Trust, the Project Manager, the Trust or the Lead Manager. Further, we cannot assure you that the valuation prepared by the Registered Valuer reflects the true value of the net future cash flows of the Tower Co. or that other valuers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the Tower Co. The Valuation Report has not been updated since the date of its issue, does not take into account any subsequent developments and should not be considered as a recommendation by the Sponsors, the investment manager of the Trust, the Project Manager, the Trust or the Lead Manager or any other party that any person should take any action based on the Valuation Report.

28. The Trust and the Tower Co. are subject to restrictive covenants under the financing agreements / arrangements entered into by the Tower Co. that could limit our flexibility in managing our business or to use cash or other assets.

The financing agreements that the Tower Co. has entered into with certain banks and financial institutions contain certain restrictive covenants, including, but not limited to, requirements that they obtain consent from the lenders prior to:

- effecting any change in management/management control of the Tower Co.;

- effecting any change in capital structure (including shareholding pattern);

- making any capital expenditure other than permitted investments;

- the repayment of certain facilities prior to their stated maturity date;

- creating of any security interest in any of the secured property;

- incurring any other indebtedness, including the issuance of debentures or acceptance of deposits, other than permitted indebtedness;

- entering into any agreements in which the Tower Co.'s income or profit are shared with any other persons or any management contacts in which its business and operation are managed by any other persons;

- removing any person exercising substantial powers of management over the affairs of the Tower Co. in case of an event of default;

• amending the constitutional documents of the Tower Co.;

• making any dividend payments or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;

• making of any investment or taking any assets on lease;

• providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person;

• the repayment of any subordinated debt without prior consent of relevant lenders;

• undertaking or permitting any scheme of arrangement or compromise with their creditors or shareholders; and

• changing the composition of the board of directors of the Tower Co.

Certain of the loan agreements entered into by the Tower Co. provide that in case of an event of default, lenders may elect to convert their debt into equity in the Tower Co. This may affect the debt to equity ratios maintained by the Tower Co and our holding in the Tower Co..

Such financing agreements also require the Tower Co. to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, the Tower Co. may be required to immediately repay its borrowings either in whole or in part, together with any related costs. It may not be able to secure consents from, and/or negotiate revised terms with, the lenders on terms favorable to the Trust or at all.

Further, two financing agreements contain mandatory prepayment provisions, one of which entitles the relevant lender to issue a prepayment notice to the Tower Co. if certain financial covenants are breached for a period of 60 days and above. The triggering of such mandatory prepayment provisions will impact the ability of the Tower Co. to make payments to the Trust and accordingly impact the ability of the Trust to make distributions to the Unitholders.

Non-compliance with the covenants may be considered an event of default under the relevant loan agreements. In case of an event of default, the lenders have the right to (a) declare the loan payable immediately; (b) enforce security interest; (c) transfer the assets of the borrower; (d) terminate the right of the borrower to make any withdrawals; (e) enter upon and take possession of the assets mortgaged; and (f) substitute themselves for the borrower under the relevant agreements and pursue other legal remedies. Until the date of this Placement Memorandum, the lenders have not declared an event of default.

Further, the Tower Co. might not be in compliance with the covenants for future periods. The Tower Co. have not specifically requested for waivers in relation to any past non-compliances and the declaration of an event of default by the Tower Co.'s lenders for any earlier or continuing non-compliance of the covenants will have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the financing agreements also contain cross default provisions, which could automatically trigger defaults under other financing agreements. Certain lenders are also entitled to accelerate the repayment of the loans at any time based on the lenders' assessment of the cash flows, subject to any approval required from the regulatory authorities.

Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition.

The Tower Co. has entered into certain agreements in relation to the refinancing of its loans. For the indicative terms of such agreements, please see the sections entitled "*Financial Indebtedness – Post-Issue Indebtedness of the Trust – Term Loan arrangements that may be availed by the Tower Co." and "Financial Indebtedness – PostIssue Indebtedness of the Trust – Facility from the Trus*t" on pages 159 and 162, respectively.

Further, certain sanction letters in relation to proposed borrowings have been issued to the Tower Co.. If borrowings under such sanction letters are availed, such borrowings shall rank senior to the Trust Loan. There can be no assurance that any definitive borrowing arrangements shall be entered into pursuant to such sanction letters, and that the terms and conditions of such borrowing arrangements will not be more onerous than the Tower Co.'s existing borrowings.

29. We must maintain certain investment ratios in compliance with the InvIT Regulations, which may present additional risks to us.

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in eligible infrastructure projects, and are only permitted to deploy un-invested funds in debt of companies or body corporates in the infrastructure sector, equity shares of such listed companies in India which derive at least 80% of their operating income from the infrastructure sector, government securities, or money market instruments, liquid mutual funds or cash equivalents. Additionally, under the InvIT Regulations, the aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents, cannot exceed 70% of the value of the assets of the Trust (subject to compliance with certain conditions prescribed under the InvIT regulations) or such threshold as may be specified under the InvIT Regulations. Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have an adverse effect on our business, financial condition and results of operations.

