



# Financial Capital

(SDG 8)

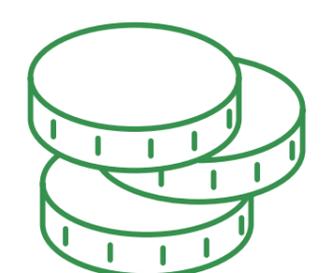
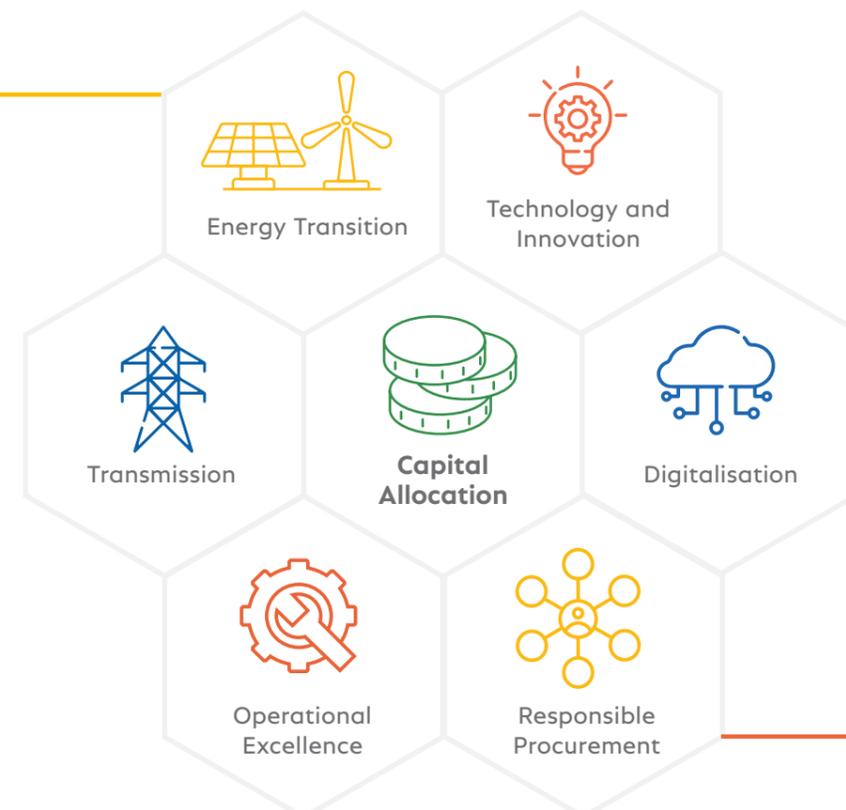
Creating value for stakeholders by maximising financial returns and optimising resource utilisation

## Financial Management and Value Creation

Apraava Energy aims to invest in business opportunities that are futuristic and sustainable. In keeping with expectations of stakeholders, we also want to optimise our returns. A prudent financial management system coupled with an ideal capital structure has been put in place to achieve higher financial returns consistently.

Over the last decade, Apraava Energy has streamlined its investments to expand its green portfolio. This will have a positive impact on the environment, economy, and society.

### Capitalisation for Energy Transition and end-to-end Power Transmission



Based on the foundation of operational excellence, innovative technologies and resource efficiency, Apraava Energy is a thriving business entity. We are steadily moving towards energy transition and sustainable end-to-end power transmission while maintaining a strong balance sheet. We are firm in our resolve to transition to a low carbon economy. We will continue to deploy financial capital in low carbon assets, energy efficient systems, digitalisation and

transmission, along with service offerings to support customers and communities in which Apraava Energy operates. With the strong support of Company's shareholders and their continued guidance, Apraava Energy has committed to invest over 100% of its budgeted capex for new projects into renewable energy and low/no carbon-emitting projects supporting energy transition.

