



IPO Note

Capital Infra Trust InvIT

Recommendation: **APPLY!**

Company Background -

- **Incorporation:** Capital Infra Trust was originally established on September 25, 2023. The registered office is located at Gurugram, Haryana, India.
- **Business Activity:** Capital Infra Trust is an infrastructure investment trust sponsored by **Gawar Construction Limited**. The InvIT was established to engage in activities and make investments as an infrastructure investment trust, as allowed under the SEBI InvIT Regulations.
- **Sponsor Company:** Sponsor is an infrastructure development and construction company in India, with over 15 years of experience, primarily engaged in the construction of road and highway projects across 19 states in India.
- **Management:** The investment manager of the Trust is Gawar Investment Manager Private Limited.

Objects of the Issue -

- 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).
- Providing loans to the Project SPVs for repayment of unsecured loans availed by the Project SPVs from the Sponsor.

Rationale for recommendation -

- ✓ The top line, bottom line and profitability margins have seen a dip in FY2024 which should not be a major concern (Refer Recommendation).
- ✓ The initial project assets of have 9 road projects consisting of 682.425 km with a total bid project cost of Rs. 9,153.34 Cr
- ✓ The trust has ROFO agreement with the sponsor (Refer Recommendation).
- ✓ The sponsor completed more than 100 projects since 2008 and has vast experience in the industry.

IPO Details

Opening Date	Jan 07, 2025
Closing Date	Jan 09, 2025
Allotment Date	Jan 10, 2025
Listing Date	Jan 14, 2025
Stock Exchange	BSE, NSE
Lot Size	150 Shares
Issue Price Per Share	₹99 to ₹100
Issue Size	1,578.00 Cr.
Fresh Issue	1,077.00 Cr.
Offer for Sale	501.00 Cr.
Application Amt	₹ 15,000 - ₹ 1,95,000 (150 to 1,950 shares)

INDUSTRY - Infrastructure Investment Trust

KPI's	KPI's (In Crores)		
	FY 22	FY 23	FY 24
Revenue	1,911.40	2,037.35	1,495.31
EBITDA	193.27	335.45	411.99
Net Profit	125.59	497.19	125.77
RoCE	29.65%	26.38%	31.07%
ROE	25.25%	50.55%	11.24%

Trustee -

Axis Trustee Private Limited

Investment Manager -

Gawar Investment Manager Private Limited

Sponsor -

Gawar Construction Limited

Lead Managers -

SBI Capital Markets Limited

HDFC Bank Limited

Registrar -

KFin Technologies Limited

Business Overview –

Capital Infra Trust (is erstwhile National Infrastructure Trust) is an infrastructure investment trust sponsored by Gawar Construction Limited. It was established on Sep 25, 2023 and registered with SEBI on Mar 07, 2024. It was established to carry on the activities of, and to make investments as, an infrastructure investment trust.

The trust aims to acquire, manage, and invest in nine completed, revenue-generating Initial Portfolio Assets, totaling about 682.425 km, operated and maintained pursuant to concessions granted by the NHAI and are owned and operated by the Project SPVs. These roads, managed under NHAI concessions, are located in Haryana, Rajasthan, Bihar, Uttarakhand, Himachal Pradesh, Madhya Pradesh, and Karnataka. The average remaining concession period is 11.7 years as of September 30, 2024.

In addition to the Initial Portfolio Assets that will be transferred by the Sponsor, they also own 17 additional HAM assets consisting of approximately 546.164 km of roads across eleven states in India. The total bid project costs Rs. 17,787.90 Cr. Under the ROFO Agreement between the Sponsor and the Trust, GCL shall provide to the Trust with a right of first offer in relation to these additional road assets as well as any road assets that the Sponsor may get awarded/acquire in the future.

Initial Portfolio Assets and Projected SPVs as on Sep 30, 2024:

All of these projects are awarded by NHAI.

