



**Vertis Infrastructure Trust**  
**Q3 & 9M FY 2026 Earnings Conference Call**  
**February 12, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Quarter 3 FY 2026 Conference Call of Vertis Infrastructure Trust.

As a reminder, all participant lines will remain 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance of the company and it may involve risks and uncertainties that are difficult to predict.

Today, from the management side, we have with us joint CEO – Mr. Gaurav Chandna and Mr. Abhishek Chhajer – Chief Financial Officer.

I will now hand the conference over to Mr. Abhishek Chhajer for opening remarks. Thank you and over to you, sir.

**Abhishek Chhajer:** Good afternoon, everyone. Thank you for joining the Q3 FY 2026 earnings conference call of Vertis.

Today, I will take you through a brief overview of the platform, our quarterly performance, capital structure, distribution and outlook. At the end, we will move to Q&A.

Vertis is a scaled and diversified rural infrastructure InvIT or platform with 28 assets spread over 10 states, covering over 8,300 green kilometers with an AUM of Rs. 265 billion or Rs. 26,500 crores. Our portfolio continues to remain balanced with mix between toll and annuity where toll is 71% and annuity is 29% supported by a residual consumption life of 14.3 years. Net debt to AUM is approximately 41% which provides adequate headroom to support --

**Moderator:** Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Thank you. Ladies and gentlemen, thank you for your patience. We have the management line reconnected. Sir, you can proceed. Thank you.

**Abhishek Chhajer:** Apologies, first of all, everyone. So, not sure if you can hear me or not, I will just restart.

So, as part of this presentation, I will take you through a brief overview of the platform, our quarterly performance, capital structure, distribution and outlook. Then we will move to Q&A.

Vertis is a scaled and diversified road infrastructure InvIT or platform with 28 assets spread over 10 states, covering 8,300 green kilometers with AUM of Rs. 265 billion or Rs. 26,500 crores. The portfolio continues to maintain a balanced mix between toll and annuity with toll at 71% and annuity at 29%, supported by a residual consumption life of 14.3 years.

Net debt to AUM is approximately 41% which provides adequate headroom to support the future growth while maintaining balance sheet discipline. During the quarter, we continue to focus on stabilization and integration of 11 PNC assets consisting of 10 HAM and 1 toll projects acquired in H1 FY 26. These assets now have been smoothly integrated with existing steady state operations.

It is important to note that post acquisition of these 11 PNC assets out of 12, only 1 HAM asset, which is Challakere – Hiriya, is pending for acquisition and is expected to be completed before end of this year, which is 31st March, 2026. On 6th Feb, 2026, current month, Vertis successfully handed over the first Shillong Expressway to NHAI at the end of the concession period. This is the first hand back of any SPV by Vertis. This SPV is currently under defect liability period in line with provision of concession agreement.

Turning to road and highway sector. NHAI awarding activity remains muted in near term with only 102 kilometers of the project laid out during the quarter. NHAI has increased focus on project quality, tighter bidder qualification norm, and ongoing procedural refinements. We believe that this phase is structured rather than cyclical, aimed at improving long term project outcome and reducing stress in to system. Having said that, government's commitment to road sector is likely to remain strong.

In the Union Budget, MoRTH has been allocated approximately Rs. 3.1 trillion, which is almost 8% higher compared to FY 2025. NHAI about Rs. 1.87 trillion, which is 10% higher compared to FY 2025, which is reaffirming sustained policy budgetary support for highways development and execution continuity.

On the regulatory front, three developments continue to remain in focus. I will go one by one.:

- First is with respect to WPI linking factor. The circular by NHAI, revising the WPI factor has been placed in abeyance by the Honorable Delhi High Court. And the earlier

linking factor continues to remain applied. We continue to engage with industry body and will update the investors as we get further clarity.

- Second, on the annual toll pass implementation, we have received compensation up to December 2025 for all NHAI projects, with partial receipt pending in case of three projects, which is STPL, UTPL, and Jodhpur Pali, to the tune of Rs. 6.5 crores, which is also expected to receive in due course. Excluding our four state projects, which is Bareilly Nainital, Dewas Bhopal, Ahmedabad Mehsana, Vadodara Halol, annual pass scheme is applicable across all eight toll assets. During the December quarter, annual pass adoption was approximately 38% of car revenue, translating into around 9% of total revenue of the impacted project.
- The third point on the wage code. As you all know, the government has notified labor code with effect from November 21st, 2025. However, operational implementation is contingent upon individual states notifying their rules, which we are closely tracking. While the code has not yet fully implemented across the state, we have proactively factored potential implications into our O&M planning and contractual framework. Net of operational improvement and other savings, we do not see any material impact on our operating cost.

