

Dear Shareholders,

FY 2023 has been a remarkable year for JSW Energy and I find myself very excited and optimistic about what lies ahead for your Company. As you all are aware the world is changing and is rapidly adopting greener ways of producing energy, climate change is upon us and your company is leading the path towards green energy in India. We increased our installed capacity by ~45% this year by adding approximately 2 GW capacity which is entirely renewable. I am proud to share that JSW Energy now has an operating capacity of 6.6 GW across Thermal, Hydro, Solar and Wind generation. In addition to taking strides towards becoming a 20 GW company, we also made key investment decisions in newer avenues of value creation, like energy storage and green hydrogen. I am confident that these new age businesses can change the future of JSW Energy for all our stakeholders – our shareholders, suppliers, customers and our employees.

### **Energy Security & Sustainability take centre stage**

At the start of the year, global economies witnessed a rebound in economic activity as the impact of the Covid-19 pandemic started fading. However, the Russia-Ukraine conflict dampened the broad-based recovery and, as a result of the conflict, 'Energy Security' became the focus for all governments. The response to the global energy crisis has given a boost to the global clean energy environment, which continues to gain traction every year. Economies in Europe and world over are trying to move away from fossil fuels for environmental and geo-political reasons, however the supply of green energy is falling short. According to International Energy Agency, US\$2.8 trillion is set to be invested in energy globally in 2023, of which more than US\$1.7 trillion is expected to be invested in clean technologies.

India on the other hand witnessed a robust demand environment with the country being the stand out economy in terms of GDP growth across the world. Under the leadership of our honourable Prime Minister our country exhibited resilient economic activity which is reflected in power demand growth of ~10% in the year to 1,512 Billion Units. Rising power demand,

favourable policies and increased capital expenditure are ensuring energy demand remains robust. India added ~15 GW of renewable capacity in the year resulting in a 12.5% share of RE in overall power generation. As the share of renewable generation increases, the impetus to provide sustainable and reliable power becomes ever more important.

### **Reliable Power is becoming pressing priority**

Historically our power demand has grown in lockstep with GDP growth. India's peak power demand met has reached an all-time high of 223 GW and this number is only going to grow further. With limited green field coal based power plants coming up in our country, the impetus to increase renewable energy and energy storage facilities in India is more today than ever before.

Due to the nature of renewable energy generation, storage of renewable energy is key for it to be a viable and reliable mode of energy generation. The Central Electricity Authority (CEA) forecasts that an optimal generation mix in 2030 will have renewable generation capacity of ~500 GW along with energy storage capacity of 322 GWh.

The business of energy storage is thus going to be a key tenet of the future of the energy landscape in India. I am proud to inform you that by securing a total 3.4 GWh of storage projects through both Battery Energy storage and Hydro pumped storage - we are taking a leadership position in this nascent but fast growing space. As we move forward this new avenue will add significantly to your company's top and bottom line.

### **Our performance in FY2023**

In FY2023 your company added over 2 GW of operating capacity thereby increasing our capacity by ~ 45% YoY to 6.6 GW. Our net generation increased by 5% from 20.8 BUs to 21.9 BUs, driven by higher PLF's at existing plants as well as incremental power generation from new capacities added during the year. JSW Energy's total Revenue increased 24% YoY to Rs 10,867 Crore from Rs 8,736 Crore. After stripping out the impact of one-off items, our Operating EBITDA of Rs 3,817 Crore was the second highest ever in our history, resulting in the second highest-ever

adjusted PAT of Rs 1,358 Crore. The Board has recommended a dividend of Rs. 2/share. Today, we have a strong balance sheet backed by a robust cash generating portfolio which showcases our prudent capital allocation track record and enables us to pursue attractive growth opportunities.

### **Delivering promises. Realising our true potential.**

In 2021, JSW Energy had set an ambitious target for a 50% reduction in carbon footprint by 2030, and achieving carbon neutrality by 2050, by transitioning towards renewable energy. By 2025, we were to achieve 10 GW of capacity, and to double it further to 20 GW by 2030.

