

I would like to thank the management for giving PL Capital the opportunity to host the call. And now I am giving the speaker to Sharad Sir for the brief from him and then we will have a line open for Q&A. Over to you, Sir.

Mr. Sharad Mahendra:

Thank you Vishal. Good evening and thank you all for joining us today. It is my pleasure to share the highlights of our performance for the quarter and the year gone by. FY2026 has been an exciting year where we began to translate the bold ambitions of our Strategy 3.0 into hard business outcomes. During financial year 2026, we increased our installed capacity by 2.6 GW to 13.45 GW, with generation growing commensurately by 58 per cent year-on-year. The company reported its highest-ever annual EBITDA of ₹11,041 crore in FY 2026.

Before I delve into our performance, I would like to share some sector observations. India's power sector continued its structural transformation in FY2026, though demand dynamics were different from what we saw in recent years. Total power demand for the country grew modestly at 0.9 per cent in FY2026 - the most muted growth in last five years - driven by an extended monsoon season that weighed on consumption through the first half of the year. However, from Q4 FY26 onwards we saw a fair power demand recovery, with demand growth rebounding to 2.2% in Q4. In FY27, so far, the YTD demand growth remains healthy at a growth of 4.6% YoY.

Overall, the seasonal softness that we have seen in the first half of FY 26, does not, in our view, alter the medium-term structural demand story in any way. India's growing industrialization, urbanization, and rising per capita consumption continue to underpin a 5-6% CAGR in power demand over long term. Peak demand, on 25th April'26, reached 256 GW, and with the summer of 2026 now commenced and expected to be severe, the system is positioning to handle a new peak of approximately 270 GW - higher than the 250 GW record seen in May 2024.

On the supply side, India added 64.9 GW of new capacity during the fiscal year, of which renewable energy accounted for 50.9 GW, translating to 78% of total capacity additions. Non-fossil sources have crossed 50 per cent of total installed capacity for the first time in FY26 - a landmark moment for the sector. The ongoing West Asia crisis has further reinforced the need of energy self-reliance for India. India's coal reserves insulate us from crude volatility - an advantage the country is actively leveraging. Structural shifts toward induction heating and EVs are expanding electricity demand, while data centres are also expected to anchor the long-term offtake in India.

The merchant market remained soft through most of FY2026, averaging approximately ₹3.86 per unit on exchanges, reflecting muted demand. Despite this, in line with what we have maintained, our FY26 merchant realizations commanded approximately 20% plus premium to average exchange prices, driven primarily by strategically executed back-to-back short-term contracts. We are already seeing tariffs firm up in FY2027 as summer cooling demand builds. As mentioned earlier, year till date power demand is up by 4.6%.

Coming to company performance - FY2026 has been defined by scale and integration. We have added 2.6 GW of installed capacity during the year, via a calibrated strategy of organic and inorganic route, taking our total operational base to 13.45 GW - making us one of the largest diversified power generation companies in the country. The additions span organic commissioning across wind (240 MW), solar (305 MW), hybrid (451 MW) and hydro (240 MW) assets, and the full integration of all the inorganic acquisitions completed in FY25 and FY26.

The integration of O2 Power - the 4.7 GW renewable energy platform, that we acquired in April 2025 - has progressed well. O2 Power's operating capacity has grown to approximately 2 GW at the close of FY2026, with active construction underway across the remaining portfolio. Its' asset quality underpinned by diversified geography, long-term PPAs with credible counter parties supported with 100 percent connectivity and majority of the land, and rich tariffs - has met our original underwriting assumptions.

On KSK Mahanadi, our 1,800 MW operational capacity delivered robust performance during the year, driven by synergies post-acquisition. We have been focused on implementing cost efficiencies and improving plant performance, and I am pleased to report that PLF has remained healthy through FY2026, and amongst the top 10 plants in the country, in the first full operational year in our hands. The ramp-up plan for the remaining units of plant is progressing on schedule, with water and rail arrangements firmly in place, post our recent acquisition of KSK's Water and Rail SPVs.

On the organic front, we commissioned 1.2 GW of new capacity during FY2026. Notably, the 240 MW Kutehr hydroelectric project was commissioned in Q2 FY2026 in one of the fastest timelines for a project of its scale, further cementing our position as the largest private IPP in the hydro sector. We also acquired the 150 MW Tidong hydropower plant from Statkraft, which is at an advanced stage of completion. 50MW of this has already been commissioned on 8th May 2026 and balance two units are expected to be commissioned before June'26. This timely commissioning will help us catch the ongoing hydro season, adding meaningfully to the top line and bottom line.

Alongside renewables, thermal power has regained its prominence as reliable baseload, and we made rapid strides on this front as well, during FY2026. Following the signing of the 1,600 MW Salboni PPA in FY2025, we secured an additional 1,600 MW and signed the PPA for the same location, making Salboni our largest single-site asset at 3,200 MW. On the first 1,600 MW project, construction has commenced, and equipment procurement is on schedule. As we have informed, in parallel, we have taken strategic steps to de-risk our thermal supply chain through the strengthening of the Toshiba-JSW joint venture for turbine generators, and the acquisition of GE Power's boiler business, with the latter transaction expected to be consummated within the next two quarters.

