"IndiGrid Infrastructure Trust
3QFY26 Earnings Conference Call"
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MODERATOR: **MR. SATYADEEP JAIN – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to IndiGrid Infrastructure Trust's 3QFY26 Earnings Conference Call hosted by Ambit Capital Private Limited. 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Satyadeep Jain from Ambit Capital. Thank you, and over to you, sir.

Satyadeep Jain: Good afternoon, everyone, and welcome to the 3Q earnings call for IndiGrid Infrastructure Trust. Today from the management we have with us Mr. Harsh Shah, Managing Director; Ms. Meghana Pandit, Chief Financial Officer; and Mr. Sanil Namboodiripad, Chief Operating Officer. We'll begin the call with the opening remarks from the management, after which we'll have the forum open for interactive Q&A session. I'll now hand over the call to the management. Thank you, and over to you, sir.

Harsh Shah: Thank you. So I will walk through the presentation for 3Q, and me and team will discuss certain aspects of that. And then subsequently, we'll go question-answers. We'll start with the Slide 3, I'll just reiterate our vision. Our vision is to admire the most -- become the most admired yield vehicle with focused -- with the focused business model, value accretive growth, predictable distribution, and optimal capital structure.

We believe we have been following these 4 principles over the last 7 years. On the next slide, Slide 4, just to reiterate our size today, our AUM is approximately INR32,800 crores. We are present in 20 states and 2 UTs, so almost entire country with about 90 different revenue generating elements, which includes 53 lines, 16 substations, 1.5 gigawatt of solar projects and several BESS projects.

Our transmission and solar assets have substantially longer life and average residual contracts of over 20 years with transmission -- and most of the transmission assets are on a perpetual ownership basis. Going to Slide number 6, with quarterly updates of FY'26. We signed SPA to acquire Gadag Transmission Limited from ReNew. It's 187 kilometers 1,000 MVA capacity, an ISTS project in Karnataka for approximately INR372 crores.

We're expecting to close this transaction in this quarter. We also raised INR1,500 crores of equity through Institutional Placement. Issue was subscribed -- oversubscribed by 2x. And we saw widespread participation across new long-only and global institutional investors, talking about the QIP or the institutional placement where we have raised INR1,500 crores and both are existing as well as new investors participated in this issue.

We also signed definitive agreements with EnerGrid to acquire two of the under-construction projects after 1 year of commissioning its day one during the quarter. One of them was a battery project of 500-megawatt hour capacity in UP, with a counterparty as NVVN for an EV of approximately INR957 crores. And another, ISTS project in Madhya Pradesh, with 180 circuit kilometers and 4,500 MVA transformation capacity for an EV of approximately INR1,577 crores.

This is the project that EnerGrid won in this quarter, which is located in MP, and it is developed on a BOOT basis, and transferred to us after COD. This overall -- this latest win, the overall under-construction portfolio across IndiGrid and EnerGrid stands at approximately INR7,500 crores, which offers a predictable pipeline that we see from our current AUM of INR32,000 crores to approximately INR40,000 crores.

On the financial performance for the quarter, our revenue growth was at 11.7% on a year-on-year basis on account of the new projects that we added to the portfolio over the last year. Same also flows through our EBITDA, with EBITDA growing approximately 13%. Our AUM, as I mentioned earlier, is at INR32,800 crores with the quarter ended at 61% net debt to AUM. And post the institutional placement, which happened in quarter 4, our net debt to AUM reduced approximately 56.5%.

Our collections in quarter 3 was 90% for transmission and 98% for solar assets. However, the receivable days are substantially lower owing to the more collection that we have received by YTD. On the distribution front, we are maintaining a DPU at INR4 a unit, which is 6.7% higher versus the same quarter last year, and in line with our full-year guidance.

Our weighted average availability for the entire portfolio remains at 99.77%, and CUF for a solar capacity is at 21.6%. With the industry update for quarter 3 on Slide 7, I think the growth in the power sector remains on a good trajectory. You've seen the peak demand that we could meet our countries aimed to about 241 gigawatt, which is decisively higher, not just over the last few quarters, but if one looks at a few years ago, where the peak demand was 200 gigawatts.

So we are clearly seeing an uptrend in terms of the ability to meet peak demand, which will eventually translate into the overall consumption of electricity going up very high. Overall installed capacity also increased to approximately 514 gigawatts, and more than 50% is the installed capacity. You feel that this both overall consumption of electricity as well as focus on renewable is going to put impetus in transmission capacity.

