

**June 05, 2025**

To,

**National Stock Exchange of India Limited**  
Exchange Plaza, C-I, Block-G  
Bandra Kurla Complex,  
Bandra (E), Mumbai-400051  
**Symbol: CAPINVIT**  
**ISIN: INE0Z8Z07016, INE0Z8Z07024**

**BSE Limited**  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Fort, Mumbai- 400001  
**Scrip Code: 544338**

**Subject: Transcript of Earning Conference Call of Capital Infra Trust held on May 30, 2025**

Dear Sir/ Madam,

With reference to our earlier intimation dated May 26, 2025 and May 30, 2025, we hereby submit transcript of the Earning Conference Call of Capital Infra Trust held on Friday, May 30, 2025, at 2:30 PM (IST) for Q4 FY25 Financial Results.

The transcript can also be accessed on our website at below path:

(**Path:** Investors >>> Financial Result >>> Quarterly Results >>> FY 2024-25 >>> Q4 >>> Call Transcript (Text))

Kindly take the above information on your records.

The above information is also available on the website of Capital Infra Trust i.e. <https://capitalinfratrust.com/>.

**For Capital Infra Trust (InvIT)**

**By Order of the Board**  
**Gawar Investment Manager Private Limited (as the Investment Manager to InvIT)**

**Shubham Jain**  
**Company Secretary and Compliance Officer**

Copy to:

**Trustee to the InvIT**  
**Axis Trustee Services Limited**  
Axis House, P B Marg, Worli, Mumbai,  
Maharashtra, India - 400025

**Debt Security Trustee**  
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Ground Floor, Universal Insurance Building  
Sir P.M. Road, Fort, Mumbai, Maharashtra – 400001





**“Capital Infra Trust  
Q4 & FY25 Earnings Conference Call”  
May 30, 2025**



**MANAGEMENT: MR. MANISH SATNALIWALA – CHIEF EXECUTIVE  
OFFICER – CAPITAL INFRA TRUST  
MR. AMIT KUMAR – CHIEF FINANCIAL OFFICER –  
CAPITAL INFRA TRUST**

**MODERATOR: MR. VIKASH VERMA – E&Y**

**Moderator:**

Ladies and gentlemen, good day and welcome to the Capital Infra Trust Q4 and FY 25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikash Verma from E&Y. Thank you and over to you, sir.

**Vikash Verma:**

Thank you, Manav. Good afternoon, everyone. Welcome to the Q4 and FY25 Earnings Call of Capital Infra Trust. On behalf of the company, I would like to express our gratitude to each of you joining the call today. To discuss the performance of the company and to answer the questions we have with us from the company, Mr. Manish Satnaliwala, Chief Executive Officer, and Mr. Amit Kumar, Chief Financial Officer. Our investor presentation and the financial results are available on the company website and the stock exchanges.

Before we begin, I would like to draw your attention to the fact that today's discussion may contain forward-looking statements that are subject to various risks, uncertainties, and other factors which will be beyond management's control. We kindly request that you bear in mind there may be uncertainties when interpreting such statements.

We will now start the session with opening remarks from the management team. Afterwards, we will open the floor for an interactive Q&A session. I would now like to invite Mr. Manish Satnaliwala to make his opening remarks. Over to you, Mr. Manish Satnaliwala.

**Manish Satnaliwala:**

Thank you, Vikash. Thanks for the introduction. Good afternoon, everyone, and welcome to the maiden Q4 & FY25 earnings conference call of Capital Infra Trust. I extend my sincere gratitude to all our investors, analysts, and stakeholders for joining us today. This is a momentous occasion for us as we reflect on our successful listing where we raised around INR 1,578 crores and now present our first earnings results.

Today, I would like to touch upon the vision, our growth strategy, core competencies, updates on the industry and operations, our FY26 guidance, and the financial highlights. I have with me Mr. Amit Kumar, CFO, who will be briefing you on the financials of the trust.

So, we'll start with the vision of the Capital Infra Trust. Trust's vision is based on 3 G framework, wherein first G stands for growth. When we talk about growth, we are committed to achieve an AUM of around USD 5 billion by 2030.

The second G stands for governance, we have best in class governance practices in place, be it a board, management, professionally managed team, independent infrastructure, and one of top five audit firm. Beyond the normal regulatory or best governance in place, we also have a very unique structure of PMA and ROFO agreement, which I'll touch upon in the next slides going forward.

The third G stands for goal, our goal is to deliver sustainable distribution with risk-free consistent returns. The board has approved a vision statement, which reflects our focus, strategy and execution. The vision statement is to deliver consistent and superior yields for our investors by combining expert asset management with innovative structuring, prioritizing transparency, discipline, risk management, and long-term value creation.

Coming to our slide number 7, how do we strategize our growth to achieve our vision? We will be driving the robust AUM growth through strategic asset acquisition backed by strong fundamentals to deliver sustainable returns. In terms of robust AUM growth, we'll be looking to add three to four sponsor assets in Q2-Q3 which will increase the AUM by ~80%. This will provide further revenue momentum, leading to sustainable yield and predictable DPU.