Turning to our under-construction portfolio, JSW Energy is currently building 14 GW of generation projects, all of which are fully tied up under long-term Power Purchase Agreements. This high-quality, fully contracted under-construction book gives us strong visibility into future EBITDA. This Fiscal year, we are looking to add about 3 GW capacity and a capex spent of around Rs 20,000 Crores for the year. On our thermal optionality at KSK, we expect the first 600 MW to be commissioned by mid of next fiscal year. Beyond this we have a robust project pipeline of approximately 4.6 GW where Letters of Intent have been secured. Our total locked-in capacity now stands at 32.1 GW, placing us firmly on track to deliver the 30 GW target of generation by 2030, under Strategy 3.0.

Coming to energy storage - we recognise the critical role it plays in integrating renewable energy and ensuring grid stability. Our locked-in storage capacity now stands at 29.6 GWh, of which 3.2 GWh are in Battery Energy Storage and 26.4 GWh in the remunerative Pumped Hydro space. Further, our 5 GWh battery assembly facility in Pune was commissioned in Q4 FY26, and the commercial sales of the battery storage have already commenced. This plant will position us to meet domestic content requirements for BESS as and when mandated by the Government of India. Energy storage is fast becoming a mainstream infrastructure investment,

and we are well ahead of the market in building this capability. Additionally, our Blade manufacturing facility at Halol, scheduled for commissioning in the first half of FY27, would provide advantage to us in terms of lower capital cost for wind projects due to savings in logistics cost and foreign exchange, thereby strengthening our vertical integration.

Coming to operational performance for the quarter, we have added organic Renewable capacity of 118 MW. Our Net generation for Q4 FY2026 rose by 48% YoY to 11.7 BU, driven by a 68% YoY increase in renewable generation on the back of capacity additions across wind, solar, hydro, and O2 Power assets.

Before I move to thermal, I would like to mention about the power curtailment. Regarding the power curtailment, due to evacuation constraints I would like to say that about 160 million units were curtailed for us but a significant portion of this 160 MUs is under permanent recovery. So, we are getting the tariff for the same, thus not impacting our revenue. Only a small portion of this curtailment has resulted in a revenue loss of around ₹16 crores during the quarter and approximately for ₹50 crores during the year gone by. This curtailment, however, is expected to be over by July'26 with the expected commissioning of new evacuation line.

Thermal generation grew 43% YoY to 8.8 BUs, driven primarily by robust off take at our Mahanadi and Utkal plants. Our KSK plant's PLF for Q4FY26 remained robust at 93%. Further, our overall thermal portfolio maintained a healthy PLF of 78% for the quarter and 73% for the full year. Compared to this, the country's average thermal PLFs stood at 68.7% and 65.8%, in Q4 FY26 and FY26 respectively. I would also like to address one operational nuance from the quarter - KSK Mahanadi experienced some PPA back-downs, attributable to a transient demand softness in the region. However, we successfully monetized the backed-down volumes through short-term market sales, mitigating any major revenue impact. This has since normalized with the onset of summer and the consequent surge in demand. The KSK plant, in fact, registered an impressive EBITDA of over Rs. 3,300 Crore in FY26, also driven by fuel cost reduction through optimum sourcing of coal from nearby mines resulting in lower logistics cost, just like we did for our Utkal plant as well. Further, at Utkal, both of our Units are fully operational, and the plant registered a PLF of 75% in Q4 FY26. Driven by full tie-up that we had done earlier, our Vijayanagar plant's PLF also stood robust at 79% in Q4.

With open capacity now at about 5% of our installed base - and a 25-year, 400 MW PPA for the Utkal plant at ₹5.78 per unit, and another 2-year 115 MW PPA with Assam discom, with effect from 1st April 2026, the quality of our underlying EBITDA has improved substantially. The predominant share of our remaining open capacity is domestic coal-based, with plants closer to mine, which reduces sensitivity to global coal price volatility and keeps our merchant breakeven economics highly competitive.

Coming to the outlook - FY2027 is expected to be a year of accelerating earnings delivery. The sizeable projects commissioned during FY2026 will stabilize and contribute to full-year EBITDA, driving a meaningful step-up in our financial performance. India's power demand recovery - with the government projecting peak demand of 270 GW this summer and medium-term CAGR of 5% to 6% - provides a strong tailwind for our growing portfolio and remain fully on track towards our FY2030 targets of 30 GW of generation capacity and 40 GWh of energy storage.

We remain committed to disciplined capital allocation - every investment must meet our mid-teen return thresholds, and our balance sheet management continues to be guided by our leverage guardrails. While Net Debt has risen, as expected, during this phase of accelerated investment, the quality and our contracts on our growing

asset base means that free cash generation will improve progressively, supporting deleveraging on a path towards our 2030 Net Debt to EBITDA target of approximately 5 to 5.5x.

Finally, and equally important - on the people's front, we are proud to retain our Great Place to Work certification, a recognition that our culture and people's practices continue to keep pace with our growing scale. We have been rated amongst the Top 25 Best Workplaces in the manufacturing sector. Moving to our financial performance for the quarter - details that most of you have had the opportunity to review ahead of this call.

Revenue for Q4 FY26 grew 39% YoY to approximately ₹4,851 crores, a trajectory firmly anchored in the robust expansion of our generation capacity. EBITDA followed suit, rising 72% YoY to ₹2,602 crores – resulting in an all time high annual EBITDA for the Company during FY26. As our newer assets continue to be capitalized on the balance sheet, depreciation and interest costs have risen commensurately. Depreciation grew almost 1.7x during the Q4 on a year-on-year basis, while interest costs increased approximately 2.4 times - both consistent with the scale of capital deployment underway.

On the bottom line, our Profit After Tax came in at ₹574 crores, up 38% year-on-year and PAT to shareholders stood at ₹308 crores. As you may know, we have already serviced a notice to exercise our call option in KSK Mahanadi to acquire the balance 26% stake, the minority outflow should materially reduce once we consummate the same. Further, our Cash Profit to the shareholders for the quarter remains robust at ₹635 crores.

