

Annual Report Analysis (Consolidated)

Source: CRORES. All figures Crores. Pipeline: v5-Gemini — W1a → W3 → W1b+W2+W2F (parallel, notes-injected) → Merge.

Investor Snapshot

#	Analytical Point	Sentiment
1	India Infrastructure Trust operates as a critical utility asset, controlling 26% of national gas pipeline capacity with a 20-year Pipeline Usage Agreement (PUA) with RIL providing a 33 MMSCMD revenue floor.	☐Positive
2	Revenue grew 5.87% YoY to ₹2,744 Cr, supported by a 29% increase in trade receivables and an average daily billed volume of 23.68 MMSCMD.	☐Positive
3	Operating profit margins remain robust and stable at 75%, reflecting the high-margin nature of the infrastructure and efficient management of System Use Gas (SUG) at 1.23%.	☐Positive
4	Reported PAT of ₹546 Cr is significantly lower than cash generation due to high non-cash depreciation charges, which increased by ₹65.9 Cr following a conservative residual value reassessment.	☐Neutral
5	<i>The Trust faces a severe liquidity crisis with a Current Ratio of 0.13, driven by a ₹6,446 Cr debt maturity "cliff" due in March 2024, representing 100% of outstanding NCDs.</i>	☐Negative
6	Earnings quality is exceptional with a CFO of ₹1,600 Cr (2.93x PAT), ensuring that the ₹1,047 Cr in unitholder distributions is fully covered by operational cash flow.	☐Positive
7	Maintenance capex of ₹47 Cr is minimal and 34x covered by CFO, indicating a "harvest" phase where cash is primarily directed toward debt service and distributions.	☐Positive
8	<i>Capital allocation is currently value-dilutive as the 8.00% ROCE remains below the average interest cost of approximately 9%, creating a negative spread for unitholders.</i>	☐Negative
9	Governance is generally strong with a 9/10 rating and 0% promoter pledging, though ₹62.84 Cr of land assets are not yet held in the Trust's name and RPTs account for 30.6% of revenue.	☐Neutral
10	<i>High counterparty risk exists with 62.08% of revenue concentrated in the top two customers, while long-term upside is capped by a ₹50 Cr terminal value call/put option with RIL.</i>	☐Negative
11	The outlook depends on volume ramp-up in the KG Basin toward 30+ MMSCMD and the successful implementation of the Unified Tariff to maintain revenue neutrality.	☐Neutral
12	Investment View: WATCH stance maintained; the primary monitorable is the successful refinancing of ₹6,446 Cr in debt at a coupon rate below 8.5% to ensure yield sustainability.	☐Neutral

1. BUSINESS OVERVIEW (In Bullet Points)

- **Asset Profile:** The Trust is a single-asset vehicle owning 100% of Pipeline Infrastructure Limited (PIL), which manages a 1,375 km cross-country natural gas pipeline (plus 105 km of spur lines) from Kakinada to Bharuch.

- **Revenue Drivers:** Revenue is almost exclusively derived from gas transportation charges regulated by the PNGRB. A "Pipeline Usage Agreement" (PUA) with Reliance Industries Limited (RIL) reserves capacity of up to 33 MMSCMD for 20 years, providing a guaranteed cash flow floor.
- **Cost Structure:** Characterized by high fixed costs (depreciation, finance costs) and low variable costs. The primary operational driver is System Use Gas (SUG), which was managed at 1.23% in FY23, outperforming the 1.25% target.
- **Industry Position:** PIL is India's first bi-directional pipeline, representing 7% of the national network by length but 26% by design capacity (85 MMSCMD).
- **Capacity Utilization:** Currently low at 27.86% (23.68 MMSCMD billed), indicating significant operating leverage potential as volumes ramp up.
- **Expansion & Connectivity:** Completed 3 City Gas Distribution (CGD) connectivity projects in FY23 (Megha Engineering) with 2 more planned for FY24 (AGP, Bhilosa Industries) to diversify the customer base.
- **Segment Performance:** Revenue from operations grew to ₹2,744.02 Cr in FY23 from ₹2,633.76 Cr (Consol.) in FY22, driven by increased domestic production from the KG-D6 cluster.
- **Geographical Presence:** Connects major supply hubs on the East Coast (KG-D6, ONGC) to high-demand centers and LNG terminals on the West Coast (Shell Hazira).

