



“The Tata Power Company Limited  
Q3 FY25 Earnings Conference Call”  
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**Moderator:**

Ladies and gentlemen, good day and welcome to the Tata Power Q3 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Dr. Praveer Sinha, CEO & Managing Director of Tata Power. Thank you, and over to you, Dr. Sinha.

**Praveer Sinha:**

Thank you for joining in the call. I'm joined with my colleagues over here, Sanjeev Churiwala, CFO; Mr. J.V. Patil, Financial Controller; Mr. Rajesh Lachhani from Investor Relations and other the members from our Finance and Investor Relations team. As all of you are aware, last 9 months, the demand of power has gone up, but not to the extent what we had witnessed in the previous few years.

But we do find that in last 1 month, the demand of power has increased. And we are expecting that this year, the summer will be much more intense compared to the last year where we had a very long monsoon. Considering that, we do expect that there will be a peak demand of nearly 265 to 270 gigawatt. Already today, it was more than 230 gigawatt. And summer has still not started. So we do expect huge demand of power in the coming year.

Secondly, during the recent budget, honourable Finance Minister came out with a lot of initiatives and programs in the power sector. Some of the important ones are that the budget for PM Surya Ghar has been enhanced for this year as well as for next year and that gives us a lot of opportunity to increase our rooftop program, especially the PM Surya Ghar program in many of the states, where we have tied up with them for taking it forward.

The second big announcement by the Finance Minister was about nuclear power that the Nuclear Power Act will be amended which will allow private sector investment in nuclear power. As we have shared with you earlier, we will definitely be exploring this opportunity as and when it comes.

We are expecting the government to announce the amendments to the act and also the policy wherein we will get an idea what sort of foreign investment, what sort of foreign technology, what sort of Indian technology will be provided and also issues about the sourcing of fuel how to reprocess the spent fuel and storage of the fuel. So many of these are still grey areas and we expect that in the coming months, more details will be shared at. At that stage, we will be able to come out with our action plan on it.

Of course, as an initial comment, we are very keen to pursue this. We strongly believe that this will support us in our clean energy initiatives and we can use this along with our renewable power to supply 24/7 clean power solutions to our customers, both utilities skill as well as the C&I customers. We have already shared with you the performance highlights of the company. This is the 21st consecutive quarter in which we have shown the PAT growth.

And this demonstrates the strong performance of each of our businesses. And each one of them are now getting consolidated and stabilized in terms of their performance. Our PAT for the quarter has gone up. Our EBITDA has gone up. And both have also gone up on a cumulative basis in the last 9 months and this trend will continue going forward.

We have, during this quarter, commissioned a number of projects. These are large renewable utility scale projects for ourselves as well as large number of projects have been commissioned for third party. And those details have again been shared with you. And this has supported us in showing very good performance of our renewable business.

Our EBITDA for the renewable business itself has gone up by 38%. And also our PAT has gone up for renewable business in this quarter as well as for the full 9 months. During this quarter, we have seen a huge amount of growth in our rooftop business. For the first time we crossed in the quarter, INR500 crores of revenue with a very healthy EBITDA and PAT. And you will see that this continuing in the subsequent quarter where because the benefit of creating the whole supply chain arrangement, the benefit of having large channel partners and our reach into the market.

And the product quality and service that is being offered is being appreciated by the consumers and we actually get a premium in the market for the supplies that we are making. Our cell plant which we had taken many of you and shown our cell and module plants are performing very well. Our module plant has -- we got production done in the last quarter and also in the 9 months. And our cell plant which was commissioned in the month of November, the first 2 gigawatt is now more or less stabilized.

The second 2 gigawatt also has been commissioned in January and is under stabilization process. And we expect that within February, it will get stabilized and will be able to produce at full capacity during the next financial year. We have also seen our performance in our distribution business, stabilizing our Odisha operations have stabilized and we are doing a very good work in terms of building efficiency, collection efficiency and AT&C loss reduction.

And the performance in third quarter has been much better than compared to last year and the previous quarter. And also the fourth quarter will be, again, much better than the third quarter and second quarter and also compared to last year because many of these things, initiatives in terms of technology, in terms of our interventions which we have carried out, will start showing better results.

Our transmission business, again, we've done a huge amount of work. We won four bids and construction activity of all those four projects are going up -- going on. And we expect that in FY '26, all of them will be completed excepting one 15 months and the benefit of that in terms of revenue, EBITDA and PAT will start coming from FY '26 onwards.

During the last 9 months, we have spent capex of nearly INR12,000 crores, which was the total capex that we spent in the previous financial year. And we have plans to spend another INR10,000 crores in this quarter. So we'll have end of the year total capex of nearly INR22,000 crores. And these are all in the various projects that we are implementing, whether it is in the

renewable space or it is in group captive or it is in the manufacturing of 4 gigawatt or it is in our transmission and distribution projects.

