

November 5, 2025

To,
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051.

Scrip Code: 533096

Scrip Code: ADANIPOWER

Dear Sir(s),

Sub.: Transcript of Investors / Analysts Conference Call on Q2 FY26 Financial Results of Adani Power Limited held on October 30, 2025

Ref.: Our intimation dt. October 23, 2025 w.r.t. interaction with Investors / Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In furtherance to our above-referred intimation, please find enclosed the transcript of the Investors / Analysts Conference Call held on October 30, 2025.

The said transcript is also available under the Investors Section of the website of the Company i.e. www.adanipower.com.

This is for your kind information and records.

Thanking You.

Yours faithfully,
For Adani Power Limited

Deepak S Pandya
Company Secretary

Encl.: as above.



“Adani Power Limited Q2 FY '26 Earnings Conference Call”

October 30, 2025



MANAGEMENT: **MR. S. B. KHYALIA – CHIEF EXECUTIVE OFFICER, ADANI POWER LIMITED**
 MR. DILIP JHA – CHIEF FINANCIAL OFFICER, ADANI POWER LIMITED
 MR. NISHIT DAVE - HEAD, INVESTOR RELATIONS, ADANI POWER LIMITED
MODERATOR: MR. MOHIT KUMAR – ICICI SECURITIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Adani Power Limited Q2 FY26 Earnings Conference Call.

As a reminder, all participants' 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 '*', and then '0' 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 Limited. Thank you and over to you, sir.

Mohit Kumar: Thank you. On behalf of ICICI Securities, I would like to welcome you all on Q2 FY26 Earnings Call of Adani Power Limited.

Today, we have with us from the management, Mr. S. B. Khyalia – CEO, Mr. Dilip Jha – CFO, Mr. Nishit Dave - Head, Investor Relations.

We will start with the opening remarks followed by Q&A. Over to you, sir.

S. B. Khyalia: Good Afternoon, Friends! I want to extend a warm welcome to everyone who has joined us today for our second Quarter FY2025-26 Earnings Call.

I appreciate that you have taken time out of your busy schedule to connect with us. Before we begin, I encourage you to download and review our Quarterly Results and the Analyst Presentation, which have been made available on the Stock Exchanges.

With me on the call, I have our CFO – Mr. Dilip Jha and Nishit Dave – our Investor Relations Head.

The Adani Portfolio Company has consistently demonstrated their strength with resilience over the past several years. The portfolio's scale in terms of investment, revenues, EBITDA and cash flows has grown by multiples. Focusing on Adani Power, I am proud to say that our company has made a significant contribution to the group's earnings growth during this period. We have navigated a range of challenges in the market and we have emerged

stronger each time. Our team has turned these challenges into opportunities, leveraging our experience and agility to drive sustainable growth.

Now, we are set firmly on our path to raise our generation capacity from 18 GW to 42 GW by 2032, with an even faster growth in earnings and cash flows. We are set to increase our market share in the thermal power sector significantly. We have won new long-term PPA bids for more than 9 GW out of the 14.5 GW of bids awarded by the state so far. In the recently concluded quarter, we have announced the award of 2,400 MW PPA in Bihar and 1,600 MW in Madhya Pradesh. In addition to this, we have also won 570 MW long-term PPA for 25 years recently from Karnataka, which would be supplied from our existing capacity at Raipur. There are another 17 GW of bids which are at various stages of submission currently. Proactive steps have been taken by States and the Central Government to meet the projected long-term requirement of power from all sources. We are highly confident that we will tie up our upcoming capacities under these emerging opportunities. These PPAs will be value accretive for the company. They will enable us to generate higher returns on investment along with steady cash flows.

Our capacity expansion drive is progressing rapidly. There are four projects currently under construction, with a total capacity of 6,120 MW. They will be completed in stages between FY 2026-27 and FY 2028-29. We have fully de-risked our project execution pipeline with 100% advance ordering for Boilers, Turbines and Generators. This is largely brownfield development and we have 100% land availability. Similarly, most of the environmental clearances have also been granted or are in the advance stage of approval.

