



“IndiGrid Infrastructure Trust  
Q1 FY '26 Quarterly Conference Call”

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**MODERATOR:** **MR. BHARANIDHAR VIJAYAKUMAR – AVENDUS SPARK**

**Moderator:** Ladies and gentlemen, good day, and welcome to the IndiGrid Infrastructure Trust Q1 FY '26 Quarterly Conference Call, hosted by Avendus Spark. 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.

I now hand the conference over to Bharanidhar Vijayakumar from Avendus Spark. Thank you, and over to you, sir.

**Bharanidhar Vijayakumar:** Yes. Thank you, Viren. Good evening, everyone. Welcome you all for the 1Q FY '26 earnings call of IndiGrid. Representing IndiGrid, we have Mr. Harsh Shah, Managing Director; Ms. Meghana Pandit, Chief Financial Officer; and Mr. Sanil Namboodiripad, Chief Operating Officer.

I would hand over the call to Harsh Shah for opening remarks. Thanks, and over to you, sir.

**Harsh Shah:** Thank you. Thank you, everyone, for joining the call for this quarter. I will go through the slides of the presentation to give you an update about the business for this quarter, and my colleagues will join for the respective divisions of the conference to share the update, and we'll take the questions and answers in the end.

Starting from Slide 3, our vision is to become the most admired new vehicle in Asia based on focused business model, value accretive growth, predictable distribution and optimal cap structure. As you go to Slide number 4, our AUM has grown this quarter. We are standing at INR32,400 crores of assets, spread across 22 states and UTs with 90 distinct revenue-generating elements across lines, substations, solar power plants and battery and storage projects.

If we move to the next slide, just as a quarterly update about the quarter, Slide number 6. This quarter, we have acquired ReNew Surya Aayan Private Limited, RSAPL, a 300-megawatt solar project and Koppal-Narendra Transmission Limited, a 276 circuit kilometer BOOM ISTS project for a total enterprise value of approximately INR2,108 crores. This acquisition was done in quarter 1 of this year and these both assets are acquired from ReNew, they are the seller. Both these assets will add sizable amount of assets under management as well as EBITDA contribution towards our NDCF.

In a portfolio update, our sponsored entity, EnerGrid has won its first battery energy storage projects with a capacity of 187.5 megawatt / 750-megawatt hour. There is a 4-hour storage cycle. This is one of the first such unique storage with 4-hour battery storage solution. This project was bid out by SJVN using the TBCB mechanism.

IndiGrid plans to acquire this project after it achieves COD in adherence to the regulatory requirement and agreement with EnerGrid. This win signifies the intention of EnerGrid and IndiGrid to meaningfully contribute to energy transition journey of the country and grow the AUM in the process.

On the financial performance, quarter 1 '26 reported a flat revenue as we had one-off generator-related issue on solar thermal assets, which now stands resolved and the asset is generating

revenue, which led to a temporary dip in the solar segment revenue for this quarter, which is also reflected in the EBITDA generation as we go through the next point.

In addition to the one-off generator-related issues on solar, which is now resolved, there was also a one-time investment management fee that was paid on account of the acquisition of the first 2 assets that I spoke about, which has resulted into a reported EBITDA to decline by about 8%.

The IM Fee contribution to this was approximately INR12 crores. However, the majority amount for reducing the EBITDA for the quarter was on account of the solar thermal impact. AUM and net debt to AUM at the end of the quarter stood at INR32,400 crores of AUM and leverage of approximately 61.2%, respectively.

The collection for FY '26 -- quarter 1 FY '26 was 93% for transmission and 111% for solar. One needs to keep in mind quarter-on-quarter movement on this because the quarter 1 was high for both, and therefore, we are seeing some bit of slowdown in transmission, which we feel will catch up in the subsequent quarters.

Our distribution performance remains that we are distributing INR4 a unit, which is 6.7% higher than the same period last year, and this is in line with the guidance that we provided. For operational performance, our weighted average quarterly transmission availability remains at 99.04% and solar CUF at 17.7%, largely on account of one-off breakdown, as I mentioned before.

On the industry update, I would say while the peak demand weakened a little bit, however, the overall consumption story continues to be robust. The overall installed capacity was at 485 gigawatt, and in this quarter, this is the first time, and I'm sure you've heard from many other calls and news that India delivered more than 50% of its overall installed capacity in terms of renewable energy source, almost 5 years ahead of schedule, which has envisaged to reach 50% by 2030.