Now, I will take you through the operational performance of the quarter, starting with distribution, followed by traffic and revenue performance, collection efficiency for annuity and HAM assets, and then management updates.

For the Q3, Vertis has made distribution of Rs. 4.53 billion, which is Rs. 3 per unit. Since listing in August 2022 of Vertis, we have cumulatively distributed Rs. 53.46 per unit, amounting to Rs. 43 billion returned to unit holders. It is important that approximately 69% of this distribution has been tax-free. On a year-to-date basis, for FY 2026, Vertis has distributed Rs. 8.37 per unit, which reflects the consistency and extent of our cash generation.

Q3 FY 2026 saw robust traffic and revenue performance across our whole toll portfolio. Traffic growth across the portfolio was 10.3% year-on-year, resulting in toll revenue growth of 14.2% year-on-year. This performance was supported by improved economic activity, including higher sales of both commercial and passenger vehicles post GST reforms in September, festive and holiday season traffic, continued strength in industrial and commercial cargo movements.

On a year-to-date basis, for YTD December, traffic growth stands at 9.9%, YTD are projected number of 5.5%. We have achieved over 76% of full-year revenue projections. Operating revenue from toll assets for quarters stood at Rs. 10.8 billion. We continue to maintain strong operating efficiency with EBITDA margin of 90% for toll assets.

Moving to the collection efficiency for annuity and HAM:

For Q3, annuity income stood at Rs. 4.3 trillion. It may be noted that six out of seven annuity receipts during the quarter were received ahead of scheduled timeline, reflecting improved administrative processes. While there are some hiccups in Q2 FY 2026 post the SPV

acquisitions, we believe that same has been addressed. We have been able to address almost all critical issues and should be able to continue to maintain performance standard for Q3 going forward.

Before I move to maintenance and asset level updates, let me briefly touch upon management developments during the quarter, aligned with increased scale and complexity of the platform.

During the quarter, Mr. Jonathan D'Souza, John, joined Vertis as CHRO, Chief Human Resource Officer. John brings 20 years of experience in strategic and operational HR, including senior leadership role at Welspun Group. He will lead our efforts across the talent strategy, workforce planning, leadership development, and organizational integration. In addition, Mr. Pratik Desai has been appointed as Compliance Officer. Pratik has been associated with us for close to two years and brings over 12 years of experience in compliance and regulatory matters, further strengthening our governance framework.

During the quarter, on safety side, we have also procured 20 truck-mounted alternators, TMA, which are impact-absorbing, crash cushion-designed to significantly enhance workforce safety during maintenance and repair activities. With this initiative, Vertis becomes one of the few national highway operators in India to adopt this advanced safety system across its portfolio. Operationally, our focus continues to be on asset quality, safety, and life cycle optimization.

During the quarter, for one of the HAM projects, which is Dausa Lalsot, we received appreciation letter from NHAI for our exemplary cleanliness, maintenance, aesthetics, and safety performance. This recognition highlights proactive maintenance and safety initiatives beyond our O&M activities. The major maintenance and upgradation work, primarily at newly acquired PNC assets are going on in line with our plan and within the budgeted cost.

Now, let me move to the balance sheet:

As I mentioned earlier, net debt to OEM stands at around 41%, which remains comfortable for platform of our scale, provide headroom for future growth. Our DSCR is approximately 3 times, providing strong cushion for debt servicing. The weighted average cost of borrowing, ROI, stands at 7.3%. And we have a long-visible maturity profile close to 12 years with staggered payment that significantly reduces refinancing risk. Overall, we believe balance sheet is robust and well-positioned to support both, stability and future growth.

Lastly, with respect to recent amendment in Union Budget relating to MAT credit, just to update that we are evaluating the detailed implication and we will take appropriate steps in due course and we will update if required. Going forward, our priorities include continued focus on discipline, cost management, and lifecycle planning to ensure predictable and consistent distribution, continue optimizing our capital structure to lower the finance cost and enhance cash flows, pursue value-accretive acquisition where assets meet our return threshold and extending portfolio diversification.

To conclude:

Q3 once again demonstrated a strength of Vertis platform. We witnessed double-digit traffic growth, robust margin, healthy balance sheet, and consistent distribution.

Thank you for your continued support. With that, now I will hand back to moderator to open floor for the questions. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Rughved from NEO AMC. Please go ahead.

**Rughved:** So, a couple of questions from my side. So, first was on the new tax regulation that came up during this Budget. So, what is the understanding that we as an investor should take on the MAT credit rate and the shifting from old regime to new regime? So, that's the first question.