Our in-house project management capabilities, coupled with our financial strength and proactive strategy, will enable us to stay well ahead of the competition, and deliver projects on time while maintaining a capital cost leadership. We have revived the operations of 600 MW Butibori plant of Vidarbha Industries Power Ltd., which was acquired in July 2025, within just two months. This plant had been shut down for almost 10 years. We have also signed a 500 MW PPA for this plant with Maharashtra DISCOMs for five years recently.

Now, let us talk about our performance during the second quarter of FY 2025-26:

We have registered more than 7% growth in power sale volumes in the quarter at 23.7 billion units, as compared to 22 billion units in Q2 FY25. The year 2025 has seen an unprecedented early onset and much delayed retreat of monsoon in recent memory. This has affected overall power demand and peak demand adversely. Merchant power tariffs have also been subdued because of the prolonged rainy season. As a result, we have achieved PLF of 62.8% for Q2 FY26 as compared to 66.9% of Q2 FY25. In the first half of FY26, we achieved PLF of 64.8% versus 72.3% in H1 FY25.

Despite this, we were still able to post a growth in volumes with the help of our competitive PPAs, low-cost merchant plants, and increased generation capacity. However, long-term demand growth drivers are intact, as they are tied to India's strong economic growth. We expect our PLF to improve as the lingering impacts of weather abate and demand picks up.

Adani Power posted total continuing revenue, excluding any one-time prior period items, of Rs. 13,639 Crores in Q2 FY26, which is a slight growth over Q2 FY25. Our EBITDA performance for Q2 FY26 is also quite stable, despite lower tariff realization due to our cost-efficient operations and remunerative PPAs. The continuing EBITDA of Rs. 5,333 crores for Q2 FY26 is close to the continuing EBITDA of Q2 FY25. Profit after tax for Q2 FY26 is also quite healthy at Rs. 2,906 crores and similar to the PAT for Q2 FY25, demonstrating our tight control on debt and finance costs despite the growing scale of operations and ongoing expansion.

Looking forward, we expect our power demand growth to pick up again, resulting in improved offtake under long-term contracts, as well as greater traction in the short-term market. We intend to tie up more of the open capacity under the PPAs, similar to the recent 1 GW of awards. I look forward to the upcoming commissioning of new capacities from the next financial year onwards, which will lead to the next cycle of rapid earnings growth. Adani Power is excited to play a key role in meeting India's growing energy demand reliably and enhancing its energy security.

I would now like to hand over the call to our CFO, Mr Dilip, to elaborate further on the Q2 results. Thank you, and over to you, Dilip.

Dilip Jha:

Thank you, Khyalia sir and good afternoon, everyone. It is my privilege to present Adani Power's strong and resilient financial performance for the second quarter and first half of the financial year 2025-26. Despite unprecedented weather conditions and slower pace of power demand growth, Adani Power has delivered a remarkably strong and stable performance in this Quarter. The subdued power demand and weakness in the tariff acted as a constraint on revenue growth despite the higher power sales volume.

Total continuing revenue for Q2 FY26 was Rs. 13,639 crores, slightly higher than the revenue of Rs. 13,465 crores of Quarter 2 last year, a testament to our resilient business model. Total one-time prior period income recognition for Q2 was Rs. 669 crores, mainly pertaining to old matters and late payment surcharge. For Q2 FY25, this item was broadly similar at Rs. 598 crores. For the first half of FY 26, total continuing revenue was Rs. 27,807 crores compared to Rs. 28,517 crores in H1 FY25. For H1 FY26, prior period revenue was Rs. 1,075 crore, again similar to the H1 FY25 figure of Rs. 1,020 crores.

Now coming to the costs, Fuel Expenses in Q2 FY26 grew modestly by 2.4% to Rs. 7,205 crores from Rs. 7,032 crores in Quarter 2 last year due to higher volume and newly acquired plants. For H1 FY26, the fuel cost declined by 2.8% to Rs. 14,514 crores from Rs. 14,930 crore in H1 of last year. Other expenses increased by 24% to Rs. 814 crores in Q2 FY26 from Rs. 655 crores in Quarter 2 of last year, primarily due to the full period operation of recently acquired plants and additional maintenance expenditure due to scheduled overhauls.