Risks Related to the Trust's Relationships with the Sponsors and the investment manager of the Trust

30. The Brookfield Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust

In accordance with the terms of the Share Purchase Agreement - II, the existing Investment Manager is proposed to be changed to an entity controlled by Brookfield Sponsor or any of its affiliates. For further information, please see the section entitled "Risk Factors – The investment manager of the Trust is proposed to be changed to an entity controlled by the Brookfield Sponsor or any of its affiliates" on page 63. Accordingly the Brookfield Sponsor may be able to exercise significant influence over the Jarvis IM and the actions of the Jarvis IM may 68 conflict with the interests of the Trust and our other Unitholders. Further under the Shareholder and Option Agreement, post the SPA Closing Date and until the Jarvis IM is appointed as the investment manager of the Trust, certain actions of the Trust under the Shareholder and Option Agreement as well any obligations that the Investment Manager is required to undertake under the InvIT Regulations requires the prior consent of the Brookfield Sponsor. These conflicts may be harmful to our interests or the interests of the Trust and/or our other Unitholders, which may impact our business, financial condition and results of operations.

31. Dependence on the Investment Manager or the Jarvis IM

The day-to-day operations of the Trust will be managed by the Investment Manager or the Jarvis IM when the Investment Manager is replaced by the Jarvis IM as the investment manager of the Trust. Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Trust (which would be taken by the investment and finance committee constituted by the Investment Manager or the Jarvis IM). Investors must rely entirely on the Investment Manager or Jarvis IM to conduct and manage the affairs of the Trust. The success of the Trust would depend on the ability of the Investment Manager or the Jarvis IM to effectively implement the strategy of the Trust. If the Investment Manager or the Jarvis IM becomes unable to participate in the performance of services to the Trust, the consequence to the Trust could be material and adverse. The success of the Trust will also depend to a large extent upon the ability of the Investment Manager or Jarvis IM to source, select, complete and realize appropriate investments. Except to the limited extent as specified in the Trust Documents, the Investors will have no right to participate in the management of the Trust or in decisions made by the Trust, the Investment Manager or Jarvis IM on its behalf. The monitoring of the investments will be done by the Investment Manager or Jarvis IM. As a result, Investors will have almost no control over their investments in the Trust or their prospects.

32. The investment manager of the Trust may not be able to implement the investment or corporate strategies of the Trust or comply with certain ongoing reporting and management obligations in relation to the Trust

The investment manager of the Trust's strategies focus on three main areas:

- managing the underlying assets of the Trust;
- managing the Trust's acquisitions and disposals; and
- managing the Trust's capital structure to maximize distributions.

The investment manager of the Trust might not be able to implement these strategies successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The investment manager of the Trust may not be able to make acquisitions or investments on favorable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, partial award of licenses favoring local or other competitors of the Trust, changes in the Indian regulatory or legal environment or macro-economic conditions.

Even if the investment manager of the Trust is able to successfully grow the operating business of the underlying assets and to acquire tower assets in India as desired, the investment manager of the Trust might not achieve its intended return on such acquisitions or capital investments. Furthermore, the investment manager of the Trust's investment mandate may involve a higher level of risk as compared to a portfolio which has a more diverse range of investments.

Further, the investment manager of the Trust is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of the Trust, (b) overseeing the activities of the Project Manager, (c) investing and declaring distributions in accordance with the InvIT Regulations, (d) submitting reports to the Trustee and (e) ensuring the audit of the Trust's accounts. Under the InvIT Regulations, the SEBI also has the right to inspect documents, accounts and records relating to the activity of the Trust or parties to the Trust and may issue directions in the nature of, inter alia, (i) requiring the Trust to delist its Units and surrender its certificate of registration; (ii) requiring the Trust to wind-up; (iii) requiring the Trust to sell its assets; (iv) requiring the Trust or parties to the Trust to take such action as may be in the interest of investors; or (v) prohibiting the Trust or parties to the Trust from operating in the capital market or from accessing the capital market for a specified period. The failure on the part of the investment manager of the Trust to comply with such requirements in a timely manner or at all could have a material adverse effect on our business, financial condition and results of operations.

33. ***Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsors, the investment manager of the Trust, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust***

Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsors, investment manager of the Trust and Trustee are separate entities, (b) each Sponsor has a net worth of not less than ₹ 1,000 million and each Sponsor or its Associate(s) has a sound track record in the development of infrastructure or fund management in the infrastructure sector, (c) the investment manager of the Trust has a net worth of not less than ₹ 100 million and has not less than five years' experience in fund management or advisory services or development in the infrastructure sector, (d) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an associate of the Sponsors or investment manager of the Trust and (e) each of the Sponsors, investment manager of the Trust, Project Manager and Trustee are "fit and proper persons" as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsors, the investment manager of the Trust, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

Risks Related to India

34. Our 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 our business

The Trust is registered in India, and all of our assets are located in India. As a result, we highly depend on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and saving conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighboring countries;
- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- the balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- any downgrading of India's debt rating by a domestic or international rating agency;
- instability in Indian financial markets;
- annual rainfall which affects agricultural production; and
- other significant regulatory or economic developments in or affecting India or its infrastructure sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have a material, adverse effect on our business, financial condition and results of operations and the price of the Units.

