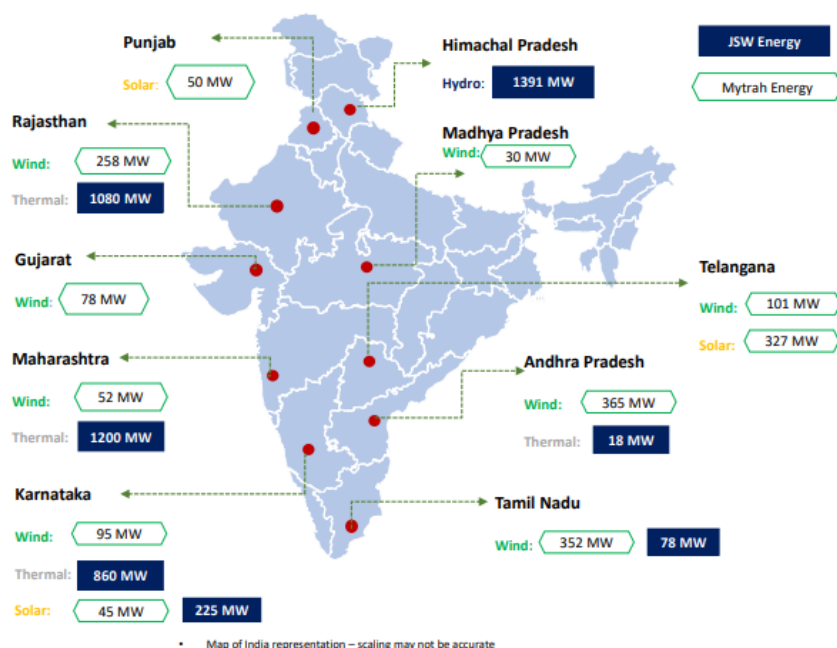


JSW Energy Ltd - Initiating Coverage Rating: Accumulate Target: 430
Industry: Power Generation

Company Overview

- JSW Energy is a prominent player in the Indian power sector, specializing in the generation of electricity. The company was founded in 1994 and is headquartered in Mumbai, India. It's a single product company – 'Electricity'.
- It Produces electricity through 4 out of the 5 methods of generation, namely, thermal, wind, solar and hydro. The company is firmly focused on augmenting capacity through renewables. It is on path to expand its capacity by ~50% from 6.66 GW to 9.77 GW by end of FY'26. Around 80% of upcoming capacity is through renewables thereby, holding on to its commitment of being a key contributor to India's ambitious clean energy goals.
- A Company is known by its people. Scalability, sustainability and longevity of a company is function of key personnel's which in turn depends on their scalability, sustainability and longevity in the system --- It is here where JSW Energy scores perfect 10/10.** Almost all their vertical heads have grown in the company having spent over 10 years to 25 years respectively. Along with promoters, Mr. Prashant Jain - Jt. MD and CEO (not from promoter family, journey partner for over ~27 years and counting) has been instrumental in architecting company's ever-expanding footprints.

INSTALLED CAPACITY BY LOCATION (6.6GW)



Quick Data

Face Value (Rs.)	10
No. of Shares (Cr)	164
MCAP (Rs. Cr)	44,600
52W High/Low (Rs.)	369 / 182
BSE Code	533148
NSE Symbol	JSWENERGY
Book Value	113

Ratios

ROE	7.29%
ROCE	7.22%
P/E Ratio (ttm)	32x
P/BV (ttm)	2.25x
Dividend Pay-out	22.20%
Dividend Yield	0.79%
Debt/Equity	1.34x

Shareholding Pattern (%)

Promoters	74.66%
FII	5.18%
DII	10.06%
Public	10.09%

Stock Price Movement (%)

5d	2.5%
30d	4.7%
3m	10.4%
52w High	-26%
52w Low	37%

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Investment Rationale

1. **Aggressive capacity expansion** from present installed capacity of 6.6 GW to 9.77 GW by end of FY'26 (Growth of ~50%). Major of this expansion (~80%) will be through renewables: wind, solar and hydro power projects. By FY'26, around 61% of its installed capacity will be of renewable sources of energy.
2. **Doubling of profitability in next 3 years:** With commissioning of upcoming generation capacities the company's net profit is likely to more than double from Rs.1480 (FY'23) to over Rs. 3000 crores by FY'26e. To be noted this will be just on the basis of higher power generation. Benefits of operating and financial leverage will play out from FY'27 that's an additional bonus.
3. **Protected Cash Flows and Profits:** *Going by management representations and our understanding of the same around 85% of JSW Energy's off-takers are long term PPA tie ups with 21% tied up in group captive and 64% tied up with Government bodies for 25 years or more.* This provides stability in cash flows for the long term. Remaining 15% is sold in the open market which is an added benefit for the company, as generally merchant tariff is higher.
4. **Future is storage technology:** The company *is pioneering in energy storage technologies.* JSW Energy has demonstrated its forward-thinking approach by investing in solar power battery storage and hydro pump storage. The company can store excess energy during peak production periods and deploy it during peak consumption periods. These energy storage solutions enable the company to address the intermittency challenge associated with renewable energy.
5. **High entry barrier.** Setting up a power plant is highly capital intensive. Approximately, for setting up 1GW plant around Rs 5,500/6000 crores is required for thermal, Rs.6,500 crores for wind, Rs.4,500 crores for solar and Rs.12,000 crores for Hydro. It is highly regulated.
6. **Renewal energy play:** *Please note company's installed capacity projection by 2030 is ~20GW (present is 6.6 GW) of which 85% will be renewals (Solar, Wind and Hydro).* Present share of electricity production through renewals is 52% which is likely to reach 61% by FY'26e and then 85% by FY'30e. Best renewal play option among top 5 power producers. Name a device and power is the only option to make it operational. Be it smart phones, electric vehicles, computers (AI, AR, Generative AI, Block Chain, ML), lap tops, electric arc furnace, heavy industrial machines, household appliance etc. etc. all need power to operate and world needs green power – an ever-expanding sky. It is here where JSW Energy again scores maximum.
7. **India has plenty of scope to consume more of power,** being the highest populated country in the world. Per capita power consumption presently is at around 1/3rd of world's average and about 1/10th of USA (India's population is 5x of USA). As of 2021-22, India's per capita electricity consumption stood at 1255 kWh, which is approximately one-third of the global average. In stark contrast, the United States boasts a per capita electricity consumption of 12,314 kWh.

Valuation

- ✚ Valuing the company at 10% discount to mean PER multiple (19x) on FY26e (EPS), per share target price comes at Rs.327.
- ✚ Based on DCF per share value comes to Rs. 529.
- ✚ For the purpose of valuation, we have taken ~average of PER and DCF based per share value, to arrive at per share target price of Rs. 430.

***Please note:** In arriving at above valuation, multiple upside factors were not captured (just being conservative). Just to highlight operating and financial leverage will play out from FY'27 post commissioning of announced projects. Further have not considered profit generation from storage play and hydrogen energy, as these will primarily start delivering from FY'27. Tailwinds from these will further add to upside. For the purpose of this report, we have considered profitability till FY'26e for valuation.

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FINANCIALS & PROJECTIONS

Income Statement	FY22	FY23	FY24e	FY25e	FY26e	3 Yr CAGR
Revenue						
Revenue from Operations	8,167	10,332	13,547	16,456	17,626	19%
Other Income	569	535	535	535	535	
Total Income	8,736	10,867	14,082	16,991	18,161	19%
Operating Expenses	4,598	7,050	7,395	8,335	8,456	6%
EBITDA	4,138	3,817	6,687	8,656	9,705	36%
EBITDA Margin (%)	47%	35%	47%	51%	53%	
Finance costs	777	844	3,045	3,616	3,616	
Depreciation	1,131	1,169	1,069	1,788	1,849	
EBT	2,230	1,804	2,573	3,252	4,240	33%
Share of profit / (loss) of joint venture	9	19	19	19	19	
Exceptional items	-	120	-	-	-	
Profit before tax	2,238	1,943	2,592	3,271	4,259	30%
Tax	495	463	648	818	1,065	
PAT	1,743	1,480	1,944	2,453	3,195	29%

Balance Sheet	FY22	FY23	FY24e	FY25e	FY26e
ASSETS					
Net Block	14,831	25,029	29,032	47,231	48,770
Capital Work-in-progress	2,091	4,780	10,622	2,200	600
Investments	6,623	6,033	6,033	6,033	6,033
Other Assets	7,388	12,900	13,955	13,680	17,047
TOTAL ASSETS	30,932	48,742	59,642	69,144	72,450

EQUITY & LIABILITIES					
Equity	1,642	1,746	1,641	1,641	1,641
Reserves	15,775	16,988	18,913	21,342	24,505
Borrowings	10,909	27,070	35,824	42,540	42,540
Other Liabilities	2,606	2,937	3,264	3,621	3,764
TOTAL LIABILITIES	30,932	48,742	59,642	69,144	72,450

Unlevered Free Cash Flow (Cr)						
Fiscal Year	FY22	FY23	FY24e	FY25e	FY26e	3 Yr CAGR
PAT	1,808	1,505	1,925	2,434	3,175	28%
(+) Depreciation	1,131	1,169	1,069	1,788	1,849	
(-) Change in Gross Block	328	11,256	3,998	18,918	1,600	
(-) Change in CWIP			5,843	(8,422)	(1,600)	
(-) Change in NWC	(673)	477	(3,752)	(3,265)	4,386	
Unlevered Free Cash Flow before financing	3,283	(9,059)	(3,095)	(3,008)	638	
(+) Additions in debt			8,754	6,716	--	
Cash Flows post debt financing	3,283	(9,059)	5,659	3,708	638	