Coming back to the strategic asset acquisition on slide number 8 and slide number 9, we have around 17 ROFO assets covering around 12 states, with a BPC of around INR 17,000 crores spreading across 2,000 lane kilometers. We have made a strong start and our asset under management is around INR 4,912 crores. There are total nine HAM assets covering seven states. We got listed on 17 January 2025. The average residual life of all the projects is around 11.30 years, and we have made the highest distribution till date compared to any other InvIT, which is 23.89 per unit since operations.

Coming back on the core competencies, slide number 11. Capital Infra Trust is backed by a strong sponsor, Gawar Construction Limited, which has 25 years of experience and is an EPC player into roads, highways, metros, and bridges. Gawar Construction Limited has 17 road HAM projects at this point of time and have 3,000 employee strength. It is rated AA/Stable CRISIL and Care. It has INR 800 crores plus strong cash accruals.

They have pan-India presence covering 18 states and has a strong order book of INR 16,000 plus crores. What separates Gawar Construction as a strong sponsor is that they deliver the assets on time. They have got early completion bonus on maximum projects. Secondly, they don't have any outstanding litigation with NHAI (authority) till date. Thirdly, they have a very efficient operating cycle of three months, including group company debtors, which is better than the peers.

What makes Gawar Construction as a capable project manager we have tried to highlight that in slide number 12. It is their strong execution track record, and operational efficiency. They have in-house design and engineering department, experienced manpower, healthy liquidity position and a robust balance sheet. Both sponsor and project manager are the same entity i.e. Gawar Construction Limited in our case.

Timely receipt of annuities, and no outstanding litigation with NHAI till date makes Gawar Construction a very capable project manager for managing our portfolio effectively. We have made a very strong start with our initial portfolio.

On Slide number 13, we have put Trust details on that. Basically, the nine assets with their PCOD and COD dates, a BPC of INR 9,000 plus crores. The total annuity

receivable is around INR 6,000 crores and total annuities received till date is around 60 out of the 270 annuities.

Coming back to the competitive advantage, what the capital infra trust holds is the four unique value propositions. As I highlighted in my first slide in terms of the governance piece. We have a very unique PMA structure, which I would like to take a couple of minutes to highlight.

Generally, a contract or an agreement always have a termination clause or an exit clause. In case of a project management agreement in our case, Gawar Construction Ltd has given us no exit clause for first five years of the agreement. The cost is totally fixed for the entire life of the asset. But for the first five years, despite the cost increment on account of any reason, Gawar Construction Limited will not be able to terminate the agreement.

Yes, the investment manager has the right to terminate the agreement. This gives an added advantage and flexibility to the investors because the cost is fixed for the first five years, and you can actually put a concrete number for that. The second advantage that we have is a ROFO agreement. In case of our agreement, the ROFO is for 10 years, any asset that the sponsor develops for the next 10 years will be a part of it.

The sponsor today has 17 odd assets in their portfolio. If the ROFO falls through with the sponsor, the agreement has a clause, which is beneficial for the investors, that the sponsor can't sell the asset below the counteroffer of IM. That's an enabling clause which helps the IM and the investors with a surety that if the pricing is there, the sponsor can go in the market, but he cannot sell it below that price. The third advantage is the tax benefits on dividends. InvIT is a unique structure, wherein if any SPV is following old tax regime and if the dividend is payable by them, then the dividend to the unit holders is tax-free.

In our case, there are two assets, one is BRT and another is Nainital, where we follow the old tax regime, and the dividend will be tax-free in the hands of unitholders. In terms of the ROFO assets, most of the ROFO assets will also have this kind of benefit attached to it.

Next and the important one, is the optimized debt structure. We have done two NCDs in the month of Feb and March, which have been concluded at a very competitive cost with an extended payment schedule, which has been very value-accretive. We continue to ensure that we benchmark ourselves with the market and be very competitive in terms of the debt cost.

Slide number 16, if you see the management team, we have a credible board, starting with Mr. Yudhvir Singh Malik, who is the Chairman and Independent Director of the board. He has been ex-secretary of MoRTH and ex-Chairman, NHAI. Mrs. Vijayalakshmi R Iyer, she has been ex-CMD of Bank of India, and she sits as an independent director on multiple boards of Aditya Birla Capital, Axis Securities, Glenmark Pharmaceuticals, and many more.

Mr. Satish Chandra, is a retired IAS officer. He was a member of Finance, NHAI, and retired as Additional Secretary of Home Affairs in Punjab. In terms of key managerial personnel, I'm there. Mr. Amit Kumar our CFO, is there. I've been in this InvIT space for the last six years. Amit has been working with banks and he has done a lot of funding for the InvIT space and Mr. Shubham Jain, the Compliance Officer. We have three directors on behalf of sponsor. Mr. Rakesh Kumar is the Promoter Director, Mr. Neeraj Sheoran is the son of Mr. Rakesh Kumar and Mr. B.S. Singla, executive director at GCL level .

In terms of the industry overview, the Indian infrastructure sector, particularly the road segment, presents a compelling growth story. Since 2014, the national highway network has expanded significantly by 60%, underscoring government's ongoing commitment to the infrastructure development.

