

IPO Details:

IPO Date	January 7, 2025 to January 9, 2025
Face Value	N.A
Price Band	₹99 to ₹100 per share
Lot Size	150 Shares
Total Issue Size	15,78,00,000 shares (aggregating up to ₹1,578.00 Cr)
Fresh Issue	10,77,00,000 shares (aggregating up to ₹ 1,077.00 Cr)
Offer for Sale	5,01,00,000 shares of ₹ (aggregating up to ₹501.00 Cr)
Issue Type	Book Built Issue FPO
Listing At	BSE, NSE
Share holding pre issue	3,00,00,000 shares
Investor Category	Shares Offered
QIB Shares Offered	Not less than 75% of the Net Issue
Retail Shares Offered	Not less than 0% of the Offer
NII (HNI) Shares Offered	Not more than 25% of the Net Issue
Retail (Min & Max) shares	150 shares & 1950 shares
Retail (Min & Max) application amount	₹15,000 & ₹1,95,000
S-HNI (Min shares & application amount)	2,100 Shares & ₹2,10,000
S-HNI (Max shares & application amount)	9,900 Shares & ₹9,90,000
B-HNI (Min shares & application amount)	10,050 Shares & ₹10,05,000
Basis of Allotment	Friday, January 10, 2025
Initiation of Refunds	Monday, January 13, 2025
Credit of Shares to Demat	Monday, January 13, 2025
Listing Date	Tuesday, January 14, 2025
Cut-off time for UPI mandate confirmation	5 PM on January 9, 2025
Promoters	Mr. Rakesh Kumar, Ravinder Kumar are the promoters of the company.
Registrar	Kfin Technologies Limited

Company Profile:

Incorporated in September 2023, Capital Infra Trust is an infrastructure investment trust (InvIT) sponsored by Gawar Construction Limited. The InvIT was established to engage in activities and make investments as an infrastructure investment trust, in accordance with the SEBI InvIT Regulations. The sponsoring company specializes in constructing road and highway projects across 19 states in India for various government bodies, including NHAI, MoRTH, MMRDA, and CPWD. These assets include approximately 682.425 km of constructed and operational roads across seven states: Haryana, Rajasthan, Bihar, Uttarakhand, Himachal Pradesh, Madhya Pradesh, and Karnataka. The company reported a revenue of ₹1,543.51 crores in 2024, compared to ₹2,518.92 crores in 2023. It reported a profit of ₹125.77 crores in 2024, down from a profit of ₹497.19 crores in 2023.

Object of the issue:

The Offer Proceeds will be utilised towards the following objects:

- Providing loans to the Project SPVs for repayment/pre-payment of external borrowings, in part or in full from the financial lenders (including any accrued interest and prepayment penalty); and
- Providing loans to the Project SPVs for repayment of unsecured loans availed by the Project SPVs from the Sponsor.

Financial Details:

Particulars (in Cr)	FY24	FY23	FY22
Incomes and Gains			
Revenue from operations	1,485.09	2,033.09	1,908.15
Interest income on bank deposits	10.22	4.14	2.40
Profit on sale of investments	-	0.12	0.85
Other income	48.20	481.57	70.02
Total income	1,543.51	2,518.92	1,981.42
Expenses and Losses			
Operating expenses	981.26	1,677.98	1,706.18
Audit fee (statutory auditors of respective project SPVs)	0.43	0.40	0.34
Insurance expenses	3.21	4.07	3.64
Employee benefits expense	1.57	0.48	0.18
Project management fees	30.11	14.68	5.36
Finance costs	285.32	151.93	95.18
Other expenses	66.73	4.31	2.47
Total expenses	1,368.64	1,853.84	1,813.34
Profit Before Tax	174.87	665.08	168.08
Tax Expense			
Current tax	57.86	36.49	13.52
Current tax for earlier years	3.07	-	-
Deferred tax (credit) / charge	-11.83	131.41	29.00
Total tax expense	49.10	167.89	42.52
Net Profit for the Period/Year	125.77	497.19	125.56

