

Date: May 25, 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 May 21, 2026**

Dear Sir/Madam,

With reference to our earlier intimation dated May 16, 2026, the Transcript of Earnings Conference Call of Anantam Highways Trust ("Trust") for the period ended March 31, 2026, held on Thursday, May 21, 2026, at 03:00 P.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.

Encl: as above

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“Anantam Highways Trust  
Q4 FY '26 Earnings Conference Call”  
May 21, 2026



**MANAGEMENT: MR. JIGNESH SHAH – WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – ANANTAM HIGHWAYS  
TRUST**

**Moderator:** Ladies and gentlemen, good day and welcome to Anantam Highways Trust Q4 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. Should you need assistance during the 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 of Anantam Highways Trust. Thank you. And over to you, Mr. Shah.

**Jignesh Shah:** Thank you, Renju. Good afternoon, everyone, and thank you for joining us on the Anantam Highways Trust earning call for Q4 and full year 2026. On behalf of the management team and the Board, I extend a warm welcome to all of our unit holders, analysts, lenders, and participants joining us today.

When we addressed the investors during our first public earnings call in February, we had spoken about building Anantam not merely as another listed InvIT, but as a long-duration institutional infrastructure platform founded on predictability, governance, disciplined growth, and sustainable cash flow generation. Today, just a few months later, I believe we have taken meaningful steps in translating that vision into execution.

FY 2026 has been a defining year for Anantam Highways Trust. It was a year in which we completed our listing journey, operationalized the platform, integrated the acquired assets, established our governance and reporting framework, and demonstrated the stability of our business model through our first full quarter of operations post-listing.

We began this journey with a portfolio of seven high-quality Hybrid Annuity Model assets, with long residual concession life and government-backed annuity cash flows. These assets continue to perform in line with our expectations and reinforce our belief that high-quality road infrastructure, when combined with disciplined capital allocation and prudent leverage, can create a highly resilient and scalable investment platform.

For Q4, FY 2026, the Trust reported consolidated revenue of approximately INR224.5 crores and EBITDA of approximately INR202.6 crores. NDCF at the SPV level stood at approximately INR220 crores, reflecting the stability and predictability of the underlying annuity cash flows.

NDCF at the Trust level for Q4, FY 2026 stood at approximately INR54.38 crores, and accordingly, the Board has approved a distribution of INR2.50 per unit for the quarter, comprising 0.4141 per unit as interest, INR2.08 per unit as dividend, and 0.003 per unit as other income.

The net asset value as of March 31, 2026, based on an independent valuation report, stood at 115.80 per unit on a fair value basis. This reflects the quality of the underlying portfolio and the strength of the long-duration annuity cash flows. From a balance sheet perspective, the Trust continues to maintain a highly conservative financial profile.

Importantly, this performance has been achieved. While maintaining this conservative balance sheet, our debt-to-EV ratio remains comfortable at approximately 42%, and we continue to maintain the highest AAA stable credit ratings. The structure of our debt book, combined with annuity receipts which are linked to MCLR or bank rate mechanisms, provides a natural hedge against interest rate volatility and enhances the resilience of the cash flows. Also, the debt maturity profile remains long-tenured and staggered with no concentration risk. Underlying cash flows continue to provide comfortable debt servicing coverage, while also providing us flexibility for future acquisitions.

Moving on to growth, so over the last few months, one of the key questions investors have asked us repeatedly is how we think about long-term growth and whether the platform has sufficient visibility beyond the current portfolio. I believe the announcements made this week provide a very strong answer to that question.

The Board has approved the proposed acquisition of seven additional ROFO assets. These assets represent the next phase of Anantam's growth journey and are aligned with our strategy of pursuing disciplined accretive acquisitions that strengthen both DPU sustainability and long-term NAV growth.

We believe that what is important is not just the size of the opportunity, but the quality and the strategic alignment of the pipeline. The ROFO framework with Alpha Alternatives and Dilip Buildcon, gives us a differentiated growth engine, with strong visibility, transaction execution capability, operation continuity, and access to a large pool of operating infrastructure assets.

As we had highlighted earlier, our ambition is to build one of India's leading infrastructure InvIT platforms over the coming years. However, we will just not be pursuing scale for the purpose of pursuing scale. Growth will be pursued with discipline. Every acquisition opportunity will continue to be evaluated through the lens of cash flow quality, leverage prudence, distribution sustainability, and long-term value creation for unit holders.

We also remain deeply focused on governance and institutionalization. Since listing, our effort has been to build an InvIT platform that inspires long-term investor confidence through transparency, disciplined disclosures, conservative financial management, and alignment of interests.

At Anantam, we view distributions not as a short-term target, but as an outcome of the underlying asset quality, prudent capital management, and sustainable operating cash flows. Our objective is to create a platform capable of delivering longevity and consistency of returns across cycles.

