

Date: 21st August, 2025

Listing Compliance Department

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| BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400001 Scrip Code: 544198 | The National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Symbol: DEEDEV |
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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Intimation of Final Order by Punjab State Electricity Regulatory Commission (PSERC) for Tariff Re-determination of 8 MW Biomass Power Project

Pursuant to Regulation 30 of SEBI Listing Regulations, we would like to inform that the Punjab State Electricity Regulatory Commission (PSERC), vide its Order dated August 20, 2025, in Review Petition No. 07 of 2025, has approved the re-determined tariff for the Company’s 8 MW biomass-based power plant located in District Fazilka, Punjab.

The petition was filed for review of the Order dated May 15, 2025 of Hon’ble PSERC determining the tariff payable to the Company as the initial 13-year tariff period under Power Purchase Agreement (PPA) dated March 4, 2011, executed with Punjab State Power Corporation Limited (PSPCL) was expired. The Commission has now determined the tariff for the remaining useful life of the project (i.e., from January 1, 2024, to February 4, 2029).

The overall detail and impact of such orders have been explained in the press release attached here with as “**Annexure-A**”.

The Company is making this disclosure in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and requests all stakeholders to treat this as a material update.

This is for your information and record please.

Yours faithfully,
For **DEE Development Engineers Limited**

Ranjan Kumar Sarangi
Company Secretary and Compliance Officer
Membership No.: F8604
Address: Unit 1, Prithla - Tatarpur Road, Village Tatarpur
Dist. Palwal, Faridabad, Haryana - 121 102

DEE DEVELOPMENT ENGINEERS LIMITED

Regd. Office: Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Haryana- 121102, India

Works: Unit 1, 2 & 3, Village Tatarpur, Dist. Palwal, Haryana- 121102, India

T: +91 1275 248200, **F:** +91 1275 248314, **E:** info@deepiping.com, **W:** www.deepiping.com

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

“Annexure-A”

PRESS RELEASE

Order by Punjab State Electricity Regulatory Commission (PSERC) for Tariff Re-determination of Abohar Biomass Power Plant of the Company on review petition against the commission order dated May 15, 2025

Kindly refer to our press release dated May 22, 2025 on tariff revision by the commission in case of our power generation business through our Abohar Plant of 8 MW which is established under the company M/s DEE development Engineers Limited vide its order dated May 15, 2025. On being aggrieved by the commission order, the company filed a review petition. The hearing on the review petition got completed on August 4, 2025 and commission had issued the order dated August 20, 2025 on the review petition. The summary of order is as under:

Applicable tariff as per the Order

| Component | Previous Tariff (Upto December 2023) Per KWH | New Tariff (2023-24) Per KWH | New Tariff (2024-25) Per KWH | New Tariff (2025-26) Per KWH |
|-------------------------|--|------------------------------|------------------------------|------------------------------|
| Fixed Cost | ₹1.74 | ₹1.74 | ₹1.74 | ₹1.74 |
| Variable Cost | ₹5.89 | ₹3.897 | ₹4.092 | ₹4.297 |
| Applicable Tariff Rate | ₹7.63 | ₹5.637 | ₹5.832 | ₹6.037 |
| Less: Acc. Depreciation | ₹0.16 | ₹0.16 | ₹0.16 | ₹0.16 |
| Net Tariff | ₹7.47 (as on 31.12.2023) | ₹5.477 | ₹5.672 | ₹5.877 |

Impact of Commission Order

Financial Impact Assessment - Abohar Biomass Power Plant

a. Retrospective Recovery by PSPCL Due to Tariff Differential

Between **January 1, 2024, and April 30, 2025**, the Abohar plant supplied approximately **7.57 crore units** of electricity to Punjab State Power Corporation Limited (PSPCL). Following the PSERC’s recent order revising the tariff downward from **₹7.47/unit to ₹5.477/unit for FY 2023-24, ₹5.672/unit for FY 2024-25 and ₹5.877/unit for FY 2025-26** PSPCL may raise a **retrospective recovery demand** based on the differential rates, amounting to **₹13.02 Crores**.

b. Projected Revenue Decline going Forward

Should the revised tariff rates continue to apply, the plant's revenue generation capability will be materially impacted. Based on the current level of operations, the Company estimates an **annual revenue reduction of approximately ₹ 8.20 Crores** under the revised rate.

