Press Release – Q4' 2013-14 April 30, 2014

JSW ENERGY LTD

The Board of JSW Energy Limited, at its meeting held today at Mumbai, approved the results for the quarter and year ended March 31, 2014.

Key highlights (Consolidated) :

	Q4' FY 14	FY 2014
Net Generation	3,577 million units	17,061 million units
Total Income from operations	Rs. 2,058 crores	Rs. 8,705 crores
EBITDA	Rs. 746 crores	Rs. 3,454 crores
Profit after Tax	Rs. 175 crores	Rs. 755 crores

Operational Performance (Consolidated)

The Company achieved an average deemed PLF of 62% in Q4' 2013-14 and a net generation of 3,577 million units during the quarter on an installed capacity of 3,140 MW. The drop in consolidated PLF was primarily due to shut down of Barmer Plant for part of the quarter due to non-availability of lignite and non-availability of schedule for certain units.

The Company achieved an average deemed PLF of 76% and a net generation of 17,061 million units for the year ended March 31, 2014.

PLF achieved during Q4’ 2013-14 at the respective locations were as under:

- Vijayanagar: The plant achieved average PLF of 101% as against 101% in the corresponding quarter of the previous year.

- Ratnagiri: The plant operated at an average PLF of 60% as against an average PLF of 82% in the corresponding quarter of the previous year, primarily due to non-availability of schedule for some of the units.

- Barmer – The plant achieved an average deemed PLF of 34% as against an average deemed PLF of 73% in the corresponding quarter of the previous year. The lower PLF was primarily due to the non-availability of adequate lignite during part of the quarter.

The net generation from the different units were as under:

(Figures in million units)

Location	**Q4 ‘FY 13-14**	**FY 2014**
Vijayanagar	1,733	6,593
Ratnagiri	1,398	6,770
Barmer	446	3,697
Total	**3,577**	**17,061**

The merchant sales during the quarter were 2,292 million units and the sales under Long Term PPA were 1,378 million units.

Fuel

The fuel cost for the quarter is at ₹ 979 crores, lower by 2% compared to the corresponding quarter of previous year. The fuel costs were impacted by a correction in the international coal prices but were adversely impacted due to the steep depreciation of the currency.

Financial Performance (Consolidated)

During the current quarter, the Total Income from operations is ₹ 2,058 crore as against ₹ 2,301 crore in the corresponding quarter of the previous year. EBITDA (before exceptional items) for the quarter was at ₹ 746 crore as against ₹ 858 crore in the corresponding quarter of the previous year, primarily due to lower generation, even though the margins improved at EBITDA level. The Company earned a Profit after tax of ₹ 175 crore for the current quarter as against ₹ 336 crore in the corresponding quarter of the previous year due to higher charge of interest and depreciation on capitalisation of units.

During the year ended March 31, 2014, the Total Income from operations was ₹ 8,705 crore as against ₹ 8,934 crore over the previous year showing a decline of 3%. The Company has earned an EBITDA (before exceptional items) of ₹ 3,454 crore, up by 15% over the previous year. This increase in EBITDA is despite a lower generation during the year which was offset by improved realisations. The Company earned a Profit after tax of ₹ 755 crore during the year as against ₹ 904 crore over the previous year due to exceptional losses and higher charge of interest and depreciation on capitalisation of units.

The Consolidated Net Worth and Consolidated Debt as at March 31, 2014 were ₹ 6,571 crore and ₹ 10,106 crores respectively resulting in a debt equity ratio of 1.54 times.

Key Developments:

a) The Board of Directors have recommended dividend pay-out of ₹ 2 per share for FY 2014 out of distributable profits of the company, subject to approval of members. The board has considered providing dividend higher than the threshold of 20% of the distributable profits of the company in the current year as well, as no major capital expenditure is envisaged in the short term.

b) During the year, Company sold its wholly owned subsidiary in Indonesia, PT Param Uttama Jaya, which was engaged in the business of providing coal mining related consultancy for a consideration of US$ 4.2 million resulting in an exceptional gain of ₹ 8 crore. Accordingly, PT Param Uttama Jaya ceases to be a subsidiary of the Company.

Projects Update:

240 MW – at Kutehr, Himachal Pradesh (HP)

Tendering process for project construction is in progress. The land acquisition process for the project is progressing satisfactorily. All the requisite environmental clearances for the project have been received. The cost incurred on the project upto March 31, 2014 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 for Kapurdi Mines. Further, the Ministry of Coal (MoC) has approved the 7 MTPA mining plan and the MoEF has issued the Terms of Reference for considering the enhancement in mining from Kapurdi to 7 MTPA. The Public Hearing for this is expected to be held in the 1st week of June. 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 March 31, 2014 is ₹ 1,527 crore.

Outlook

Globally, while the developed economies are directionally moving towards stability overcoming the recessionary trends over the past couple of years, the emerging economies continue to navigate through a challenging period of low growth, high inflation and depreciating currencies. China is undertaking measures to avoid a hard landing of the economy after over a decade of exceptionally high growth. These global factors have a bearing on the prices of commodities and freight due to a benign outlook on the global trade for goods and services. The international coal prices have also been soft across all major markets due to a slack demand and weak currency.

The domestic GDP growth is expected to be about 5% in FY2014 even as the RBI continues to contain the inflationary trends. In the power sector, while on the one hand generation capacities are getting added, on the other hand issues on demand, adequate fuel availability and transmission continue to persist. The recent decisions of the regulatory bodies indicate a trend for grant of compensatory tariffs of projects rendered unviable. However, the sector continues to reel under the low off-take, falling tariff and fuel uncertainty. Accordingly, the merchant prices are expected to be under pressure primarily due to low demand and no signs of a pick-up in the economic growth outlook in the near term.

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.