

**Date: February 17, 2026**

**To,**

**National Stock Exchange of India Limited**

Listing Compliance Department Exchange  
Plaza, C-1, Block-G Bandra Kurla Complex,  
Bandra (E), Mumbai-40005

**BSE Limited**

Corporate Relationship Department  
Phiroze Jeejeebhoy Towers, Dalal  
Street, Fort, Mumbai-400001

**Symbol: ANANTAM**

**BSE Scrip Code: 544579**

**Subject: Transcript of the Earnings Conference Call held on February 13, 2026**

Dear Sir/Madam,

With reference to our earlier intimation dated February 10, 2026, the Transcript of Earnings Conference Call on the Financial Results of Anantam Highways Trust ("Trust") for the quarter ended December 31, 2025, held on Friday, February 13, 2026, at 11:30 A.M. (IST) is attached herewith and the same is also available on the website of the Trust.

You are requested to kindly take the same on record.

Yours faithfully,

For and on behalf of **Alpha Alternatives Fund-Infra Advisors Private Limited**  
*(acting as Investment Manager to Anantam Highways Trust)*

**Chandra Kant Sharma**

**Company Secretary & Compliance Officer**

**Membership No. F8322**

**Cc:**

**Axis Trustee Services Limited**

**(Trustee)**

Axis House, Bombay Dyeing Mills  
Compound, Pandurang Budhkar  
Marg, Worli, Mumbai – 400025.

**Alpha Alternatives Fund-Infra Advisors Private Limited**

(CIN: U70200MH2024PTC418826)

A: 33<sup>rd</sup> Floor, Sunshine Tower, Senapati Bapat Marg, Dadar West, Mumbai 400 013

B: +91-22-6145-8900 | E: [info@anantamhighways.com](mailto:info@anantamhighways.com)





**“Anantam Highways Trust  
Q3 & FY '26 Earnings Conference Call”  
February 13, 2026**



**MANAGEMENT OF ANANTAM HIGHWAYS TRUST  
(Acting through its Investment Manager  
Alpha Alternatives Fund-Infra Advisors Private Limited)**

**Jignesh Shah – Whole-Time Director & Chief Executive Officer**  
**Nilesh Shukla – Chief Financial Officer**

**Moderator:**

Ladies and gentlemen, good day and welcome to Anantam Highways Trust Q3 and FY '26 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.

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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded

I now hand the conference over to Mr. Jignesh Shah, Whole-Time Director and Chief Executive Officer, and Mr. Nilesh Shukla, Chief Financial Officer of the Investment Manager of the Trust. Thank you, and over to you, Mr. Shah.

**Jignesh Shah:**

Thank you, Neerav. Good morning, everyone. A very warm welcome and a big thank you to all the participants for joining Anantam Highways Trust's first investor call. As of today, we have completed four months into our journey as a publicly listed InvIT, and we are incredibly excited about the opportunity to convey our vision and strategy and also discuss the quarterly results with our investors.

Our listing represented the formal commencement of a long-term journey to build one of India's leading, most trusted InvIT platforms. Anantam Highways Trust is anchored by two highly complementary institutional strengths. On the one side, there is Alpha Alternatives, the sponsor, who brings best-in-class investment management capabilities, robust institutional governance frameworks, and deep financial expertise across cash flow management, yield optimization, leverage management, and distribution planning.

Complementing this strength is Dilip Buildcon Limited, who contributes strong operational and execution capabilities, deep domain expertise in road asset development and operations and maintenance, and a proven PAN-India track record in delivering and maintaining high-quality highway infrastructure.

We commenced operations with a portfolio of seven high-quality Hybrid Annuity Model assets, as they are called HAM assets, with an average residual concession life of over 13 years and no traffic risk. HAM assets are government-backed, annuity-based assets that generate predictable cash flows, translating into steady and sustainable distributions for our unitholders.

Our platform is structured around delivering strong overall total return to our investors with prudent leverage and conservative assumptions. But Anantam is just not about stability; it is also about scalable, disciplined growth through a robust Right of First Offer arrangement that we have with Dilip Buildcon and Alpha Alternatives, we have strong visibility on a high-quality growth pipeline.

Our ambition is to scale our assets under management to around INR25,000 crores by 2029, which implies a near 5x growth plan over the next three years. And importantly, this growth plan is based on a clear thought process that this has to be value accretive to our investors and generate total high-quality, risk-adjusted returns for unitholders.

As we move forward, our mission is clearly defined around a few core pillars. The first pillar that basically will drive our vision going forward is scalable AUM growth. We aim to build one of the largest and most respected road InvITs in India. Growth will be pursued through accretive acquisitions, both under our ROFO pipeline and selectively from third parties, while always ensuring both DPU and NAV accretion.

Second, transparency and institutional governance. So, we are committed to the highest standards of disclosure, broad oversight and regulatory compliance. Governance is not a formality for us; it is a foundation to long-term capital stewardship.

The third pillar that we will be following is the consistency and longevity of distributions. Our objective is to provide predictable, sustainable, and growing distributions backed by stable cash flows. We want to ensure that the distributions basically are not volatile, but provide longevity so as to generate a consistent cash flow stream for our investors.

Lastly, we will maintain an optimal capital structure, use leverage judiciously, and pursue only those opportunities that enhance risk-adjusted returns for our unit holders. Our focus will always be on maximizing total return through a combination of steady distributions, combined with NAV growth through accretive acquisitions.

Anantam is designed for longevity, not short-term exits. We are building an institutional-grade platform that reflects balance, stability with growth, yield with governance and scale with discipline. As InvITs continue to reshape infrastructure investing in India, we believe Anantam Highways is positioned to lead with transparency, scale, sustainability, and performance.

We are deeply grateful for the trust our investors have placed in us. And we look forward to delivering on our commitments consistently and responsibly over the years ahead. In our recent board meeting, we have announced our first quarterly distribution of INR2.50 per unit.

Thank you once again for joining us today. I will now hand over the call to Nilesh, who will walk you through the financial performance and the key financial metrics, following which we will open the floor for questions.

**Nilesh Shukla:**

Thank you, Jignesh. Thank you, Nirav. Good morning, everyone, and thanking you for joining us today. I will briefly walk you through the key financial highlights for the quarter.

