IPO REVIEW

Citius Transnet Investment Trust InvIT IPO

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- CTInvITs is a transport sector-focused infrastructure Investment Trust.
- The company marked losses for all these years at the net level following adjustments of amortization provisions.
- It has huge carried forward losses, resulting in a negative networth and P/E.
- InvITs are always meant for long term investment plans.
- Well-informed/cash surplus/risk seekers may park moderate funds for long term.

About the Company

Citius TransNet Investment Trust InvITs (CTInvITs) is a transport sector-focused infrastructure investment trust (the "Trust"), established with an objective to acquire, manage and invest in a portfolio of transport infrastructure assets, including roads, in India. It is settled by way of the Trust Deed, by the Sponsor, and registered as an InvIT with SEBI on August 1, 2025, in accordance with the provisions of the InvIT Regulations. The sponsor of the Trust is Epic TransNet Infrastructure Private Limited (formerly known as Watrak Infrastructure Private Limited) (the "Sponsor"). Its Sponsor is wholly owned by the schemes of the Infrastructure Yield Trust (that is, Infrastructure Yield Plus II, Infrastructure Yield Plus IIA and India Infrastructure Yield Plus II), an AIF managed by EAAA India Alternatives Limited ("EAAA").

As of March 31, 2025, EAAA managed three out of the 16 funds focused on infrastructure investments and ranks third among infrastructure investment managers by total assets under management ("AUM") (Source: CRISIL Report). EAAA operates a diversified, multi-strategy platform, in large, under-tapped and fast-growing alternative asset classes, focusing on providing income and yield solutions to a diverse client base, including, global pension funds, insurance companies and ultra-high net worth individuals. It is supported by an asset management team of 61 members (in addition to in-house teams of its Initial Portfolio Assets comprising 279 employees), 71 employees in the Project Manager of the Trust and 80 investment professionals as of December 31, 2025.

Its sponsor group comprises the Sponsor, Infrastructure Yield Trust (through its schemes Infrastructure Yield Plus II, Infrastructure Yield Plus IIA and India Infrastructure Yield Plus II), Epic Transnet Project Management Private Limited (formerly known as Chennai-Tada Tollway Private Limited) (the "Project Manager"), and Neelambur Madukkarai Tollway Private Limited (collectively, the "Sponsor Group"). Subject to completion of the Formation Transactions, its initial portfolio of road assets will comprise 10 toll and annuity projects, together with the relevant project special purpose vehicles (the "Project SPVs") through which they are held, and Epic Concesiones 3 Private Limited

and SRPL Roads Private Limited, the holding companies of all Project SPVs (the “HoldCos”, and together with the Project SPVs, the “Initial Portfolio Assets”), except for one Project SPV, Thrissur Expressway Limited (“TEL”), which will be held directly by it.

The Initial Portfolio Assets comprise a total of 3,406.71 lane-kilometers (seven toll assets spanning more than 3,043.22 lane-kilometers, and three annuity assets spanning more than 363.49 lane-kilometers) across nine different Indian states as of the date of this Offer Document. The Project SPVs have a strong operational history as four of its toll assets have a tolling history of more than 12 years and two of its other toll assets have been collecting toll for over 5 years. During the Financial Year 2025, the toll collection (net of revenue share) was Rs. 1563.23 cr. and the revenue receipts for annuity-based projects (excluding GST) was Rs. 336.20 cr., contributing 82.30% and 17.70% to its total cash revenue receipts from Project SPVs, respectively (Source: CRISIL Report).

As of the date of this Offer Document, the Project SPVs are held directly or indirectly by alternate investment funds (“AIFs”) registered with SEBI and managed by EAAA. They have, as such, prior to the completion of the Formation Transactions, benefited from the regulated management framework applicable to them as companies held by AIFs. The Trust has also entered into an agreement that grants a right of first offer for the acquisition of 11 hybrid annuity model (“HAM”) road assets held or to be acquired by the EAAA Platform (the “Identified ROFO Assets”, and the agreement, the “ROFO Agreement”). The EAAA Platform, its Sponsor and members of the Sponsor Group have experience in managing and operating road, renewable, and transmission infrastructure assets, with an established governance framework that guides investment and asset management practices.

As of 20th February 2025, India's infrastructure industry boasts over 562 ongoing projects across various sectors and concession models, driven by increased public-private participation over the past few decades. The current project pipeline is divided between the central government with 342 projects (61%) and state government with 220 projects (39%).

The toll roads forming part of its Project SPVs are situated in regions with high economic activity, thereby indicating strong, stable and predictable long-term traffic as well as revenue growth prospects (Source: CRISIL Report).

