

Financial Results for the First Quarter ended June 30, 2014

JSW Energy reports 52% growth in Profit after Tax

The Board of JSW Energy Limited, at its meeting held today at Mumbai, approved the results for the First Quarter ended June 30, 2014 (“1QFY15” or the “Quarter”).

Key highlights of the quarter:

- Highest ever quarterly sales of 5,605 million units
- Highest ever quarterly Total Income from operations ₹2,558 crore
- PAT of ₹325 crore as against ₹214 crore in the corresponding quarter of the previous year.
- Highest ever deemed PLF for Barmer at 92%
- Revision in Ad-hoc Tariff for Barmer Plant to ₹4.06/unit.
- ISO 50001 Certification for Vijayanagar Plant

Consolidated Operational Performance:

During the quarter, the Company achieved a net generation of 5,006 million units. While the Barmer plant registered a marked improvement in generation, the Ratnagiri plant continued to witness low demand of power alongwith frequent back-down of units.

PLF achieved during 1QFY15 at the respective locations was as under –

- **Vijayanagar** achieved average PLF of 98% as against 102% in the

corresponding quarter of the previous year.

- **Ratnagiri** operated at an average PLF of 68% as against an average PLF of 83% in the corresponding quarter of the previous year.
- **Barmer** achieved an average deemed PLF of 92% as against an average deemed PLF of 73% in the corresponding quarter of the previous year.

The net generation at the different locations was as under:

(Figures in million units)

Particulars	1QFY15	1QFY14
Vijayanagar	1,702	1,758
Ratnagiri	1,618	1,984
Barmer	1,687	1,355
Total	5,006	5,097

The merchant sales during the quarter were of 2,694 million units; the sales under Long Term PPA were of 2,911 million units.

Fuel Cost:

The fuel cost for the quarter was ₹1,175 crore, higher by 11% on YoY basis primarily due to adverse movement of the rupee dollar exchange rates over the comparable period which was partially offset by a decline in the international prices of coal.

Consolidated Financial Performance:

During the current quarter, the Total Income from operations was ₹2,558 crore as against ₹2,472 crore in the corresponding quarter of the previous year.

EBITDA for the quarter was marginally lower at ₹948 crore as against ₹968 crore in the corresponding quarter of the previous year, primarily due to increased cost. The Company earned a Profit after tax (PAT) of ₹325 crore for the current quarter as against ₹214 crore, recording a growth of 52% on YoY basis.

The Consolidated Net Worth and Consolidated Debt as at June 30, 2014 were ₹6,896 crore and ₹9,974 crore, respectively, resulting in the debt equity ratio of 1.45 times.

Projects Update:

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

The land acquisition process for the project is in progress. All the requisite environmental clearances for the project have been received. The cost incurred on the project up to June 30, 2014 is ₹232 crore.

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

The Ministry of Environment and Forest approval is awaited for enhancement of mining capacity at Kapurdi to 7 MTPA pursuant to completion of all due processes. The Ministry of coal has approved Mine Lease Transfer of Jalipa mines and the possession of land for Jalipa mines is in progress. The project cost is estimated at ₹1,800 crores (comprising both Kapurdi & Jalipa mines) and cost incurred till June 30, 2014 is ₹1,554 crore.

Outlook:

The power sector continues to reel under low off-take, falling tariff, increasing costs and fuel uncertainty. However, the new government appears to be focused upon addressing concerns around adequate fuel availability, power purchase

agreements and thrust on T&D development which should augur well for the industry in the longer term.

Meanwhile, Indian economic recovery seems to be gathering pace. The new government's efforts to revive the investment cycle, faster implementation of reforms, addressing of supply-side bottlenecks coupled with global demand recovery should result in an improvement in manufacturing activities over the medium term. May 2014 Industrial Production grew by 4.7% YoY, a 19 month high growth, with pickup in mining and manufacturing activities. We believe power demand should be better in 2HFY15.

In a well-supplied market the international thermal coal prices remain range bound as slower than expected global recovery and lackluster Chinese demand have a bearing on commodity prices as well as freight rates. Imported coal cost is not expected to change materially as recent increase in coal import duty has been offset to some extent by marginal appreciation in the Indian Rupee. Pursuant to pick-up in economic activity, the pressures on margins from merchant sale are expected to ease for power developers.

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, aluminum, 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.