



“India Grid Trust Q1 FY-20 Earnings Conference Call”

July 30, 2019



MANAGEMENT: MR. HARSH SHAH – CEO, INDIA GRID TRUST
MODERATOR: MR. SWARNIM MAHESHWARI – EDELWEISS
SECURITIES LIMITED

Moderator: Ladies and gentlemen good day and welcome to India Grid Trust Q1 FY20 Earnings Conference Call hosted by Edelweiss Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note this conference is being recorded. I now hand the conference over to Mr. Swarnim Maheshwari of Edelweiss Securities Limited. Thank you and over to you sir.

Swarnim Maheshwari: Thanks Vikram. Good evening everyone and welcome to the India Grid Trust Q1 FY20 earnings conference call. We have with us Mr. Harsh Shah – CEO of India Grid Trust representing the management on the call. I request Mr. Harsh Shah to open the call with his opening remarks and then we will have the Q&A session. Thank you and over to you Sir.

Harsh Shah: Thank you Swarnim. Thanks a lot for hosting this call and thanks to all the people who have joined the call. This happens to be our ninth quarter since listing. I would like to take you all through the presentation slides and then proceed to the question and answer session.

I’m on Slide #5 which talks about what IndiGrid stands for - it is India’s only power transmission yield platform. We have a portfolio of Rs. 10,667 crores of AUM today across 18 lines and 4 sub-stations in 11 states. This consists of 4,900 circuit km and 7,735 MVA of transformation capacity. This also includes the recent acquisitions of NRSS as well as OGPTL shown in the chart on the right. Our rating is reaffirmed by rating agencies as AAA and we own these assets for perpetuity and our residual life of the contract across all assets is about 33 years.

On Slide #6 we are talking about our vision and how we plan to achieve it. Our vision is to become the most admired yield vehicle in Asia. We believe that we have a very saleable story around that, as long as we focus on the strong fundamentals of transparency, governance and provide superior risk-adjusted returns to our unit holders. We also have specific goals- of reaching to about Rs. 30,000 crores of AUM by 2022 and provide predictable DPU, and grow that DPU and at the same time follow the best in class corporate governance practices. So, that is the overview for IndiGrid and the vision that we stand by.

Slide #7, which was shared in our earlier investor presentation, shows our corporate structure and how that is changing. Now we have three intermediate holding companies called SGL 1, 2 and 3 and they have 100% economic interest in all the assets that we own. As we disclosed during the last investor call, KKR is an anchor investor who has joined our register and owns 22% at IndiGrid. KKR will also bought a substantial stake in the investment manager entity. At the moment they own 20% and

they will be acquiring another 40% in the first week of August, which would take their stake to 60% of the investment manager.

Now coming to Quarter 1 FY20 performance; we have grown our EBITDA 26% quarter-on-quarter and this increased on the back of the recent acquisitions. However, these acquisitions were mid-quarter acquisitions and therefore the full impact of this acquisition is not reflected in this EBITDA. We will see that reflecting in Quarter 2 and Quarter 3 subsequently. The AUM of the assets which we acquired is Rs. 5447 crores for NRSS & OGPTL. We are still below 49% debt to AUM. SEBI allows us to increase our leverage and our investors have voted positive for increasing the leverage for good acquisition opportunities. That reflects a substantial amount of headroom to grow via acquisitions financed by debt, without any dilution, which will be very accretive.

Our availability is greater than 99.5%, which we have consistently maintained over last 9 quarters and we continue to do so. We have decided to distribute Rs. 3 DPU, out of that Rs. 2.88 as interest and Rs. 0.12 as capital repayment. The Rs. 0.12 repayment is on account of two factors, one is that there was a dilution mid-quarter. We raised Rs. 2500 crores mid-quarter and we acquired the corresponding assets in the later part of this quarter. This means that the entire quarter has not resulted in the diluted share basis and therefore we may have to do some capital repayment.

Slide #10 talks about our availability from COD till full year FY19 and availability for this quarter. We have maintained a consistent track record of superior availability in general. We had a force majeure event in JTCL unit in Q1 FY20, where we have a deemed availability.

On Slide #11; coming to the financial performance of IndiGrid. Quarter 1 FY20 revenue stands at Rs. 206 crores, EBITDA stands at Rs. 189 crores and DPU is Rs. 3, as per our guidance. In this EBITDA, as I mentioned earlier, the contribution from new assets is only for one month for NRSS and three days for OGPTL. So, it's a very little contribution of the acquisition that we have recently made. Quarter-on-quarter basis, we have grown our EBITDA by 29%. As you can see on the chart on the right, this is our sixth quarter of maintaining a Rs. 3 DPU and we have given a forecast of being able to distribute INR 12 for this fiscal as well.

