Press Release – Q4 '11-'12 30.04.2012

JSW ENERGY LTD

The Board of JSW Energy Ltd at its meeting held today at Mumbai approved the Results for the quarter ended and year ended March 31, 2012.

Key highlights for Q4' FY 12 (Consolidated):

- Highest quarterly net generation of 4,618 million units, growth of 53% over corresponding quarter of previous year
- Total Income from operations ₹ 2,081 crores, growth of 44% over corresponding quarter of previous year
- MOEF grants approval for Chhattisgarh power project
- Vijayanagar units bag the best operating power plant awards from Ministry of Power for FY 2010-11 and FY 2009-10 in the Silver and Bronze category

Key highlights for FY 12 (Consolidated):

- Highest yearly net generation of 13,594 million units, (9,016 million units in FY 2011), growth of 51% over previous year
- Total Income from operation at ₹ 6,119 crores (₹ 4,302 crores in FY 2011), growth of 42% over previous year.
- Addition to generation capacity by 870 MW (2 X 300 MW at Ratnagiri and 2 X 135 MW at Barmer)
- Commissioned 400 KV Jaigad Karad transmission line

Operational Performance (Consolidated)

The operational performance for the quarter has improved notably with the Company registering the highest quarterly net generation of 4618 million units with operations at all the units registering improved plant load factors (PLF). The PLF would have been still higher but for back down request from the distribution licensee during the non-peak hours. the quarter, the Company commenced supply of power from Unit 3 of Ratnagiri power plant to JSW Ispat Steel Ltd. pursuant to the Open Access (OA) consent. The OA consent has been extended for FY 2012-13 for 275 MW.

The Plant Load Factor (PLF) achieved during Q4, FY 2011-12 were as under:

- Vijayanagar: The units achieved average PLF of 102% as against 99% in the corresponding quarter of previous year.

- Ratnagiri: The units operated at an average PLF of 85%, against an average PLF of 82% in the corresponding quarter of previous year.

- Barmer – The units operated at an average PLF of 80%, as against an average PLF of 64% in the corresponding quarter of previous year. The units have stabilised well with the lignite supplied from Kapurdi mines. Further, the Rajasthan Electricity Regulatory Commission has granted an adhoc interim tariff for all the 4 operating units for FY 2013.

During the quarter, the Company has completed the sale of balance banked power aggregating to about 49 million units.

Under the Power Conversion Agreement, 408 million units have been generated during the quarter and the aggregate generation under this arrangement for the year ended March 31, 2012 is 895 million units.

The Company has achieved short term sales of 2,510 million units during the quarter ended March 31, 2012 (including the sale of banked power), as against 2013 million units sold in the corresponding quarter of the previous year. Besides, the Company has sold 1749 million units under long term PPA (including under the power conversion agreement) as against 1000 million units sold under long term PPA during the corresponding quarter of the previous year.

The net generation from the different units were as under:

(Figures in million units)

Location	Q4, FY 11-12	FY 11-12
Vijayanagar	1,772	5,905
Ratnagiri	2,018	6,259
Barmer	827	1,430
Total	**4,617**	**13,594**

<u>Fuel</u>

During the quarter, price of imported coal witnessed a marginal moderation along with appreciation in the rupee, which has resulted in slight reduction in the generation cost. Further, the continued efforts in operating the units with a blend of high and low calorific value coal have also been yielding positive results. The fuel cost during the quarter was ₹ 1,120 crores, an increase of 33% over the corresponding quarter of the previous year. For the FYE March 2012 the fuel cost was ₹ 3,654 crores as against ₹ 2,372 crores for the FYE March 31st, 2011, an increase of 54% on a YOY basis.

The waiver of Custom Duty and reduction in the Counter-Vailing Duty (CVD) on imported coal as announced in the last Union Budget is expected to rationalise the fuel cost in the FY 2012-13.

<u>South African Coal Mining Holding (Pty) Ltd (SACMH):</u>

During the quarter, SACMH has extracted 193,786 tonnes of raw coal from the existing block and sold 125,086 tonnes. A high stripping ratio, transportation bottlenecks and increased logistics costs have continued to compress the margins.

