



**“IndiGrid Infrastructure Trust
Q1 FY27 Earnings Conference Call”
August 13, 2026**



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**MODERATOR: MR. BHARANIDHAR VIJAYKUMAR – SPARK
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Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of IndiGrid Infrastructure Trust. As a reminder, all participant lines will be in 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 touchtone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Bharanidhar Vijaykumar from Spark Institutional Equities Private Limited. Thank you, and over to you, sir.

Bharanidhar Vijaykumar: Yes. Good evening, everyone. Thank you for logging in for this 1Q FY27 earnings call of IndiGrid Infrastructure Trust. From the management, we have Mr. Harsh Shah, Managing Director; and then we have Ms. Meghana Pandit, Chief Financial Officer, followed by Mr. Sanil Namboodiripad, Chief Operating Officer.

Without further ado, I would hand over the call to the management for their opening remarks, post which we'll take the Q&A. Over to you, sir.

Harsh Shah: Hi. Good evening, everyone, and a very warm welcome to our quarter 1 FY27 results call. As we have done before, I'm going to take you through the presentation in the first part, then my colleague, Meghana, and Sanil will take certain sections of the presentation, and we'll address the question answer subsequently.

I'm on Slide number 3. Our vision is to become the most admired yield vehicle in Asia. We focus on a business model with long-term contracts, low operating risk, and stable cash flows.

We strive to do value-accretive growth by doing DPU-accretive acquisitions year-on-year and creating a pipeline for the future. We focus on delivering a quarterly predictable distribution to our unitholders. And while doing all this, we focus on an optimal cap structure.

On Slide 4 is our portfolio as of date, with assets under management of approximately INR34,000 crores. Our presence is across 20 states and 2 union territories across 94 different revenue-generating elements, which include 59 transmission lines spanning 10,000-plus circuit kilometers, 20 substations with a capacity of 34,335 MVA, 1.5 gigawatt peak of solar capacity, and 2.5 giga-watt hour of BESS projects at different stages of construction.

Many of our projects are build, own, and operate. Therefore, there is a physical asset that belongs to us that's captured in steel and aluminum. But beyond that, our average residual contract period for transmission is approximately 26 years for solar, about 18.8 years, and for battery storage, 11.5 years.

On Slide number 6, the highlights for this quarter. This quarter, EnerGrid, where we have partnered with 2 financial investors to develop more projects on transmission and BESS, we received 2 letters of intent, one for the Shongtong transmission scheme awarded through the TBCB mechanism. It's an ISTS project comprising 450 circuit kilometers of lines and 400 to 220 kV 630 MVA substations to be developed. This is in the state of Himachal.

The second project is also in the state of Himachal, where the transmission system for evacuation of power from Sunni Dam and Luhri Stage-1 is awarded through TBCB to us, which comprises about 104 circuit kilometers of transmission lines and about 1,000 MVA of substation capacity.

Both projects put together have approximately cumulative capex of INR5,800 crores. This is something which IndiGrid will acquire as and when the projects are revenue-generating and operational, and add approximately a little over INR6,000 crores of AUM to IndiGrid subsequently.

In terms of the quarterly financial performance, our operational revenue stood at INR930 crores, up approximately 19% year-on-year. The growth is primarily driven by the addition of new projects into the portfolio throughout the year. The revenue growth translated into operational EBITDA growing approximately 23% year-on-year and stood at INR860 crores.

Our EBITDA margin stood at 89.1%. Net debt to AUM ratio remain very low. We are at 58.5% net debt to AUM, which translates into roughly another NR10,000 crores, INR12,000 crores of assets that we can acquire without necessarily raising more capital. Q1'27 collections are at 95% on transmission and 100% for solar. Transmission collections are relatively lower. However, this is a usual trend that we have seen across the last 10 years, where quarter 1 collections are typically lower and then collections pick up in quarter 3 and quarter 4 subsequently. So we see the same trend panning out this year as well.

In terms of distribution, as you know, we increased the distribution to INR16.48 a unit last quarter for the full year this year. In line with that, we are distributing INR4.12 a unit for quarter 1, '27. Our weighted average quarterly transmission availability remains at 99.64%, Solar CUF at 26.5%, and the BESS round-trip efficiency of the portfolio is at 88.4%.

We believe that our strategy is something that allows us to continue to deliver superior total returns and sustainable DPUs and stable operations. On the next slide, I'll take you through the industry update. Our demand as a country and capacity trend, we see are on a continuously increasing trend.

As you can see in quarter 1 FY26 and quarter 1 FY27, there is a 12.5% growth of peak capacity, which is a significant growth by any standards on such a large portfolio. And we do feel that this is still lower than what India could achieve.