That needs to be added and augmented, including battery capacity, over the next 5 to 10 years. Draft NEP-2026, which is at consultation level, we believe is focused on more transmission planning and strengthen the grid reliability for the coming decades. I think that the importance of energy storage has been consistently going up over the last few years, starting from the first week to now.

There have been a sizable amount of it, almost 13 gigawatt hour bids under VGF and otherwise have come up, and India is only targeting more than 100 gigawatt of pumped storage. So we think that overall storage market is going to be on a trajectory to grow over the next year.

We feel that the RCOs and the grid and the battery capacity are consistently going up and that would throw reasonably good opportunities for us to continue to participate and grow our portfolio and revenue. On Slide 8, we see very active with activity in the transmission and BESS sector. We've seen overall INR157,000 crores of transmission in BESS bids.

Over a period of next few quarters, which includes the few HVDC bids as well as smaller state bids and battery bids. So we are hopeful that we would continue to be able to participate in this bid via EnerGrid and grow the portfolio. On Slide number9, we have a quarterly operational performance. I would request Sanil, our Chief Operating Officer, to take you through the same.

Sanil Namboodiripad: Thank you, Harsh. Good evening, everyone. We are on Slide number 9, regarding the quarter performance. First is the safety update. We had 0 medical treatment cases, first aid cases and loss time incidents, maintaining our health and wellbeing. Performance-wise, the power transmission business operated with an availability of 99.77%, maintaining stable availabilities. And the solar generation, the Q3 was 551.5 million units at 21.6% CUF.

With regard to the reliability, the trips per line, we have maintained at 0.07, maintaining a steady reliable performance. Major of the tripping that happened were due to foreign materials, lightning and thunderstorm, which were beyond our control. Substation trips per element outages were at 0.01 trips per element, which is better than the average benchmark.

And solar availability was 98.5%, the plant availability. And some of this was due to various breakdowns and which are recovered -- some of them were recovered under insurance coverage. If you look at the right side, the Q3 availability was -- of the transmission assets were beyond the normative.

Most of them except 1 asset, we operated much well beyond normative availability as of the transition service agreements. And if you look at the key indicators, we are better or at par with regards to the Q3 of the last year. Number of trips per line last year was 0.09 in the same quarter.

Today, we were this quarter, we were at 0.07. Training man-hours remains steady. Loss time incidents were better this year. Unsafe condition reporting, we encourage always that reports should be there so that we are able to take preventive and corrective actions. So this has improved, and yearly reporting also has been in a steady way. The utility solar generation was 551 million units, so it's slightly better than last year. And the plant availability remained steady with 21.6% CUF and 98.5% availability. For the next slide may I request Meghana to take over.

Meghana Pandit: Yes. Thanks, Sanil. Good afternoon, everyone. I'm on Slide number10, on the Q3FY26 financial performance. Starting from the reported revenue where we clocked an increase of 11.7% over Q3FY25, and recorded the revenue at INR862 crores. On the EBITDA side, consequently clocked an increase of 13% at INR784.3 crores.

Both these increases were on the back of the acquisitions that we did in Q1 of this fiscal, the ReNew assets that we acquired on the transmission and solar side, almost about INR2,100 crores, INR2,200-odd crores acquisitions that came through. NDCF generated for the quarter showed a muted performance at around INR328 crores, largely on the back of changes in the working capital, on the collections a bit because Q2FY26 we had much larger collections.

So comparatively, on Q3, there has been an adjustment that happened. DPU for the quarter is declared at INR4, in line with the guidance for this fiscal of INR16. On the collection and receivable days, the transmission assets portfolio had collections of 90% in Q3FY26 versus 100% year-on-year basis. But the days outstanding, DSO days stood at a very healthy 38 days as of December 2025 compared to 48 in December '24.

On the solar side, our collections remained very robust at 98%, with the DSO days again at 32 compared to 50 days in December '24, a marked improvement in the collections and DSO days which we have seen in the sector itself. Moving on, on the distribution update on Slide number 11.

As I said, the distribution per unit stands at INR4 for Q3, breakup of which between interest dividend, capital repayment and other income stands in line with the trend every quarter. The total outstanding units for the -- as on date at INR95.26 crores. This is after the institutional placement where we raised INR1,500-odd crores at the beginning of January.

The gross distribution for this quarter stands at INR381 crores with a record date of Feb 17th and tentative distribution around February 24th. The NAV per unit stands at INR146.4, basis the diluted capital after taking into account the institutional placement. So the total distribution stands at INR113.32 per unit, amounting to INR72.7 billion, which is being distributed to the investors since the time we got listed in 2017.

