Operator: Ladies and gentlemen, good day and welcome to POWERGRID Infrastructure Investment Trust Q2 FY27 earnings call, hosted by ICICI Securities Limited. 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 this conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar – ICICI Securities: Thank you. Good afternoon. On behalf of ICICI Securities, we welcome you all to the Q2 FY27 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, Mr. K. Nagraj Bhat – Chief Executive Officer, Mr. Gaurav Malik – Chief Financial Officer, and Mr. Shwetank Kumar – Company Secretary and Compliance Officer. Now, I would like to hand over the floor to the management for their opening remarks, after which we will open the floor for Q&A. Thank you, and over to you, sir.

Naveen Srivastava – Chairman: Thank you, Mr. Mohit. Good afternoon, everyone. On behalf of PowerGrid Unchahar Transmission Limited, the investment manager to PGInvIT, I, Naveen Srivastava, Chairman, extend [cut off]

Operator: Sorry, sir, we are not able to hear you. Can you repeat your statement, please?

Naveen Srivastava – Chairman: [pause] Is it clear now?

Operator: Yes, it is audible now, sir.

Naveen Srivastava – Chairman: Thank you, Mr. Mohit. Good afternoon, everyone. On behalf of PowerGrid Unchahar Transmission Limited, the investment manager to PGInvIT, I, Naveen Srivastava, Chairman, extend a warm welcome to each of you. Thank you for taking the time to be with us today. Joining me today are Mr. Sanjay Sharma – Director, Mr. Amit Garg – Director, Mr. K. Nagraj Bhat – CEO, Mr. Gaurav Malik – CFO, and Mr. Shwetank Kumar – Company Secretary, PUTL, and Compliance Officer, PGInvIT, along with some other senior officials of our team.

Let me begin with a few key updates. On November 12, PGInvIT published its financial results for the quarter and half-year ended September 30, 2026, together with the distribution details for the quarter. These have been filed with the BSE and the NSE and are available on our website, along with a detailed presentation for investors and the public at large. I am pleased to report that our unit holder base continues to widen steadily. From around 15,000 unit holders at the time of the IPO, we have crossed 3.2 lakh unit holders as of September 30, 2026. That is a meaningful milestone, and we are grateful for the trust and confidence each of you continues to place in PGInvIT.

About the Trust, for those who have joined us recently, let me briefly speak about the Trust. PGInvIT is an infrastructure investment trust sponsored by Power Grid Corporation of India Limited, a Maharatna CPSE and India's largest power transmission utility. PowerGrid Unchahar Transmission Limited, a wholly owned subsidiary of PowerGrid, serves as the investment manager, and IDBI Trusteeship Services Limited acts as the trustee. The Trust currently holds five SPVs, or special

Report is AI-generated and may contain inaccuracies.

purpose vehicles: Vizag Transmission Limited, Tala-Munger Transmission Limited, Parli-Power Transmission Limited, Warora-Kurnool Transmission Limited, and Jabalpur-Power Transmission Limited, in each of which we own 100% of the equity.

Taken together, these SPVs comprise 11 transmission lines spanning approximately 3,699 circuit kilometers and three substations with a combined transformation capacity of 6,630 MVA. All of these are fully operational, revenue-generating interstate transmission system assets implemented under the tariff-based competitive bidding mechanism on a build, own, operate, and maintain basis. Each of our projects rests on a 35-year transmission service agreement with an average residual life of more than 26 years. That gives us long-term visibility and keeps regulatory risk on the transmission charges to a minimum.

The portfolio has a strong track record in availability, reliability, and safety and also earns an availability-based fixed tariff under the long PSA. The outcome is a high degree of predictability in cash flows, and that predictability, in our view, is the core strength of PGInvIT. With India's largest transmission utility as both our sponsor and our project manager, PGInvIT is well positioned within the sector, and we remain committed to delivering consistent, stable, and predictable returns to our unit holders.

Coming to the distribution for Q2 FY27, on November 12, 2026, PGInvIT declared a distribution of Rs. 3 per unit for the quarter ended September 30, 2026. This is the second payout of fiscal year 2026-27 and the 21st consecutive quarterly distribution since our listing. The distribution for Q2 FY27 was paid on November 23, 2026. With this payout, cumulative distributions since listing stand at Rs. 64.50 per unit.