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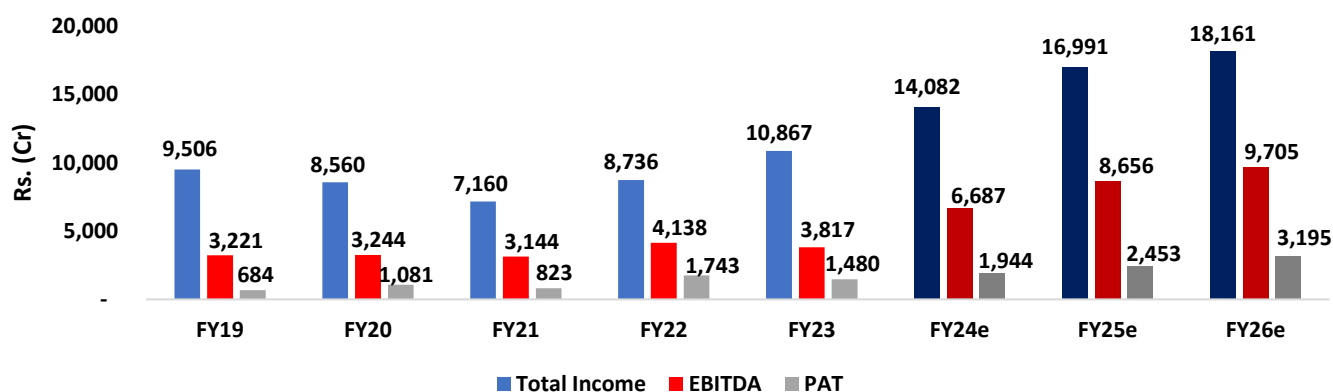
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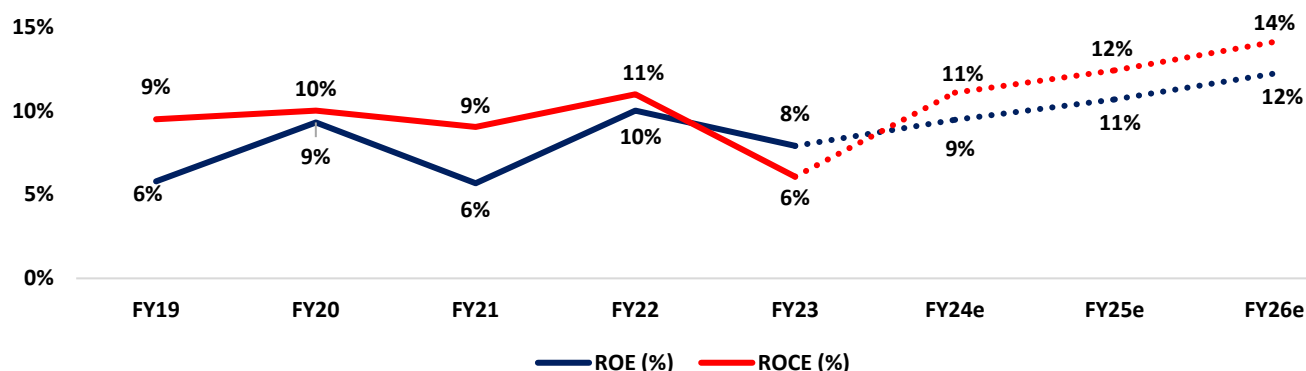
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STORY IN CHARTS

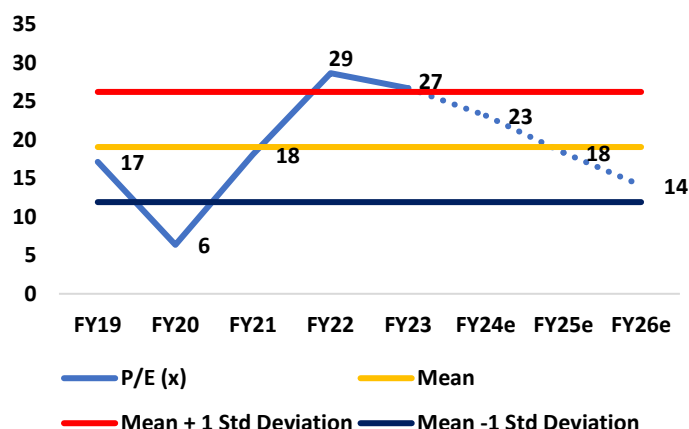
PnL with Projections



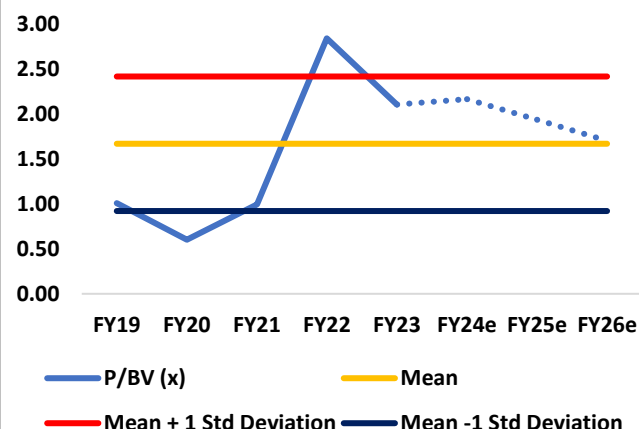
Forward Ratio Chart (Returns)



Forward Valuation Chart (PER)



Forward Valuation Chart (P/BV)



Note: For FY24e, FY25e and FY26e we have taken price as on 28th July = Rs. 270 per share

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graph TD
    A["Total Revenues: Rs 10,867 Cr (100%)"] --> B["Expenses: Rs. 7,049 Cr (65%)"]
    A --> C["Revenue Break Up:  
Revenue from Operations:  
Rs. 10,332 Cr (95%)  
Other Income: Rs. 535 Cr"]
    B --> D["EBITDA: Rs. 3817 Cr (35%)"]
    B --> E["Expenses Break up:  
1) Fuel Cost: Rs. 5,570 Cr (51%)  
2) Purchase of Stock-in-trade: Rs. 368 Cr (3%)  
3) Employee Benefit Expense: Rs. 308 Cr (2%)  
4) Other Expenses: Rs. 805 Cr (7%)"]
    D --> F["Finance Cost: Rs. 844 Cr (8%)  
Depreciation: RS, 1,169 Cr (11%)"]
    F --> G["Profit Before Tax (PBT): Rs. 1804 Cr (17%)"]
    G --> H["Share of profit in Joint Venture: Rs. 19 Cr  
Exceptional Items: Rs. 120 Cr  
Taxes: Rs. 463 Cr"]
    H --> I["Profit After Tax (PAT): Rs. 1480 Cr (14%)"]
    