The annual distribution trend again looks very healthy with a 6% CAGR over the last 5 years, and we are on track on delivering the guidance for the year at INR16. Moving on to Slide number 12, on the consolidated EBITDA to NDCF waterfall. The EBITDA generated at SPV level stood at INR756-odd crores and with all the adjustment in terms of the working capital movements, capex.

The NDCF consolidated at SPV level stood at INR678 crores. After that, adjusting the debt servicing requirements of finance cost, DSRA, working capital movement, the NDFC generated during the quarter stood at INR328 crores, and the distribution for the quarter stands at INR381 crores.

So, to the extent of about INR52.7 crores, we will be utilizing it from the reserves. And after the utilization of this INR53-odd crores from the reserve, the reserve balance will stand at INR520.7-odd crores, which is almost 1, 1.5 quarters of distribution on the diluted capital as we speak.

Moving forward on Slide number 13, on the balance sheet position. We remain AAA-rated by all 3 rating agencies. The average cost of debt stands at 7.41% as on December 31, with net debt to AUM leverage ratio at 61% in December. And after the institutional placement, it is at 56.5%, leaving a significantly healthy debt headroom for future acquisitions.

On the borrowing front, the total fixed rate borrowing between the overall book stands at about 88-odd percent with floating borrowings at about 12-odd percent. Cash balance, again, including DSRA, including the distribution for the quarter stands at around INR16.59 billion and an interest coverage ratio of 1.92x.

On the gross borrowing of around INR21,000-odd crores, the mix between NCDs and bank loans stands at 72% and 28%, with a diversified debt investor across mutual funds, banks, corporates, provident funds and a mix of PSUs as well as private banks. The refinancing schedule that we see at the bottom of the chart shows a diversified and termed out borrowing profile.

Ensuring that we do not bunch up any maturities in any particular year and do not cross more than 12%, 13% of gross borrowing, which comes up for refinancing in any particular year. And for this -- for the remainder of the quarter in this fiscal, almost everything is already refinanced, barring about INR200-odd crores of refinancing, which will come up now.

Moving on to Slide number 14, on the total returns to investors, total returns depicted by the distribution till date and the price change. As you can see, IndiGrid has clocked a total return of 181% and an annualized return of 13% since the time we got listed. And if we compare this with pure debt on one hand, which is depicted by the 10-year and 30-year GSec bond, and with pure equity, which is depicted by various indices, you can see that on a risk-adjusted basis, IndiGrid has outperformed both pure debt and pure equity indices.

Risk being depicted through the Beta, which is very close to 0, at 0.06. Moving on to the business outlook on Slide number 15. So on the portfolio strategy, we continue to ensure that our focus remains on ensuring the operations remain stable with predictable and sustainable distribution, while at the same time looking at value-accretive acquisitions.

The Greenfield Development projects which are there between IndiGrid and EnerGrid, our focus is ensuring that, that execution of the augmentation work as well as the under-construction projects of INR7,500 crores continue to remain on track and we deliver on time. In addition to that, through EnerGrid, we will proactively participate in further greenfield opportunities on battery and transmission projects.

Similarly, ensure that we deliver the DPU guidance of INR16 for FY26, supported by disciplined capital deployment. On the balance sheet side, again, our focus remains on how to optimize the interest cost and ensure how we can elongate the tenor profile through the upcoming acquisitions and refinancing opportunities that come about. And with the kind of leverage ratio that we have achieved ensure that the prudent leverage is also maintained when we look at acquisitions.

Resilient asset management, again, remains an important pillar where we focus on sustaining at least 99.5% of availability from the operational transmission portfolio. In addition to that strengthened on O&M capabilities basis of digital and predictive analytics, both on the transmission side as well as on the solar side, underpinning that, to ensure that EHS and ESG practices remain at the forefront.

Industry stewardship again continues to be on the forefront, wherein we participate actively on policy shaping industry dialogues through Ministry of Power, CERC, et cetera, on the power sector side and on the other hand, on the InvIT side through various forums and through the association also that is formed. I'll take a pause here, and we can get into the Q&A session for any specific queries.

Moderator: The first question is from the line of Shresth Singhania from Singhania Technical Services.

Shresth Singhania: I'm Shresth Singhania from Singhania Technical Services Private Limited. I had 2 questions. Firstly, why have the collections in the transmission business reached 90% from 100% last year, considering like we had some collections in the previous quarter as well, but we have constantly observed the dip in the reserves. So what have you got to say about that? And secondly, we've observed falling tariffs across the renewable sector as the technology improves. So companies like JSW Energy, the initial project that these companies had are facing a little bit of legal issues as well. So how are we prepared to face similar situations?