Management: ...against an IPO of Rs. 100 per unit. This translates into Rs. 58.70 billion in returns to the investors. As indicated on our previous earnings calls, we remain committed to our target of Rs. 12 per unit for the full fiscal year 2027. Our distributions are guided by SEBI InvIT regulations and our internal distribution policy, which requires at least 90% of the net distributable cash flows to be distributed to the unit holders.

Let me turn to the operational performance. With the support of our project manager, our transmission assets continue to run at a high level of efficiency and safety. Based on provisional data, average availability across all SPVs in Q2 FY27 exceeded 99.75%. That reflects operational excellence and also keeps us well placed for the incentive potential. We are currently awaiting the final monthly availability certificate for July to September 26 from the respective regional power committees under the Ministry of Power. Alongside operational efficiency, we continue to place emphasis on environmental, social, and governance considerations across our portfolio. Our focus remains on responsible asset management, workplace safety, environmental compliance, and sound governance practices, in keeping with the sustainability commitments of our sponsor, PowerGrid.

Now let me tell you something about the financial highlights for Q2 FY27. PGInvIT reported total consolidated income of Rs. 3,228 million, of which Rs. 3,144 million came from revenue from operations and Rs. 84 million came from other income, primarily interest on deposits. Total expenses, excluding impairment, were Rs. 1,182 million. For the first half of FY27, total consolidated income was Rs. 6,423 million, out of which Rs. 6,258 million came from operations and Rs. 165

Report is AI-generated and may contain inaccuracies.

million came from other income. Total expenses, excluding impairment, were Rs. 2,364 million. NDCF, or net distributable cash flow, stood at Rs. 2,758 million for Q2 FY27 and Rs. 5,461 million for the first half of FY27. I am pleased to confirm that the distribution comfortably exceeded the mandated 90% threshold, in line with the SEBI regulations and our policy.

On the capital structure front, as of September 30, PGInvIT's outstanding external borrowings stood at approximately Rs. 10,599 million. This comprises a Rs. 5,756 million loan raised from HDFC Bank in March 2022 to partially fund the acquisition, and a further {? 4,843 million ?} in December 2024, again to fund the acquisition. Both are floating-rate loans linked to the three-month T-bill and the repo rate. The applicable interest rates currently stand at 6.79% and 7%, respectively. Our net borrowing ratio is 4.68%, which leaves ample headroom to fund future acquisitions entirely through debt. We continue to maintain the highest credit rating, AAA, with a stable outlook from ICRA, CRISIL, and CARE Ratings. As of September 30, 2026, billed trade receivables were Rs. 724 million, with an average collection period of 21 days.

Let me tell you about our growth strategy and outlook. Looking ahead, our growth strategy remains centered on acquiring operational transmission assets consistent with the InvIT regulations and the interests of our unit holders. PGInvIT's low leverage gives us the flexibility to pursue such acquisitions entirely through debt. We must, however, acknowledge one key challenge. Monetizable assets in the transmission sector remain limited in the near term, which is a risk we have communicated consistently. That said, the outlook for the sector remains promising. Under the Green Energy Corridor Phase III, or GEC-III, scheme recently approved by the Government of India, an investment of around 1.86 lakh crores has been envisaged for strengthening intra-state transmission infrastructure and deploying 50 gigawatt-hours of battery energy storage systems for financial year 2032-33, supporting the integration of 135 gigawatts of renewable energy capacity across states and union territories. The CEA's transmission plan for integration of over 900 gigawatts of non-fossil fuel capacity by 2035-36, released in March 26, estimates an investment of Rs. 7.93 lakh crores across the ISTS and intra-state transmission systems for the integration of additional wind and solar capacity during 2026-27 to 2035-36. The master plan for the evacuation of power from hydroelectric plants in the Brahmaputra basin, released in October 2025, also envisages transmission investment of Rs. 1.91 lakh crores up to 2035 and a further Rs. 4.52 lakh crores beyond 2035.