And many of them are based on an ROE basis. So once implemented and capitalized, we'll start getting the return on them. As also those which where we have bid out, we will start getting returns on them also based on the returns that projected at the time of bidding. Our debt today is -- our net debt is about INR 44,700 crores and our debt to equity is 1.1:1 and our debt -- net debt to underlying EBITDA is less than 3.

So in terms of the financial metrics, we continue to be very good and we do expect that we will maintain the discipline of meeting the financial metrics based on the performance of the company. As we move forward, we are committed to our overall goal that we will achieve 70% of clean energy by 2030. We are already at 43% and the various projects which are under implementation, we should be in a position to meet those targets.

I now look forward to have your questions. And with me is the company's CFO, Sanjeev Churiwala and we'll try to respond to most of them. I now request Dorwin to open the Q&A -- open the floor for Q&A. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. We have the first question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** Good evening sir and thanks for the opportunity. So my first question is on the nuclear power business. What is your expectation of the new business model? Is it fair to expect that this will be a cost-plus kind of model? And the question is that, do you think the time line of the small model nuclear reactor can you reduce to 3 to 4 years?

**Praveer Sinha:** See, we still do not have details, but whatever little that we know of the whole process of approval, and these are nuclear plants, so they have a very stringent requirement of getting approval not only from the forest and the environment aspect, but also from the Atomic Energy Regulatory Board.

It all takes about 24 months. And thereafter, the construction period is 4 to 5 years. So it's a little longish, but I can assure you that these projects are today becoming very common in various parts of the world. And I think that many of the new technologies coming in, we should be in a position to implement it much faster in the country. But these are very early days. Let's get more details, and then we'll be able to share with you the real time lines and implementation for that.

**Mohit Kumar:** Understood. My second question is, sir, have you heard anything incrementally on the approved list of module, is it being prepared or do you think it will get published over maybe with a delay of 4 to 6 months? And how do you think about the implementation of this?

**Praveer Sinha:** So already the module approved list of module manufacturer is already in place since last year, 1st April 2024. And the approved list of cell manufacturers will get implemented from 1st June 2026. And I think it has already been extended. It's earlier for sales, it was 1st April '26. Now it has been extended to 1st July 2026. And I don't expect that this will get extended beyond that.

- Mohit Kumar:** And when do you expect this first list of the approval list to get published and notified?
- Praveer Sinha:** I think they have already started visiting various plants, and the ministry is carrying out the due diligence exercise. They definitely do it much before the 1st June 2026 time line.
- Mohit Kumar:** Understood. My last question is, sir, what is revenue reversal in EPC business during the quarter? Can you please help us?
- Sanjeev Churiwala:** Okay. I think this is more about going up the accounts. As you are aware, that our EPC business, which was a separate legal entity, has now become a merged entity. Per say, the intercompany delegate is not happening. And as such, the revenue is lower because we have kind of cooled up about INR 300-odd crores to replace the correct accounting principles post-merger. That has no implications on the profitability.
- Mohit Kumar:** Sir, margins are looking very high, sir, 16% in the quarter. Is that -- I think...
- Sanjeev Churiwala:** Yes. Optically, that's correct because the top line is lower, but the profitability still continues to be there. The best way to look is at the year to date number, which reflects the right position, and they're kind of in the range of 5% to 7% on EPC margin, which has always been our guidance.
- Mohit Kumar:** Understood. Thank you and all the best. Thank you. I will take it offline.
- Moderator:** Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.
- Sumit Kishore:** Sir, the first one is on the renewables cluster result. The elimination within renewables for revenue at about INR1,806 crores appears to be higher than solar or the TP Solar revenue for the quarter. Even in EBITDA, the elimination number is higher than the entire EBITDA contribution of TP solar. How should we read these elimination numbers? And what was the third-party sale that you did in TP Solar during the quarter? So if you could sort of explain the breakup of this elimination and how should we read it?
- Sanjeev Churiwala:** Yes, that's good question, Sumit. I think let me kind of simplify and answer your questions right as everyone else. Higher the level of internal work that happens, higher the elimination. For example, this quarter, our cell modules have gone live, and we have the models also being realized full production is happening.
- This module entails, by and large, is sold internally to TPREL, and that gets eliminated. Similarly, all the EPC in-house work that we do, the profit also that gets eliminated. Now elimination, we have unfortunately only show in one line because otherwise, there will be multiple eliminations shown at each of the levels, that might not be useful.
- So if you see the investor deck that is circulated, there is detailing around that. And I think you can see Slide #53, which would give you, let's say, detailing of the requirement with respect to how much of the work was intended and how much was third party, we can possibly send you out separately.