Harsh Shah: I think on your first question, on Slide number 10, if you can have a look at it, you have to average on an annual basis. So the last quarter was 108%. Before -- quarter before that was 93% and before that was 115%. So if you really look at last 12 months, we've honestly collected more than 100%.

I think so -- so on a quarterly basis, that collection fluctuates between 90% to 115%. That's how we have monitored. I think when we look at the balance sheet, which is the DSO days is an easier way to figure out, so we have 38 days, which was 48 days at December '24, which practically shows you that the receivable days have improved rather we have collected more cash flow from last year.

So I think it's just the quarterly changes that keep tracking. We don't see there is anything negative or materially wrong in that. It's rather we are seeing it's receivable days are substantially lower than history, which means that the collections have been well done till now.

On the draw of the DPU, I think we raised 2 capital rounds this year, approximately INR1,900 crores, which means that we are diluted. And deployment of those capital immediately goes to our repayment of our debt, and then when we acquire assets with that headroom is where the DPU grows.

So immediately, the next quarter, for example, even this quarter, when we raise the capital, the dilution impact is one which reduced the NDCF and therefore, we've drawn on our reserves. As we deploy that on the assets acquired, that will come back to normal net working capital. So we don't see, again, negative on that.

The question on JSW. I'm not sure which 1 you refer, but none of our projects have been renegotiated down. All of them are consistently paid and we do not see any -- I would say, we haven't felt or even slightly felt any of our projects in coming year, any kind of dispute issues on this front. Most of the -- at least renewable projects are operating for over a year to 10 years. So I think they are most stabilized ones.

Shresth Singhania: Right. And if there is any color that you could give me on when the equity proceeds raised will be realized as project cash flows, which I believe shall support NDCF as you are mentioning?

Harsh Shah: I mean, it depends on the acquisition and as the scheduled goes, immediate use of proceeds is to repayment of debt, which we've already done. And we have a pipeline, as I mentioned earlier, of INR7,500 crores, which we'll be acquiring over the next -- starting from 3 months to 2 years' timeframe, or 3 months to 3-year timeframe, which is known. So clearly, those cash flows will add into NDCF over the period of next 3 months to 3 years. There's a different cycle for each project.

Moderator: The next question is from the line of Deep Vakil from Bandhan AMC.

Deep Vakil: Sir, you used to give the DPU slide in Q1FY26 and you've been giving that historically. But since last quarter and this quarter, I think it has been stopped. Can you please give that slide, it helps us understand what the existing asset will give and what is the expansion plan? It was a chart with multiple indicative DPU profile?

Harsh Shah: Understood. Sure. We will start with quarter 4.

Deep Vakil: Congratulations on a good set of numbers. But one thing, I mean the DPU guidance stays intact 3% to 5% growth that you have been mentioning?

Harsh Shah: So we don't give growth guidance. We give DPU guidance, which is intact by INR16. So that will continue. Growth that comes in the quarter 4 annual Board Meeting is when we do. And even the DPU projection typically we have done annually. So if you look at our last DPU slide you would have given in quarter 4 of '25, now we'll give in quarter 4 F '26. So it doesn't change quarter-on-quarter, but we will add that in the next quarter.

Deep Vakil: Okay. And sir, I think there is 1 asset which was non-operational, Godawari Green due to some transformer and generator failure. So I mean we have recognized the revenue for that. I mean we have not recognized a revenue loss for that. If I'm not mistaken, there was a similar asset where there was some generator failure last quarter or last to last quarter?

So where ideally I think we did not recognize the revenue. So is there some change in the policy in the revenue recognition because there also, I think there was a INR40 crores, INR50-odd crores revenue loss and a INR30 crores, INR35 crores EBITDA loss and for which we have filed insurance. And the second question is that, I mean, any update on that insurance claim?

Harsh Shah: So I don't know where you're seeing this quarter. The Godawari Green project is operational. There is no disruption on that. And we only recognize revenue when the electricity is generated and sold. So if the asset is not working, we cannot recognize revenue. So I'm not sure where there is resilience coming. Can you check that?

Deep Vakil: Yes, it's in the -- it's in your note number 3 of your unaudited console financial result, I mean, December ended, I mean, the latest result only I'm talking. Note number 3, point -- bullet point number 4, where I think the project was not operating from 21st March to 21st July. And I think in there, it has mentioned that management has not recognized a revenue loss. So I'm just trying to?.

