Management Discussion

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Thank you, and good evening to all of you, and thank you for joining Torrent Power's Q2 earnings call. I will begin with a review of our financial and operational performance for the quarter, followed by an update on key growth initiatives and projects under implementation. We will then open the floor for questions. Let me first discuss the company's performance at the PBT level before covering the tax expenses for the quarter. Reported profit before tax for the quarter stood at INR 1,131 crore compared to INR 979 crore in the corresponding quarter of previous year, representing an increase of INR 152 crore, which is a 15% growth year-on-year. Profit before tax for the quarter includes the following nonrecurring credit of INR 123 crore on account of indemnity income received by Nabha Power from seller with respect to mega power status claim to the tune of INR 115 crore.This is in accordance with the provisions of the share purchase agreement under which any liability arising from mega power status claim is recoverable from the seller. Secondly, unwinding of LNG-related hedges in relation to the IOCL LNG procurement contract. The unwinding was done considering force majeure announced by IOCL, resulting in a gain of INR 52 crore during the quarter. There was also a liquidated damage and write-off of charges paid on termination of SECI 12 project of INR 44 crore. The profit before tax for the corresponding quarter of last year includes nonrecurring credit of INR 31 crore on account of receipt of favorable order in our license distribution area, primarily relating to the grant of carrying cost. Excluding the impact of these nonrecurring items, adjusted profit before tax for the quarter stood at INR 1,008 crore as compared to INR 948 crore in the comparable quarter of previous year.That was an increase of INR 60 crore on adjusted basis, which was a 6% growth year-on-year. The tax rate for the quarter stood at 26% compared with 24% in the corresponding quarter of previous year. Business-wise, factors contributing to performance of business segments are as follows. Our thermal generation business delivered a resilient performance despite elevated gas prices driven by the geopolitical developments in the Middle East. Adjusted for nonrecurring item in the current quarter, EBITDA was higher by INR 83 crore, primarily on account of the first full quarter contribution from Nabha Power acquisition, contributing INR 142 crore to EBITDA during the quarter. Adjusting for lease accounting followed in Nabha Power Limited, the EBITDA for the quarter stood at INR 196 crore. This was partially offset by lower merchant profit rates by INR 55 crore.Despite elevated gas prices during the quarter, the company maintained healthy operating margins in its merchant power operations. Moving to distribution and transmission, the distribution and transmission segment contributed INR 99 crore to EBITDA during the quarter, driven by improved contribution from distribution operations by INR 76 crore, supported by the increase in ROE on account of capitalization of assets and higher rate of return on equity as per the new tariff regulations and other incentives. There was also improved contribution from distribution franchise business on account of improved volume by three% and T&D efficiency across all franchise business. The newly commissioned transmission project contributed INR 22 crore to the EBITDA. Moving to renewables, the renewable operation contributed INR 148 crore to EBITDA, driven by improved PLF across wind and solar power plants and newly commissioned capacity.There was also increase in depreciation and finance cost, which lowered the profit before tax by INR 270 crore. The increase in depreciation on account of higher capitalizations in renewable segment, and we also faced increased finance costs on the back of Nabha acquisition and higher capitalization. Overall, the quarter reflects continued operational resilience and disciplined execution across our portfolio despite a challenging external environment. This completes the explanation of financial performance during the quarter. I will now move on to providing update on the various

projects under implementation. The renewable energy projects of 240 MW peak got commissioned during the quarter, taking the aggregate installed generation capacity of the company to 6.8 GW as on 30th September 2026. This was comprising of two.7 GW of gas, approximately 1.8 GW of coal, and approximately two.three GW peak of renewable capacity.On the renewable energy, during the quarter, the subsidiaries of the company received LOA for three new wind projects for a period of 25 years. 100 MW from SJVN at a tariff of INR three.89 per unit, 150 MW under SECI Tranche XX at a tariff of INR three.85 per unit, and 250 MW from MPPMCL at a tariff of INR 4.16 per unit. Furthermore, as on 30th September, the renewable energy projects of 4.4 GW are under implementation, which are expected to be commissioned progressively, about 1 GW-1.two GW in FY 2027 fiscal, 1.4 GW-1.6 GW in the next fiscal, which is FY 2028, and the balance capacity by FY 2029. Capex of INR 1,850 crore was incurred during the current quarter against INR 1,550 crore in the previous quarter and INR 1,630 crore in the corresponding quarter of last year.Of the total capex of INR 30,600 crore for the renewable project under implementation, a cumulative capex of INR 10,000 crore has been incurred up to 30th September 2026. In FY 2027, a total capex of approximately INR 10,000 crore is expected to be incurred for renewable projects compared to approximately INR 6,500 crore in FY 2026. Moving on to the implementation update for the Anuppur thermal power project of 1.6 GW. The activities are underway as per expectations, wherein major milestones achieved during the quarter were executed of BTG and the BOP contracts. The total capex of INR 800 crore has been incurred up to 30th September 2026. Within transmission, the transmission project at Solapur is under implementation and expected to be commissioned this year. Cumulative capex of INR 400 crore has been incurred up to 30th September 2026.The further details on pipeline projects have been summarized in our latest investor presentation that is now available on our website. That is all for this quarter, and wishing everyone a very happy Diwali and wish everyone a very safe and healthy holiday season ahead. I would now request the coordinator to open the lines for question and answer, please. Thank you.