On the leverage, excluding Capital Work-in-Progress debt, our Net Debt to EBITDA stands at approximately 5.2x, well within our financial guard rails. Our liquidity remains ample, with cash and cash equivalents in excess of ₹10,000 crores. Out of the ₹3,000 crores preferential allotment that we have done recently, ₹1,125 crores has been received in Q4.

On the cost of capital: consistent with our earlier guidance, our weighted average cost of debt declined by approximately 67 basis points year-on-year - to 8.36% as of March 2026. This reflects our healthy credit profile and the sustained confidence our lenders and Rating agencies placed in us. Further, Our Cash returns on net worth, adjusted for our investment in JSW Steel shares remain strong at approximately 18%.

Finally, on Working Capital: total receivables as at March 31 stood at ₹3,240 crores, translating to debtor days of 62 - a sharp and meaningful improvement from 76 days in the corresponding quarter of the prior fiscal. This reflects both improved collections discipline and the evolving counterparty profile of our portfolio. The central message is the significant capacity additions we have executed over the past several quarters are now visibly converting into higher generation volumes and stronger cash flows. We expect this momentum to build further through the remainder of the fiscal and into FY27.

That concludes with my opening remarks. I am now happy to open the floor for questions. Thank you

Moderator:

Thank you very much, Sir. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

- Mr. Mohit Kumar:** Yeah. Good evening, Sir, and thanks for the opportunity. My first question is, Sir, what is your guidance for RE asset commissioning for FY27 and FY28? I think you mentioned 2-3 GW in FY27, is it possible to breakdown this between wind and solar? And also give FY28 number, if possible?
- Mr. Sharad Mahendra:** You see, as I have said, that approximately close to about 3 GW of capacity additions will happen in FY27, which will be a mix of solar, wind and hybrid projects. So, the breakup between solar and wind depends on what kind of project, what kind of hybrid mix is there as per PPA terms. But maybe you can say in terms of, if I have to give a percentage, maybe out of 3 GW, close to about 35%-40% will be wind, rest all is solar.
- Mr. Mohit Kumar:** The second question is, has the amount to be paid for minority acquisition for KSK Mahanadi, is it crystallized? If yes, can you help us with the amount?
- Mr. Sharad Mahendra:** Yeah, Prabhakaran.
- Mr. Chandrasekaran Prabhakaran:** Sure. No, it's not yet crystallized. The process is currently on, we can't comment anything at this point on time lines. I think, it is kind of probably by end of Q2 is what we will have some number out.
- Mr. Mohit Kumar:** Last question, Sir, how are we thinking about PPA for KSK Mahanadi? The last unit, is it likely to remain under merchant?
- Mr. Sharad Mahendra:** See, there are demands from different states which are there and the discussions are on, meeting with our timelines of commissioning of first unit and the balance two units. So, the discussions are on. Various states want the power, so accordingly as and when the PPA requirement comes, we will be definitely participating. But, however, to note that this plant being close to mine and the low fuel cost also gives us a leverage to the merchant also. But in a longer term, we prefer and our strategy is to have a long term PPA for this.
- Mr. Mohit Kumar:** Understood. Thank you and all the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.
- Mr. Sumit Kishore:** Good evening and thanks for the opportunity. My first question is, on the 3 GW that you're looking to commission in renewable in FY27, what would be the broad phase of commissioning of these capacities from Q1 to Q4, if you could give us some sense?
- Mr. Sharad Mahendra:** See, some of our projects which are at advanced stage of commissioning, so, of course, giving exact number will be difficult, but you can say that maybe it is uniformly divided between H1 and H2.
- Mr. Sumit Kishore:** Okay, so 1.5 and 1.5 roughly. Okay. Second question is on Capex. So, when you said about ₹200 billion of Capex, I mean, the free cashflow that you are generating right now or basically your EBITDA less your Net Interest Cost and the tax adjustment, that seems to be enough to take care of the equity requirement for ₹20,000 crores of Capex. So, is there any thought process in terms of raising equity funds beyond the infusions that are coming through preference shares and the warrant issuances to promoters?

