

FINANCIAL CAPITAL

Material Topics



Economic Performance



Biodiversity



Business Resilience



Corporate Governance & Ethics

Financial capital reveals intent.

It shows where we act, where we hold back, and what we choose to build over time. Deployed well, it steadies the present and prepares for what comes next.

The Many Currents, At a Glance

Disciplined growth aligned with transition to a cleaner energy portfolio.

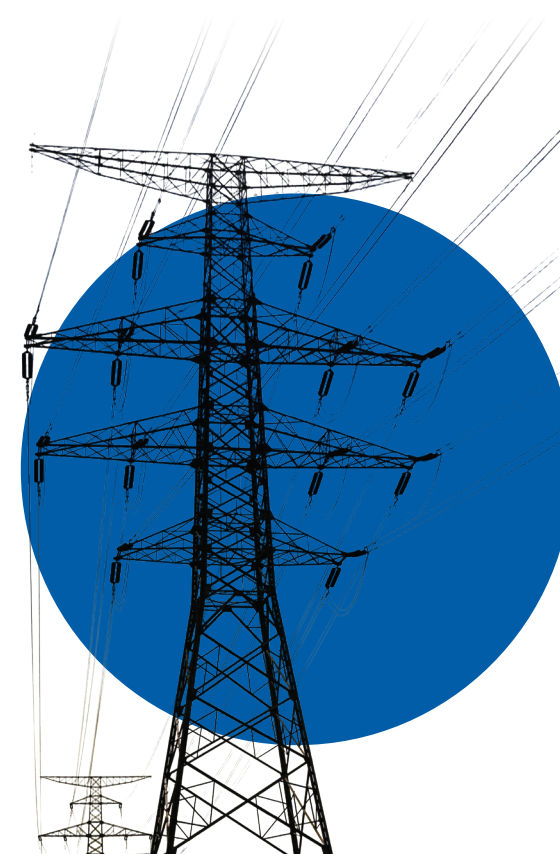
Expanded capital market access with diversified funding sources.

Balanced debt strategy across fixed and floating rate instruments.

ESG integrated into financing, shaping lender evaluation and capital access.

Green Finance leveraged: ₹12,650 million

Maintained IndRa Credit Ratings to AA+ in FY 2025-26



In FY 2025-26, our approach has been defined by discipline and transition. As we move toward a cleaner portfolio, capital is being redirected with care, balancing growth with resilience. The year brought execution challenges, including right-of-way and other constraints, that affected timelines and cash flows across key projects. In response, financing structures were adjusted, disbursements aligned with need, and costs contained where possible.

the structure is more resilient. At the same time, financing parameters and discussions with lenders are evolving. Environmental and social considerations are part of how decisions are weighed, risks are understood, and trust is built. We have responded by tightening processes, strengthening compliance, and ensuring that what is promised can be delivered consistently on the ground.

Our presence in the capital markets, supported by steady operational performance, reflects a growing belief in the strength of our model. Funding is more diversified now, the terms are more deliberate, and

What emerges is a financial stance that is steady and forward-looking, built to navigate uncertainties and prepared for transition.

Key Drivers of Apraava Energy’s Economic Growth

 Clean Energy Transition

 Operational Excellence

 Digitalisation

 Stakeholder Relationship Management

 Innovation and Technology

 Resource Efficiency

 Responsible Procurement

Navigating Growth with Financial Discipline

Our financial management remains anchored in careful capital allocation, liquidity planning, cost control, and a clear view of risk.

This year, that discipline was tested. Execution, cash flow, and timelines faced an affront from right-of-way challenges across transmission and smart metering projects. The response focused on containing financial impact while keeping projects on track.

Key actions:

 Financing structures optimised to keep costs within budgeted limits

 Loan disbursements aligned with internal cash flows to avoid excess outgo

 Non-fund-based facilities used to reduce interest during construction

 Balance sheet strength leveraged without impacting lender security structures

These measures helped limit cash flow impact relative to base case projections, even as execution challenges persisted.

