

Management Discussion and Analysis

Global Economy

The global economy demonstrated resilience throughout 2025 in the face of shifting trade policies and divergent regional performances. Technology investments, particularly in artificial intelligence and related sectors, provided a counterbalance to the headwinds from tariffs and elevated policy uncertainty. Global headline inflation stabilised at 4.1% as annual rates remained consistent across regions. This performance was aided by several economies reporting inflation figures lower than market expectations.

Global output growth achieved 3.3% for the year, aligning closely with earlier estimates. This outcome masked considerable variation across regions. Advanced economies expanded by 1.7%, with the United States recording 2.1% growth, supported by technology outlays and fiscal measures. The euro area achieved 1.4%, while Japan managed 1.1%. Emerging market and developing economies posted stronger results at 4.4%, led by China at 5.0% and India at 7.3%.

Trade tensions moderated through key developments. A truce between the United States and China reduced bilateral tariff rates until November 2026 and suspended export controls on semiconductors and rare earth minerals. The United States also eliminated tariffs on select agricultural products applicable to all countries, maintaining its effective

Real GDP Growth (%)



■ Emerging Market and Developing Economies

■ Advanced Economies

■ World Output

P = Projections

tariff rate near prior levels. Policy uncertainty eased from October 2025 peaks, yet exceeded figures from a year earlier. Financial conditions remained broadly accommodative, though sovereign yields showed volatility. High-growth technology stocks, led by the prominent group of seven major firms known as the Magnificent 7, delivered financial returns that outperformed the average performance of the broader stock market.

Global trade volumes stayed firm as healthy technology exports from Asian markets balanced the slowdown in other sectors. Central banks managed inflation with careful interest rate adjustments. While the United States and United Kingdom began gradual rate cuts, the euro area kept its policy steady, and Japan applied small rate increases. These moves maintained favourable financial conditions despite ongoing risks regarding trade and global politics.

Outlook

The global economic outlook points to steady growth of 3.3% in 2026, matching the 2025 outcome before a slight dip to 3.2% in 2027. This projection reflects a modest upward revision from earlier estimates, as technology investments in artificial intelligence (AI) and related fields continue to offset trade policy headwinds. Fiscal stimulus in key advanced economies, alongside accommodative financial conditions, supports this trajectory, though risks from policy uncertainty and geopolitical tensions persist.

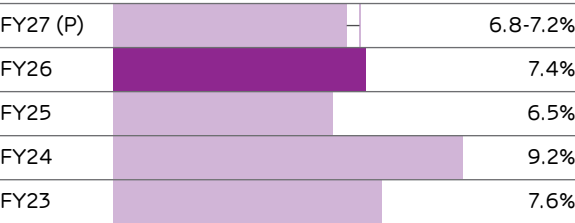
Advanced economies face a moderate expansion of 1.8% in 2026, easing to 1.7% in 2027. The United States leads with 2.4% growth, driven by fiscal measures including tax incentives under the One Big Beautiful Bill Act and a rebound from the 2025 federal government shutdown. The euro area holds at 1.3% amid structural challenges and limited technology investment gains, while Japan moderates to 0.7% following fiscal support from its new government.

Emerging market and developing economies maintain momentum just above 4.0% through 2026 and 2027. China sees 4.5% growth in 2026, aided by stimulus and lower US tariffs from the recent trade truce, before easing to 4.0% as domestic headwinds re-emerge. India moderates to 6.4% from its strong 2025 performance. Other regions show gains, with the Middle East and Central Asia accelerating to 3.9% on oil output increases, and sub-Saharan Africa reaching 4.6% through stabilisation efforts.

Headline inflation edges down to 3.8% in 2026 and 3.4% in 2027, with advanced economies nearing targets more slowly in the United States. Policy rates decline gradually in the United States and the United Kingdom, remain steady in the euro area, and rise incrementally in Japan. World trade growth slows to 2.6% in 2026 amid tariff adjustments, yet technology exports continue to support growth.