In Q3 2026, Anantam Highways Trust delivered a strong and stable operating performance following the acquisition of SPVs on 10th October 2025. This marks the first period of meaningful consolidation and clear visibility of cash flow across the platform.

On a consolidated basis, the total revenue for the quarter stood at INR123.8 crores, while total expenses were INR18.2 crores. This translated into a robust EBITDA of INR105.6 crores, which reflects the inherent strength and stability of our annuity-based HAM portfolio.

Finance cost and depreciation for the quarter were INR51 crores, resulting in a profit before tax of INR54.6 crores. At the standalone trust level, revenue stood at INR84 crores with total

expenses of INR2.5 crores. This resulted in an EBITDA of INR81.6 crores. After accounting for finance costs of INR36.5 crores, profit before tax is at INR45.1 crores.

Moving to some key operating and balance sheet highlights, the NDCF at SPV level was approximately INR248.5 crores, indicating strong and stable underlying cash generation. During the quarter, we declared a distribution of INR54.4crores, translating to INR2.50 per unit, which also represents the Trust NDCF.

The debt-to-EV ratio is 42.11%, which is well within the regulatory norms and provides flexibility for future acquisitions. We continue to maintain AAA Stable credit rating, which underscores the strength, quality, and predictability of the Trust's cash flows. Overall, the quarter demonstrates the strong operating performance and healthy cash flow generation, providing comfortable coverage of debt servicing requirements.

With this, we will now open the floor for questions.

**Moderator:** Thank you very much. The first question is from the line of Nilesh Doshi from Prospero Tree. Please go ahead.

**Nilesh Doshi:** Thank you. Thank you. Sir, the residual life of the all HAM projects, the average residual life is, as I mentioned, 13 years. And if we maintain the INR2.50 per quarter, the distribution, it comes to INR10 per the year. And suppose no further asset is added then I think we may not get our capital back also, because the INR100 was the issue price. So, how will the distribution be going forward? And first, please explain my point. Am I right or wrong, sir?

**Jignesh Shah:** So, I mean, the first quarter distribution basically is just the beginning of this journey. As I mentioned in my opening statement, our endeavour is to basically ensure both consistent and increasing distributions for our investors combined with providing you NAV growth through accretive acquisitions.

So, the first quarter distribution doesn't necessarily kind of, you know, transform into the same distribution over the life. I mean, you know, as I also highlighted that, you know, we already have a very strong ROFO pipeline. If you would have seen the offer document, you know, we have identified ROFO assets which we are looking to bring into the InvIT in the coming months, which will basically add to the overall cash flows. And once that happens, I mean, you will see, you know, growing distributions, you know, as we move ahead in the InvIT journey. I hope I answered your question.

**Nilesh Doshi:** Sir, partly. But once you mentioned in your opening remark that there was a predictable, sustainable, and longevity about the distribution. So, can you give the broad guidelines for the FY '27-'28 distribution?

**Jignesh Shah:** So, you know, as of -- as of right now, we are not in a position to give distribution guidance. What I can tell you is that, you know, we will basically stick with our stated objective of, you know, ensuring consistency in distribution along with growing distribution, while being mindful that we also need to drive accretive growth, NAV growth for our unit holders so as to target an overall total return for investors.

**Nilesh Doshi:** Okay. And sir, we have all seven HAM projects. So, what is the spread? Because we have the 42% is the debt-to-equity ratio, 42% is the debt to AUM. So what is the spread between the rate of interest we are paying as the average cost of our borrowing and the annuity rate?

**Jignesh Shah:** Sure. So the average cost of borrowing is currently at 7.5%. And our portfolio consists of projects some of which are linked to Bank Rate, some of which are linked to MCLR. And for Bank Rate projects, the spread is 3% over the Bank Rate. And for MCLR, basically, it's 1.25% over the MCLR.

So there is sufficient room between, you know, what we are earning, what we are paying to the bank, and you know, that is just one component of cash flows. There is also, basically, you know, the return of principal which you get, which you use because BCC is much higher than the debt. So, we, you know, we are very comfortable basically with the overall cash flow situation and forecast for the investors going forward.

**Nilesh Doshi:** And sir, what is the composition of the debt in, in terms of the fixed rate of debt and floating rate?

**Jignesh Shah:** Entire debt is floating rate. Nothing is fixed rate. And it's entirely bank debt.

**Nilesh Doshi:** Okay. So, we are -- because our annuity is also linked with MCLR as well as the Bank Rate, so it is better that we maintain the floating rate debt. That's good. Sir, what is the debt repayment schedule?

**Jignesh Shah:** So the debt repayment schedule basically, I mean, is spread over the, you know, the balance life of the assets, leaving a short tail. And the repayment schedule has been dovetailed to the, you know, the manner in which the annuities are received so as to always ensure a very, very healthy DSCR going forward. You know, we, as you would, you know, understand, the effort always is to maintain a balance, you know, ensure sufficient distribution for unit holders while maintaining, you know, the AAA rating, maintaining healthy DSCRs. So we have ensured all of that in designing the repayment schedule.

**Nilesh Doshi:** Sir, is it like that, in the initial year there will be a lower amount of the debt repayment and after two, three, or four years, there will be a higher debt repayment? Is it like that or equal over a period of time?

**Jignesh Shah:** It is a moderately rising repayment schedule over a period of time while also ensuring that in the years the major maintenance activity is undertaken. There would be a slight reduction in the repayment schedule so as to again ensure that the cash flows are aligned with the inflows.

**Nilesh Doshi:** So when there will be higher debt repayment, is it possible the NDCF will reduce?

**Jignesh Shah:** So as I said, I mean, the repayment schedule has been aligned to the inflows. Obviously, when there is a higher, higher repayment, the NDCF will reduce.

**Nilesh Doshi:** Okay. And sir, our NAV is INR120. So, what discount rate you have applied, sir, to calculate the INR120?

