

Dear Shareholders,

I hope that all of you and your families are keeping well.

The year gone by was an extraordinary one for your Company, as, in many ways, the future direction of JSW Energy took shape this past year. I am proud to share that the company performed extremely well across all parameters and that years of our hard work and planning has started to bear fruit. I am truly excited about the future of your Company and in the next few minutes will share the year's developments and progress with all of you.

Fiscal year 2024 was an inflection point for your Company. The current total installed capacity stands at around 7.3 GW across thermal, hydro, solar and wind. This has grown by 2.7 GW over the past two years, reflecting a 26% CAGR increase. I am pleased to share that by securing additional renewable project bids of another 4.0 GW through the auction processes, JSW Energy's current locked in generation capacity has increased to 13.9 GW. Your company has also secured energy storage projects of 3.4 Giga Watt hour which are currently in developmental stage.

This was achieved on the back of a strong underlying growth in power demand, a robust bidding environment, the company's superior execution capabilities and the strength of its balance sheet.

With 2.6 GW of projects, which are currently under construction, and which are slated for commissioning during the current fiscal year, your Company is on track to meet the 10 GW installed capacity target by FY2025, which we had first articulated three years ago.

Accelerating growth. Broad-basing possibilities

As we move into the future, JSW Energy is no longer going to remain just an energy generation company. A large part of our growth and value is going to come from providing our customers complete energy solutions. As part of this strategic shift, we have embarked on FDRE (Firm and Dispatchable Renewable Energy) and Hybrid projects, which are specifically designed to tackle the variability of renewable energy power, with a larger goal of providing holistic power solutions.

Spanning across generation, storage and green hydrogen, our horizons and our total addressable market have truly expanded. Your company is an early mover in

the energy storage business – having a presence in both the battery energy storage system and the hydro-pumped storage projects.

Additionally, towards supply chain de-risking, we are also venturing into equipment manufacturing.

Significant strides have been made towards the target of becoming a 20 GW generation company well before 2030. With tailwinds such as healthy underlying power demand, a strong pipeline of under-development capacity and a robust capital structure on the balance sheet, I am confident of accelerating the 2030 targets by a few years. Your company stands by the goal for a 50% reduction in carbon footprint by 2030 and achieving carbon neutrality by 2050.

India's Economic Growth needs Sustainable Power

In the fiscal year 2023-24, India's real GDP is estimated to have grown by an impressive 8.2%, outperforming other major economies. Led by strong manufacturing and construction activity, the Indian economy is poised to showcase robust growth in 2024-25 reflecting a resilient economy in the midst of a slowing global economic landscape. Cognizant of the surge in demand driven by the manufacturing and construction sectors, your company is well-positioned to make a meaningful contribution.

Globally, major conflicts in Europe and the Middle East created geopolitical risks. These conflicts established the need for energy security and your Company is diligently advancing towards its goal of delivering sustainable and cost effective energy solutions for India.

Energy security – a strategic imperative

India has been navigating the volatile energy market in the past few years - ensuring energy security while working on energy transition - with an ambitious target of 500 GW of renewable energy by 2030 and Net Zero by 2070.

In the past year, power demand witnessed a 7.5% year-on-year increase, and all India peak demand reached 243 GW. As we progress into fiscal year 2025, the growth trend continues with a remarkable 12% year to date rise in power demand, and reaching an all-time high peak demand of 250 GW.

As the Indian economy grows and per capita income continues to increase, power demand is bound to accelerate. Increase in the usage of electronic appliances, rapid urbanization, and the government's infrastructure push have all led to a sustained and systemic increase in the demand for power which will continue in the years to come. The next decade is set to be transformational for India's power sector as it faces the twin challenges of meeting the growing demand while decarbonising the economy

Firm power - mainstay for base load demand

Although our dependence on fossil fuel is decreasing, but fossil-fuel based energy is essential for the country to meet the transition phase over the medium term. Thermal Power will continue to be a key constituent in the energy mix, insulating India from geopolitical disruptions and ensuring energy security - especially at a time when the economy is expanding rapidly.

India's base load demand has increased to about 200 GW and is growing at a healthy pace. Assuming sustainable demand growth of 6-7% per annum, India will need 12-14 GW of incremental firm power every year. Over and above this, the decarbonisation aspirations of Commercial & Industrial consumers and energy transition-related investments will need further capacity growth in renewable energy.

All of this will translate into a need to install 40-50 GW of new renewable energy capacity annually which is a huge challenge for the entire renewable energy industry.

Last year, India could add only 18.5 GW of renewable energy capacity and till the end of May-24 the country added 3 GW of capacity all of which is Renewable.

The renewable energy sector grapples with the challenge of intermittency, given that solar and wind sources are not available round the clock. Consequently, thermal power plays a crucial role in grid stability until more efficient storage solutions like battery storage and hydro pumped storage mature. Hence, while your company continue to focus on adding renewable capacity, it will also continue to pioneer energy storage solutions as well as keep an eye on any new thermal opportunities.

Our Strategy 2.0

Strategy 2.0 that was unveiled last year, encapsulates our commitment to scale power generation capacity to 20 GW along with 40 GWh of energy storage before 2030. The strategic framework summarises how we are diversifying, broad-basing and expanding our portfolio across the value chain - from a Power Generation company to an Energy Products and Services company. It lays out how the company is embracing new energy solutions, including FDRE, Battery Energy Storage Systems, Pumped Storage Projects, equipment manufacturing, green hydrogen and its derivatives. It underlines our proactive approach to lead the energy transition journey for our country while at the same time continuing to focus on enhancing operational efficiency and driving sustainable growth.