Indian Economy

The Indian economy exhibited resilience in FY 2025-26 amid global trade uncertainties and market fluctuations. First Advance Estimates indicate real GDP growth of 7.4% alongside Gross Value Added at 7.3%. These figures underscore the strength of a domestic demand-led growth trajectory. Robust agricultural performance bolstered rural earnings. Urban consumption gained momentum from stable jobs and easing inflation.



India achieved a landmark by overtaking Japan to rank as the world's fourth-largest economy. Current GDP stands at USD 4.18 trillion. Projections position the country to claim third place by 2030 with a USD 7.3 trillion economy. This trajectory reaffirms India's status as the fastest-expanding major economy. Domestic demand, durability and structural reforms provide firm backing.

Private consumption continues as the key engine. Lower inflation and rising real wages fuel this momentum. Public capital expenditure reached ₹ 12.2 lakh crore. Such outlays advanced infrastructure and stimulated sectors like manufacturing, construction, and energy. Initiatives such as Viksit Bharat 2047 advance self-reliance and capacity enhancement despite external headwinds.

Inflation touched a record low of 1.7% over the first nine months of FY 2025-26. This stability amplified household purchasing power. Expectations remain anchored ahead. The RBI forecasts 2.0% for the full year. Prudent fiscal measures and consistent bank credit growth underpin this outlook. The banking system shows fortitude with ample capital buffers and minimal non-performing

assets. Foreign exchange reserves surpass USD 700 billion. These reserves equip India to navigate international turbulence.

The Union Budget 2026-27 reinforces commitment to balanced growth and fiscal prudence. Emphasis persists on infrastructure and manufacturing investments. This aligns with aspirations for a developed India. Priorities include energy transition, digital progress, and aid for small and medium enterprises. Steps to streamline regulations and expand credit access promise to lift industrial output and lay the groundwork for enduring expansion.

Outlook

The outlook for the Indian economy stays positive and stable. Projections place real GDP growth for FY 2026-27 between 6.8% and 7.2%. These estimates highlight India's ability to preserve strong momentum despite worldwide uncertainties.

Government spending on infrastructure will continue to provide solid support. Private sector investments keep rising steadily. Policy measures and capacity building further reinforce the manufacturing base. The services sector holds its reliable growth path. Digital progress and resilient exports lend additional strength.

Industry Overview

Global Renewable Energy Sector

The global renewable energy sector drives the shift to cleaner power sources amid rising demand and policy support. Renewables now generate more electricity than coal in many regions and lead new capacity additions worldwide. Investments and installations hit records in 2025, setting the stage for sustained expansion into 2026.

Capacity and Generation Growth

Renewables will overtake coal as the top electricity source in 2026, reaching 36% of global power at 6,000+ TWh from wind and solar alone. These two technologies account for 93% of new US capacity through September 2025 and over 90% of global demand growth through 2026. Global solar energy installations reached a record high in 2025 with over 500 GWac of new capacity. This growth was largely led by China, which added 390 GW of solar power representing 56% of the world total. China also dominated the wind energy sector by adding 86 GW, which accounted for a 60% share of global wind installations.

(Source: Carbon Brief, S&P Global, Deloitte)

Solar and wind together rose from 1% of electricity in 2005 to nearly 20% in 2026. Hydro provides steady support while battery storage scales rapidly alongside. Cumulative PV capacity doubles in five years despite a slight 2026 slowdown from China's policy shift to competitive bidding.

Regional and Market Drivers

While China continues to dominate the development of renewable capacity but faces a dip from 300 GW to 200 GW solar in 2026. Emerging markets fill the gap with strong growth. US renewables hit 30.2 GW additions in 2025 despite policy hurdles like FEOC rules targeting China-linked supply chains. India ranks fourth globally with 190 GW renewables (excluding large hydro) by late 2025, growing 15% yearly toward 250 GW by 2027.

AI data centers and electrification boost demand 3.3%-3.7% annually, met mostly by renewables. Nuclear and gas hit records too, helping cut coal output in China and EU, lowering power emissions.

