

**Financial Results for the Quarter and Year ended March 31, 2022**

**Mumbai, India:** JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the quarter (“Q4 FY22” or the “Quarter”) ended and the financial year (“FY22” or the “Year”) ended March 31, 2022.

**Key Achievements of FY22:**

<p><b><u>Sustainability</u></b></p>	<ul style="list-style-type: none"> <li>• Achieved Leadership Band (A-) in Climate Disclosure Project (CDP) – Highest rating in the power sector in India</li> <li>• Safety recognitions by British Safety Council for all Thermal plants including the prestigious “Sword of Honor” for Barmer</li> </ul>
<p><b><u>Performance</u></b></p>	<ul style="list-style-type: none"> <li>• Net Generation higher by 4% YoY at 20.8 BUs</li> <li>• EBITDA at ₹4,138 Crore, up by 32% YoY</li> <li>• Highest ever PAT of ₹1,729 Crore</li> <li>• Board recommended a dividend of ₹2/share</li> </ul>
<p><b><u>Credit Profile</u></b></p>	<ul style="list-style-type: none"> <li>• Credit rating upgrade to ‘AA/Stable’ by India Ratings, reiterating sector leading credit risk profile</li> <li>• Raised US\$707 million maiden Green Bond at JSW Hydro Energy - Largest for any hydro asset in Asia</li> </ul>
<p><b><u>Growth</u></b></p>	<ul style="list-style-type: none"> <li>• Secured PPA for 2.5 GW renewable projects; commenced operations at 225 MW solar plant in Apr’22</li> <li>• Secured tie-ups with various States for 5 GW Hydro Pumped Storage projects</li> </ul>



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## **Key Highlights of Q4 FY22 (Consolidated):**

### **Operational:**

- Overall Generation higher by 15% YoY driven by higher long term sales
- Total Hydro Generation: higher by 15% YoY due to better hydrology
- Total Thermal Generation: higher by 15% YoY driven by higher long term sales

### **Consolidated Financial:**

- Highest-ever Quarterly EBITDA: ₹1,346 Crore in Q4, higher by 99% YoY
- Highest-ever Quarterly Profit After Tax: ₹864 Crore in Q4, up by 711% YoY
- Receivable days decline to 59 days; healthy collections trend sustained
- Best in class Balance Sheet, well-positioned to pursue growth
  - Net Debt to Equity at 0.40x
  - Net Debt to EBITDA (TTM) at 1.68x
  - Strong Liquidity: Cash & Cash Equivalents at ₹1,929 Crore

### **Re-organisation of the Company's Green and Grey Businesses:**

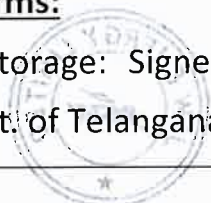
- Completed transfer of JSW Hydro Energy and JSW Energy (Kutehr) to JSW Neo Energy

### **Update on Growth Strategy:**

- Renewables-led growth to reach 10 GW capacity by FY25 and 20 GW by FY30
- Commenced operations at 225 MW Solar plant in Vijayanagar, Karnataka
- Balance 2.25 GW under-construction in full-swing: expect phase-wise commissioning from Q2 FY23
  - SECI IX & SECI X 1.26 GW Wind projects: LT PPAs signed; phase-wise commissioning from Q2 FY23
  - Group Captive 958 MW: LT PPAs signed; 225 MW solar plant- is operational, balance commissioning from Q1 FY24
  - 240 MW Kutehr HEP: Project is well ahead of timelines, with ~70% tunnelling (~60% in Q3) completed

### **New Growth Platforms:**

- Hydro Pumped Storage: Signed MoU of 1 GW with Govt. of Chhattisgarh and 1.5 GW with Govt. of Telangana



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### **Awards and Recognitions:**

- JSW Energy won Silver Shield for Excellence in 'Sustainability Reporting 2020-21' by Institute for Chartered Accountants of India
- Ratnagiri plant was awarded Best Thermal Power Generator 2022 by Independent Power Producers Association of India (IPPAI); also received '5 STAR Rating' in a rigorous Safety Audit by the British Safety Council
- Vijayanagar plant was awarded International Safety Award under (ISA) 2022 with merit under the category of excellence in Occupational Health & Safety Management from the British Safety Council

