

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
JSW ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **JSW ENERGY LIMITED** ("the Company"), for the quarter and six months ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



(Samir R. Shah)
Partner

(Membership No. 101708)

(UDIN: 20101708AAAEM6769)

Mumbai, 3 November 2020

JSW ENERGY LIMITED

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051

CIN : L74999MH1994PLC077041

Statement of Unaudited Standalone Financial Results for the Quarter and Six Months Ended 30.09.2020

₹ Crore

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited			Unaudited		Audited
1	Income:						
	a) Revenue from operations	672.03	804.35	1,063.50	1,476.38	2,206.25	4,313.99
	b) Other income	26.77	18.57	86.89	45.34	135.57	197.90
	Total income	698.80	822.92	1,150.39	1,521.72	2,341.82	4,511.89
2	Expenses:						
	a) Fuel cost	424.92	558.55	774.57	983.47	1,595.19	3,074.40
	b) Employee benefits expense	25.42	29.86	30.17	55.28	59.77	118.71
	c) Finance costs	55.59	66.65	89.14	122.24	175.52	321.95
	d) Depreciation and amortisation expense	90.38	90.30	93.05	180.68	185.16	369.27
	e) Other expenses	39.81	29.75	61.22	69.56	107.89	226.71
	Total expenses	636.12	775.11	1,048.15	1,411.23	2,123.53	4,111.04
3	Profit before exceptional items and tax (1-2)	62.68	47.81	102.24	110.49	218.29	400.85
4	Exceptional items (net) (refer note no 4)	-	-	-	-	-	(23.02)
5	Profit before tax (3-4)	62.68	47.81	102.24	110.49	218.29	423.87
6	Tax expense:						
	- Current tax	5.48	4.55	13.83	10.03	39.21	5.50
	- Deferred tax	21.85	15.01	23.78	36.86	39.51	(79.44)
7	Profit for the period / year (5-6)	35.35	28.25	64.63	63.60	139.57	497.81
8	Other comprehensive income / (loss)						
A	(i) Items that will not be reclassified to profit or loss	634.69	349.08	(326.73)	983.77	(441.94)	(1,069.71)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.05	0.05	-	0.10	-	0.19
B	(i) Items that will be reclassified to profit or loss	7.60	(5.80)	8.46	1.80	(40.94)	(9.73)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(2.66)	2.03	(2.96)	(0.63)	14.30	3.40
	Total other comprehensive income / (loss) (net of tax)	639.68	345.36	(321.23)	985.04	(468.58)	(1,075.85)
9	Total comprehensive income / (loss) for the period / year (7+8)	675.03	373.61	(256.60)	1,048.64	(329.01)	(578.04)
10	Paid-up equity share capital (net of treasury shares) (Face value of ₹ 10 per share)	1,642.03	1,641.90	1,641.21	1,642.03	1,641.21	1,641.90
11	Other equity						7,758.30
12	Earnings per share (EPS) (not annualised excluding year end)						
	- Basic EPS (₹)	0.22	0.17	0.39	0.39	0.85	3.03
	- Diluted EPS (₹)	0.22	0.17	0.39	0.39	0.85	3.03
13	Debt equity ratio (refer note no.7)				0.17	0.28	0.24
14	Debt service coverage ratio (refer note no.7)				0.65	1.34	1.11
15	Interest service coverage ratio (refer note no.7)				4.23	4.32	4.36



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Standalone Statement of Assets and Liabilities