(Source: Deloitte, Tatapower, Carbon Brief)

Indian Renewable Energy Sector

India's renewable energy sector has achieved remarkable growth, positioning the country as the world's fourth-largest globally in renewable installed capacity. In 2025, India added a record 50 GW of renewable capacity, with solar leading at nearly 35 GW. Total non-fossil fuel capacity now stands at 262 GW within India's overall 510 GW power infrastructure.

(Source: Economic Times)

The first five months of FY 2025-26 (April-August 2025) witnessed an unprecedented addition of 20.1 GW, including 17.5 GW solar and 2.6 GW wind, a 123% jump from last year. Cumulative renewable capacity (excluding large hydro) reached ~223 GW by late FY 2025-26, up 170% over the past decade.

Solar dominates growth through rooftop schemes like PM Surya Ghar Muft Bijli Yojana and agricultural solar pumps under PM Kusum. Wind additions remain steady while hybrid projects combining solar and wind gain traction. Government data shows over 140 GW of projects in execution pipelines.

(Source: Energetica, PV Magazine India)

Investments hit ₹ 2 lakh crore in 2025, supported by public sector banks, IREDA, PFC, and REC. From 2014-2025, these institutions deployed ₹ 10.79 lakh crore into renewables. FY 2024-25 alone saw ₹ 2.68 lakh crore financing. Private players like CPP Investments, GIC, and Brookfield increased allocations, signalling strong market confidence.

(Source: Economic Times)

The new incentives within the Renewable Energy Policy and the use of competitive bidding have lowered tariffs. These changes have made new projects more financially viable and attractive for investment. Inter-state transmission charge waivers until June 2025 accelerated completions ahead of the deadline. India crossed the 500 GW total power capacity milestone with over 51% from non-fossil sources. Key drivers include transmission infrastructure upgrades and viability gap funding for offshore wind. The country targets 500 GW of non-fossil capacity by 2030.

(Source: Economic Times)

Manufacturing boosts through Production Linked Incentive schemes reduced import dependence. Domestic solar module capacity expanded rapidly to meet PLI targets.

(Source: Tata Power)

Analysts project India as the third-largest renewable market behind China and the US if current trends continue. Challenges like land acquisition and power purchase agreements persist but policy focus addresses these systematically.

(Source: Economic Times)

Company Overview

Adani Green Energy Limited (AGEL) stands as India's largest renewable energy firm and one of the top players worldwide. The Company drives the clean energy shift by developing, owning and running large-scale grid-connected solar, wind, hybrid, Battery Energy Storage Solution and pumped-hydro storage plants. AGEL delivers renewable power and storage solutions at unmatched speed and scale.

As of March 31, 2026, AGEL's renewable operational portfolio reached 19.3 GW and has 1,376 MWh of operational BESS capacity spread across 12 states, making it India's largest renewable energy portfolio. The goal stands at 50 GW by 2030 to match national decarbonisation plans. Advanced technologies like bifacial and n-type solar PV modules, horizontal single-axis trackers and India's largest 5.2 MW wind turbines help lower the Levelised Cost of Electricity (LCOE). Entire operating portfolio of AGEL holds certifications as water positive, single-use plastic-free and zero waste-to-landfill, showing AGEL's dedication to sustainable growth.

Project Development Strengths

The Company secures resource-rich land covering nearly 2,50,000 acres to support its 2030 target. Early planning locks-in transmission access. Design, engineering and

supply chain efforts align for quick project delivery. Long-term ties with key suppliers ensure materials arrive on time at competitive costs. These steps let AGEL commission projects ahead of Power Purchase Agreement (PPA) timelines and delivers better Internal Rates of Return (IRRs).

Operations & Maintenance Approach

AGEL runs an analytics-based Operations & Maintenance strategy through its Energy Network Operation Centre (ENOC). This centre monitors all plants across 12 states in real time, sending detailed reports and automatic alerts. Plant availability stays above 99.2% for solar sites, while O&M costs remains under control. As a result, AGEL has been able to maintain industry-leading EBITDA margins above 90% for five consecutive years.

