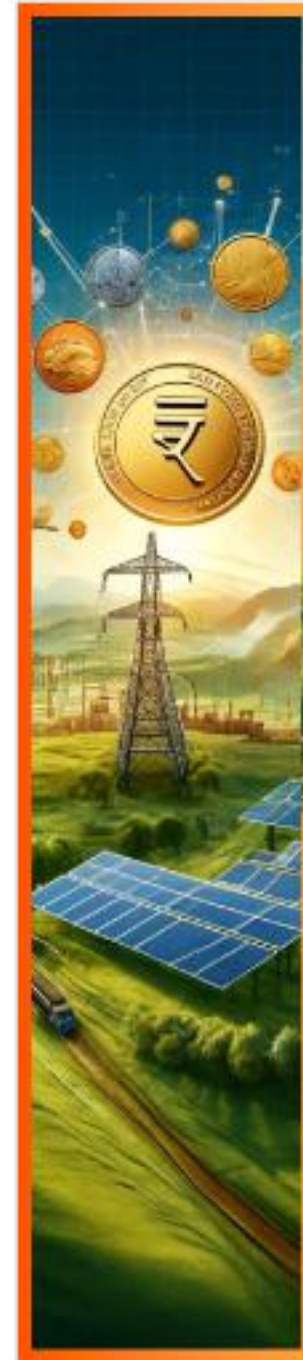




100 MW SOLAR SITE AT VELTOOR, TELANGANA



FINANCIAL CAPITAL



FINANCIAL CAPITAL

MATERIAL TOPICS

- » Economic Performance
- » Operational Excellence
- » Risk Management

Economic performance is an important facet of building a sustainable business. **Apraava Energy is on an accelerated growth path which requires continuous investments for each of our business verticals along with ensuring operational excellence. We ensure judicious and strategic allocation of financial capital across various businesses to foster long-term value creation for our stakeholders, relying on an adequate mix of debt and equity.** We have already established a strong presence in the power generation and transmission business. Consequently, in accordance with our commitment to investing exclusively in low-carbon opportunities and partnering India in its vision of achieving net zero targets by 2070, we are optimising investments towards the expansion of our Renewable Energy (RE) business. Aligned with our long-term vision of transitioning to clean energy solutions, the Company's strong financials have enabled us to enter the distribution segment through a foray into Advanced Metering Infrastructure (AMI). We are also partnering the Digital India mission by leveraging our digital capabilities to provide smart metering services to citizens and building smarter grids.



Key Drivers of Apraava’s Economic Growth

Operational Excellence

Innovation and Technology

Digitalisation

Clean Energy Transition

Resource Efficiency

Responsible Procurement

Customer Satisfaction

Stakeholder Relationship Management

Financial Risk Management

We have developed a robust mechanism for managing financial allocations, which encompasses cash flows, liquidity, growth opportunities, cost optimisation, and mitigation of external threats to financial performance. Additionally, we perform thorough financial analyses when making strategic investment decisions in order to understand their impact in the near mid, and long-term future of our business.

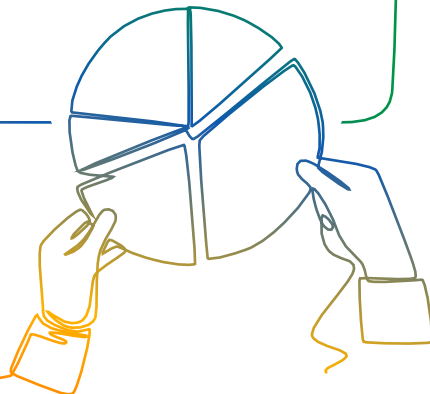
CREDIT RATING

Apraava Energy has a best-in-class credit rating from reputed credit rating agencies. India Ratings and Research (Ind-Ra) has rated Apraava Energy at AA+/stable rating for various debt financing facilities. This rating signifies a very high degree of financial safety regarding the timely servicing of financial obligations, endorsing the group’s financial health, management quality, and operational stability.

The rating evaluation considers key factors such as the company’s business profile, financial metrics, management quality, operational stability, and the economic

environment. It indicates that Apraava Energy is well-positioned to meet its financial obligations and is expected to maintain its current performance in the foreseeable future.

Furthermore, Apraava Energy has cultivated strong relationships with several leading banks, public and private financial institutions. Leveraging these relationships and given its ambitious growth targets, the company is well-placed to raise both debt and equity from the market, confident in its ability to meet financial commitments.



CLIMATE FINANCE

Samir Ashta, Director Finance and CFO, authored an insightful article titled “**Climate Finance: Urgency for Fair, Inclusive, and Equitable Policies,**” featured on Moneycontrol.com. The piece addresses the climate finance challenges faced by developing countries and advocates for equitable policies to close the commitment disbursement gap.