And therefore, over the next 10 years, we are certain that these capacities and the growth are going to continue to remain in the energy sector. Some of the signs of that are evident in the developments in the transmission and renewable sector, increasing the earlier 500-gigawatt nonfossil capacity target to 900 gigawatts in the master plan.

These master plans are very essential because they give visibility of the next decade of growth. And for us, this translates into clearly about INR8 lakh crores of outlay in transmission and transformation capacity over the next 10 years. The same goes for storage, where we see 174 gigawatts of capacity being planned for grid balancing.

A second key update on the capital recycling from NMP. Phase 2 target is set at INR16.72 lakh crores, and power sector allocation is about INR2.77 lakh crores for brownfield asset monetization. We do feel that at some point in time, we will get an opportunity to participate in such a monetization process. On the next slide, Slide number 8, I'll take you through some of the key strategic market pillars. So as I described in detail, the scale of opportunity is massive.

India's energy transition continues to drive a multi-decade transmission opportunity, specifically driven by rising renewable integration, grid expansion requirements, and increasing need for evacuation infrastructure across RE projects and storage projects.

The second is the rising need for energy storage; battery energy storage and pumped storage are increasingly emerging as critical enablers for renewable integration and grid stability, peak management as we move towards more and more renewable projects in the grid.

RE ambitions will drive growth, but with challenges; while renewable energy additions remain structurally strong and competitive, I do see near-term execution to face bottlenecks considering the transmission congestion, curtailment, unsigned PPAs and evolving DSM regulations.

However, we feel that these are short-term hiccups and have pretty much no impact on the long-term leg of growth that we are seeing in the sector. And on the NMP side, I already covered that we do see a great opportunity for India to really monetize some of the operating assets and create liquidity for itself.

Following all this, the proof, as we see, is that there is significant activity in the transmission sector. As we speak, there are over INR2 lakh crores of tenders that are out at different stages in the transmission sector.

About INR60,000 crores of RFPs have already been released in transmission. INR1 lakh crores of RFP approved by NCT, and we will see those RFPs getting bid out over the next 12 months or 18 months.

On the battery storage side also, there is a significant amount of pipeline in terms of projects that are announced. We'll see how these projects pan out. I'll invite my colleague, Sanil, to take you through the operating performance for the quarter across our businesses.

Thank you, Sanil, please?

Sanil Namboodiripad:

Thanks, Harsh. Good afternoon. We are on Slide number 10. In the quarter 1, we continued maintaining superior availability and performance. With respect to the safety stats, we had zero medical treatment cases and zero first aid cases, but we had 1 lost time incident, which was a minor accident to one of the persons while dismantling an emergency restoration structure.

With regard to the performance, the solar generation stood at 669 million units, at 26.5% capacity utilization factor. The transmission weighted average availability was 99.64%. The

battery storage projects, KBPL and GBPL, the Kilokari BESS, completed 1 year of operations, and the weighted average availability of both these projects put together was 98.39%, which is much above the 95% requirement as per the contract.

And we also achieved a round trip efficiency weighted average, 88.44% above the contractual requirement of 85%. The reliability statistics: we had trips per line of 0.27, and most of these trips occurred due to lightning, thunderstorm and, stubble burning, and foreign materials.

The substation trips per element were 0.03, which is as per our regular standards. And the solar average availability was around 98.1%. It got pulled down a little bit due to some inverter failures, string failures, and some communication failures in a couple of our solar plants.

If you look at the bar chart on the right side, you can see that all the transmission assets had achieved availability much beyond the normative availability requirements, except Gurgaon GPTL, where we had a failure of the bus reactor. This is covered under insurance.

And coming to the table on the right side, if you compare the quarter of FY26 versus '27, pretty much stable. The number of trips over line had actually reduced. Training man-hours continue at about 10,000. Lost time accident 1, and unsafe conditions reporting remains steady. The nearly reporting also have been steady.

And utility solar generation has improved. This is mainly due to the acquisition of a project last year. And the plant availability has remained steady, or it has slightly improved over the last year. Thank you so much.

May I hand over to Meghana next?

Meghana Pandit:

Thanks, Sanil. Hi. Good evening, everyone. I'm on Slide number 11, where we'll be talking about the Q1 FY27 financial performance. Another quarter of strong performance, with the reported revenue being recorded at INR1,087 crores, which is an increase of about 29%-odd over Q1 of last fiscal.