In time, these investments will become revenue-generating assets once commissioned and after completing one year of operations, creating potential acquisition opportunities for PGInvIT. We are also monitoring state-level monetization initiatives closely. Should states choose to monetize their operational transmission assets, such opportunities could open up, and we will follow the established policy and make our stand. We had earlier informed you of the consortium formed with PowerGrid to bid for TBCB projects up to Rs. 500 crores. Approvals are awaited. Once they are in place, we will evaluate upcoming bids in that range. As shared during the annual meeting of PGInvIT, we are also selectively exploring and evaluating opportunities in other sectors. Every potential acquisition will be put through a rigorous evaluation covering operational track record, regulatory compliance, governance alignment, and, above all, suitability for inclusion in PGInvIT from a unit holder perspective. With strong fundamentals, a clear strategic vision, and a robust pipeline of opportunities, PGInvIT is well equipped to navigate an evolving landscape and deliver sustained long-term value to our stakeholders. Thank you once again for your continued support

Report is AI-generated and may contain inaccuracies.

and confidence in PGInvIT. We look forward to engaging with you further during the question-and-answer session. Thank you.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. [pause] The first question is from the line of Dhwanil Rawat from Dalal & Broacha. Please go ahead.

Dhwanil Rawat – Dalal & Broacha: Hi, sir. Thank you for the opportunity. I have a question particularly regarding government capex [cut off]

Dhwanil Rawat – Dalal & Broacha: So that is going to happen in the transmission sector. When the transmission sector sees such a big boom in capex, Power Grid will benefit from it. So will Power Grid transfer assets to PGInvIT, and have you resolved the tax issues you were facing during the transfer of these assets? What is the outlook that you see for adding new assets to PGInvIT?

Management: [pause] I have already told you that we have a robust investment plan from the Government of India in the transmission sector. The transmission plan, GEC III, has come, and they are going to spend around 7.93 lakh crores for the 900 gigawatts of non-fossil fuel capacity. Similarly, in the Brahmaputra basin, they are going to invest around 1.91 lakh crores in the initial stage and 4.52 in the final stage. Similarly, you will see that the ISTS rolling interim plan has also come up. So there is a clear-cut investment plan. We are seeing that these assets will first be commissioned and, of course, we expect that they will come up for monetization.

We will see that we are already working on other intra-state transmission systems. Power Grid has also expressed a preference for securitization over PGInvIT-based monetization as a fundraising strategy. Accordingly, PGInvIT is evaluating alternatives. We are also looking outside Power Grid. At present, I feel that the pool of transmission assets is somewhat limited. However, the sector may see more assets being commissioned, and after completing one year of operations in the coming year, this will surely increase the pool of assets available for acquisition. I hope I have answered the question.

Dhwanil Rawat – Dalal & Broacha: Yes, sir. Regarding the tax structure, you were facing some issues where Power Grid had to pay a certain tax on the transfer of assets. Have you resolved that with the government?

Management: Actually, that is with Power Grid, and they are handling it, I think. I am not the right person to answer that question, but they must be doing something.

Dhwanil Rawat – Dalal & Broacha: So can we expect any assets to be added this year?

Management: They have clearly shown a preference for InvIT-based monetization as a fundraising strategy with us. They have expressed this in the recent meetings, yes.

Dhwanil Rawat – Dalal & Broacha: Okay, thank you. That is all.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. The next question is from Kaushik Joshi from ICICI Securities Limited. Please go ahead.

Kaushik Joshi – ICICI Securities: Thank you for the opportunity, sir. My question is regarding the state asset monetization plan. Is there any near-term visibility of the pipeline or the assets to be monetized, and from which state, if you can share?

Management: [pause] We are in discussions with various parties. Once it comes up, we will surely tell you. It is at an initial stage, and we are in discussions regarding the intra-state transmission assets held by the states. Last time also, I told you that Power Grid prefers securitization over monetization. So we are looking into that. In my address, I also told you that we will look at some renewable assets to see whether we can enter that area. Our team is also working on a consortium with Power Grid, which is awaiting approval from the Ministry. Once approval comes, we will surely be able to do that. If state-level monetization gains traction, it could unlock a new opportunity for PGInvIT. However, this initiative depends on policy decisions involving multiple layers of approvals and coordination. We are hopeful, although the process may be time-consuming. We remain optimistic and prepared.

Kaushik Joshi – ICICI Securities: Okay, sir, understood. My next question is regarding revenue. In the previous conference call, we discussed that we could see an approximately 23% to 24% decline from FY28. Has this outlook changed, and is there any fresh asset addition? I wanted to know the minimum quantum of assets we need to add to maintain the current distribution of Rs. 12 per unit.