2. MANAGEMENT COMMENTARY & OUTLOOK

- Management is shifting strategy from managing the captive RIL relationship to becoming a "common carrier" for a broader set of customers, including 14 CGD entities.
- Growth guidance is tied to the volume ramp-up from RIL-BP's KG-D6 cluster and ONGC's east coast fields, alongside incremental volumes from new "last-mile" connectivities.
- The transition to a Unified Tariff (effective April 1, 2023) is expected to be revenue-neutral but volume-supportive for long-distance pipelines like PIL.
- Management is engaged in ongoing litigation with PNGRB regarding capacity determination; while APTEL ruled in favor of PIL, the matter is now in the Supreme Court, representing a long-term tail-risk for tariff revisions.
- Operational focus remains on "sweating the asset" and maintaining high efficiency, evidenced by a negligible Unaccounted for Gas (UFG) rate of 0.003%.
- Technology upgrades, including drone surveys and Optical Gas Imaging for methane leak detection, are being integrated to ensure pipeline integrity and ESG compliance.
- The distribution strategy remains heavily weighted toward "Return of Capital" (₹6.77 per unit in FY23), reflecting a liquidating yield structure typical of finite-life infrastructure assets.
- Management expresses confidence in the long-term cash flow certainty provided by the RIL contract, as reflected in the Fair Value (₹102.19/unit) exceeding Book Value (₹90.55/unit).
- The management exhibits "Pragmatic Optimism," remaining realistic about regulatory hurdles while focusing on incremental volume growth and zero-loss operational records (LAST BULLET POINT).

3. FINANCIAL ANALYSIS

3.1 Financial Statements

Source: Screener.in — all monetary values in Crores. Use these numbers directly.

P&L Statement (₹Crores)

Line Item	Mar 2023	Mar 2022
Sales -	2,744.00	2,592.00
Sales Growth %	5.87	44.66
Expenses -	697.00	628.00
Manufacturing Cost %	17.00	17.00
Employee Cost %	1.00	1.00
Other Cost %	7.00	6.00
Operating Profit	2,047.00	1,964.00
OPM %	75.00	76.00
Other Income -	45.00	41.00
Exceptional items	9.00	20.00
Other income normal	36.00	21.00
Interest	591.00	590.00
Depreciation	953.00	864.00
Profit before tax	547.00	551.00
Tax %	0.00	0.00
Net Profit -	546.00	549.00
Exceptional items AT	9.00	20.00
Profit excl Excep	537.00	530.00
Profit for PE	537.00	530.00
Profit for EPS	546.00	549.00
Profit Growth %	1.00	220.00
EPS in Rs	8.22	8.27
Dividend Payout %	0.00	0.00

Balance Sheet (₹ Crores)

Line Item	Mar 2023	Mar 2022
Equity Capital	4,708.00	5,158.00
Reserves	-2,035.00	-1,983.00
Borrowings -	6,475.00	6,473.00
Long term Borrowings	7.00	6,446.00
Short term Borrowings	6,446.00	0.00
Lease Liabilities	22.00	27.00
Preference Capital	7.00	6.00
Other Borrowings	-7.00	-6.00
Other Liabilities -	5,770.00	6,137.00
Non controlling int	4,045.00	4,045.00
Trade Payables	136.00	97.00
Other liability items	1,589.00	1,995.00
Total Liabilities	14,919.00	15,784.00
Fixed Assets -	13,583.00	14,456.00
Land	96.00	96.00
Building	233.00	233.00
Plant Machinery	14,606.00	14,547.00
Equipments	24.00	19.00
Furniture n fittings	3.00	3.00
Vehicles	0.00	0.00
Intangible Assets	40.00	40.00
Other fixed assets	2,104.00	2,088.00
Gross Block	17,107.00	17,027.00
Accumulated Depreciation	3,524.00	2,571.00
CWIP	37.00	72.00
Investments	20.00	595.00
Other Assets -	1,279.00	661.00
Inventories	237.00	137.00
Trade receivables -	146.00	113.00
Receivables over 6m	15.00	15.00
Receivables under 6m	146.00	113.00
Prov for Doubtful	-15.00	-15.00
Cash Equivalents	592.00	35.00
Loans n Advances	18.00	14.00
Other asset items	286.00	363.00
Total Assets	14,919.00	15,784.00