Consequently, continuing EBITDA for Q2 FY26 stood at solid and stable Rs. 5,333 crores, compared to Rs. 5,402 crores in Q2 last year. For the first half, continuing EBITDA was broadly similar at Rs. 11,076 crores compared to Rs. 11,692 crores in H1 of last year. Depreciation charge has increased in line with the acquisition of power plants over the last one year. We have maintained control over finance costs even as we expanded our operations. As a result of the flattish EBITDA, continuing profit before tax for Q2 FY26 was Rs. 3,298

crores, again broadly similar to the Continuing PBT of Rs. 3,537 crores of Quarter 2 of last year.

Continuing PBT for H1 FY26 was Rs. 7,096 crores as compared to Rs. 8,020 crores for H1 of last year, in line with the continuing EBITDA and depreciation trend. There has been an increase in Deferred Tax, leading to a higher tax charge for Q2 and H1 FY26 as compared to the corresponding period of last year. Consequently, profit after tax for Q2 FY26 was slightly lower but very healthy at Rs. 2,906 crores compared to Rs. 3,298 crores in Q2 FY25. Similarly, for the first half, profit after tax was commendable at Rs. 6,212 crores as compared to Rs. 7,210 crores in H1 of last year.

Our total debt as of 30th September 2025 stands at Rs. 47,254 crores compared to Rs. 38,335 crores at the end of March 2025. The increase is mainly due to bridge financing for capital expenditure and working capital needs supporting our ambitious growth plans. Our net debt position remains steady and healthy at Rs. 36,776 crore. We are investing our strong and steady cash accruals into capacity expansion. We are following an efficient capital structure policy without a high reliance on debt.

Thank you for your continued support. Let us now open the floor for questions and answers. Moderator, over to you. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Manish Somaiya from Cantor Fitzgerald & Company. Please go ahead.

Manish Somaiya: Thank you, gentlemen. Congratulations. A couple of questions. One, if you can just talk about the expectations on the merchant and PPA tariff realizations in the second half given softness in merchant pricing that we have seen so far? If you can just give us a big picture perspective on how we should think about the second half versus the first half?

Dilip Jha: Good afternoon, Manish. As regards to PPA rates are concerned, there will not be any change in the PPA rates because the rates are long-term rates. And if the demand is less, it is only impacting the off-take. So, there is no different expectation as regards to rates of the PPAs are concerned. We have achieved

average realization of Rs. 5.70 per unit during this quarter and we expect the same rate will continue to be realized, because under the PPA rates are not getting much changed. As regards to merchant realization, we have achieved Rs. 5.37 per unit as the rate during Q2 FY26. For the balance period, we are expecting an average realization of around 1 Rs. 6 or so, which used to be the rate over the last few years. Thank you.

Manish Somaiya: On the PPAs portion itself, I think right now it is at 88%. SBK, are there any plans to try to increase that so hence to avoid the volatility in pricing? And how do you think about that?

S. B. Khyalia: As I explained in my speech, we have recently signed a medium term PPA with Maharashtra DISCOM for 5 years at the rate of Rs. 5.55 per unit, and we have now recently received one LOI from the state of Karnataka at Rs. 5.78 per unit. We have already tied up the amount what we said earlier around 1,100 MW. So, if I consider the overall portfolio, I think now it must be working out to be around 91%. We are taking the steps to tie up more and more capacity under long term or medium term PPAs, so that we can reduce the volatility impact. Thank you.

Manish Somaiya: That is super helpful. I was trying to get to that 92%-93% and hopefully with more PPAs, it will be higher. So I appreciate that answer. The other question I have is on the CAPEX. Obviously, you have a significant pipeline, locked in pipeline. How should we think about CAPEX in 26 and beyond 26? And how should we also think about the funding mix between internal and external? Thank you.

Dilip Jha: So far as our CAPEX program is concerned, we are generating a significant portion of cash flow from our operating assets. We will fund a significant portion from our internal accruals. Over the next 2-3 years, there will be an interim bridge requirement for the CAPEX, which we will take from market in the mix of short term and long term from the domestic capital market or domestic banks. So a significant portion will be funded from our internal accruals only. We will fund the interim gap from the market, and that is, a mix of domestic capital market and domestic banks.

Manish Somaiya: Super. Thank you so much for your help and congratulations again.