India's infrastructure sector continues to stand at the center of the country's long-term economic growth story. Within that ecosystem, we believe operational infrastructure assets with predictable cash flows are increasingly becoming an asset class pursued by both domestic and global pools of capital.

We believe Anantam is strongly positioned to participate meaningfully in that opportunity. We remain fully committed to building Anantam Highways Trust with a long-term mindset,

balancing stability with growth, distributions with reinvestment discipline, and scale with institutional governance.

I will now conclude, and we can open the floor for questions.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Dhvanil Raut with Dalal & Broacha Stock Broking Private Limited. Please go ahead.

**Dhvanil Raut:** Hi, thank you for the opportunity. I had two questions in mind. The first question would be regarding your distribution framework and how is it going to be going forward in the like, coming quarters compared to your peers? And my second question would be your current ROFO pipeline is entirely HAM-based. So, are you looking to add any toll assets because those assets are inflation-protected, and what would be your source of funds to acquire those ROFO assets that you already have?

**Jignesh Shah:** Sure. Thank you for participating on the call. So coming to the first question on the distribution framework. On the first investor call held last quarter also, I had explained the philosophy. I will quickly reiterate what I had said on the last investor call, that we are looking at a total return framework for investors which combines consistency in distribution with growth over a period of time, combined with accretive acquisitions, which lead to NAV growth.

So, the distribution philosophy will be guided by the acquisition pipeline that we have at Anantam Highways, and currently, the pipeline is looking pretty strong. So we believe that reinvestment of the cash flows in pursuing these acquisitions are enabling us to deliver total unit holder returns. That's going to be the distribution philosophy for Anantam Highways.

Regarding your second question on the ROFO pipeline, currently we are basically having only HAM projects at the InvIT level. Moving forward, we basically -- we are looking to pursue acquisition opportunities across the road sector, whether it's HAM, annuity, or toll. Yes, we will have a balanced approach to building the portfolio in the InvIT.

Any acquisition that we pursue will need to be accretive to the unit holders. That is the first guiding principle. If we find the right toll asset, which basically meets the risk-return threshold for the unit holders, we will obviously pursue that. Having said that, over a period of time, the composition of HAM versus toll will be within a defined framework that the Board has defined. So basically, to answer your question, we are not averse to pursuing toll assets.

**Dhvanil Raut:** Okay, thank you so much.

**Moderator:** Thank you. A reminder to all the participants, that you may press star and one to ask a question. Next question comes from the line of Sarvesh Gupta with Maximal Capital PMS. Please go ahead.

**Sarvesh Gupta:** Yes, hi, sir. Thank you for the opportunity. So, sir, the first question is regarding this proposed acquisition. Now, nothing has been detailed about the pricing at which you will do or the share swap pricing. So can you give some color on that?

**Jignesh Shah:** Sure. So we have circulated -- we'll be circulating the independent value -- there has been an independent valuation exercise that has been undertaken for these assets, and the valuation report will be circulated to all the unit holders along with the postal ballot. Along with that, we have also uploaded the valuation report on the Anantam Highways website.

The independent valuation report will act as a cap on the valuation at which these assets will be acquired. As we have repeatedly highlighted, any acquisition that gets pursued will need to be accretive to the unit holders. At the current valuation that Anantam is quoting in the market, that will set the floor pricing for the assets that come into the InvIT.

The valuation at which the assets will be brought into the InvIT will be between, somewhere between the valuation arrived at on the current floor pricing basis at which the InvIT is trading in the market and the cap being the valuation kind of put out by the independent valuation agency.

**Sarvesh Gupta:** Yes, so sir, on this, basically last time on the call you had said that any acquisition will be DPU accretive as well as NAV accretive. Now, NAV is INR116 and you are trading at INR108. So now to be -- for the acquisition to be NAV accretive, you either have to have a discount on the enterprise value of the acquisition or you have to issue units at a premium to the NAV. So how will you handle the NAV accretion post this acquisition? Will it be handled by a combination of these two or you will do premium to NAV and buy at the fair value, or how are you proposing to do that?

**Jignesh Shah:** So as I mentioned earlier, the acquisition will be at a discount to the valuation put out by the external valuation agency. So that is the approach which will be followed. The pricing of the preferential allotment gets guided by the SEBI guidelines. So on the pricing of the InvIT units, that's the approach which will be followed. But the acquisition will be at a discount to the NAV.

**Sarvesh Gupta:** But will it be NAV accretive?

**Jignesh Shah:** It will be NAV accretive.

**Sarvesh Gupta:** Okay. And secondly, sir, this...

**Jignesh Shah:** So I mean essentially, I mean, ,, if you buy anything at a discount to the NAV and the size of the InvIT is doubling, so based on that, it will be NAV accretive.

**Sarvesh Gupta:** Yes, I mean if the price is suppose between INR108 and INR116, then it has to be at a discount so that the NAV increases from INR116 post that, and that is what my understanding from your...