Cash Flow Statement (₹Crores)

Line Item	Mar 2023	Mar 2022
Cash from Operating Activity -	1,600.00	1,875.00
Profit from operations	2,062.00	1,984.00
Receivables	-11.00	39.00
Inventory	-101.00	-30.00
Payables	-381.00	-91.00
Other WC items	0.00	0.00
Working capital changes	-493.00	-82.00
Direct taxes	31.00	-27.00
Cash from Investing Activity -	416.00	-326.00
Fixed assets purchased	-47.00	-69.00
Fixed assets sold	0.00	0.00
Investments purchased	-3,780.00	-4,830.00
Investments sold	4,377.00	4,697.00
Interest received	6.00	10.00
Other investing items	-140.00	-134.00
Cash from Financing Activity -	-1,628.00	-1,639.00
Proceeds from shares	0.00	0.00
Proceeds from borrowings	0.00	0.00
Repayment of borrowings	0.00	0.00
Interest paid fin	-580.00	-580.00
Dividends paid	0.00	-7.00
Financial liabilities	-2.00	-2.00
Other financing items	-1,047.00	-1,051.00
Net Cash Flow	388.00	-90.00
Free Cash Flow	1,553.00	1,806.00
CFO/OP	77.00	97.00

Key Ratios (₹Crores)

Line Item	Mar 2023	Mar 2022
Debtor Days	19.00	16.00
Inventory Days	0.00	0.00
Days Payable	0.00	0.00
Cash Conversion Cycle	19.00	16.00
Working Capital Days	-1,013.00	-158.00
ROCE %	8.00	8.00

3.2 Financial Analysis Summary

- **Revenue** grew by 5.87% to ₹2,744.00 Cr, primarily driven by Income from Transportation of Gas (₹2,568.91 Cr) and Parking and Lending Services (₹166.62 Cr), supported by a 29.2% increase in **Trade Receivables** to ₹146.00 Cr with a tight credit period of 4 business days.
- **Operating Profit** margins remained robust at 75.00%, despite a 180% spike in Electricity, Power and Fuel costs to ₹348.00 Cr, which was mitigated by the recognition of ₹586.73 Cr from **Other Liabilities** (Income received in advance) into **Revenue**.
- **Depreciation** increased by 10.32% to ₹953.00 Cr due to a reassessment of the residual value of Plant & Machinery, resulting in an additional non-cash charge of ₹65.90 Cr, which reduced **Net Profit** but supported a high **CFO to PAT** ratio of 2.93x.
- **Net Profit** remained flat at ₹546.00 Cr, impacted by a ₹13.98 Cr fair value loss on Call/Put options and high **Finance Costs** of ₹591.00 Cr, consistent with the **Interest paid** of ₹580.00 Cr in the **Cash Flow Statement**.
- A critical liquidity risk has emerged as ₹6,445.63 Cr of **Total Debt** (100% of NCDs) was reclassified to **Short term Borrowings** due to maturity in March 2024, causing the **Current Ratio** to collapse to 0.13.
- **Cash from Operating Activity** of ₹1,600.00 Cr was healthy but lower than the previous year, primarily due to a ₹493.00 Cr drain from **Working capital changes**, including a ₹381.00 Cr outflow in **Trade Payables** and a ₹101.00 Cr increase in **Inventory**.
- **Inventory** of Natural Gas and Fuel surged by 361% to ₹102.73 Cr, while **Other Assets** increased to ₹1,279.00 Cr, including ₹173.24 Cr in restricted bank deposits (DSRA) and GST balances of ₹19.63 Cr.
- **Free Cash Flow** remained strong at ₹1,553.00 Cr, as **Capex** was minimal at ₹47.00 Cr, indicating the Trust is in an "operation and maintenance" phase with low capital commitments of ₹22.85 Cr.
- **Cash from Financing Activity** saw an outflow of ₹1,628.00 Cr, largely driven by ₹1,047.00 Cr in **Other financing items**, representing distributions to the Sponsor via Return on Capital and Repayment of Unit Capital.
- **Net Worth** is pressured by accumulated **Reserves** of -₹2,035.00 Cr, meaning distributions are funded by **CFO** and "Return of Capital" rather than accounting profits, leading to a high **Debt / Equity** ratio of 2.42x.
- **ROCE** remained stable at 8.00%, while **ROE** improved to 20.43% due to high financial leverage and the fixed nature of the ₹13,583.00 Cr **Fixed Assets** base.
- **Other Liabilities** include ₹1,442.57 Cr of PUA-related and Capacity Payment obligations; the 46.7% drop in "Income Received in Advance" indicates the company is now "earning" cash collected in previous years, impacting future cash flow sustainability.
- **Other Expenses** saw a spike in Power and Fuel (180%) and General Expenses (₹22.49 Cr), suggesting higher pipeline throughput intensity or increased gas prices for internal consumption.
- **Fixed Assets** include ₹62.84 Cr of land still held in the name of previous owners, representing a documentation risk, while Goodwill of ₹40.40 Cr was tested for impairment using a high discount rate of 18.15%.
- The Trust maintains an **Interest Coverage** of 3.46x, but the fixed coupon of 8.9508% on NCDs will be subject to market volatility upon the mandatory refinancing required by March 2024.
- The dominant financial theme of the year is the transition from a cash-rich upfront model to an operational "earning" phase, characterized by strong utility-like cash flows being utilized for high distributions while facing a massive near-term debt refinancing cliff.

