August 11, 2026

Capital Infra Trust: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Term loan	1,750.00	1,750.00	[ICRA]AAA (Stable); reaffirmed	RBI
Issuer rating	-	-	[ICRA]AAA (Stable); reaffirmed	-^
Total	**1,750.00**	**1,750.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

^Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Note: ICRA has undertaken a consolidated financial analysis of Capital Infra Trust (CIT) and the 18 special purpose vehicles (SPVs)[1] [including six assets for which InvIT has Right of First Offer (ROFO assets)] to be housed under the InvIT, under tranche 3.

Rationale

The rating reaffirmation reflects CIT's diversified portfolio of 18 operational road assets across multiple states, supported by stable and predictable revenue stream from hybrid annuity mode (HAM) projects with a strong counterparty, the National Highway Authority of India {NHAI; rated [ICRA]AAA(Stable)}. The rating factors in the Trust's strong financial profile, underpinned by robust debt coverage metrics. Moreover, the debt-to-annuity receivable ratio remained comfortable at 0.4 times as on June 30, 2026, and is expected to remain below 0.5 times even after completion of the proposed acquisition of six ROFO assets from Gawar Construction Limited (GCL).

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 (41.1% as on June 30, 2026). The rating reflects the established track record of the sponsor and the project manager, Gawar Construction Limited (GCL, which held a 32.44% stake in the InvIT as on June 30, 2026) in the construction and maintenance of road assets in India. ICRA notes that the share purchase agreement executed with GCL at the time of initial asset acquisition includes an indemnification clause, whereby any pending GST change in law claims receivable from the NHAI that remain unrealised beyond 18 months from the agreement date are to be indemnified by GCL. Accordingly, GCL has recently compensated CIT for such unrealised claims.

Notwithstanding these strengths, CIT remains exposed to risks inherent in HAM projects related to the potential risk of delayed receipt and deductions of annuities, which could adversely impact cash flows and resultant debt coverage indicators, and hence remains a key monitorable. However, all the SPVs (excluding the proposed ROFO assets) have entered a project management agreement (PMA, encompassing fixed-price O&M and major maintenance (MM)) for the entire concession period with GCL with no exit clause for five years, which mitigates the risk to an extent. Further, the PMA is expected to be extended to cover the six proposed HAM assets upon completion of the acquisition. GCL has an established 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. The provision for put/call/coupon reset options on part of its

[1] *Special purpose vehicle*

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. In this regard, CIT is currently evaluating the acquisition of six operational HAM assets from its sponsor, Gawar Construction Limited (GCL), under the ROFO framework. CIT has strong growth visibility, driven by its long-term right of first offer (ROFO) pipeline, which primarily comprises projects being executed by its sponsor, GCL. While leverage is expected to increase with future acquisitions over the medium to long term (three-to-five-year horizon), ICRA expects the Trust to maintain a strong credit profile, with leverage (loan-to-value i.e., LTV) likely to remain below ~60%[2], and well within the regulatory threshold defined for the InvITs. The coverage metrics (cumulative DSCR) are projected to remain robust above 1.6 times during the loan tenure.

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 operational road asset portfolio, with healthy growth visibility from the sponsor's ROFO pipeline – 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 four-thirteen annuities (barring procedural delays in initial annuities), without any material deductions. The existing portfolio of 12 operational HAM assets is expected to expand to 18 assets upon completion of the proposed acquisition of six operational NHAI-awarded HAM assets from GCL's ROFO pipeline. The cash flows are diversified, with the top three assets estimated to account for ~45% of the total inflows in FY2027P[3]. Further, the asset portfolio has geographical diversification with presence across eight states and top three states constituting ~65% of the total inflows in FY2027P. Further, the Trust benefits from healthy growth visibility through the sponsor's ROFO pipeline arrangement, which provides access to additional assets over the medium term. The future acquisitions are expected to enhance asset diversification across projects and geographies, while supporting long-term cash flow stability and revenue visibility.

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. While the proposed acquisition of six HAM assets is expected to increase leverage, the Trust's LTV is projected to remain below 55% post-acquisition and below 60% over the medium to long term, with debt coverage metrics likely to remain comfortable. 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 includes repo rate linked bank lines, which provides natural hedge against sharp decline in annuity[4] 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

[2] *Following six distributions since listing, CIT is eligible for a loan-to-value threshold of up to 70%, subject to meeting the prescribed conditions as per SEBI regulations.*

[3] *P: ICRA projections*

[4] *Of 18 assets, 13 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*

Trust. The rating considers the InvIT's strong financial risk profile with an estimated net leverage of ~50-55% 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, all SPVs (excluding the proposed ROFO assets) have entered a PMA with GCL for the entire concession period, which primarily mitigates the risk of cost overruns. Further, the PMA is expected to be extended to cover the six proposed HAM assets upon completion of the acquisition. Any material weakening in GCL's credit profile that could affect the timely execution of maintenance activities will remain a key monitorable. The cash flow pooling mechanism across SPVs and the Trust supports the funding of routine and periodic maintenance expenses. While the coverage metrics may moderate in years with clustered MM obligations (~Rs. 200 crore in FY2033 and 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. 500-520 crore for FY2027. CIT had cash and cash equivalents (including fixed deposits) of ~Rs. 410 crore as on June 30, 2026, of which around Rs. 106 crore were kept towards DSR (equivalent to three months of principal + interest obligations of outstanding debt), and the balance as unencumbered cash balances.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Pressure on the rating could arise if major debt-funded acquisitions lead to an increase in leverage (LTV, measured as net debt to asset value at the consolidated level), resulting in a material 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