### **Consolidated Operational Performance:**

The net generation at various locations/plants is as follows:

**(Figures in Million Units)**

<b>Location/ Plant</b>	<b>Q4 FY22</b>	<b>Q4 FY21</b>
Vijayanagar	932	680
Ratnagiri	1,355	1,172
Barmer	1,608	1,526
Nandyal	26	33
Himachal Pradesh (Hydro)	439	380
Solar	5	3
<b>Total</b>	<b>4,363</b>	<b>3,796</b>

Long Term sales<sup>1</sup> during the quarter increased 19% YoY to 4,137 million units (versus 3,463 million units in Q4 FY21) due to higher sales in both Thermal and Hydro businesses. Short term sales during the quarter stood lower at 226 million units (versus 332 million units in Q4 FY21) due to lower sales at both Ratnagiri and Vijayanagar plants.



<sup>1</sup> Including free power at hydro plants



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The company's diversified portfolio and favourable placement in Merit Order Despatch underpins higher generation and offtake. PLFs achieved during Q4 FY22 at various locations/plants are as follows:

- **Vijayanagar:** The plant operated at an average PLF of 54% (55%<sup>2</sup>) vis-a-vis 40% (44%<sup>2</sup>) in Q4 FY21 due to higher long term sales YoY
- **Ratnagiri:** The plant operated at an average PLF of 57% (69%<sup>2</sup>) vis-a-vis 50% (55%<sup>2</sup>) in Q4 FY21 due to higher PPA tie-up partly offset by maintenance activities
- **Barmer:** The plant operated at an average PLF of 76% (81%<sup>2</sup>) vis-a-vis 72% (78%<sup>2</sup>) in Q4 FY21, mainly on account of higher offtake
- **Nandyal:** The plant operated at an average PLF of 74% (100%<sup>2</sup>) during the quarter vis-a-vis 94% (100%<sup>2</sup>) in Q4 FY21 due to lower offtake
- **Himachal Pradesh (Hydro):** The plants operated at an average PLF of 15% for the quarter vis-a-vis 14% in Q4 FY21 due to higher water flow
- **Solar:** The solar plants achieved average CUF of 24% vis-a-vis 18% in Q4 FY21

### Consolidated Financial Performance Review and Analysis:

During the quarter, Total Revenue increased by 64% YoY to ₹2,655 Crore from ₹1,614 Crore in Q4 FY21. As a result, EBITDA for the quarter was higher by 99% YoY at ₹1,346 Crore vis-a-vis ₹677 Crore in the corresponding period of previous year. This was the highest quarterly EBITDA ever. The increase is primarily attributable to one-time reversal of provision due to tariff true-up order of the Karcham Wangtoo plant. EBITDA after adjusting for the above mentioned one-off is ₹821 Crore vs ₹603 Crore in the corresponding period of previous year.

<sup>2</sup> Deemed PLF



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Finance cost during the quarter decreased by 61% YoY to ₹100 Crore from ₹257 Crore in the corresponding quarter of previous year. After adjusting for write back of interest provisions on regulatory liabilities (post Karcham Wangtoo true-up order), underlying finance cost decreased by 7% YoY to ₹170 Crore from ₹183 Crore in Q4FY21.

Profit After Tax (PAT) stood at an all-time quarterly high of ₹864 Crore, which was 711% higher YoY compared to a PAT of ₹107 Crore in the corresponding period of previous year. PAT after adjusting for the Karcham Wangtoo true-up order is ₹372 Crore in Q4FY22.

During FY22, the Total Revenue of the Company increased by 22% YoY to ₹8,736 Crore from ₹7,160 Crore in FY21.

EBITDA for FY22 was higher by 32% YoY at ₹4,138 Crore vis-a-vis ₹3,144 Crore in FY21. EBITDA, after adjusting for the impact of Karcham Wangtoo tariff order, is ₹3,542 Crore in FY22 vis-a-vis ₹3,070 Crore in FY21. The company continues to deliver strong EBITDA on the back of stable Cashflows from Long-term portfolio, superior O&M practices, and gains from buoyancy in the short-term / merchant markets.