**Jignesh Shah:** Yes, we understand that. Yes, that's how it's going to be.

**Sarvesh Gupta:** Okay, so that is number one. Now, secondly, on this INR2.5 DPU, so A, this is entirely taxable. So how are you, I mean, planning to change the structure in a tax-friendly manner, or is it possible given the kind of numbers that you have on your P&L and balance sheet?

**Jignesh Shah:** So see, over a period of time, the composition of the distribution will change. You will see return of capital play a role over a period of time, and so basically over a period of time, the distribution composition will be a combination of taxable and tax-free.

**Sarvesh Gupta:** No, but let's say for the coming year, should we assume that this is what it is, so it is like 100% taxable?

**Jignesh Shah:** I mean, it will evolve quarter-on-quarter. I mean, all I can say is that we will be adopting a balanced approach in terms of taxable and tax-free distribution. I would rather not commit to a guidance on what will be the proportion of taxable and tax-free at this stage.

**Sarvesh Gupta:** Okay. And sir, this now, you also mentioned that you will also -- you mentioned that something you want to do as the reinvestment of cash flows. So there are some InvITs and REITs in the market which are basically distributing almost the entire 100% NDCF without bothering about reinvesting some of it. So are you suggesting that you will be sort of giving out 90% and the remaining 10% would be there for reinvestment?

**Jignesh Shah:** No, what we are saying is that basically we will continue to adopt a balanced distribution approach. If there are opportunities basically to acquire assets which are leading to appreciation for the unit holders, then obviously, a higher proportion of the underlying cash flows will be used for pursuing those acquisition opportunities. And in quarters basically, where those opportunities don't exist, then the distribution philosophy will be different than the quarters in which we are pursuing the opportunities.

**Sarvesh Gupta:** Okay, okay. And sir, the other thing is that on the DPU itself, now with this INR10 sort of the run rate that we have, I think perhaps you are the only newly listed InvIT, which is falling below the 10% yield itself. So how do you think about this particular thing? I mean, I know that you haven't given a DPU guidance, but if one were to sort of assume that this is what it is going forward, then we will be the only one which will be in single-digit yield percentage. So, how do you look into -- look as far as DPU is concerned?

**Jignesh Shah:** So, see, I would basically, -- every InvIT is different. We have a different philosophy in the way in which we are running this InvIT. There's a differentiated business model. We believe that we have a superior business proposition, but I don't want to get into comparisons across different InvITs.

I think what we will basically, urge you to do and urge all the unit holders to do is to look at a total return emanating out of this InvIT over a period of time. We want to kind of create scalable growth, we want to create accretion for the unit holders, and that can be achieved through a combination of regular distribution and pursuing accretive acquisitions. And I think the sum total of that is what basically essentially would matter to the unit holders.

Even from a taxation efficiency perspective, achieving the growth or the income or the returns, .. more importantly, through the capital gains route is significantly more tax-efficient for investors than getting taxable distributions. So we want to ensure that rather than having volatility in distributions, which we have seen in the market, that there is consistency and

longevity of distributions combined with there being continuous accretion of assets which are creating value for the InvIT. That's our philosophy.

**Sarvesh Gupta:**

Sir, that is well understood. Now on the cost of borrowing side, so last quarter presentation also I think it was similar to 7.5% and most of it was T-bill linked. Now, we have seen yields inching up, and this time also you have mentioned the same as 7.5%. So shouldn't it go up, and incrementally, sir, what is your cost of borrowing?

**Jignesh Shah:**

So, right now, we only have this borrowing at the InvIT level. For the last quarter, it was 7.5%. You are correct that as T-bills have moved up, for the next quarter, there will be a slight increase. Generally speaking, as you rightly mentioned, interest rates in the market are inching up, but you would know that with rising interest rates, it's good for HAM projects. So, in fact, that will lead to improvement in the underlying cash flows for us.

Having said that, essentially two things; we basically are looking or are in conversations with the existing lender to reduce the spread on the current debt to kind of achieve parity with the debt costs of other InvITs. And in terms of the new borrowings that we will need to undertake for the ROFO assets that are coming in, we basically are in conversations with lenders. We believe that the pricing on the additional debt that we will avail at the InvIT level will be lower than where we are at today, and that's basically how we are driving our liability side of the balance sheet.

**Sarvesh Gupta:**

Okay. Now, sir, this INR4,700 crores that you need to spend for this acquisition, so I am assuming that around 40% would be through equity and remaining is debt, right?

**Jignesh Shah:**

No, it's around almost 46%, 47% through equity and the balance through debt.

**Sarvesh Gupta:**

So, and this 47% will come entirely through share swap with DB Group?

**Jignesh Shah:**

It is both Alpha Alternatives Group and Dilip Buildcon Group are undertaking a swap transaction.

**Sarvesh Gupta:**

So, sir, this -- one challenge here is that our units are extremely illiquid as of now. And if we would have gone with some external investors also at least partially, it would have created some benchmark for your valuation as well as created some liquidity in the market. So how do you look into that, sir?