```

Total Revenues: Rs 10,867 Cr (100%)

Revenue Break Up:
Revenue from Operations: Rs. 10,332 Cr (95%)
Other Income: Rs. 535 Cr

Expenses Break up:

- 1) Fuel Cost: Rs. 5,570 Cr (51%)
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Expenses: Rs. 7,049 Cr (65%)

EBITDA: Rs. 3817 Cr (35%)

Finance Cost: Rs. 844 Cr (8%)
Depreciation: RS, 1,169 Cr (11%)

Profit Before Tax (PBT): Rs. 1804 Cr (17%)

Share of profit in Joint Venture: Rs. 19 Cr
Exceptional Items: Rs. 120 Cr
Taxes: Rs. 463 Cr

Profit After Tax (PAT): Rs. 1480 Cr (14%)

Revenue from Operations break up:

- 1) Thermal Energy = Rs. 8765 Cr (Ratnagiri + Vijayanagar + Barmer)
- 2) Hydro Energy = Rs. 1,328 Cr (BASPA II + Karcham Wangtoo)
- 3) Group Captive = Rs. 71 Cr (Solar power plant at Vijayanagar)

The diagram illustrates the financial position for the year ended 31.03.2020, showing the breakdown of Assets and Liabilities. It consists of two main columns: Assets and Liabilities.

Assets: The total assets are Rs. 48,742 Cr. This is broken down into:

- Fixed Assets (Net Block): Rs. 25,029 Cr
- Capital WIP: Rs. 4780 Cr
- Investments: Rs. 6033 Cr
- Other Assets: Rs. 12,900 Cr

Liabilities: The total liabilities are Rs. 48,742 Cr. This is broken down into:

- Equity: Rs. 1746 Cr
- Reserves: Rs. 16,988 Cr
- Borrowings: Rs. 27,070 Cr
- Other Liabilities: Rs. 2938 Cr

The diagram uses arrows to indicate the flow from the total amounts to their respective components.

RATIOS

Du Pont Analysis						
Particulars		FY22	FY23	FY24e	FY25e	FY26e
Profit/ Sales	(A)	0.20	0.14	0.14	0.14	0.18
Sales/Assets	(B)	0.28	0.22	0.24	0.25	0.25
Sales/Net Fixed Assets		0.59	0.43	0.52	0.38	0.39
Assets/Net worth	(C)	1.78	2.60	2.90	3.01	2.77
Return on Equity (ROE %) (abc)		10.01%	7.90%	9.46%	10.68%	12.22%

Valuation Ratios					
Valuation Ratios	FY19	FY20	FY21	FY22	FY23
P/E (x)	17.13	6.37	18.11	28.67	26.73
P/BV (x)	1.01	0.60	0.99	2.85	2.11
P/CEPS (x)	4.78	3.36	3.89	16.79	18.95
EV/EBIDTA (x)	8.02	6.26	8.23	14.97	17.14
MCAP/Sales (x)	1.25	0.82	2.01	5.67	3.63
Dividend Pay-out (%)	0.58%	18.31%	19.94%	18.87%	22.23%

Key Operational Ratios					
Key Operational Ratios	FY19	FY20	FY21	FY22	FY23
EPS	4.24	6.71	4.85	10.54	9.01
EPS Growth YoY (%)		58%	-28%	117%	-15%
Cash Earnings Per Share (CEPS)	15.2	12.7	22.6	18.0	12.7
EBITDA Margin (%)	33.89%	37.90%	43.91%	47.36%	35.13%
PAT Margin (%)	7.20%	12.63%	11.49%	19.96%	13.62%
Tax Paid/Revenue (%)	1.89%	1.31%	2.72%	4.83%	2.74%
ROCE (%)	9.50%	10.00%	9.03%	10.99%	6.07%
Dividend Pay-out %	0.58%	18.31%	19.94%	18.87%	22.23%
Book Value per Share	72.01	70.86	88.40	106.20	114.23
D/E	0.83	0.77	0.58	0.48	1.12

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MANAGEMENT STRUCTURE



Mr. Sajjan Jindal
Chairman and Managing Director
(Promoter Family)



Mr. Parth Jindal
Non-Executive, Non-Independent Director
(Promoter Family)



Mr. Prashant Jain
Joint Managing Director and CEO
He has worked with JSW Group for the past 27 years



Mr. Pritesh Vinay
Director (Finance)
He has worked with JSW Group for over 10 years



Energy Vertical Heads
Noteably all vertical heads (thermal, solar, wind & hydro) have been with the company for more than 25 years.

It is evident from structure of the board of directors and energy vertical heads that JSW promotes internal and organic growth. The recent lateral hires were from INOX Wind post the Mytrah acquisition. Approximately 120 employees were added to the JSW Energy workforce.

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- **Mr. Sajjan Jindal: Chairman and Managing Director**

In 1982, he joined the OP Jindal Group as a freshly graduated mechanical engineer, and within a year he moved to Mumbai to look after the western region operations. In 1983–1984, Jindal's father, Mr. Om Prakash Jindal put him to the test by ordering him to turn around operations at two facilities near Mumbai. He promoted Jindal Iron and Steel Company Limited (JISCO), for manufacturing of Cold Rolled and Galvanized Sheet Products in 1989. He promoted Jindal Vijaynagar Steel Limited (JVSL), JSW Energy Limited (JSWEL), Jindal Praxair Oxygen Limited. (JPOCL) and Vijaynagar Minerals Private Limited. (VMPL) to ensure complete integration of the manufacturing progress in 1995. In 2005, his steel companies, JISCO, and JVSL, were merged to form JSW Steel, and a holding group of the same name.

In 2008, Mr. Jindal became the president of ASSOCHAM at the latter's 87th annual general meeting.

Mr. Jindal was an instrumental figure in establishing Indian Steel Association in the 2014

For 2021–22, he served as the chairman of World Steel Association.

- **Mr. Parth Jindal: Non-Executive, Non-Independent Director**

Mr. Parth earned his MBA from Harvard Business School in 2016 and his BA in Economics and Political Science from Brown University in 2012.

He joined the JSW Group as an economic analyst in 2012. As a result, **he was instrumental in developing a new retail strategy for JSW Steel and turning around several of the group's loss-making subsidiaries, including JSW Cement and JSW Steel USA.**

Mr. Jindal led a group that built a 2.3 million-ton auto-grade steel plant in Vijaynagar, Bellary before he went to Harvard University in 2014 to get his MBA. At that time, the plant was dubbed the first Indian steel establishment to manufacture auto steel because, until that time, all major Indian car makers were importing high-quality steel for car panels from South Korea, Japan, or Germany.

JSW Cement: Mr. Parth Jindal was appointed managing director of JSW Cement in June 2014. Under Mr. Parth's leadership the company has invested US\$150 Million in Fujairah, to set-up a one million tonne per annum clinker unit to achieve its 2020 targets.

In February 2022, Jindal was appointed as a chair at Global Cement & Concrete Association (GCCA) India.

Mr. Jindal is the Director of JSW USA. Under his guidance, JSW Steel has made a US\$1 Billion Commitment to be split evenly between US Operations in Texas and in Ohio

Mr. Jindal also oversees the Management of JSW Venture Fund.

- **Mr. Prashant Jain: Joint Managing Director and CEO**

Mr. Jain is a mechanical engineer with more than 30 years of rich experience in Operations, Project Execution and Management, Corporate Strategy, Joint Ventures, Mergers & Acquisitions, Corporate Affairs, Information Technology, Investor Relations and Policy Advocacy.

- **Mr. Pritesh Vinay: Director (Finance)**

Mr. Pritesh Vinay is a B.E. (Computer Science & Engineering) from Bihar Institute of Technology, Sindri and Master of Management Studies (Finance) from Sydenham Institute of Management Studies, Mumbai University.

He has around 22 years of rich and varied professional experience across Corporate Finance, Fund Raising (both onshore and offshore), Investor Relations, M&A and Equity Research, having worked with reputed Indian and Multinational corporations.

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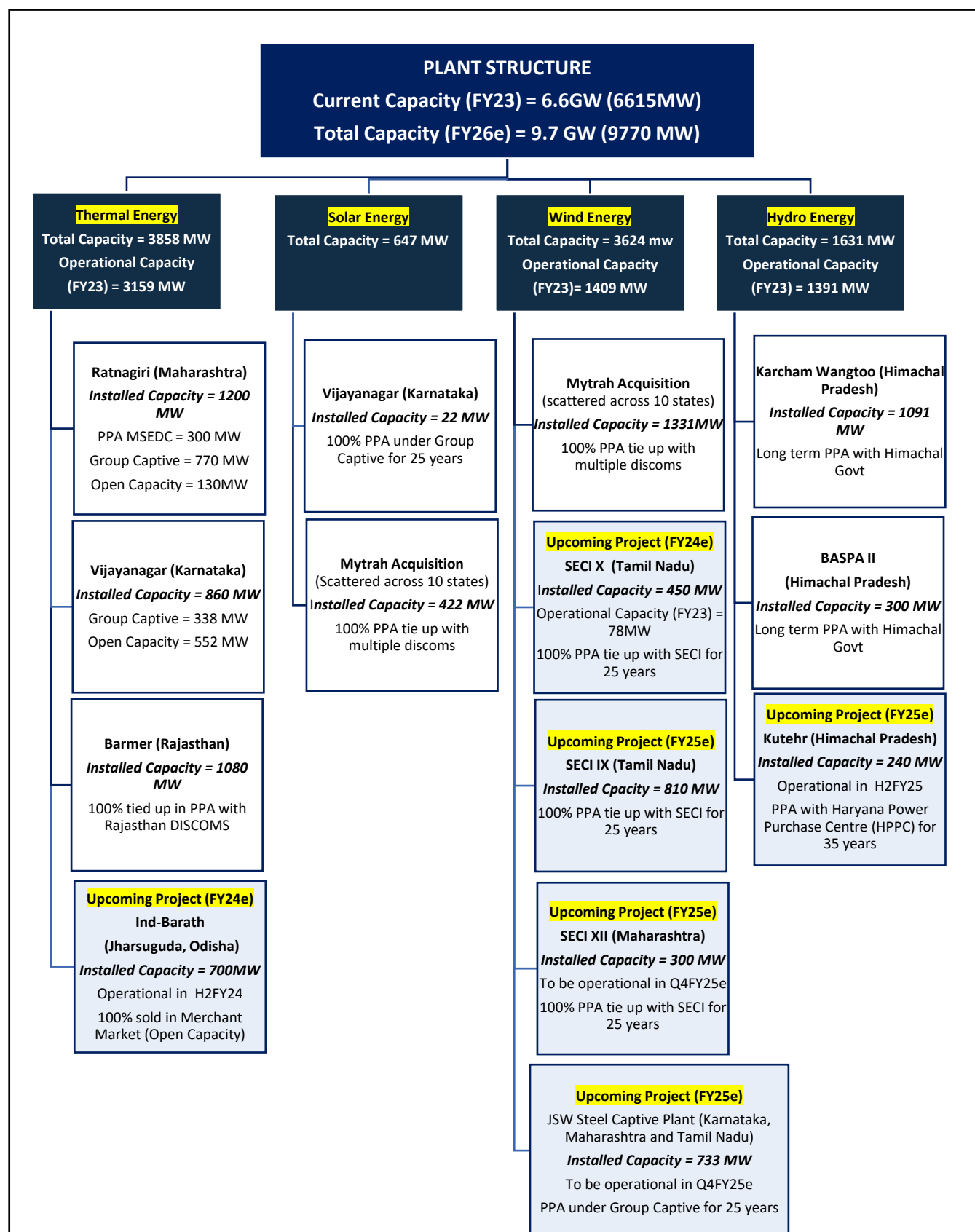