Project	SPV	Design Length	Location	Commencement and End of concession period	Residual Concession Period (in years)	Bid Project Costs (in ₹ Cr)
Rohna Jhajjar Highway Asset	Gawar Rohna Jhajjar Highway Private Limited	35.45	NH-334B, Haryana	Dec 2018 – July 2035	10.84	718.00
Khajuwala Bap Highway Asset	Gawar Khajuwala Bap Highway Private Limited	212.11	NH-911, Rajasthan	May 2019 – Jan 2036	11.34	895.00
Narnaul Highway Asset	Gawar Narnaul Highway Private Limited	45.30	NH-148B at NH48 Haryana	Sep 2019 – Jan 2036	11.34	1,137.00
Rohna Sonapat Highways Asset	Gawar Rohna Sonapat Highways Private Limited	40.22	NH- 334B Haryana	Jan 2020 – Jan 2037	12.35	1,020.00
Hardiya Hasanpur Highway Asset	Hardiya Hasanpur Highway Private Limited	47.23	NH-31 (New NH20) Bihar	Apr 2021 – Apr 2038	13.59	1,065.00
Kiratpur Nerchowk Highway Asset	Gawar Kiratpur Nerchowk Highway Private Limited	47.75	NH-31 (New NH20) Bihar	Aug 2021 – Jun 2038	13.76	2,098.00
Dewas Ujjain Highway Asset	Dewas Ujjain Highway Private Limited	40.25	NH - 148 Madhya Pradesh	Jul 2021 – Jul 2038	13.84	716.00
Bangalore Highways Asset	Gawar Bangalore Highways Private Limited	164.34	NH-209 Karnataka	Aug 2017 – Dec 2035	11.26	944.23
Nainital Highways Asset	Gawar Nainital Highways Private Limited	49.78	NH – 87 (New NH 09, 109) Uttarakhand	Oct 2017 – Oct 2034	10.09	560.11

Some of the Initial Portfolio Assets have been receiving regular semi-annual annuities from NHAI since January 06, 2021, the aggregate annuity received till September 30, 2024 is ₹554.46 Cr.

Sponsor -

Gawar Construction Limited (GCL) was established as a partnership firm 'Gawar Construction Company' in 1997 and was converted into a public limited company on Mar 31, 2008. The registered office is located at Haryana, India.

The Sponsor is an infrastructure development and construction company in India, with over 15 years of experience, primarily engaged in the construction of road and highway projects across 19 states in India for various government/ semi-government bodies and statutory authorities including NHAI, Ministry of Road Transport & Highways (MoRTH), Mumbai Metropolitan Regional Development Authority (MMRDA) and Central Public Works Department (CPWD). Since 2008, the company has undertaken more than 100 road construction projects and as on the date, they have a portfolio of 26 road projects on a hybrid annuity mode ("HAM") with NHAI, of which 11 are completed projects, including the five acquired assets which were erstwhile owned by Sadbhav Infrastructure Project Limited, and 15 under-construction project.

Competition -

1. **Market Competition, High:** The sector has multiple domestic and international road operators, financial investors, and infrastructure trusts competing for profitable concessions.
2. **Threat of New Entrants, Moderate:** The capital-intensive nature and stringent pre-qualification criteria limit new entrants, but lucrative opportunities attract seasoned players.
3. **Threat of Substitutes, Low:** There are limited substitutes for infrastructure projects like roads and highways, making the threat minimal.
4. **Bargaining Power of Buyers (Government and Stakeholders), High:** Competitive bidding by the government for road and highway contracts puts significant pressure on pricing and profitability.
5. **Bargaining Power of Suppliers (Construction Firms and Material Providers), Moderate:** While suppliers are crucial, large InvITs with economies of scale can negotiate favorable terms.

Business Strategies -

1. The Trust intends to focus on achieving an optimal capital structure for projects and will continue to draw upon the experience, relationship, and expertise of the Sponsor and its affiliates in sourcing funds from multiple sources.
2. The Trust intends to optimize its leverage to retain enough flexibility to provide sustainable and predictable cash flows while also evaluating potential acquisition opportunities in the future
3. The Investment Manager intends to expand initial portfolio by identifying and acquiring additional road projects that meet investment objective in accordance with the provisions of the Trust Deed.
4. The Trust will seek to optimize its debt and equity mix in such a manner that the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents do not exceed 70% of the value of the Initial Portfolio Assets at any time subject to the approval of the unitholders and in accordance with the SEBI InvIT Regulations.

