

January 16, 2026

Epic Transnet Infrastructure Private Limited: [ICRA]AA (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer Rating	0.00	[ICRA]AA (Stable); assigned
Total	0.00	

*Instrument details are provided in Annexure I

Rationale

The rating favourably factors in ETIPL's expected steady cash flows, primarily in the form of distribution income from its proposed investee, Citius TransNet Investment Trust (Citius), an infrastructure investment trust (InvIT) registered under Security & Exchange Board of India (SEBI) for which ETIPL is designated as the sponsor. ETIPL's equity stake is likely to be around 5% in Citius, which is proposed to raise equity capital through public issue route within the next six months. ETIPL is likely to benefit from the strong profile of Citius with its proposed portfolio of 10 operational build-operate-transfer (BOT) road assets (3 State BOT Toll, 4 NHAI BOT Toll, 2 MoRTH¹ annuity assets and 1 NHAI² annuity asset).

ICRA understands that ETIPL has no plans to raise any external borrowing, and that it shall remain as an investment holding company and the sponsor of Citius. Consequently, its leverage, as measured by external debt to market value of investment is expected to remain at comfortable level. Any investment and other cash flow requirements shall be met by the available cash balance and capital infusion from ETIPL's parent, Infrastructure Yield Trust (IYT). The rating is constrained by the limited diversification of revenue streams, with distribution income from Citius as the only source, which is exposed to the performance of the underlying InvIT. However, this is supported by the regulatory prescription by the SEBI regarding InvITs, which requires at least 90% of the net distributable cash flows to be distributed to unit holders of the InvIT.

The Stable outlook on ETIPL stems from the strong profile of the investee entity Citius, given the expected stable distribution income from this investment and the absence of any external borrowing.

Key rating drivers and their description

Credit strengths

Stable income in the form of distributions from Citius – ETIPL's equity stake is likely to be around 5% in Citius. ICRA expects it to receive stable distribution income from the latter, which will be sufficient to meet its operational expenses. ICRA derives comfort from Citius' strong business and financial profiles. Citius is expected to benefit from a moderately diversified project portfolio comprising 10 operational BOT road assets (7 BOT Toll, 3 BOT Annuity). Of the portfolio's FY2026 ICRA projected revenue, the state toll assets are projected to contribute 46%, NHAI toll assets 38% and annuity assets (including NHAI and MoRTH) 16% respectively. The top 3 assets account for 49% of FY2026P revenue and top 3 states constitute 91% of FY2026P toll revenue (ICRA projected), indicating moderate asset diversification and geographical risk. The trust's proposed toll assets have a long tolling track record of ~11 years, while the annuity assets have received 15 annuities on average (in a timely manner and with minimal deductions) from the MoRTH and NHAI ([ICRA]AAA (Stable)).

¹ MoRTH - Ministry of Road Transport and Highways

² NHAI – National Highways Authority of India

Expected low leverage – ETIPL’s credit profile is supported by the absence of any external borrowing in the company, with no plans to raise any external debt. Any investment and other cash flow requirements shall be met by available cash balance and capital infusion from its parent, IYT.

Credit challenges

Limited diversification of revenue streams – Citius is proposed to be ETIPL’s sole investment. As such, it faces risks arising from revenues being exposed to the cash flows from Citius. However, this is expected to be mitigated to some extent by Citius’ strong credit profile.

Liquidity position: Adequate

ETIPL is not expected to have any external debt repayment obligations. On a steady state basis, the company is likely to have adequate liquidity to take care of its operational expenses.

Rating sensitivities

Positive factors – The rating could be upgraded if there is sustained and significantly higher distribution income from Citius, while maintaining comfortable debt/market value of investments.

Negative factors – The rating could witness a downward revision in case of weakening credit profile of Citius or significantly lower-than-anticipated distribution from Citius. External indebtedness leading to gross debt/market value of investments of above 20% for ETIPL, on a sustained basis, could lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Investment Companies Rating Methodology – Infrastructure Investment Trusts (InvITs) Rating Methodology – Roads (Annuity) Rating Methodology – Roads (BOT Toll)
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of Epic Transnet Infrastructure Private Limited

About the company

ETIPL (formerly Watrak Infrastructure Private Limited), formed in November 2021 is an investment entity designated as sponsor for the newly established Citius. ETIPL is fully held by IYT (a fund managed by EAAA India Alternatives Limited). Citius plans to acquire 10 road assets and open a public issue within the next six months. ETIPL's equity stake is likely to be around 5% in Citius.