- Sumit Kishore:** Okay. So just a follow-up on this. Still the ALMM-2 is implemented by June 2026. Is there an opportunity to make higher profit by selling your backward integrated modules, which have sales made in-house to third-party customers rather than using them in-house?
- Sanjeev Churiwala:** Yes. As of now, a large chunk of this production is tied up for our in-house large-scale projects that we have already tied up. We have a large order book already in position as well as we have third-party order books that we need to also commission the projects. But yes, going forward, we will be opportunistic to see wherever the opportunity is there as and when the ALMM-2s picking, in to sell some of this cells and modules to third party as well. So we'll do the balancing act.
- Praveer Sinha:** Yes. But we have already got some orders and they are under execution. We've got 1 of order recently, which is for ALMM. Last year, we had got an order for DCR. So as and when we get the opportunity, we definitely look at it. And so there will be a mix of supply only of modules. There will be a mix of using it in our own projects, and there will be a bit of supplying it for rooftop and the third party and EPC.
- So we will always be ensuring that based on the production capacity and the type of modules which are required because these modules also are of different capacities and sizes. So they are 540, 570, and 590. So depending upon the requirements, so we can leave and manufacture...
- Sanjeev Churiwala:** As Dr. Sinha was speaking, you see already those coming in that Tata Power has won solar in the sake is option for supply in 400 megawatt of domestically manufactured solar modules. So very clearly, we already see that happening next quarter with the sale as well as in-house.
- Sumit Kishore:** Well, I think I couldn't have expected a faster delivery on expectation. So one more question is on the increase in Mundra Coal and shipping Q3 FY '25 EBITDA. So what explains that? And on the other hand, this gets taken away by the steep drop in others, including Tata Power, Nelco and inter cluster elimination, which has dropped in Q3 FY '25 versus Q3 FY '24.
- In general, the intersegment elimination volatility in quarterly disclosures over the last several quarters has been hampering predictability or the understanding of Tata Power financial and some way to remedy that would be very helpful?
- Sanjeev Churiwala:** Yes, sure. We can. We'll definitely see what other things we need to do to try and improve the disclosures. But of course, we have put a complete separate slide on there, which has line-wise items on additions and the deletions, which kind of gives a better understanding. But coming to your question, on the one-off that you see possibly in the current year as well as in the previous year.
- For our generation business, we had some one-off upside, which is close to about INR330-odd crores. Similarly, previous year, we had about INR311 crores of dividend to dividend from one of our foreign subsidiaries, right? But both of them are getting netted off with a similar amount.
- Sumit Kishore:** 3.3 billion is what I heard. The one-off.
- Sanjeev Churiwala:** INR311 crores.

- Sumit Kishore:** Growth in Mundra Is how much?
- Sanjeev Churiwala:** INR332 crores.
- Sumit Kishore:** INR32 crores. Okay. Just one quick question, if I may, the transmission auction bids, as you have shown in your presentation for India, have gone up quite sharply, 2.3x over FY '24. Tata Power share off late is still a very small fraction, this opportunity. Is the bidding too aggressive or the suboptimal or are you already full in terms of how many you want?
- Sanjeev Churiwala:** Our total operating lines plus under construction is a little over 6 – 7k Ckm. And of course, we are also very selective in our bidding. We don't want to go and bid out everywhere where we think that the returns are suboptimal or we think the territory, the geography and the complexities are very high, but it could be very, very high.
- So yes, we have been very selective. But in this selectiveness, we're also trying to see that we only bid for projects where we get good returns.
- Sumit Kishore:** I meant the transmission auction bids?
- Sanjeev Churiwala:** I'm also talking about the transmission auction, our total capacity -- exactly I use the word read at Circuit kilometers. So about 7,030 circuit kilometers is what we have operation and in pipeline.
- Sumit Kishore:** Got it. Thank you and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Apoorva Bahadur from IIFL. Please go ahead.
- Apoorva Bahadur:** Sir, would request some more help on the accounting for solar cell module business, right? How should we think about it, especially, say, going ahead if -- once the manufacturing arms start supplying modules for the rooftop business, then where will exactly will you be capturing this profitability both for internal sales and then for external sales? And what proportion?
- Sanjeev Churiwala:** See, I will not be able to tell you the proportion right now. But your question is very valid. In principle, whatever is sold outside will get captured in the manufacturing division's profitability and that will fully get consolidated in the Tata Power renewable books as well. So whereas whatever is done in-house, would ultimately get eliminated.
- Since this particular quarter, we are just ramping up our cell production, it will not give us complete true understanding on how this manufacturing and sales profitability will look like. Maybe from next quarter onwards, we'll try and bring in a little more clarity on how we kind of grow it proper reporting with respect to investors, so you get a better clarity.
- And what we will do is, we'll open our date for the next quarter. We will also reach out to you separately and so want to have a better understanding as to how the specific accounting will happen.

