# Capital Infra Trust

February 12, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Issuer rating | 0.00 | CARE AAA; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the issuer rating of CARE AAA; Stable to Capital Infra Trust (CIT), an Infrastructure Investment Trust (InvIT) sponsored by Gawar Construction Limited (GCL; rated 'CARE AA; Stable/CARE A1+'). CIT houses operational hybrid annuity model (HAM) road assets with National Highways Authority of India (NHAI; rated 'CARE AAA; Stable') as the counterparty. The portfolio has a stable operational history demonstrated by receipt of at least three annuity payments for assets from NHAI.

In FY25 (FY refers to April 01 to March 31), CIT acquired nine operational HAM road special purpose vehicles (SPVs) and completed the acquisition of three additional HAM SPVs in December 2025. Acquisition of three additional HAM assets has been funded through a qualified institutional placement (QIP) of ₹1,250 crore and debt of ₹1,150 crore. Outstanding external debt of CIT as on February 10, 2026, stood at ₹2995.40 crore.

CIT had also issued units amounting to ₹345 crore on a preferential basis to sponsor, GCL in November 2025. This and internal accruals of ₹75 crore were used to prepay the external debt of ₹420 crore. The net debt/ enterprise value stood at 43.34% as on December 31, 2025, reducing from 45.61% as on November 14, 2025. Going forward, there is a possibility of increasing leverage from future acquisitions, and hence, impact of such acquisitions on debt coverage indicators is a key rating sensitivity. The management also indicated that CIT portfolio will comprise NHAI HAM assets in the short term.

The rating also suitably factors in creation of debt service reserve account (DSRA) for ensuing one-quarter debt servicing requirements prior to the due date support CIT's financial risk profile. Per financing terms, in case annual debt service coverage ratio (DSCR) falls below 1.15x, cash trap mechanism will be triggered, providing cash flow cushion. Provision for put and call option exposes CIT to refinancing risk, which is expected to be partially mitigated by strong revenue visibility and long residual concession period and availability of undrawn term loans (TLs) from lenders for refinancing existing debt.

Reaffirmed rating reflects CIT's strong and diversified portfolio of operational HAM road assets, each backed by a robust annuity payment track record and NHAI as a strong counterparty. This ensures a stable revenue profile with cash pooling benefits contributing to healthy debt protection metrics. The rating also factors in the predictability of cash flows, underpinned by fixed-price operations and maintenance (O&M) and major maintenance (MM) contracts with GCL, a reputed road construction and maintenance company.

However, the rating remains tempered by presence of put/call options, inherent O&M risks, exposure to interest rate fluctuations, and plausibility of increasing leverage for future acquisitions.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors-** Not applicable

**Negative factors**

- Deterioration in credit profile of the counterparty- NHAI.
- Substantial delay and /or deduction in annuity receipts.
- Significant debt-funded acquisition of assets resulting in deterioration of overall DSCR below 1.5x.
- Non-compliance to debt covenants.
- Higher-than-envisaged O&M and MM expense leading to annual DSCR falling below 1.2x.

## Analytical approach: Consolidated

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

CIT's credit profile factors in consolidated business and financial risk profiles of underlying assets in CIT. Debt at the CIT level is serviced from cash flows upstreamed from underlying SPVs. DSCR testing for the restricted payment conditions is at the CIT level. Consolidated entities are listed under Annexure-6.

**Outlook:** Stable

The stable outlook considers expectation of stable cash flows from the underlying assets of CIT, supported by a strong counterparty and healthy debt coverage indicators.

## Detailed description of key rating drivers:

## Key strengths

### Stable cashflow and operational track record of underlying assets

The portfolio comprises twelve HAM assets spread across nine states, each with a minimum operational track record of three annuity payments. The balance concession period ranges from ~9.5-13.4 years, ensuring long-term cash flow visibility.

All assets have NHAI as the counterparty, significantly reducing counterparty risk. For all 12 projects, annuity, interest, and O&M payments have been received with no deductions with an average delay of less than 15-18 days. Continued timely and annuity receipts without material deductions will remain a key monitorable.

### Strong credit profile of counterparty

Incorporated by the Government of India under an Act of Parliament as a statutory body, NHAI functions as the nodal agency for development, maintenance, and management of national highways in India. NHAI is vested with executive powers for developing national highways by the Ministry of Road Transport and Highways (MoRTH). The outlook on NHAI reflects outlook on the sovereign, whose direct and indirect support continues to be the key rating driver.

