

Date: 01 April, 2026

Listing Compliance Department

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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

PRESS RELEASE

Order by Punjab State Electricity Regulatory Commission (PSERC) for Tariff Determination of 6 MW Biomass Power Plant of M/s Malwa Power Pvt. Ltd. (Wholly Owned Subsidiary) for Extended Term of 10 years upon Expiry of 20-Year PPA Period

The Punjab State Electricity Regulatory Commission (PSERC), vide its Order dated March 27, 2026, in Petition No. 59 of 2024, has determined the tariff for the 6 MW biomass-based power plant of the Company’s wholly owned subsidiary, M/s Malwa Power Pvt. Ltd. (MPPL), located at Village Gulabewala, Tehsil Muktsar, District Muktsar, Punjab, for the extended term of 10 years of the project upon expiry of its initial useful life period of 20 years.

The plant, commissioned on April 27, 2005, operated under a Power Purchase Agreement (PPA) dated February 19, 2004 with Punjab State Power Corporation Limited (PSPCL) for a term of 20 years. Upon expiry of the PPA term on April 26, 2025, MPPL filed a petition before the Commission seeking determination of tariff for the extended period of 10 years as provided under Clause 12.1.0 of the PPA and Clause 2.1.1(i) of Amendment No. II dated 26th August, 2013 of the said PPA. During the pendency of the petition, the plant was receiving an interim tariff of ₹3.50 per kWh as directed by Hon’ble APTEL.

The Commission, after examining the submissions of both parties and considering the unique operational characteristics of standalone biomass IPPs vis-à-vis co-generation plants, has determined the tariff based on fair, reasonable and logical benchmarks.

Applicable Tariff as per the Order

Component	Previous Interim Tariff Per KWH	New Tariff (FY 2025-26) Per KWH	Difference Per KWH
Fixed Cost (O&M + Interest on WC)	–	₹0.970	–
Variable Cost	–	₹4.254	–
Applicable Tariff Rate	₹3.500	₹5.224	₹1.724

Further 5% escalation would be given every year on variable part of tariff.

Impact of Commission Order

Positive Financial Impact – MPPL Biomass Power Plant

The Commission’s Order represents a significant positive development for the Company’s renewable energy portfolio. The tariff of ₹5.224 per kWh determined by the Commission is substantially higher than the interim rate of ₹3.50 per kWh that was being paid by PSPCL, representing an enhancement of approximately 49.3%. Further this tariff will increase every year @ 5% p.a. on the variable part of tariff.

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CIN: L74140HR1988PLC030225 **GST Registration No.** 06AACCD0207H1ZA

Retrospective Revenue Recovery

Between May 2025 and February 2026, the MPPL plant supplied approximately 3.37 crore units of electricity to PSPCL at the interim rate of ₹3.50/kWh. Following the PSERC’s Order revising the tariff upward to ₹5.224/kWh, the Company is entitled to recover the differential amount of approximately ₹5.80 Crores for this period.

Projected Revenue from Power Generation – FY 2026-27

Based on the revised tariff and projected plant operations at approximately 85% PLF, the Company estimates the following power generation revenue from the MPPL plant for FY 2026-27:

Particulars	Projected (FY 2026-27)
Maximum Possible Generation	6,57,00,000 KWH
Net Export to PSPCL	4,53,20,000 KWH
Estimated Annual Revenue from Power	₹24.31 Crores
Plant Load Factor (PLF)	85%

Biomass Pellet Plant – Complementary Revenue Stream

MPPL’s Biomass Pellet Plant at Village Gulabewala, Muktsar, with an installed capacity of 72,000 MT per annum will commence commercial operations shortly. The plant converts agricultural residue (rice straw) into biomass pellets for supply to thermal power plants for co-firing with coal, supporting Renewable Purchase Obligation (RPO) compliance. At an estimated operating capacity of 50%, the plant is projected to produce approximately 36000 MT per annum (3000 MT per month), generating estimated revenue of approximately ₹1.95 Crores per month (~₹23.40 Crores per annum).