- Mr. Sharad Mahendra** Okay, Prabhakaran will speak here.
- Mr. Chandrasekaran Prabhakaran** Yeah, I think, what you understood is right. Now, with the existing ₹20,000 crores, the cashflows which we generate and with the kind of Net Debt/EBITDA, I think within those ratios, we will be able to easily manage these ₹20,000 crores which we talked about. Also, we have an additional ₹1,800 crores of warrants which we can kind of avail at any point in time. So, if we have to kind of postpone or fast track this one, we have this leverage to do it.
- Mr. Sumit Kishore** Okay. So, just one last question, trying to understand the broad breakup of this ₹20,000 crore Capex because there is some allocation that should start happening to the Salboni project, something to the Battery Energy Storage System project that you are commissioning, the Pump Storage Hydro. So, I mean, just to understand what kind of CWIP we should expect, you know, for the thermal project, pump storage hydro by the end of the financial year?
- Mr. Sharad Mahendra** See, when you talk of thermal, definitely yes. While Salboni work has started and also the pump storage project for which we have got the clearance from the environment and forest Stage 1 clearance, definitely some investment will go in these projects. But we have to remember that normally the Year 1 of such projects doesn't entail significantly large investments. It is only the order placement and some kind of civil work which starts. So, it is a very small percentage of the payment which flows, and then gradually it increases. So, it is not significant. But if you want the breakup, it can be like ₹20,000 crores we have said, you can say ₹4,000-₹5,000 crores will be for these projects, which are the thermal project and the pump storage and rest all will be in the wind and solar space, and battery energy.
- Mr. Sumit Kishore** Very clear. Just one book-keeping question to understand, what was the CWIP for your RE projects at the end of FY26? Because you are going to commission 3 GW, what percentage of the investment has already happened, just to understand?
- Mr. Chandrasekaran Prabhakaran** So, we have a total of about ₹17,300 crores of CWIP, out of which about close to ₹11,200 is for RE and the balance is for the Thermal and others.
- Mr. Sumit Kishore:** Very clear. Thank you and wish you all the best.
- Mr. Chandrasekaran Prabhakaran** Thank you.
- Moderator:** Thank you. The next question is from the line of Ketan Jain from Avendus Spark. Please go ahead.
- Mr. Ketan** Thank you. Thank you for the opportunity. Good evening, Sir. Sir, just wanted to understand the 2.6 GW capacity addition, how much of it is acquired from O2 and how much of it is organic?
- Mr. Sharad Mahendra** See, out of this 2.6 GW, it is 1.3 GW which was the acquired capacity and the rest all is organic. It is 50:50 split broadly, that is acquired and the rest all is the greenfield capacity which we have commissioned.
- Mr. Ketan Jain:** Understood. I understand that there are challenges here, so are you still seeing challenges to execute or commission plants on timeframe for FY27?
- Mr. Sharad Mahendra** See, the thing is, we have been all reading and all knowing about one of the biggest challenge, which is power evacuation and the grid curtailment; the delays are there because, the last year Government of India had planned for the evacuation networks

of about 15,000 circuit kilometers against which the actual which happened was only 9,500 circuit kilometers. So, we see such challenges there, but, otherwise we are insulated, because the challenges - whether the land availability or whether the connectivity, we start the work only when we have 100% of that. Such day-to-day issues of right-of-way and others is something which is part of the project, which is planned and nothing unexpected. So, we don't see any challenges and with large significant portion of our capacity at advanced stage of commissioning, we are confident at this time that definitely 3 GW of capacity addition will happen without any challenge.

Mr. Ketan Jain

Understood. Sir, second question is, are we seeing any increase in cost of supply chain disruptions due to the West Asia conflict? And impact on our IRRs, is there any impact?

Mr. Sharad Mahendra

See, one thing I would like to say here is that if we talk of whatever the commodity cycle price increases we have seen - In general and the currency impact on import related components. For wind, as I have maintained earlier, that we signed a fixed price contract for 2.4 GW of wind turbine supply from Sany Wind, China, which is fixed in terms of the pricing and fixed in terms of the currency also, which we did in around March-April 2024. We did that and signed that contract. And from that contract quantities - supplies have recently started. So, we are insulated from that for maybe next at least 1.5 years. On wind side, there is no impact to us.

Of course, minor impacts on domestic purchases like if the steel prices goes up, the tower cost goes up because that is all steel. But that is a very cyclical industry - so we do time our buying, bulk buying, accordingly when that is the best suited for us. So, we are largely not impacted. Even if there is a small impact, with the commissioning of our blade plant in India that will further help us because of the huge reduction in the logistic cost both in terms of the ocean freight from China and also the local logistics cost. So, all those things put together, we remain insulated from any cost impact for next 1.5 to 2 years.

On solar front, with what we have been seeing the increase in solar cell prices, the currency impact because of the solar imports from the cell imports from China, I like to say that even if the ALMM comes for solar cells also, for all PPAs, what we are executing next 2 - 2.5 years is all before the date on which we are allowed as per the rules and regulation, the rule that cell imports from China will continue. So, to a large extent, we are insulated. Of course, the steel also is a cost, some portion of the cost on this. So, the same as we are doing for wind tower steel purchase, we are timing our purchase to have a minimal impact on our solar projects and our benchmark return IRRs of mid-teen IRRs, that remains protected.

Mr. Ketan Jain

Understood. Thanks for the great answer. This is the last question. At the industry level, is there any update on the unsigned PPAs at the country level? Are things moving? Are things moving in that case?

Mr. Sharad Mahendra

No, right now, we are not seeing - because there are enough PPAs which are signed and which are to be executed in next 2-3 years time and with the evacuation challenges which are there, which are going to ease out only by 2029, not before that. So, we are not seeing any significant movement on the signing of the PPAs for the unsigned capacities. That status remains as it is, what it was last time when we met.

Mr. Ketan Jain

Understood. This is the last, if I could squeeze in, what is the BESS pack prices right now and does it impact our project execution? This is the last one.