Furthermore, the Indian economy and Indian financial market are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Investors' reactions to developments in one country can have a material, adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

35. Our performance is linked to the stability of policies and the political situation in India

The Government of India and State Governments have traditionally exercised, and continue to exercise, significant influence over many aspects of the economy. As a result, our business, and the market price and liquidity of the Units, may be affected by interest rates, changes in governmental policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. The current Government continues India's current economic and financial sector liberalization and deregulation policies. However, such policies might not continue and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also materially and adversely affect our business, financial condition and results of operations.

Any political instability in India may materially and adversely affect the Indian securities markets in general, which could also materially and adversely affect the trading price of the Units. Any political instability could delay the reform of the Indian economy and could have a material, adverse effect on the market for the Units. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the telecommunication infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our Units could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

36. Our ability to raise additional debt capital may be constrained by Indian law

Indian entities are subject to regulatory restrictions in relation to borrowing in foreign currencies, including restrictions in relation to eligibility, amount of borrowings which may be incurred, end-use and creation of security, and may require the prior approval of Indian regulatory authorities. Such restrictions could limit our ability to raise financing on competitive terms and refinance existing indebtedness. Additionally, our ability to borrow money against the security of our immovable assets in India is subject to the directions of RBI, Companies Act, 2013, Foreign Exchange Management Act, 1999 ("**FEMA**") and exchange control regulations in India and may require the prior approval of the Indian regulatory authorities. Any approval required to raise borrowings might not be granted without onerous conditions, or at all. Such limitations on debt may have a material, adverse effect on our business growth, financial condition, cash flows and results of operations.

As per the InvIT Regulations, the aggregate consolidated borrowings and deferred payments net of cash and cash equivalents of an infrastructure investment trust cannot exceed 49% or 70%, as applicable, of the value of the assets. Further, as an Indian trust, we are subject to exchange controls that regulate borrowing in foreign currencies. As per the master directions issued by the Reserve Bank of India on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (the "ECB Master Directions"), overseas borrowing by any entity eligible to receive foreign direct investment, which includes infrastructure investment trusts, is permitted subject to the conditions and limits contained therein. Pursuant to the circular dated October 14, 2019 issued by RBI, banks are permitted to lend money to InvITs where none of the underlying special purpose vehicle(s) with existing bank loans is facing "financial difficulty" in terms of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, subject to fulfilment of certain conditions such as the lending bank putting in place a board approved policy on exposure to InvITs and undertaking an assessment of all critical parameters including sufficiency of cash flows at the InvIT level to ensure timely debt servicing. Such regulatory restrictions limit our financing sources for the towers under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, any required regulatory approvals for borrowing in foreign currencies might not be granted to us without onerous conditions, or at all. Limitations on foreign debt may have a material, adverse effect on our business growth, financial condition and results of operations.

37. ***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 business and financial performance***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which any such additional financing is available. This could have a material, adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Units.

38. ***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 the business, financial condition and results of operations of the Tower Co. and the price of the Units***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets in which the Units trade, as well as adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make telecommunication services more difficult and ultimately adversely affect the businesses of the Tower Co.

India has experienced communal disturbances, terrorist attacks, general strikes and riots in the past. If such events recur, the business of the Trust may be adversely affected. Asia has from time to time experienced instances of civil unrest and hostilities. Hostilities and tensions may occur in the future and on a wider scale. Terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a greater perception that investments in India involve higher degrees of risk.

Events of this nature in the future, as well as social and civil unrest within other countries, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including the Units.

39. ***India is vulnerable to natural disasters that could severely disrupt the normal operation of the Tower Co.***

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. Unforeseen circumstances of below normal rainfall and other natural calamities could also have a negative impact on the Indian economy. Because the tower assets are located in India, the business and operations of the Tower Co. could be interrupted or delayed as a result of a natural disaster in India, which could affect the business, financial condition and results of operations of the Tower Co. and the price of the Units.

40. *It may not be possible for the Unitholders to enforce foreign judgments*

The Trustee, the investment manager of the Trust and the Reliance Sponsor are incorporated in India and the Trust is settled and registered in India, while the Brookfield Sponsor is incorporated in Singapore. All of our assets are located in India and we may, from time to time, invest in tower assets in India. Where investors wish to enforce foreign judgments in India, where our assets are and will be located, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including Singapore. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("**Civil Code**"). Furthermore, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgment. Even if we or a Unitholder were to obtain a judgment in such a jurisdiction, we or it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. In addition, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgment rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgment.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, their directors and executive officers, and any other parties resident in India. Additionally, a suit brought in an Indian court in relation to a foreign judgment might not be disposed of in a timely manner.

41. *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*

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which set out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

In the event the Tower Co. or the Trust enters into any agreements or transactions that have an appreciable adverse effect on competition in the relevant market in India, the provisions of the Competition Act will be applicable. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition and results of operations. Any adverse impact on our financial condition or operations due to the Competition Act may have a material adverse impact on our business, prospects, financial condition, cash flows, results of operations and our ability to make distributions to the Unitholders.

42. Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our business, financial condition and results of operations

Our business, financial condition and results of operations could be materially and adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. The Government of India or State Governments might implement new regulations and policies which will require the Trust and the Tower Co. to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. The investment manager of the Trust cannot predict the terms of any new policy, and such policy might be onerous.