### Comfortable leverage and strong debt coverage indicators

Debt coverage indicators are strong, supported by a DSRA of one quarter's debt servicing requirement and a cash trap mechanism in case the DSCR in a year falls below 1.15x, which aids cash flow cushion. The structure also has put and call options, where for one issuance of the debt, there are annual put and call options from the date of allotment, and for the second issuance, put and call options are available after three years and annually thereafter. While the provision for put and call options exposes CIT to refinancing risk, it is expected to be mitigated by stable cash flow visibility from a strong counterparty and a longer residual concession period of ~13.4 years.

Per InvIT guidelines and the term sheet, consolidated net borrowing should be in compliance with Securities and Exchange Board of India (SEBI) regulations. As on June 30, 2025, leverage temporarily rose to ~54% due to decline in bank rates amid fixed price cost of debt. To address this, the trust issued ₹345 crore via a preferential issue to restore compliance within the permitted timeline per InvIT regulations in November 2025. Proceeds and internal accruals of ₹75 crore were used to prepay ₹420 crore of external debt. The net debt/ equity valuation stood at 43.34% as on December 31, 2025. Debt protection metrics remain robust, with a strong average and minimum DSCR in the debt tenor.

### Experienced and resourceful sponsor-cum-project manager

CIT is backed by experienced management teams of GCL (Project Manager) and Gawar Investment Manager Private Limited (GIMPL, Investment Manager). GCL has vast experience in construction, operations, and management of road assets. GCL has a portfolio of 11 operational assets and 15 under-construction HAM assets, where there is a right of first offer (ROFO) with CIT. In FY25, GCL reported total operating income of ₹7,354 crore and gross cash accruals (GCA) of ₹1,981 crore. GCL has a strong net worth base of ₹6,157 crore as on March 31, 2025, with net zero debt levels, reflecting its resourcefulness.

### Impact of Goods and Service Tax

With annuity payments brought under the Goods and Service Tax (GST) regime, operational HAM projects are eligible to receive a Change in Law (CIL) payment on annuities. While GST on interest annuities is being fully released by NHAI, GST on construction annuity and O&M annuity will be received per the approved CIL rate under the extant guidelines laid down by the authority. As on October 2025, the CIL rate has been approved in-principle by NHAI for five SPVs, while finalisation of the CIL rate for the balance two SPVs is under process. However, SPVs have sufficient input tax credit (ITC) to discharge their GST obligations until clarity on CIL is received. CareEdge Ratings expects that the applicability of GST is credit neutral for CIT.

## Key weaknesses

**O&M risk**

CIT is exposed to the inherent O&M risk associated with road SPVs, accentuated by two assets acquired through harmonious substitution of a weak sponsor. The O&M and MM assumptions factored in the base case are based on technical due diligence reports and are comparable to other operational HAM projects. Riding quality is good or fair basis technical due diligence report. Barring a few, structure conditions have been reported as sound and satisfactory in the technical due diligence report, which also highlights several other observations and deficiencies. Cost for proposed ratification and treatment of these issues have been included in the base case business plan. While stretches have not faced annuity deductions so far, yet CareEdge Ratings has sensitised CIT's cashflow with increased assumptions for maintenance and opines debt coverage indicators to be comfortable in the medium term. GCL is the O&M contractor for 12 assets for the balance concession period, which largely mitigates the O&M and MM risk. Any increase in O&M cost higher than stipulated in the agreement will be borne by GCL, resulting in stability in CIT's cash flow. The contract cannot be terminated by GCL for the initial five years, which provides additional strength.

In case of deductions in annuities, GCL's project management fees will be withheld to that extent for six months. GCL has strong execution and operational capabilities in developing and operating multiple HAM-based road projects. No major maintenance reserve (MMR) is proposed at the CIT level, and cash pooling at the CIT level is estimated to generate sufficient cash flows to incur the budgeted MM expense in the year, when it falls due. Going forward, increase in O&M and MM cost beyond envisaged levels, impacting annual DSCR below 1.2x, is a key rating sensitivity.

**Inherent interest rate risk and event risk related to debt-funded acquisition**

CIT is exposed to the inherent interest rate risk due to non-linear transmission of bank rate over lending rate. Possibility of higher leverage (after fulfilling the criteria of six continuous distributions and maintaining an external credit rating of AAA) may impact CIT's coverage indicators and remains key rating monitorable.

## **Liquidity**: Strong

CIT liquidity position is strong, marked by a fixed stream of revenue with benefits of cash pooling and DSRA maintained for one quarter of debt servicing till the tenor of the debt. Term loans will be amortised over 13 years (26 instalments). The cash trap mechanism at DSCR less than 1.15x is expected to aid liquidity in later years, where annual DSCR is moderate. The restricted payment covenant is at DSCR of 1.10x.