Operator
Thank you very much. We will now begin the question and answer session. [Operator Instructions] Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. [Operator Instructions] The first question is from Mohit Kumar from ICICI Securities. Please go ahead.

Questions & Answers

Mohit Kumar - Analyst, ICICI Securities
Yeah, hi. Good evening, sir. Thanks for the opportunity. My first question is, can you help us with the operating EBITDA and accounting EBITDA for the Nabha Power during the quarter? I know that you mentioned, but I think I missed it, yeah.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
It is INR 142 crore.

Mohit Kumar - Analyst, ICICI Securities
Is that accounting EBITDA or operating EBITDA?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
This is as per the lease accounting which is being followed at Nabha Power. If I consider a PPE

accounting, then it would be around INR 196 crore.

Mohit Kumar - Analyst, ICICI Securities
196, understood, sir. Can you please help us understand the EBITDA increase in generation QoQ during this quarter? There is sharp jump, right? I do understand there is a one-off. Can you please help us? QoQ, yeah.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
One minute, sorry.

Mohit Kumar - Analyst, ICICI Securities
Sir, the generation, the segmental EBITDA has grown from INR three.7 billion in Q1 FY 2027 to INR 7.1 billion in Q2 FY 2027. Can you just break this up with the, in the merchant, how much led to what? Can you just help us with the movement in the EBITDA sequentially?

Management Representative - Torrent Power Limited
Mohit, I think Vikasji alluded to the one-off item of INR 115 crore in Nabha, which is getting captured in the EBITDA. If you remove that, then all other businesses have performed according to the expectations.

Mohit Kumar - Analyst, ICICI Securities
My last question, I think, there is a, on renewables portfolio, the EBITDA margin is lower, I think, primarily because I think one of the reason is, I think you, the liquidated damages you have paid, right? Is that-

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah.

Mohit Kumar - Analyst, ICICI Securities
Is there anything else? Is there anything else?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
No. If you adjust 44 crore, then I think we have a pretty healthy EBITDA margin. Let me tell you, we have one project which is operationalized, which is Airpower, wherein we are selling in the merchant market, the wind project, and the realizations are very good there. Effectively, our EBITDA margins will increase going forward.

Mohit Kumar - Analyst, ICICI Securities
Understood. Last question, how much the merchant rate is sold in the quarter and realization, and the spread if possible?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
You want MUs, million units?

Mohit Kumar - Analyst, ICICI Securities
Yeah, MUs, yeah.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
During the quarter, MUs sold were around 530 MUs. If I look at per unit realization, it was around INR 24.

Mohit Kumar - Analyst, ICICI Securities
Any idea of the spread?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Any idea on the, sorry, come again?

Mohit Kumar - Analyst, ICICI Securities
Any color on the spread? How much spread you made in the merchant?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Spread would be somewhere in the range of INR 4.7-INR five.

Mohit Kumar - Analyst, ICICI Securities
Understood. Thank you. Thank you, all the best. Thank you.

Operator
Thank you. [Operator Instructions] Next question is from Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore - Analyst, Axis Capital
Hi, good evening. There were a lot of details shared in the opening remarks. My line dropped in between. Just wanted to check if you can share the full quarter revenue for Nabha. I heard about the EBITDA 1.42 billion as per lease accounting. Obviously, there will be no depreciation, but what is the interest impact on Nabha? And what is that close to the recurring amount we are likely to see in terms of EBITDA contribution of 1.42 billion? Is that the clean number that we should expect going forward?

Management Representative - Torrent Power Limited
So I think, Sumit, your first question was in terms of revenue in Nabha.

Sumit Kishore - Analyst, Axis Capital
Yeah

Management Representative - Torrent Power Limited
in Q2, right? So that was around INR 1,100 crore. But I think we should look at more from an EBITDA perspective, this being a two-part tariff PPA. I think

Sumit Kishore - Analyst, Axis Capital
Yeah

Management Representative - Torrent Power Limited
fuel cost increase will increase my revenues.

Sumit Kishore - Analyst, Axis Capital
Yes.