- Apoorva Bahadur:** That will be helpful. Also wanted to check about the stabilization of our cell capacity. Have we managed to stabilize the plant? And what was the output for this quarter?
- Praveer Sinha:** As I mentioned to you, the 2 gigawatt cell line was commissioned in the month of November, that has got stabilized. It's now nearly at 90% capacity. The second 2 gigawatts got commissioned in January. And we expect that in end of February, it should get stabilized. So that's the existing plan and the full benefit of operating it at more than 95% to 98% capacity will happen in the next financial year.
- Apoorva Bahadur:** So reach there by FY '26. And sir, where are we using these cells for our internal projects? Or are we selling them to third parties?
- Praveer Sinha:** I explained just now, again, you are repeating the same question. I told you that there are 3 ways of using it, third-party sales, third-party EPC projects, our own EPC projects and using it in rooftop.
- Apoorva Bahadur:** No, sir, I wanted to check if you can share for this quarter, if you can share where the cells were sold?
- Sanjeev Churiwala:** Yes. We can provide that to you separately, not a problem. But I think it will be better to wait for the results for the next quarter. But this quarter, as is ramping up, it will not give you a complete representative for your modelling as well.
- Apoorva Bahadur:** Understood. Understood. Sir, last question was on the ordering for wind turbines. Have we locked capacity for our complex projects?
- Praveer Sinha:** So as we have shared with you, 1,000 megawatts, we had already, in fact, 1,100-odd megawatt, we have already done. Those wind turbines are already under implementation. And all of them will get commissioned in the next 3 months to 12 months. There's another 1.6 gigawatts that we will be ordering. All this ordering will happen in the next 60 days.
- Apoorva Bahadur:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Puneet from HSBC. Please go ahead.
- Puneet:** My first question is on renewables. Can you give some sense of what is the capacity installation plan for FY '26 and '27?
- Sanjeev Churiwala:** Sorry, could you just repeat your question once again?
- Puneet:** Yes. What is the capacity installation plan for FY '26 and '27?
- Praveer Sinha:** In this presentation. I think we have given that in the November analyst meeting, we have given the details.
- Puneet:** Individually for '26 and '27 if you have?



**Praveer Sinha:** It's there in terms of...

**Sanjeev Churiwala:** Puneet, so I think Puneet, just to kind of recall on a discussion granted, normally, what you have said, our intention is to have about rough definitely 2 gigawatt of installations every year.

**Praveer Sinha:** 2 to 2.5.

**Sanjeev Churiwala:** 2 to 2.5 gigawatt of installations every year. Of course, we cannot give you a specifically what we are doing next year and thereafter. And we have indicated this is the number that we're targeting.

**Puneet:** Yes. So what's resulting in a little slowness here, right? I mean you're probably going to do what is the plan for Q4, but it looks like you might just see about 1.2 to 1.3 gigawatts, any thoughts how to think about what's driving the slowness currently?

**Praveer Sinha:** So we have already this year added 865 megawatt, which is highest among all this in the country. And we have a large number of projects lined up, I think, about 600 megawatts is lined up in this previous quarter. And then we expect also projects for third-party you see to be implemented in this project -- in this quarter.

So all those details have been shared with you. And as Sanjeev mentioned, in FY '25 -- '26 and '27, about 2 to 2.5 gigawatt of renewable projects, which will be a mix of solar and wind that we will implement.

**Puneet:** Okay, understood. And on TPDDL side, there seems to be a little softness in profitability. Anything to know would there?

**Praveer Sinha:** It is doing consistent of profit in this quarter also, if you compare -- compared to last year, it has done a little bit higher. So it's a very consistent performance that have been shown by TP.

**Puneet:** And lastly, if you can give some update on the pump storage project. Have you placed an order, what is the progress there?

**Praveer Sinha:** So the three project activities has already started and basic site civil work has started. The order for civil will be finalized within this month, and we also expect the last of clearances. And full-fledged work will start from next month. The work in the hydro project in Bhutan has started in January and it is going at full pace at all the locations that is the pump house as well as the dam as well as the surge shaft.

So I think we are all set to complete it within the target time line. And so also the pump hydro we will finish it in the target timeline that we have shared.

**Puneet:** So specifically for Bhivpuri, which was the first one is financial project done now?

**Praveer Sinha:** We have already tied up money for the initial project and the financial project will be done by next month.

**Puneet:** Okay. That's very helpful. Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Ketan Jain from Avendus Spark. Please go ahead.

**Ketan Jain:** Sir, my question is on the UP distribution bid, on which you can provide us with some flavor on what's the time line of the bid? And will we be bidding for it something about that?

**Praveer Sinha:** I also do not know the time line. When I come to know, I'll let you know. What I can tell you is that there is an intention by UP to go ahead and do public private partnership for two DISCOMs. We are actively pursuing that and -- or we will actively pursue that because we have excellent experience of carrying out similar type of work in Odisha, where we were able to cater to both urban and rural consumers which no other utility has experienced in the country.

And as and when the bids come, we will definitely bid and we expect that we'll be able to be successful in these bids.