3.3 Contingent Liabilities & Commitments

- **Capital Commitments:** ₹22.85 Cr (Net of advances) as of March 31, 2023, primarily for maintenance and minor connectivity projects.
- **Litigation:** Ongoing dispute with PNGRB regarding capacity determination; currently in the Supreme Court. A negative ruling could adversely impact future tariff revisions.
- **Asset Title:** ₹62.84 Cr of freehold and leasehold land is still held in the name of the previous owner (RGTEL/ others).
- **Guarantees:** No major third-party guarantees disclosed; NCDs are secured by a first-ranking charge on all pipeline assets and PUA assignment.

3.9 Earnings Quality & Forensic Checks

#	Check	Impact	Status	Evidence	Notes Detail
1	PAT vs CFO trend	Profit ↓ — CFO of ₹1,600 Cr exceeds PAT of ₹546 Cr due to ₹953 Cr depreciation add-back.	□	PAT ₹546 Cr; CFO ₹1,600 Cr; Depr ₹953 Cr.	High cash generation relative to PAT is typical for InvITs; depreciation is a non-cash charge [Note 35].
2	Receivables & channel-stuffing signal	Revenue ↑↓ — inventory spike of ₹100 Cr (361%) vs 5.8% sales growth suggests potential overstocking.	□	Inventory ₹237 Cr (up from ₹137 Cr); Sales ₹2,744 Cr.	Inventory increase driven by Natural Gas and Fuel stock; receivables remain high quality with 4-day credit [Note 3, 5.1].
3	Revenue timing (deferred revenue)	Revenue ↑ — drawdown of ₹586.7 Cr from advances recognized as revenue boosts current period turnover.	□	Income received in advance fell from ₹1,296.7 Cr to ₹690.9 Cr.	Revenue recognized as performance obligations are met; significant reliance on historical upfront payments [Note 17.2].
4	Revenue from related parties %	Revenue ↑↓ — high concentration risk; top two customers (including RIL) contribute 62.08% of revenue.	□	Customer A: ₹1,148.8 Cr; Customer B: ₹554.7 Cr.	Significant counterparty risk if Pipeline Usage Agreement (PUA) terms change or contracts are not renewed [Note 23.1].
5	Inventory vs revenue growth	Profit ↓ — inventory growth of 73% (total) far outpaces 5.8% revenue growth, increasing carrying costs.	□	Inventory ₹237 Cr vs ₹137 Cr; Sales ₹2,744 Cr vs ₹2,592 Cr.	Specifically, Natural Gas and Fuel stock rose 361%, suggesting higher line pack or valuation changes [Note 3].
6	Inventory valuation method change	Neutral — no change in policy; line pack gas capitalized as PPE and not depreciated.	□	Line pack gas capitalized at cost.	Standard industry practice; ensures value remains on books indefinitely unless pipeline pressure is reduced [Note B.4(a)].
7	Exceptional items in operating profit	Profit ↑ — ₹9 Cr exceptional gain (post-tax) included in PAT, slightly inflating core earnings.	□	Exceptional items: ₹9 Cr (FY23) vs ₹20 Cr (FY22).	Non-operational gains; Profit excluding exceptional items is ₹537 Cr [P&L Statement].
8	Depreciation rate vs useful life policy	Profit ↓ — reassessment of residual values increased depreciation by ₹65.9 Cr, reducing reported PAT.	□	Depreciation ₹953 Cr (FY23) vs ₹864 Cr (FY22).	Change based on external technical evaluation of Plant & Machinery; reflects more conservative asset life [Note 1.8].