On the EBITDA side, another around 29% growth, again at INR906 crores over INR704 crores last year at the same time. The right-hand side graphs talk about the operational assets and the service concession accounting contribution breakup, where you can see that the operational revenue and EBITDA have recorded a growth of 18.9% and 23.6%, respectively, over Q1 of FY26.

The collection and receivable days across transmission and solar business units again remained quite robust. Q1, typically for the transmission assets, is slightly lower compared to the fourth quarter because the fourth quarter generally is much higher. So we recorded the collections at around 95% with receivable days at 38 days.

Same thing on the solar side, 100% collections with receivable days at 34. Moving to Slide number 12, which is talking about the DPU update, the distribution update for Q1. In line with

the annual DPU guidance of INR16.48 for FY27, the quarterly DPU approved by the Board stands at INR4.12, the breakup of which is between interest dividend and capital repayment.

Outstanding units remained the same at about INR95.26 crores, with the gross distribution around INR392 crores. The record date for the distribution stands at August 17, and the distribution will be on or before August 24. The NAV per unit stood at around INR146.93 as on June 30, 2026.

The right-hand side talks about our annual distribution trend. We've in line with what we have maintained: 3% to 5% growth in the DPU; the 5.4% CAGR is what we are looking at, assuming INR16.48 of distribution for this fiscal.

Moving to Slide number 13, which talks about the waterfall from EBITDA to NDCF. The EBITDA for the quarter stood at the SPV level was at about INR924 crores, which, after working capital movement, some capex-related movement, and the minor tax impact, the NDCF standing at INR782 crores.

In that, the finance cost was largely at IndiGrid level and minor working capital movements; the NDCF generated during the quarter was at INR370 crores. Distribution for the quarter at INR4.12 stands at INR392, because of which we are dipping into the reserves to the extent of around INR22 crores. But even after that, the NDCF reserve balance will be at INR522 crores, which is almost more than 1.5 quarters of distribution.

Moving to Slide 14, where we are looking at the balance sheet strength. We continue to remain AAA rated by all the 3 rating agencies. Our average cost of debt as on 30th June stands at around 7.4% with a cash balance of about INR1,511 crores.

Out of the total gross borrowing of INR21,100-odd crores, almost 89% of that is fixed-rate borrowing. And the leverage ratio again stands at a very robust number of 58.5%, leaving a reasonably high debt headroom for future acquisitions. The interest coverage ratio again was very healthy at 2.29x. The borrowing again remains very, very diversified between all kinds of investors, banks, corporates, mutual funds, insurance, and so on.

The repayment schedule that you see at the bottom of the chart talks about a fairly well-diversified and termed-out borrowing profile. For this particular fiscal, we are looking at around INR1,900-odd crores of refinancing coming up, which is again lesser than 10% of the overall gross borrowing that we look at.

Slide number 15 talks about the superior risk-adjusted total returns, total returns which consist of distribution, which is 121% for IndiGrid since the time we got listed till now, and the capital appreciation, which is about 77%. Put together, the total return is 198% absolute and about a 13% annualized return, which, when compared to both pure-play debt as well as pure-play equity indices, is much superior considering the beta, which is the element of risk, which is very close to 0.09. So we have again consistently been outperforming on a risk-adjusted basis.

In terms of the business, outlook remains very robust. We continue to focus, in terms of our portfolio strategy, on ensuring that we maintain stable operations and thereby look at predictable and sustainable distribution on the back of the acquisitions that we have been consistently doing.

On the greenfield development side, which is through EnerGrid, we are likely to acquire 3, 4 projects during this fiscal year worth around INR2,000 crores minimum from EnerGrid. And besides that, any other M&A opportunities that may come through.

Besides that, we will continue to participate in greenfield opportunities along with EnerGrid in other power transmission and projects. Similarly, the idea is to ensure we deliver on the DPU guidance of 16.48 for FY27.

On the balance sheet side, our focus continues to be on the refinancing opportunity that we get and the asset acquisition that we finance to ensure that we optimize the interest cost as well as try and elongate the tenure profile as and when this opportunity lends itself.

Similarly, ensuring we maintain prudent leverage with adequate headroom to enable organic and inorganic growth. Resilient asset management is another important pillar for us. We have to ensure we look at sustaining at least 99.5% availability across the operational portfolio of transmission debt put together and equal a robust number on the CUF delivery.

Besides that, try to continuously improve self-reliant O&M capabilities on the back of digital predictive analytics, artificial intelligence, and also ensuring how we can use AI-powered image analyzers and other mechanics to improve the asset health index as well as predictive maintenance.

Similarly, uphold world-class EHS and ESG practices to ensure long-term portfolio sustainability. Industry stewardship, again, is a proactive measure that we have been looking at to participate actively in policy shaping and industry dialogues across IndiGrid, similarly in the electricity sector.

