



POWERGRID Infrastructure Investment Trust
(PGInvIT)

Q4 & FY26 Earnings Conference Call

[POWERGRID Unchahar Transmission Limited
(PUTL) – Investment Manager to PGINVIT]

May 19, 2026

MANAGEMENT: **MR. NAVEEN SRIVASTAVA – CHAIRMAN, PUTL**
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MR. AMIT GARG – DIRECTOR, PUTL
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MR. GAURAV MALIK – CFO, PUTL
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MODERATOR: **MS. NIDHI SHAH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to POWERGRID Infrastructure Investment Trust Q4 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nidhi Shah from ICICI Securities. Thank you, and over to you, Ms. Shah.

Nidhi Shah: Thank you, Ranjit. Good morning. On behalf of ICICI Securities, we welcome you all to the Q4 FY '26 Earnings Call of POWERGRID Infrastructure Investment Trust. Today, we have with us from the management, Mr. Naveen Srivastava, Chairman; Mr. Sanjay Sharma, Director; Mr. Amit Garg, Director; Smt. Neela Das, Chief Executive Officer; Mr. Gaurav Malik, Chief Financial Officer; and Mr. Shwetank Kumar, Company Secretary and Compliance Officer.

Without much delay, I'll hand over the call to the management for brief opening remarks, which will be followed by a Q&A session. Thank you, and over to you.

Naveen Srivastava: Thanks, Ms. Nidhi Shah. Good morning, everyone. On behalf of POWERGRID Unchahar Transmission Limited, PUTL, the Investment Manager to PGInvIT, I extend a warm welcome and sincere thanks to all the participants for joining us today. I am joined by Mr. Sanjay Sharma and Mr. Amit Garg, Directors of PUTL; Mrs. Neela Das, CEO; Mr. Gaurav Malik, CFO; Mr. Shwetank Kumar, Company Secretary and Compliance Officer, along with other senior colleagues.

On 15th May 2026, results for quarter and financial year ended March 31, 2026, along with the distribution details for Q4 FY '26 were announced. The results are available on the website of BSE, NSE and PGInvIT. A detailed investor presentation has also been uploaded. I will briefly touch upon the key highlights.

PGInvIT has continued to see a steady investor participation with the number of unitholders increasing from around 15,000 at IPO to over 2.7 lakhs as on March 31, 2026. We truly appreciate the continued trust shown by our investors. For those who are very new to PGInvIT, PGInvIT is an infrastructure investment trust sponsored by Power Grid Corporation of India Limited.

POWERGRID Unchahar Transmission Limited, or we call it PUTL, a 100% subsidiary of POWERGRID acts as an investment manager of PGInvIT, and IDBI Trusteeship Services Limited is the trustee.

POWERGRID is also the project manager of PGINvIT. The trust currently holds 100% equity in all the 5 of its SPVs, namely Vizag Transmission Limited, Kala Amb Transmission Limited, Parli Power Transmission Limited, Warora Transmission Limited, and Jabalpur Power Transmission Limited.

These assets include 11 transmission lines, spanning approximately 3,699 circuit kilometers and 3 substations with a total capacity of 6,630 MVA across 5 states, namely Himachal Pradesh, Andhra Pradesh, Telangana, Madhya Pradesh and Maharashtra. All assets are operational and backed by long-term agreements with an average residual life of over 26 years.

These ISTS assets operate under TBCB framework on a BOOM basis with a contract tenure of 35 years, which provides strong revenue visibility and limits tariff-related risks. Backed by POWERGRID'S expertise, the assets continue to demonstrate reliable performance and operational stability with a high safety standards.

With a fixed tariff model and relatively low leverage, PGINvIT is positioned to generate predictable cash flows while maintaining flexibility to pursue growth through acquisitions. Our objective remains straightforward, that is delivering consistent and stable returns to our unitholders.

Moving to the distribution for Q4 FY '26. On May 15, 2026, a distribution of ₹3 per unit was declared for the quarter ended March 31, 2026. This marks the fourth distribution for FY '25-'26 and the 19th consecutive quarterly distributions since listing. The payout will be made on or before May 27, 2026.

With this, PGINvIT has distributed a cumulative ₹58.50 per unit since IPO at issue price of ₹100 per unit, amounting to more than ₹53.23 billion in total distributions. The total payout for FY '25-'26 stands at ₹12 per unit, in line with the guidance shared earlier.

