



Company Overview

Anantam Highways Trust (AHT) is an Indian infrastructure investment trust that invests in road infrastructure assets. The Trust is sponsored by Alpha Alternatives Fund Advisors LLP. The Sponsor established the Trust on July 24, 2024, and the Trust was registered with SEBI on August 19, 2024, as an InvIT in accordance with the InvIT Regulations. The Sponsor is a multi-asset class, multi-strategy asset management entity that creates investment solutions across various asset classes, including, but not limited to, infrastructure, credit, real estate, equities, commodities, and fixed income. As of date, the Sponsor is a subsidiary of Alpha Alternatives Holdings Private Limited. The Trust has an initial portfolio consisting of the seven project SPVs having an aggregate of 271.65 km (1,086.60 lane km), located in the states of Karnataka (3), Telangana (1), Gujarat (1), Bihar (1), Tamil Nadu (1) and one union territory of Puducherry. The Trust, subject to receipt of certain approvals, will directly or indirectly hold 100.00% equity interest in seven project SPVs. The revenue from operations of the project SPVs for the three months ended June 30, 2025, was Rs. 2,020.36 million, and for Fiscals 2025, 2024, and 2023 was Rs. 9,265 million, Rs. 25,257 million and Rs. 25,902 million, respectively. The projects are structured as Public-Private Partnership (PPP) assets under the Hybrid Annuity Mode (HAM) with the National Highways Authority of India (NHAI) as the concessioning authority. The HAM structure is designed to mitigate developer risk by having the NHAI share construction costs and, crucially, provides stable, assured revenue streams, i.e., through fixed annuities, interest on completion costs, and O&M payments linked to inflation, eliminating the risk of income fluctuations due to traffic volume changes.

Objects of the issue

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

- ⇒ Providing loans to the project SPVs for repayment or pre-payment of debt, in part or in full, including any accrued interest, of their respective outstanding borrowings; and
- ⇒ General expenses.

Investment Rationale

Large, diversified, and de-risked portfolio providing stable long-term cash flows

Anantam Highway Trust offers a robust platform of long-term, predictable income through its sizeable initial portfolio of seven completed and revenue-generating hybrid annuity (HAM) projects, spanning over 1,086.6 lane kilometers across six key Indian geographies including Karnataka, Telangana, Gujarat, Bihar, Tamil Nadu, and Puducherry. Each project operates under a long-term concession agreement with the National Highways Authority of India (NHAI), with residual concession periods ranging between 12.7 and 13.4 years as of June 30, 2025. The portfolio's HAM-based revenue model significantly reduces demand and traffic-related risks, as project revenues are primarily derived from fixed annuities and interest payments made by NHAI on the reducing completion cost, ensuring visibility of cash flows. This linkage to benchmark rates provides a natural hedge against adverse interest rate movements, partially offsetting potential cost escalations. The government-backed, annuity-driven nature of projects ensures minimal revenue volatility, while the long residual life supports a sustained distribution profile for unitholders.

Strong growth pipeline, experienced management, and governance-driven operating framework

The Trust is strategically placed to capitalise on growth opportunities through Right of First Offer (ROFO) arrangements with its Sponsor, Dilip Buildcon Limited (DBL), and its affiliates, as well as Build India Infrastructure Fund and Terrefert Green LLP. These agreements collectively provide access to a pipeline of over a dozen identified and additional potential HAM assets, ensuring a steady inflow of high-quality acquisition opportunities. Backed by DBL's extensive expertise in EPC and infrastructure development, with a proven track record across roads, bridges, rail, and tunnel projects, the Trust benefits from strong operational and technical capabilities. DBL's appointment as the O&M

Issue Details

Offer Period	07th Oct. 2025 - 09th Oct. 2025
Price Band	Rs. 98 to Rs. 100
Bid Lot	150
Listing	BSE & NSE
Issue Size (no. of shares in mn)	40
Issue Size (Rs. in bn)	4

Issue Structure

QIB	75%
NII	25%

BRLM	Nuvama Wealth Management Limited
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Registrar	KFin Technologies Limited
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(Assuming issue subscribed at higher band)

Research Team - 022-61596138

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contractor further strengthens execution reliability and operational efficiency, given its familiarity with the underlying assets. The Trust is managed by an experienced team with deep domain knowledge in infrastructure investment, asset management, and risk governance. A comprehensive governance framework has been established, including policies on risk management, auditor and valuer selection, code of conduct, board diversity, and unitholder distribution. These measures ensure adherence to transparency, accountability, and effective oversight principles. Together, the strong sponsor pedigree, structured asset pipeline, seasoned management, and institutional-grade governance framework position AHT for sustainable growth and consistent value creation for unitholders.