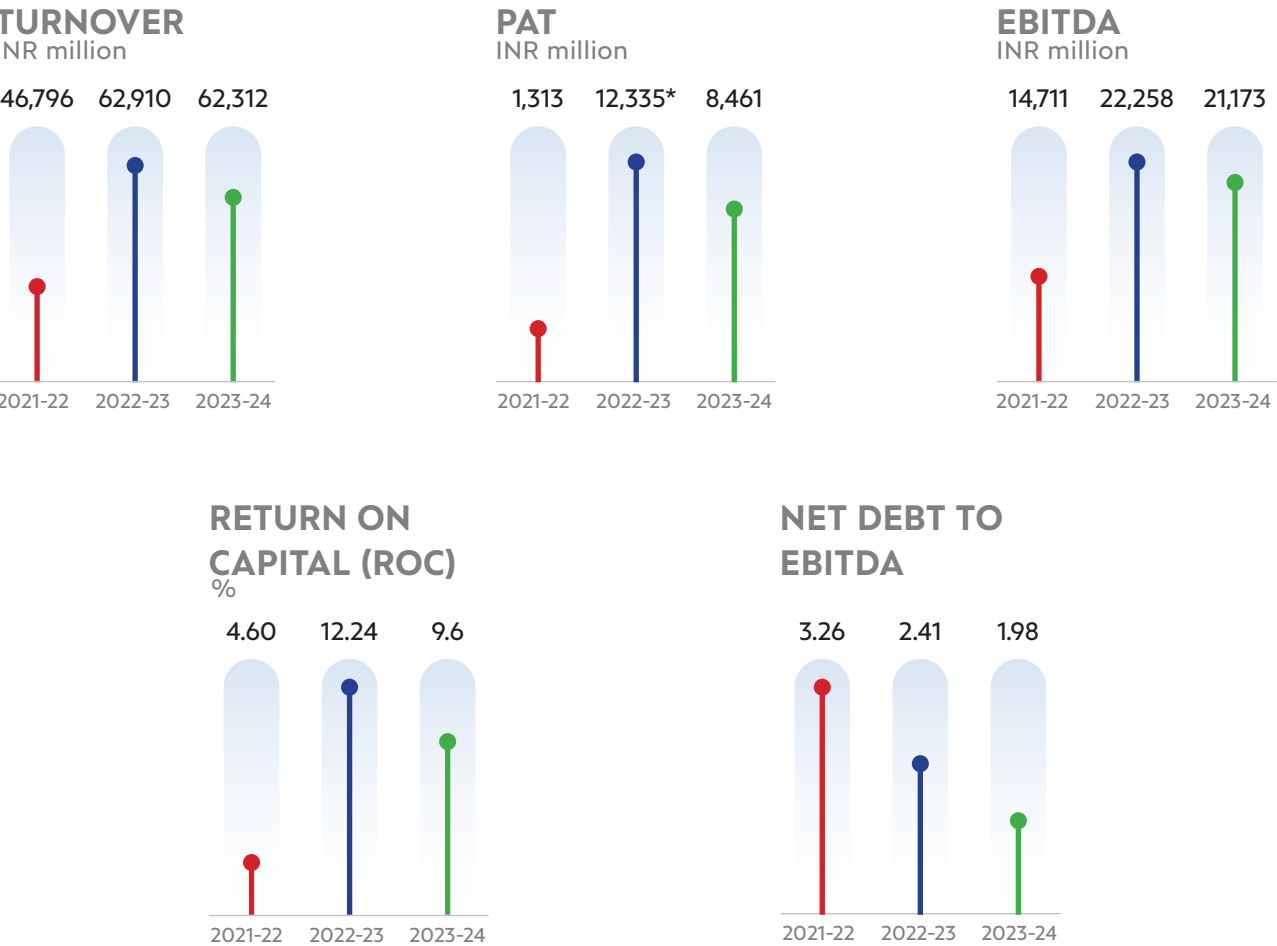
In the article, Mr. Ashta emphasises the urgent need to rapidly mobilise green finance to achieve India’s 500 GW non-fossil fuel target.

The article highlights the importance of collaborating with public institutions to implement actionable sustainability and climate resilience measures. Also, partnerships are crucial for building local capacity and channeling both domestic and international capital. It must be equitable, supporting developing nations while fostering their socioeconomic development, aiming to create a livable planet and improve global living standards.

Enhancing Financials

Apraava Energy witnessed significant wins in FY 2023-24 across all businesses. We have ensured a regular stream of competitive fund flow to meet various project requirements. By maintaining a strong balance sheet and strengthening our debt portfolio, we have earned the trust of lenders as well as shareholders. All of these factors have contributed to strengthening our financial stability and resilience to navigate the challenges of the power market in India. New projects, once operationalised, will pave the way for future streams of revenue, further fuelling our aspirations for growth and fulfilling expectations of various stakeholders.

Apraava Energy’s Economic Performance



*Higher due to one-time settlement in JPL.



Apraava Energy’s Key Financials at a glance

Particulars	FY 2021-22 in INR million	FY 2022-23 in INR million	FY 2023-24 in INR million
Revenue Generated ¹ (A)	46,796	62,910	62,312
Operating Costs ² (1)	30,621	38,969	38,459
Employee Benefit Expenses (2)	1,429	1,535	1,790
Payment to Providers of Capital (3)	4,026	4,437	4,534
Payments to Government (4)	686	3,919	2,643
Community Investment – CSR Contributions (5)	130	111	158
Economic Value Distributed (1+2+3+4+5) (B)	36,892	48,982	47,584
Economic Value Retained (A-B)	9,904	13,928	14,731

- Notes:
- 1. Revenue generated additional earnings
 - 2. Operating cost encompasses material consumption costs and miscellaneous expenditures, excluding costs related to employee benefits and corporate social responsibility initiatives

Apraava Energy’s net profit after tax for FY 2023-24 stood at INR 8,461 million, as compared to INR 12,335 million in FY 2022-23. Retained earnings for FY 2023-24, which include reserves of around INR 41,415 million, are indicative of 12% growth over the INR 36,905 million recorded in FY 2022-23.

Apraava Energy’s ambitious goal of transitioning to a low-carbon portfolio and contributing to India’s green energy targets requires sustained momentum. We are geared towards maintaining this buoyancy through prudent management of finances, pursuit of strategic expansion opportunities and optimisation of existing infrastructure.

