

TORRENT POWER LIMITED
21st Annual General Meeting
August 05, 2025
Chairman's Address to Shareholders

Dear Shareholders,

A very good morning to all of you. I welcome you all to our meeting today.

Now, I would like to take you through the key developments during the last year and share our growth plans as we continue to expand and strengthen our Company.

[Strategic Growth and Portfolio Expansion]

FY 2024–25 marked a pivotal chapter in Torrent Power's growth story. We achieved several strategic milestones that have significantly strengthened our foundation and positioned us for accelerated expansion.

Foremost among these was our successful equity raise of ₹3,500 Crore via a Qualified Institutional Placement— the Torrent Group's first equity raise in over 30 years. The offering received an overwhelming response, with 4x subscription, reflecting strong confidence from both Foreign and Domestic Institutional Investors. This capital infusion has significantly strengthened our balance sheet and will help accelerate growth across all our focus areas: renewable energy, thermal generation, energy storage, distribution and transmission.

In our Generation business, we commissioned 510 MWp of solar capacity during FY 2024-25, primarily in Gujarat. Additionally, we have ~3 GWp of renewable generation capacity, under various stages of implementation at an investment of around ₹20,000 Crores. Recently, the Company successfully secured a contract under the SECI XVIII tender, tying up its 300 MW merchant capacity at a competitive tariff of ₹3.97 per unit. With this, 96% of under construction projects are tied up under long term contracts, of which ~826 MWp capacity is being developed for C&I customers. These initiatives will take our total renewable capacity to ~5 GWp within the next 2-3 years.

Additionally, we are also developing 3 GW of Pumped Hydro Storage capacity with a total capex outlay of around ₹14,000 Crores. We recently signed a 40-year Energy Storage Facility Agreement for 2,000 MW with MSEDCL, while the remaining 1,000 MW is being developed as merchant capacity—positioning Torrent Power as a leader in long-duration energy storage infrastructure within the country.

We are also progressing well on the implementation of our two transmission projects, —one in Gujarat and the other in Maharashtra—with a combined investment of ~₹1,300 Crores.

[Financial Performance]

Moving now to the financial performance of the Company for the year. The Company reported a Profit After Tax (PAT) of ₹3,059 Crore, reflecting 61% year-on-year increase of ₹1,163 Crore, driven by:

- Higher merchant sales from gas-based generation plants, including the sale of RLNG;
- Increased RoE at licensed distribution business, supported by additional capex and stronger performance across key operating parameters in all distribution units; this was
- partially offset by temporary profit declines in renewables, due to adverse weather conditions and newly commissioned solar projects under stabilisation period.
- Furthermore, PAT growth included a one-time, non-cash reversal of deferred tax liabilities amounting to ₹637 Crore.

Despite equity raised through QIP, we continue to demonstrate best-in-class return ratios, with ROE of 18.42%. The equity raised helped us to further strengthen our balance sheet, with Net debt to EBITDA improving from 2.25x to 1.41x, and Debt to Equity ratio from 0.9x to 0.46x as compared to the previous year.

We continue to deliver consistent long-term returns, creating wealth for our shareholders. Over the past five and ten years, our market capitalisation has grown at a CAGR of ~40% and ~25% respectively —reflecting trust our shareholders have placed in our strategic vision and operational excellence.

[Operational Performance]

I shall now cover how each of our businesses performed during the year:

The licensed distribution business, which includes areas of Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera and Dadra & Nagar Haveli, and Daman & Diu, recorded a sales growth of ~4% as compared to the previous year, driven primarily by demand from industrial and commercial consumers. Distribution loss in our licensed distribution areas during 2024-25 was at an impressive level of 2.34%, amongst the best performances globally.

Furthering our commitment to quality and operational excellence, our licensed distribution areas in Ahmedabad, Surat, and Dahej received the prestigious 6-Star EFQM rating, making us the first Indian organisation to receive this honour. This award is a mark of excellence in reliability, digital integration, sustainable performance, and customer service. We continue to enhance customer experience through improved supply reliability and sustained reduction in distribution losses.

Similarly, our Franchised Distribution Business in Agra, Bhiwandi, Shil, Mumbra and Kalwa witnessed sales growth of ~4% as compared to the previous year. Among our franchised distribution areas, Agra stands out as a noteworthy success story, where Aggregate Technical & Commercial (AT&C) losses were brought down to a record low of 6.94% this year, a remarkable turnaround from 58.77% at the time of takeover in 2010. This highlights our long-term commitment to system reliability, loss reduction, and customer-centric service delivery.

Our gas-based thermal plants — SUGEN, UNOSUGEN and DGEN — operated at modest levels owing to reduced offtake from long-term beneficiaries and elevated gas prices, which was partially offset by increased merchant and bilateral sales including NVVN tender and Section 11 imposed by government for gas-based power plants.

Lastly, coming to the Renewable Segment; with commissioning of 510 MWp solar power capacity, the total operational renewable generation capacity of the Company reached 1,746 MWp (825 MWp Solar and 921 MW Wind) as on 31st March 25.

Wind PLF during the year remained subdued as compared to Year 24 mainly due to lower wind speed and was also affected by forced outages due to grid failure and extreme weather. Solar PLF was lower due to lower irradiation and stabilisation period of new projects commissioned during the year.

[CSR]

Our CSR programme is anchored in community healthcare, education and social care. We continued our work on expanding preventive healthcare services for children and adolescents tackling malnutrition, anaemia and menstrual hygiene in underserved areas. Our UNM Children Hospital and network of primary health centres continue to make a meaningful difference.

[Future Outlook]

As we look ahead, our vision remains to achieve 10 GWp of renewable energy capacity by 2030. Our strategic approach is anchored in a diversified portfolio that spans utility-scale solar, wind, hybrid, and round-the-clock renewable projects, alongside dedicated supply of renewable power to C&I customers. To ensure grid flexibility and reliable delivery of renewable power, we are evaluating Pumped Hydro Storage projects in Maharashtra and Uttar Pradesh, with a cumulative potential of ~8.4 GW

In alignment with our clean energy goals, we are actively exploring emerging opportunities in green hydrogen and green ammonia, which we believe will play a pivotal role in the future energy landscape.

While renewable energy is our focus, we recognise the continued importance of thermal power in maintaining India's energy security and grid stability. In response to evolving energy needs more particularly with rising integration of renewables into the grid, our gas-based generation assets will be instrumental in supporting grid reliability during peak demand periods, especially during summers. Furthermore, we are actively considering investment in coal-based thermal projects by participating in competitive bids.

We also continue to look for new opportunities in the distribution sector in the form of privatisation, parallel licensing, or franchise models.

Together, these initiatives reflect our unwavering commitment to building a resilient, sustainable, and inclusive energy future for India.

[Closing Remarks]

As I conclude, I would like to express my sincere gratitude to all our stakeholders — shareholders, lenders, suppliers, customers, and government authorities—for their continued trust and partnership as we strive to create enduring value and sustainable growth.

I also extend my heartfelt thanks to our employees for their dedication in achieving organisational goals and my fellow colleagues on the Board for their valuable guidance from time to time.

Thank you once again for your consistent and resolute support.
