



## **IPO NOTE**

**Citius Transnet Investment Trust**

**16th April 2026**

## Company Overview

The Citius Transnet Investment Trust is a transport sector-focused infrastructure investment trust (the Trust), established with the objective of acquiring, managing, and investing in a portfolio of transport infrastructure assets, including roads, in India. The Trust was settled through a trust deed by its sponsor and was registered as an InvIT with Securities and Exchange Board of India on August 1, 2025, in accordance with the provisions of the InvIT Regulations. The sponsor of the Trust is Epic TransNet Infrastructure Private Limited (the "Sponsor"). The sponsor is wholly owned by schemes of the Infrastructure Yield Trust, namely Infrastructure Yield Plus II, Infrastructure Yield Plus IIA and India Infrastructure Yield Plus II, an alternative investment fund 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 ranked third among infrastructure investment managers by total assets under management (AUM), according to a CRISIL report. EAAA operates a diversified, multi-strategy platform across large, under-penetrated and fast-growing alternative asset classes, with a focus on providing income and yield solutions to a diversified client base, including global pension funds, insurance companies and ultra-high net worth individuals. During FY25, toll collections stood at ~Rs. 15,632.3 million, while annuity revenues were ~Rs. 3,362.0 million, contributing 82.3% and 17.7% of cash receipts, respectively, reflecting a balanced revenue mix. The portfolio combines toll, annuity, and HAM assets, providing a mix of growth and stability, with toll assets benefiting from economic activity and inflation-linked revisions, while annuity and HAM assets ensure predictable cash flows. The traffic profile is well balanced, with commercial vehicles contributing ~62.2% of PCU mix and ~74.0% of toll revenues, supporting resilience given the relatively lower volatility of freight traffic.

## Objects of the issue

The company proposes to utilise net proceeds from the issue towards the following objects:

- Partial or full acquisition (or as applicable, redemption) of securities of a) SRPL; and b) certain identified Project SPVs namely TEL, JSEL, Dhola and Dibang; and
- General expenses.

## Investment Rationale

### Diversified, mature portfolio with strong growth visibility through ROFO pipeline

The Citius Transnet Investment Trust benefits from a large and well-dispersed portfolio of 10 Project SPVs, spanning ~3,406.7 lane-kilometers across nine states, with a strong operational track record and significant residual concession life. The portfolio comprises a balanced mix of seven toll and three annuity assets, contributing 82.3% and 17.7% of cash revenues, respectively, and has scaled materially over time with asset size increasing more than 9x between FY21 and FY25. The assets are relatively mature, with toll roads demonstrating an average operational history of over 10.1 years and a residual concession life of ~12.9 years, providing strong visibility on cash flows. In addition, portfolio concentration risk remains moderate, with the largest asset contributing ~26.1% of total enterprise value, while traffic growth has remained resilient, with AUM-weighted PCU growth of 7.1% between FY23-25. This strong base portfolio is complemented by a visible and sizeable growth pipeline through 11 Identified ROFO Assets under NHA1 concessions, aggregating ~2,366.8 lane-kilometers across six states. Of these, five assets are already operational and held by the EAAA platform, while six are under acquisition, providing near to medium-term expansion opportunities. In the event of acquisition of all ROFO assets, the portfolio could scale to ~5,773.5 lane-kilometers across 21 assets, significantly enhancing diversification and scale. Notably, these ROFO assets are primarily HAM (Hybrid Annuity Model) projects, which provide stable and predictable cash flows with limited traffic risk, thereby improving the overall revenue mix. The combination of a mature, cash-generating base portfolio and a well-defined acquisition pipeline provides strong visibility on future growth while maintaining stability in cash flows.

## Issue Details

Offer Period 17th Apr. 2026 - 21st Apr. 2026

Price Band Rs. 99 to Rs. 100

Listing BSE & NSE

Issue Size (no. of shares in mn) 110.5

Issue Size (Rs. in bn) 11.1

## Issue Structure

QIB 75%

NII 25%

BRLM Axis Capital Limited, Ambit Private Limited, ICICI Securities Limited

Registrar KFin Technologies Limited

(Assuming issue subscribed at higher band)