- S. B. Khyalia:** Thank you, Manish.
- Moderator:** Thank you. Our next question comes from the line of Abhinav from ICICI Securities. Please go ahead.
- Abhinav Nalawade:** Yes, Good Evening, sir. Thanks for the opportunity. My first question is on the Assam bid. Has the bid for 3.2 GW been floated, what is the status over there?
- S. B. Khyalia:** The bids have been concluded and we are the L1 party there. The approval of the commission has also been received. So we hope that we should get a positive communication shortly. For the time being, whatever is in the public domain is that the commission has passed the order.
- Abhinav:** Understood. Thank you. The second question is, can you share the revenue, EBITDA, PAT numbers for the two acquired plants, Coastal and Amarkantak in H1?
- Dilip Jha:** Our revenue for Quarter 2, for Mahan was Rs. 1,049 crores; Tuticorin was Rs. 677 crores; and Korba, Rs. 339 crores. If you talk about EBITDA, for Tuticorin, this quarter EBITDA was Rs. 54 crores, for Korba, it was Rs. 84 crores and for Mahan, it was Rs. 521 crores. Let me repeat it once more. For Mahan, revenue for the quarter was Rs. 1,049 crores as against EBITDA, Rs. 521 crores. For Tuticorin, revenue Rs. 677 crores and against EBITDA, Rs. 54 crores. Korba, revenue Rs. 339 crores and EBITDA, Rs. 84 crores. Here I am talking about operating revenue from the plant. Thank you.
- Abhinav:** Got it, sir. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Shirom Kapur with Jefferies. Please go ahead.
- Shirom Kapur:** Thank you. So as I was saying, you mentioned about 17 GW of bids at various stages. Could you maybe break that up into which states are offering these bids and if you could just quantify that state-wise?
- S. B. Khyalia:** The bids are in the public domain. Rajasthan is 3,200 MW, Uttarakhand, it is 1,320 MW, Maharashtra, 1,600 MW, Uttar Pradesh, 4,000 MW and West Bengal, 2,260 MW. So, it is 12000 MW. Apart from that, there are bids which

are at an advanced stage of finalization. Karnataka, 1,600 MW, Gujarat, 4,000 MW and Assam, 3,200 MW. So if we take the latest figures, the total is working out around 22,000 MW rather than 17,000 MW, because recently, Gujarat has floated a bid of 4,000 MW, which was not included in the earlier figures I quoted. So the approximate figure working out is 22,000 MW. Thank you.

Shirom Kapur: Thank you. That is very helpful. I just want to clarify. So in your presentation, you mentioned that about 91% of your operational capacity is tied up under PPAs. And if we see in the later pages, about 8.5 GW of the upcoming capacity is also tied up. Is it a correct figure that totally out of your 42 GW target, about 25 GW is tied up under PPAs currently?

S. B. Khyalia: So, the new capacity which we have planned is 23.72 GW. And out of that 23.72 GW, 8.52 GW is already tied up under the PPAs.. Over and above this 3.2 GW Assam bid, we are the L1 bidder, and recently, we have also tied up around 1,100 MW from the existing capacities that is, as I said, 500 MW Maharashtra and 570 MW Karnataka.

Shirom Kapur: Sure, sir. That is helpful. Just to clarify, from the operating capacity, which is 18.15, how much of that in GW is currently tied up under PPA, including the 1.1 that you have recently signed? If you could just give a GW number to that. Because there is 91% written on one of your pages and 88% on the other. I just want to get a clarification on that?

S. B. Khyalia: Broadly, the figure is around 16,300 MW. Because sometimes the agreement is at the busbar, sometimes it is at the state periphery. So there are some minor changes here and there. But broadly, it is 16,300 MW out of 18,150 MW.

Shirom Kapur: Great. Got it. So thank you so much. And just, last question. So, you had a target of, you obviously recently upped your target to 42 GW by FY32 from 30 GW earlier by FY30. So just want to understand in terms of planning, are we still on track for 30 GW by FY30, which will then ramp up to 42 GW by FY32? Just want to get a clarification on that. And of that 30 GW of your original plan that was there by FY30, how much of that portion is PPA tied up and excluding what is going to come after FY30? Just want to get a sense on that?