Management Representative - Torrent Power Limited
And vice versa. So I think we should look at on an EBITDA basis. Now, I think your second question was with respect to the recurring EBITDA is what is. So if I look at it on a lease accounting basis, we recorded EBITDA INR 142 crore. But if I look at from a normal accounting perspective, which all of

the power plants are being done, it is around INR 200 crore.

Sumit Kishore - Analyst, Axis Capital
Yeah.

Management Representative - Torrent Power Limited
So, it will be difficult for you to annualize that, but I think when we acquired this Nabha Power plant, we had said that recurring EBITDA should be around INR 1,000 crore for the full year, which we expect we should be getting on a full year basis.

Sumit Kishore - Analyst, Axis Capital
Okay. But when I am accounting for it in EBITDA terms, from a P&L standpoint, I should include maybe, what, around INR 700 crore or so?

Management Representative - Torrent Power Limited
So INR 54 crore was the capital charge, which is not getting accounted for. So you can annualize that part of it.

Sumit Kishore - Analyst, Axis Capital
Okay. What is the amount going into interest, which is pertaining to the Nabha Power project?

Management Representative - Torrent Power Limited
Interest in the sense, the debt which you have borrowed?

Sumit Kishore - Analyst, Axis Capital
Yeah, yeah. Interest. What has got added to interest this time with the acquisition of Nabha?

Management Representative - Torrent Power Limited
Okay. Nabha itself has an interest cost of around INR 70 crore. And on top of it, we also borrowed to acquire this entity, which would be again around INR 70 crore.

Sumit Kishore - Analyst, Axis Capital
Okay. Could you sort of help with the other income number? What is the one-off sitting in other income which has been reported of INR 249 odd crore?

Management Representative - Torrent Power Limited
So, there are two parts to it. One is INR 115 crore, which is the indemnity which we have received from the seller. The other part is unwinding of hedging, which we have done, which is around INR 52 crore.

Sumit Kishore - Analyst, Axis Capital
This is unwinding of hedging for what?

Management Representative - Torrent Power Limited
We had an IOCL LNG contract wherein because of this geopolitical tensions, there was a force majeure invoked by IOCL. What we had done was we had hedged this gas basically on the Brent side because it is linked to Brent. We had done hedges to hedge the Brent, which we unwound it because of gas not being supplied.

Sumit Kishore - Analyst, Axis Capital
Okay. Okay. Sorry, if you have already mentioned this, could you briefly repeat what was the merchant contribution deviation in Q2 from last quarter to this quarter?

Management Representative - Torrent Power Limited
INR 55 crore lower.

Sumit Kishore - Analyst, Axis Capital
Lower. Yeah. INR 55 crore lower.

Management Representative - Torrent Power Limited
Correct.

Sumit Kishore - Analyst, Axis Capital
Okay. Okay. You mentioned something about a SECI bid where you have to take a project out in the opening remarks where you have paid some termination fee. What is the size of that project and what are the details?

Management Representative - Torrent Power Limited
That was SECI 12 project, which was 300 MW wind project, which we terminated, because of which there was an outflow of INR 44 crore during the quarter.

Sumit Kishore - Analyst, Axis Capital
Why was it terminated? What is the background?

Management Representative - Torrent Power Limited
Basically, there were a lot of delays with respect to evacuation challenges. Then also the tariff also was not that good. But mainly because of evacuation challenges, we had to terminate that contract.

Sumit Kishore - Analyst, Axis Capital
This was at LOA stage?

Management Representative - Torrent Power Limited
No, on the PPA stage.

Sumit Kishore - Analyst, Axis Capital
PPA project can be terminated, so what is the rule here? I mean, how can you terminate a PPA? So what is the breakup fee? How does it-

Management Representative - Torrent Power Limited
We paid the liquidated damages, right? So we paid around INR 40 crore of liquidated damages.

Sumit Kishore - Analyst, Axis Capital
Okay. Okay. Thank you so much. I will follow in with you.

Operator
Thank you. [Operator Instructions] The next question is from Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain - Analyst, Ambit Capital
Hi, thank you. Just a follow-up question to this, I think SECI 12, SECI 13 project, the tariff was, I believe, two.97. They were, if we understand correctly, connectivity delays and you chose to pay the termination charges. You will run it on merchant now and maybe convert into another PPA later on. Is that the thought process maybe at higher tariffs and why if the returns were lower, why did you consider bidding at such low tariffs in the first place anyway?

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
I think, first of all, it is a PPA termination. The project is still on, and the PPA termination has happened because there was a delay. We do have the opportunity to enter into another PPA or use this capacity for merchant. From that perspective, I think it is not a really huge negative for us.

Satyadeep Jain - Analyst, Ambit Capital
Okay. Just secondly on some of the long-term projects you have, including the pumped storage project and some thermal pipeline. From the pumped storage project, obviously, there is a lot of news flow. Can you update us what exactly is the latest status? What possibilities are you considering? Maybe alternate sites or something? Just any update you can provide here?