43. 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

The Audited Consolidated Financial Statements included in this Placement Memorandum have been prepared in accordance with Ind AS. The impact of Indian GAAP or IFRS on such financial information included in this Placement Memorandum has not been quantified and the Audited Consolidated Financial Statements have been prepared without reconciliation to any other body of accounting principles. Each of Indian GAAP and IFRS differs in significant respects from Ind AS. Accordingly, the degree to which the Audited Consolidated Financial Statements included in this Placement Memorandum will provide meaningful information is dependent on the reader's level of familiarity with the relevant accounting practices. Any reliance by persons not familiar with such accounting practices on the financial disclosures presented in this Placement Memorandum should accordingly be limited.

44. The Trust will qualify as a foreign owned and controlled trust and any investment made by the Trust in any Indian entity will be considered as an indirect foreign investment and will be required to comply with the extant foreign exchange regulations.

The Brookfield Sponsor is an entity which is owned and controlled by persons resident outside India. Therefore, post the Allotment of Units pursuant to the Issue, any investment made by the Trust in an Indian entity will be reckoned as an indirect foreign investment and the Trust will be required to comply with the extant foreign exchange regulations, particularly the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, for making any investment in India. Risks Related to Ownership of the Units

45. The price of the Units may decline after the Issue

The Issue Price will be determined by the investment manager of the Trust in consultation with the Lead Manager. The Issue Price may not be indicative of the market price of the Units upon completion of the Issue. The market price of the Units may also be highly volatile and could be subject to wide fluctuations. If the market price of the Units declines significantly, investors may be unable to resell their Units at or above their purchase price, if at all. The market price of the Units might fluctuate or decline significantly in the future. The market price of the Units will depend on many factors, including, among others:

- the perceived prospects of our business and investments and the market for telecommunication towers;

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- differences between our actual financial and operating results and those expected by investors and analysts;
- the perceived prospects of future tower assets and other infrastructure assets that may be added to our portfolio in accordance with our investment mandate;
- changes in research analysts' recommendations or projections;
- changes in general economic or market conditions; • the market value of our assets;
- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;
- the balance of buyers and sellers of the Units; • the size and liquidity of the Indian business trusts market;
- any changes to the regulatory system, including the tax system, both generally and specifically in relation to India business trusts;
- the ability of the investment manager of the Trust to implement successfully its investment and growth strategies;
- foreign exchange rates;
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets;
- variations in our quarterly operating results;
- difficulty in assessing our performance against either domestic or international benchmarks, as there are few listed comparables;
- publication of research reports about us, other tower businesses, the telecommunication industry in general or other relevant sectors, or the failure of securities analysts to cover the Units after the Issue;
- changes in the amounts of our distributions, if any, and changes in the distribution payment policy or failure to execute the existing distribution policy;
- actions by the Unitholders;
- changes in market valuations of similar business entities or companies;
- announcements by us or our competitors of significant contracts, acquisitions, disposals, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community; and
- changes or proposed changes in laws or regulations affecting the telecommunication industry and infrastructure development in India or enforcement of these laws and regulations, or announcements relating to these matters.

To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of the Units. Our failure to meet market expectations with regard to future earnings and cash distributions may materially and adversely affect the market price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, the Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in the Trust.

In addition, the Units are not capital-safe products and there is no guarantee that the Unitholders can regain the amount invested, in full or in part. If the Trust is extinguished, it is possible that investors may lose a part or all of their investment in the Units.

46. 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

Since their enforcement in 2014, the InvIT Regulations have since been amended and supplemented with additional guidelines and circulars. As the regulatory framework governing infrastructure investment trusts in India comprises a separate set of regulations, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts, including, but not limited to bonus issues, the liabilities of the Unitholders and the dissolution and delisting of infrastructure investment trusts have not yet been issued. For example, trust units may not be classified as "securities" under the Securities Contract Regulation Act, 1956, as amended, and infrastructure investment trusts are not "companies" or "bodies corporate" within the meaning of the Companies Act, 2013 and various SEBI regulations, including the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeover, insider trading and fraudulent and unfair trade practices) to the Trust is unclear. Further, it is unclear whether certain categories of investors that are currently permitted to invest in equity shares offered by Indian companies, may also invest in the Units in the Issue. Further, while the recently notified Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**FPI Regulations**") which are effective from September 23, 2019 specify that foreign portfolio investors ("**FPIs**" as defined in the FPI Regulations) may invest in units of infrastructure investment trusts and an offshore derivate instrument may be issued overseas by a FPI that is categorized as a 'Category I foreign portfolio investor' under the FPI Regulations against "securities" held by it in India, as its underlying. Accordingly, the issuance of offshore derivative instruments overseas by FPIs against Units may not be permitted as Units may not be classified as "securities".