Management: [pause] There is no doubt that there will be a dip because depreciation will further come down after the [inaudible] At present, I can say that we are maintaining the distribution guidance of Rs. 12 per unit. Based on the tariff patterns of the SPVs outlined in the final offer documents, there is visibility of a slight decline, which I already told you, from 27-28. Under the TBCB regime, the tariff for the entire life of the project is fixed year-wise based on the original bid for the asset. With lower tariff-linked income, NDCF will also reduce, which in turn will impact the distribution per unit. To what extent, we cannot comment right now. That is why we are focused on acquiring some assets so that these effects can be minimized. PGInvIT is proactively pursuing suitable acquisition opportunities, which I have already told you, to address these issues.

Kaushik Joshi – ICICI Securities: Right, sir. Okay, sir. Thank you, and best of luck.

Operator: Thank you. The next question is from Tapan Das from Power Tale. Please go ahead.

Tapan Das – Power Tale: Hello, am I audible?

Management: Yes, you are audible.

Operator: You are audible.

Tapan Das – Power Tale: Hello, sir. Thank you very much for this opportunity. First of all, I would like to applaud the efforts of the PGInvIT management in creating value for the unit holders. It was heartening to see the price of the units at 105 this morning, reflecting considerable investor interest in the PGInvIT units. My question is regarding the management's vision and roadmap for the future growth of PGInvIT, and what strategies are being considered to enhance unit holder value.

Report is AI-generated and may contain inaccuracies.

Management: Thank you, Tapan. As I already told you, the roadmap for the transmission sector has already been given by the CEA, the ISTS rolling plan, GEC, and the Brahmaputra basin plan. You can see that a lot of money is being invested in transmission assets, whether in the ISTS or the intra-state transmission sector. We are looking forward to many opportunities for acquiring these assets. Initially, there are some hiccups, which are always present, but now things are progressing. We believe that the sector requires funding. States may need to monetize their assets. We are in discussions with the states regarding the monetization of their assets. Apart from that, we are also working on a consortium with Power Grid, which is awaiting approval. Both boards of directors have approved it, and it is now with the Ministry for approval. If this comes through, we will also start bidding for TBCB projects.

When we discuss these matters with various stakeholders in the key states and facilitate the progress, state-level monetization is gaining traction. However, since it involves multiple factors, we remain hopeful. I want to assure you that whenever we pursue asset acquisitions, as I told you in my address, we will assess whether there is an operational track record, regulatory compliance, and governance alignment. We are proceeding in that direction, and I see a good future for acquiring transmission assets in the near term.

Tapan Das – Power Tale: Thank you, sir, for your detailed reply. This gives us great confidence in the management of PGInvIT, and we hope that the value increases further. Thank you, sir.

Management: Thank you.

Operator: Thank you.

Operator: The next question is from Nilesh Joshi from Prospero 3 AM AMC. Please go ahead.

Nilesh Joshi – Prospero 3 AM AMC: Thanks for the opportunity. Am I audible, sir?

Management: Yes, you are audible.

Nilesh Joshi – Prospero 3 AM AMC: Thank you. Sir, the earlier participant mentioned that from the next financial year, revenue is likely to reduce by 23%. In this connection, I would like to confirm once again whether the 23% reduction in revenue is the correct number. What will be the impact? Although you have said that you are not providing guidance for the distribution amount for the next financial year, is the revenue reduction number correct, sir?

Management: [pause] At present, it is almost correct. It is 22% to 23%, right? The reason we are not providing a roadmap at this stage is that we will surely come out with it later, when we speak to you in the middle of the financial year. We will, of course, provide the distribution guidance at a later stage. I will tell you one thing: based on the tariff pattern of the SPVs outlined in the {? FOD ?}, there is visibility of a decline in revenue starting around 27-28. It may be around 22% to 23%.

Nilesh Joshi – Prospero 3 AM AMC: So is it correct to assume that if we do not acquire any further assets and there is a reduction in revenue, there is a chance of a lower distribution amount? Is that correct, sir?

Report is AI-generated and may contain inaccuracies.

Management: It is a half-filled glass and a half-empty glass. If you see the half-empty glass, we are not acquiring any project and there will be a reduction in income. But when you see the half-filled glass, you will see that when assets come up, there will also be an increase. So you have to consider both aspects; you cannot look at it one-sidedly.