Till date, we have distributed Rs. 24.56 a unit since listing, aggregating to about Rs. 785 crores. The run rate at which we have distributed is Rs. 175 crores per quarter considering the wider shareholder base now and that would mean that about 700 crores of distribution for this financial year.

Slide #12 shows the reconciliation of how we have earned our NDCF and what our distribution is. We earned Rs. 189.4 crores of EBITDA, we spent about Rs. 16.7 crores

on the interest at the SPV level, and about Rs. 4 crores of the external principle has been repaid. We have Rs. 10 crores of improvement in working capital, leading to a cash inflow, which adds to our NDCF at the SPV. It translates into Rs. 179 crores of NDCF at the SPV. SPVs have repaid the principle of Rs. 7 crores to IndiGrid and IndiGrid has Rs. 33.2 crores of interest for the loan that it carries and Rs. 5 crores of tax expenditure. We are using Rs. 27 crores of cash reserves to meet our guidance of Rs. 3 per unit distribution, which amounts to Rs. 175 crores. The reason for using cash reserves this quarter is that we have a wider shareholder base now and we completed acquisitions that have only contributed for only about a month. In subsequent quarters we may not have to use reserves for distribution.

Slide #13 represents our repayment profile on average maturity. Our cost of debt has gone up versus the last quarter, which is representative of a higher cost of capital in the market in the recent times due to the prevalent liquidity issues in the market etc. Having said so we still enjoy cheaper cost of debt in the market, and we have factored in this higher cost of debt while acquiring the assets and therefore the spread impact on us is neutral. Weighted average maturity of debt is 6 years for our portfolio and as of now we don't see any refinancing in the near future. This ensures that volatility on account of rate change may not affect us till FY23, when we will see the first round of refinancing take place.

On Slide #14 which we have showcased from the beginning on every call; very happy to say that the entire plan what we shared during our IPO is panning out. As evident on slide 14, our beta remains at 0.12 which is substantially lower than the market. We have delivered superior returns with low volatility, that we will talk about in the subsequent slides. The slide talks about the low volatility as promised and consistently maintained in our performance.

Slide #15 shows how we have fared in terms of total return. On a total return basis, today we are at 11.3% and this captures Rs. 21.6 of distribution. This does not capture a Rs. 3 of distribution we are about to make now for Q1 FY20. In comparison to the relative indices we almost at par and with respect to the infrastructure indices we are substantially better off, while maintaining the beta of 0.12. This is an indicator of superior risk adjusted return that we have delivered through the distribution.

Slide #16 is a new slide, which we believe would be interesting for investors to have a look at and to have a perspective of how yield platforms across the world create value, what kind of platforms exist and how they are rated. It captures platforms across 5 geographies, largely in transmission, renewable energy, other infrastructure and telecom assets and many of them range from different kind of floats. As you can see in IndiGrid in terms of market cap is pretty much reaching the global market caps in terms of growth today. Today we are about mid-way, but as we acquire more assets

and achieve our vision of Rs. 30,000 crores in AUM, we will be in the same leagues of the successful global yield platforms. In terms of rating, IndiGrid is rated AAA in India, which globally would be BBB-. Having said so that is not a comparable truly because this is a platform rating. In comparison, if you look at it the global ratings vary based on country, based on the asset class etc. and that also has an impact on the current yield at which they are trading and at the spread they are trading in their respective countries. So, on an average spread if you look at across the countries, the stable yield platforms on an average trade between 2% to 4% of cash yield spread to their local government securities, whereas in the Indian scenario, the average spread that Indigrid is offering is substantially higher. This is also representative of the fact that the Indian market for these platforms has not matured yet. But we do see good hope there will be a substantial amount of new investors making InvITs a platform of their choice to invest. Therefore, over a period of time once the liquidity improves and new platforms come in, performance track record increase, more investors participate in InvITs; we believe there may be a reduction in spreads.