- Jignesh Shah:** So, the, the valuation report, the last valuation report for the InvIT was done as of June '25. So that is available on our website. The NAV of INR120 is our management estimate as of December because our next valuation report is due as on March '26. June '25, the NAV was around INR114 and I -- the composition of, both the cost of equity as well as the cost of debt is, is been highlighted in that valuation report.
- Nilesh Doshi:** But anything, can you mention the discount rate?
- Jignesh Shah:** I think the cost of equity which was taken in the valuation report, basically for the June valuation report, was around 10.4%.
- Nilesh Doshi:** Okay. And sir, will you go for the any BOT project or will you maintain the HAM portfolio only?
- Jignesh Shah:** No. So, we basically are not fixated only on HAM projects. We have begun our journey with HAM projects. Our current ROFO pipeline which is there is primarily HAM projects, but we are open to pursuing BOT projects, TOT projects. Our requirement is that the projects, whatever, whatever we acquire need to be providing sufficient risk-adjusted return for investors, need to be accretive in nature. And if, if the acquisitions meet those objectives, then we are very, very open to doing BOT and TOT as well.
- Nilesh Doshi:** Okay. And sir, my last question. The 42% is the debt, so is there any cap to maintain the 50% or there is no cap for the InvIT?
- Jignesh Shah:** No, no, there is a cap. So, the cap basically is up to 49% for the first six distributions. If you maintain your AAA rating post the six distributions, then under the regulations you can in fact expand the leverage to 70%. As I mentioned in my opening statement, we are going to be conservative in our approach. We will basically optimize the capital structure. We understand that a higher leverage, can -- can lead to increase in returns, but I mean we also need to balance the risks that emanate out of it. So, we will be prudent in our leverage while ensuring that the capital structure does justice to the unit holder returns.
- Nilesh Doshi:** Okay, okay. Thank you, all the best, sir.
- Jignesh Shah:** Thank you.
- Moderator:** Next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.
- Sarvesh Gupta:** Yes, good morning. Thank you for giving the opportunity. So, first on the DPU, so this you have been listed for two and a half months for the last quarter. So, should we consider this as INR3 for a normal quarter from quarter four onwards?
- Jignesh Shah:** So, thank you, Sarvesh, for joining the call. As I mentioned, I mean, we are not giving any guidance. I would only basically urge the unit holders to, basically look at what we have kind of highlighted as our core pillars. We basically are targeting to maintain consistent increasing distributions for our unitholders while also ensuring that we are providing NAV growth through accretive acquisitions.

**Sarvesh Gupta:** Okay. And sir, what is the approx YTM for, assuming there is no further acquisitions, what is the YTM at your IPO price?

**Jignesh Shah:** At the IPO price—the IPO price would be around 11.3%.

**Sarvesh Gupta:** Okay. At INR100, it is 11.3%, right?

**Jignesh Shah:** Right.

**Sarvesh Gupta:** Okay. Okay. And one more question, sir, was -- see normally what we have seen is that the developers themselves have formed their InvITs because, then they gain through a ownership of their assets partially and the distributions from it, as well as the investment manager fee, apart from the operations fee.

So, one thing I could not understand that what is there for Dilip Buildcon to tie up with you guys? Because then they lose out on so many things and get only operational fees which is a small fee. And why should they restrict themselves to not sell to the other third-parties and other InvITs? So I could not understand how it is beneficial for Dilip Buildcon as such.

**Jignesh Shah:** Okay. I mean, I think that's a question for Dilip Buildcon, but I'll try and answer this question. I mentioned that our InvIT business model is very, very different than the other InvIT models in the market. So I mean, if you look at the, the road InvIT way, you have developer-sponsored InvITs, developer-run InvITs, and then you have financial-sponsored InvITs. Ours is the only InvIT where the InvIT is being managed by a professional investment management entity, while O&M is being done by the best-in-class -- best-in-class company, in the operations and maintenance space.

Now, our view in life is pretty simple, that InvIT basically is a combination of asset management and operations. And we believe that asset management is best left to independent asset managers. When you combine a construct of introducing potential conflicts into your InvIT, which can emanate from -- the both the sides being managed by the, by the same entity, we believe that it introduces conflicts. And it doesn't bring your complementary or your core strengths to the platform. InvITs will, will require scaling up. And as an independent outfit, we believe that we are much better positioned to pursue acquisitions.

Dilip Buildcon, what is in it for them? I mean, in fact, Dilip Buildcon we believe was visionary in that approach. Why sell it to a third-party and lose the potential value accretion which can result from having your core InvIT play? I mean, by partnering with us, not only did they basically manage to extract the maximum value for the stakes that they retained in their assets, they also got a platform where any outside acquisitions that they pursue, that we pursue at the InvIT, would be accretive for them.

And lastly, this platform then also enables them to directly access the public market, I mean, through the ROFO arrangement for any potential road projects that they win in the future. So, I think it's a win-win for them, for us. And we believe, again, as I mentioned, through this bringing complementary strengths to the table, our differentiated business model basically offers something which is very unique and not present in the Indian marketplace.

- Sarvesh Gupta:** Okay. And you have ROFO for all of Dilip Buildcon's operational assets. Is that true? For all HAM as well as BOT?
- Jignesh Shah:** Yes, that's true. It's a ROFO for five years.
- Sarvesh Gupta:** For the next five years. And beyond that, then they are, they can sell to third-parties also.
- Jignesh Shah:** Beyond that, I mean while technically they can sell it to third-parties, but -- I mean, we are both aligned in our partnership to scale up this InvIT and to make it one of the leading InvITs in the country.
- Sarvesh Gupta:** Okay. And what is their stake in the InvIT?
- Jignesh Shah:** They are currently at around 42%, 43% unit holding in the InvIT.
- Sarvesh Gupta:** Okay. Okay. And sir, this -- so on the NAV, so one was this assumptions of maybe future assets which have come after June quarter. Are there any other assumptions which have changed from June '25 to now in individual cash flows from individual SPVs or we have--
- Jignesh Shah:** I'm, I'm sorry, Sarvesh, I mean, you -- your question was not audible. Would you mind basically asking the question again?
- Sarvesh Gupta:** Yes. So, you have done this valuation in June '25 where the NAV was INR114, and now you have estimated it to be INR120. So, this INR6 movement has come because of what primarily? Can you throw some light on that?
- Jignesh Shah:** So, I mean, so two things basically. One, what has happened is that in this quarter, we have prepaid some debt to maintain an optimal capital structure and to also bring flexibility for the future acquisitions that we have in the pipeline. So, that is one thing which has happened. And two, basically, I mean, given the time lapsing, this has kind of resulted in an increase in the NAV. Nitesh, you would like to add anything to this?
- Nilesh Shukla:** Yes. So, effectively, so there's a six months gap. So, obviously, there's an unwinding of value during this six months' period. And as Jignesh mentioned, so basically, debt capital ratio, debt equity ratio has also completely gone down because of prepayment of certain portion of the debt. So, primarily, these are the components which is actually contributing to increase of INR6 in terms of NAV.
- Sarvesh Gupta:** Okay. And on the DPU, so if you look at some of the other listed--
- Moderator:** Sarvesh, sorry to interrupt you. We are losing your audio in between. Can you come in a better reception area, please?
- Sarvesh Gupta:** Yes. Is it better now?
- Jignesh Shah:** Yes, it is better.