Nilesh Joshi – Prospero 3 AM AMC: Okay. Sir, our IPO was in 2021, and now we are in 2023. Two years have passed, and our sponsor is one of the largest power utility companies, Power Grid. Generally, whenever there is a REIT or InvIT, there are ROFO assets and a strong acquisition pipeline. We could not acquire a single asset, and Power Grid has not divested a single asset in favor of PGInvIT. We have neither acquired assets from Power Grid nor from any other sector. There was no acquisition in the last two years. Can we now expect the management to be proactive and acquire something, or will you convey this message to Power Grid? Without acquiring any assets, we cannot maintain the current distribution.

Management: [pause] That is the point. I already told you that we are in touch with Power Grid; there is no doubt about that. However, they currently prefer securitization over InvIT-based monetization as their fundraising strategy. But it is not necessary for us to consider only Power Grid. We are already in touch with many state-level utilities, and they have also shown interest. I am not declaring anything, but once it takes concrete form, we will come out with an announcement, because it involves a number of regulatory compliances and other matters. It is not necessary for us to consider only Power Grid; we are also looking at other infrastructure. That is why we have also considered acquiring some renewable assets. It is very clear that Power Grid has expressed that it will pursue securitization and not monetization.

Nilesh Joshi – Prospero 3 AM AMC: Okay. My last question is regarding the NAV declared this time, which is Rs. 91.74. I believe the discount rate used was 7.36%, which is lower than the earlier 8%. Why has the discount rate been reduced? Interest rates are currently likely to increase, and our debt component is over Rs. 1,000 crores, with the rest being the equity component. So why has the discount rate been reduced?

Management: Mr. Joshi, to answer your query, as you correctly pointed out, the discount rate is a function of the rate of interest on debt as well as the risk premium on equity. Each valuer has its own set of assumptions and is free to use them while evaluating an asset. This time, since there was a lot of volatility in the international markets, the earlier valuation by the then valuer was carried out using international benchmarks, primarily those of the US, and then incorporating country-specific risks. Since there was too much volatility and the current valuer was not in favor of using global benchmarks, the BSE 200 was used this time as the benchmark for deriving the equity risk premium. As there was less volatility in the Indian markets, the risk premium decreased, and hence the cost of equity decreased. Overall, there was a reduction in the weighted average cost of capital, which resulted in an increase in the NAV. However, I would again like to point out that valuation is a parameter, of course, but it does not affect the cash flows at the SPV or InvIT level. It is a figure to be considered, yes, but it will not impact the cash flows in any manner.

Nilesh Joshi – Prospero 3 AM AMC: Okay, okay, sir. I wish you all the best in acquiring further assets because we are expecting the same distribution rate in the coming year. As a shareholder, I can only request that you acquire some meaningful assets so that we can maintain future distributions

Report is AI-generated and may contain inaccuracies.

at the current level. Thank you, sir.

Operator: Thank you. Before we take the next question, a reminder to everyone: to ask a question, please press star and one. We will take the next question from Vipal Kumar Shah from Subhangal Investments. Please go ahead.

Vipal Kumar Shah – Subhangal Investments: Hi, thanks for the opportunity. My question also relates to the acquisition of assets. Considering our current balance sheet, what means do we have, and up to what limit can we acquire assets in terms of rupees and crores?

Management: I do not think there is any limit, Mr. Shah. As per the InvIT regulations, it has to be 70%; we can invest in the [trails off] So maybe about 15,000–16,000 odd crores can be raised from the debt market to acquire assets without any unit dilution. This is the rough number that we have.

Vipal Kumar Shah – Subhangal Investments: Then why are we waiting for approval for this joint venture with Power Grid? Why are we not building on our own? We are facing a very steep decline next year in revenue, which will lead to an almost corresponding decrease in DPU. These questions have been asked for years, but management is not taking any proactive action...

Management: [cut off] [off-mic discussion] He is talking about construction... basically talking about bidding independently. [pause] Mr. Shah, are you talking about bidding independently through the TBCB route, without Power Grid?

Vipal Kumar Shah – Subhangal Investments: Yes. You should bid independently as well, and if that approval is not coming for whatever reasons, we must take some proactive action, no?

Management: Mr. Shah, Mr. Shah, there are certain requirements as far as TBCB bidding goes. It says that in the last five years, you need to have constructed infrastructure assets worth a certain number of crores. Unfortunately, PGInvIT does not have that kind of experience, which is why it is necessary to take the support of Power Grid. We have the financial capability, of course, but not the technical qualification, for which we require Power Grid's support. All our SPVs are more than five years old, so they do not meet the required time criterion as of now.