Issue Details / Capital History

The trust is coming out with its maiden IPO of Citius Transnet InvITs issue worth Rs. 1105.00 cr. (approx. 110500000 units at the upper cap). It has announced a price band of Rs. 99 – Rs. 100 per unit. The issue opens for subscription on April 17, 2026, and will close on April 21, 2026. The minimum application to be made is for 150 Unit and in multiples thereon, thereafter. Post allotment, Units will be listed on BSE and NSE. The company will use Rs. 1000 cr. of the net proceeds from the issue for partial or full acquisition of securities of a) SRPL b) certain identified Project SPVs namely TEL, JSEL, Dhola and Dibang, and the rest for general purposes.

The trust has allocated not more than 75% for institutional investors and not less than 25% for non-Institutional investors.

The Investment Manager is EAAA TransInfra Managers Ltd. The lead manager to this offer is Axis Capital Ltd., Ambit Pvt. Ltd., ICICI Securities Ltd. and KFin Technologies Ltd. is the registrar to the issue. Axis Trustee Services Ltd. is a Trustee for this issue, and EPIC Transnet Infrastructure Pvt. Ltd. (formerly known as Watrak Infrastructure Pvt. Ltd.) is a Sponsor for the issue. Axis Capital Ltd., Ambit Pvt. Ltd., Ambit Capital Pvt. Ltd., ICICI Securities Ltd., are the syndicate members. KFin Technologies Ltd. is the registrar to the issue.

Financial Performance

On the financial performance front, the trust has incurred loss before tax amounting to Rs. 214.42 cr., Rs. 415.53 cr. Rs. 738.14 cr. and Rs. 633.83 cr. in the nine months ended December 2025, and FY25, FY24 and FY23 respectively. A significant portion of its revenue is concentrated in a few Projects SPVs, which are dependent on receiving consistent annuity income and interest on annuity income from NHAI and MoRTH and other compensation payments. Due to losses reported for all these years, its Networth, Earning Per Share, andnetworth stands negative. Its NAV as of Decembmer 31, 2025 stands at Rs. 104.98, and post issue its equity value will be at Rs. 6100 cr.

According to the management, the company has posted EBITDA margins before tax of 57.51% (FY23), 61.78% (FY24), 66.26% (FY25), and 72.78% (9M-FY26). However, due to amortization adjustments provisioning it marked losses at net levels. Its net debt was to the tune of Rs. 4247.05 cr. as of December 31, 2025. The company has estimated higher cash flows for the coming four fiscals with an average of Rs. 1418 cr. per annum from FY 27 to FY30 (refer page no. 121 of the offer document).

GENERAL RISKS:

Investments in the Units involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Prospective investors are advised carefully to read this Offer Document, including the sections “Risk Factors” and “Rights of Unitholders” on pages 64 and 464 carefully before taking an investment decision with respect to the Issue. For taking such investment decision, prospective investors must rely on their own examination of the Trust and the Issue including the risks involved. Each prospective investor is advised to consult its own advisors in respect of the consequences of an investment in the Units being issued pursuant to this Offer Document.

This Offer Document has been prepared by its Investment Manager solely for providing information in connection with the Issue and a copy of this Offer Document has been delivered to the Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges. However, the Units have not been recommended or approved by SEBI and the Stock Exchanges and nor do SEBI or the Stock Exchanges guarantee the accuracy or adequacy of any statements made, opinions expressed or reports

contained herein and accordingly, admission of the Units to be allotted pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of the Trust or of the Units.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will follow the prescribed dividend policy for InvITs based on their overall income and future prospects. Dividend will be paid as a distributable income ((up to 90% of the net income) of the trust to investors as per Income Tax law applicable.

COMPARISON WITH INDUSTRY PEERS:

The company has given industry peers data on page 121 of the offer document, which is as under:

Particulars	NAV per unit (Rs.)	Premium /(Discount) to NAV %
Cube Highways Trust	142.70	(1.0) %
Vertis Infrastructure Trust	103.35	2.6 %
Interise Trust	107.00	2.6 %
Maple Infrastructure Trust	146.31	(0.5) %
Roadstar Infra Investment Trust	96.45	(32.60) %
Nxt-Infra Trust	106.79	(6.4) %

CTInvITs NAV stood at Rs. 104.98 as of December 31, 2025.

Conclusion / Investment Strategy

CTInvITs is a transport sector-focused infrastructure Investment Trust. The company marked losses for all these years at the net level following adjustments of amortization provisions. It has huge carried forward losses, resulting in a negative net worth and P/E. InvITs are always meant for long term investment plans. Well-informed/cash surplus/risk seekers may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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