This commitment is further reflected in key initiatives such as approval of eight national high-speed corridor projects encompassing 936 kilometers of new highways and substantial allocation of INR 2.7 lakh crores to the Ministry of Road, Transport, Highways in the Union Budget 2024-25.

Within this broader infrastructure landscape, the InvIT segment in India is witnessing a robust momentum. Currently, there are 26 listed InvITs, of which 16 are road InvITs, clearly dominating the segment. Road InvITs have experienced significant growth, a trend predicted to continue in the long run. We anticipate AUM for road InvITs to grow by 68%, from INR 1.9 lakh crores in September 2024 to INR 3.2 lakh crores by March 2026. This growth will be driven by two factors, diversification of assets held by existing InvITs and the emergence of new InvITs like ours.

Over the past seven years, the government has successfully rolled out approximately 400 HAM projects across India. These projects create strong acquisition opportunities, with an estimated 600 trillion of HAM projects likely to become available over the next two years.

We come on the operational performance, in the quarter-ended FY25, there has been satisfactory road conditions of main carriageways of all the projects. There have been zero fatalities at our roads and highways. There have been zero encroachments at our roads and highways. And there is no damage that has been levied by the authorities.

As of today, there are six projects which have achieved the COD. One project is 100% complete, and two are nearly complete. But all these three projects have received the PCOD. In terms of riding quality, there is a satisfactory riding quality in all the projects.

Coming to the guidance in slide 22. We are looking at the value-accretive distribution to the unit holders, and the board has approved the guidance for around INR 14.61 per unit for this year, of which INR 2.61 per unit is being given as a quarter-one interim distribution, and the balance will be given over the period of time.

So, this calculates to around 14.75% yield on an issue price of INR 99. Coming to the last slide from my side, which is slide number 28. In terms of the investor base, we are proud to say that we have a very well-diversified investor base, with SBI Group being the largest investor, with a holding around 9.2%.

In terms of category of investors, if you look at it, it is held by corporates around 12%, held by pension funds, AIF, FPI, banks 17.6%, insurance around 10.5%, and mutual funds are 11.5%. So this is from my side. I would like to hand over now to Amit, who will take you through the financial piece of it.

**Amit Kumar:**

Thank you, Manish. Good afternoon, everyone. I will now be taking you through the key financial updates. We have concluded the financial year 2025 with a strong AUM of INR 4,912 crores, with maintenance of debt-to-value-of-assets ratio at 44%. Referring to the slide 14, post-listing, we have issued NCDs totaling INR 2,363 crores at quite competitive cost of debt at approximately 7.68% per annum and is payable half yearly.

Funds raised through NCDs were utilized for repayment of existing external debt at SPVs. In total, trust has on-lent INR 3,405 crores out of the issue proceeds of INR 1,042 crores and INR 2,363 crores from NCD proceeds. The loans extended were utilized by SPVs for extinguishing their outstanding debt, including the unsecured loans. Both of these NCDs are rated AAA by CRISIL and CARE for their debt amounts.

We are on slide 26-27, wherein in the period under consideration, the project SPVs have distributed a total amount of approximately INR 691 crores to the trust, constituting dividend income of INR 546 crores, interest income of INR 50 crores, and repayment of debt of INR 95 crores. After adjusting for the financial costs, trust level expenses, and provisions for statutory dues at trust level, the NDCF at trust level works out to approximately INR 658 crores.

The distribution per unit for the quarter ended March 31, 2025, works out to close to INR 23.89 per unit, out of which INR 12.71 per unit was distributed in Feb, 2025 and remaining close to INR 11.2 per unit is likely to be distributed now. Total distribution will be in the form of INR 18.1 per unit as taxable dividend, INR 1.4 per unit as tax-free dividend, INR 1.1 per unit as interest, and INR 3.4 per unit as repayment of debt.

The distribution for the first quarter is high primarily on account of release of funds from the reserves such as DSRA, MMRA, or Working Capital Reserve, which was required to be maintained with the existing lender at SPV levels. As I said earlier, the entire debt at SPV level has been paid off.

Going forward, distribution is expected to be consistent and sustainable, as Manish has explained in the earlier slides. In addition to this, the Board has also approved interim distribution of Q1 FY26 based on the NDCF calculated for April month, which amounts to INR 71 crores, translating into distribution of INR 2.61 crores per unit.

We are on slide 24. On a consolidated basis, total income works out to INR 170 crores, with net loss reported of INR 37 crores. Since the accounts have been prepared for the

first time for the period starting 14th January 2025, that is date of acquisition, to March 25, the financials are only for close to 2.5 months.

Our external debt at consolidated level stands at INR 2,363 crores, as mentioned above, raised during the year to repay the existing debt at SPV level. Just to reiterate, there is no external debt outstanding at SPV level.

Talking about the profit and loss on standalone basis, the Trust recorded a total income of INR 405 crores, consisting of dividend from subsidiaries of INR 352 crores and Trust income on loans extended by Trust to SPVs of INR 52 crores, and other treasury income being INR 72 lakhs. EBITDA for the said period works out to close to INR 388 crores. During the said quarter, impairment in the value of investment was booked, which amounted to INR 444 crores.