Capital Management Strategy

Prudent capital handling forms the base of AGEL's steady growth. The Company matches debt terms to tenure of PPA, lowering refinancing risks and boosting returns for stakeholders. AGEL draws from a wide funding pool, including domestic banks and financial institutions, international lenders, and both global and local bond markets.

Energy Storage: Core to Future Expansion

Storage solutions make renewable energy reliable for everyday use, speeding up the move to sustainable power systems. Adding large amounts of variable renewable sources to the grid challenges stability and a steady supply. Energy Storage Systems (ESS) stores the power and uses during the peak demand. ESS helps smooth generation swings, steady the grid, shift peak loads, offer support services, integrate more renewables, cut peak shortages and tariffs, lower carbon output, delay grid upgrades, and enables energy arbitrage.

A. Pumped-Hydro Storage Projects (PSP)

AGEL started its first hydro PSP on the Chitravathi River in Andhra Pradesh. This 500 MW project is scheduled to be operational by FY 2026-27, generating over 1 TWh annually with about 6.2 hours per cycle. The site is spread across 407 acres. During the year, the Company also secured a Power Purchase Agreement (PPAs) for 1,250 MW PSP capacity from Uttar Pradesh Power Corporation Ltd and for 500 MW PSP capacity from Assam Power Distribution Company Limited. AGEL works with five states and targets over 5 GW PSP capacity by 2030.

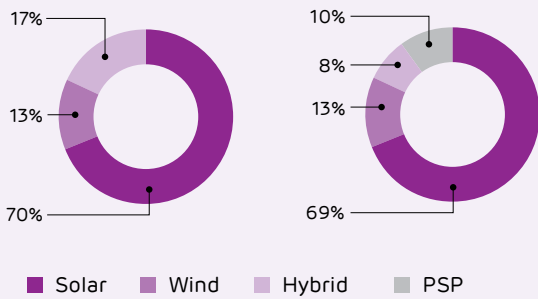
B. Battery Energy Storage System (BESS)

AGEL now builds large-scale battery storage as a key growth area. Sharp cost drops makes BESS vital for grid integration and fast renewable expansion. This strategy pairs well with the Company's solar, wind and hydro pumped storage projects. As at March 31, 2026, AGEL has 1,376 MWh operational BESS capacity.

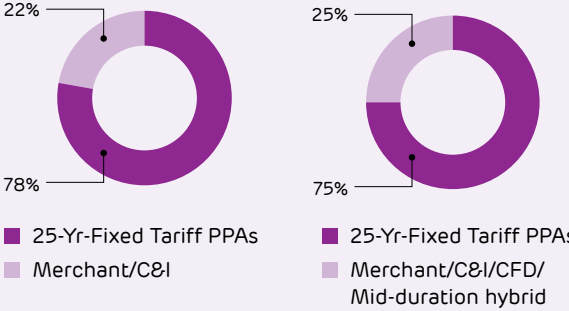
Renewable Energy Outlook



Resource Mix



RE Capacity Contract Mix



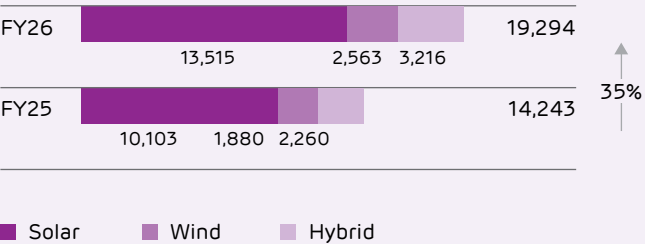
Operational Performance

AGEL demonstrated strong results in FY 2025-26. Operational capacity jumped 35% YoY to 19.3 GW with a greenfield capacity addition of 5.1 GW which represents 1.5 times capacity addition growth compared to FY 2024-25. It is the highest greenfield annual capacity expansion globally by any company, excluding China.