Coming to Slide #18, we have a very strong asset pipeline from our sponsor. We have converted a substantial amount of our sponsor's assets from a right of first offer to framework agreement. This includes KTL, GPTL and NER assets, which allows us to reach a size of about Rs. 17,000 crores in AUM. We also have an asset called ENICL for which we have a right of first offer. Adding that we can go up to about Rs. 18,500 crores. There are other assets that are under construction, as well as recently won by the sponsor, which may result in a good pipeline visibility for IndiGrid. Beyond the sponsor assets there exists a large third-party landscape as well which we are evaluating for yield accretive transaction.

Beyond the recent pipeline on Slide #19 we can see the other big opportunities that exist in the transmission sector. As and when they are bid out we believe that they will become a good pipeline for IndiGrid.

I would like to just take a pause and just conclude my side of the run of the quarter of what we have achieved and what we see in the subsequent quarters. I would like to address questions and leave more time for questions, so Swarnim please go ahead and open for questions.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin the question and answer session. We have the first question from the line of Karthikeya VK from Suyash Advisors.

Karthikeya VK: I referred to Slide #13 where you have given your debt repayment schedule. Can you take us through your debt repayment strategy? To what extent would you raise fresh equity again in case new assets have to be acquired, can you combine the two and answer that?

- Harsh Shah:** As I understand there are two questions in it, one is what the strategy in terms of debt refinancing is.
- Karthikeya VK:** I though this is repayment, but I am sorry to intervene.
- Harsh Shah:** No, these are not repayments per se, these are going to be refinancing. So, our strategy in this case is that when we assess our ability to raise debt we assume that if there are 33 years of contract life left, we should be able to repay the entire loan by 30th year. leaving the tail aside with sensitivities and the exact analysis is also performed by rating agencies. But our core strategy remains to go for a long-dated security and use refinancing to have more efficient borrowing. We also amortize part of the debt, but the base strategy remains to be refinancing and going for a longer date. Coming to your next question about when do we need to raise equity for next acquisition, even at Rs. 17,500 crores we will be at 67% leverage. So, we have ability to grow beyond Rs. 18,000 crores without breaching the regulatory cap. We always keep a headroom available for us to acquire projects as and when they are available. So, capital raising is largely dependent on the markets as well as how much growth we see.
- Karthikeya VK:** Did you say you are at 67% leverage now; I'm confused?
- Harsh Shah:** No, we are at 49% of leverage now. Even if we acquire assets up to Rs. 17,500 crores we will still be at 67%, so we have a substantial headroom available to acquire and therefore only if we look at assets beyond those in our plan which are large in size we may look to acquire through equity raise but that will be linked to the acquisition.
- Karthikeya VK:** Can you tell us the EBITDA numbers on the assets acquired recently on a full-year basis?
- Harsh Shah:** Approximately we would have about around Rs. 600 crores of annualized EBITDA coming in from these assets. For exact numbers I will urge you to read the valuation report.
- Karthikeya VK:** Is the tariff a straight tariff or is it a tapering tariff?
- Harsh Shah:** It is a tapering tariff. The entire curve of the tapering tariff is available in the valuation report.
- Karthikeya VK:** The current NAV of the platform?
- Harsh Shah:** We don't give NAV of a particular asset. We give NAV of a platform.
- Harsh Shah:** It is Rs. 96 as of March 2019. We publish it half yearly as per SEBI regulations and updated NAV will be published in September 2019.
- Moderator:** We have next question from the line of Anand Vyas from Bajaj Holdings.
- Anand Vyas:** During the quarter in the P&L there was a headline impairment of assets I think close to 48 crores odd if I'm not wrong.