The main constituents for the same were interim distribution made of INR 350 crores to the unit holders in Feb'25, change in the bank rates and approval pending for GST change-in-law from NHAI. Since distribution from SPVs to Trust are tax-free in the hands of Trust, the tax outflow on the standalone is only on the other income earned by the Trust.

Coming to the balance sheet side of the Trust, on standalone basis, explaining the investments fair value of the investment in SPVs, as assessed by the valuer, fair value was of INR 1,649 crores in the books as against, the consideration paid for the similar amount for acquisition of those assets. On consolidated basis, our debt stands at INR 2,363 crores as mentioned above, raised for repayment of existing debt at SPV level.

Thank you for your attention. All other information is available in our presentation. We can now open the floor for any questions you may have.

**Moderator:** Thank you so much, sir. We have our first question from the line of Paras Gupta from Pramerica Life Insurance. Please go ahead.

**Paras Gupta:** So, my question is that you said in your presentation you are planning to add some four assets in FY26. I want to know what's the timeline of these assets in this financial year and how are you planning to fund these assets?

**Manish Satnaliwala:** Hi, Paras. Good afternoon. As I said earlier, we are trying to add in Q2 or Q3, maybe September-October timeframe. We'll be adding 3-4 assets which will be partly through fundraise and partly through units that sponsor will be taking.

**Paras Gupta:** Yes. So, when you say partly, you mean 50%-50%?

**Manish Satnaliwala:** We are yet to come with the right structure. But I think it will be a combination of units and fundraise. We have to come up with the structure yet.

**Paras Gupta:** Okay. Thank you, sir.



- Moderator:** Thank you. We have our next question from the line of Nikhil, an individual investor. Please go ahead.
- Nikhil:** Good afternoon, sir. Thanks for this opportunity. So, I had a few questions on the InvIT level. So, I just wanted to check with you. Like you said that there will be four new assets that will be added by FY26. So, what is the kind of AUM growth that you are expecting for the year?
- Manish Satnaliwala:** Hi, Nikhil. Good afternoon. We are looking for around INR 3,000 crores of AUM. As I said in my earlier presentation also, it's 80% growth on the current AUM, that's what we are expecting. Our aspiration is to add around INR 11,000 crores by 2027, which is already there as part of the presentation. So, we are looking at adding four assets this year, four assets next year.
- Nikhil:** Okay. And so, with this sort of AUM, so the current NAV, which is at 82, so what is the exit NAV that we are planning to have?
- Manish Satnaliwala:** So, we are yet to get on to the numbers but I think there will be a positive impact on that, because there will be the assets of INR 3,000 crores with a combination of units plus the fund raise, they will have a positive impact on the NAV. But I can't give you a number at this point of time.
- Nikhil:** Okay. So, I had one more question, maybe at the industry level or at the sponsor level. So, what we have seen for the past maybe one and a half or two years that there have been more orders from the MoRTH and NHAI. So, like though you have like ROFO for 17 assets. So, in future, what are we seeing at like the sponsor? How are they going to get the assets because there has been no state or national highway orders that have been awarded?
- Manish Satnaliwala:** On that you are right, Nikhil. I think the bidding process is slow. In January 2024, NHAI has released 54 projects worth INR 2 lakh crores. But this is a business cycle that comes up and down. I'm hoping that by next year, you start see more biddings happening.
- If you look at that two and a half or three years of construction cycle from a sponsor perspective, we have enough assets for growth for next three to four years. Plus, we are also looking at third party acquisition. So, we'll be open to look at a value-accretive acquisition. We don't see this limiting any growth prospect for our Capital Infra Trust and the cycle of NHAI bidding will definitely change.
- Nikhil:** Okay. And so, are we expecting the HAM to be the preferred mode of awarding in the future as well? Or it will be changed to BOT?
- Manish Satnaliwala:** Yes, see, I think BOT in the last three years has not been very active but I see a projection of around 20%-25% may be a BOT. HAM will continue to dominate which is already captured in our presentation. I think the BOT with the new Model Concession (MC) that the NHAI has released now, you'll see more traction.