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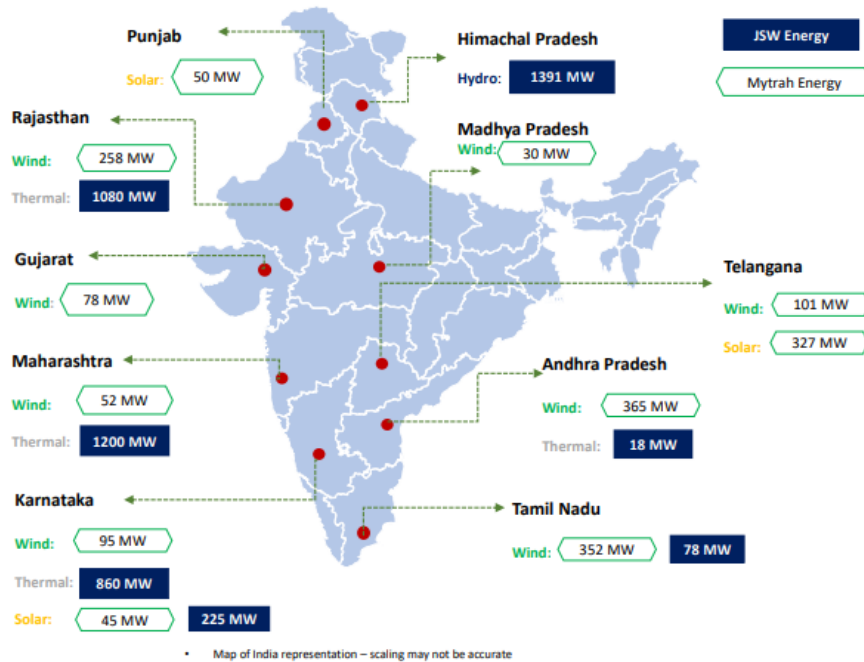
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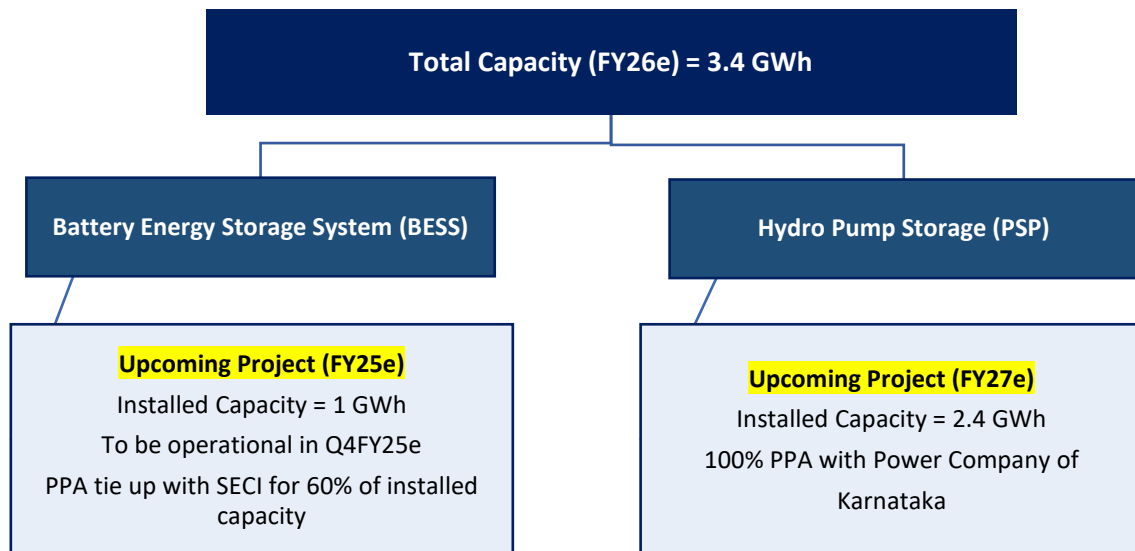
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INSTALLED CAPACITY BY LOCATION



Source: Q4FY23 Investor presentation

Early Bird – Energy Storage Systems ‘New Vertical’



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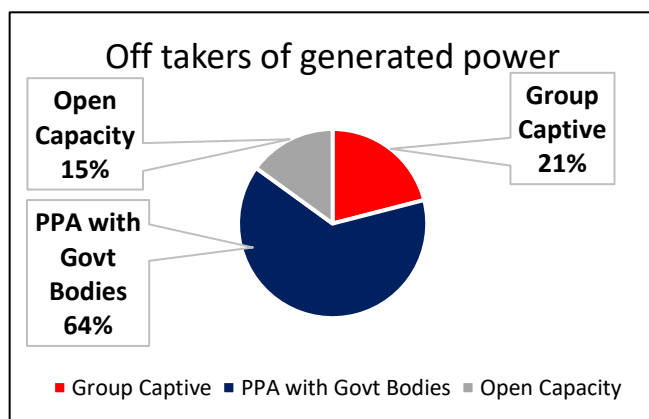
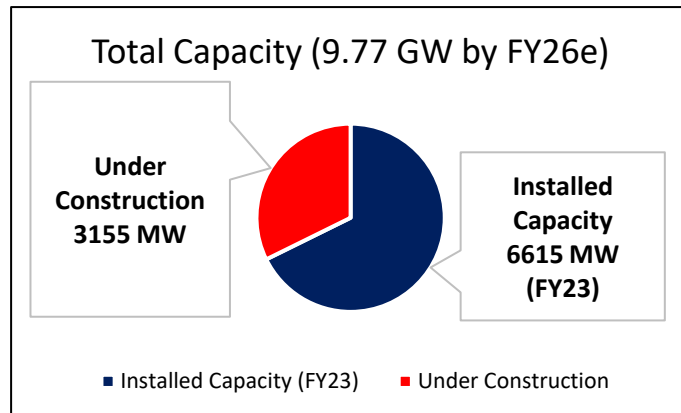
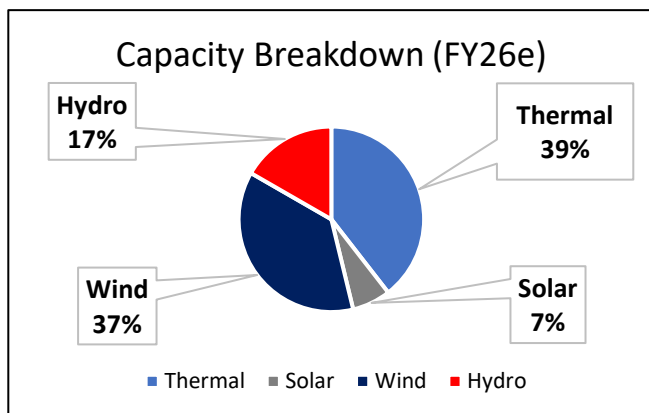
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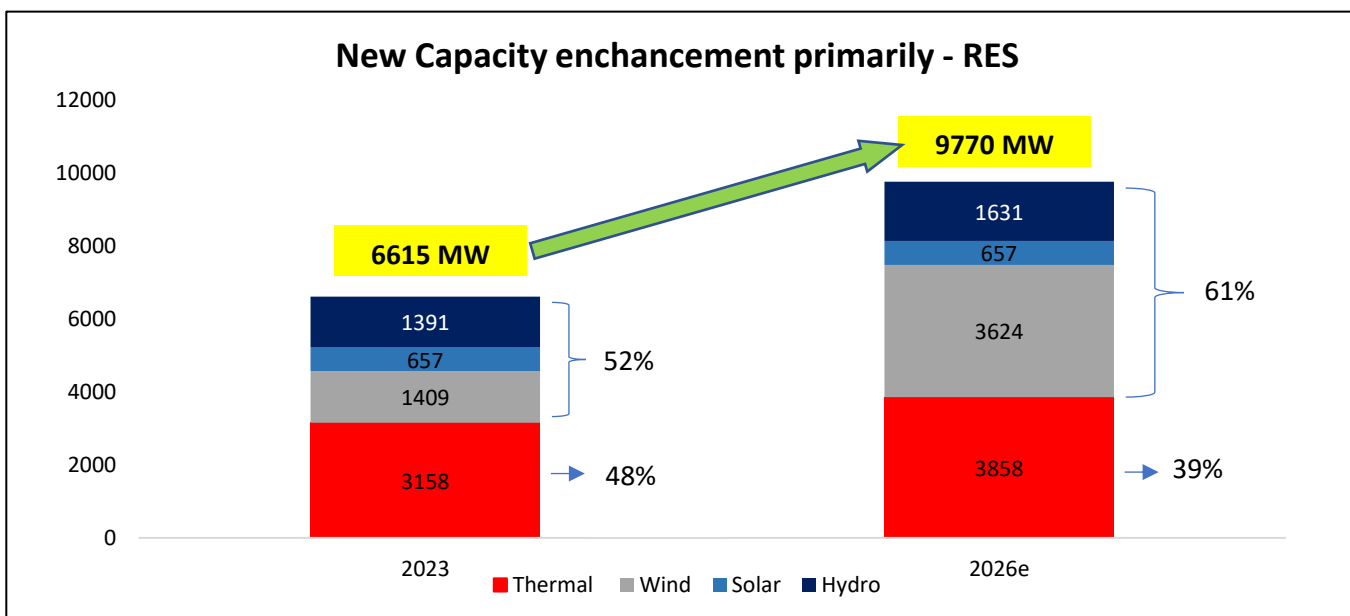
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CAPACITY BREAKDOWN



Source of Energy	2023		2026e	
	MW	%	MW	%
Thermal	3158	48%	3858	39%
Wind	1409	21%	3624	37%
Solar	657	10%	657	7%
Hydro	1391	21%	1631	17%
Total	6615	100%	9770	100%



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PLANT WISE PROJECTIONS

1. Thermal #1 – Ratnagiri, Maharashtra



Thermal Energy Plant – Ratnagiri (Maharashtra) – Total Capacity = 1200MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	1200	1200	1200
PPA Capacity - MSEDCL (MW)	300	300	300
Group Captive	770	770	770
Merchant Market (Open Capacity)	130	130	130
Plant Load Factor (PLF%)	80.00%	80.00%	80.00%
Tariff (25 years) - Blended (Rs. / unit)	4.5	4.5	4.5
P&L (₹ Cr)			
Electricity generated (Cr Kwh)	841	841	841
Revenue	3784	3784	3784
Operating cost	2523	2523	2523
Operating cost per unit	3	3	3
EBITDA	1261	1261	1261
EBITDA/ unit	1.50	1.50	1.50

Notes:

- (1) Located in Ratnagiri, Maharashtra
- (2) Installed capacity of the plant is 1200MW
- (3) It comprises four units of 300MW each and runs on imported coal.
- (4) Capacity is divided amongst PPA with MSEDCL, group captive and open capacity.
- (5) The Plant Load Factor (PLF%) of Ratnagiri has improved from 58% to 80%. This is because one unit of the plant that was to supply power to MSEDCL was under repair and maintenance for the last 5-6 quarters. For FY24 the entire capacity will be operational, thus there is a vast improvement on the PLF%.
- (6) The power generated is transmitted through the Jaigad PowerTransco Ltd., a JSW Energy joint venture company that operates an intra-state transmission system
- (7) The fly ash generated here is used in the cement plants.

**The above calculation/ projection is based on management representation and our understanding of the same.*

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2. Thermal #2 – Vijayanagar, Karnataka



Thermal Energy Plant – Vijayanagar (Tamil Nadu) – Total Capacity = 860MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	860	860	860
Tied Up with PPA (MW)	338	338	338
Sold in Merchant Market (MW)	522	522	522
Overall Plant Load Factor (PLF%)	58%	58%	58%
Group Captive PLF%	100%	100%	100%
Merchant Market (Open Capacity) PLF%	31%	31%	31%
Tariff (25 years)			
Blended Tariff	4.50	4.50	4.50
P&L (₹ Cr)			
Total Electricity generated (Cr Kwh)	438	438	438
PPA	296	296	296
Merchant Market	142	142	142
Revenue	1970	1970	1970
Operating cost	1314	1314	1314
Operating cost/ unit	3	3	3
EBITDA	657	657	657
EBITDA/ Unit	1.50	1.50	1.50

Notes:

- (1) Located in Vijayanagar, Karnataka
- (2) The installed capacity of the plant is 860MW
- (3) It has two units of 130MW each + 2 units of 300MW each
- (4) Plant operates on multi-fuel technology to increase cost effectiveness
- (5) PLF% for PPA Capacity is Constant at 100%. 58% is the utilisation factor for the plant on an overall basis
- (6) The fly ash generated here is used in the cement plants.
- (7) The plant also uses waste gas generated from JSW Steel plant at Vijayanagar

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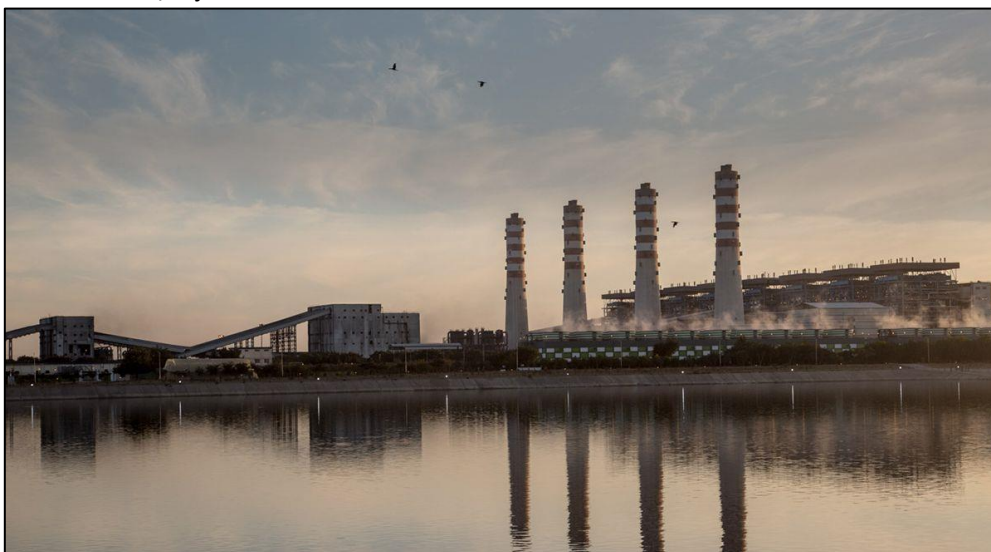
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3. Thermal #3 – Barmer, Rajasthan



Thermal Energy Plant – Barmer (Rajasthan) – Total Capacity = 1080MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	1080	1080	1080
Plant Load Factor (PLF%)	84.00%	84.00%	84.00%
Tariff (5 years)	4.99	4.99	4.99
P&L (₹ Cr)			
Electricity generated (Cr Kwh)	795	795	795
Revenue	3966	3966	3966
Operating cost	2821	2821	2821
Operating cost per kwh	3.55	3.55	3.55
EBITDA	1144	1144	1144
EBITDA/ unit	1.44	1.44	1.44

Notes:

- (1) Located close to its fuel source, the lignite mines in Kapurdi and Jalipa, the Barmer Plant is operated by Raj WestPower Limited (a JSW company), the company that also owns the mines in partnership with Rajasthan State Mines & Minerals Ltd.
- (2) Installed Capacity of the plant is 1080 MW. It comprises of eight 135MW units
- (3) Lignite based thermal plants have higher operating costs compared to those using foreign or domestic coal, due to lesser efficiency.
- (4) 100% PPA tie up with Rajasthan Discoms. The plant has regulated fixed returns of ROE = 15% with Rajasthan Discoms. The Plant tariff is decided by the discoms on a fixed cost + variable cost basis.
- (5) Entire Cost of Cost of coal is pass through
- (6) This plant was one of the first in India to have a dedicated 185-km pipeline constructed to source water from the Indira Gandhi Canal

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4. Thermal #4 – Ind-Barath: Jharsuguda, Odisha



Thermal Energy Plant – IND-BARATH Jharsuguda (Odisha) – Total Capacity = 700MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	350	700	700
Plant Load Factor (PLF%)	60.00%	60.00%	60.00%
Tariff	4.5	4.5	4.5
P&L (₹ Cr)			
Electricity generated (Cr Kwh)	97	368	368
Revenue	435	1,656	1,656
Operating cost	290	1,104	1,104
Operating cost per kwh	3.00	3.00	3.00
EBITDA	145	552	552
EBITDA/ unit	1.50	1.50	1.50

Notes:

- (1) Located in Jharsuguda, Odisha
- (2) Installed capacity of the plant is 700MW
- (3) For the foreseeable future, the plant will not be tied up under any long term PPA, and the entire off-take of electricity generated will be sold in open capacity
- (4) The plant comprises of 2 units of 350MW. In Sept 2023, one unit will be fully operational. From FY25, the entire plant is operational.
- (5) The plant was acquired for Rs. 1048Cr. Additional capital of Rs. 1600 will be infused.

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5. Solar #1 – Vijayanagar, Karnataka



Solar Energy Plant – Vijayanagar (Karnataka) – Full Capacity = 225 MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	225	225	225
Capacity Utilization Factor (CUF)	26%	26%	26%
Tariff (25 years)	3.3	3.3	3.3
P&L (₹ cr)			
Units generated (cr KWh)	51	51	51
Revenue	169	169	169
Operating cost	18	18	18
Operating Cost/ unit	0.35	0.35	0.35
EBITDA	151	151	151
EBITDA/ unit	2.95	2.95	2.95

Notes:

- (1) Located in Vijayanagar, Karnataka
- (2) The installed capacity of the plant is 225MW
- (3) This project has a PPA under group captive scheme for 25 years, providing long term predictable cash flows
- (4) Located adjacent to the thermal power plant in Vijayanagar