- S. B. Khyalia:** When we are saying 30 GW that means it is an addition of 12 GW. We are talking addition of 12 GW and then another addition of 12 GW. So roughly 23.5 GW in total. The first 12 GW is very much on track. We are going to commission around 3 GW in next year. Thereafter, we are going to commission 2.4 GW. In next to that year, 3.2 GW. And FY29-30, 7.2 GW. So we are going to commission more than the capacity of 12 GW, which was planned earlier. In fact, from the second stage of 12 GW also to some extent, the capacity will get commissioned before FY29-30. So there is no issue as far as commissioning of first 12 GW is concerned.
- Shirom Kapur:** Got it, sir.
- S. B. Khyalia:** These PPAs, which we have already signed, are part of this up to FY29-30.
- Shirom Kapur:** Understood. And sir, if I could just squeeze in one last question. You have already ordered out your entire 100% equipment for the upcoming 23.7 GW capacities. Just want to understand, would you like to share how much of this has gone to BHEL and how much to L&T? A rough split would be helpful?
- S. B. Khyalia:** I can give the broader number, not exactly. We have given 8 machines of 800 MW to L&T and balance to BHEL.
- Shirom Kapur:** Got it, sir. Thank you so much. This is very helpful. All the best.
- S. B. Khyalia:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.
- Aniket Mittal:** Yes, thank you for the opportunity. Couple of questions on Godda. So first is, we have I think got the approval to connect Godda Power Plant to the Indian grid. Just wanted to understand by when can we get it connected to the Indian grid? What is the process going forward and also corollary to that, if once we do get connected, would we be allowed to sell power from Godda to the Indian market despite being PPA with Bangladesh?
- S. B. Khyalia:** We are expecting that it will get connected by December 2025. As regards your second question, it is allowed under certain conditions that are already

mentioned under the regulations, about when you can sell the power. The conditions are, either there is persistent no scheduling from Bangladesh because their not having demand, or if there is a payment default under the PPA. So in these two conditions, we will be allowed to sell the power in the Indian grid. These are the precisely two conditions in which we would also like to sell. Otherwise, why should we be interested to selling in the Indian grid? So it is basically going to address the issue, if because of any reason, power is not being scheduled or because we are not getting the payment, both the conditions will get addressed. Thank you.

Aniket Mittal: I got that and that is helpful. On Godda again, if you could tell me what was the PLF for the 2nd Quarter and at the end of 2Q, what is the total receivables now for Godda?

S. B. Khyalia: PLF was 72% at the end of Quarter 2, which was 73% last year. So the PLF is more or less same. PLF of Godda is much better than the Indian grid, because in the Indian grid, the PLF of most of the thermal power projects is between 60%-65%. As regards outstanding payment is concerned, it is an outstanding of only around 1-1/2 months. In any case, one month is not due. So out of the overdue, it is only half months overdue. Thank you.

Aniket Mittal: Understood. Just on the bids part, two bids that I remember were in fairly advanced stages was the Rajasthan and the Uttarakhand. If you could just provide your estimate or timelines on where the bids are for these two states? When do we expect finalization to happen?

S. B. Khyalia: I don't think we can estimate anything on behalf of states. We can only give what is the present case. In case of Rajasthan, I think the bid submission date is in the next month, and in case of Uttarakhand, the documents are under approval of the regulator. So, that is the present status. Thank you.

Aniket Mittal: I know that. Just one last question. You mentioned earlier in your comments that the merchant tariff this quarter was about 5.37. Just to get a comparison, what was the same for the same quarter last year?

