

Financial Results for the Quarter and Nine months ended December 31, 2015

JSW Energy reports Profit after Tax (PAT) of ₹321 crore.

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the third Quarter (“Q3 FY2016” or the “Quarter”) ended 31st December, 2015.

Key highlights of Q3 FY 2016 (Consolidated):

- **Net generation** of 6,052 MUs as against 5,366 MUs in the corresponding quarter of the previous year.
 - *Highest ever Quarterly net generation in Barmer at 1,715 MUs*
- **EBITDA** before exceptional items of ₹1,218 crore as against ₹1,012 crore in the corresponding quarter of the previous year.
- **PAT** of ₹321 crore against ₹380 crore in the corresponding quarter of the previous year.
- Conferred the following awards during the quarter :
 - **“Best ESG Power Producer India”** by Capital Finance International, United Kingdom.
 - CBIP Award 2016 for **“Best Performing Utility in Thermal Power Sector”**
 - **“Commendation for Significant Achievement”** in CII-ITC Sustainability Awards 2015 for Vijayanagar Plant.



Consolidated Operational Performance:

During the quarter, the thermal power plants have achieved an average deemed PLF of 90% as against 87% in the corresponding quarter of previous year. The hydro power plants have achieved an average PLF of 24% during the current quarter, given the impact of seasonality and availability of water.

PLF achieved during **Q3 2015-16** at the respective locations were as under:

- **Vijayanagar:** The plant achieved an average PLF of 96% as against 100% in the corresponding quarter of the previous year.
- **Ratnagiri:** The plant operated at an average deemed PLF of 90% 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 85% as against an average deemed PLF of 77% in the corresponding quarter of the previous year.
- **Himachal Pradesh:** The plant achieved an average PLF of 24% for the current quarter.

The net generation at different locations was as under:

(Figures in million units)

Location	Q3' FY 15-16	Q3' FY 14-15
Vijayanagar	1,689	1,770
Ratnagiri	1,955	2,024
Barmer	1,715	1,572
Himachal Pradesh	693	-
Total	6,052	5,366

The merchant sales during the quarter were 2,937 million units and the sales under Long Term PPA were 3,032 million units.



Fuel Cost:

The fuel cost for the current quarter declined by 11% YOY to ₹1,100 crore, primarily due to decline in the international prices of coal, partly offset by depreciation in the Indian rupee versus the US dollar.

During the current quarter, the Total Income from operations is ₹2,649 crore as against ₹2,381 crore in the corresponding quarter of the previous year, an increase of 11% driven largely by generation from hydro assets. EBITDA before exceptional items for the quarter is ₹1,218 crore as against ₹1,012 crore in the corresponding quarter of the previous year, an increase of 20%, primarily driven by lower fuel costs and additional generation from the Hydro assets despite provision for truing-up impact at Barmer Power project.

The Company earned a Profit after tax of ₹321 crore in the current quarter as against ₹380 crore in the corresponding quarter of the previous year, a decrease of 16%, due to higher interest & depreciation due to acquisition of Hydro assets and higher provision of taxes.

The Consolidated Net Worth and Consolidated Net Debt as at December 31, 2015 were ₹8,615 crore and ₹15,506 crore respectively resulting in a net debt to equity ratio of 1.80 times.

Projects Update:

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

The Company has commenced enabling works on the project and awarded Letter of Intent (LoI) to the EPC contractor for the project while financial closure is expected by end of current fiscal. The project cost is estimated at Rs. 2,900 crore and cost incurred on the project up to December 31, 2015 is ₹254 crore.

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

During the Quarter, BLMCL has dispatched 1.74 MT of lignite to feed the Company's power plant in Barmer. Overburden removal at Jalipa Mines has commenced. Based on

the recommendation of Engineers India Limited on selection of Mine Development cum Operator (MDO) for Jalipa and Kapurdi mines, BLMCL has filed a Petition with RERC for approval of the same. The project cost incurred till December 31, 2015 is ₹ 1907 crore.

Outlook

Amidst a weakening global economy, rising currency volatility due to measures taken by China and geopolitical turmoil in some parts of the world, Indian industrial production growth is showing some signs of weakness in the recent months. Poor monsoon has impacted the rural consumption and inflation has been gradually inching up. However, lower commodity prices should contain the rise in inflation providing room for further interest rate reductions during the course of the year.

Electricity demand in India has been growing steadily this year, but the growth in supply has been outpacing the growth in demand. As a result, the PLF continues to remain low. Subdued industrial activity has also impacted the spot tariff rates which have remained soft in recent times. However, it is encouraging that an increasing number of States have shown a willingness to join the UDAY scheme. This is expected to improve the performance of the Discoms in the long run and help in boosting power demand in the country.

Domestic coal availability has also seen steady improvement while imported coal prices indices continued to be under pressure with the outlook remaining benign. The Indian Rupee has seen some weakness in the recent times.

The various steps & initiatives undertaken by the Government are expected to yield results in the long-run but the sector continues to be impacted by the challenges in the short-term due to sluggish demand, lack of long term PPAs, financial health of Discoms, etc.



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.

