February 17, 2026

Capital Infra Trust: [ICRA]AAA (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	1,750.0	[ICRA]AAA (Stable); assigned
Issuer rating	-	[ICRA]AAA (Stable); assigned
Total	**1,750.0**	

**Instrument details are provided in Annexure I*

ICRA has undertaken a consolidated analysis of Capital Infra Trust (CIT/ the Trust) and its 12 underlying special purpose vehicles (SPVs). All the assets are under the National Highway Authority of India (NHAI; rated [ICRA]AAA(Stable)) concession framework under the hybrid annuity mode (HAM). The 12 road projects are - Gawar Narnaul Highway Private Limited (GNHPL), Gawar Khajuwala Bap Highway Private Limited (GKBHPL), Hardiya Hasanpur Highway Private Limited (HHHPL), Gawar Rohna Jhajjar Highway Private Limited (GRJHPL), Gawar Kiratpur Nerchowk Highway Private Limited (GKNHPL), Gawar Rohna Sonepat Highways Private Limited (GRSHPL), Dewas Ujjain Highway Private Limited (DUHPL), Gawar Bangalore Highways Private Limited (GBHPL), Gawar Nainital Highways Private Limited (GNHPL II), JRR Highways Private Limited (JRRHPL), Hasanpur Bakhtiyarpur Highway Private Limited (HBHPL) and Korba Highway Private Limited (KHPL).

Rationale

The assigned rating reflects the diversified asset profile of CIT with 12 operational road assets spread across multiple states, inherent benefit of HAM structure and a strong counterparty, which provides stable and predictable revenue visibility. The credit profile is further underpinned by robust debt coverage metrics, with an estimated cumulative debt service coverage ratio (DSCR) remained well above the threshold for the rating category level. Moreover, the debt/annuity remained comfortable at ~0.4 times as on January 31, 2026. Additional comfort is derived from key structural safeguards, including presence of a restricted payment clause and a cash trap mechanism that is triggered if the DSCR falls below 1.15 times. The rating benefits from the regulatory framework governing InvITs, wherein SEBI regulations cap the aggregate consolidated borrowings (including deferred payments, if any) at the InvIT and SPV levels, thereby limiting the leverage (43.3% as of December 31, 2025). The rating reflects the established track record of the sponsor, Gawar Construction Limited (GCL, which held a 32.4% stake in the InvIT as on December 31, 2025) in the construction and maintenance of road assets in India.

Notwithstanding these strengths, CIT, remains exposed to risks inherent in HAM projects related to the potential risk of delayed receipt and deductions of annuities. Any material delay or deduction in annuities arising from non-compliance with regular and periodic maintenance requirements under the concession agreements could have an adverse impact on the cash flows and resultant debt coverage indicators and thus, will remain a key monitorable. However, all the SPVs have entered a project management agreement (PMA, encompassing fixed-price O&M and major maintenance (MM)) for the entire concession period with GCL, which mitigates the risk to an extent. GCL has a track record of over two decades in the domestic engineering, procurement and construction (EPC) segment and has undertaken multiple build-operate-transfer (BOT-HAM) projects as a contractor. Nevertheless, any material deterioration in GCL's credit profile, thereby, impacting CIT's ability to undertake maintenance activities will remain a monitorable. The provision for put/ call/ coupon reset options, on part of its outstanding borrowings, exposes the Trust to refinancing risk. ICRA understands that the issuer will initiate the refinancing process sufficiently in advance, to be able to refinance within the stipulated timelines.

ICRA notes that CIT, like other InvITs, remains exposed to risks associated with future asset acquisitions, which could materially alter its operational and financial risk profile. Accordingly, any acquisition of additional assets or incremental debt raising by the Trust will be evaluated by ICRA at the relevant time to assess its impact on the rating. Notwithstanding this, CIT has strong growth visibility, driven by its long-term right-of-first-offer (ROFO) pipeline, which largely comprises projects being executed by its sponsor, GCL (seven HAMs expected to be ready for acquisition in FY2027 and additional seven by H1 FY2029)[1]. ICRA expects the Trust to maintain a strong credit profile over the medium term, with leverage (loan-to-value i.e., LTV) likely to remain below 49% in the near term. ICRA notes that there was temporary breach in leverage metrics breaching 49% regulatory

[1] *Source: CIT investor presentation Q3 FY2026*

threshold in H1 FY2026. However, subsequent fund raises through preferential issue to the sponsor, GCL, in November 2025 and subsequent debt prepayments resulted in restoring the overall leverage within the regulatory limits. Over the medium to long term (three-to-five-year horizon), the leverage is expected to increase yet remain comfortably within the stipulated thresholds. The coverage metrics (cumulative DSCR) are still projected to remain robust above 1.6 times during the loan tenure. Any regulatory changes that could affect the Trust's financial risk profile will remain a key monitorable.

The Stable outlook on the rating reflects ICRA's expectation that CIT will benefit from the diversified profile of its portfolio of assets, which along with comfortable leverage, should help it maintain robust debt coverage metrics and a strong liquidity profile.