We intend to maintain this level and target a distribution of ₹12 per unit for FY '26-'27 as well. All distributions continue to be aligned with PGINvIT's distribution policy and SEBI InvIT regulations, which requires at least 90% of the net distributable cash flow to be distributed to unitholders.

Accordingly, distributions are declared and paid at least once every quarter. Let me tell about the highlights for the quarter and the financial year ended March 31, 2026. On the operational front, the project manager has ensured efficient and reliable functioning for all transmission assets, supported by the use of advanced technologies and a strong focus on safety.

The average availability across all SPVs remained above stipulated benchmarks. Based on the provisional data, the average availability for FY '26 exceeded 98% across all SPVs. These figures remain subject to final confirmation pending receipt of monthly availability certificate from certain regional power committee, RPCs, for the period January to March 2026.

Now I'll come to the project under regulated tariff mechanism being -- we executed PPTL involving the implementation of a 400 kV line bay at 765/400 kV Parli new substations for renewable energy interconnections. The project has been completed within the scheduled time, that is on 31st December 2025.

Tariff petition for the same has been filed with CERC. Billing to the beneficiaries will start after the tariff order is being received. I'm also happy and proud to share that no accidents were reported during the entire year, FY 2026, reflecting our consistent emphasis on safety.

Next, on the CSR front, PGInvIT has supported 11 primary health centers, PHCs, community health centers, CHCs, rural hospitals across various states by providing medical equipments. The total CSR expenditure across SPV was around ₹5.87 crores, achieving full compliance with the statutory requirements under the Companies Act for yet another year.

Now I'll come to the financial highlights. For Q4 FY 2025-'26, PGInvIT reported total consolidated income was INR3,200 million. Revenue from operation was ₹3,114 million and other income of ₹86 million. Total consolidated expenses stood at ₹1,131 million. For the financial year '25-'26, total consolidated income was ₹12,966 million, revenue from operations was ₹12,580 million, and other income was ₹386 million. So consolidated expenses stood at ₹3,565 million.

Profit after tax, excluding reversal of impairment for FY '25-'26, is ₹7,902 million compared to ₹6,639 million for the financial year '24-'25. Earnings per share is ₹10.02 for the financial year '25-'26. Total assets is ₹100075 million for financial year '25-'26.

The NDCF, net distributable cash flow, stood at ₹2,761 million for the Q4 FY '26 and ₹10,906 million for the financial year '26. More than 90% of NDCF generated at the SPV level was up-streamed to the trust by March 31, 2026, in line with the regulatory requirements.

The Q4 distribution of [inaudible 0:11:46] exempt a dividend ₹0.09, repayment of capital (SPV debt) ₹0.77, and treasury income of ₹0.02. The distribution exceeds the minimum regulatory requirement, reaffirming our commitment to consistent payout.

As of May 31, 2026, the total outstanding external borrowing stood at ₹10,640 million, which includes ₹5,612 million loan from HDFC Bank raised in March 2022 and ₹5,028 million loan raised in December 2024 for acquisitions. Both loans are floating rate linked to 3 months treasury bill and repo rate, respectively, with an average cost of debt at 6.97% for financial year '26.

With a low net debt to AUM ratio, PGInvIT remains with a flexibility to fund future acquisitions through debt while maintaining financial discipline. The trust continues to hold the highest credit rating of AAA with a stable outlook from ICRA, CRISIL and CARE. Billed trade receivables stood at ₹6,47.28 million, representing approximately 19 days of billing.

Now I'll come to some highlights on the outlook. Our growth strategy continues to focus on acquiring operational power transmission assets aligned with InvIT regulations and unitholder interests.

As we have continuously communicated, at present, the availability of such operational assets remains limited, which continues to be a key constraint. However, the overall sector outlook remains very encouraging. CEA recently published a transmission plan for integration of about 900 gigawatt non-fossil fuel capacity by 2035-'36, which emphasize an additional investment of ₹7.93 lakh crores over next 10 years for integration of renewable power.

The master plan for evacuation of power from hydroelectric plants in Brahmaputra basin as prepared by CEA also emphasized an additional investment of ₹1.91 lakh crores up to 2035 and ₹4.52 lakh crores beyond 2035. The tariff-based competitive bidding has picked up pace and currently, 84 ISTS projects are under implementation, including 41 by private players. As these projects become operational, they are expected to provide a steady pipeline of acquisition opportunities. We are actively tracking these developments to stay prepared for future acquisition opportunities.