**Jignesh Shah:**

So we take that feedback. In fact, the first round of assets that we are basically taking to the InvIT, there is a share swap or a unit swap. Over a period of time, over the next 12 to 18 months, I had mentioned this on the last call as well, there will be incremental assets that will be added to the InvIT.

We have a strong ROFO pipeline, strong visibility of growth, and as we scale up, the idea is very clear that we need to broad-base the investor base. We are mindful of the fact that currently liquidity in the InvIT is not where we want it to be. So we will be basically raising capital through both primary as well as an offer for sale route, and with the idea being that we broad-base the

investor base, with one of the objectives being that it leads to deepening of the Anantam counter and creates additional liquidity in the units.

**Sarvesh Gupta:**

Understood, sir. Thank you, sir. All the best.

**Moderator:**

Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Bhavesh Doshi with Dalal & Broacha. Please go ahead.

**Bhavesh Doshi:**

Yes, thank you for the opportunity, sir. And my question is that what is the current leverage in the platform and what was the leverage at the IPO and right before the first distribution?

**Jignesh Shah:**

So, the current leverage is around 42%. At the time of the IPO, we were at around 44% level.

**Bhavesh Doshi:**

And what were the source of funds used for deleveraging before the first distribution?

**Jignesh Shah:**

So, we have used part of the cash flows that were generated from the operations to reduce the debt as a platform. I mean, the way to look at it is that we created space for the accretive acquisitions that we are now pursuing in the InvIT.

**Bhavesh Doshi:**

So, it was only cash flow used or something out of your cash has also been used?

**Jignesh Shah:**

It was only cash flow that was used.

**Bhavesh Doshi:**

Okay, then what about the cash on the balance sheet was lying there, sir?

**Jignesh Shah:**

So, the cash in the balance sheet basically, continuing cash from the SPVs that were brought into the InvIT plus the capital that was raised as a part of the IPO, combination of that along with the cash flow from operations is what has been used to bring down the leverage.

**Bhavesh Doshi:**

But then that is basically you have used that the cash which was lying on the balance sheet to repay the loan basically.

**Jignesh Shah:**

Sorry, I couldn't understand the question.

**Bhavesh Doshi:**

The cash which was lying at the time of IPO in the balance sheet has been used to repay the debt also?

**Jignesh Shah:**

Yes.

**Bhavesh Doshi:**

Sorry?

**Jignesh Shah:**

Yes, yes, we have done that.

**Bhavesh Doshi:**

Okay. So what was the logic for that? I don't understand. It is basically a thing that you are using that balance sheet cash basically and to pay the debt and then again you are raising a debt for now for taking what acquisition, sir?

**Jignesh Shah:**

No, I wouldn't look at that like that. I mean, as I explained, we utilized the cash to reduce the leverage...

**Bhavesh Doshi:** Pursue the cash which was lying on the balance sheet and then give the valuation, okay. And then that repayment you could have done before the IPO also. You could have used that cash before the IPO also, sir.

**Jignesh Shah:** No, this cash was basically the cash which was there as a part of the SPVs, which were brought in. So the timeline in which that cash came, basically was post-finalization of the offer document. So that couldn't have been done. There were certain disclosures and all of that. So that cash combined with the cash flow from operations is what we have used to pay down the leverage in -- and along with the IPO capital and this essentially has been done so that we can pursue growth.

**Bhavesh Doshi:** And then -- and one last question, one more thing, how are you going to diversify your cap table, basically, your capital table? Just now that one person has asked before me also the same question because I don't find any institution guys are there within -- in your platform at this point of time. Okay, so how are you going to diversify your capital table also?

**Jignesh Shah:** So that's incorrect that there are no institutional guys.

**Bhavesh Doshi:** I'm saying that a very few when I'm doing, okay, compared to others, okay.

**Jignesh Shah:** I mean, I think the first question is that, I mean, why are we comparing I mean, ourselves to others? I mean, the point is that you show me one InvIT, sir, which basically within six months has doubled in size. We are bringing in quality assets. We have a strong ROFO pipeline. We have a differentiated business model as we have explained, where the InvIT is being run by a professional asset management platform and the back-end, the technical support is being provided by the best-in-class O&M company.

Quality assets built by quality developers are being brought to the InvIT. I mean, over a period of time as we basically broad-base, and raise more capital, investors will come in. We are patient. We are patient long-term investors. We believe we are creating a long-term story and basically the cap table over a period of time will reflect the hard work we are putting in in creating this platform.

**Bhavesh Doshi:** And last question, if I can, may I ask you about the revenues, is about this what are your...

**Jignesh Shah:** I think one more point basically which we need to also highlight, sir, is that I mean, our IPO which was done was only INR400 crores. Some of the large investors basically have a minimum ticket size that they need to write.