- Sarvesh Gupta:** Yes. So, look at some of the other listed peers, the kind of distribution per unit that they are doing is approximately 10%, 11% of the NAV. Now, in your case, at least if we annualize this one, it is coming to be lower than the -- than that figure. So, what explains this sort of a disparity between because most listed players are at 10%, 11% of NAV is what they are maybe distributing as of now, or around that number.
- Jignesh Shah:** Sarvesh, I mean, I think it's too early in the journey to compare us to players who have been around three, four years in their journey. As I mentioned, this was the first quarter. We have defined our stated objectives and we would basically urge investors basically to think about us on a total return basis. That is basically what is guiding us in our growth journey going forward. I wouldn't want to basically link the first quarter distribution to drawing conclusions...
- Sarvesh Gupta:** Hello.
- Moderator:** Go ahead, you are audible.
- Jignesh Shah:** Was I not audible?
- Sarvesh Gupta:** No, understood, sir. So maybe, I think in the coming quarter or so, maybe after March results, we'll get to get a better handle of your distribution per unit. So we'll wait for that. And, and finally, on your AUM increase target, which is, I think you mentioned INR25,000 crores by FY '29. Did I hear it right?
- Jignesh Shah:** Yes.
- Sarvesh Gupta:** So that -- now given that we are already at 42% debt to AUM. So that means most of this would be driven by incremental equity raising because I think for the first 6, 7 distributions we cannot go beyond 49%, and we are already there. So is that the understanding right, that you will have to keep raising unit capital also every time you want to acquire assets going forward?
- Jignesh Shah:** So okay. So the way I would basically ask you to think about it is that there are a few ways in which the acquisitions can be pursued. One is obviously what you mentioned, raising unit capital to pursue the growth. And obviously, I mean, if we are at 42%, then till the time there is room that gets created, and again, we don't want to kind of go to the regulatory maximum. So there is a range in which we would want to operate. So one option always is basically to raise unit capital.
- We also basically will be both Dilip Buildcon and Alpha alternatives are going to also pursue sale of the ROFO assets to the InvIT through swapping of InvIT units. So we don't necessarily need to raise capital. It will lead to an expansion of the unit holding of the sponsor and Dilip Buildcon in the InvIT. So that's the second way in which we will bring in assets into the InvIT. And then the third basically option will be that, I mean, at some point in time, we will have completed fixed distributions. So depending on the capital structure at that point in time, pursuing acquisitions through leverage will also be an option.
- Sarvesh Gupta:** Okay. And what will be the guidance for asset acquisition in this Q4 and FY '27?

- Jignesh Shah:** So I mean, what I can guide to that on the asset acquisition is that as of right now, we have visibility of doubling the InvIT size by second quarter FY '27.
- Sarvesh Gupta:** By H1 of FY 27.
- Jignesh Shah:** Yes.
- Sarvesh Gupta:** Okay. Okay. And your cost of debt is also higher than some of the other InvIT. So is there any plan around that? And what explains the difference? Where are you sort of how about thinking -- how are you guys thinking about that? Is it also driven by your higher leverage as of now?
- Jignesh Shah:** No, I don't think so. The cost of debt is linked to the higher leverage. I mean I think our cost of debt basically -- I mean, yes, if I look at the entire industry, there are a couple of players who are at a lower cost of debt than we are. We are broadly in line with most of the industry players. As I have mentioned, we are also, I would say, in our early phase of our journey. So as we go along, we do intend to pursue a combination of bond market debt raise, bringing the cost of debt down on bank debt as well. So you will see all of those measures being implemented in the coming quarters.
- Sarvesh Gupta:** Okay, sir. Sir, thank you and all the best for patient. And thank you for answering all the questions. Thank you.
- Jignesh Shah:** Absolutely, thank you.
- Moderator:** Thank you. Next question is from the line of Devam from ARDEKO Asset. Please go ahead.
- Devam:** Yes. Thank you, sir, for taking my question, and congratulations on all that you have achieved in this platform over the past couple of years to bring it to this level. Sir, I firstly had a few questions. Wanted to understand first on the current NDCF Bridge that we have shown in the presentation.
- If -- is it appropriate to consider that the operating cash flow of 300-odd crores is does not have any one-offs and this should be sort of the this should translate to around a INR1,200- INR1,250 crores operating cash flow for the full year on these assets?
- Jignesh Shah:** See, I mean, you need to understand that I mean you receive annuities only twice a year.
- Devam:** Correct.
- Jignesh Shah:** So it's not a one-for-one correlation that INR300 crores becomes INR1,200 crores. You will -- basically we have, if you look at the presentation, we have given a sheet on so the seven projects, some projects get annuities in certain quarters and then the other projects get in the other quarters. So, it is again, basically not -- it's not a one-for-one INR300 crores translating into INR1,200 crores.
- Devam:** Fair enough. So, it would be like closer -- so the revenue yield would be closer to like 15% to 16% on the INR4,500 crores AUM for the full year.

