



JSW ENERGY LTD

The Board of JSW Energy Ltd., at its meeting held today at Mumbai, approved the results for the quarter ended September 30, 2013.

Key highlights for Q2' FY 14 (Consolidated):

- Net generation of 4,352 Mus, as against 4,593 Mus in the corresponding quarter of the previous year
- Total Income from operations ₹ 2,025 crores, as against ₹ 2,077 crores in the corresponding quarter of the previous year
- EBITDA of ₹ 893 crores, up 43% over corresponding quarter of the previous year
- PAT of ₹ 163 crores as against ₹ 254 crores in the corresponding quarter of the previous year

Key highlights for H1' FY 14 (Consolidated):

- Net generation of 9,449 Mus, as against 9,324 Mus in the corresponding period of the previous year.
- Total Income from operations ₹ 4,497 crores, up 5% over corresponding period of the previous year.
- EBITDA of ₹ 1,861 crores, up 45% over corresponding period of the previous year.
- PAT of ₹ 377 crores, up 46% over corresponding period of the previous year.

Operational Performance (Consolidated)

The Company achieved an average PLF of 69.38% in Q2 2013-14 and a net generation of 4,352 million units in the second quarter on an installed capacity of 3,140 MW. PLF during the quarter was significantly lower primarily due to frequent back down by the load despatch centre mainly due to heavy monsoon, slackness in power procurement by utilities and annual overhauling & maintenance shutdowns of units.

PLF achieved during Q2 2013-14 at the respective locations were as under:

- Vijayanagar: The plant achieved average PLF of 78% as against 100% in the corresponding quarter of the previous year
- Ratnagiri: The plant operated at an average PLF of 74% as against an average PLF of 90% in the corresponding quarter of the previous year
- Barmer – The plant achieved an average PLF of 58% on an enhanced capacity of 1080 MW as against an average PLF of 64% on a lower capacity of 540 MW in the corresponding quarter of the previous year. However, the deemed PLF for the station was 78% for Q2 '2013-14.

The net generation from the different units were as under:

(Figures in million units)

Location	Q2, FY 13-14	Q2, FY 12-13
Vijayanagar	1,361	1,750
Ratnagiri	1,767	2,177
Barmer	1,224	666
Total	4,352	4,593

The merchant sales during the quarter were 1,507 million units, the sales under Long Term PPA were 2,268 million units and the balance units were banked during the quarter.

Fuel

The fuel costs during the quarter were lower by approximately 6% primarily due to reduction in landed cost of coal and improved operational efficiency at Barmer plant with stabilisation of units besides lower power generation. During the quarter, steep depreciation of the rupee had adversely impacted imported coal costs despite correction in certain global coal indices. With the prices firming up in the global coal markets, the fuel costs are expected to increase at current exchange rates.

Financial Performance (Consolidated)

During the quarter, the Company has achieved a Total Income from operations of ₹ 2,025 crores as against ₹ 2,077 crores in the corresponding quarter of the previous year. EBITDA for the quarter is ₹ 893 crores, up 43% over corresponding quarter of the previous year and increase is primarily due to improved realisation and reduced fuel cost. The continued and steep depreciation of the Rupee against the US Dollar during the quarter has resulted in an exchange fluctuation loss of ₹ 168 crores which has been considered as exceptional item. The Company earned a Profit after tax of ₹ 163 crores for the current quarter after taking into account the exceptional item.

During the half year, the Company has achieved a Total Income from operations of ₹ 4,497 crores, EBITDA of ₹ 1,861 crores and PAT of ₹ 377 crores, up by 5%, 45% and 46% respectively over corresponding period of the previous year.

The Consolidated Net Worth and Consolidated Debt as at September 30, 2013 were ₹ 6,598 crores and ₹ 10,335 crores respectively resulting in a debt equity ratio of 1.57 times.

Projects Update:

240 MW – at Kutehr, Himachal Pradesh (HP)

All the requisite environmental approvals for the project have been received. The land acquisition process for the project is progressing satisfactorily and the Tendering process for project construction has been initiated. The cost incurred till September 30, 2013 is ₹ 231 crores

Barmer Lignite Mining Co. Ltd (BLMCL)

The possession of land for Jalipa mines and transfer to lessee is awaited. The project cost is estimated at ₹ 1,800 crores (comprising both Kapurdi & Jalipa mines) and cost incurred till September 30, 2013 is ₹ 1,457 crores.

Outlook

The global economy is witnessing a gradual shift with fiscal stimulus beginning to strengthen and revive the developed economies while emerging economies are negotiating a phase of slowing growth. The anticipated withdrawal of fiscal stimulus led to US dollar strengthening against currencies of key emerging economies and coal exporting countries.

Domestic GDP slowed down to 4.4% in the first quarter prompting IMF and World Bank to lower full year growth projections. RBI, meanwhile, resorted to series of measures aimed at containing the sharp depreciation of Rupee besides managing inflation. Though, the country is headed for elections, government has expressed its intent to bring in effective policy measures aimed at spurring growth. While, the implementation of financial restructuring package has provided clarity, the revival of the sector hinges on resolving issues on the fuel and off-take. With sharp depreciation of rupee in the current fiscal and imported coal prices beginning to firm up sharply, the fuel costs are expected to go up. In the event weak demand for power persists with an anticipated increase in fuel costs, margins are expected to be under pressure.

About JSW Energy Ltd

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 & 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 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.