In addition, state-level assets monetization presents another potential avenue. If the state choose to monetize operational assets, it could open a new opportunity for PGInvIT. For the same, various state authorities and stakeholders are continuously being contacted and persuaded. With strong financial position, ample debt headroom and a diversified investor base, PGInvIT remains well placed to capitalize on emerging opportunities.

All potential acquisition will continue to undergo rigorous due diligence covering operational, regulatory and governance aspects to ensure they are value accretive and aligned with unitholder interest. Now let me tell you about some guidance. We would like to mention our distribution guidance of ₹12 per unit for financial year '26-'27. Thank you and now I would like to hand over to the moderator for further proceedings.

Moderator: The first question comes from the line of Palash Jain with ICICI Securities. Please go ahead.

Palash Jain: Thank you for the opportunity. Congratulations on a consistent performance. So my first question is that in the last con call as well as in the PPT of this quarter, management mentioned that in-principle approval has been received from POWERGRID's Board for the consortium, right? So has the consortium agreement been finalized? Or have any specific projects been identified or Bid submitted? Just a color on the time lines and specific projects would be helpful. That's my first question.

Naveen Srivastava: Yes, POWERGRID Board has given clearance for the projects with aggregate cost around ₹500 crores. And this was the first step towards that. And now this has already gone for the ministry and for the approval, and it is in the advanced stage. And surely, very shortly, we are going to get the nod and we'll start doing that.

- Palash Jain:** So has there been any pipeline visibility, any color on what the specific projects could be or any bids have been submitted for that?
- Naveen Srivastava:** Of course, primarily for the transmission projects, which is -- I have already in my speech, we have told you that a lot of the projects are going to come for the 900 gigawatt, CEA has also talked about those lines and a lot of projects are coming in TBCB. And surely, we will be interested in those projects.
- Palash Jain:** Okay. That's helpful. My second question is with regards to the state asset monetization plan, which was also mentioned in the last con-call. Is there any near-term visibility of the pipeline or the assets to be monetized?
- Naveen Srivastava:** We are continuously in touch with -- I've already explained to the various authorities, we are putting it if they are ready to give it to us. And not only state authorities, but also for other agencies who are transmission licensees, which are including private licensees, which they want to give it to us. And surely, we'll come out with some good proposals.
- Because you can see that the transmission integration plans, which is very -- you can see that investment of around ₹7.93 lakh crores by CEA or Brahmaputra basin is another INR1.91 lakh crores. So in the next 5 to 10 years, a lot of projects are coming up. So of course, when these becomes operational, people want to monetize it. So we will be there to take up that.
- Moderator:** Next question comes from the line of Dhvanil Raut with Dalal & Broacha Stock Broking Private Limited. Please go ahead.
- Dhvanil Raut:** Yes. Hi. I have 2 questions specifically related to the impact on IRR due to interest rates rising in the current scenario and the rising cost of inflation. So what would that impact be on the projects that are going on right now? That would be my first question.
- Naveen Srivastava:** Rising cost inflation because it's operational assets and POWERGRID is our project manager. Presently, I don't see any much impact on our operational this way. I don't feel any impact on that.
- Dhvanil Raut:** Okay. My second -- I have another question. So like in the industry around what amount of -- like what amount would be expected in the transmission industry by the government in the coming years? As you mentioned, till 2035, there are 2 projects that you mentioned. So can you give maybe a range of number?
- Naveen Srivastava:** I'll come to the first question again. I'll tell you because of these crises, you understand the energy transitions always plays a role. When people will -- the demand will increase, of course, generation will come. So anyway, transmission will come out. The assets will -- and this power industry will have a positive impact on that. So I don't feel any rising cost is having in that way. And what was your second question? Can you repeat it?