- S. B. Khyalia:** Last year, our average realization for same quarter was Rs. 5.88 and this year, it was Rs. 5.37. So realization has been roughly 50 paise lower in this quarter. This is approximately 10% of the tariff.
- Aniket Mittal:** Yes, got that. Thank you. Those were the questions I had.
- S. B. Khyalia:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Vipul Aggarwal, an Investor. Please go ahead.
- Vipul Aggarwal:** Good afternoon, sir. Again, congratulations for stellar performance in Q2 and H1. I just wanted to ask two questions from my side. What is the total estimated CAPEX for the 23 GW expansion that we are planning now?
- S. B. Khyalia:** It is approximately Rs. 2 lakhs crore.
- Vipul Aggarwal:** Right, sir. And you already answered the gearing question. Second is, out of the additional 23 GW capacity, with regards to fuel linkages, are we providing fuel linkages along with the PPA or we will be applying for the fuel linkages?
- S. B. Khyalia:** No, we have already stated that we will be tying up capacities through the PPAs. Nowadays each bid is coming with attached fuel linkage given to the state utilities. So for all this capacity, fuel linkage availability will be provided by the utility under the bid.
- Vipul Aggarwal:** And third question would be, sir, these are the new PPAs that we would be signing, will be capacity charge for the fuel charge will be passed through. It is not like a single levelized tariff because of which we had issues with Mundra, etc., earlier?
- S. B. Khyalia:** No, under the new standard bidding documents, you have to quote tariffs for only the first year. You are not allowed to quote any fixed number for 25 years. So therefore, we only quote the first year number and in case of fuel, it is completely passed through based on a formula which includes the station's heat rate, etc., which are the operating parameters. In case of the capacity charge, there are slight variations in different states' PPAs. So in some of the states, the capacity charge will go up by 30% of WPI and a 2% reduction every year,

whereas in a few states, it is up by 30% of WPI and a 1% reduction. So more or less, the capacity charge will remain flat and fuel charge is passed through.

Vipul Aggarwal: Last question, sir, there was a news report dated 11th September where the management had given a guidance of reaching Rs. 70,000 crores EBITDA in 6 years. So this is accounting for the entire 42 GW capacity or this is just for the 30 GW?

Nishit Dave: Yes. Mr. Aggarwal, actually, this was a media report. The management has not given any such guidance. So it was the media's own analysis on the basis of which it was given, but I think, we hope to actually achieve a better EBITDA than what they had projected.

Vipul Aggarwal: Thank you, sir. That will be it. Thank you.

Moderator: Thank you. Our next follow-up question comes from the line of Manish Somaiya with Cantor Fitzgerald & Company. Please go ahead.

Mahesh Somaiya: Thank you again for getting me back on, SBK. I think you mentioned that you have pre-ordered critical components for the expansion pipeline. Can you give us a sense of pricing on the equipment vis-a-vis what you have paid before I assume it is going to be higher, but just trying to understand if it changes the return dynamics because of the inflationary nature of what is transpired on equipment costs, so maybe if you can just help us with that? Thank you.

S. B. Khyalia: I think it will not be appropriate to discuss the pricing of the equipment on a public platform. I would not be in a position to give exactly pricing of the equipment because that would not be appropriate. This is confidential information and in the competitive market, it is not appropriate to disclose these numbers. Thank you.

Manish Somaiya: So let me ask you a different question. In terms of the delivery of the equipment, I assume that is going to be meeting your timelines based on the conversations you have had with your partners. That is something that we can feel comfortable with, right?

- S. B. Khyalia:** Yes, the deliveries which we have agreed are ranging from 38 months to 75 months in total. These are staggered deliveries and we are confident that we will get the deliveries as per this time schedule because as we mentioned, four projects are under construction and all the four projects are ahead of the time in terms of delivery as well as execution. We are very confident that we will get the deliveries as per the agreed time schedule and therefore, there is no likelihood of any cost overrun.
- Manish Somaiya:** Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Nirav Shah from GeeCee Holdings. Please go ahead.
- Nirav Shah:** Yes. Hi. Good evening, sir. Thanks for the opportunity. Most questions are answered. Just last one question. Sir, we have commissioned the Dhirauli mine and there was an incentive of waiver of the cess, but now in this, the cess has been already completely waived. So now in what form will we be incentivized on the mining?
- Dilip Jha:** The Dhirauli mine is actually very close to the plant at Mahan, where we already have one operating unit. Two more phases are coming over there. So compensation cess is one aspect. Apart from that, there will be huge logistics advantages in terms of Dhirauli mine. For Dhirauli mine, we are expecting that by end of this year only, the box cutting will be done by end of the year, and from next year, we will have coal production from the mine.
- Nirav Shah:** So the incentive of, if we consume the coal within the state, the Rs. 400 incentive that was there, now it will no longer be there? Is that fair to say?
- Dilip Jha:** There is no incentive so far as compensation cess is concerned. Compensation cess is driven by the GST Act, not by any other state incentive.
- S. B. Khyalia:** It was a comparative incentive, not in real terms an incentive and as per the new structure, there is no negative impact.
- Nirav Shah:** But no positive, that is why it is neutral?