Financial Performance (Consolidated)

During the quarter, the Company has achieved a Total Income from operations of ₹ 2,081 crores, an increase of 44% over the total income from operations for the corresponding quarter of previous year and EBITDA of ₹ 613 crores, an increase of 35% over the corresponding quarter of the previous year primarily due to enhanced generation capacity. The Company has earned a Profit after tax after Minority interest during the current quarter of ₹ 225 crores with a marginal growth of 9% over the corresponding quarter of the previous year due to increase in net generation from additional capacity and consequent increase in interest & depreciation cost.

The Company has considered the unrealised gain of ₹ 62 crores, as an exceptional item of income during the quarter, due to the unusual and sharp movement in the value of the Indian Rupee against US Dollar.

During the year ended March 31, 2012, the company achieved Total Income from operations of ₹ 6,119 crores, EBITDA of ₹ 1,594 crores and Profit after Tax of ₹ 171 crores.

The consolidated net worth and consolidated debt as at March 31, 2012 was ₹ 5,700 crores and ₹ 9,995 crores respectively resulting in a consolidated gross debt equity ratio of 1.75 times.

Dividend

The Board has recommended a Dividend of ₹ 0.50 per equity share on 164 crore equity shares of ₹ 10 each for the year ended March 31, 2012 subject to the approval of shareholders at the Annual General Meeting.

Projects Update:

a) Status of projects under Construction and Implementation

1,200 MW – at Ratnagiri

The work on FGD is progressing satisfactorily with the first unit expected to be commissioned as per schedule during the 1st quarter of FY 2013.

(8 X 135) 1,080 MW – at Barmer, Rajasthan

The work on the balance 4 units is expected to be completed in Quarter 2, 2013 in phases. While Unit-5 has achieved synchronisation in March 2012 and Unit-6 is expected to achieve synchronisation in early May 2012, work on completion of Unit 7 and Unit 8 are also progressing well. The project cost estimated is ₹ 6,865 crores and project expenditure incurred till March 31, 2012 is ₹ 6,456 crores.

Steps have been initiated on obtaining necessary approvals and consent for the (2 x 135) 270 MW expansion project at Barmer.

(3 X 80) 240 MW – at Kutehr, Himachal Pradesh (HP)

The land acquisition process for the project is progressing satisfactorily while necessary clearances are awaited. Project expenditure (including premium paid to state government) spent till March 31, 2012 is ₹ 138 crores.

Barmer Lignite Mining Co. Ltd (BLMCL).

BLMCL has supplied 0.96 million tonnes of lignite during the last quarter and an aggregate of 1.67 million tonnes during FY 2011-12. The possession of land for Jalipa mines is expected to be provided shortly. The project cost is estimated at ₹ 1,800 crores (comprising of both Kapurdi & Jalipa mines) and cost incurred till March 31, 2012 is ₹ 1,223 crores.

(b) Projects under Development

1320 MW Chhattisgarh Project

The clearance of Ministry of Environment and Forest (MOEF) for the project has been received and other necessary approvals are also being expedited. The land acquisition for the project initiated by Chhattisgarh State Industrial Development Corporation (CSIDC) is progressing satisfactorily. Designing and engineering related to various aspects of the project are also being undertaken.

Outlook

Global recovery is at a slow pace due to continued onslaught of strain in the euro zone, muted growth in US and recessionary trends in other major developed economies. On the domestic front, economic growth has moderated on the back of firm policy action aimed at containing inflation. While, the RBI has initiated measures to cut interest rates, the growing import bill on back on increasing oil prices and resultant impact on fiscal deficit continues to be an area of concern.

The Government has initiated notable steps to address the issues impacting the power sector and provide necessary impetus for sustained growth of the sector. The participation of the private sector had lead to the sector witnessing a record capacity addition during the XI plan. The measure by various state distribution utilities in increasing the tariff augurs well for a sustained development of the sector. While the imported coal prices have slightly moderated due to weak global demand for thermal coal, the continued depreciation of the rupee threatens to negate the benefit. The enhancement in power generation capacity and strain on the fiscal position of the utilities are expected to exert pressure on the merchant rates and have consequential impact on margins of generating companies.

About JSW Energy Ltd

JSW Energy Limited, part of the JSW Group, is a growing energy company. The Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities, aluminium, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan, Chhattisgarh and Himachal Pradesh. The Company has the operational capacity of 2600 MW, apart from 540 MW of generating capacity under construction. 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 and aims to generate 11,770 MW.

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.

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