- Dhvanil Raut:** How much inflow is the government expecting into the transmission industry as such?
- Naveen Srivastava:** That, I already told you, that you must have seen the transmission plan by CEA. That is giving a very lucrative figure of ₹7.93 lakh crores up to 2035-2036 only in the transmission sector. Secondly, you can see that it is not only having intrastates, also having ISTS. Both are coming up in that way. And a lot of projects are coming under TBCB. As far as I know, I'm not very sure of the figure, but almost ₹1.5 lakhs crores or ₹3 lakhs crores figures are under bidding, which is going to come and they will be operational after 24 or 30 months. These projects will be going to come to us.
- And once the Brahmaputra basin will pick up, that will also bring around ₹2 lakh crores by 2035. So it's very impressive figures, which is coming out, and it will be very good for the transmission sectors. And when the people start making it, when they want new projects and all, of course, surely, they will monetize so that they will get a good equity and they will invest in future projects.
- Moderator:** Next question comes from the line of Nilesh Doshi with Prospero Tree AMC. Please go ahead.
- Nilesh Doshi:** Thanks for the opportunity. Thank you for maintaining the guidance of distribution of ₹12 for FY '27. However, sir, you are repeating in every con-call, you are mentioning that you are searching for the new operational asset and it is not available. But sir, we are now -- PGInvIT is now the 5 years old InvIT and could not find a single operational asset.
- Though the PG, POWERGRID, itself is a sponsor and in this field since last many years and interest rate cycle was also on the lower side. So for the continuity of the InvIT business, the addition of the new asset is must and we are not finding any proper asset. Please share your thought. And still you are mentioning about the 2035, there was some opportunity and you may find a good opportunity. But sir, we are in 2026.
- Our tariff rates are fixed and it is going to reduce. So how we will maintain the future distribution? So I think, as an investor, you must add some or you should find because in the same field, some IndiGrid is finding the best opportunity or adding the new operational asset at regular interval. Please share your thoughts, sir?
- Naveen Srivastava:** Sir, let me tell you that we are well distinct to see that unitholders' interest are being taken care. For that only, we have gone for in- principle approval of consortium with POWERGRID to -- straight way invest in the TBCB projects because we can see these number of projects are coming up. At least we can go 1, 2, 3 projects. If we are quoting it, then we'll get some assets, and our project manager is POWERGRID. So there is no doubt this is the area where we are further moving in that direction.
- And secondly, the assets which are already operational, we are in touch with a lot of agencies, and we'll see that some good results will come out, surely. We have to wait and watch because I cannot take -- we have to see the interest of the unitholders. I cannot go and straight way take

up the assets, which is not very lucrative to us. We have to see, we have to find it out. I have also told in my address that the interest of unitholders is to be seen, and we are going in that direction. I'm making you sure that surely some results will come in.

Nilesh Doshi:

I hope the new asset will be added within a short time. Sir, my last question is that regarding the NAV. Sir, the latest valuation report reflects the NAV of ₹90.79. Last year, it was ₹94.12. And in 2023-'24, it was ₹83.24. So why there is a change is, our all projects at a fixed tariff rate and so the cash flow is more or less fixed. Is it because of the discount rate or anything else, because the cash flow will remain the same.

There was ₹83.24, then it's to ₹94, then now it is ₹90.79. This year, I can understand that because the 1 year has passed, so 1 year less available with the InvIT and less cash flow. But why there was a jump in last year and now it has come down. And what the termination value the valuer is taking because I think we have -- we need not to transfer the asset to the sponsor at the end of the life.

Amit Garg :

So sir, basically, you are very correct when you pointed out that the valuation is primarily fluctuating due to the change in the WACC. Now WACC is a dynamic thing which can fluctuate at any given point in time, keeping into consideration the present situation and what the valuer expects the future to be. So at March '25, I suppose it was 8.95% and then it fell down to 8% due to the cooling off of interest rate. And there was a corresponding increase in the valuation, which you can see.

So that was the part which explains the fluctuation and also the fact that the year cash flow has already been taken out. Having said that, there is one more dynamic because the terminal value also prepones -- gets preponed by 1 more year. And as far as the valuation of terminal value goes, these projects are on the BOOM basis. So the assets remains with the trust. There is no question of transferring it back to the sponsor or to any other agency.

Now how the valuer is working out the terminal value is that in the last year of the transmission service agreement, it is typically of 35 years. So as on the last year, whatever the EBITDA is, it is forecasting it for the eternity and maintains the capex equivalent to the depreciation as on the last year. And in that manner, it is calculating the terminal value.

However, having said that, whatever happens to these assets after 35 years will be the call taken by the system planner. If these assets continue to hold value and continue to serve the grid at large, these projects will be -- the life will be further extended. We will be incurring the corresponding capital expenditure, and there will be corresponding inflow of the revenue. So that is how the transmission sector will be working out.