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
See, I think on the pumped storage, the project is obviously at initial stages, and some preliminary site work has started. We have also given a press release explaining the company's position, and measures are being taken to address the stakeholder concerns. We continue to engage with the concerned stakeholders, including the local community and public at large, to dispel any concerns they have. So far, I think the matter is still very dynamic, and we are discussing and trying to address those concerns.

Satyadeep Jain - Analyst, Ambit Capital
I believe some alternates. Do you have any when you were looking at evaluating this project? I am sure you would have evaluated the other sites also. Is there a possibility that you have some other sites also in consideration for this project?

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
Well, it is too premature right now to really get into those discussions. Like I said, the project is at very early preliminary stage, and we are sort of trying to allay some of those concerns that have been raised. We have also given some details through the press release. At this stage, I think thinking about alternatives would be slightly premature.

Satyadeep Jain - Analyst, Ambit Capital
Okay. Lastly, on the thermal pipeline, you already have the Madhya Pradesh project. Are there other projects you are actively participating or evaluating in the pipeline? It could be maybe look at some possibility of additional project or given the balance sheet leverage and all that you have, just trying to see how are you thinking out for building any future pipeline for thermal.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Satyadeep Jain, we do evaluate bids which keep on coming, and if they are at commercial levels which are attractive to us, we would want to participate. As far as leverage is concerned, I think these are all long gestation period contracts, and if you look at internally, I think we are comfortable with respect to leverage is concerned.

Satyadeep Jain - Analyst, Ambit Capital
Okay. Thank you so much.

Operator
Thank you. [Operator Instructions] The next question is from Yash Kabra from Nirmal Bang Securities. Please go ahead.

Yash Cabra - Analyst, Nirmal Bang Securities
Hi, sir. Am I audible?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah.

Yash Cabra - Analyst, Nirmal Bang Securities
Yes, sir. Just some couple of questions. Firstly, sir, I just wanted to understand, like in this quarter, the EBITDA margins have reduced, and some power purchase cost has gone up, and G&A expenses has gone up. Can you just give some color? Is there any specific reason why it has happened, and will it continue going forward, or how do you think EBITDA margin is going forward?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yash, if you look at the nature of our business, if you look at our license distribution or a franchise distribution business, my power purchase cost is a pass-through for me. Even if my generation of gas and coal, they are all pass-through. So what happens is if my power purchase cost goes up, my revenue also goes up. And typically, on a mathematical side, EBITDA margins will come down. So effectively, I mean, we should not look at purely from an EBITDA margin perspective, considering 60% of our business comes from distribution business.

Yash Cabra - Analyst, Nirmal Bang Securities
Okay. Okay, sir. And on the, let us say, continuing on this point, just wanted to ask, let us say, this quarter, as previously was mentioned in your opening remarks as well, but just wondered, the finance cost has gone up, and if you look at, let us say, tax rate has also gone up. So on these two points, can you just give why the finance cost has gone up? Is there any additional borrowing, and for what reasons?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah. Yeah. So, Yash, basically, when we acquired Nabha, we borrowed at Torrent Power level. So for that borrowing, the finance cost has gone up. Nabha itself had around INR three,000 crore of borrowing, because of which, on a consol basis, finance cost has gone up. And there were some capitalization during the quarter, because of which the interest cost has gone up. So I think these are two or three broad reasons why the finance cost has gone up.

Yash Cabra - Analyst, Nirmal Bang Securities
Got it. Got it. And so on the tax rate, it has gone up by just 1%, but like broadly, was there any one-off in this quarter?

Management Representative - Torrent Power Limited
No, it is basically switching to new tax regime. On a consol basis, it has slightly gone up because some of the subsidiaries becoming profitable, there will be some tax impact.

Yash Cabra - Analyst, Nirmal Bang Securities
Got it, sir. Got it. Thank you so much. All the best.

Management Representative - Torrent Power Limited
Thank you.

Operator
Thank you. [Operator Instructions] The next question is from Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar - Analyst, ICICI Securities
Hi. Thanks for the opportunity once again. My question is finally on the financial closure of the pumped storage project cost project and the coal-based power plant. Are we financing it on SPV basis or on the balance sheet?

Management Representative - Torrent Power Limited
Yeah. Mohit Kumar, both of our projects have achieved financial closure on the SPV basis through a long-term loan tied up. When I say long-term loan, these are all 20, 25-year loans which we have tied up.

Mohit Kumar - Analyst, ICICI Securities
Understood. My second question, what is the update on the status of 800 MW, which I think we are supposed to set up in lieu of the replacement of the Ahmedabad coal-based power plant, which is getting retired?

Management Representative - Torrent Power Limited
As of now, we have got the allocation. Still too premature to comment anything on that as of now.