This also clearly outlines that India's renewable energy vision is a reality, and it's going to continue to grow. This is something which also augments the growth of our sector, which is in transmission and BESS. We are seeing that NEP transmission release outlines over INR9 lakh crores of investment opportunities by 2032, and the same corresponding in battery storage, almost 47 GW of battery storage will be envisaged.

To support the battery storage, Ministry of Power has also approved a VGF scheme for 30 gigawatt hour, which will ensure that there is INR33,000 crores of investment that flows into battery storage. We plan to play a meaningful role in these 2 segments.

Go to the next slide, which is Slide number 8, just to give an idea of the total size of the overall market. We have seen almost INR140,000 crores of bids across transmission and BESS sector. Significant value of this is also on account of HVDC almost a little bit less than half. In general, there is a significant amount of investment we see in both these sectors that we operate in.

Now I would like to introduce Sanil Namboodiripad, who we announced who has joined us in this quarter as Chief Operating Officer. I would invite Sanil to introduce himself and a warm welcome to Sanil who joined IndiGrid and it would be great if Sanil takes you through the portfolio performance for the quarter. Sanil, over to you.

**Sanil Namboodiripad:** Thanks, Harsh. Hi everyone. Happy to be on this call and be part of the IndiGrid team. I started my career with NTPC where I served 18 years at key gas-based projects like Kawas and Dabhol. From there I then worked with private sectors like Reliance Power, Sterlite Power, and Adani Transmission and later on with ONGC Tripura Power. Recently joined -- that is in the end of May, I joined here.

I'm on Slide number 9 now regarding the operational performance of IndiGrid assets. HSE update, we had 0 incidents, whether it is a medical treatment case or first-aid case or the lost time incidents. We are committed to 0 harm.

With respect to the performance, like Harsh said, we had a slight dip in our performance due to a couple of outages. The power transmission weighted average availability based on revenues was 99.04%. This was mainly due to 4 assets, which basically was due to outage of a transformer as well as a reactor and weather-related some incidents which affected the availability of transmission lines.

Solar generation was affected by the outages in generator at Godawari Green Power Project in Rajasthan and also a little bit on reduction on solar irradiation and we achieved a solar CUF of 17.7%. With regards to reliability, we had weather-related incidents this quarter.

**Moderator:** Sanil sir, I'm sorry to interrupt, but you are sounding little muffled, sir. There is disturbance at your place.

**Sanil Namboodiripad:** Yes. Is it okay now? I'm moving to another location. With respect to reliability, we had Trips/Line of 0.41 compared to 0.35 last year. This was again due to early onset of monsoon and bad weather-related incidents. Substation Trips/Element is within control. Our assets are better performing as compared to the industry.

Solar average availability, excluding our RSAPL, which was acquired by the end of June, is 94.1%. The availability impact, like I said earlier, was due to the generator outage event. This event is primarily recoverable under our insurance coverage.

That's all from my side. Over to you, Meghana.

**Meghana Pandit:** Sure. Thanks, Sanil. Moving on to the highlights on the financial performance for quarter 1 FY '26. I'm on Slide number 10. Starting with the reported revenue, which we recorded at INR839.8 crores, which is about 0.6% increase over Q1 of FY '25. The EBITDA recorded was about INR704-odd crores, which is almost an 8% dip compared to Q1 of last year, largely due to the factors already mentioned on the call in terms of the generator event at one of the solar plants.

The NDCF generated during the quarter was recorded at around INR286 crores, again, around a similar dip compared to the same quarter last year. The DPU for the quarter is at INR4 per

quarter per unit, which is about a 6.7% increase over Q1 of FY '25, which was at INR3.75. This is exactly in line with the guidance of INR16 for the year that we have mentioned. The right-hand side graphs talk about the trend over the last 3 years for quarter 1, both on the revenue and EBITDA front.

Coming to the collections and the receivable days. On the transmission asset side, the collections are at about 93%. On a Y-o-Y basis, this is in line with 94%, which we recorded last year. Typically, the first quarter of the fiscal sees a dip and it catches up over the remaining quarters in the year.

Receivable days have seen improvement at about 41 days compared to 51 over last quarter of last year. On the solar side, the collections have been pretty healthy at 111%, compared to 104% on Q1 FY '25. The collection days again were pretty healthy at 47 days, compared to 45 days in Q1 of FY '25.