- Nikhil:** Okay. And so, what are we expecting on the construction grant of 40%? So, are we expecting to go down to maybe 20%, 10% or 0% like in the case of BOT? Or like we are expecting it to continue with 40% itself?
- Manish Satnaliwala:** Well, very difficult to answer, Nikhil, to be honest. I think we have to wait and watch how it turns out.
- Nikhil:** Okay, sir. Those were my questions. And thank you for answering those. Best of luck.
- Moderator:** Thank you. We have our next question from the line of Viral Shah from Ambit Wealth. Please go ahead.
- Viral Shah:** Sir, you did mention that you were supposed to take around four new assets next year. So, basically, are these assets organic or they are going to be acquired by someone?
- Manish Satnaliwala:** Viral, good afternoon, first of all. Can you just repeat your question? When you say organic, inorganic means?
- Viral Shah:** These are under-construction assets which will be getting...
- Manish Satnaliwala:** No, we are going to add the operational assets only. The assets which actually fits as per the definition of SEBI InvIT Regulations of completing one year of operations. So, at this point of time, we are looking at three to four sponsor assets. We are also open to the third-party acquisition in the market if they are value-accretive.
- Viral Shah:** Got it. So, basically, when you are looking at third-party and when you are looking at...
- Moderator:** Sorry to interrupt, Mr. Viral. Sorry to interrupt. We can't hear you. Your voice is breaking a bit.
- Viral Shah:** So, basically, sir, we wanted to understand that when you are looking at acquisition or, you know, from the sponsor or third-party, are we only looking at road or we would be looking at other diversified assets as well?
- Manish Satnaliwala:** Yes, there is a lot of potential in road at this point of time, Viral. So, we don't want to deviate our focus. We want to continue with the road only, be it sponsor or non-sponsor assets. As we grow and reach a sizable part, then we can look at adding something which can be integrated with the road part of it. Simply next three to four years, our focus will be on road only.
- Viral Shah:** On road only, right. And apart from so, basically, are we looking for HAM as well or basically BOT, HAM? What is the mix we are looking at as of now from the new point of view?
- Manish Satnaliwala:** Overall strategy will be to have 80% HAM, 20% toll, BOT toll and the reason for that is because BOT toll offers you an extended concession period. Whereas HAM has only 15 years. We want to have that mixed structure. Even sponsor is looking at bidding at the toll projects. So, maybe in two or three years down the line we can see sponsor also

putting a toll asset in our InvIT or we can look at acquiring from third party. We are not averse to a toll project. If it's a value accretive, we can look at acquisition of that also.

**Viral Shah:** Got it. And this last question from my end. This cumulatively four assets which we are supposed to add in FY26, what is the price to book of acquisition which we are looking at as of now?

**Manish Satnaliwala:** Well, we don't have a ready-made answer, to be honest with you.

**Viral Shah:** Okay. But any range particularly where we will be comfortable?

**Manish Satnaliwala:** As I told earlier, the AUM will be growing by around more than 80%. So, it will be around INR 3,000 crores of AUM growth.

**Viral Shah:** Can I add last one, if possible?

**Manish Satnaliwala:** Pardon?

**Viral Shah:** Last question. Can I add one more question, if possible? So, basically, just last question from my end. When you look at the IRR of acquisition, what are we looking at in terms of IRRs from project and equity point of view?

**Manish Satnaliwala:** Yes, it will depend on the market because we have already seen two rate cuts and there are talks that there will be two more rate cuts. GSEC has already come down to 6.25%. It will be market-linked but it will be value-accretive to the unit holders, for sure. You can be assured of that.

**Moderator:** Sorry to interrupt, Mr. Viral again. We can't hear you properly.

**Viral Shah:** Yes. So, just to add on, fine. And lastly, the new assets which we are looking at acquisition, from a tax point of view, are they in the old regime or the new regime? Because old taxation definitely gives a lot of edge, right? And there is a lucrative option of IRR, which can be IRI.

**Manish Satnaliwala:** Yes. So, informally, I think we have around a couple of assets which may be under the old tax regime. There will be some assets which out of four assets which will be a part of the old tax regime.

**Viral Shah:** Okay. Got it. And whatever assets which we are owning as of now, what is the average toll rate hike or maybe toll rate during the year as a whole for the average assets which are under operation?

**Manish Satnaliwala:** No, but we don't track a toll rate hike. We only have HAM projects.

**Viral Shah:** Yes, I agree. For the BOT part, we would be looking at it, right? Or we don't have anything as of now?

**Manish Satnaliwala:** Yes, so that would be around 4%-4.5% in terms of the growth.

**Viral Shah:** Got it. Thank you. Thank you. That's it from me. Thank you.

**Moderator:** Thank you. We have our next question from the line of Sheetal from Shriram Mutual Fund. Please go ahead.

**Sheetal:** Hi, Good afternoon. Sir, I just wanted to understand. You didn't give a broad breakup of the DPU. You had mentioned in the opening remarks a DPU of about INR14.6 is expected for FY 2026. So, could you just provide a broad breakup in terms of the dividend?

**Manish Satnaliwala:** Good afternoon, Sheetal. We don't have the exact breakup on that part. Broader level, it can be a 25% dividend, 25% interest, and 50% maybe the repayment piece.

**Sheetal:** Okay, sir. So, maybe towards the later part we'll get clarity?

**Manish Satnaliwala:** Pardon?

**Sheetal:** We will get this clarity maybe at the later part?

**Manish Satnaliwala:** Yes, the board has also agreed in terms of making a quarterly distribution. Going forward, we will make a quarterly distribution. When we make the next distribution of June quarter in August somewhere, then we may have a better clarity on that.

**Sheetal:** Okay, understood. Thanks. And I have another question if I could squeeze in. So, I just wanted to understand. So, how is our Capital Infra InvIT different from the other road InvIT? Basically, in the past, the performance of road InvIT has been very stagnant. So, then, you know, how do we see a growth coming in?