So we continue to do that. With that, we'll take a pause, and we'll move to the question session.

Moderator:

Thank you. We'll now begin the question and answer session. The first question is from the line of Rushabh Shredalal from Pravin Ratilal wealth.

Rushabh Shredalal:

Congratulations on delivering on the higher DPU that you had promised to the unitholders. My question is actually basically twofold, and it's basically on the cash balance that we hold. So I was just doing some math and looking at some of the numbers. So if I look at March '24 till up to September '25, we had an average cash balance of at least INR2,000 crores, and it has been falling continuously.

So from December '25 onwards, we have at least reduced our cash balance by another INR500 crores. And I also did some math around the trailing 12-month NDCF compared to distribution, and we are actually dipping into reserves quite a few times. So can you please explain, like, is there some collection efficiency issue or something happening?

Harsh Shah: Yes. Thank you. First, to answer your question, I don't know whether trailing 12 months is the right measure. We look at a financial year basis. And on a financial year basis, at least we do not feel that we have dipped into reserves to pay DPU. Quarter-on-quarter, there can always be changes.

For example, even this quarter, we have dipped into reserves because typically quarter 1 collections are lower, and that's why we keep a reserve. And in quarter 4, many times we catch up. Sometimes what happens is that in the middle of the quarter, if there is a capital raising, that may have an impact on either DPU or NDCF, or it may have an impact on the cash balances as well. Last year, we did 2 capital raises.

One was a QIP, one was a pref, and therefore, depending on which quarter it was, there may be, I would say, a relatively higher cash balance that might be visible. And they might also have some quarter impact on the NDCF. But from an operating cash flow perspective, we have not seen anything concerning or worrisome in terms of our collections.

On the solar side, we are doing very well. The receivable cycle has come down to 30 to 40 days, which is very good. And on the transmission side, it's been collecting as per the trend of 45 to 50 days. So I think on the collection front, we are not seeing any challenge whatsoever. Obviously, quarter-on-quarter, things can change. We do not have the exact reserve data on a quarterly basis, but we publish it. But for example, we ended the reserve with about INR522 crores.

Yes, exactly, INR522 crores. If you look at it on a quarter-on-quarter basis or even a year-on-year basis, this number has typically remained around 1 to 1.5 quarters' worth of distribution. And that's what we try to maintain. So, simply put, to answer your question, we don't have the analysis that we have done to comment on it, but we have not seen any impact on operating cash flows or the receivables side.

Rushabh Shredalal: And my second question is on the equity raise. So we have done an equity raise just a few quarters back. So is there any other equity raise planned for the next 2 years?

Harsh Shah: That's a very long-term question. I don't know, right? As and when there is an equity raise, we will make an announcement. So that's obviously price-sensitive. But as and when there is, we follow the guidelines and come to market as and when there is a plan for the equity raise. I can say at this point in time, there is none. But 2 years is a very long period of time.

Rushabh Shredalal: But we still have some headroom on the debt to raise funds, right? We are at 58%, and we can go up to 70%. Is my understanding correct?

Harsh Shah: Yes, your understanding is correct.

Rushabh Shredalal: And typically, what I have seen is that we have stopped at around 60%. So is there a plan to remain at around 60% only or will we be comfortable going to, let's say, 65% also?

Harsh Shah: So we can technically go up to 70% as well. As a business strategy, what we have done is that when we reach 65%, we look to do a capital raise to ensure that there is further growth headroom possible and available for us. So it has nothing to do with 60% or 65%. We can go to 70%, but we start looking to raise capital at 65% so that we keep more headroom available for us in the future.

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

Deep Vakil: Congratulations on a good set of numbers. Sir, 2, 3 questions. One, I mean, a fundamental question since IndiGrid usually, I mean, all SPVs follow the old tax regime. So usually, dividend is ideally exempted in such situations for unitholders. And a follow-up on that is that lately, there has been some announcement on tax implications for unitholders that, irrespective of whatever regime the SPV or the InvIT follows, it will be tax-exempt to them.

However, the surcharge is higher in the new tax regime versus the old tax, but effective tax outgo is lower for InvIT. So any market chatter around that? And what are your thoughts on this announcement?

Harsh Shah: I think, see, I don't know about market chatter because every InvIT and every REIT will have a different impact of it. I think it's first, making dividend tax-free from business trust in the hands of unitholders is a very welcoming move. Because eventually, we are struggling with a 2-tier tax structure where investors are paying tax on the dividend component after the InvIT or its subsidiaries have paid tax, so there is an inefficiency, I would say, in the market.