- Harsh Shah:** Correct.
- Anand Vyas:** So, what was the reason for that?
- Harsh Shah:** We do fair market valuation of our assets and it changes based on the interest rate scenario, beta, cash flows, practically all 3-4 items. During IPO in one of the assets called BDTCL, there was a tariff increase petition which BDTCL has filed for and when IndiGrid acquired this asset, it acquired without considering this tariff. However at an asset value level this tariff gets added while we calculate their market value, corresponding to that there was also liability to pay to Sterlite Power because this loss was assumed by the seller because IndiGrid did not pay the value for it. In this quarter the first outcome of that order came out in which CERC rejected that tariff order and therefore we reduced the fair market value of the asset to that extent of the impact. Having said so, this does not have impact on our business, because we never factored this cash flow in our valuation or in our forecast.
- Anand Vyas:** So, this is with respect to only BDTCL?
- Harsh Shah:** Exactly only BDTCL. This is an accounting non-cash impairment, if the case is won later, it can be revalued back as well.
- Anand Vyas:** During the norm when there was a hike in the tariff last time, we also allotted some units to the sponsors last time, right?
- Harsh Shah:** That is correct.
- Anand Vyas:** So, will other things not impact based on these orders?
- Harsh Shah:** No that was a different order for different subject altogether.
- Moderator:** We have a next question from the line of Sandesh Gupta from Maximal Capital.
- Sandesh Gupta:** We did some cash flow distribution through return of capital, so I think essentially it was some debt that was paid by an SPV to the hold co.?
- Harsh Shah:** Yes, that is correct. When we acquired the SPV in middle of the quarter it came with some cash and the way to upstream that cash is that SPV will repay the loan infused by IndiGrid. When that happens, IndiGrid receives it as a loan repayment and therefore has to pass it on as a principal repayment to investor.
- Sandesh Gupta:** So, next time onwards, we will start charging interest again?
- Harsh Shah:** Yes, we are charging interest. For example, NRSS was on our books only for one month after being acquired in this quarter. The first two months there was no interest charged because that loan didn't exist, rather IndiGrid loan did not exist and the cash was still lying idle and therefore this came. Once IndiGrid acquires the asset and puts in the loan, we charge interest. Therefore, going forward the principle repayment should not be a large number if at all.

Sandesh Gupta: I'm just thinking about black swan risk to Rs. 12 distribution, so the risks that I can envisage are two, first - what you do in future in terms of raising capital and making acquisitions. But that is subject to shareholder's approval and their decisions, so we can park it outside. Second is your refinancing risk. There I see 3 years down the line we have a Rs. 2500 crores refinancing coming up. So, should we just wait for 3 years and see what happens if FY23? What if it turns out to be the worst of the times to raise capital in terms of debt? So, can we just do it now when times are still not that bad it may not be very efficient, but it may still be very sustainable?

Harsh Shah: Good question Sandesh. There is a Rs. 2400-2500 crores refinancing in three years. It is not exactly on one debt; it is spread across 12 months. But let's say it is 2400 crores in a particular financial year. In terms of relative size of things our EBITDA would be Rs. 1200 crores. While we don't want to consume our EBITDA entirely to repay loans, the refinancing needs to be looked at from the perspective of the portfolio and the size of the asset base. So, in that relative size we believe that we will be able to do that refinancing without a challenge and we should plan for it early. We don't really wait for the last date. As per your second question, we should prepare for it from now itself. But I would say that it is not prudent practice to borrow 3 years before refinance is scheduled. So, when we are closer to the due date, we will take the proactive steps so that there is no surprise. The last 6-8 months itself have been fairly difficult to raise capital in debt market. We have been able to do it because IndiGrid is AAA rated and has a solid business model and assets. I believe that we have a prudently staggered refinancing schedule, as there is no one day where we need to refinance Rs. 2500 crores, it is broken into several buckets. So, we are confident about refinancing that.

Sandesh Gupta: Do your debt covenants allow to refinance earlier than the scheduled refinancing date or are there any penalties?

Harsh Shah: Different facilities have different terms. There is no one single rule because it is not one debt. We do have call options in certain cases where we can refinance it early.

Sandesh Gupta: So, maybe 30%-40% can be refinanced without paying a penalty?

Harsh Shah: I don't think we can get to that level and disclose that information on the call because it's not public. We will see if we can disclose it in subsequent annual reports.

Moderator: We have next question from the line of Manish Gupta from Solidarity Investment Managers.

Manish Gupta: The question is regarding your Rs. 3 dividend per unit. In the hands of the retail investor is that taxed as an interest income or dividend?

Harsh Shah: The interest income we distribute as interest is taxed as interest income in the hands of the retail investor. We have an approved schedule for tax that we have uploaded on our website. I would urge you to look at it because that changes based on the structure

and the platform from where you invest. For retail investor, the interest is charged as an interest income and therefore tax is to be paid on the marginal rate applicable for the particular investor.