Finance cost during the year decreased by 13% YoY to ₹777 Crore from ₹896 Crore last year. This is primarily due to one-time expenses of ₹92 Crore during Q1 FY22 towards prepayment charges and write-off of unamortised other borrowing costs relating to repayment of rupee denominated loans of JSW Hydro Energy Limited and write back of interest provisions on regulatory Liabilities (Karcham Wangtoo true-up order) in FY21 (₹74 Crore) & FY22 (₹2 Crore). After adjusting for above underlying finance cost decreased by 17% YoY to ₹683 Crore from ₹822 Crore in FY21.



Profit After Tax (PAT) stood at an all-time high of ₹1,729 Crore, which was 117% higher YoY compared to a PAT of ₹795 Crore last year. PAT after adjusting for the for the impact of Karcham Wangtoo tariff order is ₹1,180 Crore in FY22.

The Board recommended a dividend of ₹2 per share subject to approval of the shareholders.

The Consolidated Net Worth and Consolidated Net Debt as on Mar 31, 2022 were ₹17,415 Crore and ₹6,963 Crore respectively, resulting in a Net Debt to Equity ratio of 0.40x and Net Debt/TTM EBITDA of 1.68x. Receivable days stood at 59 days at the end of FY22 (vs 69 days at end of FY21). Liquidity continues to be strong with Cash balances<sup>3</sup> at ₹1,929 Crore as of Mar 31, 2022. The Company has one of the strongest balance sheets among its peers with a large headroom to pursue value accretive growth opportunities.

### **Growth Strategy:**

JSW Energy is pursuing a growth strategy to expand from the current platform capacity of 7 GW to 10 GW by FY25, and 20 GW by FY30, with the entire capacity addition being driven by renewables. 2.25 GW of greenfield renewable energy capacity is currently under construction in full swing:

- SECI IX - 810 MW & SECI X - 450 MW: PPA signed for entire capacity with SECI. WTG Foundation Reinforcement works in progress and phase-wise commissioning is expected from Q2 FY23.
- 958 MW Solar and Wind Group Captive with JSW Steel: PPA signed for entire capacity; Commenced operations at 225 MW solar plant. Wind projects are

<sup>3</sup> Includes unencumbered bank balances, FDs, and liquid mutual funds





progressing well and scheduled to be progressively commissioned from Q1 FY24.

- 240 MW Kutehr Hydro Project: PPA signed with Haryana discom. 70% of tunnelling work (~14.6 km) is completed, ahead of the target timelines of commissioning by September 2024.
- JSW Energy's current portfolio of 7 GW (2.25 GW under-construction) comprises 55% renewable capacity. This is expected to pivot to ~70% renewable energy by FY25 and ~85% renewable energy by FY30. With one of the strongest balance sheets (Net Debt to Equity at 0.40x and Net Debt to EBITDA (TTM) at 1.68x) in the sector and a profitable and cash generative operating portfolio (₹1,929 Crore of cash and cash equivalent), the Company is well positioned to pursue its growth aspiration.

#### **Business Environment<sup>4</sup>:**

- India's power demand increased by 3.1% YoY in Q4 FY22, reflecting an uptick in economic activities. In FY22, power demand increased by 7.9% YoY driven by the strong pickup in economic activity coupled with a low base effect.
- Further, on 29<sup>th</sup> April 2022, All India peak power demand touched an all-time high of 207.11 GW (higher than 201.07 GW witnessed on 26<sup>th</sup> April'22 and 200.54 GW witnessed on 7<sup>th</sup> July'21).
- In line with demand, overall power generation increased by 3.4% YoY in Q4 FY22, led by renewable generation at 14.9% and hydro generation at 13.0% YoY growth. During FY22 power generation increased by 7.8% YoY, led by renewable generation at 15.1% and thermal generation at 8.0%.
- On the supply side, installed capacity stood at 399.5 GW as on March 31, 2022. In Q4 FY22, installed capacity increased by 6.1 GW, on a net basis, due to

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<sup>4</sup> Source: Central Electricity Authority and POSOCO



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addition in Renewable (+5.0 GW) and Thermal (+0.9 GW) segments. FY22 witnessed a record addition in the Renewable capacity at 15.5 GW, with additions of 13.9 GW in Solar and balance by other sources.