Mohit Kumar - Analyst, ICICI Securities
Understood. Thank you and all the best. Thank you.

Operator
Thank you. [Operator Instructions] The next question is from Harsh Singh from Sameeksha Capital. Please go ahead.

Harsh Singh - Analyst, Sameeksha Capital
Right. Thank you for the opportunity. Am I audible?

Management Representative - Torrent Power Limited
Yeah.

Harsh Singh - Analyst, Sameeksha Capital
Right. Firstly, on the cash flows, if I look at the receivables, the receivables balance have gone up almost 80% at the end of the year. Is there some specific reason because of the business happened like Nabha acquisition? Any commentary on-

Management Representative - Torrent Power Limited
Predominantly because of Nabha acquisition, and also typically in the license distribution businesses, because of high power demand season, in this Q1 and Q2, it goes up, and then it gets start liquidating. It is basically two reasons.

Harsh Singh - Analyst, Sameeksha Capital
Okay. You do expect it to normalize over the year, then, back to the receivables?

Management Representative - Torrent Power Limited
Nabha would remain. Other things should get normalized.

Harsh Singh - Analyst, Sameeksha Capital
Understood. Thank you. Other thing, on the distribution business, if I look at the units sold in the PPT, change is not much, but the revenue has still gone up from the distribution business. Is it just increase from the power purchase pass-through? If that is the case-Understood. Thank you. Other thing, on the distribution business, if I look at the units sold in the PPT, change is not much, but the revenue has still gone up from the distribution business. Is it just increase from the power purchase pass-through? If that is the case-

Management Representative - Torrent Power Limited
That is right.

Harsh Singh - Analyst, Sameeksha Capital
What is the stable growth rate we can expect from this by combining the unit growth plus the power purchase pass-through, which is stable?

Management Representative - Torrent Power Limited
No. I think, Harsh, if you look at profitability growth, there are different levers for profitability growth in a license distribution business. One, of course, is volume growth, which leads to your higher capex going forward. Then there are other savings in terms of T&D and O&M expenses.

Harsh Singh - Analyst, Sameeksha Capital
Right. Do we expect this trend to continue in terms of the increase coming from power purchase pass-through?

Management Representative - Torrent Power Limited
Power purchase pass-through, if power purchase cost goes down, my revenues will go down. But that will not impact the volumes.

Harsh Singh - Analyst, Sameeksha Capital
Right. Again, I'm just asking, do we expect volumes to pick up going ahead? That's the big question.

Management Representative - Torrent Power Limited
I think we don't give any forward-looking statements per se, but I think on a very steady state basis, 4% to 5% is what one should look at it. It is more comparable to the GDP growth, and then there is to be a factor of GDP which typically improves the electricity demand.

Harsh Singh - Analyst, Sameeksha Capital
Understood. Thank you for saying that. No other questions from my side.

Operator
Thank you. Next question is from Bharani from Avendus Spark. Please go ahead.

Bharani - Analyst, Avendis Park
Good evening. Apologies, I joined in late. If this is repetitive, please apologize.

Management Representative - Torrent Power Limited
Bharani, your voice is. Can you just come near the speaker? We are not able to hear you properly.

Bharani - Analyst, Avendis Park
Is this better now?

Management Representative - Torrent Power Limited
Slightly better.

Bharani - Analyst, Avendis Park
Okay, I will be loud as much as possible.

Management Representative - Torrent Power Limited
Yeah.

Bharani - Analyst, Avendis Park
I was telling, I joined a little bit late, so if it is repetitive, apologize. Wanted to understand the underlying reason for our merchant gains to be lower, even if the industry has seen high power demand and other gas utilities have benefited due to this.

Management Representative - Torrent Power Limited
I think you are right that power demand has been very robust during H1 of this year. But if you look at it, the gas prices also are very elevated, and hence, our capacity to sell on the merchant market was very limited. In fact, I look at it in this way that even at these elevated gas prices, we were able to make decent profits in merchant market is concerned.

Bharani - Analyst, Avendis Park
But I heard that you mentioned that we made a spread of around INR four-INR five per unit. Why couldn't we have generated more and made that spread?

Management Representative - Torrent Power Limited
So if you look at it, the power demand during the day, I mean, the slots where they provide good profit or the selling rates are very small. So hence, the unit which you will be able to sell in those slots would be lower. During the day hours, because of solar power coming in, the prices go down typically in the merchant markets. And hence, the units which you are able to sell with such high LNG prices would be smaller.

Bharani - Analyst, Avendis Park
Okay. Your voice was breaking, but if I understand right, you're telling the window to take advantage of high prices only in the evening time, which is what you're telling.

Management Representative - Torrent Power Limited
Yes, yes. During the peak hours.