9	Provision reversals boosting PAT	Neutral — no significant provision reversals; credit impaired receivables remain 100% provided for.	□	Provision for doubtful debts stable at ₹15 Cr.	Conservative stance on impaired assets; no artificial boost to PAT from reversal of old provisions [Note 5.2].
10	Tax rate consistency	Neutral — 0% effective tax rate consistent with InvIT structure and unabsorbed depreciation.	□	Tax %: 0.00; Direct taxes paid: ₹31 Cr.	DTA recognized only to the extent of DTL, preventing inflation of the balance sheet [Note 16.2].
11	CWIP age and stalling projects	Neutral — CWIP decreased by 48%, indicating successful capitalization of ongoing pipeline projects.	□	CWIP ₹37 Cr (FY23) vs ₹72 Cr (FY22).	Low capital commitment (₹22.85 Cr) suggests the Trust is in a steady-state operational phase [Note 30].
12	Deferred tax asset recognition	Neutral — conservative recognition policy; DTA	□	DTA/DTL balanced to avoid asset inflation.	Management avoids recognizing DTAs that may not be

#	Check	Impact	Status	Evidence	Notes Detail
		limited to DTL on unabsorbed depreciation.			recoverable against future taxable profits [Note 16.2].
13	RPT quantum and trend	Profit ↓ — ₹785 Cr distributed to Sponsor via capital repayment; ₹51.6 Cr paid for O&M.	□	Return on Capital: ₹447.7 Cr; Repayment of Unit Capital: ₹337.4 Cr.	O&M outsourced to group entity; reciprocal Call/Put options with RIL cap long-term terminal value [Note 28, 15.1].
14	Dividend paid vs FCF adequacy	Neutral — distributions of ₹1,047 Cr are well-covered by Free Cash Flow of ₹1,553 Cr.	□	FCF ₹1,553 Cr; Other financing items (distributions) ₹1,047 Cr.	NDCF is nearly double the PAT due to depreciation add-backs, typical for yield-based instruments [Note 35].
15	Current Ratio / Liquidity Cliff	Neutral — Current ratio collapsed to 0.13 due to reclassification of ₹6,446 Cr debt to current.	□	Current Ratio 0.13 vs 0.66.	100% of NCDs mature in March 2024; creates massive refinancing risk [Note 38].
16	Asset Title Documentation	Neutral — ₹62.84 Cr land still in name of previous owner.	□	Note 1.5.	Documentation risk; transfer in process but not complete [Note 1.5].
17	Terminal Value Cap	Neutral — Reciprocal Call/Put options with RIL capped at ₹50 Cr.	□	Note 15.1.	Effectively caps the long-term terminal value for unitholders [Note 15.1].

4. MANAGEMENT & GOVERNANCE

A. Auditor Report & Key Audit Matters * **Title Deed Documentation Risk:** Auditor noted that ₹62.84 Cr of freehold and leasehold land is still held in the name of the previous owner (RGTIL/others) and not the company. Management asserts legal possession and control, but the transfer process is ongoing. * **Impairment of Pipeline Assets:** Valuation of the Cash Generating Unit (CGU) relies on complex levelized tariffs and volume estimates. Management used external technical experts and concluded no impairment is necessary. * **Fair Value of Financial Options:** Valuation of Call/Put options (₹2.80 Cr liability) involves significant judgment using the Black-Scholes model with a 36.4% volatility assumption. * **Audit Opinion:** Unqualified. Auditor confirmed the going concern basis is appropriate despite the current liability cliff.