Valuation

Anantam Highway Trust is a strategically positioned infrastructure investment trust focused on owning and operating completed, revenue-generating road assets under the Hybrid Annuity Model across India. The Trust benefits from the operational expertise of Dilip Buildcon Limited as O&M contractor, ensuring efficient management and sustained asset performance. Its strategy combines disciplined growth through selective acquisitions, leveraging the Sponsor's sector knowledge, with prudent capital management to optimise leverage and maintain predictable distributions. Supported by a diversified portfolio and robust governance, the Trust is well-positioned to deliver consistent income, attractive yields, and long-term value to unitholders. The broader road infrastructure sector is supported by strong government policy, robust budgetary allocations, and programs such as Bharatmala and the National Infrastructure Pipeline, which have driven road sector capex at a 14% CAGR between fiscals 2018 and 2023. Within this favourable macro environment, the Trust's prudent strategy positions it well to capitalise on the macro-level tailwind. The Trust's financial profile shifted significantly after the completion of its projects in FY25. Revenue saw a steep decline from Rs. 25,902 million in FY23 to Rs. 9,265 million in FY25, marking a project-completion year. This decline is directly attributed to the sharp decline of construction income (~94% of the total revenue), which, as per the RHP, is not expected to generate revenue again until FY29. The Trust's financial stability will now rely on operational income, which is projected to be consistent at approximately Rs. 7,000 million annually, resulting in a strong positive cash flow of about Rs. 6,000 million per year between FY26 and FY29. **Based on the projected stability from its fully operational, annuity-based portfolio and its robust positioning within India's growing infrastructure sector, we recommend a "SUBSCRIBE" rating for this issue from a medium to long-term perspective.**

Key Risks:

- ⇒ Given that the Trust is a newly established entity, the absence of an operating history makes it difficult to accurately assess its future growth prospects.
- ⇒ The Trust's business and financial performance is highly dependent on its relationships with, and the policies of, various government entities in India; adverse changes in either could significantly affect its operations and future acquisitions.
- ⇒ Any inability to obtain, renew or maintain the required statutory and regulatory permits and approvals or to comply with the applicable laws may have an adverse impact on the business of the project SPVs.

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Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	25,902	25,257	9,265
Total revenue	25,902	25,257	9,265
Expenses			
a) Construction Cost	24,778	24,145	1,554
b) Employee benefits expense	1,392	0	64
c) Other Expenses	42	52	781
Total operating expenses	26,213	24,197	2,399
EBITDA	-310	1,060	6,867
Depreciation & amortization	0	0	2
EBIT	-310	1,060	6,865
Finance costs	1,431	2,270	3,069
Other Income	16	14	158
PBT	-1,725	-1,197	3,954
Current Tax	5	62	0
Deferred tax	54	337	-94
Income tax pertaining to earlier years	1	4	-58
Total tax	60	404	-152
Net Profit	-1,785	-1,601	4,106

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23 Standalone	FY24 Consolidated	FY25 Consolidated
Cash Flow from operating activities	-2,300	-18,892	-9,589
Cash flow from/(used in) investing activities	-8,252	7,222	11,433
Net cash flows (used in) / from financing activities	10,587	11,937	-1,083
Net increase/(decrease) in cash and cash equivalents	35	267	761
Cash and cash equivalents at the beginning of the period	697	732	999
Cash and cash equivalents at the end of the period	732	999	1,760

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	0	9	19
Capital work in progress	18,505	11,287	0
Financial Assets			
(i) Trade Receivables	0	17,465	30,062
(ii) Other financial assets	0	0	1,058
Deferred tax assets	46	0	0
Other Non-Current Assets	0	0	1
Total Non Current assets	18,551	28,761	31,140
Current Assets			
Financial Assets			
(i) Trade Receivables	835	1,227	2,346
(ii) Cash and cash equivalents	732	999	1,760
(iii) Bank balances other than (ii) above	0	0	2,768
(iv) Other financial assets	11	0	38
Current tax assets (Net)	21	7	103
Other current assets	4,105	4,308	3,364
Total Current Assets	5,704	6,542	10,379
Total Assets	24,255	35,302	41,519
Equity and Liabilities			
Equity Share Capital	20	38	38
Other Equity	72	465	4,098
Total Equity	92	503	4,136
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	17,489	29,387	34,349
(ii) Trade payables	0	0	0
(iii) Other financial liabilities	0	0	0
Provisions	121	91	574
Deferred tax liabilities (net)	0	292	223
Other non-current liabilities	348	0	0
Total Non-Current Liabilities	17,957	29,769	35,146
Current Liabilities			
Financial Liabilities			
(i) Borrowings	3,723	4,068	1,631
(ii) Trade payables	598	202	73
(iii) Other financial liabilities	176	573	471
Other current liabilities	1,667	154	61
Provisions	41.5	33	1
Current tax liabilities (Net)	0	0	0
Total Current Liabilities	6,206	5,030	2,238
Total Liabilities	24,163	34,799	37,383
Total Equity and Liabilities	24,255	35,302	41,519

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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