Infrastructure investment trusts operate in a relatively unclear regulatory environment. Changes to the Issue structure, changes to agreements entered into or proposed to be entered into in connection with the Issue, cost increases, fines, legal fees or business interruptions may result from changes to regulations, from new regulations, from new interpretations by courts or regulators of existing regulations or from stricter enforcement practices by regulatory authorities of existing regulations. In addition, new costs may arise from audit, certification and/or self-assessment standards required to maintain compliance with new and existing InvIT Regulations. Such changes in regulation, interpretation and enforcement may render it economically infeasible to continue conducting business as an infrastructure investment trust or otherwise have a material, adverse effect on our business, financial condition and results of operations.

Because we will operate in a relatively unclear regulatory environment, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations will affect infrastructure investment trusts and the infrastructure sector in India, and the regulatory system might change in a way that will impair our ability to comply with the regulations, conduct our business, compete effectively or make distributions. Failure to comply with changes in laws, regulations and standards may have a material, adverse effect on our business, prospects, financial condition, cash flows and results of operations.

47. We may not be able to make distributions to the Unitholders or the level of distributions may fall

The Trust's distributions will be based on the net distributable cash flows ("**NDCF**") available for distribution and not on whether the Trust makes an accounting profit or loss. The InvIT Regulations provide that not less than 90% of NDCF of the Tower Co. is required to be distributed to the Trust in proportion of its holding in the Tower Co. subject to applicable provisions of the Companies Act. Not less than 90% of NDCF of the Trust shall be distributed to the Unitholders. However, distributions may be limited depending on the nature of the capital structure of the Tower Co.

The Trust will rely on the receipt of interest, dividends, principal repayments and buy back / capital reduction of shares (net of applicable taxes and expenses) from the Tower Co. in order to make distributions to the Unitholders. The Trust might not have sufficient distributable or realized profits, surplus or tax benefits on its income, interests, profits, dividends or receipts in any future period to make distributions in accordance with the InvIT Regulations or at all. The ability of the Tower Co. to pay dividends, make interest payments and repay shareholder loans may be affected by a number of factors including, among other things:

- its business and financial position;
- implementation of expansion/acquisition strategy;
- insufficient cash flows received from the assets;
- applicable laws and regulations, which may restrict the payment of dividends by the Tower Co.;
- operating losses incurred by the Tower Co. in any financial year;
- tax benefits on interest payments that the Tower Co. earned, any repayments made by the Tower Co. to the Trust, dividends and other forms of earnings / profits that the Trust paid to the Unitholders;
- the amounts (net of all taxes and expenses) received by the Trust from the Tower Co. in connection with loans made available to the Tower Co. by the Trust;
- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto; and
- the terms of agreements to which they are, or may become, a party.

Further, the method of calculation of NDCF is subject to change. Any change in the applicable laws in India or elsewhere (including, for example, tax laws and foreign exchange controls) may limit the Trust's ability to pay or maintain distributions to the Unitholders. For example, under the extant provisions of the current laws and regulations, dividends that may be paid by the Tower Co. to the Trust (post the Tower Agreement Closing Date) would be exempt from the dividend distribution tax and any distribution of income, in the nature of dividends received from the special purpose vehicle, by the Trust to the Unitholders are exempt from the payment of tax.

Recently, the Finance Act, 2020 amended the IT Act to abolish the DDT regime and shift the incidence of taxation of dividend (declared or distributed on or after April 1, 2020) to shareholder. Under the Finance Act, 2020, a distribution made by a business trust, being in the nature of dividend income received from a special purpose vehicle, will not be subject to tax in the hands of a unitholder, so long as the special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the IT Act. Similarly, a business trust (which includes an infrastructure investment trust) will not be required to withhold tax on any distributions which are in the nature of dividend income received from a special purpose vehicle, so long as such special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the IT Act. However, where the special purpose vehicle opts to pay tax under Section 115BAA of the IT Act, dividend income distributed by the business trust would be taxed in the hands of a non-resident unitholder at 20% (plus applicable surcharge and cess) and at the ordinary rate for a resident unitholder. Further, the business trust would be required to withhold tax on such distributions made from dividend received from the special purpose vehicle. Thus, the taxability of dividends distributed by the Trust will depend on the taxation regime opted by the Tower Co..

48. ***The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders***

The Trust is an irrevocable trust registered under the Registration Act and it may only be extinguished (i) if it is impossible to continue with the Trust or if the Trustee, on the advice of the investment manager of the Trust, deems it impracticable to continue with the Trust; (ii) if the Units of the Trust are delisted from the Stock Exchanges; (iii) if the SEBI passes a direction for the winding up of the Trust or the delisting of the Units; or (iv) in the event the Trust becomes illegal. Under the Trust Deed, in the event of dissolution, the net assets of the Trust, remaining after settlement of all liabilities, and the retention of any reserves which the Trustee deems to be necessary to discharge contingent or unforeseen liabilities, shall be paid to the Unitholders. Should the Trust be dissolved, depending on the circumstances and the terms upon which assets of the Trust are disposed of, a Unitholder might not recover all or any part of his investment. Any distributions received by Unitholders upon the dissolution of the Trust may be taxable under the Income Tax Act, 1961.

49. ***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***

The Trust Deed and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, fiduciary duties and liabilities, and the Unitholders' rights may differ from those that would apply to a company in India or a trust in another jurisdiction. The Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions.