Moving ahead on the distribution update, as I said, INR4 is the distribution for Q1 FY '26. It is divided amongst 4 components: interest of about INR1.6, dividend of INR0.17, capital repayment of about INR2.14 and other income of about almost INR0.1. The outstanding units as on 30th of June are at about INR83.45 crores, which translates into the gross distribution of about INR334 crores. A record date for the distribution is July 29, and tentative distribution date will be on or before August 5, 2025.

The NAV per unit has seen an improvement between Q1 FY '25 from around INR144 to about INR148. With this, the total distributions per unit are at about INR105, translating into almost INR6,541 crores since the time we got listed. The graph on the right-hand side talks about the annual distribution trend, and we have been consistently providing a CAGR of 6% on the distribution per unit.

Moving ahead on Slide number 12, it talks about the EBITDA to net distributable cash flow waterfall, starting from the EBITDA generated at all the SPVs, which was recorded at INR722-odd crores and all the other adjustments in terms of the finance cost, finance income, the working capital movements and the capex during the quarter, translating into the NDCF at SPV of about INR677 crores.

Considering the expenses and the interest cost at IndiGrid and all the other adjustments in terms of working capital, tax, etcetera, the net distributable cash flow generated for the quarter at IndiGrid at InvIT level is about INR286.2 crores. At INR4, the distribution for the quarter is about INR333.8 crores, which means that we are dipping into the reserves to the extent of about INR47.6 crores, with that, the reserve at the end of the quarter is at about INR550 crores, which translates into more than 1.5 quarters of distribution.

Moving ahead on Slide number 13, this gives a snapshot of the balance sheet. As always, we continue to remain AAA rated by all the 3 rating agencies. Our average cost of debt is about 7.59% as on 30th of June, with almost 84% of borrowings at fixed rate. The net debt to AUM recorded was about 61-odd percent, leaving significant headroom for future acquisitions and growth with a very healthy interest coverage ratio of 1.85.

The cash balance recorded at the end of the quarter was about INR25.88 billion, of which almost INR334 crores is for distribution, almost about INR350-odd crores is tied up in DSRA, about INR700-odd crores was raised in June and was utilized immediately in the first week of July for refinancing of debt, which was coming up. To that extent, that is also recorded in the cash balance.

On the gross borrowing side, which stands at about INR22,200-odd crores, broad mix between NCDs and bank loans is about 63% and 37% and which is fairly diversified across all kinds of lenders from mutual funds, banks, domestic, bit of ECB, insurance companies, retail, HNI having subscribed to the NCDs.

The graph at the bottom of the chart talks about the refinancing schedule. As you can see, it is fairly spread over all the years to ensure that we do not cross more than 10% to 12% of gross borrowing coming up for refinancing in any particular year.

Moving ahead on Slide number 14, we talk about the total returns to the investors on a risk-adjusted basis, which is depicted by beta. That we compare against pure-play debt instruments with 10-year G-Sec bond and 30-year G-Sec bond and also with pure-play equity indices with NSE 500, NSE Infra and the others.

As you can see that on a risk-adjusted basis, IndiGrid has delivered annualized return of about 12% or total returns of 157% since the time we got listed with a Beta of 0.08. We've been consistently outperforming all these indices on debt and equity on a risk-adjusted basis.

Going forward, in terms of the business outlook over the coming quarters, I think our focus continues to be on growing the portfolio and also maintaining stable operations for a predictable distribution. On the greenfield projects, which are under consideration, focus on executing these projects on time and at the same time, proactively participating in other greenfield opportunities through EnerGrid. Similarly, ensure that we deliver on the DPU guidance of INR16 for this particular fiscal.

On the balance sheet strength, again, try to optimize the interest cost and the tenor profile for the upcoming acquisitions and also ensure that we continue to maintain sufficient headroom to enable the organic and inorganic growth. I think asset management continues to be a focus area to ensure that on the transmission side, we continue to sustain and provide availability of 99.5% at least. At the same time, ensure that the CUF levels on the solar portfolio are also consistent.

We have been strengthening self-reliant O&M capabilities by looking at digital and predictive analytics. For example, DigiGrid was one of the initiatives that we took. FY '26, we are trying to implement AI-powered image analyzer to ensure how we are able to strengthen asset monitoring practices. At the same time, ensure we uphold world-class EHS and ESG practices.

Industry stewardship again remains an area for us to focus on in terms of policymaking and policy shaping across the electricity sector as well as across InvITs and REITs going forward and ensuring that these platforms get established as stable platforms for infrastructure returns.

