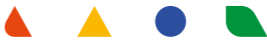


FINANCIAL CAPITAL





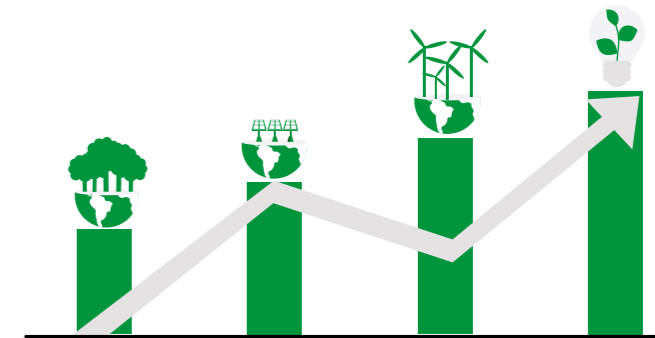
100 MW Solar Site at Veltloor, Telangana

FINANCIAL CAPITAL

Devising solutions for a sustainable and equitable world requires the courage to dream differently, have the determination to pursue untrodden paths despite odds and have the stability. A robust financial backing provides the stability to pursue those ambitions and see them through. Prudent management of financial capital is also essential for sustained value creation, achievement of business objectives and building resilience in a dynamically changing environment.

Material Topics

- Economic Performance
- Operational Excellence
- Risk management



At Apraava Energy, we aim to invest in business opportunities that are **futuristic, sustainable** and contribute towards **building a better world.**

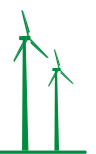
Maintaining optimal capital structure, generating strong operating cash, operational excellence and resource efficiency are cornerstones through which we conserve and grow investments. We judiciously allocate capital across our business to strengthen the balance sheet and to improve efficiencies across operations with the aim of long-term value creation for our stakeholders. In line with our commitment to invest only in low carbon opportunities, we are continuously streamlining our investments to expand our green portfolio. Our recent foray into the Advanced Metering Infrastructure (AMI) business is another determined step in this direction.

Pursuing Sustainable Growth

Our growth targets and business aspirations run parallel with India's aspirations of transitioning into a low carbon economy and eventually reaching net zero. Working towards that ambition, we are well-placed to drive long-term investor returns by tapping into large scale market potential and emerging opportunities. We are ramping up our Renewable Energy (RE) business growth in alignment with the favourable RE policy environment in India and also actively pursuing suitable opportunities in the transmission and distribution sectors. We are also exploring investment opportunities in other non-generation, customer-focused energy businesses. Building digital capabilities as a strategic imperative is integral to Apraava Energy's growth-focused business model.

Financial Risk Management

We have established robust mechanisms to monitor cash flows, liquidity, growth opportunities, cost optimisation and external threats to financial performance. Rigorous financial assessments are carried out on all short-, medium- and long-term strategic decisions.