So that's something which I would say is welcome, and people, I would say, it's a positive move. Having said so, adding a 10% surcharge is obviously a bit of a negative surprise. Each InvIT and REIT will have its own impact. We are also evaluating the impact on our capital structure and tax. We do not see any material impact on our cash flows.

To answer your question, most of our assets are in the new tax regime. Only 1 or 2 regulated assets are in the old tax regime. So we don't see ourselves materially impacted. Even in our DPU, if you look at it, the dividend component is relatively small. Obviously, it can evolve over a period of time as the assets become more mature and older. But typically, dividend income is very small.

Out of our INR4.12 or our annual INR16.48, typically, the dividend is less than INR1 that's being paid. So it's not a material change for unitholders of IndiGrid for sure. But different limits in each might have a different eventual impact on that.

Deep Vakil: And sir, one more last question. Sir, I mean, our NAV was around INR146, and it was around INR148 as on March '26, and INR146 crores is after the distributions have been paid. So just trying to understand, sir, I mean, in a couple of last con calls, we have been saying that whatever assets that we own in EnerGrid would eventually flow to IndiGrid, as Meghana ma'am also highlighted that around INR2,000 crores of AUM will get added to IndiGrid AUM by the end of this year.

So sir, any trajectory on the flow, I mean, from EnerGrid to IndiGrid in FY28? And how do we see NAV accretion over time? Do we have some internal thresholds that we try to have a consistent increase in NAV by x percentage or how should investors view that?

Harsh Shah:

Yes. Okay. So there are 2 or 3 different questions. I'll answer the first question on asset flow. As we speak, EnerGrid has approximately INR12,000 crores to INR13,000 crores of projects under construction. Eventually, those projects will come to IndiGrid once they are operational over the next 4 years because some of the projects are 36-month, 40 months time line, so over a period of time.

Out of that, about INR2,000 crores of projects which are closer to commissioning are the projects which Meghana spoke about, which are going to be acquired by IndiGrid this financial year. So that's to answer; that's the way strategy looks. I cannot give you a year-on-year projection because it's a project business. And as and when the projects get commissioned, there are different sets of assets at different commissioning schedules.

But broadly, the total size that we see is INR10,000 crores to INR13,000 crores of assets coming to IndiGrid over the next 2 to 4 years. Out of that, INR2,000 crores of assets are going to come in FY27. So that's the first answer. The second question on NAV accretion: NAV is made up of a variety of components. NAV is made up of current assets valuation volatility in the market, cost of debt in the market, risk-free rate, and the impact of new assets. It is not only new assets that change the NAV.

So, our formula has not changed over the last 10 years. It is the same formula that is getting published, so each investor can do the work. But for us to project NAV is impossible. Because we can't predict the risk-free rate, we can't project volatility, and we can't project the cost of debt.

All of that remains floating. So it is inaccurate. It's unfortunately inaccurate for us to really project NAV. So that's why we do frequent reporting of it. Are all the acquisitions that we are doing from EnerGrid NAV accretive? The answer to that is yes.

So that's something we can how much accretive, what the NAV will be 2 years down the line, is trying to do crystal ball gazing, which we can't do. But I can say that we are acquiring at a NAV-accretive level. So typically, if you compare NAV a quarter before acquisition, quarter after acquisition, NAV would have gone up. I mean, that's the simple answer I would give to that.

Moderator:

The next question is from the line of Mr. Bharanidhar Vijaykumar from Spark Institutional Equities Private Limited.

Bharanidhar Vijaykumar:

So my question is regarding the inorganic opportunities we are talking about growth in the future. Can you highlight the quantum and areas these activities are shaping up for us?

Harsh Shah:

We keep looking at projects in our sector, which is transmission, solar, and battery storage. Size-wise, we can acquire up to INR6,000 crores, INR7,000 crores, or INR8,000 crores of projects as well. But at the moment, I don't think we are at a level where we can announce anything, or we

have signed anything. But yes, these are the 3 main sectors that we look at for assets. And as and when it happens, we come back to market and announce.

Bharanidhar Vijaykumar: So anything in the solar side that we are seeing in the near term?

Harsh Shah: We keep seeing assets, but none of that means that we have signed anything to communicate.

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

Harsh Shah: Okay. Thank you. Thank you all the investors for joining the call and spending your time. Very happy to deliver the results for this quarter and looking forward to connecting with you for next quarter. Thank you.

Moderator: Thank you, sir. On behalf of IndiGrid Infrastructure Trust and Spark Institutional Equities Private Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.