Capital Infra Trust

August 26, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Issuer rating	-	0.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Issuer Ratings: There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

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 existing portfolio of 12 HAM assets has a stable operational history demonstrated by receipt of at least four annuity payments for assets from NHAI. 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. It further reflects the reimbursement received from GCL for unrealised GST Change in Law (CIL) claims, per the indemnity provisions of the share purchase agreement (SPA) executed in the initial asset acquisition in FY26.

Per the board resolution passed on August 17, 2026, acquisition of six additional assets is proposed from the right of first offer (ROFO) pipeline, subject to necessary unitholders' approval. These assets have a combined adjusted enterprise value (EV), including cash and cash equivalents, of ₹2,921 crore and, for the acquisition, the board has sought to raise up to ₹2,675 crore through a combination of institutional placement of units and/or debt instruments, including term loans and non-convertible debt securities. The Trust also proposes a preferential issue of units to the sponsor, GCL, aggregating up to ₹125 crore.

As on June 30, 2026, the net debt/EV stood at 41.1%. As on August 17, 2026, CIT has made six distributions. After the proposed acquisition, the net debt/EV is expected to increase to ~49%. Debt coverage indicators are expected to remain strong even post proposed acquisition due to low debt/ annuities of ~0.43x. As indicated by the management, leverage is expected to increase progressively, initially towards ~49% and subsequently towards ~60% subject to unitholders' approval, while remaining within regulatory limits.

The rating also factors in liquidity reserves in form of debt service reserve account (DSRA) created for ensuing one-quarter debt servicing requirement. 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.

However, the rating remains tempered by presence of put option in the non-convertible debenture (NCD), inherent O&M risks, exposure to interest rate fluctuations, and plausibility of increasing leverage for future acquisitions. However, strong revenue visibility and long residual concession period largely mitigate refinancing risk arising from put option.

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.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Analytical approach: Consolidated

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 special purpose vehicles (SPVs). DSCR testing for the restricted payment conditions is at the CIT level. Consolidated entities are listed under Annexure-5.

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 12 HAM assets spread across nine states, each with a minimum operational track record of four annuity payments. The proposed six assets have a minimum operational track record of one annuity payment baring Gawar Rudrapur Highway Private Limited (GRHPL), which received its final commercial operations date (COD) certificate from March 01, 2026. As on June 30, 2026, the balance concession period is ~12.90 years, ensuring long-term cash flow visibility.

All assets have NHAI as the counterparty, significantly reducing counterparty risk. For all 18 projects, annuity, interest, and O&M payments have been received with no deductions with an average delay of less than 15 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 ~12.90 years. As on June 30, 2026, the net debt/EV stood at 41.1% and the leverage is expected to increase progressively, initially towards ~49% and subsequently towards ~60% subject to unitholders' approval, while remaining within regulatory limits. 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 six operational assets and 11 under-construction HAM assets, where there is a ROFO with CIT. In FY26, GCL reported total operating income of ₹6,795 crore and gross cash accruals (GCA) of ₹997 crore. GCL has a strong net worth base of ₹7,112 crore as on March 31, 2026, 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 of July 2026, the CIL rate has been approved in-principle by NHAI for 9 SPVs, while finalization of the CIL rate for one SPV is under process. However, SPVs have sufficient input tax credit (ITC) to discharge their GST obligations until clarity on CIL is received. The SPA executed with GCL as part of the initial asset acquisition contains an indemnity provision under which GCL is required to compensate for pending GST CIL claims receivable from NHAI that remain unrealised beyond 18 months from the agreement date. Accordingly, GCL has indemnified CIT for such unrealised claims in FY26. 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. While the project stretches have not faced annuity deductions, there exists risk associated with higher O&M in the lifecycle of the project and the same has been suitably factored in by CareEdge Ratings. Under such a scenario also, debt coverage indicators are expected 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 interest rate risk due to the potential mismatch between the interest receivable from NHAI on outstanding annuities, linked to the Reserve Bank of India (RBI) bank rate, and the interest/coupon payable on its term loans and NCDs. The embedded put and call options in the NCD issuances, exercisable after stipulated periods and at annual intervals thereafter, increase the Trust's exposure to refinancing risk and therefore remains key rating monitorable.

Liquidity: Strong

The liquidity position of CIT is adequate marked by fixed stream of revenue and DSRA maintained for one quarter of debt servicing till the tenor of the debt. Cash trap is also at DSCR less than 1.15x, which is expected to aid liquidity in later years where annual DSCR is moderate. Restricted payment covenant is at DSCR of 1.10x. CIT had cash and cash equivalents (including fixed deposits) of ₹410.14 crore as on June 30, 2026, of which ~₹106.15 crore was kept towards DSRA (equivalent to three months of principal + interest obligations of outstanding debt), and the balance as unencumbered cash balances.

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 August 17, 2026, CIT has acquired 100% equity shares in 12 HAM SPVs and is proposed to acquire six operational HAM assets under the ROFO framework.

Brief Financials (₹ crore) - Consolidated	March 31, 2025 (A)#	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	159.06	828.13	259.29
PBILDT*	60.30	446.83	145.09
PAT	-37.31	210.51	125.62
Overall gearing (times)	1.03	0.86	NA
Interest coverage (times)	1.03	2.20	2.77

#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 NA: Not available; Note: these are latest financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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 2026-2027	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
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)CARE AAA; Stable (12-Feb-26) 2)CARE AAA; Stable (14-Nov-25) 3)CARE AAA; Stable (04-Apr-25)	1)Provisional CARE AAA; Stable (06-Jan-25)	-

LT: Long term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here]

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Gawar Narnaul Highway Private Limited (GNHPL)	Full	100% Subsidiary
2	Gawar Khajuwala Bap Highway Private Limited (GKBHPL)	Full	100% Subsidiary
3	Hardiya Hasanpur Highway Private Limited (HHHPL)	Full	100% Subsidiary
4	Gawar Rohna Jhajjar Highway Private Limited (GRJHPL)	Full	100% Subsidiary
5	Gawar Kiratpur Nerchowk Highway Private Limited (GKNHPL)	Full	100% Subsidiary
6	Gawar Rohna Sonepat Highways Private Limited (GRSHPL)	Full	100% Subsidiary
7	Dewas Ujjain Highway Private Limited (DUHPL)	Full	100% Subsidiary
8	Gawar Bangalore Highways Private Limited (GBHPL)	Full	100% Subsidiary
9	Gawar Nainital Highways Private Limited (GNHPL II)	Full	100% Subsidiary
10	JRR Highways Private Limited	Full	100% Subsidiary
11	Hasanpur Bakhtiyarpur Highway Private Limited (HBHPL)	Full	100% Subsidiary
12	Korba Highway Private Limited (KHPL)	Full	100% Subsidiary
13	Gawar Bhiwani Highway Private Limited (GBHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27
14	Gawar Kangra Highways Private Limited (GKHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27
15	Gawar Pathankot Mandi Highway Private Limited (GPMHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27
16	Gawar Udaipur Highway Private Limited (GUHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27
17	Gawar Waranga Highways Private Limited (GWHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27
18	Gawar Rudrapur Highway Private Limited (GRHPL)	Full	Tranche-3 assets proposed to be acquired by Q2FY27

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.

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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

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