## Strategically diversified asset base with de-risked revenue profile supporting stable cash flows

The Citius Transnet Investment Trust benefits from strategically located assets across geographically diversified clusters, positioned along key economic corridors in states such as Karnataka, Telangana, Odisha, Gujarat, Kerala and Haryana. The portfolio exhibits strong geographic dispersion, with a dispersion score of 71.0%, and is well aligned with economically strong regions, with ~63.2% of toll collections derived from top GST and per capita NSDP states and ~56.1% from top GSDP states. This positioning enables the Trust to benefit from sustained industrial activity, consumption demand and logistics movement, further supported by a diversified commodity mix across sectors such as construction materials, iron and steel, and logistics. Additionally, the traffic profile remains well balanced, with commercial vehicles contributing ~62.2% of PCU mix and ~74.0% of toll revenues, providing resilience given the relatively lower volatility of freight traffic. This strong asset positioning is complemented by a de-risked revenue profile, with a mix of toll and annuity assets contributing 82.3% and 17.7% of cash flows, respectively. While toll assets provide growth linked to economic activity and traffic expansion, annuity assets ensure stable and predictable revenues through fixed payments from government-backed counterparties such as National Highways Authority of India and the Ministry of Road Transport and Highways, thereby minimizing counterparty risk. The annuity portfolio has demonstrated a consistent track record of timely payments, further strengthening cash flow visibility. Overall, the combination of strategic asset location, diversified traffic and commodity exposure, and a balanced revenue mix supports stable cash generation.

## Valuation

Citius Transnet Investment Trust is a transport infrastructure-focused InvIT with a diversified portfolio of 10 road assets comprising seven toll and three annuity projects, aggregating ~3,406.7 lane-kilometers across nine states. The business model offers a balanced mix of growth and stability, with toll assets contributing 82.3% of cash flows and benefiting from economic activity and inflation-linked tariff revisions, while annuity assets provide predictable, government-backed revenues. The portfolio is relatively mature, with a long operational history and residual concession life, supporting visibility of cash flows. Additionally, the asset base benefits from a favourable traffic mix, with commercial vehicles contributing ~74.0% of toll revenues, enhancing resilience across economic cycles. The Trust is supported by the EAAA platform, which brings strong asset acquisition capabilities and provides a visible growth pipeline through ROFO assets, enabling scalable expansion. Strategically, the focus remains on acquiring operational and de-risked assets, maintaining an optimal capital structure, and leveraging technology-driven O&M practices to enhance efficiency. From a macro perspective, India's infrastructure sector is witnessing strong tailwinds, with total investments expected to reach ~Rs. 93.0 trillion over FY2025-30 and transport infrastructure attracting ~Rs. 42.0–45.0 trillion, with roads accounting for the largest share. Supported by robust GDP growth, increasing logistics demand and government-led asset monetization, the sector offers strong long-term growth visibility. On the financial front, despite reporting accounting losses across periods, the Trust continues to generate strong and stable operating cash flows, with cash flow from operations at ~Rs. 10,450 million in FY25 and ~Rs. 7,820 million in 9MFY26. The underlying cash-generating ability of the portfolio remains robust, supporting steady net distributable cash flows (NDCF) and ensuring the Trust's ability to maintain consistent distributions to unitholders. **Overall, the Trust presents a stable yield-oriented investment opportunity backed by predictable cash flows, diversified assets, and a visible growth pipeline, and is well positioned to deliver consistent distributions with moderate growth potential.**

## Key Risks

- The Trust and the Investment Manager have no operating track record and may not be able to operate business successfully, achieve business objectives or generate sufficient cash flows to make or sustain distributions.
- The Trust has incurred losses before tax amounting to Rs. 4,155.3 million, Rs. 7,381.4 million and Rs. 6,338.3 million in Financial Years 2025, 2024 and 2023, respectively.
- Disruptions to roadways connecting to the toll roads, including those arising from construction or maintenance activities, are beyond the Trust's control and may adversely impact its revenue from operations, financial position and cash flows.

## Income Statement (Rs. in million)

Particulars	FY23	FY24	FY25	9MFY26
<b>Revenue</b>				
Revenue from operations	17,735	18,732	19,870	14,964
<b>Total revenue</b>	<b>17,735</b>	<b>18,732</b>	<b>19,870</b>	<b>14,964</b>
<b>Expenses</b>				
a) Operation and maintenance expense	6,277	5,947	5,585	2,941
b) Employee benefits expense	595	570	549	373
c) Other Expenses	1,139	1,274	1,173	960
<b>Total operating expenses</b>	<b>8,011</b>	<b>7,791</b>	<b>7,307</b>	<b>4,275</b>
<b>EBITDA</b>	<b>9,724</b>	<b>10,941</b>	<b>12,564</b>	<b>10,689</b>
Depreciation & amortization	7,095	6,922	6,998	5,257
<b>EBIT</b>	<b>2,629</b>	<b>4,018</b>	<b>5,565</b>	<b>5,432</b>
Finance costs	10,085	13,053	11,506	8,317
Other Income	1,118	1,654	1,786	740
<b>PBT</b>	<b>-6,338</b>	<b>-7,381</b>	<b>-4,155</b>	<b>-2,144</b>
Current Tax	200	356	43	46
Deferred tax	-4	4	-27	0
Income tax pertaining to earlier years	6	0	6	0
<b>Total tax</b>	<b>202</b>	<b>360</b>	<b>22</b>	<b>46</b>
<b>Net Profit</b>	<b>-6,540</b>	<b>-7,741</b>	<b>-4,178</b>	<b>-2,190</b>