Risk Factors -

- Certain of the Project SPVs, the Sponsor, and the Trustee are involved in certain legal and other proceedings. There are 38 civil litigations, and 3 criminal litigations involving the sponsor. There are 5 civil litigations involving the associate of the sponsor.
- There are 15 litigations and regulatory actions against the trustee.
- There are taxation proceedings involving the Project SPV's amounting to Rs. 210.21 Crore.
- The trust has contingent liability amounting to Rs. 11.043 Crore.
- The Special Purpose Combined Financial Statements and Projections of Revenue from Operations and Cash Flow from Operating Activities presented in this Offer Document may not be indicative of the future financial condition, cash flows and results of operations of the Trust.

INDUSTRY OVERVIEW

Infrastructure Sector in India:

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects. FDI in construction development (townships, housing, built-up infrastructure, and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.61 billion and US\$ 33.91 billion, respectively, between Fiscal Year 2001 to Fiscal Year 2024.

In the Fiscal Year 2020, the Government focused on enhancing expenditure in the infrastructure sector and has planned to invest more than ₹111 lakh crore in the infrastructure sector in the next five years as part of the National Infrastructure Pipeline ("NIP") announced in December 2019.

In 2019, the Government of India adopted a forward-looking programmatic approach towards infrastructure. The National Infrastructure Pipeline was born with a projected investment of around ₹111 lakh crore for FY20-25 for developing a comprehensive view of infrastructure development in the country. The NIP which had started with 6,835 infrastructure projects has expanded to around 9,000 projects across 35 sub-sectors and covers economic and social infrastructure projects jointly funded by the Central Government, State Governments, and the private sector.

Road Sector in India:

India's road network has grown 59% to become the second largest in the world in the last ten years. India has nearly 66.71 lakh km of total road network and the National Highways network alone stood at 146,145 km in CY 2023. India had a total of 97,830 km of National Highways in 2014-15 which has expanded to 146,145 km by December 2023.

In FY24 (until November), cumulatively 5,248 km of National Highways have been constructed. A total of 202 national highway projects worth ₹79,789 crore (US\$ 9.59 billion) are at the implementation stage in the country and are 6,270 km in length. The Government of India has allocated ₹111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY25. The roads sector is likely to account for 18% capital expenditure over FY25. As of November 2023, there were 352 PPP projects worth US\$ 76.95 billion in India.

In March 2024, Prime Minister Narendra Modi inaugurated and laid the foundation stone for 112 national highway projects across various states, with a total worth of approximately ₹1 lakh crore.

Approximately 5,248 km of National Highways (NH) was constructed in 2023-2024 (upto November 2023) (Provisional Figures). The length of the National Highways has increased by more than 60% from 91,287 km in 2014 to around 146,145 km in 2023. As of November 2023, the length of the National Highways is ~1,46,145 Km. Pace of construction of NH roads increased from 12.1 km per day in Fiscal Year 2015 to 36.5 km per day in Fiscal Year 2021 and was around 28.6 km per day in Fiscal Year 2022

(in percentage)

	Real GDP growth rate (Estimate)	Projected real GDP growth rate (Forecast)		
	2022	2023	2024	2025
India	6.7	7.0	6.0	6.4
Advanced Economies	2.6	1.6	1.4	1.3
Newly Emerging Economies	4.0	4.0	4.0	3.9
World	3.4	3.0	2.9	2.8

Source: 2024 World Economic Outlook, IMF, Marubeni Research Institute

(Source:RHP)

Investment Manager -

Gawar Investment Manager Private Limited is the Investment Manager of the Capital Infra Trust. The company was incorporated on Aug 26, 2023. The net worth of the Investment Manager as on Nov 30, 2024, stood at ₹10.78 Cr on a standalone basis.