Harsh Shah: It is a matter of fact, yes -- it is a factual position that I shared. And subsequently in July, the asset has started back on tax. So there is no second case. It is the same case which is repeated in the balance sheet for a matter of fact. Yes. There's nothing else that has happened. And on insurance part, I think it's an ongoing proceed. We are considering that we'll receive and there are positive developments. As and when we receive fully, we'll be recognizing that in the books of accounts. So you will get to realize that.

Deep Vakil: Okay. And sir, one last point. I mean, we have been seeing there have been, I mean, grid availability issues in multiple states, including Rajasthan, Gujarat. So any sense on where -- I mean, the sector nuance and how can IndiGrid benefit out of this or the transmission charges might increase in new projects. Any sense around that?

Harsh Shah: No, I don't -- first, I don't call it grid availability issue. It is with connectivity issue. Grid availability issues are only on assets once they are available. So that is about grid connectivity for new projects. I think fundamentally, there are -- the gap is coming because the transmission capacity takes time to build 2 to 3 years, and solar PPA takes probably much, much lesser to announce and sign, right? So what happens is that it's easier to sign a PPA announce.

And unfortunately, our planning work that we can put in a plant anywhere. So connectivity is always going to be slower and it takes time. So I wouldn't say they are short or they are delayed. It's just that the way the country has been planning, we have planned generation first connectivity later, which needs to reverse and having connectivity first generation PPAs later.

So -- and I think -- there is a lot of appreciation of this fact now. And you see -- that's the reason we are seeing new bids coming in a new pipeline for transmission assets coming in more. I don't think that has anything to do with transmission rates because that is a competitively bid. But we are seeing a lot more bids on account of this. So we -- that's where the whole INR150,000 crores pipeline that we showed, that we see that new assets will come.

Moderator: The next question is from the line of Sachin Jog, an Individual Investor.

Sachin Jog: Congrats on another quarter of excellent performance. My first question relates to the acquisition of GR Infra assets. So we had some kind of MOU with them a few years back, but haven't heard anything on that?

Harsh Shah: They decided not to sell assets to us. So the MOU got expired. That did not translate into an acquisition or signed definitive agreement. MOU agreement on good faith to work towards closure. However, subsequently, we could not reach an alignment on key terms. So it did not take place.

Sachin Jog: And what about the transmission assets that you were supposed to acquire from them?

Harsh Shah: See, it is their assets, it belongs to them. They basically own the asset.

Sachin Jog: So from our end, has there been any follow-ups?

Harsh Shah: No, the agreement expired because it was an MOU, it is not a binding agreement. So if somebody does not monetize, we cannot really do anything about it.

Sachin Jog: Okay. Fair enough, Mr. Harsh. But we didn't hear about this agreement expiring and so maybe that is something that was a necessary communication to be sent out to stakeholders. Because you did announce the MOU, right?

Harsh Shah: Yes. I mean, we'll have to consider that because see, the framework agreements are typically nonbinding agreements and a nonbinding agreement -- we'll think about it, if it makes sense to really announce, we will think about it.

Sachin Jog: Because as I look at it, once you announce that you have an MOU under the specific assets that you're going to acquire once it is commissioned, and if that is not happening, I would say, to be at least as an individual investor, I should have heard about it from IndiGrid?

Harsh Shah: Fair enough. So I think it's just a point of view. We respect that. We will consider obviously the disclosures are typically we have to see in line with the terms of the agreement. So we'll go back and see if we are able to do it.

Sachin Jog: Okay. The second point was also about -- I think it has already been raised about this DPU accretive, that slide. I think someone has already mentioned it before. Should we get it from the next quarter in the presentation?

Harsh Shah: No, see, we do it. If you check last couple of years of slides, we only shared this slide in quarter 4 of the year. So you can look at -- I mean, next quarter, you will obviously see that slide on the annual presentation. And then subsequently, you can refer to the same slide because honestly, quarter-on-quarter, things don't change in that slide. So we -- anytime we can go to last quarter 4 slide of F '25, you'll get the same slide, quarter 3 of '25, you'll get, '24, you'll get the same slide. So next quarter, you will see it and then again, you'll see it in 12 months from then.

Sachin Jog: Okay. So you're making it up yearly, maybe end of the year?

Harsh Shah: Annual. Yes, exactly.