₹ Crore

Particulars	As at	
	30.09.2020	31.03.2020
	Unaudited	Audited
A. ASSETS		
1. Non-current assets:		
(a) Property, plant and equipment	4,331.96	4,507.17
(b) Capital work-in-progress	108.66	108.85
(c) Other Intangible assets	0.60	0.76
(d) Investments in subsidiaries and an associate	4,029.06	4,024.11
(e) Financial assets		
(i) Investments	2,043.38	1,058.59
(ii) Loans	128.30	205.13
(iii) Other financial assets	1,010.46	1,002.50
(f) Income tax assets (net)	61.27	61.19
(g) Other non-current assets	90.89	96.75
Total non - current assets	11,804.58	11,065.05
2. Current assets:		
(a) Inventories	175.78	540.77
(b) Financial assets		
(i) Investments	112.67	334.10
(ii) Trade receivables	594.89	585.61
(iii) Unbilled revenue	218.05	211.51
(iv) Cash and cash equivalents	174.58	140.47
(v) Bank Balances other than (iv) above	24.18	17.13
(vi) Loans	131.97	250.83
(vii) Other financial assets	152.20	337.22
(c) Other current assets	48.63	72.75
Total current assets	1,632.95	2,490.39
TOTAL ASSETS (1+2)	13,437.53	13,555.44
B. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	1,642.03	1,641.90
(b) Other equity	8,643.96	7,758.30
Total equity	10,285.99	9,400.20
2. Liabilities		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,460.60	1,333.08
(ii) Other financial liabilities	0.31	0.30
(b) Provisions	22.83	19.90
(c) Deferred tax liabilities (net)	363.39	325.90
(d) Other non-current liabilities	6.14	6.21
Total non - current liabilities	1,853.27	1,685.39
II. Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
a) Total outstanding dues of micro and small enterprises	2.56	1.17
b) Total outstanding dues of creditors other than micro and small enterprises*	780.27	1,264.74
(ii) Other financial liabilities	418.66	1,035.29
(b) Other current liabilities	55.70	127.74
(c) Provisions	4.68	4.21
(d) Income tax liabilities (net)	36.40	36.70
Total current liabilities	1,298.27	2,469.85
Total liabilities	3,151.54	4,155.24
TOTAL EQUITY AND LIABILITIES (1+2)	13,437.53	13,555.44

*Includes acceptances



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Standalone Statement of Cash Flows

₹ Crore

Particulars	For Six Months Ended	
	30.09.2020	30.09.2019
	Unaudited	Unaudited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	110.49	218.29
Adjusted for:		
Depreciation and amortisation expense	180.68	185.16
Interest income earned on financial assets that are not designated as at fair value through profit or loss	(19.42)	(100.11)
Finance costs	122.24	175.52
Share based payments	1.09	1.84
Dividend income	(14.01)	(28.72)
Gain on sale / discard of property, plant and equipment	-	(0.01)
Impairment loss allowance for investment in subsidiaries	-	11.45
Allowance for doubtful loans / trade receivables / interest receivables	0.02	4.13
Liabilities no longer payable written back	(1.58)	-
Preoperative expenses written off	0.98	-
Net loss arising on financial instruments designated as fair value through profit or loss	0.09	0.18
Unrealised foreign exchange loss / (gain) (net)	0.78	(11.00)
Operating profit before working capital changes	270.87	238.44
Adjustment for movement in working capital :		
Increase in trade receivables and unbilled revenue	(15.84)	(135.28)
Decrease / (Increase) in inventories	365.00	(59.84)
Decrease / (Increase) in current and non current assets	48.33	(50.92)
Decrease in trade payables and other liabilities	(544.84)	(161.32)
Cash flow from operations	234.01	49.37
Income taxes paid (net)	(10.31)	(45.78)
Net cash generated from operating activities (A)	223.70	3.59
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(12.04)	(46.71)
Proceeds from sale of property, plant and equipment (including capital work in progress)	140.00	1.31
Interest received	19.94	81.92
Dividend income	14.01	28.72
Loans given	(31.00)	(872.58)
Loans repaid	224.54	1,020.84
Investment in equity share capital of subsidiaries	(4.95)	-
Proceeds from redemption of investment in debentures of a subsidiary	-	189.50
Bank deposits not considered as cash and cash equivalents (net)	(25.82)	9.98
Net cash generated from investing activities (B)	324.68	412.98
C CASH FLOW FROM FINANCING ACTIVITIES		
Payment for lease liabilities	(0.23)	(0.21)
Payment for treasury shares under ESOP plan	(1.87)	(2.90)
Proceeds from issue of equity shares under ESOP plan	2.21	4.68
Proceeds from borrowings	225.00	-
Repayment of borrowings	(718.19)	(269.49)
Proceeds from / (repayment) of current borrowings (net)	-	99.32
Interest paid	(78.25)	(240.09)
Dividend paid (including corporate dividend tax)	(164.28)	(197.86)
Net cash used in financing activities (C)	(735.61)	(606.55)
Net decrease in cash and cash equivalents (A+B+C)	(187.23)	(189.98)
Cash and cash equivalents - at the beginning of the period	474.57	259.77
Fair value loss on liquid investments	(0.09)	(0.18)
Cash and cash equivalents - at the end of the period	287.25	69.61
Cash and cash equivalents comprise of:		
1) Balances with banks		
In current accounts	72.85	17.52
In deposit accounts maturity less than 3 months at inception	101.71	30.46
2) Cash on hand	0.02	0.02
3) Investment in mutual funds	112.67	21.61
Cash and cash equivalents	287.25	69.61