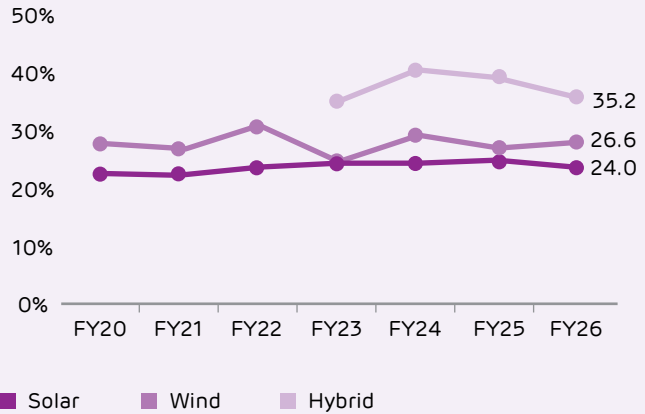
Energy sales climbed 34% to 37,567 million units. This growth is tied directly to the capacity ramp-up. Merchant power now forms a bigger part of the mix. The Company beats PPA electricity commitments every year.

Plant performance stayed excellent across the board. Solar sites ran at 24% CUF with 99.2% availability. Wind plants hit 26.6% CUF on 95.6% availability. Hybrid assets led with 35.2% CUF and 98.5% availability.

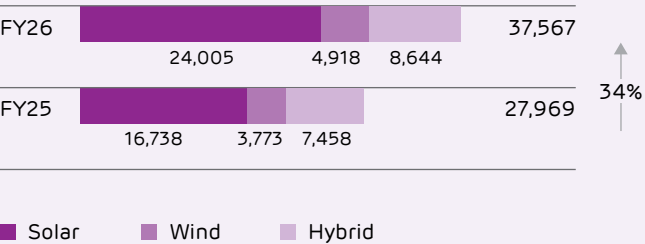
Operational Capacity (MW AC)



CUF (%)



Sale of Energy (mn units)



Financial Performance

Particulars	FY 2025-26	FY 2024-25	% Change
Revenue from Power Supply	11,602	9,495	22%
EBITDA from Power Supply	10,865	8,818	23%
EBITDA from Power Supply (%)	91.2%	91.7%	-
Cash Profit	5,399	4,871	11%

Other key developments

A few developments during FY 2025-26 are as follows:

- Greenfield RE capacity of 5.1 GW added in FY 2025-26, 1.5 times capacity addition growth compared to FY 2025-26
- Operationalised BESS capacity of 1,376 MWh in Khavda, one of the world's largest single-location deployments
- Secured CareEdge ESG 1+ rating with the highest score of 87.3
- Top utility-scale solar developer in the Mercom India Solar Market Leaderboard 2025
- Ranked in top six globally and topped India rankings by Sustainalytics with the improvement in ESG score
- Won prestigious 2025 CII Performance Excellence Awards for operational excellence, specifically recognised for high plant availability through ENOC
- Ranked in the topmost category of Global CDP Suppliers Engagement Assessment by securing 'A' rating

Strategic Outlook

AGEL works hard to maintain its lead in India's shift to clean energy. The Company stays focused on reaching 50 GW of renewable capacity by 2030. It builds strong, high-performing assets that deliver lasting value to stakeholders.

Solar power will form the largest part of the energy mix. This provides steady cash flows across the portfolio. Wind and energy storage projects will grow alongside to meet national needs and boost returns.

The Company plans to raise the share of commercial and industrial (C&I) contracts plus merchant sales. This improves returns of overall portfolio. At the same time, most capacity will stay under fixed-tariff Power Purchase Agreements (PPAs) for long-term stability.

Risk Management

AGEL follows a detailed Risk Management Framework to spot and handle risks effectively. This supports steady business growth alongside strong corporate governance. The Company faces various internal and external risks that bring different challenges at different times. Each needs its own mitigation steps.

The Risk Management Process and System put solid plans in place for all identified risks. The Risk Management Committee keeps close watch and reviews these plans regularly.

⊕ For more details, read the Risk Management section on **Page no 82**.

Human Resource

AGEL views its human resources as a key asset that drives organisational success. The Company puts employee well-being first. Its flexible practices and policies rest on transparency, integrity and accountability.