Sachin Jog: Okay. So I wanted to understand, we have, as per your presentation, close to INR7,500 crores of projects in the pipeline as capex. And our net AUM is about INR32,000 crores. Am I right?

Harsh Shah: Yes.

Sachin Jog: I'm going by your slides. So typically, are we sort of getting into too much of a risk zone where my understanding was that only 10% of our projects would be -- of the total asset value would be under construction. So I think this is far in excess of that. So is there a risk that we are taking on?

Harsh Shah: No, good point. So first, the INR7,500 crores includes EnerGrid assets. So we do not have -- this entirely is not our asset. So EnerGrid build these assets and subsequently sells to us after it is revenue-generating in operations. So under InVIT regulation, we are not allowed to cross 10%.

We will not cross 10%. INR7,500 crores is over a period of 3 years, and IndiGrid buys it when it is completed in revenue generating. So we do not see reaching closer to 10% or reaching 10% in the future. So we are not adding INR7,500 crores of under construction risk. This portfolio is with EnerGrid and we will acquire when it's operational. We are sharing it to showcase that we have signed the agreement.

For example, we signed two agreements this quarter for -- 1 for NVVN for INR957 crores and other for NP, which is INR1,577 crores, which is put together approximately INR2,600 crores. This is including INR7,500 crores. This INR2,600 crores will come to IndiGrid when assets are revenue generating for 1 year. So it is probably going to come 3 years from now. And for these that are binding agreements, and that's why we sign -- that definitive agreements are signed. So this is not a INR2,600 crores risk for IndiGrid. I hope I was able to explain that.

Sachin Jog: No, I understand that because IndiGrid asset is -- I mean, technically, it's a separate entity, but I guess we still own 33% of EnerGrid, right? Am I right in that?

Harsh Shah: Correct.. So we will have one-third of it, which is less than, much less than 10%.

Sachin Jog: Okay. So it's an indirect risk, anyway, I mean because we have to buy those assets.

Harsh Shah: We want to buy those assets, not have to. That's why we are signing agreement. But we buy those assets when they are complete.

Sachin Jog: I understand. But I mean, as an investor, we should keep it in mind that those assets are supposed to come to IndiGrid. And then if I look at that as a percentage, then I think we are close to somewhere around 20% of assets under construction?

Harsh Shah: But why? When they come to IndiGrid, they are completed. The way you're calculating the percentage is wrong.

Sachin Jog: Okay. Fair enough. Previously, whenever there was an acquisition because I have been investing in IndiGrid for a long, long time, and there always be -- used to be a very clear figure as to how much the acquisition would be DPU accretive. So why is it that we don't have that figure in the later acquisition, the past two acquisitions that you had?

Harsh Shah: I think a few reasons. One, we have found it sometimes an asset-specific accretion misleading because an individual asset, whether we show as funded in what manner. So what debt equity. So it becomes, I would say, extremely complicated for unitholders to make interpretation. However, in the press release, we still mentioned how much is the NDCF coming for that acquisition. So that data is still available. So you can refer to respective press releases.

Sachin Jog: So Mr. Harsh, I think that is exactly the point. I remember that in the press release, previously there used to be a very clear number that this is so many crores are NDCF accretive. I don't think that number is actually there anymore.

Harsh Shah: It is still there. See, these (the EnerGrid acquisitions) are not the acquisitions which are done. The EnerGrid acquisition are signed when we complete.

Sachin Jog: I'm not talking of these. I'm talking about the ReNew or those acquisitions -- maybe I'll check.

Harsh Shah: ReNew acquisition is -- please check. We still disclose NDCF post the acquisition. So we do mention when we acquired the NDCF -- when we acquired the ReNew assets in this financial year, we mentioned over INR100 crores in RSAPL and KNTL asset that we acquired, which was the last asset that we acquired. These are the agreements that we have signed. So when we acquire, we do mention.

Sachin Jog: Okay. So maybe my bad, I will check once again. Whenever you make an acquisition, are our acquisitions in some way related to the prevailing interest costs? I mean because the NAV is gearing after the prevailing interest cost, right, for maybe a AAA-rated asset?

Harsh Shah: Yes.

Sachin Jog: So in that case, this Techno Electric asset, is it -- why is it that we have signed an agreement so much in advance or is it that at the time of the actual signing of the agreement that will be a consideration that are interest rate fluctuation?

Harsh Shah: So there is no variation. There are different types of agreements we signed. This agreement is such that where we have fixed the value of the agreement and we have synergies on that asset. So sometimes we find framework. And if you find framework, as you yourself mentioned, GR Infra did not sell the asset to us where the value was open, right? So we prefer to lock in the asset wherever we send the agreement, and for that we lock in the value as well. So that's the way we have transacted on Techno Electric assets.