Apraava Energy’s Economic Performance* (GRI 201-1)

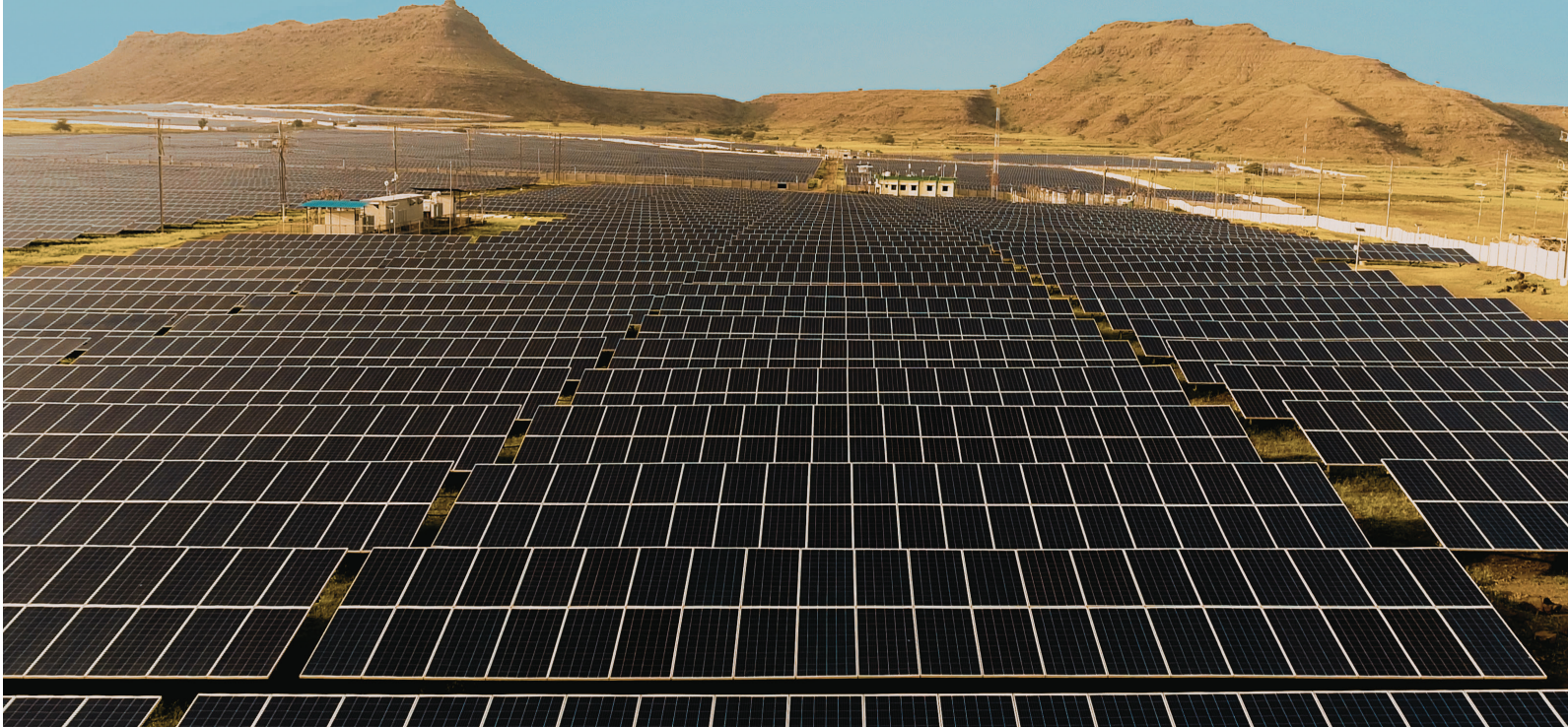
Year	Turnover (₹ million)	PAT (₹ million)	EBITDA (₹ million)	Return on Capital (ROC) %	Net Debt to EBITDA
2023-24	62,312	8,461	21,173	9.60	1.98
2024-25	30,554	2,555	11,353	4.47	4.56
2025-26	45,434	1,927	13,438	5.62	2.94

***Note:** FY 2025-26 figures exclude JPL following its divestment. FY 2024-25 figures have been restated to exclude JPL following its classification as a discontinued operation, as detailed in the Scope and Boundary section. FY 2023-24 figures have not been restated and include JPL; hence, they may not be directly comparable with FY 2024-25 and FY 2025-26 data.

Apraava Energy’s Key Financials At A Glance* (GRI 201-1)

Particulars	FY 2023-24 (₹ million)	FY 2024-25 (₹ million)	FY 2025-26 (₹ million)
Revenue Generated (A)	62,312	30,554	45,434
Operating Costs (1)	38,459	16,770	29,728
Employee Benefit Expenses (2)	1,790	1,480	1,565
Payment to Providers of Capital (3)	4,534	3,967	5,182
Payments to Government (4)	2,643	1,781	1,851
Community Investment - CSR Contributions (5)	158	93.5	95.9
Economic Value Distributed (1+2+3+4+5) (B)	47,584	24,091	38,421
Economic Value Retained (A - B)	14,731	6,463	7,013

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Strengthening Capital Access and Market Confidence

As the portfolio matures and cash flows stabilise, access to capital markets has become an increasingly important lever in financing strategy.