- Moderator:** We have next question from the line of Narendra Somani, Individual Investor.
- Narendra Somani:** The opening amount of unit was Rs. 102. After distributing the capital what would be the remaining as on 31st March or 30th June 2019?
- Harsh Shah:** Is your question towards the face value of the unit?
- Narendra Somani:** Correct, face value of the unit was Rs. 102.
- Harsh Shah:** No, face value was Rs. 100, that was not Rs. 102.
- Narendra Somani:** And then there was some return of capital?
- Harsh Shah:** Exactly, on two occasions there was partial return of capital. So, including this quarter's capital repayment the total would be Rs. 0.73 per unit.
- Narendra Somani:** So the outstanding would be Rs. 100 minus Rs. 0.73?
- Harsh Shah:** I would urge you not to look at this as an outstanding. It's a unit price and the concept of face value does not exist for units. The concept of principal repayment also does not exist for units.
- Narendra Somani:** What would be the rate of return on the market price of the unit?
- Harsh Shah:** We have given a forecast for the full financial year that we will distribute Rs. 12. So, one can do a Rs. 12 dividend by the buying price as a return that one would get. But this is just a projection and we cannot really guarantee any return. Globally these instruments are looked at like cash yield percentage and the numerator of that is distribution; denominator is the price.
- Moderator:** We have the next question from the line of Mahesh Shah from Edelweiss Life Insurance.
- Mahesh Shah:** Can you elaborate on the force majeure event that's happening?
- Harsh Shah:** Mahesh, the event happened in Jabalpur-Bina line, 765 kV line in JTCL project. Because of a tremendous wind during monsoon, four of our towers were destroyed and one tower is partly destroyed. We have already started the restoration work and are confident to finish it in the month of August itself. We believe that this is part of the force majeure considering the claim of force majeure under such extreme conditions. We have received such claims in the past as well and have successfully got the force majeure certification from the authorities.
- Mahesh Shah:** So, your insurance should cover all of this?
- Harsh Shah:** Yes.

- Moderator:** We have a next question from the line of Ruchit Puri, Individual Investor.
- Ruchit Puri:** There were a lot of questions on tax and interest, but just want a clarification. In terms of the capital repayment of Rs. 0.12 is there any tax implication at the trust level? I'm guessing at the investor level it's nil? And question two, you mentioned there is a dip in the cash reserve of around Rs. 27 crores. What are the cash reserves as of now?
- Harsh Shah:** The answer to your first question is no, in terms of capital repayment there is no impact of tax for the trust. To answer your second question, we keep about a quarter and a half worth of cash flows as a reserve with us and the number keeps floating around depending on a particular quarter's cash collection as well as such kind of events which happens mid-quarter. So, we try to keep at least that reserve so that we can address any interim measures as and when required to be addressed. So, for example let's say our balance cash reserve today would be about 115 crores but that number is dynamic because that changes every day. But on an average, as a policy, we are trying to keep a reserve of about a quarter and a half period's cash flow.
- Ruchit Puri:** If you're paying out 90%, I guess you would be paying out from the reserves for increasing that DPU?
- Harsh Shah:** Ideally that is not part of the strategy. The reserves are used for 2-3 reasons. First is the quarter-on-quarter movement in case of any working capital requirement that can arise. Second is when there are events. For example in this quarter, we raised a large amount of both equity and debt; our size grew and therefore our reserve requirement grew. We also bought an asset mid-quarter, which added to the need of the capital because we didn't have the full quarter performance. So, reserve helped. Will we have to use reserves eventually to repair the DPU? Yes. Do we need to use reserve to stabilize a DPU? Yes. I think it's a multipurpose reserve that can be used to achieve both stable outcomes in terms of our distribution as well as give us a robust risk management.
- Moderator:** We have a next question from the line of Rupen Masalia from RN Associates.
- Rupen Masalia:** The question is residual useful life of existing assets stands at 33 years and in response to an earlier question you said that at the end of the 30th year you want to clear of all the debt. So, two questions; one in that event what would be terminal value of the assets and secondly what would be the left-out portion of funds for the investors?
- Harsh Shah:** Let me rephrase what I said earlier. When I said that in the 30th year we need to repay, it does not mean that entire loan will be repaid in the 30th year. That means that we will have an amortization schedule for the loan, which will be such that the outstanding in the 30th year will be zero. So, we will be amortizing debt in such a way that in the 30th year outstanding debt is down to zero. We will not need to generate a large amount of cash in the 30th year. For second part of your question, I would clarify that the residual

life of the asset is not 33 years; residual life of the contract is 33 years. The life of the assets is far longer than that and we are confident that our contract will be subsequently extended. Hence, we will be able to earn beyond that. The terminal value will be a function of the price at which our contract is extended, or alternatively, what is the metal in the component. As of now, we have approximately 2 lakh tonnes of steel and 1 lakh tonnes of aluminum in the company. What its value will be at the end of the period is for people to evaluate and would be difficult for us to guide on. But there will be a substantial value because these assets belong to the company and are not to be transferred.