- (5) The plant also has an additional 100MW of solar power through rooftop solar panels. This is captive and used for internal consumption only.
- (6) It is also one of the largest captive Solar Power Plants installed to supply power to any Steel Manufacturing Industry in the country at 400 kV

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6. Solar #2 – Acquisition from Mytrah Energy



Solar Energy Plant – (Acquisition from Mytrah Energy – 422 MW)

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	422	422	422
Capacity Utilization Factor (CUF)	18%	20%	20%
Tariff	4.82	4.82	4.82
P&L (₹ Cr)			
Units generated (Cr KWh)	67	74	74
Revenue	321	356	356
Operating cost	55	46	42
Operating Cost/ unit	0.82	0.63	0.57
EBITDA	266	310	314
EBITDA/ unit	4.00	4.19	4.25

Notes:

- (1) The capacity is scattered across 10 different states
- (2) It is fully tied up with Discoms at a tariff of Rs. 4.82
- (3) In solar power plants the DC loading of the panels determines the utilisation factor of the capacity. The Mytrah capacity was built 6-7 years ago and thus the panels operate on an older technology compared to the panels at the Solar plant in Vijayanagar.
- (4) It is observed that the operating cost improves by 30% from FY24e to FY26e. The plant is located between SECI IX and X. JSW Energy does the operations and maintenance for all 3 plants and has a long term tie up with a company for spare parts and other ancillary maintenance requirements. This will provide efficiency benefit and shall reflect in lower operating costs.
- (5) The Mytrah solar portfolio consists of 7 Solar SPVs with a generation capacity of 422 MW (487 MWp DC)
- (6) FY24e is the first year this plant will be operational under JSW Energy

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7. Wind #1: Acquisition from Mytrah Energy



Wind Energy Plant (Acquisition from Mytrah Energy – 1331 MW)

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	1331	1331	1331
Capacity Utilization Factor (CUF)	24%	26%	26%
Tariff	4.82	4.82	4.82
P&L (₹ Cr)			
Units generated (Cr KWh)	280	303	303
Revenue	1,349	1,461	1,461
Operating cost	173	146	133
Operating Cost/ unit	0.62	0.48	0.44
EBITDA	1,176	1,315	1,328
EBITDA/ unit	4.20	4.34	4.38

Notes:

- (1) The project is operational in primarily Southern, Western and Central parts of India
- (2) 10 Wind SPVs with a generation capacity of 1,331 MW
- (3) Long term PPA for this project with multiple discoms. The tariff for the Mytrah project has been fixed at Rs. 4.82 (for both solar + wind)
The tariff decided for the Mytrah project is higher than other solar and wind projects as tariffs are decided on the basis of capex undertaken. The Mytrah facility was set up 6-7 years ago when the cost to set up such was higher than it is today.
- (4) The CUF% of the plant is to increase from 24% to 26% as some windmills in the portfolio were not operational, post repairs and maintenance, they will be functional by end of June 2023. 252MW capacity located in South, will be fully operational this year as well. Previously, there was also transmission loss as the transmission lines were not up to industry standard. Post the restoration, this would further contribute to improvement of the CUF%.
- (5) The Mytrah acquisition is a very attractive acquisition – both from 'Build vs Buy' trade off as well as relative value when compared to all acquisitions in this space in recent times. And also, more reasonable than the Greenfield projects

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8. Wind #2: SECI IX – Tamil Nadu



Wind Energy Plant – SECI IX Plant Acquisition – Capacity = 810 MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)		810	810
Capacity Utilization Factor (CUF)		34.0%	34.0%
Tariff (25 years with SECI)		3.00	3.00
P&L (₹ Cr)			
Units generated (cr KWh)		241	241
Revenue		724	724
Operating cost		81	81
Operating Cost/ unit		0.34	0.34
EBITDA		643	643
EBITDA/ unit		2.66	2.66

Notes:

- (1) Located in Tamil Nadu
- (2) The installed capacity is 810MW
- (3) Long term PPA with SECI for 25 years
- (4) Expected to be operational in CY24; thus, financial outcome to be seen in FY25.
- (5) In comparison to the Mytrah projects, SECI IX, X and XII have higher CUF% due to new generation windmills. These have higher towers, which means higher generation of power. The SECI projects have wind turbines with 2.9MW capacity installed, whereas in the Mytrah project as it is 6-7 years old the wind turbines have a capacity of 1.6MW. Thus, due to better technology and higher height of the tower, CUF% is better. And, all new wind projects must mandatorily have a CUF of 34% in the RFP (request for proposal).

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9. Wind #3: SECI X – Tamil Nadu



Representative Image

Wind Energy Plant – SECI X Plant Acquisition – Capacity = 450 MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)	200	450	450
Capacity Utilization Factor (CUF) *	34.0%	34.0%	34.0%
Tariff (25 years with SECI)	2.87	2.87	2.87
P&L (₹ cr)			
Units generated (cr KWh)	60	134	134
Revenue	171	385	385
Operating cost	20	45	45
Operating Cost/ unit	0.34	0.34	0.34
EBITDA	151	340	340
EBITDA/ unit	2.53	2.53	2.53

Notes:

- (1) Located in Tamil Nadu
- (2) The installed capacity is 450MW
- (3) Long term PPA with SECI for 25 years
- (4) 78MW is currently operational, by the end of FY24 approximately 200MW is to be operational and the remaining is expected to be operational in CY24; thus, financial outcome of 450MW to be seen in FY25.

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10. Wind #4: SECI XII – Maharashtra



Representative Image

Wind Energy Plant – SECI XII Plant Acquisition – Capacity = 300 MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)		300	300
Capacity Utilization Factor (CUF) #		34.0%	34.0%
Tariff (25 years with SECI)		2.94	2.94
P&L (₹ cr)			
Units generated (Cr KWh)		11	89
Revenue		32	263
Operating cost		7	30
Operating Cost/ Unit		0.67	0.34
EBITDA		25	233
EBITDA/ unit		2.27	2.60

Notes:

- (1) Located in Maharashtra
- (2) Long term PPA with SECI for 25 years
- (3) The plant is expected to be operational in Dec 24; thus, financial outcome to be observed for Q425 and FY26
- (4) Since the commissioning of the plant will begin later in the year, it is assumed that due to operational delays and time required for stabilisation of the plant, the days taken for electricity generation are 45 days instead of the full 90 days.
At the same time, as the plant will begin operation from Q4FY25, operating costs have been taken for the entire quarter (i.e., 90 days)

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11. Wind #5: JSW Steel Captive Plant – Karnataka



Representative Image

Wind Energy Plant – JSW Steel Plant – Capacity = 733 MW			
PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (AC)		733	733
Capacity Utilization Factor (CUF)		34.0%	34.0%
Tariff		3.30	3.30
P&L (₹ Cr)			
Capacity			
Units generated (Cr KWh)		54	218
Revenue		178	720
Operating cost		18	73