Sachin Jog: So if there is a change in interest rate at that point of time that would actually go against us as well?

Harsh Shah: Yes, it can go against us. It can go for us as well. It can go either way.

Sachin Jog: Okay. Previous year, I think in 2018, 2019, one of the things that IndiGrid aspired to be was best-in-class corporate governance. And this is specifically mentioned as a part of the presentation. Somewhere around 2020, I think we removed that. So any specific reason? We added more segment-yield vehicles, and we removed best-in-class corporate governance. Any thoughts that went into it at that point of time?

Harsh Shah: I think it's -- I'll will have to defer back 6-year-old notes. I think what I can tell you, we do follow best in class corporate governance day-in, day-out. And therefore, we don't need to mention it, I would say. It is part of our ingrained nature. So we don't need to mention as a strategy. I think all our unitholders, our investment managers, and sponsor expect us to do that as a matter of fact instead of as a strategy. So I think that's the reason 1 can really take home to do it. I don't recollect when exactly.

Sachin Jog: So my point is that sometimes when you put it there, it makes a little more conscious. I understand I have been a long-term investor, I think I have invested for more than 7, 8 years now. So I understand that, but I sometimes feel that you put in the presentation, every quarter, you have to look at it and maybe ask yourself some questions, so it makes you more conscious?

Harsh Shah: I think there are enough things to remind us to do that. We don't need to put it in -- because we have annual reports or semi-annual reports, you can look at that. There are SEBI compliances regulations we follow. I think there is enough, but I think we take input. We'll see if this is really kind of one.

Sachin Jog: Okay. Why this bias towards institutional investors when you are raising funds and repeatedly and recently funds has been raised. Have you ever thought of the rights issue so that retail investors also could benefit. Now that 30% of your investors, which you have, you really proudly stated in the presentation, our retail investors?

Harsh Shah: No, there is no bias of retail versus institutional or otherwise. I think it is a pure strategy, for example, we have done a rights issue, if I'm not wrong, 4 years ago. So it's not that we have not done rights issue. We have done it, in 2021. However, what happens is for rights issue to succeed, we need to have 90% subscription.

And that requires us to give discount to ensure that 90% subscription happened, which I don't think is in the right business decision for the business itself. So if there are unitholders who are valuing the unit, I'd say our institutional placement was INR163. We would rather do institutional placement at INR163 rather than do a rights issue at INR155. For the business, that is the right decision.

So I think for us, what is right for the business is right for everyone. So we try to follow that. So that's the first rationale of doing institutional placement. And the second rationale is that over a longer period of time, we are an acquisitive business. We will continue to grow. It will be important for both retail or shareholders that there are institutional shareholders who have the ability to contribute large capital.

Yes, the retail shareholders' ability over the last several years have increased massively. The liquidity has increased massively. Having said so, if we were to do a INR1,500 crores or rather INR1,500 crores we did today, but let's say we acquire a larger projects, if we wanted to do INR3,000 crores of price issue or INR3,000 crores of capital raise.

I don't think the liquidity is reached to the extent that one can safely assume that INR3,000 crores will come, right, just from retail market. So I think we have to maintain a balance of long-term large pocket investors as well as the first decision is that if the retail comes at a substantial discount, unitholders may feel that they've got a better deal, but over a longer period of time for business, it's a raw deal. So I think we have to balance both. That's why we take decision of institutional placement this time.

Sachin Jog: So the -- but the rights issue would be for?

Harsh Shah: We've done rights issue before.

Sachin Jog: Yes. So rights issue is anyway for existing investors, right? So I don't think there should be any reason for existing investors to see short-changed if they have the rights?

Harsh Shah: No, it's not about investors getting short-changed. For example, a INR1,500 crores capital gives us, say, INR7,000 crores of acquisition pipeline, right, on a 70-30 basis. If rights issue happen at a discount, the accretive result goes out because now you don't -- now for those INR7,500 crores, you need a higher yield to make it accretive.

If you acquire those assets -- if you -- so instead of issuing 5 crores units, you'll have to raise 6 crores units, which means you need to deliver growth on 6 crores units. So mathematically, we expect the assets have to yield much higher to be accretive. So it's not about 1 unitholder. As a business, when you raise capital dilutes, so the new project that we win needs to be more profitable to meet the growth requirements for DPU, right? So it puts stress on the business if we dilute at a deeper discount.