Bharani - Analyst, Avendis Park
Okay. Can you refresh regarding the availability of gas overall for merchant plants and for the PPA projects like SUGEN, UNOSUGEN? What is the availability of gas right now that is there in terms of the number of cargoes that is there? How much PLF we can expect from DGEN, SUGEN, and UNOSUGEN point of view for the next one year?

Management Representative - Torrent Power Limited
If you remember, we had disclosed that we have booked cargoes or 10 cargoes per annum, starting from calendar year 2027. From next year onward, we will be getting those cargoes for our Torrent Power business and some for Torrent Gas business. As far as my PPA capacities are concerned, we should be covered for my liability under the PPA through these cargoes. For the merchant basis, we will look at it how the merchant market behaves and how the LNG prices behave, and we would want to lock in the cargoes for the next year. Anyways, this year, this will be a low power demand scenario, and hence, I think it would be difficult for you to sell on the merchant market with such high LNG prices.

Bharani - Analyst, Avendis Park
These 10 cargoes, you will be able to generate DGEN during high demand period next year?

Management Representative - Torrent Power Limited
Okay. Out of 10 cargoes, there are certain cargoes which are allocated to Torrent Gas, and some of the cargoes are available for Torrent Power, which are typically earmarked for my license distribution businesses. Using it for DGEN, we will look at it if not, I mean, they are not willing to lift it up, then we will look at it. But as of now, they are earmarked for our distribution businesses.

Bharani - Analyst, Avendis Park
Okay. The reason why I am asking is the sense I had even for this year is because we did not have such cargoes booked for DGEN is also one of the reasons why we were not able to take advantage of the high power demand scenario, given the cargoes would come at a fixed price, which would be lower than the market price. I was wondering if we have enough cargoes at fixed price, lower than the market price for the next year, we would be able to take advantage next year. That is why I was asking that.

Management Representative - Torrent Power Limited
Correct. If you do a long-term contract, these are all variable contracts. You cannot do a fixed price contract on a long-term basis.

Bharani - Analyst, Avendis Park
Sure. I think that is it from my side. Thank you so much.

Management Representative - Torrent Power Limited
Thank you.

Operator
Thank you. The next question is from Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore - Analyst, Axis Capital
Yeah, just a follow-up in terms of the renewable capacity addition plans for this year and next fiscal. Given that you have done close to what, 300 MW plus in the first half, MW peak in first half of the year, are you on track to sort of commission 1.two GW that you had indicated earlier for FY 2027, and your capacity addition plans for the next fiscal?

Management Representative - Torrent Power Limited
Yeah, as of now, I think we are on track to achieve 1 GW to 1.two GW of commissioning. Typically, Q2 is slightly a lower number because of rains and all. But H1, we should pick up. H2, sorry.

Sumit Kishore - Analyst, Axis Capital
Okay. Next year, this should be what, one and a half or GW?

Management Representative - Torrent Power Limited
I think what we have communicated is 1.4 GW to 1.6 GW.

Sumit Kishore - Analyst, Axis Capital
Okay. Any comments? There was the news around a private sector player being granted a 25-year parallel distribution license for areas around Gurgaon. There has been pushback from the state, but is there any traction on parallel licensing as an outcome post this?

Management Representative - Torrent Power Limited
No, nothing as of now, which we can comment on.

Sumit Kishore - Analyst, Axis Capital
Got it. Okay. Thank you.

Operator
Thank you. The next question is from Vishal Biraya from Bandhan Asset Management. Please go ahead.

Vishal Miraya - Analyst, Fund and Asset Management
Yeah, hi. The cargoes of gas that we have contracted for the next calendar year, could you give a ballpark estimate of the landed price, I mean, based on the contract that you have structured linked to crude and other indexes?

Management Representative - Torrent Power Limited
Vishal, those cargoes are linked to Brent-linked crude, which is variable. Difficult to give you a pricing point. It is slope to the crude, and we are not sharing the slope numbers. But I think we are very competitive when the slopes are concerned.

Vishal Miraya - Analyst, Fund and Asset Management
Oh, okay. Could you give the quantum to these 10 cargoes, which would amount to how much, and what would be the share of Torrent Power?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Torrent Power should get around four to five cargoes out of this 10, per annum.

Vishal Miraya - Analyst, Fund and Asset Management
Okay. What will be the quantum of how many MMBTUs or BCM?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
The cargo contains three.two TBTU of gas. Trillion British Thermal Units.

Vishal Miraya - Analyst, Fund and Asset Management
Okay. One question on renewables, on the C&I contracts that we have. What is the installation schedule? I mean, what is the commissioning schedule of these C&I projects, and what is the kind of structure that you have entered into? If some ballpark estimates here would be very helpful.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
C&I projects, I mean, there are multiple PPAs, so giving you a particular year of commissioning would be difficult. But if you look at it, we keep on executing or commissioning the projects on a quarter-on-quarter basis. That should be all my C&I projects which are currently tied up should get, I think, commissioned by 2029. But it will be a progressive commissioning over the next two years.