The key management includes:



Key Management Persons Name - Designation	Rakesh Kumar Non-Executive Director
Qualification	-
Responsibility	Responsible to oversee the financial, marketing, compliance and governance functions of GCL
Other Ventures	Entrepreneur and the promoter of GCL
Key Management Persons Name - Designation	Neeraj Sheoran Non-Executive Director
Qualification	Master's degree in mechanical engineering and master's degree in science (finance)
Previous Experience	Barclays Bank PLC, Morgan Stanley and Co. International PLC
Key Management Persons Name - Designation	Bant Singh Singla Non-Executive Director
Qualification	Doctorate in philosophy (Faculty of engineering and technology)
Previous Experience	Chief General Manager (Tech) - NHAI
Key Management Persons Name - Designation	Satish Chandra Non-Executive and Independent Director
Previous Experience	Retired IAS. NHAI and Punjab Pollution Control Board
Key Management Persons Name - Designation	Vijayalakshmi R. Iyer Non-Executive and Independent Director
Other Directorships	Aditya Birla Capital, ICICI Securities Limited, Glenmark Pharmaceuticals Limited etc.
Key Management Persons Name - Designation	Yudhvir Singh Malik Chairman and Non-Executive and Independent Director, 20+ years of experience in retail banking and wealth management industry
Current Associations	Unitech Limited
Key Management Persons Name - Designation	Manish Satnaliwala Chief Executive Officer
Qualification	Bachelor's degree in commerce, fellow member of ICAI, ICSI and ICMAI
Previous Experience	Salasar Balaji Overseas Private Limited, OIT Infrastructure Management Limited and Roadstar Investment Managers Limited
Key Management Persons Name - Designation	Amit Kumar Chief Financial Officer
Qualification	Bachelor's degree in commerce and fellow member of ICAI
Previous Experience	Axis Bank Limited and ICICI Bank Limited
Key Management Persons Name - Designation	Shubham Jain Company Secretary
Qualification	Bachelor's degree in commerce, bachelor's degree in law and fellow member of ICSI
Previous Experience	Durgapur Freight Terminal Private Limited and Palogix Infrastructure Private Limited

FINANCIAL SNAPSHOT OF SPECIAL PURPOSE COMBINED STATEMENTS
Statement of Profit and Loss Amt in Crores

Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from operations	1,908.15	2,033.09	1,485.09	705.46
Interest income from bank deposits	2.40	4.14	10.221	7.158
Profit on sale of investments	0.85	0.12	-	-
Other Income	70.02	481.57	48.20	79.65
Total Income	1,981.42	2,518.92	1,543.51	792.27
Expenses				
Operating expenses	1,706.15	1,677.98	981.26	432.34
Audit fee (statutory auditors of respective project SPVs)	0.34	0.40	0.43	0.51
Finance Cost	95.18	151.93	285.32	155.66
Insurance expenses	3.64	4.07	3.21	1.50
Employee benefits expense	0.18	0.48	1.574	0.952
Project management fees	5.36	14.68	30.11	36.39
Other Expenses	2.47	4.31	66.73	8.62
Total Expenses	1,813.31	1,853.84	1,368.64	635.97
EBITDA	193.27	335.45	411.99	232.31
EBITDA Margin	10.11%	16.46%	27.55%	32.60%
Profit/(Loss) before tax	168.11	665.08	174.87	156.30
Tax Expense				
Current tax	13.52	36.49	57.86	54.81
Tax for earlier years	-	-	3.07	-
Deferred Tax (net)	29.00	131.41	-11.83	-13.93
Total Tax Expense	42.52	167.89	49.10	40.88
Profit/(Loss) for the year	125.59	497.19	125.77	115.43
Net Profit Margin	6.34%	19.74%	8.15%	14.57%

Statement of Assets and Liabilities Amt in Crores

Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Equity Share Capital	313.10	337.01	346.81	346.81
Other Equity	184.25	646.52	772.20	887.62
Total Equity	497.35	983.53	1,119.01	1,234.43
2. Non-Current liabilities				
Financial Liabilities				
(i) Borrowings	1,477.37	2,368.71	2,996.79	3,141.83
(iii) Other financial liabilities	21.76	-	-	-
Deferred tax liabilities	39.63	171.08	159.63	146.20
Total Non-Current liabilities	1,538.76	2,539.79	3,156.42	3,288.03
3. Current liabilities				
Financial Liabilities				
(i) Borrowings	154.43	287.95	207.17	213.46
(iii) Trade Payables				
(a) Outstanding Dues to MSME	-	-	-	-
(b) Outstanding Dues to other than MSME	285.41	349.69	158.67	100.61
(iv) Other Financial Liabilities	12.99	95.88	56.38	42.03
Other current liabilities	13.87	25.05	26.41	6.91
Current Tax Liabilities (net)	-	1.44	-	19.78
Total Current Liabilities	466.69	760.02	448.64	382.80
Total Liabilities	2,005.45	3,299.80	3,605.06	3,670.83