Competitive Strengths :

- The portfolio includes stable assets with long-term cash flows from HAM projects, reducing construction risks, and ensuring revenue from NHAI annuities and operational services.
- The geographically diversified portfolio across seven states and varying concession periods reduces dependency on specific projects, mitigating risks like economic downturns or force majeure events.
- Government investments in road infrastructure, including Bharatmala Pariyojana, enhance growth prospects in the roads and highways sector, benefiting our business through increased acquisition opportunities.
- Established sponsors provide access to a pipeline of acquisition opportunities, enabling strategic expansion and diversification of the road asset portfolio, capitalizing on emerging growth opportunities.
- The Project Manager's track record in developing key infrastructure projects and maintaining road assets enhances operational efficiency, reduces costs, and minimizes risks for the Trust's portfolio.
- NHAI's hybrid annuity model provides a natural hedge against interest rate risks, as rising interest payments on loans are offset by increased revenue from the completion cost's interest.

Comparison with listed Peers:

The company has shown Indus Infra Trust (previously Bharat Highways InvIT), and IRB InvIT funds as their listed peers. While Indus Infra is quoting around NAV, IRB InvIT is quoting at a discount of around 38.04%.

Particulars	NAV per Unit (₹) as of Sep 24	Price	(Premium / Discount) to NAV %
Indus Infra Trust (previously Bharat Highways InvIT)	113.32	113.26	-0.05
IRB InvIT Fund	97.68	59.55	-38.04

Key risk factors:

- The formation transactions and acquisition of Project SPVs depend on specific conditions, which may delay or prevent completion.
- If Initial Portfolio Assets are terminated early, the Trust may lose expected payments, negatively affecting its financial condition.
- Revenue from Initial Portfolio Assets depends on receiving consistent annuity income and interest payments from NHAI, which could fluctuate.
- Failure to acquire new assets generating comparable revenue or profits could harm the Trust's financial condition and distribution ability.
- Project SPVs may face additional costs due to changes in law or contract scope, which may not be compensated by NHAI.
- Ongoing legal proceedings involving certain Project SPVs, the Sponsor, and Trustee may result in unfavorable outcomes or financial implications.
- Acquisition risks related to Project SPVs may cause damages, losses, or prevent the Trust from acquiring, operating, or financing assets.

SUMMARY :

Capital Infra Trust (CIT), formerly known as National Infrastructure Trust, is an infrastructure investment trust sponsored by Gawar Construction Limited (GCL), a leader in India's road and highway development. GCL has over 15 years of experience in executing major road projects across 19 Indian states for government bodies like NHAI, MoRTH, MMRDA, and CPWD. With more than 100 projects completed since 2008, GCL's expertise positions CIT to capitalize on India's booming infrastructure sector, which is expected to grow at a 36.16% CAGR from 2016 to 2025. The Trust is launching its IPO with a total size of Rs. 1,578 crore, including fresh units worth Rs. 1,077 crore and an offer for sale (OFS) of Rs. 501 crore. The price band is set between Rs. 99 and Rs. 100 per unit. The funds raised will be used to repay external borrowings and unsecured loans, enhancing project funding capabilities. Given the positive growth in India's infrastructure, particularly in roads and highways, Hence we recommend our clients to **"SUBSCRIBE"** to the issue.

DISCLAIMER

Prepared By:

Research Analyst : Priyanka Mantri

Email ID: priyanka@adroitfinancial.com

Research Associate : Nisha Chaurasiya

Email ID: nishachaurasiya@adroitfinancial.com

Phone Number: 0120-4550300*270/388

Adroit Financial Services Private Limited (hereinafter referred to as "Adroit") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and NSDL. **Adroit Financial Services Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide Registration Number INH100003084.** Adroit or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Adroit or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Neither Adroit, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. Adroit Financial Services Private Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document.

Sd/-

Priyanka Mantri

(Research Analyst)