Vishal Miraya - Analyst, Fund and Asset Management
Okay. Thank you.

Operator
Thank you. [Operator Instructions] The next question is from Sriram Kapoor from Jefferies. Please go ahead.

Sriram Kapoor - Analyst, Jefferies
Hi, sir. Thanks for the opportunity. Just a couple of questions. One, just repeating on the thermal generation EBITDA that you reported of close to INR 710 crore. Adjusting for those two one-offs that you mentioned, INR 115 crore from Nabha Power and INR 52 crore from the IOCL transaction, it seems that your generation EBITDA has come down quite a bit, both quarter-on-quarter and year-on-year. Am I missing something in these two basins, second quarter last year as well as first quarter this year? Were there any one-offs that we should be adjusting for as well?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
If you adjust both of these, the INR 710 crore number should read like INR 543 crore or INR 540 crore, which compared to Q2 of last year, is around INR 460 crore. There is a growth of INR 83 crore on a year-on-year basis. As we told that this has an impact of around INR 55 crore for merchant profit rates. But because of Nabha acquisition, INR 83 crore is the delta.If you adjust both of these, the INR 710 crore number should read like INR 543 crore or INR 540 crore, which compared to Q2 of last year, is around INR 460 crore. There is a growth of INR 83 crore on a year-on-year basis. As we told that this has an impact of around INR 55 crore for merchant profit rates. But because of Nabha acquisition, INR 83 crore is the delta.

Sriram Kapoor - Analyst, Jefferies
Right. What about quarter-on-quarter? It's obviously gone up by about INR 170 crore quarter-on-quarter.

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
Nabha.

Sriram Kapoor - Analyst, Jefferies
That is all entirely

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
It is all Nabha.

Sriram Kapoor - Analyst, Jefferies
Entirely from Nabha. And just now secondly, there are some news reports suggesting there are some concerns around your three GW PSP project in Maharashtra due to the forest cutting. Could you comment on that? Are we seeing any delays in that PSP project, or all is on track, sir?

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
Chirag, we have answered this in the same call earlier. Were you there on the call when we-

Sriram Kapoor - Analyst, Jefferies
I might have missed that. I might have not been on the call at that time. I joined a little late.

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
I think the very high-level answer is, the project is at a very preliminary state, and we have already explained the company's position through a press release. And we are aware of the concerns that have been raised, and we are engaged with the concerned stakeholders to address their concerns. At this stage, I think the matter is very fluid and dynamic, and I think we will continue to watch for the developments.

Sriram Kapoor - Analyst, Jefferies
Got it, sir. Just how the same quarter, 1H last year had that NVVN contract on the merchant side.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah.

Sriram Kapoor - Analyst, Jefferies
Are we expecting to sign any more medium-term contracts going ahead, or nothing as such is in the horizon?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
No, Chirag, I mean, typically Q3 and Q4 are lower power demand sort of quarters for the country. We do not expect any major contracts coming in for Q3 and Q4. Typically, Q1 and Q2 are high growth or high power demand quarters. As we move forward, there could be some contracts which will come in, but that again will depend on what are the LNG prices. It is a very dynamic situation.No, Chirag, I mean, typically Q3 and Q4 are lower power demand sort of quarters for the country. We do not expect any major contracts coming in for Q3 and Q4. Typically, Q1 and Q2 are high growth or high power demand quarters. As we move forward, there could be some contracts which will come in, but that again will depend on what are the LNG prices. It is a very dynamic situation.

Sriram Kapoor - Analyst, Jefferies
Right, sir. Lastly on your wind PLFs have come considerably higher this time despite weaker monsoon. Any particular thing that has driven your higher wind PLFs this year or this quarter?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Chirag, I think wind resource was pretty good during this quarter. Typically, it is not linked to monsoons because beyond a certain velocity of wind, the turbine stops. If it is in a band which turbines operate, I think you get a better PLF.

Sriram Kapoor - Analyst, Jefferies
Understood, sir. Just this time you had better sort of the more appropriate wind speeds for your PLFs, which is relative to the previous quarters. That is clear, right?

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah.

Sriram Kapoor - Analyst, Jefferies
Got it, sir. Great. Thank you so much.

Shirom Kapur - Analyst, Jefferies
Great. Thank you so much.

Vikas Poddar - Executive Director and Chief Financial Officer, Torrent Power Limited
Thank you.

Operator
Thank you. [Operator Instructions] We have a follow-up question from Sriram Kapoor from Jefferies. Please go ahead.