Operating Cost/ unit		0.34	0.34
EBITDA		160	647
EBITDA margin		90%	90%
EBITDA/ unit		2.96	2.96

Notes:

- (1) Located in Vijayanagar, Karnataka
- (2) Group Captive with JSW Steel for 25 years
- (3) Expected to be operational in CY24; thus, financial outcome to be seen in FY25
The commissioning of this plant is to start earlier in the year, thus 733MW will be fully operational in Q4FY25, unlike SECI XII.

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12. Hydro #1: BASPA II – Himachal Pradesh



Hydro Energy Plant – BASPA II (Himachal Pradesh) – Capacity = 300MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (AC)	300	300	300
Capacity Utilization Factor (CUF)	48%	48%	48%
Tariff (PPA with Himachal Govt)	2.2	2.2	2.2
P&L (₹ cr)			
Units generated (cr KWh)	126	126	126
Revenue	278	278	278
Operating cost	39	39	39
Operating Cost/ unit	0.31	0.31	0.31
EBITDA	239	239	239
EBITDA/ Unit	1.89	1.89	1.89

Notes:

- (1) Baspa Plant is located in the higher reaches of the Himalayas, and has a generating capacity of 300 MW. Its diversion barrage is located in village Kuppa, near Sangla, and the powerhouse is located near village Karcham, upstream of the Karcham Dam.
- (2) The plant has 19km of tunnelling.
- (3) Tie up with Himachal Pradesh Govt
- (4) Its estimated generation capacity is 1213 GWh in a 90% dependable year.
- (5) The plant's underground powerhouse accommodates three 100 MW Pelton turbine-generating units
- (6) A 400 KV switchyard with generator transformers and gas-insulated switchgear is installed underground in a cavern
- (7) A double-circuit 400 KV transmission line feeds into the Jhakri sub-station
- (8) The plant has a 7.95km long tunnel with an underground surge shaft that balances the supply of water to the turbines, and the steel-lined pressure shafts branch into a three-unit penstock.

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13. Hydro #2: Karcham Wangtoo – Himachal Pradesh



Hydro Energy Plant – Karcham Wangtoo (Himachal Pradesh) – Capacity = 1091 MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (AC)	1091	1091	1091
Capacity Utilization Factor (CUF)	42%	42%	42%
Tariff (PPA with Himachal Govt)	2.75	2.8	2.2
P&L (₹ cr)			
Units generated (cr KWh)	401	401	401
Revenue	1,104	1,124	883
Operating cost	142	142	142
EBITDA	962	982	741
EBITDA/ unit	2.40	2.45	1.85

Notes:

- (1) Karcham Wangtoo plant is located on river Satluj in District Kinnaur of Himachal Pradesh, and has a generating capacity of 1091MW. Its diversion dam is located at village Karcham and the powerhouse is located near village Wangtoo on NH-5.
- (2) It is the country's Largest Private Sector Hydro-plant.
- (3) The plant is tied up under a long term PPA with the Himachal government.
- (4) The tariff reduction is due to accounting for depreciation in the tariff. The regulator takes into account the effect of depreciation in the tariff; thus, tariffs can reduce over period of time.
- (5) The concrete gravity dam used to generate power is 88m high, 53 m of which is below the riverbed level.
- (6) The plant's pressure shafts feed four generating units of 250MW each, installed in an underground powerhouse at Wangtoo.
- (7) The project comprises of 44.60 km of tunneling in the Himalayan geology
- (8) It consists of a 17km long tunnel, terminating into a 145m high surge shaft

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14. Hydro #3: Kutehr – Himachal Pradesh



Hydro Energy Plant – Kutehr (Himachal Pradesh) – Capacity = 240MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)		240	240
Capacity Utilization Factor (CUF)		52%	52%
Tariff (35 years with Haryana Discoms)		4.5	4.5
Leveised tariff for entire period			
P&L (₹ cr)			
Units generated (cr KWh)		55	109
Revenue		245	492
Operating cost		16	31
Operating Cost/ unit		0.29	0.29
EBITDA		230	461
EBITDA/ unit		4.21	4.21

Notes:

- (1) The plant is located on the river Ravi in the Chamba district of Himachal Pradesh.
- (2) The installed capacity is 240MW with 3X80 MW run of the river Hydro Plant Project
- (3) A long term PPA has been signed for 35-years with Haryana Power Purchase Centre with a fixed tariff of Rs. 4.50/ Kwh
- (4) The plant expected to be commissioned by September 2024, so will we see revenue generation for the remaining 6 months (i.e., 182 days) of the year

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15. Battery Energy Storage Systems



Solar Battery Storage - Capacity = 500MW

PARTICULARS	FY 24e	FY 25e	FY 26e
Assumptions			
Installed Capacity (MW)		500	500
Tied up capacity (60%)		300	300
Merchant Market (Open Capacity)		200	200
Hours in 1 cycle		2	2
Hours functional in a day (2 cycles/ day)		4	4
Tariff for Tied Up Capacity (L/MW/Month)		10.85	10.85
Merchant Market (Open Capacity)		4.4	4.4
P&L (₹ cr)			
Units generated (cr KWh)		18	73
Revenue		128	519
Tied Up Capacity		96	391
Merchant Market		32	128
Operating cost		15	60
Operating cost/ unit		0.82	0.82
EBITDA		113	459
EBITDA/ unit		6.29	6.29

Notes:

- (1) Identified site is at Fatehgarh, Rajasthan
- (2) JSW Renew Energy Five Limited, a 100% stepdown subsidiary of JSW Energy Limited (or 'the Company') has received Letter of Awards (LoA) for total 500MW/1,000MWh Standalone Battery Energy Storage Systems (two projects each of 250 MW / 500 MWh) from Solar Energy Corporation of India Limited (or 'SECI')
- (3) The company will be entitled to receive a fixed capacity charge of ₹10.8 lakhs per MW per month for twelve years. SECI's obligation shall be limited to 60% of the project capacity/energy and remaining 40% of the project capacity is to be managed by JSWEL.
- (4) This will be operational in Q4FY25, thus financial effect seen only for last quarter (i.e., 90 days).

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INDUSTRY

India is the 3rd largest producer and consumer of electricity worldwide, with an installed power capacity of 416.6 GW as of 30th April, 2023. India was ranked 4th in renewable sources of energy (wind, solar, and hydro) by installed capacity, as of 2021.

Country is witnessing rapid growth in electricity consumption averaging around ~10/12% p.a.

Govt. Initiatives:

1. As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of US\$ 1.4 trillion (Rs. 111 lakh Cr).
2. In the Union Budget 2022-23, the government allocated US\$ 885 million (Rs. 7,327 Cr) for the solar power sector including grid, off-grid, and PM-KUSUM projects.
3. India has been on a path to achieve 100% household electrification as envisaged under the Saubhagya scheme. As of March 2021, more than 2.82 crore households were electrified under the Saubhagya scheme.
4. The Green Energy Corridor projects have been initiated to facilitate renewable power evacuation and reshaping the grid for future requirements. As on October 2022, 8651 ckm (circuit km) of intra-state transmission lines have been constructed and 19,558 MVA intra-state substations have been charged.