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Commenting on the order

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

“We are once again deeply disappointed with the recent order issued by the Hon’ble Punjab State Electricity Regulatory Commission (PSERC), on considering the review petition which we believe is legally untenable, procedurally flawed, and fundamentally unjust. The decision fails to take into account key facts, operational realities, and the larger socio-environmental impact of our projects.

“The price revision ought to have resulted in either retaining or enhancing the existing price, rather than reducing it.”

The basis adopted for tariff re-determination is particularly concerning. The Commission appears to have applied a cost benchmarking methodology derived from recently executed Power Purchase Agreements (PPAs) with co-generation entities – industrial units that utilize process-generated by-products, such as bagasse in sugar mills, for electricity generation. This model is not comparable to our standalone biomass-based plants, which rely exclusively on externally procured agricultural residue, primarily paddy straw.

By equating two fundamentally different operational models, the Commission has ignored critical cost differences, rendering its cost assumptions arbitrary and unsustainable. Such a flawed approach undermines the economic viability of dedicated biomass projects and is a clear deviation from the principle of parity and fairness.

Moreover, the order completely overlooks the tangible socio-economic and environmental value these plants create:

Socio-Economic Contributions

- **Employment to over 5,000 rural families, year-round, in biomass collection, transportation, and logistics.**
- **₹250+ Crores disbursed over the project lifecycle to local communities, driving grassroots economic empowerment.**
- **₹20-25 Crores infused annually into the rural economy through paddy straw procurement – supporting a circular agricultural economy.**

Environmental Impact

- **45,000+ acres of stubble burning prevented each year, significantly improving air quality and public health.**
- **Utilization of 85,000 MT of paddy straw annually, converting waste into clean energy at a competitive cost (₹4,700/MT vs. ₹8,300+/MT for pellets).**
- **Mitigation of over 1,25,000 MT CO₂, directly supporting India’s climate goals under the Paris Agreement.**

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Policy & Operational Alignment

- *Our plants are aligned with key state and national stubble management missions, employing sustainable biomass sourcing through modern implements like balers, reapers, and mulchers.*
- *We are a committed contributor to India's renewable energy transition, offering grid-synchronized, reliable power supply for over 15-20 years – a testament to our operational excellence and long-term commitment.*

This plant is not only economic enterprise – it is an instrument of rural upliftment, environmental protection, and energy transformation. Disregarding their unique role could set a regressive precedent for India's green energy ecosystem. We remain hopeful that truth and fairness will ultimately prevail."

Strategic Response to Tariff Order

In light of the recent regulatory developments and their potential adverse financial impact on the Abohar biomass power plant, the Company will be convening a meeting of the Board of Directors to deliberate on the future course of action. The Board will review a multi-pronged strategy aimed at mitigating risks and ensuring the long-term financial and operational sustainability of the Company's renewable energy portfolio.

The agenda for the upcoming Board meeting will include, the following key proposals:

a. Legal Recourse

- The Company may file an appeal before the Appellate Authority for challenging the review petition order on tariff revision and retrospective recovery demands raised by the Punjab State Power Corporation Limited (PSPCL).
- 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.

For further information, Please contact Sameer Agarwal, Chief Financial Officer, at Phone: +91 1275-248200 or Email: sameer.agarwal@deepiping.com.

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.

Disclaimer: Certain statements in this release may be forward-looking and are subject to risks and uncertainties. Actual results could differ materially due to factors beyond the Company's control. The Company undertakes no obligation to update any forward-looking statements.

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