Sriram Kapoor - Analyst, Jefferies
Hi, sir. Thanks for the follow-up. Just one last question on your Nabha Power, your EBITDA per unit, based on the PLF that you all have reported. The EBITDA per unit seems to be a little lower, around INR 0.5 to INR 0.6 per unit, whereas historically, this plant has been seeing closer to INR 0.8 per unit. Any particular reason why maybe this quarter the EBITDA per unit has been a little lower?

Management Representative - Torrent Power Limited
There have been some timing differences because of which, if you look at the EBITDA or the EBITDA per unit also, it is slightly lower. But I think it should get ironed out going forward.

Sriram Kapoor - Analyst, Jefferies
What would, in your opinion, be a sort of a steady state number we could look at for this plant?

Management Representative - Torrent Power Limited
I think what one should look at it is INR 1,000 crore of EBITDA run rate every year, on a year-on-year basis.

Sriram Kapoor - Analyst, Jefferies
And roughly around these PLFs, about 85%-87%, that is fair? Or could it be lower than that?

Management Representative - Torrent Power Limited
I think PLF would not matter much. It is more about PAF, where you write the fixed cost. I think PAF is a better barometer to consider the EBITDA.

Sriram Kapoor - Analyst, Jefferies
Got it, sir. And that should remain, continue on similar levels going forward?

Management Representative - Torrent Power Limited
It should.

Sriram Kapoor - Analyst, Jefferies
Great. Got it. Thank you.

Operator
Thank you. The next question is from Ramesh Shankar Narayanan, who is an individual investor. Please go ahead.

Ramesh Shankar Narayanan - Analyst, Individual Investor
Thank you very much, and congratulations on your result. Sir, if you look at the gas-based power generation, how do you see the viability of peak power generation at the current gas price, LNG prices, especially spot prices? How do you read the PLF for gas power generation going forward in the second half? The next thought is in terms of your overall blend of power generation across fuel categories, if you look at the increase in share of solar, wind, and hybrid, can we expect the ROCE and ROE to go up on a consolidated basis?

Management Representative - Torrent Power Limited
I think, Ramesh, on the first question which you asked about, as far as I think PLFs are concerned, it is a factor of two things. One is what are the LNG prices which are there in the market, and second one is on the prices of power in the market, as far as our merchant portfolio is concerned. As far as our PPA is concerned, PLF does not move my profitability because these are all two-part PPAs, and hence it does not move my profitability. I think it is very difficult for us to give you a particular answer to the PLF levels on a forward basis. As far as your second question is concerned, if you can just repeat that, it would be helpful.

Ramesh Shankar Narayanan - Analyst, Individual Investor
Yeah, if you look at your-

Management Representative - Torrent Power Limited
ROE and ROCE? Yeah.

Ramesh Shankar Narayanan - Analyst, Individual Investor
percentage share across the different fuel categories, including solar, wind, and hybrid, we see the increase in the share of solar, wind, and hybrid. Would that materially improve your ROCE and ROE on a blended basis, on a consolidated basis?

Management Representative - Torrent Power Limited
No. I think the share of profitability from those businesses would not be very high, which can impact my ROE, ROCE. But typically, in a renewable project, initially, the ROCE, ROEs are slightly lower, and then it starts catching up. Renewable projects coming in, there should be some impact on the ROE, ROCE on a consolidated basis, and then it starts picking up once the projects are commissioned after a year or two.

Ramesh Shankar Narayanan - Analyst, Individual Investor
Okay, so one last thought. On the subsidiary, is it possible to share what is the PLF and what is the ROE for that subsidiary?

Management Representative - Torrent Power Limited
Which subsidiary?

Ramesh Shankar Narayanan - Analyst, Individual Investor
The NPL.

Management Representative - Torrent Power Limited
Nabha Power?

Ramesh Shankar Narayanan - Analyst, Individual Investor
Yeah.

Management Representative - Torrent Power Limited
Nabha Power, as we told, it recorded EBITDA of INR 142 crore.

Ramesh Shankar Narayanan - Analyst, Individual Investor
Okay. In terms of the shareholders' equity and ROE, is it possible to share that number?

Management Representative - Torrent Power Limited
I think it's too early to comment. It's just one quarter.

Ramesh Shankar Narayanan - Analyst, Individual Investor
Okay. Right. So, thanks a lot, and wish you all the best.

Management Representative - Torrent Power Limited
Thank you.

Operator
Thank you. [Operator Instructions] Well, as there are no further questions, I would now like to hand the conference over to the management team for closing comments.

Vikas Pordar - Executive Director and Chief Financial Officer, Torrent Power Limited
Yeah, so thank you. I think, as a closing comment, it has been a steady quarter with very good revenue growth and also a very stable margin. I just take this opportunity to wish you all a very happy Diwali once again, and thank you so much.

Operator
[Operator Closing Remarks]