Analytical approach	Comments
Consolidation/Standalone	The rating is based on the consolidated financial statements of the issuer (list of entities consolidated is mentioned below)

About the company/Trust

Capital Infra Trust (CIT/ Trust, formerly known as National Infrastructure Trust) is an irrevocable trust set up under the Indian Trusts Act, 1882 and 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 (GCL). The Investment Manager (IM) of the trust is Gawar Investment Manager Private Limited (GIMPL), and the Trustee is Axis Trustee Services Limited. The Trust received registration from SEBI on March 07, 2024. An updated certificate of registration dated October 16, 2024 was issued by SEBI pursuant to the change in the Trust's name from National Infrastructure Trust to Capital Infra Trust. CIT was listed on stock exchanges – Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) – in January 2025, as a public InvIT. At present, CIT comprises 12 assets, all of which are hybrid-annuity road assets, awarded by the National Highways Authority of India (NHAI). Six operational NHAI HAM assets are proposed to be transferred to the Trust under the ROFO framework.

Project SPV/Asset	Project Type	Concession authority	State/Location
Gawar Bangalore Highways Private Limited	Hybrid Annuity Mode	NHAI	Karnataka
Gawar Khajuwala BAP Highway Private Limited	Hybrid Annuity Mode	NHAI	Rajasthan
Gawar Kiratpur Nerchowk Highway Private Limited	Hybrid Annuity Mode	NHAI	Himachal Pradesh
Gawar Narnaul Highway Private Limited	Hybrid Annuity Mode	NHAI	Haryana
Gawar Nainital Highways Private Limited	Hybrid Annuity Mode	NHAI	Uttarakhand
Gawar Rohna Jhajjar Highway Private Limited	Hybrid Annuity Mode	NHAI	Haryana
Gawar Rohna Sonepat Highways Private Limited	Hybrid Annuity Mode	NHAI	Haryana
Hardiya Hasanpur Highway Private Limited	Hybrid Annuity Mode	NHAI	Bihar
Dewas Ujjain Highway Private Limited	Hybrid Annuity Mode	NHAI	Madhya Pradesh
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
Gawar Bhiwani Highway Private Limited*	Hybrid Annuity Mode	NHAI	Haryana
Gawar Kangra Highways Private Limited*	Hybrid Annuity Mode	NHAI	Himachal Pradesh
Gawar Pathankot Mandi Highway Private Limited*	Hybrid Annuity Mode	NHAI	Himachal Pradesh
Gawar Udaipur Highway Private Limited*	Hybrid Annuity Mode	NHAI	Rajasthan
Gawar Waranga Highways Private Limited*	Hybrid Annuity Mode	NHAI	Maharashtra
Gawar Rudrapur Highway Private Limited*	Hybrid Annuity Mode	NHAI	Uttar Pradesh

*Source: CIT, ICRA Research; *ROFO assets proposed to be acquired in H2 CY2026*

Key financial indicators (audited)

CIT (consolidated)	FY2025	FY2026	Q1FY2027*
Operating income	162.1	828.1	266.6
PAT	-37.3	210.5	125.6
OPBDIT/OI	39.1%	54.1%	57.2%
PAT/OI	-23.0%	25.4%	47.1%
Total outside liabilities/Tangible net worth (times)	1.1	0.9	0.9
Total debt/OPBDIT (times)	37.3	6.6	4.8
Interest coverage (times)	1.1	2.2	2.9

*Source: CIT, ICRA Research; *Results; All ratios as per ICRA's calculations; Amount in Rs. crore; OI: Operating income; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*

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

		Current rating (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Aug 11, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	1,750.0	[ICRA]AAA (Stable)	Feb 17, 2026	[ICRA]AAA (Stable)	-	-	-	-
Issuer rating	Long-term	-	[ICRA]AAA (Stable)	Feb 17, 2026	[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	Financial sector regulator#
NA	Fund-based – Term loan-I	January 2026	NA	October 2038	1,132.98	[ICRA]AAA (Stable)	RBI
NA	Fund-based – Term loan-II	January 2026	NA	October 2038	617.02	[ICRA]AAA (Stable)	RBI
NA	Issuer rating	NA	NA	NA	-	[ICRA]AAA (Stable)	-^

Source: CIT, ICRA Research

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Gawar Bangalore Highways Private Limited	100%	Full consolidation
Gawar Khajuwala BAP Highway Private Limited	100%	Full consolidation
Gawar Kiratpur Nerchowk Highway Private Limited	100%	Full consolidation
Gawar Narnaul Highway Private Limited	100%	Full consolidation
Gawar Nainital Highways Private Limited	100%	Full consolidation
Gawar Rohna Jhajjar Highway Private Limited	100%	Full consolidation
Gawar Rohna Sonepat Highways Private Limited	100%	Full consolidation
Hardiya Hasanpur Highway Private Limited	100%	Full consolidation
Dewas Ujjain Highway Private Limited	100%	Full consolidation
JRR Highways Private Limited	100%	Full consolidation
Hasanpur Bakhtiyarpur Highway Private Limited	100%	Full consolidation
Korba Highway Private Limited	100%	Full consolidation
Gawar Bhiwani Highway Private Limited	-*	Full consolidation
Gawar Kangra Highways Private Limited	-*	Full consolidation
Gawar Pathankot Mandi Highway Private Limited	-*	Full consolidation
Gawar Udaipur Highway Private Limited	-*	Full consolidation
Gawar Waranga Highways Private Limited	-*	Full consolidation
Gawar Rudrapur Highway Private Limited	-*	Full consolidation

*Source: CIT; ICRA Research; *Tranche-3 assets proposed to be acquired in H2 CY2026.*

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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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