

Financial Results for the Quarter ended September 30, 2019

Mumbai, India: JSW Energy Limited (“JSW Energy” or the “Company”) today reported its results for the second quarter (“Q2FY20” or the “Quarter”) ended September 30, 2019.

Key Highlights of Q2FY20 (Consolidated):

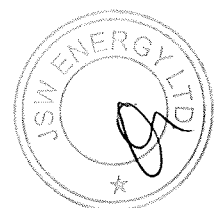
- Committee of Creditors approved the Company’s resolution plan under the corporate insolvency resolution process for Ind-Barath Energy (Utkal) Ltd, which owns a 700 MW under-construction thermal power plant in Odisha. The closure of the transaction shall be subject to approval from NCLT
- The Company entered into exclusive discussions for potential acquisition of GMR Kamalanga Energy Ltd, which owns a 1050 MW operating thermal power plant in Odisha
- JSW Energy (Kutehr) Ltd, a 100% subsidiary of the Company, commenced construction of 240 MW hydro power plant in Himachal Pradesh, pursuant to Haryana Power Purchase Centre accepting its offer for supply of hydro power and filing the necessary petition for approval with Haryana Electricity Regulatory Commission
- The Company continues to strengthen its balance sheet through proactive debt repayment/prepayment thereby creating sufficient headroom for growth opportunities
- The Karcham Wangtoo HEP of JSW Hydro Energy Ltd achieved its highest ever PLF in Q2FY20/H1FY20 since commissioning

- The Company's Vijayanagar plant was awarded:
 - "Global Environment Award 2019" from 'Energy & Environment Foundation'
 - "Energy Efficient Unit" at 20th CII National Award for Excellence in Energy
 - Silver Category in the "SEEM National Energy Management Award 2019"
- The Company's Ratnagiri plant was recognized as 'Excellent Energy Efficient Unit' at 20th CII National Award for Excellence in Energy

Consolidated Operational Performance:

PLF achieved during Q2FY20 at various locations/plants are furnished below:

- **Vijayanagar:** The plant achieved an average PLF of 40.1% vis-a-vis 51.8% in the corresponding quarter of previous year due to lower long term power sales.
- **Ratnagiri:** The plant operated at an average PLF of 73.7% as against 64.3% in the corresponding quarter of previous year due to higher offtake from short term customers.
- **Barmer:** The plant achieved an average PLF of 60.0% as against 71.5% in the corresponding quarter of previous year due to back-down by discoms.
- **Himachal Pradesh:** The plants achieved an average PLF of 102.7% for the quarter vis-à-vis 93.9% in the corresponding quarter of previous year due to better water availability in Sutlej basin.
- **Nandyal:** The plant achieved an average PLF of 33.0% during the quarter.
- **Solar:** The plants at Nandyal and Salboni achieved average CUF of 13.6% and 14.1% respectively during the quarter.



The net generation at various locations/plants is furnished below:

(Figures in Million Units)

Location/ Plant	Q2FY20	Q2FY19
Vijayanagar	701	905
Ratnagiri	1,781	1,559
Barmer	1,281	1,531
Himachal Pradesh	2,926	2,675
Nandyal	9	-
Solar	3	-
Total	6,700	6,670

Short term sales during the quarter were higher at 759 million units as compared to 315 million units in Q2FY19 primarily due to higher sales at both Ratnagiri and Vijayanagar plants.

Consolidated Financial Performance Review and Analysis:

During the quarter, total revenue decreased by ~13% on a YoY basis to ₹2,232 Crore from ₹2,568 Crore in the corresponding quarter of previous year primarily due to decline in fuel cost. The fuel cost for the quarter decreased by ~26% YoY to ₹983 Crore primarily due to moderation in the imported coal prices.

EBITDA for the quarter increased by ~5% to ₹1,048 Crore from ₹998 Crore in the corresponding quarter of previous year.

Finance costs declined to ₹272 Crore from ₹308 Crore in the corresponding quarter of previous year, attributable to proactive debt repayment/prepayment.

The Company's Net Profit stood at ₹353 Crore vis-à-vis ₹316 Crore in the corresponding quarter of previous year. Total Comprehensive Income of the



Company for the quarter stood at ₹23 Crore as against ₹651 Crore in the corresponding period of previous year.

The Consolidated Net Worth and Consolidated Net Debt[^] as on September 30, 2019 were ₹11,756 Crore and ₹9,702 Crore respectively, resulting in a Net Debt[^] to Equity ratio of 0.83x.