Now, as we basically raise additional capital, and we will basically be raising basically a lot of capital because of the growth plans that we have, that will then offer the opportunity to some of these large domestic pools of capital and even global investors to get the opportunity to write bigger checks. So I mean, I have no doubts that as we scale up, the cap table will start basically seeing all the usual suspects on the cap table.

**Bhavesh Doshi:** Yes, but most of the ROFO assets you are going to add is going to be the swap model, so it wouldn't...

**Jignesh Shah:** Not necessarily, sir. I mean, today we have done a swap. That is not basically a compulsion. Over a period of time, you will see us adopting a mixed approach to this. Some assets will be brought in for swap, some assets will be basically sold for cash consideration. And as the InvIT scales up, like all the other InvITs have done, we will also get the ability to then increase leverage post-six distributions. So, once that happens, you've scaled up the InvIT to a particular size and scale, your ability to kind of manage the capital structure changes, and then at that point in time, essentially it will be a combination of swap, some cash, as we kind of move along this journey.

**Bhavesh Doshi:** And the last question which I was going to ask is about the HAM platform. Basically, you have got, okay, so I mean what are your outlook on the HAM platform in this environment basically? Okay, as you said, so the interest rate hike is or interest rate scenario is basically good for a HAM platform, but I think toll makes a better revenue stream in the time of inflation or interest rate goes up, WPI inflation goes up, sir?

**Jignesh Shah:** Sir, it's basically, I mean, there is no, I mean, you cannot say with complete certainty that the toll assets make a better proposition than HAM assets. In HAM assets, there is complete certainty as far as how the cash flows behave. Now, in toll assets, the fundamental assumption one is making is that with increasing interest rates, basically consumers will keep on consuming. But at the end of the day, bulk of the toll traffic comes from freight.

Now, if interest rates go up, there will be consequential economic slowdown which then translates to freight slowdown. So, one can technically argue that while toll rates are partly inflation-protected, if your total traffic goes down, you could look at a scenario where your total revenue could take a hit. So, I mean, I wouldn't say with absolute certainty that toll projects are better than HAM.

Yes, there are toll stretches which are good, and as I've also mentioned, there is no averseness to doing toll assets as a part of the InvIT. But because the interest rate movement is inbuilt into HAM projects, there is better visibility in how assets behave with movement in interest rates as far as HAM projects are concerned.

**Bhavesh Doshi:** Okay, thank you. And sir, how much internal accrual do you make per quarter, sir?

**Jignesh Shah:** Sorry, I couldn't hear you.

**Bhavesh Doshi:** How much internal accrual do you make per quarter?

**Jignesh Shah:** Around approximately, the SPVs generate, currently INR200 crores at the SPV level. Obviously from that, you need to make your debt repayments and your interest servicing at the InvIT level.

**Bhavesh Doshi:** And are you planning to add some internal accrual for adding the assets also?

**Jignesh Shah:** Yes, that's basically what I mentioned, right? I mean, in the last two quarters, we've used part of the internal accruals for bringing down the leverage where we can bring in the next set of assets, and we do have a pretty strong visibility on our growth pipeline for the next two years. So, I mean, we will be adopting a balanced approach to scaling up this platform.

- Bhavesh Doshi:** Okay, sir. Thank you, sir. Thanks a lot for your answer. Thank you.
- Jignesh Shah:** Thank you.
- Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Nilesh Doshi with Prospero Tree AMC. Please go ahead.
- Nilesh Doshi:** Thanks for the opportunity. Sir, an earlier participant might have asked the similar question. I repeat the question. See, we are acquiring the ROFO asset by issuing the fresh capital, fresh units, so it will increase -- it is a dilution. And when we are acquiring the HAM asset which are generating the fixed return and we are issuing the fresh unit, does it mean there is no accreditation to the DPU and DPU -- because DPU is the prime factor for the InvIT unit's price. So how do you look at the -- because what is the logic of issuing the fresh capital? It is only because we are at 42% or it is another logic, sir?
- Jignesh Shah:** Sir, I would basically -- I mean, one way to look at this is that if the sponsors and the other large investor are looking to increase their stake in the InvIT, I mean, it's a vote of confidence on the underlying platform. In regards to your question whether it is DPU accretive or not, basically it's just pure math that currently the InvIT essentially is quoting at a certain IRR. It was issued at an X level, it is quoting at a level higher than there.
- I mentioned earlier that we've undertaken an independent valuation report for the ROFO assets which are coming in. These assets are being proposed to be brought into the InvIT at a discount to the external valuer's valuation. Also indicated that this will be NAV accretive. So, if you are bringing in these assets at an entry IRR higher than the IRR at which the InvIT is trading today, like any company, I mean if you basically make an acquisition where your P multiple, for example, is lower -- you're buying a company which is basically at a much cheaper rate than what you are trading in the market, it will be basically EPS accretive.
- On similar lines, this is basically the same principle that I am basically buying this asset at a discount to its NAV and at a higher IRR than what the InvIT is trading at. So, yes, it is going to be DPU accretive. And as regards the consideration payment, I mean, there were two possibilities: we could have gone and raised capital, okay, at this stage. But mind you, today the InvIT basically, I mean, on a relative basis, is a small InvIT, we basically are at an enterprise value below INR5,000 crores, market cap of around INR2,300 crores, INR2,400 crores.
- Now, if we're acquiring assets which is basically doubling the size of the InvIT, the amount of dilution which one would have had to take at this stage would be phenomenal. Yes, it would have led to the broad-basing of the investor base in the InvIT, but we believed that we basically are still young in the journey.
- We basically expressed the vote of confidence by undertaking the swap of the units, and as I mentioned also earlier, that over the next 12 to 18 months, as we go down further in this journey, we will be basically taking steps to broad-basing the investor base by doing a mix of primary capital raise as well as an offer for sale, and that also will then lead to further addition of ROFO assets into the InvIT.