- Mr. Sharad Mahendra** See, BESS, can you repeat the question?
- Mr. Ketan Jain** The BESS pack prices, like the CapEx for a BESS project?
- Mr. Sharad Mahendra** Yes. See, the thing is, when we are insulating, definitely we have seen that there have been price increases which have happened. But as I told you that we have been able to optimize our costs by starting the assembly plant within our facilities under JSW. So whatever impact on cell pack prices are, we remain much more competitive as compared to the best imports which are coming, with our facility commissioned in Quarter 4..
- Mr. Ketan Jain** Understood. What would be the pack price right now, sir?
- Mr. Sharad Mahendra** It is varying. Again, if you are at Tier 1, Tier 2, very difficult to give a number. Tier 1, Tier 2, Tier 3 suppliers, whether it is a 3-year warranty, whether it is a 5-year warranty, it depends. So very difficult to give a specific number.
- Mr. Ketan Jain:** Understood, sir. Thank you. Thank you. I will get back to you.
- Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from IIFL Capital. Please go ahead.
- Mr. Apoorva Bahadur:** Hi, sir. Thank you for the opportunity. Sir, just sort of delving deeper into this 5 GWh BESS cell-to-pack assembly plant that we have operationalized. Can you provide some colour on how you are thinking about the margin profile of this business? How much should be the revenue contribution as we start building in our models? And have you built any order book?
- Mr. Sharad Mahendra:** Yes. You see, the thing is that this is in a ramp-up stage and we will be taking care of our own captive requirements as well, because this capacity ramp-up and stabilization will take its own time, we will be going forward definitely, the in-house requirement as well as to the outside market. We will be definitely looking for outside market. We have got some order, but right now the testing of the products are going on and the necessary approval which we expect very soon and then we will be going into the marketplace. So, then only we will be in a position to come out with what is the revenue and the financial numbers on this. Maybe next time, we will definitely like to share on that.
- Mr. Apoorva Bahadur:** Okay. And, sir, where are we importing our cells from and which manufacturers in China?
- Mr. Sharad Mahendra:** There are multiple, but definitely we are concentrating only on Tier 1 suppliers and we will be importing from them only.
- Mr. Apoorva Bahadur:** Okay. And, sir, on the renewable capacity addition target for FY28, if you can provide some guidance over there?
- Mr. Sharad Mahendra:** See, as we have said that we have to reach 30 GW by FY30 and if we add maybe 3 GW this year. So, maybe 3 GW approximately from the RE front, you can say maybe about 3 GW to 3.5 GW something is the number which definitely will continue to add.
- Mr. Apoorva Bahadur:** So, sir, we would expect a sharp uptick in capacity addition in FY29 and FY30?
- Mr. Sharad Mahendra:** Yes, because what will happen is beyond FY27, it is the thermal capacity also will contribute which is the KSK 1.8 GW. And also, by FY30, partial capacity of Salboni

commissioning is also planned. So, all those things put together, thermal will also be a capacity which will be added.

- Mr. Apoorva Bahadur:** Fair enough. Thank you so much, sir. I will get back in the queue.
- Moderator:** The next question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.
- Mr. Aniket Mittal:** Thank you. I joined the call a bit late. So, apologies if any questions are repeated. But on Mytrah, what is the reason for the increase in EBITDA this quarter on a YoY basis?
- Mr. Sharad Mahendra:** Yes Prabhakaran.
- Mr. Chandrasekaran Prabhakaran:** Yes, Mytrah, actually there is one in this quarter like you must have also read the Supreme Court has given order on the generation-based incentive, right? And that is the increase which you will be able to see.
- Mr. Aniket Mittal:** What is this number?
- Mr. Sharad Mahendra:** It is 50 paisa per unit is what the generation-based incentive and it is in excess of 200 crores.
- Mr. Chandrasekaran Prabhakaran:** Yes, 210 crores.
- Mr. Aniket Mittal:** So, this is a one-off. So, this includes certain past recoveries as well?
- Mr. Chandrasekaran Prabhakaran:** Yeah that's right. Yes.
- Mr. Sharad Mahendra:** Yes, that is right. Yes, And for now, going forward, which was not being given, every year we will be getting the generation-based incentive based on this order which was not being given earlier.
- Mr. Aniket Mittal:** Got that, got that. And for a commission wind and solar portfolio, which is almost 6 GW, what would be the annual steady state EBITDA?
- Mr. Sharad Mahendra:** Just see, you can say that almost INR 75 lakh MW is what you can take as the steady state EBITDA for full year capacity available.
- Mr. Aniket Mittal:** Understood, understood. And just to understand KSK, I recollect I think next year there is supposed to be a slight drop-off in the tariff at UPPCL. So, this year we have obviously done a fairly good amount of EBITDA, but how does that move heading into FY27 and FY28?
- Mr. Sharad Mahendra:** See, we have to remember two things. One is that in FY25 March when we acquired, the full year EBITDA that plant made from the operations was around 2,650 crores. Against that we have made almost in excess of 3,300 crores this year. Of course, lot of efficiency improvements in terms of the cost efficiencies improvement what we have done is one which will continue. Of course, there will be some impact because of the tariff reduction from UPPCL. But a part of this will be compensated by maybe two, three steps what we have taken.

One is that after the acquisition of the rail and water SPVs, especially the rail one, the efficiency improvements and the cost reduction there also is going to contribute too.

Second is in terms of the fuel allocation which we have optimized by sourcing majority of the fuel from the mines which are closest to our plant and replacing the fuel which was coming off from far off places. So, fuel logistic cost reduction is one of the main drivers, efficiency improvement during the last year.

But during the year we took lot of steps in terms of operation and maintenance cost reduction. So, those steps which have been taken during the year will also give us full year benefit in the current year, will help us to mitigate the reduction in the margins because of the UP PPA. So, but definitely it will continue to perform significantly better than what it was in FY25.

Mr. Bikash Chowdhury: Aniket, if I have to add, this is Bikash here. If I have to add, we have always said that please consider a steady state EBITDA of 2,700. So, the idea also is that please assume that a good year is what we are highlighting and the reasons for what we are highlighting. But viewing this fall in trajectory, we have said that please assume 2700 as our base case EBITDA.

Mr. Sharad Mahendra: And with the steps we are taking, we are confident that we will be delivering better than the steady state EBITDA what Bikash just said of 2,700 crores, we can say that.