50. ***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***

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The Trust may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions. Pursuant to the InvIT Regulations, the Trust is required to obtain a credit rating and Unitholders' approval for further borrowing, if the consolidated borrowings and deferred payments of the Trust (net of cash and cash equivalents) exceeds 25% of the value of its assets. Further, if the consolidated borrowings and deferred payments of the Trust (net of cash and cash equivalents) exceeds 49% of the value of its assets, the Trust is required to obtain a credit rating of "AAA" or equivalent for its consolidated borrowings and the proposed borrowing and Unitholders' approval for further borrowing, have a track record of at least six distributions consecutive in the preceding years and utilize the borrowings only for acquisition or development of infrastructure projects. As on the date of this Placement Memorandum, the Trust has not obtained any such credit rating, and its ability to raise financing after Listing, may be restricted to this extent.

We are currently not required to offer pre-emptive rights to existing Unitholders when issuing new Units. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Units.

51. ***The Units have never been publicly traded and the listing of the Units on the Stock Exchanges may not result in an active or liquid market for the Units***

There is no market for the Units prior to the Issue and an active market for the Units may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, that there will be liquidity of that market for the Units. As the Units will be sold through a private placement in a Minimum Bid Size (₹ 250 million), there may be a lack of liquidity and a limited market for the Units. The price of the Units may be volatile, and investors may be unable to resell the Units at or above the Issue Price, or at all. Although it is currently intended that the Units will be listed on the Stock Exchange(s), there is no guarantee of the continued listing of the Units. There is no assurance that the Trust will continue to satisfy the listing requirements. Further, it may be difficult to assess the Trust's performance against domestic benchmarks.

52. ***Any future issuance of Units by us or sales of Units by the Sponsors or any of other significant Unitholders may materially and adversely affect the trading price of the Units***

Any future issuance of Units by us could dilute investors' holdings of Units. Any such future issuance of Units may also materially and adversely affect the trading price of the Units, and could impact our ability to raise capital 77 through an offering of our securities. We might issue further Units. In addition, any perception by investors that such issuances might occur could also affect the trading price of the Units.

Upon completion of the Issue, at least 378,225,000 Units (constituting 15% of the Units on a post-Issue basis) will be held by the Brookfield Sponsor. For more details, please see the section titled "Information concerning the *Units – Unitholding of the Reliance Sponsor, the Brookfield Sponsor, Investment Manager, Project Manager and Trustee*" on page 154. Under the InvIT Regulations, an InvIT whose public unitholding is less than 25% at the time of its initial offer is required to increase its public unitholding to at least 25% within a period of three years from the date of listing pursuant to the initial offer.

Units will be tradable on the stock exchanges. If the Sponsors (following the lapse of their lock-up arrangements or pursuant to any applicable waivers), directly or indirectly, sells or is perceived as intending to sell a substantial number of their Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be materially and adversely affected. These sales may also make it more difficult for us to raise capital through the Issue of new units at a time and at a price we deem appropriate.

53. Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions

Fluctuations in the exchange rates between the Indian Rupee and other currencies will affect the foreign currency equivalent of the Indian Rupee price of the Units. Such fluctuations will also affect the amount that holders of the Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Indian Rupees by us on the Units, and any proceeds paid in Indian Rupees from any sale of the Units in the secondary trading market.

54. Our rights and the rights of the Unitholders to recover claims against the investment manager of the Trust or the Trustee are limited

Under the Investment Management Agreement and the Trustee, the investment manager of the Trust, the Reliance Sponsor, the Brookfield Sponsor and their respective affiliates, directors, officers, employees, shareholders, partners, advisors, members or agents and members of any committee constituted by the investment manager of the Trust and/or Sponsors (each a "**Protected Person**") are entitled to be indemnified and held harmless by the Trust from and against any and all liabilities, claims, costs, losses, damage and expenses arising out of, or in connection with the Trust or any other InvIT Documents (as defined therein and subject to certain exceptions) to the extent permitted by law. As a result, the Trust's rights and the rights of the Unitholders to recover claims against the investment manager of the Trust or the Trustee are limited and the liability of the investment manager of the Trust and the Trustee are limited under the terms of these agreements and the Unitholders may not be able to recover claims against the Trustee or the investment manager of the Trust, including claims with respect to any offer documents relating to the Issue.

55. Unitholders are unable to require the redemption of their Units.

Unitholders will not have the right to redeem Units or request or require the redemption of Units by the investment manager of the Trust while the Units are listed. It is intended that Unitholders may only deal in their listed Units through trading on the Stock Exchange. Listing of the Units on the Stock Exchange does not guarantee a liquid market for the Units.

56. The Trust does not have many similar and comparable listed peers which are involved in same line of business for comparison of performance and, therefore, investors must rely on their own examination of the Trust for the purposes of investment in the Issue

As of the date of this Placement Memorandum, there are five other infrastructure investment trusts which are listed on the Indian stock exchanges and none in the tower business and, accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of the Trust for the purposes of investing in the Units. Risks Related to Tax

57. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations

There have been two recent major reforms in Indian tax laws, namely the introduction of the GST and provisions relating to general anti-avoidance rules ("**GAAR**").

