

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
JSW ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **JSW ENERGY LIMITED** ("the Company"), which includes Joint Operations consolidated on a proportionate basis, for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Attention is invited to note 2 to the Statement regarding the reasons for initiating exercise of assessment of recoverable amount of investment of Rs. 100.23 crore in equity shares of an associate and of recoverability of loan of Rs. 291.60 crore to a subsidiary. Pending conclusion of the said exercise, we are unable to comment on the impairment/provision, if any, which may be required in respect of the carrying amounts of the said assets.
4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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5. Attention is invited to note 3 to the Statement regarding the factors considered by the Company in assessing recoverability of the carrying amounts of property, plant and equipment of Rs. 3.60 crore, capital work in progress of Rs. 237.77 crore, capital advance of Rs. 0.07 crore and investment of Rs. 29.02 crore in a subsidiary, where underlying project is on hold, and the conclusion that the carrying amounts are recoverable.

Our report on the Statement is not qualified in respect of this matter.

6. The standalone unaudited financial results includes the Company's proportionate share of expenditure of Rs. 1.55 crore and Rs. 6.56 crore for the quarter and nine months ended December 31, 2017 respectively, in respect of joint operations which are based on financial information certified by the Management.

Our report on the Statement is not qualified in respect of our reliance on the interim financial information certified by the Management.

7. The comparative financial information of the Company for the corresponding quarter and nine months ended December 31, 2016 were reviewed and for the year ended March 31, 2017 were audited by the predecessor auditor who expressed an unmodified conclusion/ opinion on those financial results on January 23, 2017 and April 29, 2017 respectively.

Our report on the Statement is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. Siddharth

Partner

(Membership No. 31467)

Mumbai, February 6, 2018

JSW ENERGY LIMITED

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051

CIN : L74999MH1994PLC077041

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31.12.2017

(₹ Crore)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|--|-----------------|-----------------|----------------|-------------------|-----------------|-----------------|
| | | 31.12.2017 | 30.09.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 | 31.03.2017 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income: | | | | | | |
| | a) Revenue from operations | 1,134.62 | 938.79 | 913.79 | 3,195.52 | 3,027.99 | 4,040.97 |
| | b) Other income | 97.96 | 146.43 | 65.70 | 358.02 | 251.08 | 328.55 |
| | Total income | 1,232.58 | 1,085.22 | 979.49 | 3,553.54 | 3,279.07 | 4,369.52 |
| 2 | Expenses: | | | | | | |
| | a) Fuel cost | 862.21 | 657.07 | 670.70 | 2,357.41 | 1,990.61 | 2,721.20 |
| | b) Purchase of power | - | - | - | - | - | 33.67 |
| | c) Employee benefits expense | 25.51 | 25.52 | 28.75 | 80.93 | 89.14 | 120.10 |
| | d) Finance costs | 107.85 | 127.90 | 127.32 | 357.49 | 419.77 | 533.04 |
| | e) Depreciation and amortisation expense | 89.10 | 93.36 | 91.94 | 275.01 | 273.37 | 363.90 |
| | f) Other expenses | 65.19 | 53.45 | 74.17 | 179.88 | 194.95 | 260.73 |
| | Total expenses | 1,149.86 | 957.30 | 992.88 | 3,250.72 | 2,967.84 | 4,032.64 |
| 3 | Profit / (loss) before tax (1-2) | 82.72 | 127.92 | (13.39) | 302.82 | 311.23 | 336.88 |
| 4 | Tax expense: | | | | | | |
| | - Current tax | 21.92 | 26.17 | (2.86) | 66.53 | 66.42 | 73.16 |
| | - Deferred tax | 9.25 | 30.15 | 13.92 | 61.57 | 52.51 | 68.97 |
| 5 | Net profit / (loss) after tax for the period / year (3-4) | 51.55 | 71.60 | (24.45) | 174.72 | 192.30 | 194.75 |
| 6 | Other comprehensive income | | | | | | |
| A | (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | 0.22 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | (0.05) |
| B | Items that will be reclassified to profit or loss | (6.59) | 2.08 | 4.09 | (5.75) | 3.07 | (10.62) |
| | Total other comprehensive income | (6.59) | 2.08 | 4.09 | (5.75) | 3.07 | (10.45) |
| 7 | Total comprehensive income for the period / year (5+6) | 44.96 | 73.68 | (20.36) | 168.97 | 195.37 | 184.30 |
| 8 | Paid-up equity share capital (net of treasury shares) (Face value of ₹ 10 per share) | 1,639.93 | 1,637.25 | 1,627.62 | 1,639.93 | 1,627.62 | 1,627.95 |
| 9 | Other equity | | | | | | 6,765.61 |
| 10 | Earnings per share (EPS) (not annualised) | | | | | | |
| | - Basic EPS (₹) | 0.31 | 0.44 | (0.15) | 1.07 | 1.18 | 1.20 |
| | - Diluted EPS (₹) | 0.31 | 0.44 | (0.15) | 1.07 | 1.18 | 1.20 |

Notes :

- 1 The Company is engaged in only one segment viz. "Generation and Sale of Power".
- 2 The Management, during the previous quarter, initiated exercise of assessing (i) recoverable amount of investments of ₹ 100.23 crore in equity shares of an associate, in terms of Indian Accounting Standard 36, 'Impairment of Assets', having regard to substantial erosion of its net worth, and is also in discussion with the co-investor for selling its stake; and (ii) recoverability of loan of ₹ 291.60 crore to a subsidiary, in terms of Indian Accounting Standard 109, 'Financial Instruments', having regard to substantial delay in resuming its operations. Impairment/Provision, if any, shall be recognised upon conclusion of the aforesaid exercise.
- 3 The Management has, based on estimates of value of its business, assessed net carrying amounts of property, plant and equipment of ₹ 3.60 crore, capital work in progress of ₹ 237.77 crore, capital advance of ₹ 0.07 crore and investment of ₹ 29.02 crore in a subsidiary where underlying project is on hold due to various reasons and concluded that they are recoverable. In making the said assessment, the factors considered include likely favorable impact of government policies, commencement of commercial operations, operational margins, power supply agreements etc.
- 4 The proposed acquisition of 500MW Bina project from Jaiprakash Power Ventures Limited stands terminated with the elapsing of the long stop date of December 31, 2017.
- 5 Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.
- 6 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter and nine months ended December 31, 2017.

For and on behalf of the Board of Directors



Prashant Jain
Jt. Managing Director & CEO
[DIN:01281621]

Place : Mumbai
Date : 6.2.2018



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