Vipal Kumar Shah – Subhangal Investments: Okay. Okay, thank you, sir.

Management: Thanks.

Operator: Thank you. Ladies and gentlemen, to ensure that the management is able to address questions from all participants in the conference, kindly limit your questions to two per participant. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Piyush Kumar, an individual investor. Please go ahead.

Piyush Kumar – Individual Investor: Thanks for the opportunity. It is particularly encouraging to note the effort being undertaken by the management to explore various growth opportunities, including the proposed consortium with Power Grid. It is also reassuring that PGInvIT has continued to maintain its distribution guidance of Rs. 12 per unit for FY26–27, reflecting confidence in the financial management. I would like the management to provide an update on the progress of the proposed consortium with Power Grid, and by when the management expects the consortium to

Report is AI-generated and may contain inaccuracies.

become operational.

Management: I will address the last question as well as your question. In accordance with the InvIT regulations, we are permitted to invest up to 10% of the value of the InvIT's assets, which currently stands at around Rs. 873 crores. That is why we have gone for 700 crores in this matter. We cannot pursue a large project as of now, as was discussed last time. Regarding the status, we have to obtain approval from the statutory bodies. We have approached the Ministry of Power. We are the lead manager, Power Grid will be the lead partner, and PGInvIT alone cannot qualify. We have already written a letter to the Ministry of Power to take it up with DIPAM, the Department of Investment and Public Asset Management. At present, the proposal is with the Ministry, and it is taking it up with DIPAM for approval. We are expecting [hesitates] I cannot commit to any period for that, but it should come through shortly.

Piyush Kumar – Individual Investor: Okay, sir. Thank you.

Operator: Thank you. The next question is from Vaishnavi Polla from Wealth First. Please go ahead.

Vaishnavi Polla – Wealth First: Hello, thank you, sir. Thank you for the opportunity. I wanted to ask regarding the further acquisitions you are considering, whether renewable assets or state utilities. How will the acquisition be structured in terms of debt and equity composition, if that has already been planned? I want to understand the direction of the WACC.

Management: It will be—majorly, it will be on debt. Majorly, it will be on debt. I am not stating any percentage for that, but primarily it will be on debt.

Management: Vaishnavi, just to supplement what the Chairman is referring to, we have ample headroom available with us. Simple economics suggests that if the cost of debt is lower than the cost of equity and we have ample headroom, we will use debt to the extent possible.

Vaishnavi Polla – Wealth First: Right. Okay. That is all. Thank you.

Operator: Thank you. The next question is from Garv Goyal from Kotak Private. Please go ahead.

Garv Goyal – Kotak Private: Thank you for the opportunity. My question is a follow-up on the earlier question asked by one of the participants. In terms of valuation, we see that the market risk premium used to value these assets is around 4.32%, compared with the industry practice and what most other InvITs in the market have taken, which is 7%. You have already answered that this time the valuer used more of an Indian context to arrive at this number. Would my understanding be correct that if I benchmark it to the 7% figure, which is more than a 2% to 2.5% difference, the NAV would essentially come down steeply? Can you please comment on that?

Management: Yes, obviously. It is a no-brainer. The higher the WACC, the lower the valuation will be. So if the WACC is increased, say, from 7.36% to 8%, there will be a corresponding reduction in the NAV. Just to provide a benchmark, for the last year ended 26, the WACC was 8%, and hence you see the difference in the valuation. Similarly, we will again be in that range. The valuation increased from 8,671 odd to 8,732. The primary reason was this reduction in WACC. Obviously, there will also be six months of cash flows that will be removed from the valuation. So there will be an impact from that as well. It will be lower than the 8,671.7 or something that was there at the

Report is AI-generated and may contain inaccuracies.

March ending period in 26.

Management: This is also given in the valuation report.

Garv Goyal – Kotak Private: Right. Okay. Thank you, sir.

Operator: Thank you, sir. We will take the next question from Jigar Shah from Financial Research. Please go ahead.

Jigar Shah – Financial Research: Thank you for giving me the opportunity. Am I audible?

Operator: I am sorry to interrupt you, Jigar. We are not able to hear you. Can you please use handset mode once? Jigar, can you hear us?