- Jignesh Shah:** Revenue yield 15% -- just one minute. I think it should be on the AUM of INR4,500 crores maybe closer to maybe 18%.
- Devam:** Okay
- Jignesh Shah:** Just give me a minute, Nilesh, can you just -- Yes, revenue-wise around 18%.
- Devam:** And given that, let's say, the limited weighted average expected life of HAM is lower than, let's say, things like transmission, solar, toll roads, and all those things, it and obviously so in that case, HAM does have a rising DPU trajectory, because the payouts also increase, even if you match the debt. You should have a generally the revenue -- the payouts will tend to rise over a period of time because of -- on the individual asset cash flow, mainly because the there is a shorter life of expiry?
- Jignesh Shah:** Yes. You are correct. I mean, only caveat I would basically like to bring to this is that, I mean, this is assuming a static portfolio.
- Devam:** Correct, correct.
- Jignesh Shah:** I mean, if you keep on overlaying assets on top of the existing assets and then keep on basically adding accretive acquisitions, then I mean, to the extent part of the NDCF is used for accretive acquisitions which leads to NAV growth for investors, eventually what you are saying will pan out.
- Devam:** Fair enough. So basically, another way of just asking the same thing is that, all the acquisitions that we would be doing would be DPU and NAV accretive or at worst neutral. That is the right understanding, right?
- Jignesh Shah:** So, all the acquisitions will be DPU and NAV accretive, absolutely.
- Devam:** And also, would -- if you have to just give me a range of the current IRRs of the current asset block and how would those IRRs range? Would 12% to 14% be a good number to keep in mind or 10% to 12%, be a good number to keep in mind?
- Jignesh Shah:** 10% to 12% for what? I mean...
- Devam:** 10% to 12% the IRRs, the IRR of the entire capital that is invested in this, you can tell me on the equity IRR that is the InvIT IRR basis, not on the entire EV of the InvIT, but just on the equity of the InvIT that is being deployed into this assets current four and incremental also I am sure it will be in a similar band, current four and the incremental that will be planning. So, what would that equity IRR come to roughly?
- Jignesh Shah:** So, I mean, static portfolio basically in the 10% to 12% level, but as our objective is that over a medium-term, I mean, basically generate 12% to 14% or maybe even a higher return for investors through a combination of distributions combined with DPU and NAV accretive acquisitions.

**Devam:** Yes, 100%, so just that is absolutely fair. So basically for that, because it's a shorter period, the yields might actually shoot up to much higher levels in the interim. And as you keep adding more assets, there will obviously be return of capital -- new capital, which will keep getting deployed.

But basically, the yields on the core will keep on rising till a certain point till they obviously reach the end and then new will be keeping on being replenished. So, the IRR of whatever is being added will be 10% to 12% and the yields of that as the time passes would only increase actually, go towards a much higher number.

**Jignesh Shah:** Sure.

**Devam:** And also if you can -- I mean, if you can just give any guidance on what is the asset draw down guidance we are having for FY27. You mentioned that you are looking to double AUM by H1. And I understand that I think after FY27 you will basically be able to lever, till then it might be basically a swap with that you will look to double the AUM. So, what is the guidance you are having for FY27 and then incrementally obviously once the flexibility of leverage will come in it could pace up more?

**Jignesh Shah:** So, as I mentioned, currently we have visibility of doubling the InvIT AUM by H1 FY27. I also basically, had mentioned earlier that our target is to almost increase the AUM by around 5 times by FY29.

**Devam:** Correct.

**Jignesh Shah:** So, I mean, obviously the period between H1 '27 and FY29 is where we need to implement the acquisition into the InvIT. We have the benefit of ROFO assets of DBL. In the first lot, seven assets came, I mean, the details on the ROFO where there is a offer document, but just as a reminder, there were 11 identified assets of DBL which are in the ROFO. There are four identified assets which Alpha Alternatives has, which will also be offered to the InvIT. And the team continues to pursue multiple different acquisition opportunities. So, we feel pretty confident in the FY29 target.

**Devam:** Also just on the NDCF bridge, this quarter the debt servicing component is unduly high maybe because of the prepayment. So, what would be a general normal steady state plan that we would be having with regards to the debt servicing component and the operating cash flow? I mean, how would those ratios work on a normal quarter basis -- on a static basis?

**Jignesh Shah:** So, the debt servicing basically, so I mean obviously the total debt is around INR2,100 crores. I mean the cost of debt is given. So, there would be interest servicing. Regular repayments which basically are there are around INR125 crores to INR150 crores per annum. Now, we basically, -- we will maintain the balance.

We do not want to have volatile distributions. We want to ensure consistency and growth in distribution. So, we will adopt the combination of meeting the distribution philosophy while ensuring that there is sufficient flexibility that is available in the capital structure to be able to be ready to pursue leverage acquisitions as we move ahead in the journey.

**Devam:** Correct. And Yes, when we talk of any acquisition being DPU and NAV accretive, is there any -- when the debt will come in, how will we look at it? Because NAV -- will there be a difference between NAV and AUM because of debt coming in? And then because of that, should we say that the accretion to NAV or DPU will be relatively lower once leverage will come in compared to without leverage acquisition?

**Jignesh Shah:** I mean, why would it be lower?

**Devam:** So mainly because debt initially will be -- when debt will be coming in, debt will also accrue a cost. So, while there will be an overall accretion, the percentage of accretion might be a little lower, is that the right understanding or?

**Jignesh Shah:** I think it'll be the other way around. I mean, you can avail debt at a significantly lower cost. And because, there are lots of other optimization possibilities in the context of the InvIT, in fact, pursuing acquisition through leverage would be highly accretive for the investors.

**Devam:** Okay. Okay. Sure. I'll just check the math on that offline. And just finally, the main risk in my opinion lies also in the tracking the maintenance expenses that will be incurred in this in the assets. How do we propose to do that and what sort of structures we have thought across around that and what rules of thumb are we looking on the maintenance front?

**Jignesh Shah:** Sure. So, I mean, this is where the differentiated business model that we put together, positions us, in a very, very competitive and superior position. So, first of all, Dilip Buildcon basically is, is undertaking the maintenance. These are all fixed price -- fixed price O&M contracts for the duration of the InvIT. So these are not -- I mean, there is the amounts are frozen.

And I mean, so you need to remove volatility out of the cash flows. We basically have clear visibility on what the amounts are. So, that is what we have done from a risk mitigation perspective, we've frozen the amounts, right? So, fixed price contracts are much better than contracts which are floating in nature.

Secondly, I mean, there is also complete alignment of interest. I mean, Dilip Buildcon also is a large unit holder. And, we are building this platform together. So even from that perspective, there's an alignment of interest in terms of ensuring the O&M activity, sustains and, performs very well so as to result in to keep quality assets for the entire duration of the concession agreement.