Key rating drivers and their description

Credit strengths

Diversified asset portfolio of operational road projects – The InvIT has a diversified profile with 12 operational road assets, all awarded by a strong counterparty (NHAI) under the HAM. These assets have a track record of timely receipt of three-twelve annuities (barring procedural delays in initial annuities), without any material deductions. The cash flows are diversified, with the top three assets estimated to account for ~49% of the total inflows in FY2027P[2]. Further, the asset portfolio has geographical diversification with presence across eight states and top three states constituting ~62% of the total inflows in FY2027P. The recent acquisition of three NHAI HAM road assets in Q3 FY2026 (taking the total portfolio to 12 assets), along with plans for periodic acquisitions from GCL, is expected to support revenue stability and enhance cash flow diversification to a certain extent.

Strong financial profile with robust coverage metrics – The InvIT has a robust cash flow cover, with a projected cumulative DSCR of more than 1.6 times in ICRA's base case assumptions. The rating takes comfort from the structural features of the debt at CIT, including the provision for a cash trap mechanism in case the DSCR falls below 1.15 times. The Trust will keep undertaking asset acquisitions in the future, which could materially affect its operational and financial risk profile. However, ICRA derives comfort from the management's stated strategy to fund such acquisitions in a manner that keeps the overall leverage and debt coverage metrics at comfortable levels. Any asset acquisition or incremental debt raising by CIT will be evaluated by ICRA at the relevant time to assess its impact on the rating. The borrowing mix also includes repo rate linked bank lines, which provides natural hedge against sharp decline in annuity[3] inflows due to moderation in bank rate, if any.

Cash pooling benefit of InvIT and regulatory cap on consolidated leverage – The InvIT benefits from the cash flow pooling for the SPVs and the Trust, which ensures that the pooled cash flows are available for meeting the regular and periodic maintenance expenses and debt servicing of the InvIT. Additionally, SEBI InvIT regulations restrict the aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs, thereby limiting the leverage that can be undertaken by the Trust. The rating considers the InvIT's strong financial risk profile with estimated net leverage of ~46-47% in ICRA's base case assumptions, which remains within the regulatory threshold.

Credit challenges

Risks inherent in HAM projects – The rating remains exposed to risks associated with HAM projects, particularly potential delays in annuity receipts and/or deductions arising from non-compliance with regular and periodic maintenance requirements under the concession agreements. While no material delays have been observed in the recent annuity receipts, any significant delay or deduction in the future could adversely impact cash flows and debt coverage metrics and will remain a key monitorable. Further, while O&M receipts are indexed to inflation (70% WPI and 30% CPI), these may not fully offset actual hikes in O&M and periodic maintenance costs. Nevertheless, ICRA notes that all SPVs have entered a PMA with GCL for the entire concession period, which largely mitigates the risk of cost overruns. Any material weakening in GCL's credit profile that could affect the timely execution of maintenance activities will remain monitorable. The cash flow pooling mechanism across SPVs and the Trust supports the funding of routine and periodic maintenance expenses. While the coverage metrics

[2] *P: ICRA projections*

[3] *Of 12 assets, 11 assets have annuity inflows linked with bank rate whereas remaining assets have annuity inflow linked with Average of one-year MCLR of top-five scheduled commercial banks*

may moderate in years with clustered MM obligations (>Rs. 200 crore in FY2034), the benefits of cash flow pooling and the computation of net distributable cash flows after providing for operational and MM expenses provide comfort.

Project cash flows and returns exposed to interest rate and refinancing risks – CIT's cash flows and returns are sensitive to the spread between the interest to be paid by the NHAI on the outstanding annuities linked to the RBI's bank rate and the interest rate/coupon payable on the term loans/NCDs, which are subject to reset/put-call option after stipulated intervals. The provision for put and call options (three years from the date of allotment and annually thereafter in respect of one NCD issuance, and one year from the date of allotment and annually thereafter in respect of the other NCD issuance) exposes the Trust to refinancing risk. However, ICRA understands that the issuer will initiate the refinancing process sufficiently in advance, to be able to refinance within the stipulated timelines.

Liquidity position: Strong

The liquidity position is strong, with operational cash flows being more than sufficient to meet O&M expenses and debt servicing requirements of Rs. 400-450 crore p.a. for FY2027. CIT had cash and cash equivalents (including fixed deposits) of ~Rs. 939 crore as on December 31, 2025, of which around Rs. 69 crore were kept towards DSR (equivalent to three months of principal + interest obligations of outstanding debt), Rs. 32 crore for other reserves (required as per existing lenders' terms), Rs. 662 crore QIP earmarked funds and balance as unencumbered cash balances.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Negative pressure on the rating could arise if major debt-funded acquisitions result in a significant increase in leverage (LTV, ratio of net debt to the asset value at consolidated level) and moderation in coverage metrics. Further, any non-adherence/moderation to/in the debt structure or material decline in cash inflows in SPVs resulting in cumulative DSCR falling below 1.5 times for the combined portfolio of the InvIT could trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Infrastructure Investment Trusts Roads - Hybrid Annuity
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of the issuer (list of entities consolidated is mentioned under Annexure-II)