Sachin Jog: Okay. So my next question is related to operational availability of the assets. So this JKPTL, I see that again this quarter, again, it is not available. So does that mean that we're going to lose some revenue this year on that asset?

Harsh Shah: We might do some incentives on that asset, yes. That asset is a very small percentage of our overall assets. But it's -- yes, we have issue on that asset. So that's we restored the issue, but I think it's a very small asset that will do. And over -- currently, we have taken -- applied planned outage. So it will be back to normal availability in quarter 4.

Sachin Jog: No. But I think even before in Q1, there was a lot of assets which were very below the 98%. So now, of course, I see that most of them are well above the 98%. But this asset still continues to be low. So any other aspects where we will lose revenue this year because of non availability?

Harsh Shah: So you have to read our annual report for that. I'm not sure for this quarter. If you ask me last 3 quarters, which assets have changed, I won't remember exactly. We've got 50 lines. But on this asset, as I mentioned, it's less than 1% of our size or rather less than 0.75% of our size. So I don't see this asset having a material impact on our overall revenue for that. Second, we calculate our year-to-date availability. So at least this quarter, as you can see, none of the asset as of this is impacted. For next quarter, we'll share how it goes.

Sachin Jog: Okay. Last question, you mentioned that you started using AI. So what are the domains in which this is being used? And are we going to see impacts in the years ahead in terms of reduced maintenance cost?

Harsh Shah: I think for AI for us, it's more of a productivity increase in terms of ability to manage our shutdowns better, ability to manage our productivity of labor on ground for inspection better, ability to predict faults, pretty much those kind of things. And we have been using -- it is not a really all AI/ML type of stuff. It is very basic fundamental digitization that has helped us to improve our productivity. We're already seeing that impact.

I don't think that's going to materially change over the next 5 years. Since inception, which is 10 years, our EBITDA percentages remain in the range of 88% to 89% to 90%. So our core goal is to beat inflation, right? So on availability, on O&M cost, and we have been consistently done that over the last 10 years.

We would like to push the envelope and continue to do for next 10 years. But it's not suddenly next year, we will have 2% higher EBITDA because of AI. I don't see that kind of change or a material impact on our business today. There's an incremental impact to ensure that we keep our productivity well.

Sachin Jog: Congratulations on the good work that is being done.

Moderator: The next question is from the line of Suneel, an Individual Investor.

Suneel: So I have 2 questions. One is since most of the solar or probably even wind take a lot less time than transmission assets to complete. Have you considered even bidding for solar projects in your -- through EnerGrid? And my second question is about when is your first transmission asset that would expire -- the contract will expire because I'm more curious to know how the renegotiations happen? And one request is if you could limit 2 plus one questions to the callers that would be helpful because I've been waiting for 25 minutes on the call?

Harsh Shah: To answer your second question first, it's an asset called ENICL, which was 1 of the first asset that was build in 2014. So that's November 2014 is a built of that asset. So we will see somewhere extension discussion happening in 25 years from there because the first asset had a 25-year contract, everything else was 35. So maybe 2030 -- 2029, 2030, so very -- few years away. Not '30 actually, 2040, sorry. So it's quite far, 2039. So at least 15 years from now, so fairly away.Sorry, I missed your first question, if you can.

Suneel: The first question is about whether you are open to bidding for solar or wind?

Harsh Shah: Yes, we -- EnerGrid is an exclusive arrangement between IndiGrid, Norfund and BII for transmission and BESS projects. We are not exclusive on solar. And at this point in time, we have not bid for any solar or wind project. And I don't think there is anything in plan that we will expand in the next quarter or 2 and start bidding for solar projects. Many a times we have thought about it, but we have not taken that initiative.

Moderator: The next question is from the line of Deep Vakil from Bandhan AMC.

Deep Vakil: Yes, sir, it has already been answered. Sorry.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants in the conference, that was the last question. I now hand the conference over to the management for closing comments.

Harsh Shah: Thank you. Thank you, everyone, for joining on the quarterly call. This quarter has been at least large of -- I mean, a fairly transformative quarter. We raised capital, which gives us pipeline till

INR42,000 crores, INR45,000 crores of assets. Our EnerGrid initiative has been yielding results. So we have signed agreements of INR2,600 crores with EnerGrid. We acquired assets from ReNew. So we are hopeful that the growth journey continues and we are able to deliver on a promise of predictable DPU and growing that. So thank you for investing in us and trusting us with the capital. Looking forward to see you next quarter. Thank you.

Moderator: On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.