**Ketan Jain:** Thank you. That's it.

**Moderator:** Thank you. The next is from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

**Satyadeep Jain:** First, I wanted to understand, are on all these eliminations. You reported separately EBITDA for the module in cell line. If I look at the EBITDA, it seems like for EBITDA for cell also, it is assuming it is sold for DCR, look at the margin. So whatever you're doing internal or external, it seems to be a complaint. But when we look at Y-o-Y, if I strip out EBITDA from module in cell line, there is no increase in overall RE EBITDA.

What could be -- which is what I think some of the earlier questions were also trying to understand? So I just wanted to see why is there no Y-o-Y growth in the overall RE business if we take out certain module line?

**Sanjeev Churiwala:** I think the cell line module line is an integrated part of the overall business unlike many other businesses, which will set up or cell or a module only to cater to third parties. Our cell-in module is part of our integration plan where there caters to a large extent of in-house requirement with respect to a large-scale development that we do and as well as the third party.

So yes, to that extent the production of cell, which is largely around DCR, has gone to in-house production as well and as well as some content of the third party. But your question is, can we skip that and see separately. I don't think that we'll have any useful by stepping out separately.

**Satyadeep Jain:** No, I was trying to understand if you look at cluster-wise performance for the entire RE business, if you look at Y-o-Y increase in EBITDA for that business, it's about INR230 crores to INR240 crores, which is the EBITDA for the module in cell line. So it's the entire EBITDA increase Y-o-Y is because of module and cell line. So why are the other businesses?

Why is there not generally, I would have assumed the EBITDA increase would be higher than that contribution from solar cell line modules, there would be higher generation EBITDA, higher EPC, but on a cluster-wise, the Y-o-Y increase is only INR230 crores to INR240 crores?

**Sanjeev Churiwala:**

Yes. So we'll have to see the elimination, because when you look at the separate clients, those are basically gross contribution of the respected units. You want to put it together and then you eliminate the cost billing that is happening. So that way it is a net billing content. On a Y-o-Y basis as compared to almost INR750 crores of EBITDA that we gained previous year, this quarter, we are almost very close to INR1,000 crores. So to that extent, there have been about INR240-odd crores of increase in the EBITDA.

And also, if you look at Slide #54, you will see the renewable separate business is coming in the elimination as well. But my sense is to get very specific to what we are bidding, we will be getting time with us, and we'll be able to help clarify that better.

**Satyadeep Jain:**

Sure, sure. So secondly, this nuclear opportunity, I wanted to understand, if I look at the retender bid, which is out there from, it seems like this is mainly targeted at high energy-intensive industries like steel, cement and data centers, which these customers put up the capital and the asset is actually owned and operated by NPCIL.

So how does a developer fit into this picture? Is it like going to be similar to a group which we have for RE where the customer puts up 26% equity. Is that the understanding? And then how initially, if you look at evaluate this, I know it's far out in the future, but in terms of economics and all, any preliminary idea how this looks like?

**Praveer Sinha:**

I think the big document, which came from NPCIL was before the announcement by the Finance Minister. And I am not very sure that whether it really go through now in this changed circumstances because at that time, they had no plans to offer private sector being participated accepting that. They give the lease and the nuclear island will be owned and operated by NPCIL.

So I think the whole arrangement is going to change now with the announcement from the Finance Minister. And I think we should wait and watch for what eventually because now the game has changed fully because they'll allow private sector to come in and what sort of arrangement it will be that whether they will allow foreign participants or foreign technology or it will only be Indian technology. So I think let's wait and watch and get more details before we are able to take a call on it.

**Satyadeep Jain:**

And any sense on economics at all or too early to say?

**Praveer Sinha:**

It would be very good, but a little early to say that initial numbers that we have seen, it will be very good.

**Satyadeep Jain:**

Just one more question, if I can squeeze on the EPC business. There was no new order inflow for third-party utility, including the captive book, what is the strategy there? And on solar rooftop, you're assuming 3 million households in the next year. That seems like a big step-up from where you are, both in terms of market share and overall opportunities.

So how much is the solar rooftop as a country, what is the execution so far? What is our market share for Tata Power? And what mix you think that this 3 million is achievable. So a 2-part question on the overall third-party utility book and then on rooftop solar?

**Praveer Sinha:**

So we have a very large third-party EPC book, including DCR modules where we have to supply. Most of them are getting executed in this year and part of it will get executed in the next financial year. We have undergone a change in the way we were doing EPC. We now do pure EPC without land. Again, we used to acquire land also for the EPC projects.

So we do not do that. Secondly, we wanted to execute all these projects before we take more orders and plan as a part of our order book. We already also have now large in-house order book, where we have plans of adding more than 2 gigawatt per year. So we will be very cautious and careful in terms of taking third-party EPC orders.