The other thing which I would like to say is that, Dilip Buildcon is a -- is an exceptional player as far as, all the sectors are concerned. But, taking because we're talking about roads, their track record in, in collection of annuities over the last several years is phenomenal. So, we feel that, the fact that they are undertaking the O&M, they are, excellent in that regard and the fact that, their track record is, is exceptional, there is complete alignment of interests. Basically, we are very, very comfortable as far as the maintenance activity of our assets is concerned.

**Devam:** Correct. Al; right. Sure, I appreciate that. Thanks, that's it from my side.

**Jignesh Shah:** Okay.

**Moderator:** Thank you. Next question is from the line of Anant Mudra from Mytemple Capital. Please go ahead.

**Anant Mudra:** Hello, thank you for the opportunity. So, so on the investment manager fee and the project manager fee, I mean it appears to be slightly higher than what our peers charge. Any reason why it is slightly higher in our case?

**Jignesh Shah:** I mean, we basically we believe we are pretty much competitive with the marketplace. I don't think so we are we are higher than what the peers charge. And I think, what is important, Anant, essentially is to kind of, at the end of the day, we are the objective is to generate and maximize total return for the investors. So, if you if you want to achieve that and you want to have the best-in-class team, growing the InvIT and translating into superior returns for the investors, then a small slight differential, even if it's there, I mean, should be fine with the investors.

**Anant Mudra:** Got it. No, so where I was coming was that we've disclosed our NAV to be about INR120. And if I see all our peers are typically trading around their NAV valuations, we are at a significant discount to where our NAV is. And the only reason that could explain that probably I thought was that probably that there are some more expenses at the InvIT level and hence the returns to unit holders are getting slightly diluted there. So, just wanted to understand from that perspective?

**Jignesh Shah:** I mean, so I think so the difference between the market price and NAV, I mean, on, I mean is in our opinion, I mean, that's a that's a buying opportunity for the investors. But I don't think so the IM fee and PM fee basically, a small even if there's a small difference it would result in such a heavy difference between the market price and the NAV.

We are confident that as investors basically see our performance in the coming quarters, and they basically see the differentiated approach that we are following in the InvIT, the InvIT price should migrate closer to the NAV in the in the coming quarters.

**Anant Mudra:** Got it, got it, sir. And, sir, so can this be taken as a benchmark? So our NAV is about INR120, whereas, our IPO was at about INR100. So, can we take this as a benchmark for future acquisitions that there will be about 20% or whatever that number is, about 16% discount to NAV is what -- is the acquisition price that we'll be looking at for future assets?

**Jignesh Shah:** I mean, I wouldn't want to give a generic benchmark. I mean, see, I mean, sometimes acquisitions -- each acquisition is different. I mean, if we are able to bring a transformative acquisition, which basically changes the entire character of the InvIT, then setting and keeping benchmarks that it has to be at an X percentage discount to the NAV and all, won't lead to achieving the stated objectives.

So, I wouldn't want to basically zero down on whether it's 16%, 20%. I mean, obviously, if we pursue acquisitions, which are lower than the NAV, then they are accretive to the investors. And, I mean, we will be pursuing accretive acquisitions for the investors.

- Anant Mundra:** Got it, got it, sir. Sir, you also mentioned that, I think, to one of the earlier participants that the IRR is about 11.3%. Did I hear that correctly? It's about 11.3% for someone who entered at the IPO price, if we don't add. So, is this just pre-tax or post-tax?
- Jignesh Shah:** This is basically pre-tax. I mean, so SPV cash flows are obviously post-tax, but then, I mean, part of the income streams in the hands of the investor will get taxed. I mean, depending on whether the investors choose to take the returns in the form of capital gains, or primarily through distributions.
- Anant Mundra:** Got it, got it, sir. And also one of the earlier participants asked that our cost of debt is slightly higher. So, if I look at the other two HAM InvITs that are listed, like, there is Indus Infra and Capital InvIT, for them, I think for Indus it's about 6.85 right now and Capital InvIT, the incremental borrowing has been about 6.85, whereas, we are at 7.5. So, the spread is quite high. So, is there a scope to get this down?
- Jignesh Shah:** Absolutely, we are as I mentioned, I mean in the coming quarters you will see us basically trending this debt cost down. You also mentioned that incremental borrowings -- this is our first quarter in our journey. So, as we scale up, you will see the efforts being made to introduce a different composition of borrowing into the mix, I mean obviously with the objective of bringing the overall cost of debt down.
- Anant Mundra:** And sir this debt of 7.5% is linked to repo or MCLR?
- Jignesh Shah:** It is linked to T-bill.
- Anant Mundra:** It is linked to T-bill. And the annuity -- the interest on annuity that we get, that is linked to MCLR or Bank Rate?
- Jignesh Shah:** It's a combination. There are few assets, which are MCLR and few assets, which are linked to Bank Rate.
- Anant Mundra:** Okay. Got it, got it. And sir just to understand this calculation for NAV better that you've disclosed of 120. So if I take the AUM is about INR4,500 crores and our debt is around INR2,157 crores. So if I just subtract that...
- Jignesh Shah:** I think it was net debt.
- Anant Mundra:** Oh, okay. Okay. So what's the cash, if you could help with that figure?
- Jignesh Shah:** I think the net debt is around a little over INR2,000 crores.
- Anant Mundra:** Okay. All right, all right. Got it. And sir, so we have about 15 identified ROFO assets. When you say that you plan to go to INR25,000 crores from the INR5,000 crores currently, how much would the contribution from these identified 15 assets be?
- Jignesh Shah:** I mean, I can give you a rough figure only for FY '27. As I mentioned, H1 basically will be doubling the size of the InvIT. And other than that, basically, I've already given guidance that

we're targeting to take our AUM to around INR25,000 crores by FY '29. So that's the guidance we can give at the stage.

**Anant Mudra:** Sir, I just wanted to basically understand. So the incremental INR20,000 crores, how much would be from the non-ROFO assets? Because the ROFO one would be like a low-hanging fruit for us, which we will do, but the non-ROFO where third-party asset acquisition would be required, just wanted to understand what's the size of that acquisition that you're thinking of?