Jigar Shah – Financial Research: Am I audible?

Operator: We are still not able to hear you properly. It is muffled. If you are using an external device to speak, please disconnect it and try using handset mode.

Jigar Shah – Financial Research: Am I audible now?

Operator: Please go ahead.

Jigar Shah – Financial Research: Thank you for taking my question, sir. I am new to this company, and I wanted to understand why revenue will decline by 23% next year. Can you please explain?

Management: Let me explain it this way. These are projects which are basically... When depreciation goes down, you will see that... Based on the tariff pattern of the SPVs outlined in the Final Offer Document, there is clear visibility of a decline in revenue starting from 27-28. What happened is that under TBCB projects, the tariff for the entire life of the project is fixed year-wise based on the original bid for the asset. So, with lower tariff-linked income, NDCF will also reduce, which in turn will impact the distribution per unit.

Jigar Shah – Financial Research: So the tariff progressively reduces every year from FY28?

Management: Yes. It decreases every year; initially, we put it that way and...

Management: Mr. Shah, it works like this: under the TBCB regime, which operated from 2012 until 2021, every bidder was free to quote a year-wise tariff, and the bidder with the lowest NPV was awarded the project. The tariff could be front-loaded, back-loaded, or evenly distributed. These five assets held by PGInvIT currently have a predefined tariff for each year. It so happens that in financial year 27-28, the tariff is declining by approximately 23%. This is a fact that remains as it is. It cannot be changed. It is determined and adopted by the regulator according to the bidding pattern and the actual bid we submitted.

Jigar Shah – Financial Research: Right, sir. If you could just tell me, how will the reduction in revenue look in FY29, FY30, and FY31, sir?

Report is AI-generated and may contain inaccuracies.

Management: Mr. Jigar, since you are new to the company, I would request you to go through the IPO document, which is available on our website. In that document, we have provided the entire 35-year tariff profile, year by year. Normally, there is stable revenue for the first six or seven years; after that, there can be a slight dip in revenue, and then revenue is largely stable over the remaining life of the asset. That data is also available in the valuation report.

Management: Yes, it is also available in the valuation report, and since you are new, I would suggest that you also please...

Operator: Hello?

Management: [line issue] Can you hear us? Is it audible?

Jigar Shah – Financial Research: No, the last part was cut off, sir.

Management: We were just repeating that you can either refer to the latest valuation report, which is also available on the company's website, or visit the company's IPO document, the InvIT IPO document, which is available on the company's website. Under the business section, you will find the entire 35-year tariff revenue structure.

Jigar Shah – Financial Research: Thank you so much.

Operator: Thank you.

Jigar Shah – Financial Research: Thank you for the opportunity. In addition to the earlier participant's question, you mentioned that we should go through the IPO document or the valuation report to understand the further reduction in revenue. Since revenue is declining by 23% next year, we will go through those documents. However, is it possible for the management to inform us when the next reduction will occur? If there is a 23% reduction in FY28, will there be a gradual reduction every year, or will there be another reduction after five or six years? You said there would be stability of income during the initial six or seven years, and now there is a dip. Will it remain stable for the next five or six years and then have another steep dip of 23%, or will it gradually decline?

Management: You can go through those documents, but as far as I know, there will be one dip here, and after that there will be a very marginal dip. You could say there will not be any significant dip after that. It will not even be 1% year-on-year after that. Less than 1%.

Jigar Shah – Financial Research: Okay, thank you, sir. That clears my doubt. Thank you, sir.

Operator: Thank you. Ladies and gentlemen, a reminder to all participants: if you wish to ask a question, please press star and one.

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

Management: [pause] Thank you very much, Mr. Mohit and your team. My sincere thanks to all the participants for joining today's earnings call. We truly value the continued engagement with PowerGrid. Your participation and insightful analysis reinforce our commitment to transparent and meaningful communication with the investor community. Let me tell you that at PGInvIT, our vision

Report is AI-generated and may contain inaccuracies.

is to build a focused and resilient business model, anchored in operational excellence, growing through value-accretive acquisitions, and supported by an optimal capital structure. Together, these pillars are designed to deliver consistent, stable, and visible returns to our unit holders. Again, thank you all for your time and support. We look forward to your continued confidence in PGInvIT. Thank you very much.

Operator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.