During the year, Apraava expanded its market presence through the listing of bonds of another subsidiary, Apraava Renewable, on BSE and the issuance of additional unlisted bonds, strengthening access beyond traditional bank financing.

What this enables:



Diversified funding base, reducing reliance on bank-led borrowing



Competitive pricing, supported by strong credit profile



Greater cost visibility through fixed coupon structures on listed instruments

This is supported by a balanced debt mix, combining fixed- and floating-rate instruments to manage interest rate movements. Strong operational performance across assets, along with robust credit ratings, continues to reinforce lender and investor confidence, enabling consistent access to capital as the business scales.

Building a Resilient and Adaptive Capital Structure

The year called for tighter control over capital structure as interest rate conditions remained uncertain and the portfolio continued its transition.

Our approach has been to stay balanced. Liquidity buffers and disciplined debt servicing across project entities have ensured stability through periods of uneven cash flows. At the same time, engagement with lenders and rating agencies has remained

active and transparent, anchored in the steady performance of operational assets. This has been critical in sustaining confidence while navigating cost-of-capital pressures.

The result is a capital structure that holds steady through transition, flexible enough to support growth, and resilient enough to absorb short-term fluctuations without losing momentum.

Enabling the Energy Transition Through Capital Allocation

Capital allocation continues to reflect a clear shift toward a cleaner, future-ready portfolio. During the year, the divestment of JPL marked a decisive step in this transition and enabled the redeployment of capital toward renewable and energy transition assets. In the near term, this is expected to moderate earnings and cash flow contribution.

Over time, this impact is set to be offset as under-construction projects move into operations, creating new, stable revenue streams aligned with the evolving portfolio. The shift is deliberate. Capital is being redirected with a long-term view, supporting the build-out of low-carbon businesses while maintaining balance sheet discipline through the transition.



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Integrating ESG into Financial Decision-Making

Environmental and social considerations are embedded in how projects are evaluated and financed. ESG diligence has become a core part of lender risk assessment, particularly for renewable and transmission assets.

This has increased the rigour around Environmental and Social Impact Assessment (ESIA), Environmental and Social Due Diligence (ESDD), and Environmental and Social Management Plan (ESMP) requirements, in adherence to Equator Principles and the International Finance Corporation (IFC) Performance Standards, with greater scrutiny on biodiversity, compliance, and reporting standards.

Execution is where the challenge lies. Our foremost emphasis has always been on ensuring consistent compliance across sites, especially among contractors and subcontractors.

Navigating Growth with Financial Discipline

The response has been structural:



Early-stage assessments integrated into project development



Contractual obligations to enforce environmental and social standards



Training and awareness programmes for employees and contractors



Stronger monitoring and documentation to meet lender expectations

These measures are strengthening on-ground implementation while aligning projects with international standards.

Integrating International Standards for Long-term Resilience

Our commitment to operational excellence is anchored in a rigorous framework of Environmental and Social Impact Assessments (ESIA) and Due Diligence (ESDD) aligned with the IFC Performance Standards. This disciplined approach has fundamentally strengthened the on-ground implementation of ESMP in our transmission and RE projects portfolio ensuring that sustainability is woven into the very fabric of our growth.

By integrating systematic monitoring of biodiversity, air quality, water quality, and noise levels, we have established a continuous oversight mechanism that allows for the early identification of ecological risks and the swift application of corrective measures. This proactive stewardship ensures that we maintain a delicate ecological balance throughout every project lifecycle, moving beyond mere compliance to genuine environmental guardianship.

Our ESG integration further extends to the preservation of cultural heritage through specialised protocols like our Chance Find Procedure, which provides a structured pathway for protecting unexpected archaeological discoveries during construction.

From a governance perspective, these measures have yielded significant results, including bolstered regulatory compliance, minimised project-level risks, and heightened confidence among global lenders and financial institutions. By aligning our operations with international sustainability frameworks, we have fostered more transparent stakeholder engagement and smoother project execution, ultimately driving the long-term value and resilience that define the Aprava legacy.

The on-ground implementation of our transmission and solar project portfolio, ensures that **sustainability is woven into the very fabric of our growth.**

Charting the Next Phase of Disciplined Growth

The next phase of growth will be shaped by how capital is deployed and where it is directed. Different currents of funding, evolving expectations, and shifting portfolio priorities are being aligned toward a cleaner energy mix.

As ESG considerations become more central to financing, and execution conditions remain dynamic, financial agility will be critical in sustaining momentum. Intentional and targeted growth remains constant. Steady in approach, deliberate in choices, and aligned with long-term value creation.