### Outlook:

- The International Monetary Fund (IMF) in its latest publication (April 2022) on World Economic Outlook expects global GDP to grow by 3.3% in CY22 and CY23. This marks a downward revision of 0.8 and 0.2 percentage points for CY22 and CY23 from the January 2022 forecast. The economic outlook has considerably weakened mostly because of the Russia-Ukraine war. The conflict has led to higher commodity prices, affecting energy prices. In addition to this, frequent and wider-ranging lockdowns in China, including in key manufacturing hubs have also slowed activity and also caused new bottlenecks in global supply chains. Inflation has risen steadily leading to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.
- India's latest macro-economic data reflects mixed recovery signals. Services PMI prints are encouraging, on account of easing pandemic related restrictions leading to improved customer footfalls. GST collections remained healthy in Q4 FY22 and in April'22 touched an all-time high of ₹1.68 lakh Crore, crossing ₹1.5 lakh Crore mark for the first time. The economic fallout of the Russia-Ukraine conflict is visible with rising inflation, supply chain issues, and slow-down in the consumption. The higher inflation also limits scope for additional monetary easing by RBI.
- Broad-based reforms by the government focusing on infrastructure development, asset monetization, taxation, telecom sector and banking sector implies strong economic outlook over the medium term despite near term



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headwinds. Further Union budget for FY23 has a strong focus on boosting government capex and reviving private sector spending. Production Linked Incentive (PLI) was further extended with additional funds allocation to support large scale manufacturing in India. RBI projects India's GDP growth at 7.2% in FY23.

- Over the medium term, the power sector outlook is healthy, as rapid urbanization and stabilization of various Govt. schemes are expected to boost overall power demand.
- With the backdrop of India's commitment at COP26 of reaching net-zero by 2070 and a target of achieving 500 GW of non-fossil fuel energy capacity by 2030, the recent annual budget recognized Energy Transition and Climate Action as a key priority area. Green Energy and Clean Mobility systems were recognized as sunrise industries and both of these areas present an enormous potential for capital deployment at scale. Going forward, renewable energy capacity addition is expected to meet the incremental power demand. The financial health of discoms continues to be a key concern.
- JSW Energy Limited has joined the global movement of leading companies that are aligning their business to limit global temperature rise to 1.5°C above preindustrial levels, and reach net-zero value chain emissions by no later than 2050. JSW Energy has set an ambitious target for 50% reduction in carbon footprint by 2030 and achieving Carbon Neutrality by 2050 by transitioning towards renewable energy. The Company has committed to set a science-based target through the Science Based Targets initiative.



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**ABOUT JSW ENERGY:** JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 13 billion JSW Group which has significant presence in sectors such as steel, energy, infrastructure, cement, sports among others. JSW Energy Ltd has established its presence across the value chains of power sector with diversified assets in power generation, and transmission. With strong operations, robust corporate governance and prudent capital allocation strategies, JSW Energy continues to deliver sustainable growth, and create value for all stakeholders. JSW Energy began commercial operations in 2000, with the commissioning of its first 2x130 MW thermal power plants at Vijayanagar, Karnataka. Since then, the company has steadily enhanced its power generation capacity from 260 MW to 4,784 MW having a portfolio of Thermal 3,158 MW, Hydel 1,391 MW & Solar 235 MW, ensuring diversity in geographic presence, fuel sources and power off-take arrangements. The Company is presently constructing various renewable power projects to the tune of 2.25 GW, with a vision to achieve a total power generation capacity of 20 GW by the year 2030, when the share of renewables in the total capacity will increase to ~ 85%.

**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 JSW Energy 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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A handwritten signature in black ink, appearing to be 'Mithun Roy', written over a faint circular stamp.