Mr. Aniket Mittal: That is helpful. I just have one last question. So, when I looked at the standard entity, the overall debt over there is almost 15,000 crores there. So, a lot of Holdco debt coming over there. Just to understand how this is panning out from a maturity point, what is the maturity profile over here, what is the average interest rates at the Holdco level?

Mr. Chandrasekaran Prabhakaran: See, at the Holdco level, so basically out of this, some of them are kind of the short term, because some of the acquisitions that we have done, right, in terms of the KSK rail and all. So, these are kind of, some of them are temporary as well. So, once we take over these assets, we will kind of refinance it through the major entity or the actual entity which we do. So, in terms of, if you look at it from an overall perspective, I think all of them are close to more than kind of 3 years, except for about close to 4,500 crores, which is in the form of short-form, the others are all long-term.

Mr. Aniket Mittal: And what would be the average interest rate right now at the Holdco level, for these debts?

Mr. Chandrasekaran Prabhakaran: For the Holdco level, we are at about close to 8.2% is what we will have. But as a whole consolidated, we are at about 8.36%

Mr. Bikash Chowdhury: See, Aniket, to add to what we just said, you know, we would like to have a project finance-based financing, which means that from maturity, the maturity as long as possible for borrowing. Now, Holdco level, like you mentioned, is obviously short tenors and for us, the overall cost of debt is about 8.36%, including working capital, right. So, what we are saying is that obviously the short tenor borrowings are there and they will be obviously at a lower cost. But overall, if you look at the interest rate trajectory, it has come lower.

- Mr. Aniket Mittal:** Understood. Those were my questions. Thank you.
- Moderator:** Thank you. The next question is from the line of Nikhil Nigania from Bernstein. Please go ahead.
- Mr. Nikhil Nigania:** Hi, thanks. Thanks for taking my question. I have two questions. Number one was any plans to set up a Merchant Battery Energy Storage Plant?
- Mr. Sharad Mahendra:** See, right now, we are in the process of executing the Battery Energy storage project for which we have signed the PPA. But going forward, wherever we have the solar capacity and keeping in mind how the evening peak demand shapes up, we will definitely keep exploring. But immediately in the current year, if you ask, we will be focusing on our projects under the PPA. But going forward, we will keep exploring that merchant option for especially where we have the connectivity, we have the solar plants, we are coupling the same connectivity for the evening peaks, is one option which the team is working on. We keep evaluating.
- Mr. Nikhil Nigania:** Understood. But what I understand from your peers is some of them are preponing the battery part of a PPA to use it in the merchant in the interim till the PPA starts. Would you have any such plans like that to prepone your Battery for the solar?
- Mr. Sharad Mahendra:** See, when I compare with what others are doing, see, if you see that we don't have any merchant or open capacity in our solar portfolio. All is tied up whatever is commissioned and what we are doing is also and today we see that there are curtailments happening for especially the capacities which are open untied merchant capacities in solar are facing a very high curtailment is what we are seeing. So, that is where it's a sunk cost as per me. So, putting a Battery using that power where which is getting curtailed, charging the Battery and using the evening peak option, is something maybe others may be thinking on. But I feel that this curtailment issue is a matter of three to four years. Whether for the long term I can do the investment on the basis of this principle, somehow doesn't fall in our scheme of things because we look for at least a Battery life of 12 years and based on that if the returns are protected is a better option, rather than going immediately only temporarily for us. So, for us it will be no... because we don't have any open capacities in solar. So, we are evaluating by setting up charging the batteries by solar and evening peak. Once that model is financially definitely giving my benchmark returns then only, we will be moving ahead to this.
- Mr. Nikhil Nigania:** Understood. Appreciate your response. The other question I had was on the DSM regulation in case it is implemented as per the CERC document says and given you have a good quantum of wind as well in your portfolio, what is the impact you envisage on your financials?
- Mr. Sharad Mahendra:** See, with this new DSM regulations we expect a total impact which we have budgeted in our plan is between 1.5% – 2%.
- Mr. Nikhil Nigania:** Just like a 1.5% – 2% of revenues of the renewable assets?
- Mr. Sharad Mahendra:** Yes, yes, yes. Which was not zero, mind it. It was not zero earlier also. It will move up to 1.5% to 2%. It used to be there today also, but now it will be slightly more.