About the company/ trust

Capital Infra Trust (CIT/the Trust) is an irrevocable trust set up under the Indian Trusts Act, 1882 and is registered with the Securities and Exchange Board of India (SEBI) as an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended. The sponsor and project manager of the Trust is Gawar Construction Limited, with Gawar Investment Manager Private Limited (GIMPL) acting as the Investment Manager (IM) and the Trustee being Axis Trustee Services Limited. The Trust received registration from SEBI on March 7, 2024. The Trust was listed on the stock exchange in January 2025. At present, CIT comprises 12 NHAI HAM assets.

Project SPV/ Asset	Project type	Concession authority	State/ Location
Gawar Narnaul Highway Private Limited	Hybrid Annuity Mode	NHAI	Haryana and Rajasthan
Gawar Khajuwala Bap Highway Private Limited	Hybrid Annuity Mode	NHAI	Rajasthan
Hardiya Hasanpur Highway Private Limited	Hybrid Annuity Mode	NHAI	Bihar
Gawar Rohna Jhajjar Highway Private Limited	Hybrid Annuity Mode	NHAI	Haryana
Gawar Kiratpur Nerchowk Highway Private Limited	Hybrid Annuity Mode	NHAI	Himachal Pradesh

Project SPV/ Asset	Project type	Concession authority	State/ Location
Gawar Rohna Sonepat Highways Private Limited	Hybrid Annuity Mode	NHAI	Haryana
Dewas Ujjain Highway Private Limited	Hybrid Annuity Mode	NHAI	Madhya Pradesh
Gawar Bangalore Highways Private Limited	Hybrid Annuity Mode	NHAI	Karnataka
Gawar Nainital Highways Private Limited	Hybrid Annuity Mode	NHAI	Uttarakhand
JRR Highways Private Limited	Hybrid Annuity Mode	NHAI	Rajasthan
Hasanpur Bakhtiyarpur Highway Private Limited	Hybrid Annuity Mode	NHAI	Bihar
Korba Highway Private Limited	Hybrid Annuity Mode	NHAI	Chhattisgarh

Source: CIT, ICRA Research

Key financial indicators (audited)

CIT – Consolidated	FY2025	9M FY2026*
Operating income (OI) – Rs. crore	162.1	545.2
PAT - Rs. crore	-37.3	15.5
OPBDIT/OI (%)	39.1%	53.3%
PAT/OI (%)	-23.0%	2.8%
Total outside liabilities/Tangible net worth (times)	1.1	1.2
Total debt/OPBDIT (times)	37.3	9.5
Interest coverage (times)	1.1	2.1

*Source: CIT, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; CIT follows Ind-AS and key financial ratios are not representative of actual cash flows; *Unaudited*

Status of non-cooperation with previous CRA: Not applicable

Any other information: The debt structure also has embedded put/call options and credit rating linked debt acceleration clauses (if rating falls to AA- or below) which if materialises, could expose the Trust to refinancing risk.

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 17, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	1,750.0	[ICRA]AAA (Stable)	-	-	-	-	-	-
Issuer rating	Long-term	-	[ICRA]AAA (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
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]AAA (Stable)
NA	**Fund-based – Term loan-I**	January 2026	NA	October 2038	1,132.98	[ICRA]AAA (Stable)
NA	**Fund-based – Term loan-II**	January 2026	NA	October 2038	617.02	[ICRA]AAA (Stable)

Source: CIT, ICRA Research

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company/SPV Name	Ownership	Consolidation approach
Gawar Narnaul Highway Private Limited (GNHPL)	100.00%	Full consolidation
Gawar Khajuwala Bap Highway Private Limited (GKBHPL)	100.00%	Full consolidation
Hardiya Hasanpur Highway Private Limited (HHHPL)	100.00%	Full consolidation
Gawar Rohna Jhajjar Highway Private Limited (GRJHPL)	100.00%	Full consolidation
Gawar Kiratpur Nerchowk Highway Private Limited (GKNHPL)	100.00%	Full consolidation
Gawar Rohna Sonepat Highways Private Limited (GRSHPL)	100.00%	Full consolidation
Dewas Ujjain Highway Private Limited (DUHPL)	100.00%	Full consolidation
Gawar Bangalore Highways Private Limited (GBHPL)	100.00%	Full consolidation
Gawar Nainital Highways Private Limited (GNHPL II)	100.00%	Full consolidation
JRR Highways Private Limited (JRRHPL)	100.00%	Full consolidation
Hasanpur Bakhtiyarpur Highway Private Limited (HBHPL)	100.00%	Full consolidation
Korba Highway Private Limited (KHPL)	100.00%	Full consolidation

Source: CIT, ICRA Research

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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