Moderator: We have the next question from the line of Subodh Malgonde, Individual Investor.

Subodh Malgonde: My question is regarding the cost of debt, right it's around 8.75%. I am referring to Slide #13. If the interest rates go down and if your average cost of debt also goes down will the DPU increase? If yes, by how much would it increase if the interest rate falls by 1%?

Harsh Shah: I think it's a good question. I would answer it in two ways; one is as I said in the same slide 13 you can see that we have a fixed rate in most of our facilities. So we get the benefit of refinancing only on the specific refinancing date. Before that, we have locked in our rate. So, that acts as an advantage as we are protected from the volatility of a risk. If interest rate goes down by 1% while our cash yield will become aggressive, our interest cost is not going to increase because we have hedged that increase in cost by locking it in. For a theoretical calculation, as we have a debt of about Rs. 5000 crores, if you save 1% the interest is Rs. 50 crores. We have Rs. 58 crores unit holders, so that would be Rs. 0.8 a unit. This is the back of the envelope calculation but in theory, in practicality we have locked in the interest rate, so we don't get full benefit of that.

Subodh Malgonde: So, in FY23 we are refinancing Rs. 2,500 crores and if the rates go down by 1%, the actual reduction would be one-fourth of what you estimated?

Harsh Shah: Yes, Rs. 25 crores for that year.

Moderator: We have next question from the line of Sandesh Gupta from Maximal Capital.

Sandesh Gupta: One clarification on the previous caller's question, so on JTCL we have recognized Rs. 2.5 crores of losses which we could not earn because of the force majeure and Rs. 2 crores of asset value. Was the availability linked incentive or penalty affected because of this event?

Harsh Shah: There seem to be 2-3 questions. First, is there a penalty applicable? No, because it is a force majeure and we receive 98% availability. Second, did we lose a proportionate incentive amount for this month? Answer is yes and no, yes because our deemed availability will be at 98% for that period. Will the impact of that on the overall

availability make us lose incentives for the whole year? That will be dependent on performance of that line for the rest of the year. We believe we will catch up for the rest of the year, but that is something to be seen for the next 10 months. As of now for that element which is Jabalpur-Bina line which is 22% of the JTCL asset, we have a 98% availability in comparison to a 99.75% which we would have liked.

Sandesh Gupta: So, that incentive may not be payable if we are lower than the designated availability number but that is something which we will be able to ascertain at the end of the year?

Harsh Shah: End of the year, exactly you are right.

Sandesh Gupta: This loss of incentives is not covered under your insurance?

Harsh Shah: Loss of incentive may not be covered under the insurance.

Sandesh Gupta: You have drawn some amount from your reserves, so what is the un-spent reserve as of June?

Harsh Shah: As of June we had about Rs. 500 crores of cash in the company but we were supposed to pay some amount to the seller as well, which we are withholding. But on indicative basis we had about Rs. 115 crores of reserve at the end of the Quarter 1.

Moderator: We have a next question from the line of Manish Gupta from Solidarity Investment Managers.

Manish Gupta: In one of your earlier presentations there was a chart that showed your long-range expectation of the distribution per unit. Would it be a fair assumption that distribution per unit is under the assumption that your credit rating would remain the same as it is right now?

Harsh Shah: Yes and no both, because distribution forecast is linked to several assumptions. One, we will be acquiring more assets; we will be financing debt for those assets and the projection of cost of debt as well as other things. Credit rating was not linked to the assets that we have acquired already, it is only subject to the refinancing of the asset. So, the rating for the platform was not a prerequisite for the assets that we already own, but we do factor in our interest cost, which is linked to our rating.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for closing comments. Sir, over to you.

Management: Thanks a lot to that Edelweiss team as well as the hosting team. It has been great to have this interaction every quarter. I believe there are a lot of investors who keep joining and ask the right questions, which is very encouraging. We have seen a lot of improvement in terms of the understanding about the IndiGrid as a platform as well as IndiGrid as an offering. We believe that on a quarter-on-quarter basis we will continue to grow our performance based on the stable assets and grow the yield by acquiring



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more assets. So, what we stand for is a stable growth and we will continue to deliver that. Thank you.

Moderator:

Thank you very much sir. Ladies and gentlemen on behalf of Edelweiss Securities Limited that concludes this conference call. Thank you for joining with us. You may now disconnect your lines.