**Manish Satnaliwala:** I can't comment on the competitiveness part of it. But if you look at our unique value proposition that I just discussed in my earlier slide. First and foremost is our unique structuring of the PMA structure where the sponsor is committed that, the agreement can't be terminated before five years. There is a major maintenance in all the roads, of one cycle. So, even if the cost goes high of the bituminous or any other reason. Sponsor is taking a commitment that there's no cost escalation for the InvIT. That is a very unique structure because generally all the contracts have a termination clause from day one. But in our case, there's no termination clause from the sponsor side.

The second way how to grow the InvIT, sponsor is already committed for providing a ROFO agreement of five plus five years. But, a unique structuring in the clause is that in case the counteroffer of the investment manager to the sponsor is not acceptable to the sponsor, the sponsor can't sell at a price below that counteroffer.

So, this becomes a detriment, even for the sponsor, because by default or the way in which InvIT is structured, they will always offer a better pricing compared to the market. If you go and sell a standalone SPV vis a vis an InvIT, there will always be a better pricing. So, I think these two factors will differentiate us and of course, dividend and the debt part are added advantage.

**Sheetal:** Got it, got it, sir. And also, sir, if I could understand, so what are the risk measures? So, what do we see as the risk factors for our kind of a business or our InvIT? Like probably the delay, see, now what we saw is last year, we saw a delay in basically the government purchase because of elections.

So, do we see that as a risk factor and what are, you know, some of the risk measures for these kinds of things? Because obviously this will push the project further.

**Manish Satnaliwala:** So, from a business perspective, you look at it, the bank rate is one of the risks that we keep on tracking because if the bank rate goes down, our revenue comes down because of interest on annuity. That is the only business risk that we see. From a growth risk perspective, I don't foresee a growth risk for the next four to five years.

I previously explained to somebody on the call, that even if the bidding has been slow for NHAI, the cycle will definitely turn. Because you take two or three years of a construction cycle and looking at Gawar Construction who have been very good in terms of execution and they've been delivering the projects before time. I don't see, in the dearth of the projects coming in and for third-party acquisition we always look for it.

So, I don't see a growth as a hindrance, as a part of the risk.

**Sheetal:** Okay, sir. Got it. Thank you. I'll join in if I have further questions.

**Moderator:** Thank you. We have our next question from the line of Goutham Kamepalli from Gland Family Office. Please go ahead.

**Goutham Kamepalli:** Hi, Manish and Amit. Thanks for explaining on that. I just wanted a quick question on; can you expand on the profitability and the consolidated level for FY25?

**Manish Satnaliwala:** Hi, Goutham. Good afternoon. I'll ask Amit to just explain to you.

**Amit Kumar:** So, talking about the profitability, since these were numbers for 2.5 months only, there was a loss, which we have actually booked in this quarter. But going forward, with the assets accretion and having the financials for entire full year, the profitability would be on the positive side only.

**Goutham Kamepalli:** Okay. And regarding the revenue segmentation, like previously we used to have like operating expenses and some interest income from NHAI, O&M revenue, and construction services and other revenues, and operational expenses, finance costs and other things. So, in the first half, it was about INR 115 crores on INR 792 crores, the profit. So, is there any comparable number, which we have now?

**Amit Kumar:** Comparable number is actually not available since this was the first year for Trust. But talking about, as you rightly said, the number, which has been set apart is of cash flow. But if you see the profit and loss for any construction company or any InvIT other than us, this is basically depending on the Ind AS presentations only. Though you are talking about the cash flow, but here it is only the margin income, which is reflecting over maintenance expenses.

- Goutham Kamepalli:** Got it. Thank you.
- Moderator:** Thank you. We have our next question from the line of Vishal Periwal from Antique Stock Broking. Please go ahead.
- Vishal Periwal** Yes, sir. Thanks for the opportunity. I think some basic question on the structure part, the DPU, which you mentioned for FY26, 25% will be dividend. So, in this, is it fair to understand, as a structuring, only the dividend portion is taxable, rest, they are not?
- Manish Satnaliwala:** Good afternoon, Vishal. I'll ask Amit to answer this question.
- Amit Kumar:** In InvIT structure, there are three components to it, dividend, interest, and return of capital. If we talk about dividend, there is a two series to it. If the SPV is following the old tax regime, the dividend is tax-free in the hands of investors, and if SPV is under new tax regime, it is taxable in the hands of investors.
- And just, interest coming up as a distribution from the SPVs, is always taxable in the hands of unit holders. Talking about the return of capital, that's tax-free in the hands of unit holders.
- Vishal Periwal:** Okay, okay, got it. And then, secondly, you mentioned the key risk of a lower bank rate. But, so, overall, I think, system-wise, probably a repo cut or anything that happens, that's a risk for the NOT, that you will get from the authority, or how exactly it works?
- Amit Kumar:** So, definitely, bank rate is the only variable which we see on the revenue side that actually impacts our profitability. But, looking the market going forward, we might see a rate cut further down. But, as we committed and as Manish has told about the vision for the FY26, we have already considered the next two rate cuts, expected from the RBI.
- Vishal Periwal:** Okay, got it. And maybe one last thing. So, you mentioned that AUM growth will be to the tune of INR 3,000 odd crores in FY26. So, structuring-wise, how exactly this gets funded between sponsor and the investors?
- Manish Satnaliwala:** So, Vishal, as I told earlier, it's only a combination of units and cash. We are yet to finalize how much units and how much cash. That structuring is yet to be taken up, but there will be definitely a combination of both.
- Vishal Periwal:** Okay, no, but sponsor, for sponsor, it is only that he gets the units, or he also contributes the cash in it?
- Manish Satnaliwala:** Sponsor is contributing the asset, and in return getting the units. Then you raise fund from the market, which will be a primary issue, basically, funding for that part and then, of course, there'll be debt raising for that, again.
- Vishal Periwal:** Right, right, and I got it, got it, I think, yes. Yes, that's all from my side, thank you.
- Moderator:** Thank you. We have our next question from the line of Bhavik from TMPL Consultants. Please go ahead.