Particulars	FY 22	FY 23	FY 24	Sep-24
Total Equity and Liabilities	2,502.80	4,283.33	4,724.07	4,905.26
ASSETS				
1. Non-Current assets				
Financial Assets				
(i) Other financial assets	1,364.47	2,911.91	3,253.21	3,417.04
Deferred Tax Assets (net)	-	0.05	0.43	0.94
Non-Current Tax Assets (net)	46.50	36.23	30.13	33.36
Other non-current assets	115.21	199.42	109.24	96.26
Total Non-Current assets	1,526.19	3,147.61	3,393.02	3,547.60
2. Current assets				
Financial Assets				
(i) Investments	14.21	-	-	-
(ii) Trade Receivables	19.54	109.81	66.97	68.47
(ii) Cash and cash equivalents	34.51	17.73	97.50	42.84
(iii) Bank balances other than (ii)	25.71	21.42	33.27	129.60
(iv) Loans	-	-	-	38.91
(iii) Other financial assets	761.86	856.63	988.85	947.05
Other current Assets	120.78	130.13	144.45	130.80
Total Current assets	976.61	1,135.72	1,331.05	1,357.67
Total Assets	2,502.80	4,283.33	4,724.07	4,905.26

Cash Flow Statement				Amt in Crores
Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	-666.65	-508.76	111.65	113.42
Net Cash Flow from Investing Activities	-51.79	-388.02	-306.17	-149.63
Net Cash Flow from Financing Activities	746.31	880.00	274.29	-18.45

Key Ratios

Per Share Data	FY 22	FY 23	FY 24
Operating Ratios			
EBITDA Margins	10.11%	16.46%	27.55%
PAT Margins	6.34%	19.74%	8.15%
Return Ratios			
RoCE	29.65%	26.38%	31.07%
RoE	25.25%	50.55%	11.24%
Solvency Ratios			
Debt / Equity	2.97	2.41	2.68
Current Ratio	2.09	1.49	2.97
Asset Turnover	0.76	0.47	0.31
Interest Coverage Ratio	2.03	2.21	1.44

FINANCIAL ANALYSIS:

- The top line increased by 6.55% in FY2023 which was majorly due to an increase in financial assets primarily on account of projects undertaken by GKNHPL, HHHPL and DUHPL achieving pre-agreed milestones under the relevant concession agreements and an increase in the scope of work and utility shifting by NHAI. IN FY2024, it decreased by 26.95% primarily due to a decrease in revenue from construction work as two of the projects achieved COD (Commercial operation date) and one project achieved PCOD (Provisional commercial operation date) in FY2023 as a result of which construction cost in FY2023 was higher.
- The net profit increased by 295.88% in FY2023 and it decreased by 74.70% in FY2024 which was due to a decrease in the top line.
- The NP margin and EBITDA margin also saw a dip in FY2024.

Projections of Revenue from Operations Project-wise:**Amt in Crores**

Particulars	FY 2025	FY 2026	FY 2027
Consolidated:			
Capital Infra Trust	1,044.43	695.36	686.46
Project-wise			
Gawar Rohna Jhajjar Highway Private Limited (“GRJHPL”)	36.68	38.42	56.94
Gawar Khajuwala BAP Highway Private Limited (“GKBHPL”)	46.35	49.39	45.43
Gawar Narnaul Highway Private Limited (“GNHPL”)	59.54	54.84	74.70
Gawar Rohna Sonapat Highways Private Limited (“GRSHPL”)	56.47	52.71	75.22
Hardiya Hasanpur Highway Private Limited. (“HHHPL”)	86.14	101.65	87.21
Gawar Kiratpur Nerchowk Highway Private Limited (“GKNHPL”)	308.20	175.20	135.53
Dewas Ujjain Highway Private Limited (“DUHPL”)	84.45	59.34	47.32
Gawar Bangalore Highways Private Limited (“GBHPL”)	184.95	120.15	123.48
Gawar Nainital Highways Private Limited (GNHPL-II”)	181.66	43.65	40.65