Moving on to Slide number 16. This talks about our DPU profile since the time we got listed and how accretive acquisitions over every year has enabled us to provide increase in the DPU as well as increase or elongate the longevity of the DPU. The different color bars essentially talk about different acquisitions which we have done over the years and which has allowed us to increase the DPU in line with the guidance provided so far.

With that, I will just take a pause and we can start with the Q&A session, please.

- Moderator:** We have our first question from the line of Dheeraj Kripalani from Avendus Spark.
- Dheeraj Kripalani:** I just have one question. What is the capex requirement for the 1 megawatt of BESS capacity?
- Harsh Shah:** Sorry, can you repeat the question? What is the capex required for?
- Dheeraj Kripalani:** For 1 megawatt hour of BESS capacity?
- Harsh Shah:** There is no straightforward answer to it, I'm sorry, because there is -- every BESS project is different. When you design it for 2-hour storage, 4-hour storage with 66 kV evacuation or 220 kV evacuation, 1 cycle or 2 cycle. There are so many variables that it's impossible for me to give you a magic number. Honestly, depending on the location also, these costs change. If you are in a colder region, it's lesser in a hotter region, it's more. There is no generic number that unfortunately, I can share with you.
- Dheeraj Kripalani:** Sir, the next question, any new assets in the pipeline to acquire which the company is looking at?
- Harsh Shah:** No. I mean we have just completed the acquisition of the renewable and transmission assets. We are looking at a few more, but that will be -- I mean, when we reach signing stage, you will know as we'll announce it when we are actually signing.
- Moderator:** The next question is from the line of Deep Vakil from Bandhan AMC.
- Deep Vakil:** Congratulations on a steady quarter and a consistent DPU. Are we expecting 4% to 5% growth in DPU on a Y-o-Y basis as told in the prior earnings call, considering without any asset acquisition?
- Harsh Shah:** I mean if we don't acquire assets, how do we grow, right? We will acquire assets or we'll build assets under EnerGrid to grow. We already acquired INR2,000 crores of assets in this financial year. That's evident. We already won another INR800 crores asset in EnerGrid, so that will come to us. We are seeing a sizable pipeline in the sector and are very comfortable that we will end up acquiring -- we don't need to acquire any quarter-on-quarter basis, right?
- We look at the right value, which is available and go and acquire the project. I mean we have got now a 7-year track record where every year, we have increased DPU. I cannot say that we will continue to do that for next 5 years, but definitely, we are working towards that, right? I can't guarantee, but our attempt is to ensure that we increase DPU every year, and we have been doing that for 7 years.

- Deep Vakil:** Only one follow-up on this. I think in the prior call, you have mentioned that the 16 rupees is sustainable without any asset acquisition. Just in case, if we were not to acquire, I mean, definitely you will acquire.
- Harsh Shah:** Yes. I think if you see a chart which is provided in the investor presentation, till 2031-'32, we do not see any -- I mean, if at all, we don't acquire anything for the next 5, 6 years also, if the DPU will continue.
- Moderator:** The next question is from the line of Dheeraj Kripalani from Avendus Spark.
- Dheeraj Kripalani:** My question is, are you facing any challenges in under construction transmission projects like ROW issues or any other thing?
- Harsh Shah:** See, we are not taking direct exposure to under construction projects right now. Most projects, there is limited ROW, so we don't face that in transmission projects, the ROW is the heart and soul of it. We do face it via EnerGrid because EnerGrid owns the transmission projects, and we only invest one third. But they do face ROW challenges, and -- but the government regulations have moved very much in, I would say, a positive framework because the new regulations have increased the compensation, which ensures that the farmers from whom we are going to buy and get fairly or I would say, sizably compensated for that, and that -- and if at all, we have paid more than the threshold return, we get that as a recovery in change-in-law. There is a sizable amount of comfort that we are developing in right of way. Having said so, it still remains challenging. We still need to fight for it, so it's a process.
- Moderator:** The next question is from the line of Arun Kharbanda from ABDS Capital.
- Arun Kharbanda:** What I wanted to understand was, you have a lower revenue because of the 2 factors, the fees and the solar issue. What is the total value of the 2 combined, which will possibly not be there in the next quarter?
- Harsh Shah:** Yes. I think the fee is -- we have no impact on the revenue. Fee impact is on the EBITDA, not on revenue. I think the fee will be in the range of 50 bps of the acquisition value, which is INRINR2,100 crores, give or take, INR2,200 crores. Approximately INR11 crores to INR13 crores, including GST, something of that sort. That's the impact on EBITDA, which is on the fee, which is about INR12 crores to INR13 crores. The solar revenue generation, I think, Meghana, if you can add, but my guess is approximately INR30-odd crores because of that.
- Meghana Pandit:** Yes, that's correct. It's in that range. INR30 crores, INR31-odd crores is.
- Arun Kharbanda:** It's broadly the similar kind of amount that you've dipped into from the reserves?
- Meghana Pandit:** Yes, about INR46 crores is what we have dipped into the reserves, correct.
- Moderator:** The next question is from the line of Hansal from Lalkar Securities.
- Hansal:** Just a follow-up to the previous question. This loss of EBITDA that has come from the solar asset, obviously, we are covered by insurance for the same, right?