## Cash Flow Statement (Rs. in million)

Particulars	FY23	FY24	FY25	9MFY26
Cash Flow from operating activities	9,079	9,393	10,450	7,820
Cash flow from/(used in) investing activities	-532	10,711	-23,852	-2,010
Net cash flows (used in) / from financing activities	-6,586	-10,972	1,854	-6,128
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,961</b>	<b>9,132</b>	<b>-11,548</b>	<b>-317</b>
Cash and cash equivalents at the beginning of the period	2,312	4,273	13,405	1,857
Cash and cash equivalents at the end of the period	4,273	13,405	1,857	1,540

## Balance Sheet (Rs. in million)

Particulars	FY23	FY24	FY25	9MFY26
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	97	119	152	149
Investment properties	19	19	18	18
Intangible assets	70,576	64,406	56,654	51,552
Right-of-use assets	7	28	58	87
Capital work in progress	0	0	0	2
Intangible assets under development	2	35	45	4
<b>Financial Assets</b>				
(i) Trade Receivables	11,945	10,985	9,533	8,495
(ii) Other financial assets	742	309	509	157
Income tax assets (net)	660	730	690	723
Other Non-Current Assets	1,129	76	66	71
<b>Total Non Current assets</b>	<b>85,178</b>	<b>76,707</b>	<b>67,724</b>	<b>61,257</b>
<b>Current Assets</b>				
<b>Financial Assets</b>				
(i) Investments	5,582	4,198	7,548	8,368
(ii) Trade Receivables	394	228	224	484
(iii) Cash and cash equivalents	4,273	13,405	1,857	1,540
(iv) Bank balances other than (iii) above	7,196	4,195	2,655	3,827
(v) Receivable under service concession arrangements	1,700	772	1,385	1,861
(vi) Other financial assets	9,250	2,718	1,975	3,145
Other current assets	397	855	342	261
<b>Total Current Assets</b>	<b>28,792</b>	<b>26,372</b>	<b>15,986</b>	<b>19,486</b>
<b>Total Assets</b>	<b>1,13,970</b>	<b>1,03,079</b>	<b>83,710</b>	<b>80,743</b>
<b>Equity and Liabilities</b>				
Equity Share Capital	7,629	6,789	493	774
Share capital pending issuance	0	0	254	0
Other Equity	-15,391	-22,556	-41,522	-40,440
Instruments entirely equity in nature	3,628	4,411	3,848	6,537
<b>Total Equity</b>	<b>-4,134</b>	<b>-11,356</b>	<b>-36,927</b>	<b>-33,129</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	49,060	42,668	38,671	36,240
(ii) Lease liabilities	0	21	36	49
(iii) Other financial liabilities	39,226	41,109	41,041	41,342
Deferred tax liabilities (net)	55	58	32	32
Provisions	2,772	4,283	2,724	4,514
<b>Total Non-Current Liabilities</b>	<b>91,113</b>	<b>88,139</b>	<b>82,504</b>	<b>82,176</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	12,799	19,047	28,329	22,848
(ii) Lease liabilities	8	9	27	45
(iii) Trade payables	3,230	1,353	1,104	1,094

Source: RHP, StoxBox

## Balance Sheet (Rs. in million)

(iv) Other financial liabilities	6,205	2,768	3,241	3,612
Other current liabilities	1,391	491	274	320
Provisions	3343.5	2,615	5,157	3,777
Current tax liabilities (Net)	13	12	0	0
<b>Total Current Liabilities</b>	<b>26,991</b>	<b>26,296</b>	<b>38,133</b>	<b>31,696</b>
<b>Total Liabilities</b>	<b>1,18,104</b>	<b>1,14,435</b>	<b>1,20,637</b>	<b>1,13,872</b>
<b>Total Equity and Liabilities</b>	<b>1,13,970</b>	<b>1,03,079</b>	<b>83,710</b>	<b>80,743</b>

Source: RHP,StoxBox

## Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

### Analyst (s) Certification :

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