We will more concentrate on our own EPC projects under our group captive as well as utility scale. And secondly, we also have opportunity to sell modules, especially the DCR modules, where we can get better margins. So we will decide on what's is the mix of capacity EPC, our own EPC and the module supply and then take a call.

**Sanjeev Churiwala:**

Request, if you could refer to Slide #32 of the uploaded deck that has bid amount of details of the breakup.

**Praveer Sinha:**

This is obviously rooftop opportunity as well.

**Sanjeev Churiwala:**

Slide 32 or 37.

**Satyadeep Jain:**

But FY '25 so far that in terms of overall rooftop execution in the country and how much it seems like a big step up if you look at your own target for 3 million in the next few years?

**Praveer Sinha:**

See, this was announced by the Prime Minister in January, and it took time for all these state governments and others to come to speed. So I think FY '25 next sort of enabling provisions have not happened in some of the states, the state government support orders have only come in November or January.

So let's see whether the various entities and also the state governments have created necessary infrastructure for executing these or not. And I think that has been done very well, you will see a great amount of push in the coming year than many of these where people have registered will get executed in the coming year.

**Satyadeep Jain:**

Thank you so much and wish you all the best.

**Moderator:**

Thank you. The next question is from the line of Anuj Upadhyay from Investec. Please go ahead.

**Anuj Upadhyay:**

And many of my questions have been answered. It's just a follow-up question which I have on two aspects. One is your Renewable generation business. In spite of 25% of facility additions from 4.2 gigawatt to 5.2 gigawatt of commissioning, profitability growth hasn't been much. I understand the PLFs were down, but it was marginally by 60, 70, 80 as such.

So are these profitability numbers which have been reported? Are there run rate numbers or is just a timing which has led to an underperformance in terms of profitability?

**Sanjeev Churiwala:**

So you're right, there are 2 points to it. And definitely, this is not a run rate. Quarter 3, normally, our weaker quarter for every solar company because the radiations are low. And to the extent the average radiation that we kind of factored in this time was also low. And that to extent has impacted some of our margins.

And of course, there was a slight delay in some of our projects because of various reasons that has been factored into the pack. But go forward, that's not what we have envisaged, run rate would definitely be much better than this. You can refer to Slide #62 of the uploaded deck that has the breakup of all these elements.

**Praveer Sinha:**

Also, how -- if you see on a 9-month basis, the generation is much higher than compared to last year. So what we have to see is because also of the weather factor changes like this year, the monsoon was much extended, was right up to October. So many of the solar plants would not generate, which they could have otherwise down. So I think what is important is to see a 12-month rolling plan rather than just going on in quarter-to-quarter basis.

**Anuj Upadhyay:**

Fair point, sir. Secondly, on the nuclear segment. Any ballpark figure which you can throw on the capex per megawatt on this added or maybe plant nuclear capacity and what anticipated tariffs for unit? I know it's premature, but still any approximate figure would be helpful, sir?

**Praveer Sinha:**

I cannot throw any figure on this. See, what happens is that these are all dependent on where you are getting the technology, what is the capacity of the plant and what is the efficiency of the plant. The efficiency of these plants has gone from 70% to 90%. So it all depends on what is the commitment that the supplier or the technology partner is getting in this.

And secondly, apart from the capex, what is important is this is the flip of the fuel. So from where you will uranium, what is the cost at which is it bilateral government to government basis. So there are a whole lot of unknown things, which are there at this present. And I would not like to hazard a guess on these numbers at this stage.

**Anuj Upadhyay:**

Okay. And any update on the section-11 continuation for Mundra plant?

**Praveer Sinha:**

As I mentioned to you that there is a huge demand of power, and I expect that to meet this additional demand of power, all the imported coal-based plants will be asked to continue operations. And we do expect that government will take the call on this in the later part of this month.

**Anuj Upadhyay:**

Okay. And just a last one, sir, on the debt across WREL project. It has been zeroed in the current quarter. That has been completely paid up or it's been realigned to some other segment, sir?

**Sanjeev Churiwala:**

Yes. So about 25 companies have now been merged with TPREL and that merger is effective from 1st of April. So the financials that you see is from.

**Anuj Upadhyay:**

Okay. So the WREL that has been now move to TPREL?