- Meghana Pandit:** Yes.
- Harsh Shah:** Yes, we are covered by insurance, but we are not accounting as an insurance receivable. We have lodged the claim, and we look forward to receiving, but it's a sizable claim, so it takes time. We don't account for as a receivable, but we work to get it and we account it on a cash basis as and when we receive it.
- Hansal:** Congratulations on your first order on EnerGrid.
- Harsh Shah:** Thank you.
- Moderator:** The next question is from the line of Manish Goyal from ThinQwise Wealth Managers LLP.
- Manish Goyal:** I have 2 questions. One on our ability to acquire more assets like on the basis of the debt equity, what we have today, and I believe our leverage is 0.61, if I remember, and we have INR22,000 crores of debt. How much more we can acquire assets without diluting equity?
- Harsh Shah:** We can acquire approximately, if I to theoretical limit, approximately INR6,500 crores of assets to reach to closer to 70% and not raise equity. However, we think that whenever we come closer to 65% on nearby, we feel it's better to raise equity in time instead of really tying it up too fine. To answer your question straightforward, we still can acquire theoretically INR6,500 crores of assets.
- Manish Goyal:** How much -- sorry, I missed that. How much we have already acquired in the current financial year?
- Harsh Shah:** We have about INR2,000 crores, but the INR6,500 crores is prospective after INR2,000 crores. It does not include INR2,000 crores acquisition.
- Manish Goyal:** The second question on the recently, we probably read in newspapers that government has allowed pension funds in terms of -- probably they are allowed to invest more in InvIT. Are you seeing any interest from such pension funds or long-term funds to invest and participate?
- Harsh Shah:** I'm not honestly very sure about the recent change, but there is already a lot of participation from pension funds, insurance companies, global sovereign wealth funds in IndiGrid and in other InvITs. We're confident that's there. I'm not sure if there is any recent increase that we have seen in our participation, but there is already a lot of participation that's happening from pension funds, especially private pension funds, we have been buying for the last 3, 4 years once it was approved, they are very, very active.
- Manish Goyal:** No, what I read probably earlier, the limit was from 2.5%, which has been raised to 5% to invest in REIT and InvIT. That is what I probably...
- Harsh Shah:** Yes. I don't know exact limits that people have reached, but there are limited people who have reached 2.5%, 3% to actually cross.

**Manish Goyal:** Also, related question was on the -- from the side of the SEBI also to probably have a proper characterization of the InvIT and REIT for mutual funds to invest. I think probably such initiatives should also help create more visibility.

**Harsh Shah:** There is already a consultation paper. I'm not sure the timing is finished. SEBI has done a public consultation paper. We industry bodies, and I'm sure many of the investors have written to SEBI about it. They will take a measured considered view as and when they reach a conclusion on that. The consultation paper was out just about a month back, so we are hopeful of the outcome, which you will make a clarification.

**Manish Goyal:** One basic question, sorry for asking this, but like when you -- when we pay out as a capital redemption or capital repayment, so technically, what it implies as unitholders, the face value or maybe the reserves, how does it get accounted? Maybe Meghana can help us.

**Harsh Shah:** My advice is to hire a chartered accountant and ask that question because it is complex. Tax looks at it differently. We can guide you in a high level.

**Manish Goyal:** At the trust level, how does it happen? Because when you pay out and--

**Harsh Shah:** Trust does not have a face value. Trust is a pass-through entity. If trust has invested INR100 down as a loan, if it receives INR100 back, it repays to its unitholders INR100 because it had raised units and invested in subsidiary as a loan. If it receives INR100 back, it will give you INR100 as a capital return. Trust does not have a face value like equity, so trust accounting has no changes whatsoever on account of this.

However, the unitholder of the trust like yourself would need to deduct the amount that the trust have returned from your cost of acquisition. If you bought that unit for INR100, you adjust, right? Largely for tax perspective, there is a lot of clarification issued 2 years ago by CBDT, and that's why I'm referring to a CA because practically, trust books do not change, right, because there is no face value.