- Mr. Nikhil Nigania** Would it be fair to assume as that X factor in the DSM rule changes by 2030 this number goes up further?
- Mr. Sharad Mahendra:** See, the thing is now when it is known that this is going to happen everyone now is going to be designing the project, building the project, the tariff bidding, everything, the discovery will be accordingly. So, that is definitely, but yes whatever, the tariffs have already been discovered, the project being executed, definitely this is going to impact but there are options and tools available to minimize this. One of the things which is being talked of is that at a particular substation grouping all the maybe other producers who are in the same substation at a group level to see, to do the settlement rather than individually. Because someone may be at a particular moment excess, someone may be down. So, it is more from the grid point of view this is being done, grid stability. So, we are absolutely certain industry has made the representation. At a group level this will be assessed not at an individual level is what we are confident of.
- Mr. Nikhil Nigania** Got it. I appreciate your answers. Those are my questions. Thank you so much.
- Mr. Sharad Mahendra** Thank you.
- Moderator:** Thank you. The next question is from the line of Abhishek Nigam from Motilal Oswal Financial Services. Please go ahead.
- Mr. Abhishek Nigam:** Yeah, Hi. Thank you so much for the opportunity. So, just two questions.
- One is Andhra based, Andhra generation-based incentives, is that included in other income? That is my first question.
- Mr. Chandrasekaran Prabhakaran:** Yeah, I think certain of it is part of revenue and certain of it is, so I think you can say about 100 crores is one is part of revenue, the other 100 is part of other income.
- Mr. Abhishek Nigam:** Okay. Okay. So, I think the increase in other income is because of, I mean there is some reason for that, for that, obviously.
- Mr. Chandrasekaran Prabhakaran:** Yeah.
- Mr. Abhishek Nigam:** So, that is one. And second, on the deferred tax asset, if you can give us some clarity, I think we have seen in the past also one of the quarters and going forward also, could there be more such Tax creation, passive creation?
- Mr. Chandrasekaran Prabhakaran:** Yeah, I think the Deferred Tax asset is primarily on account of two things.
- One is that if you see that Utkal, where actually we had a certain unabsorbed depreciation and business losses which were there. Now, with the PPAs being signed for the entire capacity, there is visibility in terms of recoverability of this tax losses. And that is why this year, when we signed the PPA, we said that we will be able to kind of recognize this deferred tax. So, this is a one of, I think mostly in both, Utkal is the major one, the second one is in the KSK.
- The second one is in terms of, because currently with the new tax regime, everybody would kind of transition to the new tax regime. The current tax would be similar to what it was like 17%-18%, because you will have to adjust 25% of the Max credit available. So, I think going forward, that will be this one, I think we will be inching close to the effective tax rate of 23%- to 24% going forward.

- Mr. Abhishek Nigam:** Okay. Okay. That is it from me. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Satyadeep Jain from Ambit Capital. Please go ahead.
- Satyadeep Jain:** Hi. Thank you. The first question is on the RE commissioning you talked about 3 GW this year. How much would be CTU? How much would be STU? And generally, are you seeing maybe faster commissioning for STU versus CTU? And do you expect any changes there this year?
- Mr. Sharad Mahendra:** You see, whatever we are commissioning, it is a mix of CTU and STU, and also the C&I customers also under the Group Captive. So, connectivity is available for whatever we are 3 GW we are planning, whether it is STU or CTU. So, it does not make any difference whether it is STU or STU, which one happened earlier. And as I said that this time, as compared to the previous year, in H1, we will be seeing almost close to 50% of the capacity coming up, which means that the project is at an advanced stage, connectivity is available. So, we do not see, this does not make any difference whether it is a CTU and STU, it is a mix of CTU and STU projects. And also, as I told you, the Group Captive also.
- Mr. Satyadeep Jain:** And secondly, just on the return profile for RE, I am sorry if I missed it. What kind of curtailment do you build in the projects when you bid for a project for long term? And when you mentioned DSM, just clarifying, you mentioned about 2% revenue hit. Is that fact X is equal to 0? And is it assuming grouping at the substation or is it without grouping at the substation?
- Mr. Sharad Mahendra:** See, one thing is curtailment, I will just like to bifurcate into two. One is that a significant portion of our capacity is under Group Captive, which is off-grid. So, I am insulated from the curtailment on those capacities, which are almost a GW of capacity, which is operational. And further, we are going to add in the current year also. And next two years, three years, we will be continuing to add off-grid Group Captive capacities. So, there we are insulated from this DSM regulations. In addition to that, next question.
- Mr. Satyadeep Jain:** The question was, when you look at, How you calculate DSM
- Mr. Satyadeep Jain:** When you calculate DSM
- Mr. Sharad Mahendra:** Yeah, yeah continue
- Mr. Satyadeep Jain:** That 2% to 2.5% of revenue hit is that when you consider X is equal to 0 and assuming grouping, or this is without grouping at the substation?
- Mr. Bikash Chowdhury:** So, Satyadeep, Bikash here, sorry, I intervened. You know, what we were saying is that is the worst-case scenario that we have seen, considering the, what has been announced as of now, if there is grouping, obviously, everyone benefits and we benefit out of it.
- Mr. Sharad Mahendra:** And what we see is not as 2% to 2.5% what we said, it is 1.5% to 2% is what I said. And also, it is not 0 to this, that we do not have to make it from 0% to 1.5%. There is some which is there also. It has become stricter now. So, it is without grouping is what I have said. After that, we expect that things can improve. But with grouping, this will reduce.