- Sanjeev Churiwala:** So WREL is basically a GENCO, generating company and as part of our strategy, we have moved it and merged with TPREL, which is also has a large portfolio of GENCO. So we didn't want to have separate for separate GENCOs, most of the numbers together. WREL itself what about 22-odd companies.
- So if you see Slide #66, you kind of find the details between quarter 3 and quarter 2. Quarter 2 of F '25 was there, if you kind of give you a good reflection of the merged entities.
- Anuj Upadhyay:** Got it, sir. That's helpful and thanks for the opportunity. Wish you best of luck.
- Moderator:** Thank you. The next question is from the line of Rajesh Majumdar from B&K Securities. Please go ahead.
- Rajesh Majumdar:** So my first question, I may have missed this earlier, but what is the impact of the APTEL claim on the third quarter results from Mundra. Is there -- did you give a number and may I missed it? Did you -- You mentioned the note number 3 on the APTEL order and some claim provision has been made in the third quarter. What is that figure?
- Sanjeev Churiwala:** Maybe I will not have it off hand, but to write it to us separately or providing the details.
- Rajesh Majumdar:** Okay. So it is not INR322 crores, as you mentioned earlier on some figures, this is not the same number, right? Not INR322 crores.
- Sanjeev Churiwala:** Also, there is a combination of things over there. Now question is very, very specific to a litigation. So we were very, very clear on what we're providing you.
- Rajesh Majumdar:** Okay. So I just wanted to assess the impact of that is a onetime on the standalone performance has been significantly higher this quarter?
- Sanjeev Churiwala:** No, because I think I had mentioned earlier that there is a one-off now, which is INR332-odd crore. And there was a one-off last year of INR311 crores. So by and large the one-off gets netted off, so first, the number that you see is already a like-for-like number.
- Rajesh Majumdar:** All right. So it's netted about INR20 crores only, that's it?
- Sanjeev Churiwala:** Yes.
- Rajesh Majumdar:** Okay. Sir, my next question is on the Odisha discom. If you look at the 9-month run rate of the Odisha DISCOMs, we are going at a run rate much significantly lower than last year. And at the same time, last year, we were having a run rate of nearly somewhere around INR200-odd crores. And now it's about INR150 crores at the PAT level.
- So we had a target of hitting a INR250 crores kind of PAT level in the discom, except for CESU, all the other -- I mean South and West are particularly lagging. Is there any reason for this? And when do we see some kind of change in these numbers?

- Praveer Sinha:** What typically happens in Odisha or has happened in the last year. In the first quarter, we could not do much because there were elections in Odisha and because of that reason, a lot of action on billing collection could not be done. It has got up in the last quarter. And the last quarter, that is the present quarter, you will see a substantial improvement on building efficiency, collection efficiency, which has the impact on the. So we'll definitely do much better than what you see now, and there will be substantial improvement going forward.
- Rajesh Majumdar:** And secondly, sir, are you bidding for any other discom in terms of the opportunities that are coming up now in India, what the Finance Minister spoke about any circles that you're bidding for, which could be there in the near future?
- Praveer Sinha:** See, we are definitely looking at opportunities. Bids have not come. So as and when the bids come, we'll definitely be looking to bid very aggressively and take few of the discoms.
- Rajesh Majumdar:** And just on this note, could you break up your capex, say, for the next 2, 3 years into the different areas? Like how much will be from the own generation, how much will be for other things and so on and so forth? The capex breakup of you say is roughly INR20,000 crores per annum that you've outlined?
- Praveer Sinha:** I think we have shared it earlier in our analyst presentation. Rajesh will be able to mention to you which slides are there. If you see Slide 43 of the analyst presentation, you will be able to get the full details. It brings out everything of where in that traditional generation, pump storage, transmission, distribution, renewable. Slide 43.
- Rajesh Majumdar:** Right, sir. I'll take a note then. If I could just have another question on this regard is that on the FDRE projects that you like won, are you seeing any traction in terms of the PPA, et cetera or do you foresee delays in it? What is your own internal assessment, this segment of the business? Is it going to be like a big part of the overall scheme of things or is going to be slow, and there are issues with this?
- Sanjeev Churiwala:** I don't know if we have any issue around the FDRE project.
- Praveer Sinha:** We don't have any issue at all.
- Rajesh Majumdar:** So where is the PPAs expected on this on the 2 projects that you won in FDRE?
- Sanjeev Churiwala:** PPA is there. And I think everything is fine. We had also shared in our December presentation that we have PPA for 90% of the project.
- Rajesh Majumdar:** So that means 1.3 gigawatt SJV and FDRE is going to get commissioned in FY '26. Is that correct?
- Sanjeev Churiwala:** Yes. So only the NTPC project is waiting for PPA, rest all the projects are PPA in this.
- Rajesh Majumdar:** Okay. Thanks so much.

**Moderator:** Thank you. The next question is from the line of Mithil Bhuva from Unlisted India.com. Please go ahead.

**Mithil Bhuva:** Congratulations on the good set of numbers. On the contrary to the peers, I feel the presentation is excellent. I mean the presentation on the results, giving breakup of so many companies with excellent presentation, sir. Just I had a doubt on Slide #52. So when we see the numbers for Tata, that is the Delhi discom, we own only 51% stake here, but the numbers shown here, the EBITDA and the revenue is 100%, right, actually?

**Sanjeev Churiwala:** Yes, you're right.

**Mithil Bhuva:** Yes, even in the Odisha discoms, you are only 51%. So is it kind of a wrong presentation because we own actually only 51% of it. So only half of it belongs to us?