B. Related Party Transactions

Party	Relationship	Nature	Amount (₹Cr)	Concern
Rapid Holdings 2 Pte. Ltd.	Sponsor	Return on Capital	447.71 Cr	High cash extraction
Rapid Holdings 2 Pte. Ltd.	Sponsor	Repayment of Unit Capital	337.36 Cr	Capital erosion
Pipeline Management Services	Group Entity	O&M Expenses	51.64 Cr	Captive outsourcing
Brookfield India Infra Manager	Manager	Investment Manager Fee	2.83 Cr	Fixed fee structure
ECI India Managers	Project Manager	Project Manager Fee	1.77 Cr	Fixed fee structure

- **RPT Risk:** RPTs as a % of Revenue stand at 30.60% (due to distributions). The Sponsor extracted ₹785.07 Cr in FY23. Reciprocal Call/Put options with RIL for the SPV stake are capped at ₹50 Cr or lower, effectively capping long-term terminal value for unitholders.

C. Shareholding * **Promoters:** 75.00% * **FII:** 16.02% * **DII:** 8.61% * **Public:** 0.37% * **Pledged Shares:** 0.00%

D. Board Composition + KMP Compensation * **Total Directors:** 4 (at Investment Manager level); **Independent %:** 50.00%; **Women Directors:** 1 (Ms. Swati Mandava). * **KMP Compensation:** Investment Manager (₹2.83 Cr)

and Project Manager (₹1.77 Cr) fees remained flat YoY. Aggregate management pay is exceptionally low at 0.23% of EBITDA, indicating a fixed-fee governance structure with no family-based compensation anomalies noted.

F. Capital Allocation & Capex

Action	FY Current (₹Cr)	FY Prior (₹Cr)	% of CFO	Signal
Distributions (Total)	1,046.91 Cr	1,058.00 Cr	65.43%	□
Capex	47.00 Cr	69.00 Cr	2.94%	□
Net Debt Change	2.00 Cr	0.00 Cr	0.13%	□
Working Capital Investment	493.00 Cr	82.00 Cr	30.81%	
Interest Payments	580.00 Cr	580.00 Cr	36.25%	

• CAPEX Analytical Notes:

- CFO (₹1,600 Cr) covers Capex (₹47 Cr) by 34x, indicating the asset is fully self-funding.
- The ₹47 Cr capex is purely defensive, aimed at maintenance and minor CGD connectivities.
- Revenue grew 5.87% while Capex fell 31.9%, suggesting high efficiency in sweating existing assets.

H. Risks * **Refinancing Cliff**: 100% of NCDs (₹6,452 Cr) mature in March 2024. Impact: Potential liquidity crunch or higher interest costs upon refinancing (High Severity). * **Customer Concentration**: Top 2 customers account for 62.08% of revenue. Impact: Loss of one contract could hit 40%+ of topline (High Severity). * **Terminal Value Cap**: RIL Put/Call options at ₹50 Cr. Impact: Limits upside for unitholders at the end of the asset's economic life (High Severity). * **Regulatory/Tariff**: PNGRB Unified Tariff and capacity determination litigation. Impact: Potential reduction in revenue entitlement (Medium Severity). * **Asset Title**: Land parcels (₹62.84 Cr) not in Trust's name. Impact: Legal disputes or inability to charge assets (Medium Severity).

5. SCORECARD & VERDICT

Part A: Scorecard

Dimension	Rating (1-5)	Delta	Key Evidence	One-line Rationale
Business Quality	4	→	26% of national capacity; PUA with RIL	Strong moat and guaranteed floor, but high customer concentration.
Financial Health	2	↓	Current Ratio 0.13; D/E 2.42x	Massive near-term debt maturity cliff outweighs strong CFO.
Earnings Quality	4	→	CFO (₹1,600 Cr) > PAT (₹546 Cr)	High cash conversion; conservative DTA and inventory policies.
Management & Governance	3	→	50% Ind. Board; Title deed issues	Generally transparent but terminal value cap and land title issues persist.
Capital Allocation & Earnings Visibility	3	→	ROCE 8% < Interest 9%; PUA floor	Yield-focused "harvest" phase with limited growth visibility.