Key financial indicators (audited)

ETIPL	FY2024	FY2025
Operating income (Rs. crore)	-	0.6
PAT (Rs. crore)	0.3	-0.1
OPBDIT/OI (%)	-	-16.1%
PAT/OI	-	-16.1%
Total outside liabilities/Tangible net worth (times)	0.06	0.08
Total debt/OPBDIT (times)	-186.00	-85.00
Interest coverage (times)	-0.08	-

Source: Company, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Note: The company follows IndAS and the key financial ratios are not representative of actual cash flows

Status of non-cooperation with previous CRA: Not applicable

Any other information:

Under the guidelines issued by Pension Fund Regulatory and Development Authority, the designated sponsor needs to be rated for pension funds to become eligible for investment in InvITs. Otherwise, ETIPL doesn't have any borrowing plans in the medium term.

Rating history for past three years

		Current (FY2026)		Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Jan 16, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long Term	0.00	[ICRA]AA (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]AA (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

M Rajashekar Reddy

+91 40 6939 6423

m.rajashekarreddy@icraindia.com

Shanttanu Phulzade

+91 20 6606 9910

shanttanu.phulzade@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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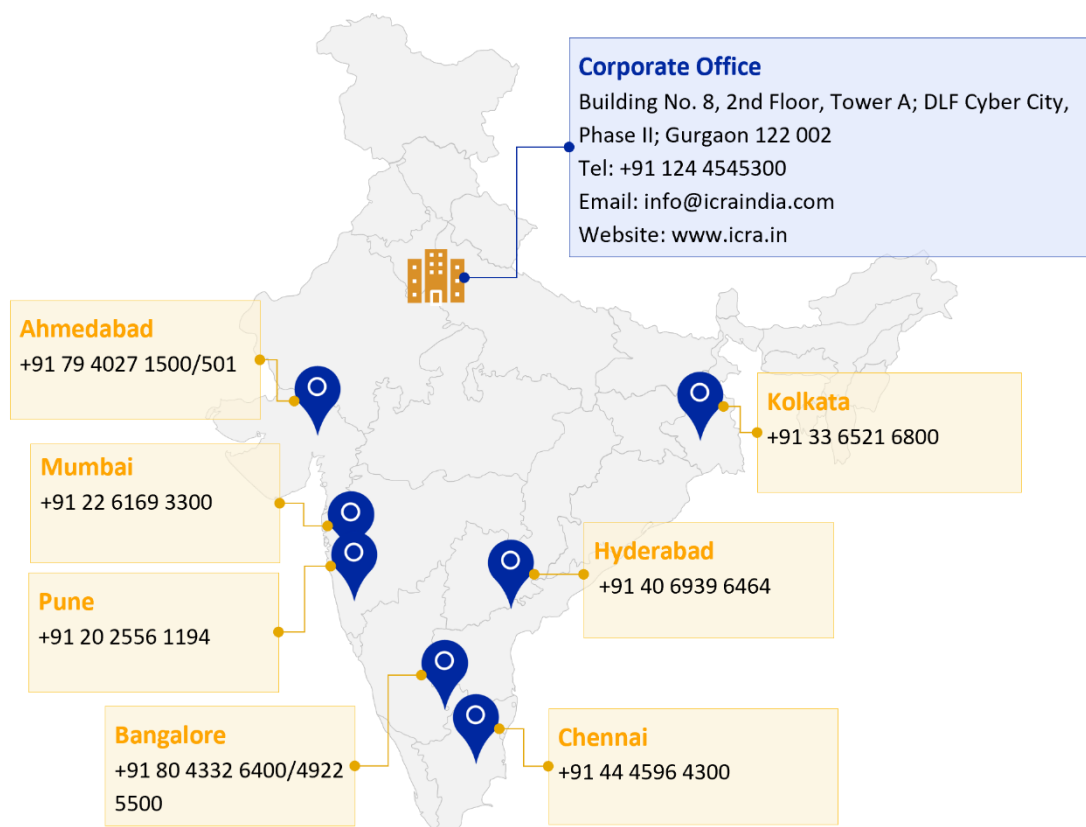
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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