**Manish Goyal:** No, I am aware about my end. I was just trying to understand that if during IPO, you have raised X amount and if that money was used to lend to the SPV, then when SPVs are returning it, so I was just trying to understand on the books, how would it -- as a long-term shareholder or unitholder, how would it change?

**Harsh Shah:** We lend the money down. The money came back. We give it back to unitholders or capital return. What we raised at the time of IPO was also not a face value. INR100 was just an issue price. It's not a face value. Here is where it differs slightly from equity.

**Manish Goyal:** Sorry, I missed like what was the issue with the solar thermal power generation, which probably led to lower revenue?

**Harsh Shah:** We had a turbine and the turbine shaft was broken, and that had to be restored from some special materials bringing from Germany. It was a Siemens turbine, so that's what took some time. In the solar thermal, if a turbine is broken, just like a thermal power plant, you get a complete revenue loss, that's all.

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

**Bharanidhar Vijayakumar:** There are 2 more questions.

**Moderator:** We can see now. The next question is from the line of Deep Vakil from Bandhan AMC.

**Deep Vakil:** Only one thing, I think our average cost of debt has reduced to 7.59% from 7.67% in last quarter. Are we expecting further reduction in the cost of funds?

**Harsh Shah:** That depends on how the refinancing takes place. Yes, broadly, the marginal cost of funding has come down lower than our average cost of funding. We do see -- as we refinance more projects or acquire more projects, we do see reduction in overall cost of debt. I can't give specific numbers, but we have given a maturity profile, right? In the next 2, 3 years, if you see, we have around give or take INR6,000 crores to INR7,000 crores coming for refinancing.

Considering where the markets are in terms of debt side, if we -- if markets remain there or improve further, we do see at least INR6,000 crores, INR7,000 crores of facilities, some bit of interest rate gain coming. Now, timing of it, all that depends when you refinance, but we do see that gain coming in eventually.

**Deep Vakil:** Sir, this RBI rate cut impact, I mean, that has majorly happened in our book or some about -- I mean, some part of that is yet to happen because I think we have 63% through NCDs and 37% are through banks, so any sense on that?

**Harsh Shah:** No, see, RBI rate cut and the actual lending markets are not in sync, right? There is -- one is instrument difference and different loans and bonds are negotiated at different terms. Transmission typically happens when we actually refinance those facilities. That's why I said it depends on when we refinance these agreements, we will have -- because a majority of facilities are fixed, so we don't get direct transmission. There are some facilities which are floating where we get, but majority of the facilities are fixed, so we'll have transmission coming in a few years.

**Moderator:** The next question is from the line of Sarvesh Gupta from Maximal Capital.

**Sarvesh Gupta:** Just a few clarifications. This EBITDA drop of around INR60-odd crores, so I think INR30 crores was attributable to turbine and INR10 crores to the investment manager onetime acquisition-related bonus. That is INR40 crores, but we had INR60-odd crores drop, so what is the remaining INR20 crores?

**Harsh Shah:** I mean there are different changes on INR3,000 crores revenue, as you would appreciate. There can be even 0.5% change in irradiation, smaller breakdowns, all those factors come into play.

**Sarvesh Gupta:** This insurance claim, how much is the claim amount and I could not follow because I joined in late. Has the insurance company rejected our claim and we intend to follow-up or file a case against them? Or what is the status?

**Harsh Shah:** No. We have just filed the claim.

**Sarvesh Gupta:** You have just filed the claim. What is the claim amount?

**Harsh Shah:** I don't think we can disclose that because that's not in the numbers, but it is including full revenue loss, plus restoration costs.

**Sarvesh Gupta:** One more doubt that I had, I don't have the presentation in front of me, but I saw that we had similar sort of lower collection efficiency on -- but similar receivable days or lower receivable days. I could not understand what was the reason behind that?

**Harsh Shah:** Sorry, I did not understand the question.

**Sarvesh Gupta:** Y-o-Y, when I looked at the presentation, we had, I think, lower DSOs, but similar collection efficiency, something like that.

**Harsh Shah:** I think the collection percentages, if you look at it and typically in quarter 1, it is lower. Even last year, quarter 1 was 94%. This year, it is 93%. Usually, there is seasonality in quarter 1 is lower, quarter 4 is highest. That's the typical trend that we have seen. Number of days is a balance sheet number.

