

Press Release

February 2, 2015

Financial Results for the Quarter and Nine Months ended December 31, 2014

JSW Energy reports highest quarterly Profit after Tax of ₹380 crore

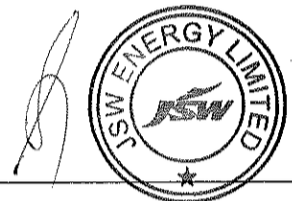
Mumbai, India: JSW Energy Limited ("JSW Energy" or the "Company") today reported its results for the Third Quarter ("3Q FY15" or the "Quarter") and the Nine months ("9M FY2015" or the "9 Month") ended 31st December, 2014.

Key highlights of the quarter:

- Highest quarterly net generation of 5,366 million units
- Highest quarterly PAT of ₹380 crore, **up by 87% over corresponding quarter of the previous year**
- Total Income from operations ₹2,381 crore, **up by 11% over corresponding quarter of the previous year**
- EBITDA of ₹1,012 crore, **up by 19% over corresponding quarter of the previous year**
- Deemed PLF at 86% as against 83% in the corresponding quarter of the previous year

Consolidated Operational Performance:

During the quarter, the Company achieved a net generation of 5,366 million units with the average deemed PLF of 86%. The impressive operational performance is primarily due to, stabilization of operations of Barmer unit and correspondingly improved efficiencies in operating parameters. While there have been intermittent back downs during the non-peaks hours, the Company was able to schedule power and achieve higher PLF for its Vijayanagar and Ratnagiri units compared to the corresponding quarter of previous year.



PLF achieved during 3QFY15 at the respective locations was as under –

- **Vijayanagar** achieved average PLF of 100% as against 99% in the corresponding quarter of the previous year.
- **Ratnagiri** operated at an average PLF of 84% as against an average PLF of 68% in the corresponding quarter of the previous year.
- **Barmer** achieved an average deemed PLF of 77% as against an average deemed PLF of 87% in the corresponding quarter of the previous year, while the operating PLF improved from 32% to 73%.

The net generation at different locations was as under:

(Figures in million units)

Location	3QFY15	3QFY14
Vijayanagar	1,770	1,740
Ratnagiri	2,024	1,622
Barmer	1,572	672
Total	5,366	4,034

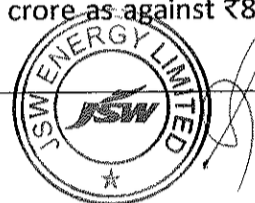
During the quarter, the merchant sales was 2,496 million units; the sales under Long Term PPA was 2,870 million units resulting in a mix of 53% Long Term and 47% Merchant.

Fuel Cost:

The fuel cost for the quarter is at ₹1,236 crore, higher by 16% compared to the corresponding quarter of the previous year primarily due to increased generation which was partly offset by a decline in the international prices of coal and fairly stable exchange rate.

Consolidated Financial Performance:

During the current quarter, the Total Income from operations is ₹2,381 crore as against ₹2,151 crore in the corresponding quarter of the previous year, an increase of 11%. EBITDA (before exceptional items) for the quarter is ₹1,012 crore as against ₹847 crore in the



corresponding quarter of the previous year, higher by 19% primarily due to higher volumes and reduction in fuel cost. The Company earned the highest ever profit after tax (PAT) of ₹380 crore for the current quarter as against ₹203 crore, up by 87% as compared to the corresponding quarter of the previous year.

The Consolidated Net Worth and Consolidated Net Debt as at December 31, 2014 were ₹7,580 crore and ₹8,803 crore respectively resulting in a net debt equity ratio of 1.16 times.

Projects Update:

▪ **240 MW – at Kutehr, Himachal Pradesh (HP) –**

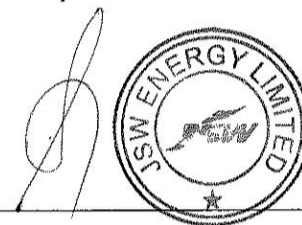
The Company has commenced enabling works on the project and expects the award of the EPC contracts for the project to be completed by April, 2015. The cost incurred on the project up to December 31, 2014 is ₹236 crore.

▪ **Barmer Lignite Mining Co. Ltd (BLMCL) –**

During the quarter BLMCL has despatched 1.72 MT of Lignite to feed the Company's power plant at Barmer. The project cost is estimated at ₹1,800 crore (comprising both Kapurdi & Jalipa mines) and cost incurred till December 31, 2014 is ₹1,768 crore.

Key Updates:

- At the Board meeting of the Company held today, inter alia, it was decided to seek shareholders' approval for an enabling resolution to raise funds through a combination of ordinary shares, convertible bonds, debentures, warrants or other equity linked instruments in the domestic and/or international markets in one or more public or private tranches for an aggregate amount not exceeding ₹5,000 crore in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and other applicable laws. The above fund raising proposals will be for meeting the Company's organic and inorganic growth opportunities, long term working capital, capital expenditure requirements and other general corporate purposes.



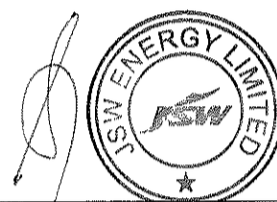
- The Board has also approved seeking shareholders' approval for an enabling resolution to invest in/acquire the securities of any body corporate by way of subscription/purchase or otherwise, up to an amount of ₹7,500 crore over and above the present permissible limit, subject to necessary approvals and consents.
- The Board of the Company has approved, subject to necessary consents and approvals, a Scheme of Arrangement u/s 391 – 394 of the Companies Act, 1956 which envisages demerger of the power trading business from JSW Power Trading Company Limited (JSWPTC) into JSW Green Energy Limited, a wholly owned subsidiary of the Company and merger of residual JSWPTC into the Company. The restructuring of the business is being undertaken with the objective of creating a focused power trading business and consolidating all the investments in the Company.

Outlook:

The government's intent to create a favorable investment climate with major policy initiatives, aimed at generating employment and inclusive growth, provides a platform for a sustainable economic growth over the medium to long term. The issues confronting the power sector ranging from fuel availability, transmission corridor congestion, distribution reforms, etc. are also expected to ease with these policy initiatives. These measures are likely to kick start economic growth and result in improvement of power demand and generation. This growth visibility is expected to facilitate consolidation in the power sector.

All India power demand grew by 9.2% yoy in 3QFY15 and all India PLF also improved to approx. 66% (compared to approx. 62% in 2QFY15). The international coal prices have declined in line with a steep correction in energy and commodity prices globally primarily due to a slowdown in China, continued weakness of Europe and fragility of the emerging economies.

The improvement in the domestic macro-economic front and easing inflation has led to a reversal of monetary tightening cycle which is expected to continue into FY 2016.



The benign outlook of international coal prices, coupled with improving domestic economic growth prospects, on the back of policy initiatives, are expected to have a favorable impact on the power sector in India going ahead.

About JSW Energy Limited

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interests in carbon steel, power, mining, industrial gases, port facilities, aluminium, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan, Himachal Pradesh and Chhattisgarh. The Company has an operational capacity of 3,140 MW. The Company is an early entrant in the Power Trading and Power Transmission business and plans to enter into power distribution business, generation through non-conventional energy sources and tie-ups with well-known equipment manufacturers and suppliers. It is working towards building a full service integrated energy business.

Forward looking and Cautionary Statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Power Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for Power, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