Combined Revenue Outlook – MPPL (FY 2026-27)

Revenue Stream	Estimated Annual Revenue
Power Generation (6 MW Biomass Plant)	~₹24.31 Crores
Biomass Pellet Plant (at 50% capacity)	~₹23.40 Crores
Total Estimated Revenue from MPPL	~₹47.71 Crores

Strategic Response to Tariff Order

Though the PSERC has determined the fixed part of tariff as Rs. 0.97 per kWh which includes O&M expenses and Interest on Working Capital, the amount determined by the Commission is on the lower side. The Commission while determining the fixed part of tariff has taken into consideration the NRSE Tariff Regulations framed by the CERC in the year 2012 although the applicable regulations should be of the year 2024. As per CERC RE Regulations 2024 the Operation and Maintenance Charges for 2024-25 have been calculated by CERC as Rs. 54.70 Lakh/MW and the same has to be escalated every year @ 5.25%. Same way the interest on working capital has to be calculated on the basis of variable part of tariff determined by the Commission now. Further the Commission has also determined the variable part of tariff on lower side.

Legal Recourse

The Company may file an appeal before the Appellate Tribunal for Electricity (APTEL) New Delhi and challenge the order passed by the PSERC determining the tariff for the plant with a prayer to increase the tariff as per the CERC Regulations.

In parallel, the Company is actively evaluating all legal and regulatory avenues available to protect its contractual rights and commercial interests under the applicable laws.

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Commenting on the order

Commenting on the order, Mr. KL Bansal, Chairman and Managing Director, Dee Development said:

“We acknowledge the Hon’ble PSERC’s Order determining the tariff for MPPL’s Muksar plant at ₹5.224 per kWh for the extended term of 10 years. While the Order recognizes the distinct operational realities of standalone biomass IPPs and rightly distinguishes them from co-generation plants, we believe the tariff determined is on the lower side, particularly with regard to the fixed cost component and the variable cost benchmarking methodology adopted by the Commission.

“The Commission has relied on the CERC RE Regulations 2012 for determining the fixed cost, whereas the applicable regulations ought to be the CERC RE Regulations 2024, which provide for substantially higher O&M expenses at Rs. 54.70 Lakh/MW for FY 2024-25 with 5.25% annual escalation. Similarly, the variable cost has been benchmarked against a competitively bid tariff for a new project to be commissioned in FY 2021-22, which does not adequately reflect the current cost of biomass procurement for an operational standalone IPP. We are of the view that the tariff ought to have been higher to ensure the economic viability of the plant over the extended PPA period.

“Accordingly, the Company is actively evaluating the option of filing an appeal before the Hon’ble Appellate Tribunal for Electricity (APTEL) to seek an upward revision of the tariff in line with the CERC RE Regulations 2024 and the actual operational cost parameters of the plant. We shall take all necessary legal and regulatory steps to protect the Company’s commercial interests and ensure a fair and sustainable tariff for the remaining extended term.

“That said, the enhanced tariff of ₹5.224 per kWh over the interim rate of ₹3.50 per kWh is a positive step and, together with the proposed commissioning of our 72,000 MT per annum Biomass Pellet Plant at the same location, MPPL is positioned to achieve a combined revenue potential of approximately ₹48 Crores per annum. We remain committed to our green energy operations and to delivering sustainable value to all stakeholders.”

About DEE Development Engineers Limited

DEE Development Engineers Limited is a publicly listed engineering company with interests spanning piping systems manufacturing and renewable energy. The Company’s biomass power initiatives focus on sustainable, circular-economy solutions that convert agricultural residue into reliable, grid-connected green power. Through its wholly owned subsidiary M/s Malwa Power Pvt. Ltd. and its own Power Division, the Company operates biomass power plants in Punjab contributing to India’s renewable energy transition.

This is for your information and record please.

Yours faithfully,

For **DEE Development Engineers Limited**

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