Depending on number of assets that are added, it can go up or down, so they are not completely correlated. They are informing different things at different point in time. DSO days can be lower and collection percentage can be same because the quarter 4 number was -- collection was very high.

**Sarvesh Gupta:** On the EnerGrid platform, so how much have we invested till date? Given that this -- so this is a huge opportunity, and they would be, in my understanding, developing newer assets. How much more are we going to invest? What is the sort of the thought process around it? Because this money would not be giving us immediate sort of returns, right?

**Harsh Shah:** Yes.

**Sarvesh Gupta:** This is under construction. Is there a thought process to cap us at a certain level given that this is under construction? Or what is the thought process around that?

**Harsh Shah:** Yes. I think the thought process today is to invest around INR850 crores total. We would have invested less than INR100 crores probably in that range or approximately in that range till now. Yes, it does not yield us immediate revenue, but it gives growth for future years, right, in 3 years' time. We balance out that whatever we invest does not impact our current DPU, right? That's the first priority.

That's a formula that gets run that if you are investing, let's say, INR850 crores, there is a cost of investment of INR850 crores in, let's say, INR60 crores a year. Even after servicing that, we should be able to comfortably meet our DPU guidance. That's something which we run internally. That also puts a natural cap. I can't tell you exact number how much can we invest because it's a cycle.

By the time we invest 50% of INR850 crores, maybe we have acquired other assets, right? The size has changed. I'm explaining the principle of how much can we invest. As per regulations, we can invest a sizable amount of money in under construction, but it's a cycle.

I mean, we have today committed INR850 crores and other investors have committed similar number. By the time we actually win new projects, the old projects get commissioned. I don't see a reason why we need to significantly increase this unless obviously, there are far more number of projects we end up winning.

**Sarvesh Gupta:** Finally, are we planning to do fundraising in terms of issuing more units? Because we are nearing like we already are at 61%, if I'm not wrong. What are the thoughts around that?

**Harsh Shah:** I cannot comment on capital raising, honestly. As and when we actually decide we'll come back with the news, but capital raise is a Board's decision. It's a very price-sensitive decision. As and when it is made, anyways, we'll give intimation to market that the Board is meeting for that. Before that, everything is speculation.

**Sarvesh Gupta:** Congratulations on a good performance and all the best.

**Moderator:** The next question is from the line of Harshita from Indra Singh & Sons Private Limited.

**Harshita:** Congratulations on your good results. I would like to ask one question regarding that, are you planning for equity dilution for the upcoming financial year? Is there any plan for equity dilution?

**Harsh Shah:** I just answered, we cannot comment on further capital raises. It's a Board's decision, and as and when it get decided, there will be sufficient notice provided to shareholders. At this point in time, we cannot comment on the subsequent capital, really.

**Moderator:** The next question is from the line of Abhishek Jain, an Individual Investor.

**Abhishek Jain:** I'm a new investor in IndiGrid. First and foremost, I mean, a very generic comment, why can't we have Zoom or Google Meet to something to have a better experience in terms of voice clarity. It would be good if you can take that into account.

Second is, I mean, so given that you are like 8 to 9 years since your IPO were listing, but there has been a very low interest by the investors, I mean, in terms of buying the IndiGrid. What is the reason? I mean, despite you being low beta, whether it should be looked as an equity instrument or a debt instrument, how it should be looked at? Second question is current -- we have got low interest rates. How it would impact your overall performance down the line?

**Harsh Shah:** Actually, 3 questions. I'll start from the last one first. I think I answered earlier, there is the low interest rate environment would help IndiGrid. As we go forward, we do think that as we refinance our loan, our marginal cost of debt is cheaper than our current cost of capital. We would have more savings on interest cost, and as per -- it's an InvIT, which we'll pass it to unitholders. That is one clear advantage that I see. Second is we might become more attractive as an investment avenue versus others because we are, I would say, offering a healthy yield.

Second question on -- I think, why there is less interest, I think it's relative. The way I look at it, there is significant interest or improvement in liquidity numbers that has taken place. In last 8 years since we listed -- when we listed till now, there are a lot of regulatory changes that has taken place. Taking entire 8-year track record may not be appropriate. Like, for example, the single unit trading started just about a couple of years or 3 years ago. A lot of investors were not able to or allowed to invest, including pension funds till a few years ago. Gradually, the regulators have got comfortable and they've opened up for other people to invest.