**Sanjeev Churiwala:** So performance basis, the overall number comes in, and the minority interest is then eliminated below. So if you really see, whatever is consolidated, we do that. And for each of the point, you've also given a chart to explain our share around that. So I think it's very transparently given us well.

**Mithil Bhuva:** Okay. So the elimination includes those things, I mean, the 51%?

**Sanjeev Churiwala:** Whereby it's a subsidiary. Of course, the entire thing is getting consolidated. It's only in case of joint ventures, party minority interest, we only take that respective share.

**Mithil Bhuva:** But isn't that kind of wrong presentation because we own only 51% in it and you're showing the 100% number. So the overall EBITDA number looks bigger, but we own only 51% actually?

**Sanjeev Churiwala:** That's the accounting standard. We have to consolidate, it is a subsidiary for us.

**Mithil Bhuva:** Yes. But in the presentation, at least we can give only the 51% number, I mean not according to the accounting standard, but at least for the presentation?

**Sanjeev Churiwala:** Yes, we can, but that will not really serve any purpose because what happens is the way I would expect the investors to look at it. I think how is the performance of this company overall and not the performance of the 51% share that we have. So even the most if you see the accounts very clearly, the profit is kind of executed broken up into for the equity shareholders and for the non-controlling interest. That's the bid breakup is also there in the accounts.

**Mithil Bhuva:** Okay. Sir, also another question is that are we looking to do any fundraising, equity fundraising to repay our high-cost debt or anything for the future bid? I mean our peers have been doing that. That's why?

**Sanjeev Churiwala:** I don't know what the peers, but we don't have high-cost debt.

**Mithil Bhuva:** Like the current stock price is good enough to raise funds right at lower rates and to repay the high-cost debt. So isn't that a good opportunity?



- Praveer Sinha:** Thank you for your advice.
- Mithil Bhuva:** We have used one. I mean the retail investors just love Tata Power. So if we can do your fundraising and repay our high cost that's well. That's the idea.
- Praveer Sinha:** Mithil, we'll have a separate chat come over, and we'll talk to each.
- Mithil Bhuva:** Okay. So one more doubt, sir. And the coal mining, are we profitable there? Are we looking to get back to coal plants because our peers have been looking to buy coal plans? So are we looking at the coal and the power business -- the thermal business again, anything on the actual business on the thermal power plant?
- Sanjeev Churiwala:** I think we are very clearly focusing right now on our energy transition business. And as you have heard earlier speakers say they want to see more growth in the renewable sector. So I think we should focus on over there.
- Mithil Bhuva:** One last question, sir.
- Moderator:** Sorry to interrupt to move on to the next.
- Mithil Bhuva:** Okay. Thank you.
- Moderator:** The next question is from the line of Swati Jhunjunwala from JM Financial PMS. Please go ahead.
- Swati Jhunjunwala:** Thanks for taking my question. So most of my questions have been answered. Just one on the PM Surya Ghar Yojana. So just wanted to understand what is the average revenue per megawatt that you were seeing here that you can make given that we have such a big target of 3 million households? And secondly, what is the kind of IRR you are looking at in this solar rooftop business? Just these two for now?
- Praveer Sinha:** So basically, the cost of 1 kilowatt of rooftop is about INR60,000 to INR65,000 depending upon the location. And this is on a sale basis. So that means there is no IRR in this, but there is a profit margin that we have. And those profit margins, we have shared with you in rooftops business, what sort of profit margins.
- We not really get and then you can see from there. So that's what we are looking at. But the numbers that you typically end up doing huge numbers, you would do in a year, say 1 lakh rooftop solar of say, 3 kilowatt or 5 kilowatt and you can imagine the type of capacity add and the type of returns we'll get from that.
- And the numbers that we are seeing and the opportunity that we are seeing for ourselves based on the agreement or MoUs that we have signed in few of the states shows that we will be doing a huge number of such rooftops in the coming years.

- Swati Jhunjunwala:** Understood. And sir, just one more. So is there any target plan that you have yet decided for how you are going to ramp up to 3 million in 3 years? Is there any plan there that you can share right now?
- Praveer Sinha:** The 3 million means 30 lakhs in 3 years means average 10 lakhs per year. It can be more also. So it all depends on how quickly, we are able to streamline our processes and implement them.
- Swati Jhunjunwala:** Understood. Sure. Thanks.
- Moderator:** Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to Dr. Praveer Sinha for closing comments. Over to you, sir.
- Praveer Sinha:** Thank you all for joining for this analyst call. If you have any more queries, please connect with my colleagues from Investor Relations. We have tried to give as much of information as possible in our presentations, but we continue to look forward for your comments so that we can further improve the presentation quality both in terms of content and detailing. And we would be more than happy to connect with you offline also and respond to your queries. Thank you. Once again for joining us.
- Moderator:** Thank you, sir. On behalf of Tata Power, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.