The GST regime came into effect on July 1, 2017, combining taxes and levies by the Government and State Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, there can be no assurances as to the tax regime following implementation of the GST. Additionally, there is limited clarity on the availability of input tax credit, and any unfavorable orders in this regard may have a material adverse impact on our financial position and cash flows. Further, any application of existing law or future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

The GAAR regime came into effect on April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, amongst other consequences, including on the interest paid by the Tower Co. on the debt from the Trust. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to the Trust or any member of the Trust and the Tower Co., it may have a material adverse tax impact on the Trust and the Tower Co.

The investment manager of the Trust has not determined the impact of such existing or proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

58. 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 our business

Tax and other levies imposed by the Government of India and State Governments that affect our liability include: (i) income tax; (ii) wealth tax (which was withdrawn with effect from January 1, 2016); (iii) excise duty; (iv) value added tax/central sales tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. In some cases, these taxes and other levies may be changed from year to year and the Indian courts which interpret tax legislation may apply such interpretations with retroactive effect. Also, the Government in certain situations has the authority to change tax laws retrospectively. In lieu of certain indirect tax legislation, the GST has been introduced in India and may have significant but as yet unknown consequences for us.

In addition, the Income Tax Act contains a provision in respect of the GAAR indicating that these rules have been made effective from April 1, 2017. GAAR is a broad set of provisions which grant powers to India tax authorities to invalidate any arrangement for tax purposes if the main purpose of entering into the transaction by the tax payer is to obtain a tax benefit. Besides the "tax benefit", the transaction should meet any one of the following specified additional tests:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;
- results, directly or indirectly, in the misuse, or abuse, of the provisions of the Income Tax Act;
- lacks commercial substance or is deemed to lack commercial substance as prescribed under the Income Tax Act in whole or in part; and
- is entered into, or carried out, by means which are, or in a manner which is, not ordinarily employed for bona fide purposes.

Such transactions are declared as impermissible avoidance arrangements and the consequence in relation to tax arising from such arrangements, including denial of a tax benefit or a benefit under a tax treaty, shall be determined according to the circumstances of the case. The rules notified with respect to GAAR prescribe that these shall not be applicable to FIIs in accordance with the SEBI (Foreign Institutional Investors Regulations) 1995 subject to the fulfillment of certain conditions. GAAR may have a material adverse tax impact on the Trust, the Tower Co. and the Unitholders.

Any increase in the rates of corporate income tax, dividend distribution tax, withholding tax on payment of interest or MAT, any changes to tax holidays, deductions, tax depreciation and other sections of the Income Tax Act and any introduction of new taxes or withdrawal of any exemption could materially and adversely affect the Tower Co. and may have a material, adverse effect on the business, prospects, financial condition, cash flows and results of operations of the Tower Co., which may in turn have a significant and material impact on distributions to be made by the Tower Co. Under the Income Tax Act, no deduction is allowed on expenditure (including interest) which is not incurred for the purpose of a business or earning income, or is incurred for earning a tax-exempt income, in computing the taxable income of the Tower Co. In the event that any such deduction is not allowed, tax may be levied at the prevailing tax rates on the amount of disallowance, together with interest on the tax payable. Further, with effect from April 1, 2017, the penalty for under-reporting of the income shall be a sum equal to (a) 50% of the amount of tax payable or, (b) in cases where the under-reporting of income is a consequence to any misreporting the penalty is two times the amount of tax payable.

59. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units

Under current Indian tax laws, units of a business trust held for more than 36 months are considered as long term capital assets. In case of sale of such units through a recognized stock exchange in India and subject to payment of securities transaction tax ("**STT**"), any gain arising in excess of ₹ 0.10 million is subject to long term capital gains tax at a concessional rate of 10% (plus applicable surcharge and cess). However, if the said units are sold in any other manner, the same shall be subject to long term capital gains tax at the rate of 20% with indexation benefit (plus applicable surcharge and cess).

In case the units are held for less than or up to 36 months, the same shall be regarded as short term capital asset. Any gain arising in case of sale of such units through a recognized stock exchange in India and subject to payment of STT, is subject to short term capital gains tax at concessional rate of 15% (plus applicable surcharge and cess). However, if the said units are sold in any other manner, the same shall be subject to short term capital gains tax at applicable tax rates of the holder (plus applicable surcharge and cess).

The aforesaid taxability in India is subject to tax treaty benefits in the case of a non-resident holder.

Recently, the Finance Act, 2020 amended the Income-tax Act, 1961("**IT Act**") to abolish the DDT regime and shift the incidence of taxation of dividend (declared or distributed on or after April 1, 2020) to shareholder. Under the Finance Act, 2020, a distribution made by a business trust, being in the nature of dividend income received from a special purpose vehicle, will not be subject to tax in the hands of a unitholder, so long as the special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the IT Act. Similarly, a business trust (which includes an infrastructure investment trust) will not be required to withhold tax on any distributions which are in the nature of dividend income received from a special purpose vehicle, so long as such special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the IT Act. However, where the special purpose vehicle opts to pay tax under Section 115BAA of the IT Act, dividend income distributed by the business trust would be taxed in the hands of a non-resident unitholder at 20% (plus applicable surcharge and cess) or the applicable treaty rate and at the ordinary rate for a resident unitholder. Further, the business trust would be required to withhold tax on such distributions made from dividend received from the special purpose vehicle. Thus, the taxability of dividends distributed by the Trust will depend on the taxation regime opted by the Tower Co.

