



**JSW Energy – Consolidated Net profit up by 73% at
Rs. 205 crores for Q3, FY 2010**

JSW Energy Ltd (JSWEL) has achieved impressive performance with consolidated profit after tax (PAT) of Rs. 205 crores for the quarter ended December 31, 2009, a growth of 73% compared to the PAT of Rs. 118.51 crores in the corresponding quarter of previous year primarily on account of enhanced generation from capacity additions during this fiscal, sale of significant quantity on short term basis and reduction in fuel costs.

The key performance highlights for the quarter ended December 31, 2009 are as under:-

	UOM	Standalone		Consolidated	
		Amount	Compared with Q3'FY09	Amount	Compared with Q3'FY09
Net Generation	mln units	1592	199%	1642	208%
Total Income	Rs. Crs	712.42	74.40%	711.00	22.29%
EBITDA	Rs. Crs	420.24	88.95%	395.84	110.47%
PAT	Rs. Crs	237.05	54.12%	204.87	72.88%
Debt gearing	Times	0.52		1.78	



The aforesaid growth was achieved despite floods which ravaged South India during October, 09 affecting power generation.



Operational Performance:

Despite the challenging environment during the quarter, the company has still been able to register PLF of 99.64 % for the 260 MW power plant and 87.5% for the 600 MW power plant. The PLF for 135 MW power plant at Barmer (which achieved Commercial Operation (COD) on November 26, 2009) was at 50.80%, primarily due to inadequate and erratic water availability through the temporary source established for power generation and lead time for stabilization of the CFBC based power plant. The permanent water supply from the IGNP canal is expected to be available from February 2010 upon the commissioning of the 184 km water pipeline.

During the quarter, the company achieved the highest cumulative net generation of 1,642 million units of which 1,592 million units were generated from 860 MW in Vijayanagar Works and 50 million units from 135 MW Barmer unit. The company sold 1,198 million units on short term basis and balance 444 million units was sold under the Long term PPA.

During the nine month period ending December 31, 2009, the company achieved cumulative net generation of 3,373 million units, a growth of 119% over the corresponding period in the previous fiscal. About 73% of the power at 2,470 million units was sold during this period on short term basis.

Financial Performance

On the back of excellent operating performance, the company on a consolidated basis achieved Total Income of Rs. 711.00 crores, EBIDTA of Rs. 395.84 crores and Profit after Tax of Rs. 204.87 crores, registering a growth of 22.29%, 110.46% and 72.88% respectively over the corresponding quarter of the previous



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year. With major volumes being sold on short term sales, the company has been booking significant quantity under firm contracts basis which has enable the company to withstand the subdued price for short term power on day ahead basis. Going forward, the endeavor of the company will be to continue to book major quantities under the firm contract for periods ranging upto 11 months.

JSWEL successfully raised Rs. 2,700 crores through the Initial Public Offering (IPO) of shares in December,09 and the shares were listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on January 4th, 2010. As part of the IPO, the company issued 267,326,604 number of fresh shares, resulting in a dilution of 16.30%. The enhanced share capital of the company post IPO now stands at 1,640,054,795 shares of Rs. 10 each

As at December 31, 2009, on Consolidated basis, net worth and total debt is Rs. 4640 crores and Rs. 8239 crores respectively. The debt gearing of the Company on Consolidated basis stands at 1.78 times.

Key Developments

a) Investment in wholly owned overseas subsidiary

The Board of Directors have accorded their consent for formation of a wholly owned overseas subsidiary aimed at acquiring coal mines to secure its fuel requirements. The company proposes to make equity investments or provide loans funds and /or provide corporate guarantee for loan by the wholly owned overseas subsidiary for an aggregate amount not exceeding US\$ 1 billion, subject to necessary approvals.



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b) Setting up of Special Purpose Vehicle for West Bengal power plant & captive mine development

The Board of Directors have accorded their consent for formation of SPV between the company and JSW Bengal Steel Ltd. to set up a 1,600 MW (2 X 800 MW) power plant at Ichhapur, West Bengal utilizing the thermal coal from Ichhapur coal mines, subject to necessary approvals.

The company will have 74% shareholding in the SPV while JSW Bengal Steel Ltd. (JSWBSL) will hold the balance 26%. Additionally, JSWBSL will be entitled to procure 51% power generated by the SPV, being a captive power consumer in accordance with the regulations of the Electricity Act, 2003. The balance power will be available with the SPV for sale. The entire project is scheduled to be completed by March 2015.

The SPV will develop the power project as also the captive thermal coal mine at an estimated cost of Rs. 7,680 crores and Rs, 2,000 crores respectively. The project is proposed to be financed with a debt equity ratio of 3:1

Project Update:

a) Status of projects under construction and implementation

1,200 MW – Ratnagiri plant

The work on the power plant is progressing well and the commissioning activity is expected to commence with the boiler light in January 2010 and the first unit is expected to be synchronized in the last quarter of current fiscal. The transmission line connecting Jaigad to New Koyna is expected to be



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commissioned in February 2010. This is expected to expedite the power plant commissioning.

1,080 MW – Barmer plant

Pursuant to the COD of the 1st unit, the work on the other 7 units is progressing as per schedule to achieve commissioning of the units during fiscal 2011. During the current fiscal, efforts are being focused to achieve commissioning of the permanent water supply pipeline to ensure sustainable operations.

240 MW – Kutehr plant

The project has been accorded the technical viability by Central Electricity Authority while the approval on the EIA & EMP report from the state pollution control board has also been received. The land acquisition and the tender placement process are in progress. The project is targeted to achieve commissioning by Sept 2015.

270 MW – Barmer (Phase II)

The preliminary work on the Project is progressing satisfactorily while the necessary approvals are awaited

(b) Projects under development

The work on the projects under development is progressing as per schedule with land acquisitions being in progress at Ratnagiri for 3,200 MW, Chattisgarh for 1,320 MW and West Bengal for 1,600 MW. The company is also in the process of obtaining necessary approvals for these projects for commencement of work on these projects.



Change of Directors:

Mr. Shailesh Shah resigned from the Board of Directors with effect from January 19, 2010.

Mr. Nirmal Kumar Jain has been appointed as Additional and Whole Time Director on the Board of the Company and designated as Vice Chairman with effect from January 21, 2010.

Outlook:

The Indian economy has responded well to the global economic crisis due to prompt policy measures. The economy is back in growth mode with recessionary pressures receding. With the economic development gathering pace, the power sector will need to add significant capacity to ensure that the growth momentum is sustained.

The demand supply mismatch is expected to continue in the medium term as the actual capacity addition continues to lag behind the set targets. Further, the domestic coal mining also needs to be keep pace with the capacity addition to ensure that the projects have adequate fuel availability. Although, the day ahead short term tariff have been subdued in the last few weeks, the expected increase in demand supply mismatch can lead to increase in the short term tariffs till significant capacity additions are achieved.

The imported coal prices are firming up in the international markets with the global economy slowly getting back to its feet. Increases in imported coal prices are expected to impact the margin as the scope for pass through in tariffs are limited.



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About JSW Energy Ltd

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interest in mining, carbon steel, power, industrial gases, port facilities, aluminium, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. The Company has the operational capacity of 995 MW, apart from 2,145 MW of generating capacity under construction. By 2015, the Company aims to generate 11,390 MW. The Company is an early entrant in the Power Trading Business and plans to enter in the power transmission business, 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 Statement

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