PEER ANALYSIS:

Particulars	Capital Infra Trust InvIT			Indus Infra Trust			IRB InvIT Fund		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.6%	24.4%	8.4%	-	-	11.5%	21.6%	25.3%	34.4%
EBITDA Margin	10.1%	16.5%	27.6%	-	-	34.8%	82.7%	56.6%	81.6%
RoCE	37.8%	9.1%	8.9%	-	-	0.8%	4.3%	4.7%	5.7%
ROE	25.3%	50.6%	11.2%	-	-	0.3%	7.3%	9.2%	9.5%

IRB InvIT Fund:

- The fund manages five operational road assets located in the Indian states of Maharashtra, Rajasthan, Karnataka, Tamil Nadu, and Punjab.
- The sponsor is IRB Infrastructure Developers Limited established in 1998 and headquartered in Mumbai, is a leading Indian highway construction company specializing in the Build-Operate-Transfer (BOT) model for road and highway projects.
- As on 31st October 2023 it has the largest project portfolio of 25 projects with approx. 18,500 Lane Kilometers constructed, in operation or under development, including the O & M Contracts for IRB InvIT having enterprise value of more than Rs. 75,000 Crores.

Indus Infra Trust:

- The trust's portfolio comprises eight road assets operating on a Hybrid Annuity Model (HAM) basis, located in the states of Punjab, Gujarat, Andhra Pradesh, Maharashtra, and Uttar Pradesh.
- The sponsor is Aadharshila Infratech Private Limited (AIPL) serves as the sponsor and project manager of Indus Infra Trust. AIPL is a private company limited by shares and is part of the GR Group. The assets currently under the trust were previously owned by GR Infraprojects Limited (GRIL), an associate of the sponsor.

LEAD MANAGER TRACK RECORD -

The lead managers to the issue are SBI Capital Markets Limited, and HDFC Bank Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Managers in recent times –

SBI Capital Markets Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ventive Hospitality Limited	1,600	643.00	Dec 30, 2024	711.75
2.	International Gemmological Institute (India) Limited	4,225.00	417.00	Dec 20, 2024	587.70
3.	One Mobikwik Systems Limited	572.00	279.00	Dec 18, 2024	558.10
4.	Suraksha Diagnostic Limited	846.25	441.00	Dec 06, 2024	387.05
5.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	528.75

The company has handled 27 mandates in the past three years (including the current year).

HDFC Bank Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Transrail Lighting Limited	838.91	432.00	Dec 27, 2024	660.65
2.	NTPC Green Energy Limited	10,000.00	108.00	Nov 27, 2024	124.25
3.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	78.96
4.	Go Digit General Insurance Limited	2,614.65	272.00	May 23, 2024	312.70
5.	Bharat Highways Infrastructure Investment Trust	2,500.00	100.00	Mar 12, 2024	112.55

The company has handled 7 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 07th Jan 2025.

As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

Capital Infra Trust InvIT has been in the industry since 2023.

The sponsor Gawar Construction Limited has been in the industry since 1997 and has vast experience. The company specializes in executing major road projects across 19 Indian states for government bodies like NHAI, MoRTH, MMRDA etc. and has completed more than 100 projects since 2008.

The management overview of the investment manager is satisfactory.

The top line, bottom line and profitability margins have seen a dip in FY2024, but it should not be a major concern as two of the projects achieved COD (Commercial operation date) and one project achieved PCOD (Provisional Commercial operation date) in FY2023 as a result of which construction cost in FY2023 was higher.

The trust has initial portfolio assets of 9 road projects with bid project cost of Rs. 9,153.34 Cr.

The trust also has a ROFO agreement with the sponsor where GCL shall provide to the Trust with a right of first offer in relation to these additional road assets as well as any road assets that the Sponsor may get awarded/acquire in the future. GCL has 17 additional HAM assets with a total bid project cost of Rs. 17,787.90 Cr.

Thus, investors can **APPLY** to this IPO for long-term basis.

Disclaimer

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