Having said so, today, again, my numbers may be off, I'll check with Meghana, but we have over 30,000 investors that are investing with IndiGrid. Yes, that number is less in comparison to, let's say, INR12,000 crores market cap, small cap, right, number of 40,000 investors. Maybe in some small cap, that number could have been 1 lakh could be, but we are not in a competition of how many unitholders participate. I can tell you, IndiGrid has remained a stable yield generating and still growing entity.

We would want unitholders who are looking at patient capital, predictable DPU and growth. I think moving from 3,000 investors, which I recollect at the time of IPO to now 40,000 investors is a significant jump. I'm honestly very happy about it. I'm looking at the positive side of it. Yes, the number is 4 lakh, very happy. But one needs to keep things in perspective that this was a new investment avenue that was launched in 2017, '18. It was very new at that time.

To now, and fortunately, I've been associated with InvIT and IndiGrid for entire journey. It's been a phenomenal growth that we have seen of participation of unitholders of various kinds, foreign, domestic, retail, pension, insurance, mutual fund all. Honestly, I'm looking at is a glass half full. Yes, it is not full completely, but there's always a journey. I'm pretty happy with the way it's panned out. To your first question, can we do a Google Meet...

**Abhishek Jain:**

On this question itself, I mean sorry to interrupt you. Because, correct me if I'm wrong. I don't have the liquidity data. I want to invest more, but I'm seeing, I mean, some -- right now, the NAV is like INR150, INR157, and there is a liquidity of some 40,000 units that takes it across to INR60 lakhs, INR70 lakhs per day. I mean, so this is kind of hindering me to invest more given that in my personal capacity also, I can invest more than what is the daily traded volume in terms of INR. If you can answer that question, that would really help.

**Harsh Shah:**

Yes. I would suggest to check volumes on NSE and BSE both for last 1 year. Our average trading volume is INR7 crores to INR8 crores a day. It's not 40,000. I think you will need to do that math looking at wrong portal, sizable number. I'm not saying again that INR7 crores is sufficient. I would love to have INR70 crores, great, but it's not 40,000. I think technically, we'll have to correct it.

Just today's volume, if I look at it, is 13 lakh or 1.3 lakh -- 13 lakhs actually today's volume. I think there is huge improvement in volumes over the last 5 years. I think -- and we have seen volumes of INR50 crores, INR100 crores getting traded in a day if somebody wants to actually buy and sell, but obviously, then the impact on price comes into place, right?

IndiGrid has been a -- we being a stable asset, we think that most of our investors are long term and therefore, have less contrarian views, and that also adds to overall less volumes, right, because you need to have both sides on the table, right? I would say about INR7 crores, INR8 crores of volumes on an average, we are doing reasonably okay as an InvIT. I think if you want to invest 10x more that you mentioned, you can do, it's not 40,000, right? You'll be able to buy.

Your first question, we take the note. I mean we will see what we can do around that, whether it's Zoom or Google Meet, yes, certainly, we can do a video call and make it more engaging. We take that as an input. We'll just work around and see if it is possible.

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

**Sunil:** Congratulations on another steady quarter. After listening to some of the earlier questions, I now feel like I did the best thing by buying all available units during 2018, '19 because at that time, the liquidity was -- I think it was favorable to buyers as pretty much everybody was selling. I thank God for my sense that time. Having said that, my question is on your EnerGrid, like how much bids can EnerGrid win, at any given point of time? What is the maximum contract that it can take?

**Harsh Shah:** On today's capital commitment basis, we can do approximately INR12,000 crores at any one point in time.

**Sunil:** My second question is about -- given that I think both gestation period for all your businesses, whether it's solar or transmission or BESS, all have different ones. You obviously haven't taken any greenfield solar, but you do like transmission and BESS, and I believe transmission -- could you please just give a rough idea of what is the start to finish for standard transmission and a start to finish for BESS because BESS is much shorter. I think your capital commitment would be.

**Harsh Shah:** Yes. I think to answer your question, yes, battery storage typically comes with 12 to 18 months timeline. 18 is standard, and transmission projects come with around 24 to 30 months standard timeline.

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

**Harsh Shah:** Thank you. Thank you, everyone, for joining the call today. I think we are doing our best to ensure that we keep the vision of stable, predictable returns. We do see the outlook for this sector and for this business improving massively because of the amount of investment that's happening in the sector.

We do see a lot of opportunities coming up, plus cost of capital favoring us at this point in time. We do see good times ahead for IndiGrid unitholders. I'm hoping for all of your support and continued support for us to keep growing. Thank you.

**Moderator:** On behalf of Avendus Spark, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.