**Jignesh Shah:** Sure. Okay. So, the ROFO assets basically should be the ROFO assets that we have right now should translate into roughly an AUM of around between INR11,000 crores and INR13,000 crores. I mean, we will need to work the exact numbers, but I'm just giving a broad guidance. And the balance basically is what we will need to pursue acquisitions, which I also mentioned. I mean, basically we are, I mean the team is at it in terms of pursuing acquisitions.

**Anant Mudra:** Understood, understood, sir. And also I think Alpha Alternatives and Dilip Buildcon, I think Dilip Buildcon also has some association with some other InvIT, Shrem and I think Alpha Alternatives are also running some other fund. So at the promoter level, because there are multiple funds available, how do they take a call on which asset to be deployed to which of their fund or to which InvIT?

**Jignesh Shah:** So, you know, trust me, you know, I mean basically we have appropriate guardrails to ensure that there is no conflict of interest. I mean, we are very clear that whatever falls in the ambit of the InvIT, we have a publicly listed InvIT. So, publicly listed InvITs have basically defined criteria on the kind of assets, which can come into the InvIT.

So if the acquisition opportunities basically which fall in the ambit of a public InvIT comes about, then you can be rest assured that the InvIT will be the vehicle where the acquisition will be pursued first. So we are very, very mindful that conflicts of interest basically need to be appropriately handled and we do have sufficient action steps in place to ensure that we basically manage it appropriately.

**Anant Mudra:** Got it, got it. And sir, are Dilip Buildcon and Alpha Alternatives a related party? So just to understand this better?

**Jignesh Shah:** No, we are not related.

**Anant Mudra:** So then if any asset is coming from the Alpha Alternative side, will Dilip Buildcon be able to vote on those assets?

**Jignesh Shah:** Absolutely. If any asset is coming from our side, I mean, Dilip Buildcon is not related to us, so they will be able to vote on assets that that we offer to the InvIT and the public investors will be able to vote. Dilip Buildcon is classified as a public investor.

**Anant Mudra:** So the vice-versa is also true. If Dilip Buildcon's...

**Jignesh Shah:** Vice-versa will not apply because in the Dilip Buildcon assets, some of the assets we have a minority stake like the seven assets which went into the InvIT in the first round, the stake

composition was 54% with Dilip Buildcon, 46% with Alpha Alternatives in some of the assets. In some assets, it was 74% and 26%. So different assets, there is different minority shareholding of Alpha Alternatives. So in the assets that Dilip Buildcon has, in those assets basically the voting pattern would be different.

**Anant Mudra:** Okay. Okay. Alright. Alright. Got it. And sir, why have the tax rate for us been higher this quarter?

**Jignesh Shah:** Sorry?

**Anant Mudra:** The tax rate seems quite high for us at the consol level. Any reason?

**Nilesh Shukla:** So actually, if you see the tax, basically we are in the old regime, so effectively there is some impact in the deferred tax. Okay. Again, we have recently got the budget. We are in process of evaluating few things. So we'll analyze and finalize our tax positions maybe in the March quarter. So effectively, so if you see current number, so being in the five of our SPVs are in the old regime, so that's the reason it's a MAT liability, which is coming for these five assets, okay.

That's forming my basic tax liability. And deferred tax is because there are certain positions, which we have taken. So it's a one-time deferred tax asset -- deferred tax expense, which is created in profit and loss account, okay, which is not expected to be a very recurring one. But in case if we take up certain positions, so there may be a chances of reversal also subsequently.

**Jignesh Shah:** I think, I mean, I would urge you to basically wait for the fourth quarter to form a view on this. This is the third quarter. We are still deliberating on our strategy in light of the budget and things will get clearer in the fourth quarter.

**Anant Mudra:** All right. Got it. Got it. And sir, one final question. In the NDCF bridge that you've given, there are certain reserves that we've created. These could be DSRA reserves or MMR reserves. So I'm assuming if it's a DSRA reserve, I mean, these are primarily one-time or they're going to recur?

**Jignesh Shah:** So, the reserves that we have created basically essentially is for primarily a couple of things. One basically, it's for tax. So depending on the strategy that we decide to pursue, either this will result in payment or this will get unbounded.

There is also a reserve which has been created for certain claim, which has been received on fly ash pertaining to the construction period, which is a pass-through item to the EPC contractor Dilip Buildcon. So because this came in the December quarter, that has to be set aside because that is not actually NDCF of the unit holders.

**Anant Mudra:** Okay. Okay. So, this kind of an indemnification is available across all the SPVs for all nature of claims that might arise in future. Is that correct?

**Jignesh Shah:** So, whatever basically where the claims raised by the contractor during the construction period basically and if these come about the cash flows, then essentially there's a pass-through mechanism which has been agreed with the contractor. And these have not been taken into consideration in the projections as far as the unit holders are concerned.

- Anant Mudra:** All right, all right. Got it. That's it from my side. Thank you, sir.
- Jignesh Shah:** Okay. Thank you.
- Moderator:** Thank you. Next follow-up question is from the line of Nilesh Doshi from Prospero Tree. Please go ahead.
- Nilesh Doshi:** Thanks for another time opportunity. Sir, any InvIT or REIT, the distribution is the composition of interest, capital repayment, other income, and dividend. And the investor like the exempted or tax-free distribution. In this distribution, the InvIT Anantam has not issued declared any dividend and five of the assets -- just mentioned that the five of the assets are under old tax regime. So I think the dividend, the part that the distribution received from that SPV is tax-free in the hands of the investor. Is it my correct understanding or will you maintain the only composition of interest and capital repayment?
- Jignesh Shah:** So, I mean distributions basically will vary on a quarter-on-quarter basis, the composition of distribution, I mean, right way of saying it. Dividends basically can only be declared if there is income available after adjusting for accumulated losses, right? So in this quarter, basically the possibility of dividend was not there. That's why we basically have given out distributions through a combination of interest and capital repayment. But this will be varying on a quarter-on-quarter basis.
- Nilesh Doshi:** Sir, composition may change. But the tax-free component, suppose the any dividend received from the SPV to the trust and trust to the investor unit holder will it be the exempted or will it be a taxable?
- Jignesh Shah:** So if the SPVs are following the old regime, then you are correct that the dividend declared by the trust will be tax exempt. Even the capital return basically is exempt in the hands of the unitholder, so to the extent -- to the extent of the -- to a certain extent. So to that extent, there is parity between tax-free dividend and the return of capital.
- Nilesh Doshi:** So this quarter there is a no dividend because there was a carryforward loss and it was not completely set off. And the once that will be set off, then the receipt may comes in the form of dividend also. And if this is from the -- that five assets, five SPV, then it will be exempted in the hands of the investor. Is it correct understanding?
- Jignesh Shah:** So yes, that is the correct understanding. As I also highlighted in one of the earlier questions that we are deliberating the tax strategy in light of the budget and basically making a internal deliberations on it. So but to the extent that if old regime continues in these five assets and dividend is declared by the SPVs, then you are absolutely correct that the dividend declared by the InvIT will be tax-free in the hands of the investors.
- Nilesh Doshi:** Thanks. And sir, you insisted in your continuous remark that you are looking for the total return. And a total return is the composition of the distribution as well as the capital appreciation. But all our assets are the HAM asset. Then how the capital appreciation can happen, because there is a no growth, because in the BOT project there is a volume growth as well as the value growth because in the BOT project, the government, I think the government provide the escalation of