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Notes :

- 1 Some of the existing customers having long term power purchase agreements have entered into long term job work agreements with the Company for supply of power from July 1, 2020 onwards. As per the said agreements, the coal required for power generation is supplied by the respective customers which is converted into power by the Company and supplied to the customers. The Company receives the job work charges from the customers. These arrangements have, primarily, resulted in lower 'revenue from operations' and 'fuel cost' to the extent of cost of consumption of coal for the power generated under job work. Accordingly, to such extent, the results for the quarter and six months ended September 30, 2020 are not comparable with those for the previous periods and previous year-end.
- 2 The Company continued its operations amidst outbreak of COVID-19 as electricity generation is regarded as one of the essential services by the Government. The Company's substantial generation capacities are tied up under medium to long term power purchase / job work agreements, which insulates revenue of the Company under such contracts. Merchant power sale has witnessed lower demand due to economic slowdown, and consequential impact on tariff. Based on the present assessment, the Management does not expect any medium to long-term impact on the businesses of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory, loans and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to above, and the Company's liquidity position, there is no uncertainty in meeting financial obligations in the foreseeable future. The impact of COVID-19 may differ from that estimated as at the date of approval of these financial results.
- 3 The Code on Social Security, 2020 ('the Code') received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective.
- 4 For the year ended March 31, 2020, exceptional items comprise write back of contingent consideration of ₹ 177.48 Crore being no longer payable and an additional loss allowances of ₹ 116.02 Crore on a loan, pursuant to debt resolution agreement entered into with the party on January 2, 2020, and additional loss allowance of ₹ 38.44 Crore towards a loan given to a subsidiary basis recoverability assessment.
- 5 The Company has only one reportable operating segment i.e. 'Power Generation'.
- 6 a) The listed secured redeemable non-convertible debentures aggregating ₹ 800.00 Crore as on September 30, 2020 are secured by mortgage/charge on certain immovable and moveable assets of the Company with minimum fixed assets cover of 1.20 | 1.25 times, as applicable.
b) Details of secured redeemable non-convertible debentures are as follows :

Particulars	Previous Payment Dates		Next Payment Dates	
	Principal	Interest	Principal	Interest
9.75% Secured Redeemable Non Convertible Debentures	20.07.2020 30.07.2020 17.08.2020	20.07.2020 30.07.2020 17.08.2020	N.A.	N.A.
8.80% Secured Redeemable Non Convertible Debentures*	N.A.	N.A.	28.01.2022	29.01.2021
8.90% Secured Redeemable Non Convertible Debentures*	N.A.	30.12.2019	30.12.2020	30.12.2020
8.40% Secured Redeemable Non Convertible Debentures	18.09.2020	18.09.2020	N.A.	N.A.

* Coupon rate revised effective from September 1, 2020 from 8.55% and 8.65% respectively
Interest and Principal have been paid on the due dates

c) Additional disclosure:

Particulars	Six Months Ended		Year Ended
	30.09.2020	30.09.2019	31.03.2020
1. Net Worth (₹ Crore)	10,285.99	9,644.24	9,400.20
2. Debenture Redemption Reserve (₹ Crore)	66.67	166.67	166.67
3. Credit Rating of secured redeemable non-convertible debentures	CARE A+ Stable	CARE AA- Credit watch with Negative Implications	CARE AA- Credit watch with Negative

- 7 Formula for computation of ratios are as follows:
Debt equity ratio = (Secured Loans + Unsecured Loans) / (Equity Share Capital + Other Equity)
Debt Service Coverage Ratio = Profit before Interest on Term Loans and Debentures, Depreciation, Exceptional Items and Tax / {Interest on Term Loans and Debentures + Scheduled Principal repayments (excluding prepayments / refinancing) made during the period / year for Long Term Loans and Debentures}
Interest Service Coverage Ratio = Profit before Interest on Term Loans and Debentures, Depreciation, Exceptional Items and Tax / Interest on Term Loans and Debentures
- 8 Previous period / year's figures have been regrouped / reclassified, wherever necessary.
- 9 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 3, 2020. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter and six months ended September 30, 2020.

For and on behalf of the Board of Directors

Prashant Jain

Jt. Managing Director & CEO
[DIN:01281621]

Place : Mumbai

Date : November 3, 2020



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