5. To encourage rooftop solar (RTS) throughout the country, Ministry New and Renewable Energy has developed a National Portal wherein any residential consumer from any part of the country can apply for rooftop solar without waiting for Discom to finalize tender and empanel vendors. Since the launch on July 30, 2022, the total number of applications received on the national portal is for 117 MW solar capacity and the feasibility of more than 18 MW projects is granted.
6. Production Linked Incentive Scheme (Tranche II) on 'National Programme on High Efficiency Solar PV Modules', with an outlay of US\$ 2.35 billion (Rs. 19,500 crore) was approved and launched.
7. As of August 24, 2022, over 36.86 crore LED bulbs, 72.18 lakh LED tube lights and 23.59 lakh energy-efficient fans have been distributed across the country, saving around 48,411 million kWh per year and around Rs. 19,332 crore (US\$ 2.47 billion) in cost savings.
8. As of November 2022, over 51.62 lakh smart metres have been deployed under the National Smart Grid Mission (NSGM), with a further 61.13 lakh to be deployed.
9. Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).
10. In February 2022, a parliamentary standing committee recommended the government to take steps to increase the loan limit for renewable energy sector under priority sector lending. The current limit stands at Rs. 30 crore (US\$ 3.93 million).
11. In December 2021, West Bengal got a loan approval for US\$ 135 million from the International Bank for Reconstruction and Development (also called the World Bank) to improve the operational efficiency and reliability of electricity supply in select regions in the state.
12. In November 2021, the government announced future plans to increase the funding under the PLI scheme for domestic solar cells and module manufacturing to RS. 24,000 crore (US\$ 3.17 billion) from the existing Rs. 4,500 crore (US\$ 594.68 million) to make India an exporting nation.
13. In November 2021, Energy Efficiency Services Limited (EESL) stated that it will partner with private sector energy service companies to scale up its Building Energy Efficiency Programme (BEEP).
14. Total installed capacity by 2030 is expected to be ~ 820GW majorly through renewable sources of energy; with a run rate of 30GW p.a.

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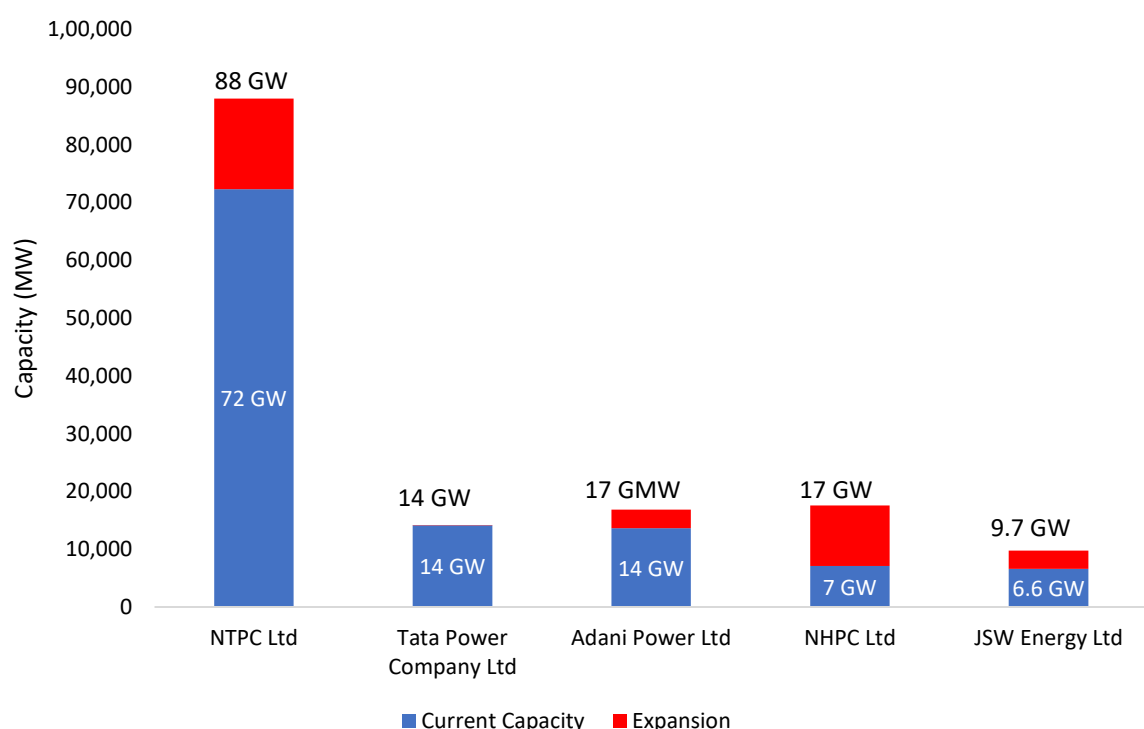
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PEER COMPARISON

Company	M Cap (Rs. Cr)	EPS (Rs.)	P/E	P/S	P/BV	EV/ EBITDA	EBITDA (%)	ROE (%)	ROCE (%)
NTPC Ltd	1,80,746	17.4	10.7	1.02	1.22	7.97	27%	12%	10%
Tata Power Company Ltd	70,250	10.4	21.7	1.28	2.44	8.56	14%	13%	12%
Adani Power Ltd	97,735	27.8	9.1	2.52	3.29	9.66	26%	44%	16%
NHPC Ltd	46,398	3.87	11.9	4.36	1.26	10.6	59%	11%	9%
JSW Energy Ltd	44,349	8.99	34	4.3	2.41	17.6	32%	7.22%	7.29%

Peer Capacity Comparison



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Peer generation capacity

1. NTPC Ltd

- a. The total installed capacity of the company is 72,304 including 23 coal-based, 7 gas based, 1 Hydro 1 Wind 18 Solar and 1 Small hydro plant. Under JV, NTPC has 9 coal-based, 4 gas based, 8 hydro-based and 5 renewable energy projects.
- b. As on 31.03.2020 the company had 17% of the total national capacity and, it contributes 21% of total power generation due to its focus on high efficiency.
- c. In addition to furthering Capacity Addition through Coal based power projects, the Company has been pursuing enhancement of its power generation portfolio through Hydro and Renewable Energy projects. Various projects of your Company having aggregate capacity of 15,675.32 MW including 7,494 MW being undertaken by Joint Venture and Subsidiary companies are under implementation in India and abroad. Total Capacity under Construction comprises of 9,980 MW of Coal (Including 5,080 MW being undertaken by Joint Venture and subsidiary companies), 2,255 MW of Hydro (Including 1,444 MW being undertaken by Joint Venture and subsidiary companies) and 3,440 MW of Renewable projects (Including 970 MW being undertaken by subsidiary company).

2. Tata Power Company Ltd

- a. Tata Power, together with its subsidiaries & joint entities, has a generation capacity of 14,110 MW of which 37% comes from clean energy sources.
- b. Tata Power has signed an MoU with the Tamil Nadu Government to invest approx. ₹ 3,000Cr for setting up a greenfield 4 GW Solar Cell and 4 GW Solar Module manufacturing plant in Tirunelveli. Further, your Company expanded its state-of-the-art manufacturing facility in Bengaluru, taking the total production capacity of cells and modules to 530 MW and 670 MW respectively.
- c. The Company does not have any greenfield or brownfield expansion plans in the near term but would continue to maintain the existing thermal and hydro operations in a sustainable manner. The Company will, however, be evaluating inorganic opportunities that might come up in hydro power generation assets. The Company has added 67.5 MW in Waste Heat Recovery (WHR) based portfolio through its JV, Industrial Energy Limited (IEL) with Tata Steel Limited.

3. Adani Power Ltd

- a. Adani Power Limited is the largest private thermal power producer in India with an installed capacity of 13,650 MW. Their eight power plants are spread out across the states of Gujarat, Maharashtra, Rajasthan, Karnataka, Chhattisgarh, and Madhya Pradesh.
- b. They have two upcoming thermal plants
 - i. Godda, Jharkhand - Capacity: 1600 MW (2x800 MW)
 - ii. Singrauli Expansion, Madhya Pradesh - Capacity: 1600 MW (2X800 MW)

4. NHPC Ltd

- a. 7071 MW installed capacity (6971 MW Hydro & 100 MW Renewable Energy) through 24 power stations.
- b. Upcoming projects for capacity expansion total to 22,588MW (=22.5GW)
 - i. Projects Under Construction (including Subsidiary & JV) will have a cumulative capacity of 10,515MW
 - ii. Projects Under Clearance are:
 1. Standalone = 3,116MW
 2. Subsidiaries = 996 MW
- c. Projects Under Survey & Investigation = 890MW

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JSW ENERGY – A Sneak Peek

JSW Energy, a prominent player in India's energy sector, is well-positioned to align with India's ambitious energy goals and offers a compelling investment opportunity. As India strives to address its increasing power demand, enhance energy mix, and promote renewable sources, JSW Energy stands out with its strategic vision and ongoing initiatives.

India's plans for a significant transformation in the electricity sector during the current decade present a favourable environment for JSW Energy. With its target of reaching a capacity of 20 GW by 2030 and a near-term goal of 10 GW by 2025, JSW Energy showcases its commitment to expansion and growth. The company has already achieved a locked-in capacity of 9.9 GW, with 3.9 GW in thermal capacity and 6.0 GW in renewable energy assets. This substantial renewable energy capacity demonstrates JSW Energy's proactive stance in embracing clean and sustainable sources.