- Bhavik:** Yes, hi, good afternoon, and thanks for the opportunity. My question is regarding the NAV. So, the NAV which is being published is INR 82.26 paisa. Question is, is it before the distribution of 11.18 plus 2.61, or provision has been provided, and this NAV is net of distribution?
- Manish Satnaliwala:** Yes, good afternoon, Bhavik. So, the NAV actually includes the distribution, but I think so as we keep on adding asset, there'll be a positive impact on the NAV and we are going to add four more assets, right, worth around INR 3,000 crores in terms of AUM, so that will have a positive impact on the NAV.
- Bhavik:** Okay, so even the FY25, 11.18 is being also not provided, so everything is gross.
- Manish Satnaliwala:** Yes.
- Moderator:** Thank you. We have our next question from the line of Arun, an individual investor. Please go ahead.
- Arun:** Yes. So, my question is regarding this. Right, see, if you look at your leverage, currently you are at a 44% leverage at the trust level. Now, if you want to add more assets, right, what I understand is that your leverage cannot go beyond 50. Now, and you can go to 60, probably after six distributions.
- So, now, how are you planning to add more assets, because your bank debt or any other debt seems to be very limited. So, it looks like, you have to go for a larger dilution when it comes to this thing, the QIP and other things. Just give me your thoughts on this.
- Manish Satnaliwala:** Yes. Good afternoon, Arun. I think you are right, absolutely right. So, as we are at around 44%, till 6 distributions, you can't exceed 49%. Thereafter, you have a limit to 70%. But the next four assets that we are looking at adding, it will be more from a fund raise, maybe QIP or a preferential issue, along with the sponsor taking some units and partly with the debt. It will be a combination of all these things, but we have to go to the market to raise the funds.
- Bhavik:** Okay. Okay, so that, okay, that you have to do it at the market price at that point of time, based on the yield what the market is offering. Okay, it could be a QIP or a preferential thing.
- Manish Satnaliwala:** Or a preferential issue, yes.
- Bhavik:** Okay. Okay, thank you, that's it.
- Moderator:** Thank you. We have our next question from the line of Sudhi Sharma, an individual investor. Please go ahead.
- Sudhi Sharma:** Thank you, sir. Thank you for taking my question. Actually, I have joined the call late, so I might be asking some repeat questions. Please pardon me for that. Sir, first thing I wanted to ask on industry, like, I mean, if I see the, you know, road awarding, the project

awarding has been a little mutish in the recent times. So how do you see the project award pipelines going forward? Will it increase in like, let's say in next six to eight months?

**Manish Satnaliwala:** Yes, hi. Good afternoon. I just answered this question. I think so. This is a business cycle. I think sometimes it happens because last year, again, it was an election year and in Jan' 24, the NHAI has actually released 54 projects of 2 lakh crores. But yes, the bidding process has remained slow for last 18 months. We see that the cycle will turn, by this year and by next year. But that doesn't have an impact on our growth strategy per se, because we are well-equipped in terms of the number of assets we have for the growth for next four years, looking at the sponsor and also the third-party acquisition in the market.

**Sudhi Sharma:** Okay, sir. Okay, okay. And so my next question is like, I mean, as you guys have recently acquired or planning to acquire eight new assets, so could you give me more details on it, like what will be the asset size and what is the sustainable yield are we expecting from these projects after the acquisition?

**Manish Satnaliwala:** I think that we have to do some work on that part of it. I can just say before that, when we take these four assets, the AUM will be something around INR 3,000 crores. I can just disclose that much. But as and when more clarity is there, then we'll disclose that accordingly.

**Sudhi Sharma:** Okay, okay. And so, beyond that, any plans to add more assets?

**Manish Satnaliwala:** Beyond what? I do not understand.

**Sudhi Sharma:** Beyond these eight assets, after these eight assets, are you also...

**Manish Satnaliwala:** I think so we have already stated that there are 17 ROFO assets with the sponsor. We have just given you an aspiration that INR 11,000 crores AUM will happen by two years, 2027 March further assets will continue to be added. But we have just given aspiration for next two years at this point of time. This is something which we can predict upon, and that's how you get an aspiration of two years only.

**Sudhi Sharma:** Okay. Understood, sir. And sir, the four assets which we are planning to add in by 2026, have those projects already received the COD?