And the second one is on distribution. So, we have seen that there is a good traffic growth and a good revenue growth that we have achieved as compared to the last quarter. Or in general, a very good performance. So, as compared to last quarter, why the DPU is Rs. 3, which is constant? So, those are the two questions. And I think I will ask some of my questions later maybe.

**Gaurav Chandna:** Sure. Thanks for the question. This is Gaurav Chandna. So, let me take the second question first. See, first of all, when we are talking about traffic growth, not just this quarter, but the previous quarter and Q1 also had a similar level of growth. So, on an average, we have been clocking 10% odd traffic growth for the portfolio for past nine months. And as you saw, this quarter is around 10.3%, previous quarter was around 9.9%. So, it's not as if this quarter is significantly above the previous two quarters.

And while your point is valid, that means distribution could have been slightly higher compared to Rs. 3. Not just for this quarter, in fact, even for the previous quarter. But for prudent cash management and maintaining enough liquidity in the system, we have distributed closer to 90% level for this quarter. And the balance has been retained as a liquidity buffer for future operations.

And also, the fact that we need to always keep aside certain cash for the annuity SPV, especially the ones where annuity was received in the previous quarter. Because in this quarter, there will be no annuity coming in to those projects. So, we need to take care of the unembedded for those SPVs. And at the same time, we will like to create or retain some amount of liquidity buffer in the system.

Now, as far as the first question is concerned, I think as of now we would not be in a position to share details with you. And I think Abhishek broadly covered this aspect during his speech around the earnings call. But what I can share with you is that most of our old projects are

currently in old tax regime with the exception of Bareilly Nainital. And there is one annuity project which is Dausa Lalsot, which is under old tax regime.

So, obviously, projects which are already into the new tax regime, there is no change. Neither we need to take any view on those. As far as the projects which are in old tax regime, and there is some MAT credit which has been accumulated, that is where we need to take a call. Now, see, directionally, from an SPV level taxation, it obviously was, in the previous year as well as going forward, it was better to move to new tax regime. But there are reasons why we hadn't moved to new tax regime, because there are certain SPVs which still are under 80IA. So, being in old tax regime was beneficial.

And as I said, there were some SPVs where we were paying only MAT. So, there was also a rationale of staying in old tax regime. Plus the fact that for certain category of investors, underlying SPVs being in old tax regime is beneficial, because whatever dividend comes through those SPVs is tax-free in the hands of the investors or the unit holders.

Now, of course, we will take a balanced view in terms of how going forward from the point of view of both individual SPV level taxation as well as taxation in the hands of the unit holders. And basis that we will take a decision for the forthcoming financial year, starting with FY 2025.

**Rughved:** Understood. Sir, just a follow-up. Do we have any clarity on all the assets which are in the old regime have taken a decision that whether they should be transitioned or they would still remain in the old regime? Or there would be some mergers, like for intra-SPV asset transfers to take the benefit? Any picture on this?

**Gaurav Chandna:** See, ideally we would like to keep each and every concession in the asset SPV the way they are today. In any case, if there is any merger which has to happen, it will require approval from NHAI. So, those situations we are not envisaging in the base. If at all that happens, that could be a potential upside for the investors, but there is nothing in sight as of now, just to be clear. Neither have we planned on that front. In fact, we will be taking holistically a group level taxation call over the course of next few weeks. And as I said, by end of this quarter, we will be in a position to form our views around how and when we want to change over from old-tax regime to new-tax regime.

**Rughved:** Okay, sir. Thank you.

**Moderator:** Thank you. We take the next question from the line of Neil Munnot from PICO Capital. Please go ahead.

**Neil Munnot:** Sir, my first question is with respect to the Macquarie bidding. Has the binding bids gone in?

**Gaurav Chandna:** We would not be able to comment on any particular project in actual or prospective unless we have made a formal announcement on the issue. So I think, unfortunately, we would not be able to respond to this particular question.

**Neil Munnot:** But do we have a certain timeline, as in maybe three months, six months?

**Gaurav Chandna:** Unfortunately, I cannot even comment whether we are evaluating that transaction or not. Of course, there are some news articles which have talked on that, but we would not be able to comment on that at all.

**Neil Munnot:** Okay, understood. And, sir, the second question is with respect to the annual pass, how do we read that 9% impact on revenue?

**Gaurav Chandna:** It's not a 9% impact on revenue, to be honest. It's a 9% impact on the working capital cycle. So, effectively, we have to assume, while on paper we are supposed to get that money back or reimburse that amount in 10 days' time, but we are assuming that in base case it will be a one-month kind of working capital cycle. So, the impact is only towards the working capital cycle. It's not a revenue-level impact which is there.