- Mr. Satyadeep Jain:** Just one more, if I can squeeze on Pump storage. You mentioned 2030 for one and 2031 for another. Do you expect groundbreaking this year? And then what is the typical construction timeline you are looking at for the PSP project?
- Mr. Sharad Mahendra:** See, normally, for Pump storage projects, we see that from the zero day, maybe 36 months. And as I told, maybe in my opening remarks, we have got the forest stage one clearance just two days back. And work in the non-forest area has already started. The contracts have been awarded; the electro-mechanical ordering has already been placed. So, we are confident that that will be in time. This will be 36 months, you can say.
- Mr. Satyadeep Jain:** Okay. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, due to paucity of time, we will request all the participants to kindly limit their questions to only one. We will take the next question from the line of Mohit Pandey from Citi. Please go ahead.
- Mr. Mohit Pandey:** Yeah, good evening, sir. Is it possible to give any colour on our merchant realizations in April and May so far? Yeah.
- Mr. Sharad Mahendra:** See, Mohit, as we have been saying that normally in the merchant when we sell our open capacity, we normally are, it is through bilateral contracts. And I can say whatever merchant tariffs are being discovered in the market, we will definitely maintain at least minimum 20% premium and we are continuing with that. What we have demonstrated last year also, overall discovered price, we have more than 5% to 20% premium. We are continuing to sell even in the current quarter.
- Mr. Mohit Pandey:** Okay, sir. And are there any risks to the performance of our Hydel portfolio due to possible El-nino?
- Mr. Sharad Mahendra:** No, we don't see that. The reason is that if you see when the temperature increases, right now when we have been seeing onset of summers and the temperature increasing, we are seeing because snow melting was slightly lower last year. But now with the good snow melting, the river flow is better. And with the power what is required, even if there is, in past also data clearly shows that even if there is 6%, 7%, 8% below normal monsoons, the water flow required to run at full capacity and to grow as per the design energy is sufficient. So, we have reviewed and we have evaluated this and we are absolutely certain that we don't see any significant impact on our hydro operations because of this weather impact.
- Mr. Bikash Chowdhury:** So, just to add, there are broadly two ways. One is obviously snow melt, the other is rainfall. So, like sir was saying that last time the rainfall was there, this time there will be snow melt if there is, like you said, going to be higher heat. Therefore, for run of the river, it is not a concern and this we have highlighted earlier as well and we reiterate the same.
- Mr. Mohit Pandey:** Understood, sir. Thank you so much and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from J.P. Morgan. Please go ahead.
- Mr. Atul Tiwari:** Yeah, sir, will it be possible to at least qualitatively share how much was of KSK's Rs. 930 odd crore EBITDA was due to merchant in the quarter?
- Mr. Sharad Mahendra:** Merchant? What we will see, maybe we will divide and we will come back. My IR team will definitely get back to you and we will give you the number.

- Mr. Atul Tiwari:** Okay. And, sir, broadly speaking, I mean, obviously, your PAT has been held by Deferred Tax creation
- Moderator:** Sir, I am sorry to interrupt you. Mr. Tiwari, I would request you to kindly limit to only one question, please.
- Mr. Atul Tiwari:** Okay.
- Moderator:** There are others who are waiting for that. Thank you so much, sir. We will take the next question from Rajesh Majumdar from 360 ONE Capital. Please go ahead.
- Mr. Rajesh Majumdar:** Yeah, sir, thanks for the opportunity. Sir, you are talking about additions of roughly 2.5 GW to 3 GW per annum as I understand. And if you see that pipeline for next year FY27, it consists of other than Group Captive, GUVNL, then two or three transfers of SECI and I think SJVN, if I am not mistaken. Do you see any kind of delays in these projects, any of these which can happen or I mean, your installed capacity is like falling short of our targets? And in future as well.
- Mr. Sharad Mahendra:** See, the thing is, what you have pointed out is very, very correct. We definitely see the delay in this because we have deliberately delayed the execution and investment in these projects because the availability of the allotted connectivity is getting delayed. So, we are aligning our investment and commissioning with the commissioning of the evacuation. We do not want to invest, make the asset ready and then wait that I am not able to commission because of this curtailment issues and the connectivity issues. So, we are particular, we are insulated from any kind of penalties or anything because of the delays. So, we are absolutely certain, Yes.
- Mr. Rajesh Majumdar:** I mean, I missed it probably earlier. Did you reduce your earlier increase of 2.5 GW to 3 GW per annum, or you still maintain that based on orders that we have, which is a lot SECI heavy?
- Mr. Sharad Mahendra:** Can you repeat the question?
- Mr. Rajesh Majumdar:** I said the addition for this year is about 3 GW, which includes a substantial amount of SECI orders. Do you see any delay in this kind of addition for FY27, which will get postponed to next year?
- Mr. Sharad Mahendra:** No, we do not see at all. As I said earlier also, we are absolutely certain because the challenges for which the projects have been getting delayed are not there in terms of connectivity, in terms of land availability, in terms of execution, the various stages the projects are. So, we are certain that the current 3 GW in the current year, we are absolutely certain that this will be there.
- Mr. Rajesh Majumdar:** Okay. Just one follow-up question, sir.
- Moderator:** Sir, I am sorry to interrupt you. I am so sorry to interrupt you, sir. There are others who are waiting.
- Mr. Rajesh Majumdar:** Okay, okay. Fine. No problem.
- Moderator:** Thank you so much, sir. We will take the next question from Nikhil from UTI Mutual Fund. Please go ahead.
- Mr. Nikhil:** Just one question, sir. What has been the impact of curtailment on our EBITDA, if you can quantify that in terms of Rupees, crores or something?

- Mr. Sharad Mahendra:** Yeah. As I told in my opening remarks also, during the quarter, as I told you, the curtailment was not significant because a portion of the curtailment was under permanent grid network access connectivity. So, my plant was available, the power was offered, but couldn't flow. So, I have been getting the tariff for that. Some portion which was under temporary grid network access because of the delay in the connectivity, permanent connectivity execution. So, we have about there has been a loss of around 15 crores during the quarter and full year approximately 50 crores, the impact. And it is in two of our assets in the state of Rajasthan and where this evacuation capacity is getting commissioned maybe sometime in July. So, we expect after this this will not be there.
- Mr. Nikhil:** Sure. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Thank you and over to you sir.
- Mr. Sharad Mahendra:** Yeah. Before I close, maybe Atul from JP Morgan asked for what was the merchant EBITDA on Mahanadi. During the quarter the EBITDA from the merchant sale was 203 crores. I just wanted to give that number.
- Moderator:** Okay. Thank you, sir.
- Mr. Sharad Mahendra:** Right. Thank you everyone, and thanks for being with us and maybe we hope to meet you all very soon again. Thank you.
- Moderator:** Thank you, members of the management. On behalf of PL capital, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.