



JSW ENERGY LTD

The Board of JSW Energy Ltd., at its meeting held today at Mumbai, approved the results for the quarter ended December 31, 2013.

Key highlights for Q3' FY 14 (Consolidated):

- Net generation of 4,034 Mus, as against 4,770 Mus in the corresponding quarter of the previous year.
- Total Income from operations ₹ 2,151 crores, as against ₹ 2,365 crores in the corresponding quarter of the previous year.
- EBITDA of ₹ 847 crores, as against ₹ 867 crores in the corresponding quarter of the previous year.
- PAT of ₹ 203 crores as against ₹ 311 crores in the corresponding quarter of the previous year.

Key highlights for 9 Months' FY 14 (Consolidated):

- Net generation of 13,483 Mus, as against 14,094 Mus in the corresponding period of the previous year.
- Total Income from operations ₹ 6,647 crores, as against ₹ 6,633 crores in the corresponding period of the previous year.
- EBITDA of ₹ 2,708 crores as against ₹ 2,149 crores in the corresponding period of the previous year.
- PAT of ₹ 580 crores as against ₹ 568 crores over corresponding period of the previous year.

Operational Performance (Consolidated)

The Company achieved an average PLF of 63.95% in Q3' 2013-14 and a net generation of 4,034 million units in the third quarter on an installed capacity of 3,140 MW. The drop in the consolidated PLF is primarily due to backdown of units by the distribution licensees and non-availability of schedule for certain units.

The Company achieved an average PLF of 72% and a net generation of 13,483 million units for the 9 month period in the current fiscal.

PLF achieved during Q3' 2013-14 at the respective locations were as under:

- Vijayanagar: The plant achieved average PLF of 99% as against 102% in the corresponding quarter of the previous year.
- Ratnagiri: The plant operated at an average PLF of 68% as against an average PLF of 88% in the corresponding quarter of the previous year.
- Barmer – The plant achieved an average PLF of 32% (on a capacity of 1080 MW) as against an average PLF of 81% (on a capacity of 540 MW) in the corresponding quarter of the previous year. However, the deemed PLF for the station was 86.76% for Q3' 2013-14.

The net generation from the different units were as under:

(Figures in million units)

Location	Q3' FY 13-14	Q3' FY 12-13
Vijayanagar	1,740	1,789
Ratnagiri	1,622	2,132
Barmer	672	849
Total	4,034	4,770

The merchant sales during the quarter were 2,308 million units; the sales under Long Term PPA were 1,748 million units.

Fuel

The fuel cost for the quarter is at ₹ 1,066 crores, up by 2% compared to the corresponding quarter of previous year primarily due to increase in the landed cost of fuel.

Financial Performance (Consolidated)

During the current quarter, the Total Income from operations is ₹ 2,151 crores as against ₹ 2,365 crores in the corresponding quarter of the previous year. EBITDA (before exceptional items) for the quarter is ₹ 847 crores as against ₹ 867 crore in the corresponding quarter of the previous year primarily due to improved realisation which has partially offset the increase in the fuel cost. An impairment charge provided on the assets of the South African subsidiary of Rs.54 crores has been considered as exceptional item. The Company earned a Profit after tax of ₹ 203 crores for the current quarter as against ₹ 311 crore in the corresponding Quarter of the previous year

During the nine months ended December 31, 2013, the Total Income from operations is ₹ 6,647 crores as against ₹ 6,633 crores over the corresponding period of the previous year. The Company has earned an EBITDA (before exceptional items) of ₹ 2,708 crores and PAT of ₹ 580 crores, up by 26% and 2% respectively over corresponding period of the previous year.

The Consolidated Net Worth and Consolidated Debt as at December 31, 2013 were ₹ 6,792 crores and ₹ 10,134 crores respectively resulting in a debt equity ratio of 1.49 times.

Other Developments:

“2 x 135 MW” Expansion Project – at Barmer :

While the project had received consent from Government of Rajasthan, it has been devoid of a secured fuel source either through captive fuel or linkage. Hence, the Company has decided to scrap this expansion project.

Projects Update:

240 MW – at Kutehr, Himachal Pradesh (HP)

All the requisite environmental approvals for the project have been received. The Company has initiated negotiations with two states for off take of power. The land acquisition process for the project is progressing satisfactorily. Tendering process for project construction is in progress. The cost incurred till December 31, 2013 is ₹ 232 Crores.

Barmer Lignite Mining Co. Ltd (BLMCL)

The Ministry of Environment and Forests (MoEF) has accorded environmental Clearance for the expansion from 3 MTPA to 3.75 MTPA in ML area of Kapurdi Mines. Additionally CCI has cleared mining capacity expansion to 7 MTPA. Necessary clearance from MoC is expected within a few days. The possession of land for Jalipa mines is in progress. MoC has approved Mine Lease Transfer. The project cost is estimated at ₹ 1,800 crores (comprising both Kapurdi & Jalipa mines) and cost incurred till December 31, 2013 is ₹ 1,492 crores.

Outlook

Global economic growth is expected to improve lead by the recovery in the developed markets. The emerging economies are in the midst of managing the moderating growth through a mix of monetary policy support and implementation of structural reforms.

The domestic growth momentum has been tepid with GDP growth estimates tending towards lower than 5% and IIP data reflecting contraction in industrial activity impacting the growth in core sector and real economy. The power sector witnessed momentum with the policy measures announced on SBD guidelines and imported coal cost pass through as also in grant of clearances which are expected to provide impetus in growth of the sector. However, the reduced demand for power primarily due to slowdown in industrial activity combined with fiscal issues of the distribution utilities has lead to a pronounced backdown of power even under long term PPAs.

We expect the demand for power to pick up with improvement in economic scenario while the costs are expected to be remaining benign. The improving supply from commissioning of new plants as also de-bottlenecking of transmission corridors are expected to put pressure of merchant off-take and realisations unless the demand scenario improves.

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 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 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.