In fact, we have also spoken about this in our results presentation that all the money due to us, except for one project, which is Jodhpur Pali, has been received up to 31st December. And the balance outstanding for 31st December is basically Rs. 6.6 crores. That is the kind of money we get, which is basically equivalent of 1.5% for the overall portfolio.

**Neil Munnot:** So then what would be our lifetime revenue impact?

**Gaurav Chandna:** As I said, there is no revenue impact, it is just a working capital impact. So, instead of getting money on T+1, we will be getting this money on T+31 basis. So, to that extent, one way to look at it is, the impact is only lower treasury income for us for the period of that one month. So, 9% for the impacted portfolio, on an overall portfolio basis, the working capital requirement would be around 3.5% or 4%. So, whatever you assume as post-tax treasury income, let's say 4% as an interest income. So, the impact on our cash flows is 4%, which is something like 0.0016%. So, it's an insignificant impact, I would like to say.

**Neil Munnot:** And, sir, what is our IPO timeline, if we have any? Public IPO?

**Gaurav Chandna:** So, as you would have seen, we have taken a board approval for that scheme, and we have just initiated our planning around it. We are still thinking through what all work needs to be done around that, because, to be honest, there's no particular InvIT which has so far converted from private InvIT to public InvIT. So, we are just trying to understand all of the nuances, and I think next funding calls probably should be the right time for us to discuss this.

**Neil Munnot:** Okay, understood. Thank you so much. That's it from my side.

**Moderator:** Thank you. We take the next question from the line of Rughved, from NEO AMC. Please go ahead.

**Rughved:** Sir, I still had two more questions, so I joined the line once again. So, one was on the debt side. So, I can see that there is a lot of debt which has to be repaid or resized in 2027. So, do you have any clarity in how much of it is going to be repaid?

**Gaurav Chandna:** That is Rs. 700-odd crores, right?

**Abhishek Chhajer:** So, that is around Rs. 700 crores in June, and another Rs. 500 crores in January 2027. So, it's a wealth debt. So, this Rs. 700 crores is the commercial paper we have taken. So, we have an option either in the month of June we can convert it to long-term debt, and this constitutes only 6% to 7% of the entire debt. So, we can continue with the CP also. And in terms of the January 2027, we will refi that with CD of ID and CD at that point of time.

**Gaurav Chandna:** And see, as far as liquidity is concerned, we distributed Rs. 450 million this particular quarter, right? And if we assume that similar levels continue going forward, on an annual basis, we would have Rs. 1,800 crores of distributable surplus, despite retaining some money for liquidity purposes as we spoke about, right? So, even if something like a Rs. 700 crores kind of repayment has to be done by us, we can comfortably do it through our free cash flow system. So, that is how we structure our short-term borrowings. By short-term borrowings, I am talking about any paper which has less than three years of maturity, and an annual incremental repayment of Rs. 600 crores to Rs. 700 crores, if required. While, of course, base case is that they will be rolled over. But even if the market is tight and we are not able to roll it over, we will always have sufficient cash to take care of those equipment.

**Rughved:** Understood, sir. Thank you. I think some of our questions have already been answered, so thank you so much.

**Moderator:** Thank you. We take the next question from the line of Neil Munnot from PICO Capital. Please go ahead.

**Neil Munnot:** Hi, sir. Just a follow-up question with respect to the WPI revision. If that happens, the 3% of toll revenue that we are talking about, that is lifetime revenue, or how does that work?

**Gaurav Chandna:** So, I guess you are referring to the WPI factor issue, right?

**Neil Munnot:** Yes.

**Gaurav Chandna:** So, you are right. So, that's a lifetime impact. So, every year revenue basically will get impacted by those levels. In fact, on a compounding basis. So, first year revenue goes down by 3.1%, then the next year revenue goes down by another 3.1% on a compounding basis. That is the level of impact.

**Neil Munnot:** Okay. Understood. And sir, do we have dates with respect to when is the next hearing, or any clarity on that?

**Gaurav Chandna:** So, see, technically it's not supposed to be next hearing. So, the court judgment essentially was that NHAI and the industry should get together, consult, and come up with a solution. So, there is one level of, one round of meeting which has happened between the industry body and NHAI. Now, we are basically waiting for some solution to come in from NHAI. If that solution is acceptable to us, if it appears to be fair, of course we will accept it. If not, we would always have a right to go back to the courts.

**Neil Munnot:** Okay. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

**Abhishek Chhajer:** So, thank you everyone for joining the call. And after this, in case you have any queries and questions, please feel free to touch base with either Komal or myself, we will be happy to answer. Thank you for attending the conference again. Thank you.

**Moderator:** Thank you. On behalf of Vertis Infrastructure Trust Group, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.