

Press Release

August 11, 2017

Financial Results for the Quarter ended June 30, 2017

Mumbai, India: JSW Energy Limited ("JSW Energy" or the "Company") today reported its results for the first quarter ("Q1 FY2018" or the "Quarter") ended 30th June, 2017.

Key Highlights of Q1 FY 2018 (Consolidated):

- Karcham Wangtoo & Baspa II Hydro plants achieved highest ever generation during the quarter
- JSW Energy, Ratnagiri conferred with "SEEM National Energy Management Award 2016 (Gold)" by Society of Energy Engineers and Managers.
- Karcham Wangtoo HEP, HBPCL conferred with "Good Green Governance
 Award 2017" for environmental protection by Shrishti Publication.

Consolidated Operational Performance:

During the quarter consolidated deemed PLF was 76 % as against 78% in the corresponding quarter of the previous year.

PLF achieved during Q1 2017-18 at the respective locations were as under:

- Vijayanagar: The plant achieved an average PLF of 69% as against 74% in the corresponding quarter of the previous year.
- Ratnagiri: The plant operated at an average deemed PLF of 71% as against an average deemed PLF of 86% in the corresponding quarter of the previous year.

- Barmer: The plant achieved an average deemed PLF of 86% as against an average deemed PLF of 85% in the corresponding quarter of the previous year.
- **Himachal Pradesh**: The plant achieved an average PLF of 78 % for the current quarter against 69% in the corresponding quarter of the previous year.

The net generation at different locations was as under:

(Figures in million units)

Location	Q1' FY 17-18	Q1' FY 16-17
Vijayanagar	1,190	1,292
Ratnagiri	1,556	1,987
Barmer	1,445	1,434
Himachal Pradesh	2,209	1,935
Total	6,400	6,648

The merchant sales during the quarter were 1,834 million units and the sales under Long Term PPA were 4,301 million units.

Consolidated Financial Performance Review and Analysis:

During the quarter, total Income from Operations was ₹ 2,232 crore as against ₹ 2,450 crore in the corresponding quarter of the previous year a decrease of 9%, largely due to lower generation from the coal fired plants and subdued merchant realisations.

The fuel cost for the quarter increased by 8% YOY to ₹1,120 crore, primarily due to increase in international prices of coal.



EBIDTA before exceptional items for the quarter was $\stackrel{?}{\sim}$ 971 crore as against $\stackrel{?}{\sim}$ 1,159 crore in the corresponding quarter of the previous year a decline of 16%, primarily due to decline in revenues and increase in coal costs partly offset by savings in Operation and Maintenance costs .

Finance Costs have declined to ₹ 396 crore from ₹ 429 crore in the corresponding quarter of the previous year primarily due to interest rate reductions achieved through refinancing arrangements as well as by prepayment of borrowings.

The Company earned Profit of ₹ 217 crore as against ₹ 367 crore in the corresponding quarter of the previous year. Total Comprehensive Income of the Company for the quarter stood at ₹ 327 crore as against ₹ 496 crore in the corresponding period of the previous year.

The Consolidated Net Worth and Consolidated Net Debt as at June 30, 2017 were ₹ 10,696 crore and ₹ 13,686 crore respectively resulting in a Net Debt to Equity ratio of 1.28 times.

Key Developments:

The Board of Directors have approved entry by the Company into the business of manufacturing of electric vehicles, electrical battery / energy storage systems and charging infrastructure directly or by setting up one or more subsidiaries.

The Board has also appointed Mr. Jyoti Kumar Agarwal, Chief Financial Officer of the Company as an Additional and Whole-Time Director for a period of 5 years, subject to the approval of the Members of the Company.



Entry into New Business Ventures:

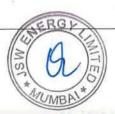
The Indian automobile industry is at an inflection point in terms of growth in overall market size and a level playing field has been made available to new entrants due to disruption by electric vehicle technology. JSW Energy seeks to participate in this revolutionary market opportunity and is planning to launch its own electric vehicle by 2020 with a vision of "Make in India and Make for India". It will bring world class products suitable to Indian conditions satisfying Indian customer needs. Our strategy is aligned with Government of India's vision to make all cars electric by 2032, which will ease pressure on the economy of our country by reducing fuel import bill.

Moreover, the energy space is evolving continuously with energy storage systems and charging infrastructure representing the next stage of evolution. JSW Energy aims to be ahead of the curve, leapfrog the current trends to capitalise on these new opportunities and create a new growth dynamic for the Company. As part of this, JSW Energy plans to facilitate creation of charging infrastructure and necessary ecosystem for faster penetration of electric vehicles in India.

India has huge opportunity for energy storage systems not only for electric vehicles but for other static applications such as telecom, micro grids, solar storage system for household and power banks. JSW Energy plans to enter into energy storage systems business for both in static and mobility applications as it will be forward integration of its existing business of power generation to distribution.

Outlook:

India is seeing a gradual transformation in the business environment with implementation of GST. Although the indicators of industrial activity like PMI, IIP point towards a near term softening; good monsoons should boost consumer



demand and economic activity levels should pick up in the second half of the fiscal year. Continued government spending on infrastructure development, softening of interest rates and smoothening of processes post GST should help in improving GDP growth and power demand.

Electricity demand in India continues to be outpaced by growth in supply. Muted industrial activity coupled with excess supply has led to lack of PPAs and consequently, weak PLF of IPPs besides softening of merchant electricity prices. Progress of UDAY scheme across states is expected to slowly but steadily improve the operational & financial performance of the Discoms. If the government target of "24x7 Power for All" is to be achieved, then power procurement will have to increase meaningfully in the coming years thereby leading to improvement in power demand growth.

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, 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 4,531 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.

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