Moreover, JSW Energy's dedication to increasing the share of renewable energy to 85% by 2030 highlights its alignment with India's goal of reducing reliance on fossil fuels. The company currently has 2.2 GW of renewable energy projects under construction, including significant wind projects tied with SECI, expected to be fully commissioned within the next 12-18 months. In addition, the recent acquisition of Mytrah Energy's 1.75 GW renewable energy assets will bolster JSW Energy's platform capacity to 9.9 GW, further solidifying its position as a leader in the renewable energy sector.

JSW Energy's forward-thinking approach is exemplified through its subsidiary, JSW Neo Energy Limited, which focuses on emerging energy businesses. By evaluating opportunities in hydro pumped storage, battery energy storage, green hydrogen, and energy products and services, JSW Energy demonstrates its adaptability to future market trends and its commitment to staying at the forefront of the energy transition.

In light of India's robust infrastructure development plans and the prioritization of the energy sector, JSW Energy's growth prospects are highly favourable. The National Infrastructure Pipeline 2019-25 designates energy sector projects as the highest share of expected capital expenditure, signalling substantial investment opportunities. Furthermore, the government's budget allocation of US\$ 885 million (Rs. 7,327 Cr) for the solar power sector reaffirms the strong policy support and momentum behind renewable energy growth, providing a conducive environment for JSW Energy's endeavours.

As of 2021-22, India's per capita electricity consumption stood at 1255 kWh, which is approximately one-third of the global average. In stark contrast, the United States boasts a per capita electricity consumption of 12,314 kWh, highlighting the significant growth potential for India's energy consumption.

This substantial gap between India and developed nations like the United States indicates a tremendous opportunity for the power sector. As India strives to provide reliable access to sufficient electricity for all its citizens, there will be a substantial increase in electricity demand.

Considering the positive growth trajectory of India's electricity consumption, which witnessed a YoY increase of 11% in December 2022, and the projected power requirement of 817 GW by 2030, JSW Energy's expansion plans are well-aligned with the country's needs. ***The company's commitment to renewable energy, its track record in operational and under-construction projects, along with strategic acquisitions positions JSW Energy as a reliable and promising investment choice for those seeking to capitalize on India's energy sector growth and its transition to a more sustainable future.***

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Consolidated Statement of Profit and Loss (Rs. Cr)

Particulars	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	9138	8273	6922	8167	10332
Other Income	368	287	237	569	535
Total Income	9506	8560	7160	8736	10867

Expenses	6284	5316	4016	4598	7050
EBITDA	3221	3244	3144	4138	3817
Finance costs	1192	1051	896	777	844
EBTDA	2029	2193	2248	3361	2973
Depreciation and amortisation expense	1164	1168	1167	1131	1169
EBT	865	1025	1081	2230	1804
Share of profit / (loss) of joint venture	32	28	17	9	19
Profit before tax and exceptional items	897	1053	1099	2238	1823
Exceptional items	0	61	0	0	120
Profit before tax	897	1114	1099	2238	1943
Total Tax Expense	212	33	276	495	463
PAT	684	1081	823	1743	1480

Common size statement of Consolidated P&L

Particulars	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	96%	97%	97%	93%	95%
Other Income	4%	3%	3%	7%	5%
Total Income	100%	100%	100%	100%	100%

Expenses	66%	62%	56%	53%	65%
EBITDA	34%	38%	44%	47%	35%
Finance costs	13%	12%	13%	9%	8%
EBTDA	21%	26%	31%	38%	27%
Depreciation and amortisation expense	12%	14%	16%	13%	11%
EBT	9%	12%	15%	26%	17%
Share of profit / (loss) of joint venture	0%	0%	0%	0%	0%
Profit before tax and exceptional items	9%	12%	15%	26%	17%
Exceptional items	0%	1%	0%	0%	1%
Profit before tax	9%	13%	15%	26%	18%
Total Tax Expense	2%	0%	4%	6%	4%
PAT	7%	13%	11%	20%	14%

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Consolidated Balance Sheet (Rs. Cr)

Particulars	FY19	FY20	FY21	FY22	FY23
A] ASSETS					
Gross Block	18972	17866	16795	15965	26095
Accumulated Depreciation	1148	1153	1159	1134	1066
Net Block	17825	16713	15637	14831	25029
2] Capital Work-in-progress	400	391	473	2091	4780
3] Investments	2451	1854	4052	6623	6033
4] Other Assets	5251	6154	6275	7388	12900
TOTAL ASSETS	25926	25112	26436	30932	48742
B] EQUITY & LIABILITIES					
1] Equity	1,629	1,618	1,634	1,642	1,746
2] Reserves	10,181	10,004	12,865	15,775	16,988
3] Borrowings	11,607	11,150	9,942	10,909	27,070
4] Other Liabilities	2,509	2,340	1,996	2,606	2,937
TOTAL EQUITY & LIABILITIES	25926	25112	26436	30932	48742

Common size statement of Consolidated Balance Sheet

Particulars	FY19	FY20	FY21	FY22	FY23
A] ASSETS					
Gross Block	73%	71%	64%	52%	54%
Accumulated Depreciation	4%	5%	4%	4%	2%
Net Block	69%	67%	59%	48%	51%
2] Capital Work-in-progress	2%	2%	2%	7%	10%
3] Investments	9%	7%	15%	21%	12%
4] Other Assets	20%	25%	24%	24%	26%
TOTAL ASSETS	100%	100%	100%	100%	100%
B] EQUITY & LIABILITIES					
1] Equity	6%	6%	6%	5%	4%
2] Reserves	39%	40%	49%	51%	35%
3] Borrowings	45%	44%	38%	35%	56%
4] Other Liabilities	10%	9%	8%	8%	6%
TOTAL EQUITY & LIABILITIES	100%	100%	100%	100%	100%

Risks & concerns

- ✚ **Regulatory and Policy Risks:** The power sector in India is subject to regulatory changes, policy revisions, and government interventions, which can impact the business environment. Changes in tariff regulations, subsidy structures, renewable purchase obligations, or other government policies may affect the company's profitability and revenue streams.
- ✚ **Environmental and Social Factors:** As a power generation company, JSW Energy operates in an industry with significant environmental and social considerations. Compliance with environmental regulations, managing environmental impacts, and addressing social concerns such as land acquisition and community relations are critical for the company's operations and reputation. Any adverse environmental incidents or failure to meet social obligations can lead to reputational damage, regulatory penalties, or legal challenges.
- ✚ **Technological Disruptions:** The energy sector is witnessing rapid technological advancements and disruptions, including advancements in renewable energy technologies, energy storage, Hydrogen as a form of energy and decentralized power generation. While JSW Energy has made investments in renewable energy and energy storage, the company needs to continually adapt to emerging technologies to remain competitive.

Source: All data used in this report have been taken from JSW Energy, Bloomberg and CSEC Research

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