up to 3% plus 40% of the WPI. In HAM project, there is the annuity rate is the fixed. So how the growth comes and how the capital appreciation can come?

**Jignesh Shah:**

Sir, I have seen degrowth in toll assets. And that leads to volatility as well in the toll assets. So while, one can say that toll assets provide the potential for upside, it also comes with the potential of downside as well. Are we talking about long concession lives, 15 to 20 years, and alternate routes can come about. Anything can happen, right?

I mean, you know, government can come out with regimes on toll rates, which might not pan out the way we would like to be. I'm not saying that toll projects are not good. I'm just saying that they come with their own set of risk.

On HAM projects, how do you create value? I mean, if you are able to acquire HAM assets basically either at higher IRRs than what the InvIT is quoting at or through a combination of higher debt, because when you can scale up the leverage in the InvIT and then acquire the assets at a higher IRR, obviously basically when you bring in assets at a much higher IRR than what your InvIT is quoting at, that leads to accretion for the unitholders.

So we will be – we'll be doing all of that. And as I also mentioned, that we will – we are also looking at toll assets. I mean, we're not saying that we are close to it. It needs to make sense on an absolute risk-adjusted return basis for investors. And if we find assets, then, you know, we will certainly pursue those opportunities.

**Nilesh Doshi:**

Thanks. Thanks, sir. And all the best and providing the all answer in a detailed. Thank you very much. It increase our understanding about the InvIT. Sir, thank you, thank you very much.

**Jignesh Shah:**

Thank you.

**Moderator:**

Thank you very much. Next question is from the line of Subhasis Mondal from Zuno General Insurance. Please go ahead.

**Subhasis Mondal:**

Yes, hi. So thank you for this opportunity. Sir, I have just – I need to understand, as per the SEBI regulation, till the six continuous distribution your leverage cannot be 70%, right? So I can assume till like upcoming 18 or 24 months, there will be no leverage headroom. So what will be the – so I can expect there will be no further acquisition till the timeline, right?

**Jignesh Shah:**

No, that's not true. I mean, I mentioned earlier that we will be bringing in the next round of assets basically in the next six to nine months into the InvIT. So I've kind of given a guidance that, you know, we should be doubling the size of the InvIT by H1 FY '27.

There are there are ways to pursue acquisitions. One is that you can, you know, bring in assets through a swap of InvIT units like how you do in the formation transaction. So both Alpha Alternatives and Dilip Buildcon are completely open to that construct. You know, it'll also lead to giving investors confidence that the sponsor and a pretty large unit holder are open to kind of, you know, increasing their stake in the InvIT by bringing in and swapping their assets for InvIT units.

We also have the ability to raise further capital because if we are bringing in the right quality assets at the right value, then there are enough investors, you know, who will be wanting to put capital into the InvIT, you know, to help us make those acquisitions. And then as we go ahead in this journey, you know, we will also be able to increase the leverage on a much larger AUM base, which also will then facilitate growth in the InvIT. So there are multiple levers which are available and we will use all of those levers as we move ahead in the journey.

**Subhasis Mondal:** Okay. And for the next question on the NAV part, like till the further acquisition if the repayment is also part of your DPU, so we can assume that 120 number is not like it will decrease gradually till the further acquisition?

**Jignesh Shah:** See, I mean, NAV, I mean obviously these are fixed life assets. So, I mean, you know, logically speaking, by the time you kind of come to the end of the concession life and no further additions happen, NAV needs to reduce and ultimately get to get to zero. You know, what basically matters is that vis-à-vis the NAV where the unit units trade at and, -- working on the business strategies to bring the price closer to the NAV.

And that's basically what I mentioned earlier in the call that, we are basically very, very clear in our objective for the InvIT and we believe that as we start delivering, you should see basically, the unit price getting closer to the NAV price.

**Subhasis Mondal:** Okay. Thank you. Thank you from my side.

**Jignesh Shah:** Thank you.

**Moderator:** Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Jignesh Shah for closing comments.

**Jignesh Shah:** Thank you, Neerav, once again. Thank you, thank you everyone for the detailed discussions. You know, I mean we really thank you all for taking this time and for asking the right questions. It's always good because, that helps the management team as well, you know, the questions coming from the investors.

As, you know, we discussed, you know, we just like to kind of, you know, reiterate that we remain firmly committed to achieving our long-term vision of creating a stable yield-generating platform with sustainable growth.

We really deeply value your support, your trust. And what I would like to also mention is that we are also committed to, maintaining transparent and timely communication with all of our stakeholders. We will be proactively sharing all the material developments, ensuring that there are no surprises as we move ahead in the journey. And as we pursue future acquisitions, you know, we'll be in touch.

If there are any follow-on questions which any of you have, the team is available to answer the questions. We, we will try to be prompt in our responses. From the bottom of my heart and from the team out here, a big thank you to all of you once again. And we are looking forward to our

continued engagement and support from all of you in the weeks, months, and the years ahead.  
Thank you. All of you have a good day.

**Moderator:** Thank you very much. On behalf of Anantam Highways Trust, that concludes this conference.  
Thank you for joining us and you may now disconnect your lines. Thank you.

**Jignesh Shah:** Thank you.