BUSINESS POSITIVES (for this company this year) * □ **Strong Cash Conversion**: CFO of ₹1,600 Cr is 2.93x the reported PAT of ₹546 Cr, driven by high non-cash depreciation. * □ **Operational Efficiency**: Managed System Use Gas (SUG) at 1.23%, outperforming the regulatory target of 1.25%. * □ **Revenue Protection**: The Pipeline Usage Agreement (PUA) with RIL ensures a capacity reservation of 33 MMSCMD, providing a stable

revenue floor. * **Self-Funding Capex:** Maintenance capex of ₹47 Cr is covered 34x by operating cash flows. * **Zero Pledging:** Promoter holding remains at 75% with 0% pledged.

BUSINESS NEGATIVES / CONCERNS (for this company this year) * **Liquidity Risk:** ₹6,446 Cr of debt (100% of NCDs) matures in March 2024, resulting in a Current Ratio of 0.13. * **Customer Concentration:** Top two customers contribute 62.08% of total revenue, creating high counterparty risk. * **Terminal Value Cap:** Reciprocal Call/Put options with RIL for the SPV are capped at ₹50 Cr, limiting long-term upside for unitholders. * **Value Dilution:** Interest cost (approx. 9%) currently exceeds ROCE (8.00%), making the debt structure value-dilutive. * **Governance/Title Risk:** ₹62.84 Cr of land assets are still not held in the Trust's name.

OVERALL SCORECARD SUMMARY India Infrastructure Trust is a robust utility-like asset with exceptional cash flow generation and high operating margins (75%). However, its financial profile is currently overshadowed by a massive ₹6,446 Cr debt maturity "cliff" in March 2024 and a high debt-to-equity ratio. While governance is generally stable with low management fees, the terminal value cap and land title issues are notable overhangs. The business is on a stable operational trajectory but faces a critical financial refinancing test in the next 12 months.

Part B: Governance Check Matrix

#	Check	Status	Evidence
1	Audit opinion clean?	<input type="checkbox"/>	Unqualified opinion issued by Deloitte.
2	Promoter pledge = 0?	<input type="checkbox"/>	0.00% pledged.
3	KMP pay < 5% of PAT?	<input type="checkbox"/>	Total IM/PM fees (₹4.6 Cr) are < 1% of PAT (₹46 Cr).
4	RPT quantum < 5% of revenue?	<input type="checkbox"/>	RPTs at 30.6% of revenue (primarily distributions).
5	Board > 50% independent?	<input type="checkbox"/>	50% (2 out of 4 directors).
6	At least 1 woman director?	<input type="checkbox"/>	Ms. Swati Mandava.
7	No statutory dues outstanding?	<input type="checkbox"/>	No significant defaults reported.
8	No fraud reported?	<input type="checkbox"/>	No fraud reported by auditors.
9	Audit trail enabled?	<input type="checkbox"/>	Confirmed in auditor's report.
10	Frequent Auditor change	<input type="checkbox"/>	Deloitte appointed for a 5-year term.

Total: 9/10 — Governance

Rating: 4

Part C: Investor Verdict

THESIS: A high-yield, single-asset infrastructure play with guaranteed cash flows from RIL, currently transitioning through a major debt refinancing cycle. **OVERALL STANCE:** WATCH **RATIONALE:** Strong operational cash flows are offset by the imminent ₹6,446 Cr debt maturity and the terminal value cap. **RE-EVALUATE WHEN:** Successful refinancing of the ₹6,446 Cr NCDs is completed at a coupon rate below 8.5%. **BULL CASE:** Volume ramp-up in the KG Basin leads to utilization exceeding 40%, driving organic revenue growth beyond the PUA floor. **BEAR CASE:** Refinancing occurs at significantly higher interest rates (>10%) or PNGRB litigation results in a downward tariff revision. **KEY MONITORABLE:** Average Daily Billed Volume: 23.68 MMSCMD → Watch for 30+ MMSCMD.

