TORRENT POWER LIMITED
22nd Annual General Meeting
August 03, 2026
Chairman's Address to Shareholders

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to our 22nd Shareholder's meet. I thank you all for joining us today and for your continued trust, confidence, and support. We remain committed to creating sustainable long-term value for all stakeholders. Over the last five years, Torrent Power has delivered a compounded annual return of around 26% for shareholders, a testament to our consistent focus on growth and value creation.

[Strategic Growth and Portfolio Expansion]

Year 2026 was a pivotal year in Torrent Power's journey. We achieved several strategic goals that significantly strengthened our core capabilities and positioned us for unlocking future potential. We are moving towards expanding our balance sheet threefold, with investments of approximately ₹1,00,000 crore over the next 5 to 6 years.

This year, we laid the foundation for the next phase of growth. We signed a definitive agreement to acquire Nabha Power Limited, a subsidiary of Larsen & Toubro Limited, which operates a 1,400 MW supercritical coal- based power plant. We successfully completed this acquisition in June 2026. We have entered into a long-term Power Purchase Agreement with MP Power Management Company Limited for a 1,600 MW ultra-supercritical coal-based power plant in Anuppur, Madhya Pradesh. The acquisition of Nabha and greenfield investment in MP have increased our thermal generation capacity from over 3 GW to over 6 GW. This has further strengthened our growth trajectory and will contribute to long-term value creation for shareholders.

Enhancing our renewable portfolio, we secured a Letter of Award for a 300 MW wind project under SECI's Wind Tranche-Eighteen, along with a 250 MW FDRE project from our own DISCOM. With this, we added a gross pipeline of about 549 MWp of solar capacity and 503 MW of wind capacity. This takes our total operational renewable energy capacity to approximately 2 GWp, with about 4 GWp under development, with a total investment of more than ₹27,000 crores.

We are also augmenting our pumped hydro storage opportunities with a cumulative potential of around 8.4 GW across Maharashtra and Uttar Pradesh. As a part of this, we are developing a 3 GW pumped storage project, which includes 2 GW already secured under a firm 40-year Energy Storage Facility Agreement with MSEDCL. This flagship project, involving an investment of approximately ₹14,000 crore, is poised to be one of India's largest pumped storage initiatives. During the year, we achieved significant progress by securing all major approvals and clearances and have placed orders for construction and key equipment.

During the year, we inaugurated our first green hydrogen plant at Gorakhpur for blending into the CGD network, with an annual production capacity of 72 tonnes, developed jointly by Torrent Power and Torrent Gas.

On the transmission front, we successfully commissioned the 4.5 GW renewable power evacuation Khavda Transmission Project in February 2026, comprising 60 km of 400 kV multi-circuit transmission lines along with associated bay upgrades. Further, our Solapur Transmission Project is at an advanced stage of implementation and is expected to be commissioned in the first half of Year 2027.

[Financial Performance]

Moving ahead to the financial performance of the Company for Year 2025-26. The reported Profit Before Tax of Company remained stable Year-on-Year. The Company reported Profit Before Tax of ₹3,317 Crore compared to ₹3,253 Crore previous year, driven by:

- Strong operating performance in both licensed and franchised distribution businesses driven by
    - Continued reduction in distribution losses
    - Additional incentives that improved RoE under revised regulations
    - Incremental capital expenditure during the year in licensed distribution business
- Improved contribution from renewables on account of a higher plant load factor

This was partially offset by lower merchant sales from gas-based power plants, including RLNG sales.

We continued to demonstrate healthy growth and profitability, with Return on Equity of 12.15% and an EBITDA margin of 19.13%. We continued to invest decisively in our future growth, incurring a capital expenditure of ₹8,681 crore during Year 2026, representing a 5-

year CAGR of around 45%. These investments were strategically directed towards strengthening and modernising our distribution networks, expanding our renewables and thermal energy portfolio, thus reinforcing our commitment to reliable, sustainable, and future-ready energy infrastructure.