**Nilesh Doshi:** I understand, sir. But our current average cost of borrowing is 7.5%. Does it mean they are offering to discount to debt rate also which will generate because you said that you are buying the asset which are below their NAV and so therefore, it is a DPU accretive, but our cost of borrowing is 7.5%. Do the Anantam cannot raise the fund through the debt at the same rate?

**Jignesh Shah:** Sir, as you are aware, as you are aware, there are restrictions on the amount of leverage InvITs can take. So till the first six distributions, you can only go up to a maximum leverage of 49%. Beyond that, after six distributions, one can technically go up to 70%, though InvITs prefer to stay between 55% to 60%.

Currently, our capital structure, basically we are at approximately 42% leverage ratio. So your question that are we bringing in these assets at below the debt cost? The answer is no. What you need to look at is the benchmark at which the unit capital is trading in the market because that is the like-for-like comparison. The benchmark at which the unit capital is trading in the market, the assets are being brought into the InvIT at a higher benchmark than that and at a discount to the NAV. That's the way to look at whether it is DPU accretive or not.

**Nilesh Doshi:** Okay. And sir, my last question. Sir, we have maintained the same DPU per unit, that is the INR2.50. Does it mean that we have generated the same NDCF in the quarter three and quarter four, the same amount was generated or there was a less amount but some amount is distributed out of the capital?

**Jignesh Shah:** No, sir, as I mentioned, basically so every quarter depending on when the annuity is falling, right? I mean, every project gets two annuities during the year. Currently, we have seven projects. So four projects receive annuities in Q1 and Q3, the balance three receive in Q2, Q4. So yes, there is a relatively lower cash flow generation in Q4.

Having said that, as I explained, part of the cash flow has been utilized for reducing the leverage, and basically we are being guided by the distribution philosophy that we have mentioned on the last investor call as well and as I mentioned earlier as well, that we want to have consistency in distribution with growth over a period of time while leaving sufficient flexibility in the capital structure for us to pursue accretive acquisitions. So we basically are urging investors to look at us from a total return perspective, some distribution and balance basically the NAV accretion which then leads to a total return generation over a period of time for the investors.

**Nilesh Doshi:** Okay, okay, sir. And can I assume that the INR10 will be the guidance because we are maintaining the same DPU per quarter? So, for the FY '27, it may be the without acquiring the fresh asset, it will be a INR10 per unit?

**Jignesh Shah:** Sir, I basically, as I mentioned earlier as well, I mean, we basically don't want to give any guidance on the DPU. We basically will get guided by -- as I have been repeatedly highlighting and I may sound like a broken record, but we will be guided by the philosophy of pursuing a combination of some distribution and accretive acquisitions. So, I wouldn't want to give any guidance on the distribution.

**Nilesh Doshi:** Okay, okay, sir. Thank you, thank you. All the best, sir.

- Jignesh Shah:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Dhvanil Raut with Dalal & Broacha Stock Broking Private Limited. Please go ahead.
- Dhvanil Raut:** Hi, sir. Thank you for the follow-up. I just had a doubt regarding the dividend. Is it a taxable dividend or non-taxable? Because yesterday I tried calling someone from the company and I got confirmation saying, it's non-taxable and on another website it was showing non-taxable, and previously on the call you mentioned that it's fully taxable. So, just some highlight on that.
- Jignesh Shah:** No, sir, the dividend is fully taxable.
- Dhvanil Raut:** Okay, sir. Thank you. That's all.
- Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Rahul with Alt Capital. Please go ahead.
- Rahul:** Hi, sir. Thanks for the opportunity. Given that there are a lot of questions around on the DPU as well as I mean you mentioning that focusing on total return, I was looking at the NDCF waterfall, which you had shared in your presentation. So given that we have generated, let's say, INR184 crores of cash flow and we've utilized some cash as well, is it correct to assume that since you wanted to acquire more assets, the seven ROFO assets, you have repaid more debt and kept the DPU low, so as to give a higher total return in the future? Is that a correct inference basis your responses?
- Jignesh Shah:** So, I mean, yes, partly. So, yes, we've used part of the cash to create space for the acquisitions that we are pursuing now and in the coming quarters and years. I wouldn't say that the DPU is low. I would just say that it's basically consistency and in line with our vision towards basically creating wealth for the investors over a period of time.
- Rahul:** Okay, that's it from my side. Thank you.
- Jignesh Shah:** Yes, thank you.
- Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Sarvesh Gupta with Maximal Capital PMS. Please go ahead.
- Sarvesh Gupta:** Sir, thank you for the follow-up. So sorry to harp on the DPU point, but I understand you don't want to give a guidance, but can it be at least assumed that this INR10 run rate will continue, at least it will not fall, and then with every round of acquisition once it is done, then it will have a jump from there? Can that at least be assumed?
- Jignesh Shah:** So, Sarvesh, basically, what I can say is that certainly will not be able to give a guidance, but the expectation would be that it will at least not fall as we scale up. I also mentioned earlier that I mean, as we scale up, basically and quarter-on-quarter, the thought process would evolve, would change.