Strategy 2.0 articulates how we are accelerating by aspiring to grow at a 22% CAGR between FY23-FY30. While pursuing this rapid growth, the leverage profile of the Company will continue to be best-in-class. At all times, it will remain our endeavor to maintain our sustained normalised Net Debt to EBITDA multiple below 4.0x.

Considering the demand environment and our strong execution capabilities, I anticipate achieving these targets a few years earlier than the projected 2030 timeline, and hence growing at a higher run rate.

Delivering sustainable growth – building a war chest to accelerate growth

Your company added 680 MW of greenfield capacity in fiscal 2024. The net generation increased 27% year-on-year to 27.9 billion units driven by higher renewable capacity and thermal power generation.

Total Revenue increased 10% year-on-year to ₹ 11,941 crore.

We recorded the highest-ever EBITDA and the second highest ever Profit After Tax (PAT) in our history.

EBITDA at ₹ 5,837 crore grew by 53% year-on-year, driven by the additions to our renewable energy asset base and a strong performance by the thermal business.

This resulted in a 17% year-on-year growth in PAT at ₹ 1,723 crore.

The Board has recommended a dividend of ₹ 2.0 per share for FY24. At the end of the year, your Company maintained robust liquidity, with about ₹ 4,700 crore in cash and cash equivalents. Balance sheet was healthy with Net Debt-to-Equity ratio is 1.3x, while Net Debt-to-EBITDA ratio stood at 4.5x.

In a major strategic development, in April 2024, your company successfully raised ₹ 5,000 crore of equity through a Qualified Institutional Placement (QIP) issue to build a war chest for accelerating its growth ambitions. I am pleased to share with all of you that this was the largest QIP in the power sector and your company's first equity raise since the IPO 14 years ago. The issue was subscribed over 3.2x and met with an overwhelming response by high quality blue-chip global and domestic institutional investors. The success of this capital raise reinforced the faith and trust reposed by large institutional investors on your Company to be one of the best positioned to capitalise on the growth potential of the Indian power sector.

Robust project pipeline

During fiscal 2024, your company achieved significant milestone by securing 3.4 GW of renewable energy projects through competitive bidding. Furthermore, in the current year, we have further added a pipeline of 600 MW, resulting in a total locked-in capacity of 13.9 GW. This impressive growth represents a remarkable 42% increase in our locked-in capacity when compared to fiscal year 2023. The pipeline includes aggregate solar projects of 2.4 GW; i.e., 700 MW each from SJVN, NTPC and SECI, and another 300 MW project from GUVNL. A wind project of 1.0 GW awarded from SECI under Tranche XVI and 300 MW of wind-solar hybrid projects each from SECI and SJVN.

Additionally, during fiscal 2024, the company achieved a significant milestone with the rapid synchronisation of Ind-Barath Unit 1, having a capacity of 350 MW and the Unit 2 of similar capacity is expected to be synchronized in this quarter. Notably, this project represents one of the fastest turnarounds of a previously stalled thermal power plant in India. It highlights our commendable project execution skills, resilience, and outstanding teamwork.

Foray into Energy Products & Services

In the past year, your Company has made strategic advancements in energy products and services. Notably, we signed an offtake agreement with SECI for

India's largest Battery Energy Storage System (BESS) project, boasting an impressive capacity of 500 MW/1,000 MWh. The project is expected to be commissioned by June 2025. Additionally, we signed a technology licensing agreement with a leading global OEM to manufacture wind turbine generators for our captive in-house requirements.

Within Energy Products offering, your company is constructing its first Green Hydrogen plant, where we have signed a 7-year Hydrogen supply agreement for offtake of 3,800 tonnes per annum with JSW Steel. This marks India's largest commercial-scale green hydrogen project and the first in the country for making green steel. The plant is expected to be commissioned by the fourth quarter of the current fiscal year 2025.

Your company has also been allotted 6,500 tonnes per annum green hydrogen production capacity from SECI under the Strategic Interventions for Green Hydrogen Transition (SIGHT) programme. We are focused on playing a significant role in the evolution of the Green Hydrogen economy of the country.

Future capex

Your company intends to spend around ₹ 1,15,000 crore to reach the stated goal of 20 GW generation and 40 GWh storage under Strategy 2.0. As we accelerate our ambition, this is likely to increase going forward. Our plan is to spend approximately ₹ 15,000 crore in the current fiscal 2025.

Additionally, your company is also actively scouting for acquisition opportunities in the power sector.

Moving ahead, the company is on track to commission ongoing projects for power generation, battery storage and green hydrogen production. The growth capital secured through the recently completed QIP strategically positions us to accelerate the execution of our returns accretive growth plans.

ESG priorities

We are acting with urgency to protect our planet's limited resources and be a leader in the fight against climate change. During the year, we achieved the 'Leadership Band (A-)' in CDP Climate Change for the third consecutive year, gaining the highest rating in the power sector in India. We are measuring our progress and

providing increased transparency on our performance. Across our environmental work, we are also committed to being a force for equity, and are working with communities on the frontlines of climate change to create shared opportunities and build a more just world.

To Conclude

Your company's proactive approach is on capitalising growth opportunities within the energy sector, ensuring energy security, and supporting India's decarbonisation goals. This is aimed at presenting us as a return focused, forward-thinking, resilient, and innovative company ready for future opportunities, while accelerating current growth momentum.

Together, we are building an organisation to capitalise on our unique capability of providing solutions across the value chain.

I would like to thank all our dedicated employees, partners and families of JSW Energy who are converting this strategic vision into reality.

I would also like to thank all our stakeholders for their trust, support, guidance and good wishes. The journey ahead is long and full of opportunities. I am positive that the best is yet to come.

Sajjan Jindal

Chairman & Managing Director