Furthermore, the Trust might not be able to pay or maintain the levels of distributions or ensure that the level of distributions will increase over time, or that future acquisitions will increase the Trust's distributable free cash flow to the Unitholders. Any reduction in, or elimination or taxation of, payments of distributions could materially and adversely affect the market price of the Units.

60. The Income Tax Department had raised certain objections on the Scheme of Arrangement and has claimed that the Hon'ble National Company Law Tribunal, Ahmedabad bench, had not adjudicated on their objections while granting sanction to the Scheme of Arrangement

The Income Tax Department had raised certain objections on the Scheme of Arrangement including conversion of preference shares by cancelling the same and converting the same into loans with the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**"). The Scheme of Arrangement was however sanctioned by the NCLT on March 20, 2019. The Income Tax Department alleged that the National Company Law Tribunal, Ahmedabad bench had not adjudicated on their objections before sanctioning the Scheme of Arrangement and filed appeals before the National Company Law Appellate

Tribunal, New Delhi ("**NCLAT**"). While the NCLAT has dismissed the appeals of the Income Tax Department vide its order dated December 20, 2019, we cannot guarantee that the Income Tax Department would not appeal against the order of the NCLAT in the Hon'ble Supreme Court and the likely outcome of any such appeal with the Supreme Court. In the event of any adverse ruling by the Supreme Court, the transaction may need to be wound up and our investments in the Tower Co. and the results of our operations may be adversely and materially impacted.

61. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For example, transactions between the Tower Co. and its associated enterprises are required to be carried out at arm's length pricing and comply with the transfer pricing under the Income Tax Act, 1961. Any failure to comply with such rules, including any failure to maintain required documentation or furnish required information to the tax regulator, may result in penalties of 2% of the value of the relevant transaction.

Our investment manager of the Trust intends to take measures to ensure that it is in compliance with all relevant tax laws. However, the tax authorities might take a position that differs from the position taken by us with regard to our tax treatment of various items.

62. The Ministry of Finance, GoI, has constituted a task force to draft new direct tax legislation, the provisions of which may have an unfavorable implication for us.

The Ministry of Finance, GoI, has set up a panel to review the IT Act and to draft a new direct tax legislation ("**Panel**"). The Panel has been tasked with drafting appropriate direct tax legislation aimed at (i) aligning India's domestic direct tax regime in line with international best practices; and (ii) ensuring and encouraging compliance. The impact of the report by the panel, including findings and recommendations in their report and the provisions of the proposed direct tax legislation could have an unfavorable implication on us. Since the panel and their report, including their recommendations and the draft of the new direct tax legislation has not been released yet, the possible impact on us is not clear.

63. The Trust and the Tower Co. may be subject to certain tax related risks under the provisions of the IT Act.

Shortfall in the determination of fair market value of the equity shares at the time of transfer of the Tower Co. to the Trust may be subject to taxation in the hands of the acquirer - The equity shares of the Tower Co. are proposed to be transferred to the Trust. Under the provisions of section 56(2)(x) of the IT Act, where a purchase of shares is undertaken at a value which is lower than the fair market value of the shares, such shortfall in value is subject to be taxed as income from other sources in the hands of the acquirer. The manner of determination of fair market value as provided under the Income Tax Rules, 1962, includes the value determined by net asset method, subject to the prescribed adjustments.

Under the provisions of the Trust Deed, the Trust is permitted to repay a portion of the capital or reduce the face value of Units. There is a lack of clarity on the tax treatment that will be applicable on the Trust on the occurrence of such an event.

The Trust is under an obligation to distribute to the Unitholders, the surplus of the income earned from receipt of cash flows from the interest and dividend received from the Tower Co., after the deduction of the various expenses incurred in connection with earning such income and general-purpose expenses. The provisions of the IT Act provide that the Trust should disclose the nature of the amount distributed to the Unitholders, i.e., whether from dividends received from the Tower Co., interest income earned, etc. However, there is lack of clarity on the method to be adopted by the Trust for the allocation of various expenses incurred towards earning each specific stream of income by the Trust. The Tower Co. has inherited a certain capital structure from the Predecessors via a slump sale arrangement. However, the capital structure may be skewed towards debt, and accordingly the Tax Department may disallow tax deductibility of part interest chargeable on such debt. Even though there may be various defenses available with the Tower Co. and the Trust to claim interest deductibility, there is a risk that it might be challenged at the lower levels.

The tax depreciation to which the Tower Co. is entitled post the slump sale would depend on the purchase price allocation towards various depreciable assets based on a fair valuation report prepared by an independent valuer. However, there is a risk that the Tax Department might challenge this and re-characterize the arrangement as a ‘sale and lease back’ (not being a services arrangement), and consider the written down value of depreciable assets in the books of RJIL for the purposes of claiming tax depreciation in the Tower Co. However, appropriate indemnities have been obtained in the definitive documents, and accordingly, risk if any, would be appropriately indemnified.