### Economic Value Created by Apraava Energy

(GRI 201-1)

Despite unprecedented challenges in the aftermath of COVID-19, Apraava Energy was able to maintain a strong balance sheet. We have a robust mechanism to monitor cash flows and liquidity position to identify business growth opportunities and further rationalise costs across the board. Furthermore, it also ensures regular monitoring of any material changes that would have a financial impact on the Company and alter its performance.

Apraava Energy has generated and retained a positive economic value in past three consecutive financial years. This has been supported by cost optimisation through operational excellence, sustained productive relationships with all stakeholders, and efficient financial capital management.

#### Apraava Energy's financial factsheet for last three financial year (INR million)

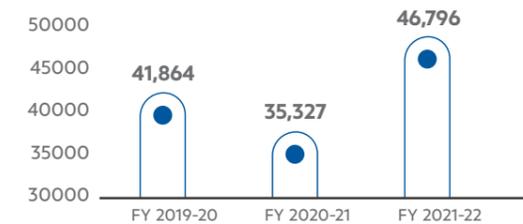
Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Revenue Generated <sup>1</sup> (A)	41,864	35,327	46,796
Operating Costs <sup>2</sup> (1)	25,657	19,582	30,621
Employee Benefit Expenses (2)	1,444	1,453	1,429
Payment to providers of Capital (3)	4,004	3,981	4,026
Payments to Government (4)	1,930	1,106	686
Community investment - CSR contributed (5)	167	148	130
Economic Value Distributed (1+2+3+4+5) (B)	33,202	26,270	36,892
<b>Economic Value Retained (A-B)</b>	<b>8,662</b>	<b>9,057</b>	<b>9,904</b>

1. Revenue generated including other income

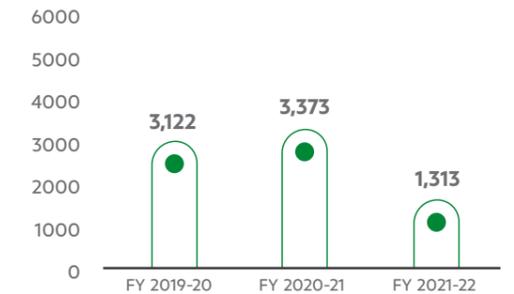
2. Operating costs include cost of materials consumed and other expenses, and exclude Employee Benefit Expenses and CSR Expenses

### The key performance indicators of our financial parameters are:

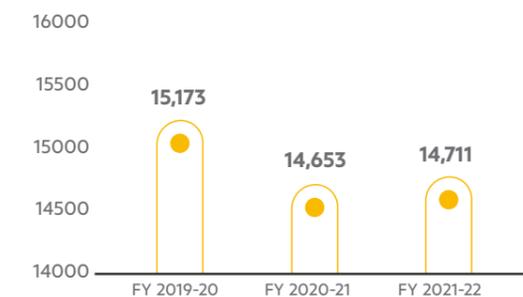
Turnover (INR million)



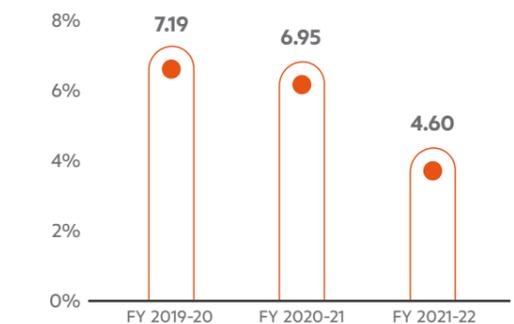
Profit After Tax (INR million)



EBITDA (INR million)



Return on Capital Employed (%)



At Apraava Energy, we are conscious of the fact that our ambitious goal of energy transition in the long term is only possible through sound economic fundamentals and prudent money management. Consequently, we carry out a thorough financial assessment of every big and small strategic decision that we make to ensure that the economic implications of such actions are factored into overall growth. We have and will continue to set ambitious targets for ourselves as India moves towards clean energy even as we grow as a conscious and responsible power producer.