It is heartening to see that we have outperformed and broad-based our promise – we are on track to reach 10 GW installed capacity as well as 1 GWh of storage capacity in 2024, ahead of the target we had set for ourselves. In addition, we are targeting a larger energy market canvas by investing in Energy Storage projects, Green Hydrogen and backward integrating into Solar Module manufacturing. Currently we have 6.6 GW of installed capacity and 3.2 GW of under construction projects – all of which are likely to be completed within the calendar year 2024.

This year, we successfully completed the acquisition of Mytrah Energy's 1.75 GW renewable energy assets. This is the largest acquisition in our history and leapfrogged our growth ambitions to build a large and diversified renewable energy platform. A comprehensive asset optimisation and performance improvement plan is underway to improve the generation profile, optimise the O&M costs and drive EBITDA improvement at a run rate faster than what we had initially anticipated. A benchmarked and compelling refinancing and debt sizing package, the largest of its kind in the Indian renewable energy sector, has been closed which will drive annualised finance cost savings of ~ Rs 250 Crore. We are also seeing good progress in collection efficiency to optimise the receivables cycle of the Mytrah portfolio. I am very excited that Mytrah is on track to deliver an attractive cash returns profile to the Company.

During the year, the company commissioned our first greenfield 225 MW captive Solar Power Project at Vijayanagar, Karnataka. This was

commissioned in a record time despite the backdrop of Covid-19 related disruptions and difficult macro-economic conditions. During the second half of the year, a phase wise commissioning of the company's first greenfield wind power project started at Tuticorin and is a testament to our project execution capabilities.

## **Strategy 2.0 - Towards Integrated and Sustainable Growth**

We unveiled Strategy 2.0 to embark on our journey towards an integrated and sustainable company as we migrate from “Pure Generation” to a “Products & Services” company.

Our Strategy 2.0 unveils our vision to reach 20 GW installed generating capacity by 2030 along with 40GWh / 5GW of energy storage capacity and 1 GW of Solar module manufacturing. This will entail a total capital expenditure of about Rs. 1,12,000 Crore till 2030.

In our pursuit to transition towards ‘Energy Products and Services’ we are expanding our offerings to address intermittency solutions for renewable energy by setting up hydro-pumped storage and battery energy storage solutions. In FY 2023, the company has won 2.4 GWh of hydro pumped storage project and 1GWh of Battery Energy Storage project resulting in 3.4 GWh of locked in energy storage capacity. Through our "green growth vehicle", JSW Neo Energy, we are expeditiously securing key resources for Hydro PSPs in various resource rich states. So far we have signed MoUs for 72GWh of hydro pumped storage projects across various states.

For Solar Module manufacturing the company has been allocated a 1 GW of Wafer-Cell-Module (W-C-M) capacity under the PLI scheme Tranche II. We intend to use this facility strategically for our captive usage, thereby de-risking our supply chain.

Within the company’s “Electrons to Molecules” transition offering, the company is pursuing key areas of opportunity across the value chain - I am pleased to share that JSW Energy has contracted 3,800 TPA of Green Hydrogen production for manufacturing of green steel. This will be the largest commercial scale Green Hydrogen facility in India, and the first of

its kind project with unique advantages of having a larger ecosystem in place.

### **Turning ESG into action**

At JSW Energy, our ESG focus is backed with a tangible plan that seeks to achieve real results. We are bringing together our best people and smartest technology from the world in order to capture the best opportunities of tomorrow. We have identified 17 focus areas with well-defined 2030 targets and I am pleased to share that we are seeing improved results every year and are on track to deliver the desired results by 2030. Having made our commitment towards carbon neutrality and ESG compliance, we are amongst the best ESG rated power producers in India.

I would like to conclude by thanking the thousands of dedicated employees, partners and families of JSW Energy without whose hard work we would not be where we are today. I would also like to take this opportunity to thank the Central and State Governments, our esteemed customers, investors, lenders, business partners, Government agencies and all our stakeholders. I look forward to working with each one of you in order to make JSW Energy the Energy company of the future.

**Sajjan Jindal**  
**Chairman & Managing Director**