## Assumptions/Covenants

Not applicable

## Environment, social, and governance (ESG) risks

Not applicable

## Applicable criteria

Consolidation
Definition of Default
Issuer Rating
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Hybrid Annuity Model based road projects
Infrastructure Investment Trusts (InvITs)
Infrastructure Sector Ratings

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Services | Services | Transport infrastructure | Road assets–toll, annuity, hybrid-annuity |

Established on September 25, 2023, CIT (erstwhile National Infrastructure Trust) is registered as an irrevocable trust under the Indian Trust Act, 1882, and as an InvIT under the SEBI Infrastructure Trust Regulations, 2014, since March 07, 2024 (updated registration certificate issued by SEBI on October 16, 2024). CIT is sponsored by GCL, with GIMPL as its investment manager and Axis Trusteeship Servies Limited as the trustee. CIT was listed on NSE and BSE platform on January 17, 2025. As on January 31, 2025, CIT has acquired 100% equity shares in 12 HAM SPVs.

| Brief Financials (₹ crore) - Consolidated | March 31, 2025 (A)# | Q1FY26 (UA) |
|---|---|---|
| Total operating income | 404.83 | 298.85 |
| PBILDT | 388.16 | 297.75 |
| PAT | -76.92 | -78.14 |
| Overall gearing (times) | 1.04 | NM |
| Interest coverage (times) | 18.85 | 6.58 |

#The trust has been listed, and assets have been transferred in January 2025. Revenue has been recognised from the transfer of assets to InvIT in January 2025

A: Audited UA: Unaudited; NM: Not meaningful; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated**: Annexure-4

**Lender details**: Annexure-5

### Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Issuer Rating-Issuer Ratings | | - | - | - | 0.00 | CARE AAA; Stable |

**Annexure-2: Rating history for last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1 | Issuer Rating-Issuer Ratings | LT | 0.00 | CARE AAA; Stable | 1)CARE AAA; Stable (14-Nov-25)<br><br>2)CARE AAA; Stable (04-Apr-25) | 1)Provisional CARE AAA; Stable (06-Jan-25) | - | - |
| 2 | Rating in the absence of the pending steps/documents | LT | - | - | 1)Withdrawn (04-Apr-25) | 1)No Ratings Can Be Assigned (06-Jan-25) | - | - |

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated:** Not applicable

**Annexure-5: Lender details:** Not applicable

**Annexure-6: List of entities consolidated**

| Sr No | Name of the entity | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| 1. | Gawar Narnaul Highway Private Limited (GNHPL) | Full | Subsidiary |
| 2. | Gawar Khajuwala Bap Highway Private Limited (GKBHPL) | Full | Subsidiary |
| 3. | Hardiya Hasanpur Highway Private Limited (HHHPL) | Full | Subsidiary |
| 4. | Gawar Rohna Jhajjar Highway Private Limited (GRJHPL) | Full | Subsidiary |
| 5. | Gawar Kiratpur Nerchowk Highway Private Limited (GKNHPL) | Full | Subsidiary |
| 6. | Gawar Rohna Sonepat Highways Private Limited (GRSHPL) | Full | Subsidiary |
| 7. | Dewas Ujjain Highway Private Limited (DUHPL) | Full | Subsidiary |
| 8. | Gawar Bangalore Highways Private Limited (GBHPL) | Full | Subsidiary |
| 9. | Gawar Nainital Highways Private Limited (GNHPL II) | Full | Subsidiary |
| 10. | Hasanpur Bakhtiyarpur Highway Private Limited (HBHPL) | Full | Subsidiary |
| 11. | JRR Highways Private Limited (JHPL) | Full | Subsidiary |
| 12. | Korba Highway Private Limited (KHPL) | Full | Subsidiary |

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

**Contact us**

| **Media Contact** | **Analytical Contacts** |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in<br><br>**Relationship Contact**<br><br>Saikat Roy<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3404<br>E-mail: saikat.roy@careedge.in | Rajashree Murkute<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6837 4474<br>E-mail: rajashree.murkute@careedge.in<br><br>Maulesh Desai<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-79-4026 5605<br>E-mail: maulesh.desai@careedge.in<br><br>Prasanna Krishnan<br>Associate Director<br>**CARE Ratings Limited**<br>Phone: 91-120-4452014<br>E-mail: prasanna.krishnan@careedge.in |

**About us:**

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



**For detailed Rating Report and subscription information, please visit www.careratings.com**