Today we are in a growth journey and we basically have already mentioned what our vision is by FY '29. We believe that there are enough acquisition opportunities between the ROFO pipeline and otherwise, which is allowing us to bring in quality assets at value-accretive prices into the InvIT, and I think from investor's point of view, that is ultimately what matters. Having said that, I mean, obviously, going forward as we scale up, the distribution philosophy basically will reflect the fact that in the quarters where we believe that there are possibilities to increase the distributions, the thought process will evolve as we go along this journey.

**Sarvesh Gupta:**

Understood. And on the point of value-accretive acquisition, so now there can be two thought processes around it. So, one is of course, from the sponsor pipeline, I think the value for them also gets better created if they participate via let's say an InvIT platform compared to what it is with a listed firm, right? So always you can get assets from there and transfer to the InvITs at maybe even lower than fair value and create value in this platform. So, that is fine.

But generally, given that we have seen so many InvITs coming into picture, both private and public, and all of them want to acquire these sort of HAM assets, so there is it even possible now given the environment of so many buyers that one can pursue value-accretive acquisition in that space by acquiring third-party assets?

**Jignesh Shah:**

So, I mean, I wouldn't want to comment on the other InvITs. Basically, what I can tell about Anantam is that we have clear visibility of our pipeline for the next few years.

**Sarvesh Gupta:**

Okay. No, in general, do you want –are you seeing some interesting third-party opportunities for acquisition is what my question is.

**Jignesh Shah:**

So, in fact, in this seven assets that we are bringing in, not all of them are Dilip Buildcon assets. There are assets which basically have been acquired from other developers other than Dilip Buildcon. So I mean, Alpha Alternatives, basically is not a developer. So and we basically have also brought in assets from the non-Dilip Buildcon side, and as we scale up, you will basically start seeing a balanced mix of assets at the InvIT level.

I mean, obviously, we value, the Dilip Buildcon assets and they will continue to win new road assets and they will bring their assets into the InvIT, but there will be other developers' assets which will also come into this InvIT as we have demonstrated in this round.

**Sarvesh Gupta:**

Okay. And after this round, how much more is left in the let's say, with Dilip Buildcon and Alpha Alternatives in terms of let's say invested equity plus SPV level debt? What is that value which is left with them which can be acquired?

**Jignesh Shah:**

So, you mean to say right now? So, right now, basically the -- are you saying the number of assets which are there with the identified assets which are there with Dilip Buildcon, which still need to -- so totally, there were 18 identified assets which were there, out of which we got seven at the time of the InvIT listing.

We basically in this round are bringing four Dilip Buildcon assets and three non-Dilip Buildcon assets. Dilip Buildcon has seven additional identified assets, which are a part of the ROFO

arrangement, and any other asset that they have won post the 18th asset which will also be offered to the InvIT under the ROFO arrangement.

Alpha Alternatives, basically when we had done the IPO, there were only four identified assets, but through the Build India Infrastructure Fund that Alpha Alternatives manages, I mean, obviously since then there are additional assets which have been added as a part of that fund portfolio, which over a period of time will also be offered to the InvIT.

That's why I mentioned that we have clear visibility in terms of the growth pipeline for the InvIT in the coming years. Having said that, I mean, it's very important to note that whether it is Dilip Buildcon assets or non-Dilip Buildcon assets that come into the InvIT, basically the O&M will be undertaken by Dilip Buildcon because on a fixed price basis as far as the InvIT is concerned, and that brings in basically the best-in-class O&M construct to these assets and a consistency basically in the approach across the various assets that come into the InvIT, and that's how we create value for the investors.

And I mean, as you would know, I mean, these are fixed price contracts, so I mean, basically it's market -- market price fixed price contracts. So but then there is complete clarity on the cost that we are going to incur over the 15-year journey of these assets. So that kind of helps in reducing volatility of cash flows at the InvIT level. So, that's how basically, we are creating a differentiated platform as we as we scale up this InvIT.