**Manish Satnaliwala:** Yes, they have received the PCOD/COD, and one year has been completed. Accordingly, we have done it.

**Sudhi Sharma:** Got it, sir. Thank you, sir. That's all from my side. If I'll have more questions, I'll join again.

**Moderator:** Thank you. We have our next question from the line of Nikhil, an individual investor. Please go ahead.



- Nikhil:** Thank you, sir, for this follow-up opportunity. Just wanted to check with you on slide number 20, you have given some industrial data. So, you mentioned 26 listed InvIT, so that would include public and private listed both, right?
- Manish Satnaliwala:** Yes, correct.
- Nikhil:** Okay, and those 16 road assets that you have mentioned, so in that, how many would be HAM and how many would be BOT?
- Manish Satnaliwala:** Pardon, which slide you're talking about?
- Nikhil:** So, slide number 20, out of those 26 InvITs, you mentioned that there are around 16 road InvITs. So how many would be HAM focused and how many would be BOT?
- Manish Satnaliwala:** Only HAM focused, we are the second InvIT. There's one more InvIT in HAM, only focused on HAM, but rest InvITs in the road are including both annuity plus toll.
- Nikhil:** Okay, so and so this other sector InvIT, so what would that mean? So power and other than power and road, so what would be the third category that you have mentioned that there are five InvITs?
- Manish Satnaliwala:** There's a pipeline, there is a, there is a logistics, warehousing.
- Nikhil:** Okay, sir. Thank you.
- Moderator:** Thank you. We have our next question from line of Goutham from Gland Family Office. Please go ahead.
- Goutham:** Hi, Manish and Amit. I just wanted to understand regarding impairment on non-current assets, which is an exceptional item present. Just wanted to know how it was arrived at.
- Amit Kumar:** Hi, Gautam. I have explained earlier also that in this quarter, the impairment was booked close to INR 444 crores, and the main constituents for this was interim distribution, which we have given in Feb'25, close to INR 350 crores.
- There's a change in bank rate that happened from 6.75% to 6.5% at the closing period date and there is certain amount for which the approval is pending from NHAI. That's a GST change in law claim. So, consolidating all this, the major constituent would be the interim distribution, which we have done in Feb'25.
- Goutham:** Thank you, Amit. Thank you.
- Moderator:** Thank you. We have our next question from line of Khushbu Gandhi from Ambit Wealth. Please go ahead.
- Khushbu Gandhi:** Yes, sir. So, one question from my side. Since we have nine HAM assets which are in the road toll, and so my question is, are we expecting any major O&M capex to be done

in the next two years? Have we estimated any major capex happening? And going forward, what is the annuity plan on that road toll asset?

**Manish Satnaliwala:** Good afternoon, Khushbu. Can you just repeat your question? I'm just trying.

**Khushbu Gandhi:** So, we have nine HAM assets, right? Under the road highway project?

**Manish Satnaliwala:** Yes.

**Khushbu Gandhi:** So, my question is, is there any major capex for the O&M? Is there any major O&M capex which is going to happen in the next two years?

**Manish Satnaliwala:** Yes, we have a project management agreement. The cost is completely fixed and whatever the cost has to be incurred is already ring-fenced. The sponsor is going to bear that cost being the project manager. So, from an InvIT perspective, there's no additional outflow which has already been budgeted in the agreement.

**Khushbu Gandhi:** Okay, but though it has been budgeted, but any major expense which you are looking forward, has it been budgeted?

**Manish Satnaliwala:** No, there's nothing as such, which will be over and above the budget. As I told you earlier, the PMA agreement has a non-termination clause from the project manager side. For first five years, whatever the cost that has to be incurred to maintain the project for whatever reasons will be borne by the project manager. There is no additional incremental cost that can come on to the InvIT.

**Khushbu Gandhi:** Okay, and since we are, since most of the projects being into HAM. I'm afraid that the government was still not ordering more of HAM projects. But now since it's been two years, the government is talking to get into more of BOT projects. So, are we also prepared to look for BOT projects going forward?

**Manish Satnaliwala:** From an InvIT vision and strategy perspective, yes, we are open to looking at acquiring toll projects also. In addition, the sponsor is also looking at, bidding for the toll projects and will be building that part.

**Khushbu Gandhi:** Have we already bided, or we are planning to bid it?

**Manish Satnaliwala:** No, this is under planning now, not yet bided.

**Khushbu Gandhi:** Okay, sir, that's it from my side.

**Moderator:** Thank you. A reminder to all participants, if you wish to ask any questions, you may press star and one. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

**Manish Satnaliwala:** Capital Infra Trust has had a strong start since listing. We are well positioned for sustainable growth backed by a robust portfolio, a strong sponsor, prudent financial management and a clear vision. We are committed to delivering consistent and superior

yields to our unit holders, building long-term value and contributing significantly to the India's infrastructure development. Thank you all for once again for joining the call and sparing your time and thank you very much.

**Moderator:**

Thank you, sir. On behalf of Capital Infra Trust, that concludes this conference. Thank you for joining us and you may now disconnect your line.