Moderator:

Next question comes from the line of Navdeep Singh Pundhir with Caelis Ventures. Please go ahead.

Navdeep Singh Pundhir: Good morning, sir. Thank you so much for the guidance for FY '27. Sir, I want to pursue on the same lines as my predecessor. Sir, you mentioned that the foremost interest of unitholders is what the management is aiming for. Sir, but the thing is, unless we add some ongoing projects in the next 1 year, our distribution is more likely to go down. So it's good that we talk about FY '35, etc. But by that time, half of the current management will either retire or go back to the parent.

So we don't want to be left hanging in a situation where the current management promises a lot about FY32, FY35 and the distribution goes down because what my predecessor has asked is correct that we keep repeating these lines that we are open for all opportunities, but we are not finding anything.

How do we not find anything when our competitors are actually finding some opportunities? And also there is a tremendous push by the government to promote InvIT among the retail because we are the people who are putting in real money at work. If my distribution goes down, my capital gets eroded. So what exactly is the current management doing?

Naveen Srivastava: Who told you it is zero, it's not that. Discussion is being held with various stakeholders, and we are addressing the key concerns and all. We are going in the process, I'm telling you. And that's why we have gone for the consortium also. We see that in another area where we can further move in that direction.

We are monetizing. We are continuously pursuing that, so that some people come out for -- unless these figures, transmission plants and all it will not come, this has also become a very added advantage for us because they are selling these much of projects. So they require some money for that. They require equity. So people will come to monetize the assets, and we are continuously in touch with.

And surely, we'll come out with some good figure where we monetize some of the assets. We see that we are continuously in touch, not only with the states, but also some of the private transmission licensees also so that we get some assets in our basket.

And we'll bring those. And surely, this consortium will be effective very shortly once the approval comes from the PM, and we'll surely work in that, and we start investing in that direction also. Your point is very correct that from next to next -- from 2027, there is a little bit dip in because of the depreciation cost. But we are more concerned. We are also concerned equally and to see that some assets add to us. Yes, I agree with you.

Navdeep Singh Pundhir: Sir, just a small follow-up. I'll not take more time. We know that we got the approval with POWERGRID consortium a few months back, a few quarters back. Nothing has moved. Sir, we operate in a public environment where getting an approval for a consortium is one thing, but signing the dotted line is different. It takes a lot of time.

So can you see at least help me if nothing happens, and since we are admitting that there is a likely dip in the distribution beginning next year, what is that number? Because we don't want to be in a situation that you maintain ₹12 for FY '28, but that is being taken out from our capital reserves somewhere.

So what is the more likely number if nothing materialized in this financial year? Because if there was some opportunity at the end, which might have concluded, you must have mentioned it. So let us get a figure if you can kindly provide.

Amit Garg:

So Mr. Navdeep, I mean, the figures are very much available in the valuation report, if you happen to see those. I mean, there is no hiding of the fact that from fiscal '27-'28, there will be a dip in the revenue top line. Approximately how much? 23%, 24%-odd. So maintaining ₹12 will not be possible without addition of the new assets, yes. And for further digging into the number crunching, the valuation report is available in the public domain. So you can have a look at those numbers.

Naveen Srivastava:

And Navdeep, we should -- why we are seeing it will not be done. It is very clear that it is not only government also once that InvIT will be -- it's coming up and consortium is in the advanced stage of approval. I'm telling you, we are pursuing that. Once it's come out from the ministry, immediately, we'll take up this issue, no issue.

If we think in that direction, it will be a negative part of that. I'm sure that these are going to consortium once BOD of POWERGRID has cleared it, and it will come out from the ministry also that -- so that they also want some good competitors in between. That is also there. So they will get a good -- because they have to invest around ₹7.9 lakh crores. If they don't have investors, they will not be there. So it is very clear that in near future, PGInvIT will be in a better position.

Moderator:

Next question comes from the line of Suneel, an Individual Investor.

Suneel:

Hi, good morning. I think the management has done pretty well given that the government's flip-flop on monetizing the POWERGRID assets. But do you see that given current budget situation, given the crisis in the Middle East and probably the government finance is going to get impacted and they may have to sell the POWERGRID -- monetize the POWERGRID to raise more capital if they are planning like INR8 lakh crores of investment. Do you see government changing their illogical like national security issue and allow POWERGRID to sell assets that are already operational?