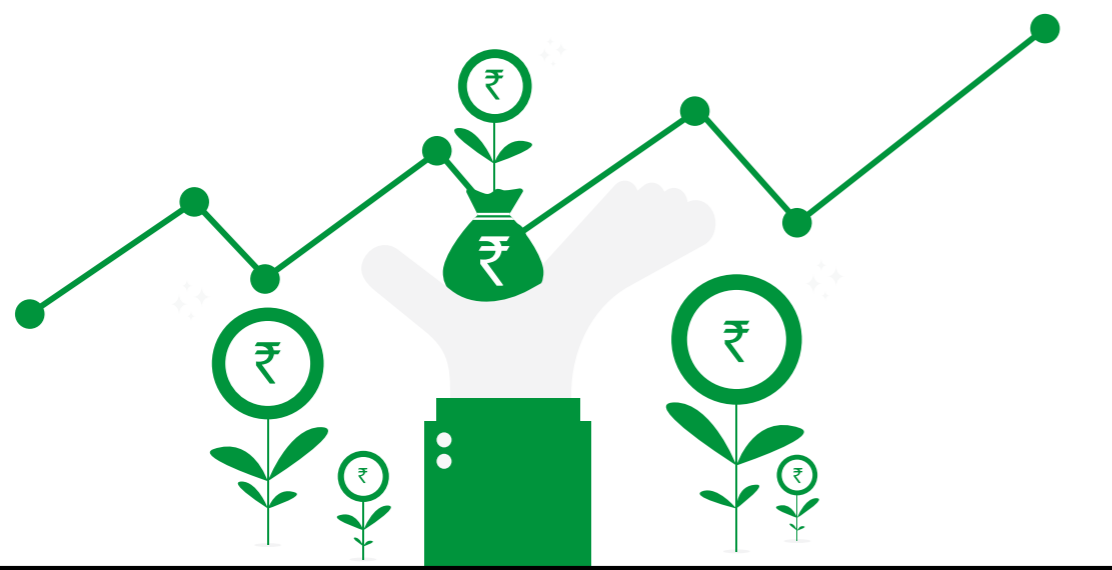


Growth Drivers for Robust Economic Performance

- Operational Excellence
- Innovation and Technology
- Digitalisation
- Clean Energy Transition
- Resource Efficiency
- Responsible Procurement
- Stakeholder Relationship Management
- Customer Satisfaction

Strengthening Financials

The past year has been quite volatile across global financial markets due to various geo-political and socio-economic factors. Despite this unpredictability, we have ensured that the debt of the Company is maintained at sustainable levels as well as at competitive cost. Various financing strategies have been employed to ensure that our debt portfolio as well as our balance sheet is insulated to a great extent against volatility in financial markets. This, along with the strong support provided by our shareholders, has ensured that lenders and financial institutions have high confidence in our ability to navigate through various challenges. Our best-in-class credit rating is testimony to this confidence reposed in us by various stakeholders.

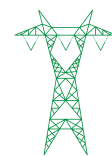
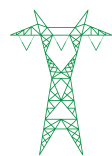


Economic Performance Parameters

In the backdrop of a recovering economy, slowed down by consecutive second and third waves of COVID-19 and global economic shocks triggered by events such as Russia’s invasion of Ukraine, we were able to maintain a strong balance sheet and profitability. Over the current reporting period, we retained a positive economic value similar to previous financial years.

Apraava Energy’s Economic Performance

Turnover (INR million)		
FY 2020-21	FY 2021-22	FY 2022-23
35,327	46,796	62,910
PAT (INR million)		
FY 2020-21	FY 2021-22	FY 2022-23
3,373	1,313	12,335
EBITDA (INR million)		
FY 2020-21	FY 2021-22	FY 2022-23
14,653	14,711	22,258
Return on Capital Employed (%)		
FY 2020-21	FY 2021-22	FY 2022-23
6.95	4.60	12.24
Net Debt to EBITDA		
FY 2020-21	FY 2021-22	FY 2022-23
2.36	3.26	2.41



Apraava Energy's Key Financials at a glance

Parameter	FY 2020-21 (INR million)	FY 2021-22 (INR million)	FY 2022-23 (INR million)
Revenue Generated ¹ (A)	35,327	46,796	62,910
Operating Costs ² (1)	19,582	30,621	38,969
Employee Benefit Expenses (2)	1,453	1,429	1,535
Payment to Providers of Capital (3)	3,981	4,026	4,437
Payments to Government (4)	1,106	686	3,919
Community Investment - CSR Contributions (5)	148	130	111
Economic Value Distributed (1+2+3+4+5) (B)	26,270	36,892	48,982
Economic Value Retained (A-B)	9,057	9,904	13,928

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

Apraava Energy's net profit after tax for FY 2022-23 stood at INR 12,335 million (as compared to INR 1,313 million for FY 2021-22). Retained earnings (including reserves) for FY 2022-23 aggregated INR 36,905 million, an increase of 51.88% from INR 24,297 million in FY 2021-22.

Despite current global financial uncertainties and slower pace of economic growth world over, we are intent on pursuing our ambition of a low carbon business at a consistent pace. Working towards a cleaner, greener and better world requires sustained contributions, a goal we are deeply committed to.



Aerial View of 70 MW Solar Site at Sakri, Maharashtra