Business Environment:

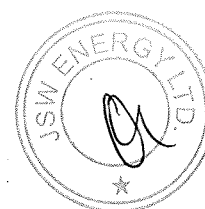
In Q2FY20, India's power demand growth declined to 1.6% YoY vis-a-vis 6.8% in Q2FY19 and 7.4% in Q1FY20, primarily attributable to heavy rains and floods in West and South India. Excluding North, all other regions witnessed a subdued demand growth YoY.

Commensurate with demand, overall power generation declined by 0.4% in Q2FY20 on a YoY basis. Renewable and Thermal generation declined by 9.2% and 2.5% respectively, while Hydro grew by 9.1% on a YoY basis. PLF for Thermal segment was lower at 52.5% in Q2FY20 vis-à-vis 57.6% in the corresponding quarter of last fiscal, primarily due to a decline in Central sector PLF.

On the supply side, installed capacity stood at 363.4GW as on September 30, 2019. In Q2FY20, installed capacity increased by 5.1GW led by Thermal (+2.3GW) and Renewable segments (+2.8GW).

During the quarter, the average merchant power prices at IEX stood at ₹3.16/unit. This was ~4% lower on QoQ basis and ~18% lower on a YoY basis.

[^]excluding short term working capital debt/ acceptances



In Q2FY20, average value of INR against USD depreciated ~1% on a QoQ basis and remained flat YoY. Going forward, trends in crude oil prices, global growth and resolution of global trade related concerns will be the driving factors for INR. The average API 4 Coal Index witnessed a sharp decline of ~40% on a YoY basis and ~7% on a QoQ basis in Q2FY20.

Outlook:

As per the Monetary Policy Committee of India (MPC), global economy is losing momentum on account of trade and geo-political tensions leading to heightened uncertainty. Crude oil prices continue to be volatile amidst disruptions in Saudi Arabia during mid-September and also due to evolving demand-supply conditions, and thus remain a key global concern especially for Emerging Markets like India.

On the domestic front, real Gross Domestic Product (GDP) growth further moderated to 5.0% in the first quarter of FY20, the lowest since Q3FY13, majorly attributable to subdued growth across all the major sectors. However, above normal monsoon season is expected to benefit the agriculture sector, which augurs well for rural economy and revival of domestic demand to an extent. Moreover, the infrastructure/ construction sector activity gained traction in August as per IIP data which should support the overall GDP.

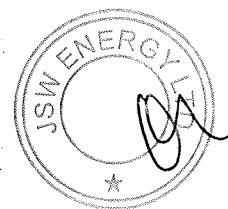
The inflation trend continues to be benign, albeit susceptible to volatile crude oil prices. In line with this, MPC further reduced the key policy rate by 25 bps in its fourth Bi-monthly Monetary Policy in FY20 and maintained the monetary policy stance at Accommodative. This was the fifth consecutive rate cut from MPC, taking the repo rate to a nine-year low. Another big boost during the quarter was the



corporate tax cut announced by the Government of India which is expected to boost corporate earnings thereby encouraging new investments.

Power demand over the medium term is expected to improve backed by rapid urbanization and stabilization of various schemes undertaken by the Government such as “Power for All” and “24 x 7 Power”. The country almost achieved universal household electrification in FY19 which should unlock the latent power demand from rural India. On the supply side, capacity addition is shedding momentum along with the retirement of old and inefficient thermal plants in a phased manner, which should result in Demand-Supply balancing in the medium-term. This bodes well for existing thermal plants wherein we should see the PLFs inching up. The Power Ministry’s recent order implementing a payment security mechanism for discoms is a positive step towards creating payment discipline. The sector is also likely to see increased consolidation with several stressed power assets available for acquisition. However, volatility in imported coal prices and merchant tariffs, and domestic coal availability especially for private sector power plants continue to remain key concerns for the sector.

ABOUT JSW ENERGY: JSW Energy Ltd is one of the leading Private sector power producers in India and part of the USD 14 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, transmission and mining. 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 4,559 MW having a portfolio of Thermal 3,158 MW, Hydel 1,391 MW & Solar 10 MW, ensuring diversity in geographic presence, fuel sources and power off-take arrangements. JSW Energy is committed to pursue growth opportunities in the power sector and contribute in powering our nation’s economy.



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.

For Further Information, Please Contact:

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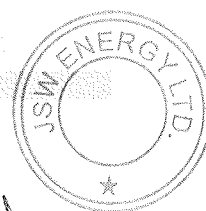
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A handwritten signature in black ink, appearing to read "Mithun Roy".