AGEL takes a comprehensive approach to employee engagement. This covers talent hiring, career development, reporting and interaction programmes. Annual performance reviews support succession planning. They also identify high-potential staff for upskilling and grooming, shaping the yearly learning schedule.

The Company builds a growth-focused work culture in a safe, productive setting. Safety training and awareness form part of core learning at project sites and operations & maintenance locations. New recruits across engineering, management and executive trainee roles follow structured programmes. First-time managers receive leadership training.

Learning follows a metrics-based system. Each employee completes 5 man-days of training annually. As of March 31, 2026, AGEL had 976 permanent employees. Cordial relations stayed strong across all locations throughout the year.

⊕ For more details, read the HR/Employee section on **Page no. 130**.

ESG Commitment

AGEL follows a clear sustainable path as part of one of the world's biggest renewable energy expansion efforts. The Company also supports India's climate goals through various initiatives across environmental, social and governance areas. The ESG framework matches global standards like the UN Sustainable Development Goals (SDGs) and the UN Global Compact principles.

ESG disclosures follow widely accepted formats such as TCFD/IFRS, GRI Standards and CDP. Global ESG rating agencies give strong recognition to these efforts. All AGEL plants are single-use plastic-free and have zero-waste-to-landfill certifications. Operational plants also hold a net water positive certification.

The Company hires local talent for projects and imparts training through skill development programmes. A vendor development programme works to build a more localised supply chain.

Few Key Highlights FY 2025-26:

- Deepened nature-positive leadership, taking a significant step in sustainability journey by mainstreaming the Taskforce on Nature-related Financial Disclosures (TNFD) framework into our operations
- Pollution control & GHG emission reduction: 99.7% less operational emission intensity per unit of generation (0.0018 GHG tCO₂/MWh) in FY 2025-26 v/s Indian grid average of 0.710 tCO₂/MWh
- 99.6% less operational freshwater consumption per unit of generation (0.013 KL/MWh) in FY 2025-26 as against 3.5 KL/MWh, statutory limit for thermal power
- Waterless robotic cleaning deployed at 11.7 GW solar capacity¹ representing 71.5% of total solar fleet of 16.367 GW¹, which will save ~791 million litres of water
- Occupational Health & Safety: 0.85 million continuous safe man hours; 0.24 employee LTIFR and 2,65,235 safety training hours in FY 2025-26

1. includes solar portion of solar-wind hybrid capacities

⊕ For more details, read the HR/Employee section on **Page no. 130**.

Internal Control Systems
and their Adequacy

The Company has incorporated a sound internal control system, in keeping with the size and nature of its business and the complexity of its operations. Well-strategised internal controls ensure strict adherence to rules and regulations, safeguarding of assets, timely preparation of reliable financial statements, accurate and complete accounting, and prevention and detection of fraud and errors. The systems enable integration of ERP system deployment to manage smooth transaction processing and to ensure the integrity of the accounting system. The control system incorporates a well-documented authorisation matrix, policies, procedures and guidelines covering all important operations of the Company. The internal control framework ensures a comprehensive Information Security Policy and continuous updating of IT systems. The Company thus ensures that internal control systems are adequate, effective and upgraded as required. The control framework is reviewed by the Board-appointed Audit Committee comprising

Independent and Nominee Directors who are experts in their respective fields. The Audit Committee periodically reviews all audit plans to ensure adequacy of internal controls. It reviews significant audit findings and ensures audit recommendations are effectively implemented.

Cautionary Statement

This document contains forward-looking statements regarding expected future events and financial and operating results of AGEL. As these statements rely on assumptions, they are inherently subject to risks and uncertainties. There is a significant risk that these assumptions and predictions may not prove to be accurate. Readers are cautioned against placing undue reliance on forward-looking statements, as various factors could cause actual future results and events to differ materially from those expressed in these statements. Accordingly, this document is subject to the disclaimer and qualifications in its entirety by the assumptions and risk factors outlined in the Management's Discussion and Analysis of this Integrated Annual Report for FY 2025-26.