[Operating performance]

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

Our licensed distribution business which includes the areas of Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera, Dadra & Nagar Haveli, Daman & Diu continued to deliver benchmark operational efficiency with distribution losses of about 2.33% which is among the lowest in the country and at par with global best practices.

Furthering our commitment to operational excellence and customer-centric service, our Ahmedabad and Surat distribution circles secured the top rank among 65 discoms in the Ministry of Power's 14th Integrated Ratings and Rankings, achieving a perfect score of 100/100 and an A+ grade. Additionally, we became the only organization in India to receive the prestigious 6 Diamonds recognition under the EFQM Global Award framework for our Ahmedabad, Surat and Dahej distribution units.

Our Franchised Distribution Business witnessed a sales growth of approximately 4% 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 have been brought down to a record low of 5.36% this year. A remarkable turnaround from the 58.77% at the time we took over in 2010. This highlights our long-term commitment to system reliability, loss reduction, and customer-centric service delivery.

In the gas-based thermal business, we executed long-term LNG procurement agreements with BP and JERA, securing approximately 10 cargoes annually, including those for our group company, over a 10-year period commencing April 2027.

Lastly, in our renewables business, we strengthened our portfolio with commissioning around 227 MWp of solar capacity and 29 MWp of C&I capacity. This increases our total operational renewable capacity to approximately 2 GWp. Operational performance also improved during the year, with higher wind PLF supported by favourable wind conditions and improved solar PLF, driven by the stabilisation of projects commissioned in Year 2025.

Overall, our operating performance improved during the year.

[ESG and CSR]

We remain committed to creating sustainable value for all stakeholders and conducting our business responsibly. During the year, we established mid-term ESG targets extending to financial year 2030. We continue to integrate sustainability considerations across our operations and value chain. We also strengthened our efforts to build an inclusive organization. I am pleased to share that Torrent Power has been recognized as a Great Place to Work, reflecting our continued focus on employee development, engagement, and organizational culture.

We continued to strengthen and expand our flagship CSR program, REACH, which has reached a total coverage of 1,920 villages and has cumulatively screened approximately 184,000 children to address malnutrition and anemia. The UNM Children's Hospital in South Gujarat and our rural healthcare program continue to serve thousands of families every year. During the year, the hospital and its primary health centers conducted more than 3,10,000 outpatient consultations and over 2,100 surgeries taking the cumulative impact to over 1.2 million outpatient consultations and over 6,500 surgeries.

Our Pratiti program, focused on developing and maintaining public green spaces, encompasses the creation and maintenance of 500,000+ square metres of green spaces, with 14 gardens under maintenance across Ahmedabad, accounting for 15% of the city's total green space, contributing to community well-being and environmental sustainability.

[Future Outlook]

As we look to the future, we remain focused on strengthening our role in India's evolving energy landscape. With rising power demand and increasing grid complexity, we believe thermal generation will continue to play a strategic role in ensuring energy security. Accordingly, we are pursuing both organic and inorganic growth opportunities across greenfield and brownfield projects, while actively participating in competitive bidding for new thermal capacities.

At the same time, we remain committed to expanding our clean energy portfolio, with a vision of achieving 10 GWp of renewable capacity by 2030. To enhance grid flexibility and enable reliable integration of renewable power, we are advancing energy storage solutions through Pumped Hydro Storage projects and Battery Energy Storage Systems, strengthening the foundation for a more resilient and sustainable energy future.

Beyond conventional and renewable generation, we are investing in emerging green energy opportunities such as Green Hydrogen and Green Ammonia, positioning ourselves to participate in the next phase of India's energy transition.

Simultaneously, we continue to explore growth opportunities in the distribution business through privatisation and franchise models, while actively participating in competitive bidding for both inter-state and intra-state transmission projects.

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 — investors, business partners, customers, and government authorities—for your continued trust and partnership as we strive to create enduring value and sustainable growth.

I also extend my heartfelt thanks to all 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 and wishing you and your families good health, happiness, and prosperity.

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