- S. B. Khyalia:** In most of the domestic market, the impact is positive, but since positive or negative, the change in law is to be passed on to the customer as change in law, so to the company, it is hardly anything.
- Nirav Shah:** Got it. Great. That is from my side and all the best.
- S. B. Khyalia:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Nikhil Nigania with Bernstein. Please go ahead.
- Nikhil Nigania:** Hi. Thank you for taking my question. I just had a couple of questions. Number one, it is interesting to see so many tenders coming for thermal, even from renewable states like Gujarat, who are also doing a lot of battery tenders and battery prices are going low. So wanted management's view on what do you think is driving it? I mean, we understand the need for baseload power. But it is still surprising given states like Gujarat, as you said, have also started reaching out for thermal PPAs. So appreciate your view on that? Given how cheap batteries have become and renewable as well together with batteries. So I was finding it surprising that so many more thermal tenders are coming, even from renewable rich states like Gujarat, which you mentioned, is also looking to do a thermal PPA. So wanted your view on what is driving this strong demand for thermal contracting of late?
- S. B. Khyalia:** I think you yourself have commented that it is for the baseload. The tenders for battery back up, whatever has come so far, are of, for the token quantum. It is not really going to meet the baseload requirement. Even the Government of India's projection of installing batteries up to 2030 is a fraction of the total demand. It is expected that thermal power will only be supplying the baseload power. Therefore, every state is coming out with a tender for the thermal projects supply. If you will see the resource adequacy report of the Government of India, they have provided all these resources, whether it is solar, whether it is wind, whether it is battery, and thereafter have worked out the requirement of thermal installation. So the tenders which the states are coming out with, they have already considered the possibility of installation of battery and the tenders are coming after considering the battery planned under these studies.

Nikhil Nigania: Got it. Understood, sir. A related question on that, most of these tenders, are you seeing a need to set up the thermal plant within the state or are they fine being it somewhere else and you get the coal resource allocated to the state?

S. B. Khyalia: Every state is taking its own call because there are many negatives and positives having the power station in the state or at the mine pithead. If you install a power station at Pithead, you save on the transportation cost, but then you pay the transmission charges and losses. Apart from that, states are also evaluating if you put up the power plant in the state, you get a huge amount of GST, not only on capital expenditure, but also during the operations because GST is the consumption-based tax. So in whichever state the ultimate product is consumed, like in case of operations, the coal is consumed in the state if the project is installed in the state, so there is a huge benefit of GST revenue on the CAPEX as well as OPEX. There is a huge possibility of the employment generation as well as the installation of ancillary industries in and around a thermal power project. So these are the benefits. On the negative side, if you put up a power plant in the coal-bearing states, every state is asking for some power at variable cost. In case of Chhattisgarh, it is 5%, in case of Odisha, it is 12%. So if you supply 5% or 12% power at variable cost, that means the capacity charge of that quantum has to be loaded on the rest of the power. So these are pluses and minuses of putting the power plant at the Pithead or within the state. So every state is taking their own calculated decision. Thank you.

Nikhil Nigania: Understood. I appreciate the color. The last question I had is related to the point you brought up. So now GST has increased but cess has gone away from coal. So net-net, for most plants, you should see a reduction in fuel cost. Has the discussion started from states to reflect that as change in law in the tariffs or not at present?

S. B. Khyalia: It is a different position from state to state. Some of the states have issued the change in law notice and some may be issuing it in due course because it has happened last month only. In any case, because it has happened from the date of notification, in any case, it has to be passed on. It is only a process part where they have to issue the notice of change in law and then they have to file a petition before the regulatory commissions where they have to get it

determined. CERC, as you may be aware, has already initiated a suo motu petition to pass an order in this regard.

Nikhil Nigania: Perfect. Thank you so much. Those were my questions. Thanks for answering.

S. B. Khyalia: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks.

Dilip Jha: Thank you very much for the time and patience to listen us. And we hope same level of interaction in subsequent quarters. Thank you very much. Have a great night. Thank you.

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