Naveen Srivastava:

Thank you, Suneel. It's a very tricky question. I cannot say about government, what government is up. But I see the positive part. When the crisis occurred, the people will be shifted towards the energy transition. What happened last day, there was a peak has increased from 256 gigawatts to 258 gigawatts means it is -- and we are expecting the peak will go around 265 gigawatts, 270 gigawatts, means it is keep on increasing.

From the energy transition, people are -- all the authorities are putting up the clear picture, the road shows, which we are telling that INR 7.98 lakh crores in this area as well as from -- it is not including the states, intrastate, the figures, which is also there. Daily, you are seeing that one TBCB projects is coming up.

So there is no doubt, they require equity, and PGInvIT, we see a very bright thing that once they come with a new project, they want to, they surely will come out to monetize their old assets, which is in operations, and we are ready to take them. Really, it is useful to us, and it is useful to the unitholders, so we'll surely go into that direction. So it's a positive direction I can see that.

And we are very telling you that we will not be jumping into deals without ticking the right boxes. This is very clear which is suitable on the basis of the operational history as well as the statutory requirements, keeping in the mind the overall interest of the unitholders.

Suneel: One additional question is that I understand, I mean, with the constraints, especially given that you are part of a PSU and how the process works, but I think the only thing like what the investors need is at least one acquisition from PGInvIT of a private player, private asset. I think that would change a lot of sentiment. Do you see that happening like before any state government monetization one, at least buy -- even if it is a small one, a private distribution asset?

Naveen Srivastava: I cannot declare it right now, but we are in touch with 2 or 3 private owners, and they have shown interest in that. And we are in touch with them. We are under discussion. And if it becomes materialized, we'll surely come with -- and I really agree with your concern.

Yes, only going towards the public sectors [inaudible 0:38:23] private transmission agencies also. And we are working on that. Somewhere we are continuously in touch. And surely, I'm telling you that you will see results in that direction also.

Moderator: Next question comes from the line of Pramod Kumar Gupta with APMG & Associates.

Pramod Kumar Gupta: Good morning sir. My question is that InvIT is distributing more than earnings. So practically, it is eroding and we are talking about new acquisition. So what will be the help that whether InvIT will issue further units or it will be in the shape of term loans?

Amit Garg: No, Mr. Gupta, we are not distributing more than what we are earning. On a cumulative basis, if you see, we have been distributing almost what we are earning. And for the second part of the question, whenever we go with the acquisition or any acquisition, we have ample headroom available for debt raise as per the InvIT regulation, we can go up to the 70% limit for the asset under management that we hold. So it will be a huge debt headroom that we have as of now. So primarily, it will be debt funded whatever the new acquisitions we are going to make.

Naveen Srivastava: We are having certain cash reserves. Approximately around ₹247 crores cash we are having it. I think we were this thing also in your balance sheet and all clearly, it is there.

- Amit Garg:** We have more than ₹400 crores at SPV level and ₹224 crores at the trust level. So there is ample cash. If you subtract the ₹273 crores distribution that was declared by the Board, still we have roughly around ₹167-odd crores of cash available with us. So there is no question that any acquisition will be held up for want of the money. That is out of question.
- Pramod Kumar Gupta:** But, sir NAV is less than unit value, units were issued for...
- Amit Garg:** Your voice is breaking now Mr. Gupta.
- Pramod Kumar Gupta:** I'm just asking the NAV is less than the issue price of unit.
- Amit Garg:** Yes.
- Pramod Kumar Gupta:** So it's my concern that the capital is eroding?
- Amit Garg:** Sir, NAV is a function of market valuation, which is dependent upon the weighted average cost of capital used to discount the cash flows. In a given annuity project, whenever the cash flows keep outflowing from the product, the value is bound to decrease. So your concern is well taken care of. And I think the Chairman sir has elaborated it time and again that the InvIT is looking for the new acquisitions. And hopefully, there will be some good news to be given to the unitholders soon. And the valuation will increase consequent upon the...
- Moderator:** Speaker, We cannot hear you.
- Sanjay Sharma:** Can you hear us?
- Moderator:** Yes.
- Sanjay Sharma:** We have replied.
- Moderator:** Mr. Gupta, are you done with the questions? Since there is no reply from the line of Mr. Gupta, next question comes from the line of Amit Chakravarthy, an individual investor.
- Amit Chakravarthy:** Sir, my question is a little bit different because we always talk about NMP and assets and monetization. My question is now power and renewable power and BESS is kind of integrated. Even the new government contracts also when you are making transmission lines, they are telling to build BESS and capacity and all that.
- So POWERGRID, the corporation, itself is bidding in BESS area. So is there any plan for the Powergrid InvIT to also look into this area because this is going to be future, even if we like it or we don't like it, BESS and renewable energy power is going to be future. So how we can tap in that area?