**Sarvesh Gupta:** And this fixed price is valid even for major maintenance work that will be undertaken?

**Jignesh Shah:** Sorry?

**Sarvesh Gupta:** Even for a major maintenance and major repair of the roads if at all, which has to be done in few years, so that also price is fixed?

**Jignesh Shah:** That also price is fixed. I mean, that's very important. I mean, as you would know, I mean, with whatever dislocation has happened with the current war, I mean, it's a fact, it's a -- a matter which basically needs to be highlighted that even in this tough times, I mean, it's fixed price contract. So both the partners basically are seeing this as basically as something to kind of operate over the business cycle. So they are basically still doing it on a fixed price basis, even the major maintenance as and when it comes.

**Sarvesh Gupta:** Thank you, sir. Thank you.

**Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes from the line of Rahul with Alt Capital. Please go ahead.

**Rahul:** Thank you, sir, for the follow-up opportunity. I just want to clarify on the ROFO assets. So acquisition dates are mentioned, the two tranches in June and December of this year. So is it correct to assume from our side that the new assets will start to accrue additional DPU in Q2 and Q4 of this financial year?

**Jignesh Shah:** Yes, it will start accruing from Q2. You are correct that the transaction basically is in two stages for two assets out of the seven. So in for one asset, 49% is being brought into the InvIT at this stage, the balance 51% will come in Q3, and in one more asset, basically it's 75% which is coming in this round and then the balance 25% will come in December. All the other assets is 100%, but yes, it is going to be adding to the -- to the earnings of the InvIT from Q2.

**Rahul:** And since we are doubling the AUM more or less, just wanted to understand what sort of DPU growth which you can expect in percentage terms -- I'm not asking fixed in general -- post the acquisition, especially since bulk of the acquisition will anyways happen in end of Q1, right? So just wanted to get some sort of broad sense?

**Jignesh Shah:** So, I mean, as I mentioned earlier, I mean, I basically am not in a position to give guidance on the DPU or the growth that would take place in the DPU over the coming quarters. All we can basically, as I mentioned earlier, that the DPU will not go down. The DPU philosophy basically is that till such time that we are seeing clear visibility on growth which leads to accretion for the investors, we believe that a combination approach where some distribution happens combined with growth is a better proposition and that's what we want to execute on, that's what we are executing on. But I at this stage we are not in a position to give any guidance on where the DPU ends up as we scale up.

**Rahul:** Sure. Just one feedback from our side, from my side essentially, I think you -- yourself would have realized a lot of queries around DPU and guidance. What it ends up happening, what it's a virtuous cycle from our side, if you give some sort of DPU guidance or framework, even if not guidance, a clear framework, that really helps us in terms of getting more confidence and that really will show up even in the your unit price growth as well. So, I mean, just a feedback from my side. I mean, that's it. Thank you. Thanks a lot for the...

**Jignesh Shah:** No, thank you for the feedback, Rahul, duly noted.

**Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to Mr. Jignesh Shah for closing comments.

**Jignesh Shah:** Thank you, Ranju. Thank you, everyone, for joining us today and for all the thoughtful questions and continued engagement with Anantam Highways Trust. As we conclude today's call, I would like to reiterate a few important points. We are still at the very beginning of our journey as a listed InvIT, but we believe that we are building a very strong foundation.

We've already brought in a high-quality operational portfolio. We are adding to this portfolio in this quarter. These are stable government-backed annuity cash flows. We are employing a measured leverage strategy, pursuing the best-in-class governance standards, and executing on our ROFO pipeline.

Our approach will continue to remain disciplined and long-term in nature. We are not pursuing growth for its own sake. Every capital allocation decision will be made through the lens of sustainability and will need to ensure value accretion to the investors.

We will be very, very prudent in our leverage approach. We basically believe that DPU needs to be sustainable, consistent, with growth over a period of time and not volatile. And we are basically pursuing a long-term value creation for our unit holders.

We believe that the strength of our ROFO pipeline, the operating expertise of Dilip Buildcon, and the institutional investment and governance capabilities of Alpha Alternatives, together is creating a differentiated platform, which we believe is well-positioned for long-term scale and credibility in the infrastructure investment ecosystem.

We also recognize that trust is earned through consistency, whether it's consistency of execution, consistency of disclosures, consistency of governance, and also consistency of distributions. That is how we will continue to execute and build this platform. On behalf of the Board and the entire management team, I would like to sincerely thank all of you for taking the time to engage with us and for giving us the continued support and confidence.

We also look forward to interacting with all of you in the coming quarters and years, as we continue to scale up this InvIT, and keep on engaging and updating you on the progress of Anantam Highways Trust. Thank you very much, and all of you have a good day ahead.

**Moderator:**

Thank you. On behalf of Anantam Highways Trust, that concludes this conference. Thank you for joining us. You may now disconnect your lines.