JSW ENERGY LTD

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

Key highlights for Q4' FY 13 (Consolidated):

- Total Operational Capacity increased to 3,140 MW with the commencement of commercial operations of 540 MW capacity in Barmer.
- Successfully commissioned the entire FGD project at Ratnagiri with the commissioning of the balance 2 units within stipulated timeframe.
- Kutehr Hydro project successfully registered for CDM benefits.
- Total Income from operations ₹ 2,301 crores, up 11% over corresponding quarter of the previous year.
- EBITDA of ₹ 858 crores, up 40% over corresponding quarter of the previous year.
- PAT of ₹ 336 crores, up 49% over corresponding quarter of the previous year.

Key highlights for FY 13 (Consolidated):

- Plant Load Factor (PLF) at 88.97% as against 76.16% in the corresponding period of the previous year.
- Transmission facility achieved availability of 98.43%
- Highest yearly net generation of 18.78 billion units, (13.59 billion units in FY 2012), a growth of 38% over previous year
- Total Income from operations ₹ 8,934 crores, up 46% over corresponding period of the previous year

- EBITDA of ₹ 3,007 crores, up 89% over corresponding period of the previous year
- PAT of ₹ 904 crores, up 431% over corresponding period of the previous year

Operational Performance (Consolidated)

The Company's operational capacity increased to 3,140 MW during the quarter with the balance four units of 135 MW each at Barmer commencing commercial operations in February and March 2013.

The Company achieved average PLF of 85.48% in Q4 2012-13 and net generation of 4,686 million units. While Vijayanagar plant sustained a high PLF of 101%, the PLF at Ratnagiri was lower primarily due to unscheduled shutdown of Unit-1 for attending to technical issues and frequent request for backdown during off-peak hours and Barmer PLF also suffered due to the stabilisation of the additional operational capacity.

For the entire fiscal 2012-13, the company achieved a PLF of 88.97% due to improved operational performance across all the 3 locations.

PLF achieved during Q4 2012-13 at the respective locations were as under:

- Vijayanagar: The plant achieved average PLF of 101% as against 102% in the corresponding quarter of the previous year
- Ratnagiri: The plant operated at an average PLF of 82%, against an average PLF of 85% in the corresponding quarter of the previous year
- Barmer – The eight operational units achieved an average PLF of 73% as against an average PLF of 80% (only 4 units in previous quarter) in the corresponding quarter of the previous year.

The net generation from the different units were as under:

(figures in million units)

Location	**Q4, FY 12-13**	**Q4, FY 11-12**
Vijayanagar	1,737	1,773
Ratnagiri	1,924	2,018
Barmer	1,025	827
Total	**4,686**	**4,618**

The merchant sales during the quarter were 2,570 million units (53%) [including banked energy] and the sales under Long Term PPA were 1,952 million units (40%). The Company has also generated 319 million units (7%) under the Conversion Agreement during the quarter.

<u>Fuel</u>

During the quarter, the landed imported coal continued to remain fairly stable with relatively less volatility on the back of major coal indices including API 4 index remaining range bound and rupee also moderating by a small measure against US Dollars. The Company continued its efforts to optimise the blending mix of different categories of coal which has enabled in containing cost and creating alternative options. Meanwhile, efforts continue unabated in identifying alternative fuel sourcing options for developing long term fuel security.

The fuel cost during the quarter was ₹ 994 crores, a decrease of 11% over corresponding quarter of the previous year and for the financial year it was ₹ 4,296 crores as against ₹ 3,654 crores during the FY'12 due to enhancement in capacity and consequential higher generation.

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

During the quarter, the SACMH mines continue to be under Care and Maintenance pending receipt of requisite licences in the new Mining area (Voorslag).

Financial Performance (Consolidated)

During the quarter, the Company has achieved a Total Income from operations of ₹ 2,301 crores and EBITDA of ₹ 858 crores, an increase of 11% and 40% respectively over the corresponding quarter of the previous year. The increase in profitability is primarily due to enhanced capacity, improved PLF and lower fuel cost. The Company has earned a Profit after tax of ₹ 336 crores during the current quarter as against ₹ 225 crores in the corresponding quarter of the previous year.

The Company achieved highest yearly net generation of 18.78 billion units, with the commissioning of additional capacities and better loading of plants. The Total Income, EBITDA and PAT witnessed growth of 46%, 89% and 431% respectively over the previous year, having achieved ₹ 9,148 crores, ₹ 3,007 crores and ₹ 904 crores respectively primarily due to enhanced generation and lower costs.

The Consolidated Net Worth and consolidated Debt as at March 31, 2013 was ₹ 6,204 crores and ₹ 10,377 crores respectively resulting in a debt equity ratio of 1.67 times.

Key Developments:

The board of directors have recommended dividend payout of ₹ 2 per share for FY 2013 out of distributable profits of the company, subject to approval of members. As no major capital expenditure projects are in pipeline, the board has considered to provide dividend higher than the threshold of 20% of the distributable profits of the company only for the current year.

Projects Update:

1,080 MW – at Barmer

During the quarter, the balance four units of the 8x135 project commenced commercial operations. Approvals are awaited for licences to enhance lignite mining capacity at Kapurdi to meet the lignite requirement for all the units. The project cost is estimated at ₹ 7,165 crores and project expenditure incurred upto March 31, 2013 is ₹ 6,844 crores.

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. Project expenditure upto March 31, 2013 is ₹ 225 crores.

Barmer Lignite Mining Co. Ltd (BLMCL)

During the quarter, BLMCL has supplied 11,71,117 tonnes of lignite to RWPL. The possession of land for Jalipa mines is in progress and the Company has initiated the process for transfer of Jalipa Lignite Mining lease, as well as efforts for enhancing the production from the Kapurdi Mines. The project cost is estimated at ₹ 1,800 crores (comprising both Kapurdi & Jalipa mines) and cost incurred till March 31, 2013 is ₹ 1,372 crores.

Outlook

Globally, while the USA and Japan are witnessing bottoming out of the recessionary trends with improved outlook on consumption and jobs data; the European economies are still weighed down by the sovereign debt concerns and growth pangs. In the midst of waning global growth, the commodity prices have corrected significantly across the board including oil and gold. Domestically, the measures adopted by Reserve Bank of India have resulted in containing inflation while the growth momentum has slowed down primarily due to lack of investments in core and infrastructure sectors. Investments across sectors will be driven by firm actions on providing clear policy directions. With inflation tapering down and twin deficits expected to be under control given the government's focus as also cooling international commodity prices, economy is better placed to expect a growth oriented policy.

The Power sector's wait for policy clarity and directions related to certain key issues seem to get elongated; as resolving issues related to standard bidding guidelines, fuel availability and long term power procurements are taking time. The imported coal prices are expected to remain benign due to subdued global demand. We expect the merchant prices to be under pressure with additional generation capacities and slowdown in demand growth while the congestion on transmission corridor has kept prices relatively higher in southern region compared to other parts.

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.

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