

Date: 22<sup>nd</sup> May, 2025

**Listing Compliance Department**

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

**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 May 15, 2025, in Petition No. 70 of 2023, has approved the re-determined tariff for the Company’s 8 MW biomass-based power plant located in Abohar District Fazilka, Punjab and its interim order dated 24.04.2025 on IA petition 05 of 2025 for extension of PPA for 6 MW biomass-based power plant situated at Muktasar and operating under company’s wholly owned subsidiary M/s Malwa Power Private Limited . 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**

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**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**

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

**“Annexure-A”**

**Press Release**

**Order by Punjab State Electricity Regulatory Commission (PSERC) for Tariff Re-determination of Biomass Power Plants of the Company**

**Delhi - NCR, 22<sup>nd</sup> May 2025:** DEE Development Engineers Limited (DEE Development) operates two biomass-based power plants in the state of Punjab, both dedicated to the generation of green energy through the efficient utilization of agricultural residues, primarily paddy straw. These facilities play a vital role in promoting environmental sustainability by mitigating stubble burning and improving regional air quality. In addition, they contribute meaningfully to the rural economy by generating local employment and sourcing biomass from nearby farming communities. A summary of key operational and financial metrics for both plants is provided below:

Particulars	Plant 1	Plant 2
Location	Muktsar	Abohar
Installed Capacity	6 MW	8 MW
PPA Commencement Date	27-April-2005	01-January-2011
PPA Tenure	20 Years	30 Years with tariff revision after 13 and 20 years
Operating Entity	Malwa Power Private Limited (Wholly owned subsidiary of DDEL)	DEE Development Engineers Limited
Tariff Prior to Regulatory Intervention	₹8.59 per unit	₹7.47 per unit

**1. Plant-wise Operational and Financial Performance**

**Plant 1 - Muktsar**

Financial Year	2024
Revenue (₹ Crore)	40.14
Profit Before Tax (₹ Cr)	6.94
Units Generated (Cr Units)	5.09
Net Asset Block (₹ Cr)	24.98

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### Plant 2 - Abohar

Financial Year	2024
Revenue (₹ Crore)	42.10
Profit Before Tax (₹ Cr)	6.51
Units Generated (Cr Units)	5.61
Net Asset Block (₹ Cr)	28.32

## 2. Current Regulatory Status and Recent Developments

The Company is currently navigating key regulatory developments concerning its two biomass-based power plants in Punjab—Muktsar and Abohar. These developments pertain to tariff revisions and the extension of Power Purchase Agreements (PPAs), which have significant implications for ongoing operations and financial performance.

### Plant 1 - Muktsar

- The Power Purchase Agreement (PPA) for the Muktsar plant expired on **April 27, 2025**.
- In anticipation of the expiry, the Company submitted an application to the **Punjab State Electricity Regulatory Commission (PSERC)** requesting continuation of the PPA at the existing tariff of **₹8.59 per unit**.
- In response, the Commission issued an **interim order dated April 24, 2025**, allowing the Company to continue supplying power at a **provisional rate of ₹3.50 per unit**, pending final adjudication.
- The matter is currently under review, with the **next hearing scheduled for May 28, 2025**.

### Plant 2 - Abohar

- Under the existing PPA, a tariff revision was contractually due from **January 1, 2024**.
- The Company filed a formal petition before PSERC seeking an **upward revision** of the tariff to reflect rising operational costs and market conditions.
- However, the Commission, via its **Order dated May 15, 2025**, revised the tariff **downward to ₹5.42 per unit**, effective retrospectively from **January 1, 2024**.

## 3. Impact of Commission Order

### Financial Impact Assessment - Abohar Biomass Power Plant

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**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 ₹5.42/unit**, PSPCL has raised a **retrospective recovery demand** based on the differential of **₹2.05 per unit**, amounting to **₹15.53 Crores**.

**b. Projected Revenue Decline going Forward**

Should the revised tariff of ₹5.42/unit 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 ₹12.50 Crores** under the revised rate.

**Financial Impact Assessment – Muktsar Biomass Power Plant**

If the Muktsar plant continues operations at the **interim tariff of ₹3.50/unit** (as directed by PSERC's interim order), the Company anticipates annualized **revenue reduction of approximately ₹26.00 Crores**.

Commenting on the order

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

*"We are deeply disappointed with the recent order issued by the Hon'ble Punjab State Electricity Regulatory Commission (PSERC), 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:*

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### *Socio-Economic Contributions*

- *Employment to over 8,000 rural families, year-round, in biomass collection, transportation, and logistics.*
- *₹700+ Crores disbursed over the project lifecycle to local communities, driving grassroots economic empowerment.*
- *₹45-50 Crores infused annually into the rural economy through paddy straw procurement – supporting a circular agricultural economy.*

### *Environmental Impact*

- *80,000+ acres of stubble burning prevented each year, significantly improving air quality and public health.*
- *Utilization of 1.5 lakh MT of paddy straw annually, converting waste into clean energy at a competitive cost (₹4,700/MT vs. ₹8,300+/MT for pellets).*
- *8.7 lakh MT of CO<sub>2</sub> emissions reduced over 20 years, with continued annual mitigation of over 43,000 MT CO<sub>2</sub>, directly supporting India's climate goals under the Paris Agreement.*

### *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.*

*We urge the regulatory authorities to revisit this decision with the seriousness and diligence it deserves. These plants are not only economic enterprises – they are instruments 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 both the Abohar and Muktsar biomass power plants, 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.

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

**a. Legal Recourse**

- The Company has filed a review petition challenging the 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.

**b. Strategic and Commercial Initiatives**

**i.) Diversification of Power Offtake**

- To reduce dependency on regulated tariffs and public utilities, the Company is exploring the execution of Power Purchase Agreements (PPAs) with private sector consumers and open access clients, enabling electricity sales at market-linked rates and improving revenue realization.

**ii.) Repurposing of Biomass Infrastructure**

- The Company has initiated a feasibility study to evaluate the conversion of its existing biomass-based assets into green hydrogen production facilities, aligned with India's National Green Hydrogen Mission.

This initiative is aimed at:

- Enhancing long-term asset utilization
- Reducing overall carbon intensity
- Unlocking strategic value through participation in the emerging clean fuel ecosystem

These measures reflect the Company's commitment to operational resilience, environmental stewardship, and sustained value creation in the evolving energy landscape

For further information, please contact Sameer Agarwal, Chief Financial Officer, at Phone: +91 1275-248200 or Email: [sameer.agarwal@deepiping.com](mailto:sameer.agarwal@deepiping.com).

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