Naveen Srivastava: Yes. I should not comment from the POWERGRID side. But of course, POWERGRID is moving in that direction that transmission business is their core business. They are working maximum on the transmission assets. You will see TBCB projects they are gaining and all.

And BESS, they are going because recently, there is a regulation from the -- which we should not comment whether how long they are going in that direction. But yes, there's no doubt we are also evaluating the possibility in diversification in this area, no doubt.

Moderator: The last question comes from the line of Bharat Lakshmanan, an individual investor.

Bharat Lakshmanan: Good morning. Just my question is like, if you see when we purchased all these assets, it's for sale of assets. But in due course, they changed to sale of revenue rights. So I think when one like 5 quarters or 6 quarters before, there was a discussion with the POWERGRID. They were not in a position to transfer the assets because of the revenue of rights with 18% GST.

But in all these quarters, we have been saying that there are ₹7.93 lakh crores of transmission lines are going to come. But eventually, Powergrid is not interested to sell anything to PGInvIT because 18% GST is already there, okay, when they do the sale of revenue rights. I want to know why you keep saying this?

And second one, how this is going to be different when you say State power transmission, whether that is also in the sale of revenue rights, whether that also will attract 18% GST? Then there is a mismatch because each of the sponsors saying that, they want to have the interest of their shareholders and PGInvIT says that we want to look into our interest of our shareholders. So there is a mismatch, which I couldn't understand?

Naveen Srivastava: I should not comment on behalf of POWERGRID, but that is clear cut that POWERGRID has clearly expressed their preference toward the securitization over InvIT-based monetization, that is their fundraising strategy.

But it does not mean that others are also having the same way because maybe Powergrid is having a good -- to go in these securitisation, there will be more benefit side, but it's not necessarily the others will be there. Otherwise, others will not be talking to us. So it is not that. And we are further moving in that direction.

Clearly, the roadmap which is shown by CEA or by the Brahmaputra basin and all, it is really a big opportunity for ready investment for the vehicles like PGInvIT to step in, one, by the TBCB project; secondly, by the acquiring the operational assets.

So I want to say that even some of the state utilities also because they will have to bring out infrastructure. I'm telling you they want that some operational assets can be given because new projects can be coming in the TBCB. But the old, which is in operation which is there, equity come out, they will get some equity if they come to PGInvIT. So that is also an area where they will like to give it to us for -- therefore, they are meeting their capital expenditures and fund

requirements. So we are moving in that direction. It's not necessarily that POWERGRID what is doing will be done by – or will be for others also.

So we anticipate that this progress -- of course, it's a multi-stakeholder issues and surely, we are taking it. And whoever will come out, and we'll see that if it is in the interest of the unitholders, we'll take it up.

Sanjay Sharma:

Just to supplement on that. When we are mentioning ₹7.93 lakh crores or whatever, it is not only about POWERGRID, not only about States. Currently, the number of projects which are under construction by the private sector developers is significantly much higher than it was two years back. So that increases your expected acquisition pool going forward. So the more and more the works come up, the pool from which you can actually start discussing and choosing to pick projects, increases.

So that is why every time when our respected analysts and investors, they raise this particular question that why are you mentioning this? We are mentioning this because by this kind of investments, more and more the diversity of project developers also increases and the overall opportunity size also increases for us for a look at acquisitions. Thank you.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Naveen Srivastava:

Thank you. Thank you very much Nidhi, and your team for organizing this call. Thank you, every investor, everyone for their time and participation. We truly value your continued engagement with the PGInvIT and look forward to interact with you in the future call as well. As PGInvIT, we remain committed to deliver consistent, stable and visible returns to all our unitholders. We sincerely appreciate your continuous trust and support. Thank you very much.

Moderator:

Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceeding.