

Press Release Q1 10-11

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**JSW ENERGY LTD – CONSOLIDATED NET PROFIT AFTER TAX UP 219% AT  
RS. 299 CRORES FOR QUARTER ENDED JUNE 30, 2010.**

JSW Energy Ltd. has delivered impressive performance with consolidated net profit of Rs. 298.64 crores for Q1 FY 2011, registering a growth of 219% over Q1 FY 2010. During the quarter, company achieved the highest consolidated quarterly net generation of 1.83 billion units and highest consolidated quarterly turnover of Rs. 962.87 crores on account of significant jump in generation capacity pursuant to the commissioning of 600 MW during FY 2010

**The key performance highlights on a consolidated basis is as under:**

	UOM	Q 1 FY 2011	Growth over Q1 FY 2010
Net Generation	Million Units	1,827	251%
Total Income	Rs. Crs.	962.87	218%
EBITDA	Rs. Crs.	462.81	171%
PAT	Rs. Crs.	298.64	219%

**Operational Performance**

JSWEL achieved PLF on consolidated basis for Q1 FY 2011 of 92%. The recently commissioned 2 X 300 MW units at Vijayanagar works operated at PLF of 101.34% during the quarter and similarly the 2 X 130 MW units also demonstrated their consistent high level performance with PLF of 95.05% despite undertaking shutdown for the annual maintenance in June 2010 for one 130MW unit for about 9 days. This has enabled the Power Plant at Vijayanagar to register the highest net generation of 1,728 million units for the quarter.



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The 135 MW units of Raj West Power Ltd. (RWPL) operated during the quarter at an average PLF of 42.36% primarily due to impact on the refractory lining within the unit resulting from inconsistent operation of the unit on issues primarily related to adequate water availability in the past. Besides this, the harsh climatic conditions of the region also have impact on the effects in improving plant performance. The company has taken an advanced annual shutdown of the unit aimed at carrying out necessary repairs to the refractory lining for sustained plant operations.

The JSWEL achieved consolidated net generation of 1.83 billion units for the Q1 FY 2011 ended June 30, 2010 of which 1.25 billion (69%) units were sold in short term and balance 0.58 billion units under long term PPAs. Consequent to the stellar performance of Vijayanagar Works, the net generation was 1.73 billion units while RWPL generated 0.10 billion units.

### **Financial Performance**

During Q1 FY 2011, JSWEL clocked consolidated Total Income of Rs. 962.87 crores, registering a growth of 218.14% over the consolidated Total income for Q1 FY 2010. The company registered a consolidated EBITDA of Rs. 482.81 crores and consolidated Profit after Tax of Rs. 298.64 crores, delivering a growth of 170.86% and 218.95% respectively over Q1 FY 2010.

The Consolidated Net Worth and consolidated total debt as at June 30, 2010 (Q1 FY 2011), was Rs. 5,079.34 crores and Rs. 7,971.92 crores respectively indicating debt equity ratio of 1.57:1, which compared favorably with the Q1 FY 2010 debt equity ratio of 4.19:1.

### **Other Key Developments**

#### **A) Scheme of Amalgamation of JSW Energy (Ratnagiri) Ltd. (JSWERL) with JSW Energy Ltd. (JSWEL) and their respective shareholders and creditors:-**

The board of directors considered and approved a Scheme of Amalgamation of JSW Energy (Ratnagiri) Ltd. (a wholly owned Subsidiary of JSWEL) with JSWEL under section 391-394 of the Companies Act 1956, subject to approval from respective shareholders, lenders, creditors, statutory authorities and Hon. High Court.



The salient features of the scheme are as under:-

- Appointed date for the Amalgamation is April 1, 2010.
- The scheme does not envisage any issue of shares, since JSWERL is a wholly owned subsidiary of JSW Energy Ltd.
- The scheme is subject to requisite consent, approvals of the requisite majority of shareholders, lenders, creditors, of respective companies, the relevant Stock Exchanges, the Bombay High Court, and the permission or approval of the Central Government or any other statutory or regulatory authorities, which by law may be necessary for the implementation of the Scheme.
- The board of JSWERL has also met on July 22, 2010 independently and has approved the scheme.

Rationale:-

- Building robust corporate structure
- Create economies of scale through operation as a single entity.
- Efficient utilization of cash accruals for growth.
- Stronger balance sheet of Consolidated entity.

**B) Other developments:-**

- The second unit of 8 X 135 MW (1080 MW) power plant at Barmer, Rajasthan got synchronized on June 16, 2010.
- The 185 km long water pipeline laying was completed during May,10 bringing about much needed relief in stabilization of units as also expediting the commissioning of the power plant.
- The first circuit of the Double circuit Quad Moose Conductor Transmission line, built over a distance of about 57 kms, linking Jaigad with New Koyna was charged on April 16, 2010 and the second circuit was charged on July 7, 2010. The transmission line has significant capacity upside to meet substantial portion of the power evacuation needs of the 1,200 MW power plant of the company coming up at Ratnagiri.



**Project Update:****a) Status of projects under Construction and Implementation****(4 X 300) 1,200 MW – Ratnagiri plant at Maharashtra**

The commissioning activity of the first Unit of 300 MW is underway, pursuant to the charging of the power evacuation line connecting Jaigad to New Koyna. MOEF has granted its go ahead for the project upon the company confirming the placement of order for Flue Gas Desulphurization (FGD). Further, the second unit is also expected to be commissioned in fairly quick succession and all the four units are expected to be commissioned in the current financial year. Project expenditure incurred till June 30, 2010 is Rs 4244 crores.

**(8 X 135) 1,080 MW – Barmer plant at Rajasthan**

Pursuant to the COD of the first unit, the work on the other seven units is progressing as per schedule to achieve commissioning of the units during fiscal 2011. The Unit 2 was synchronized on June 16, 2010 and is expected to be commissioned in August, 2010. Project expenditure incurred till June 30, 2010 is Rs 5019 crores.

**(3 X 80) 240 MW – Kutehr plant at Himachal Pradesh**

The public hearing for environmental clearance held successfully during the quarter and pre qualification of vendors completed for main civil works. Land acquisition is under progress. Techno economic clearance from CEA is expected in July,10 for the process of plant development to accelerate. Total Project cost is estimated at Rs 1915 crores. Project expenditure incurred till June 30, 2010 is Rs 90 crores.

**(2 X 135) 270 MW – Barmer (Phase II) Plant at Rajasthan**

The work on the projects is expected to pick up once the 8 x 135MW project nears completion. Total Project cost is estimated at Rs 1350 crores. Project expenditure incurred till June 30, 2010 is Rs. 62 crores.

**Jaigad Power Transco Ltd.**

The charging of the first circuit of the Double Circuit Quad Moose Conductor transmission line between Jaigad & New Koyna (57 km) which was critical to the commissioning of the units at Ratnagiri Plant, was achieved on April 15, 2010 and the construction power required for the Ratnagiri project was drawn from April 16, 2010. The second circuit of the transmission line was charged on July 7, 2010. The progress on Jaigarh -- Karad Line is satisfactory and the project is targeted to achieve commissioning by last quarter of current fiscal.



**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 immigrations, 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 company in which we make 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.*



**Barmer Lignite Mining Co. Ltd.**

Lignite mining activity has commenced at Kapurdi mines and the lignite is expected to be extracted in the 4<sup>th</sup> quarter of FY 2011. Mine development plans approved for Jalipa mines & MOEF clearance received for Jalipa mines. Land acquisition by RSMML of the Jalipa mines is expected to be concluded by November 2010.

**(b) Projects under Development**

The work on the projects under Development is progressing with land acquisitions being in progress at Ratnagiri for 3,200 MW, Chhattisgarh for 1,320 MW and West Bengal for 1,000 MW. The company is also in the process of obtaining necessary approvals for these projects for commencement of work.

**Outlook:**

The robust manufacturing growth coupled with strong domestic consumption has ensured that the economy continues to grow at a brisk pace of about 8% while the globally the developed economies are still to emerge from the impact of the recession. Consequent to the growth of the economy, the power deficit is seen to be widening while fuel continues to be the area of concern with increasing costs. Though, the rise in thermal coal prices seem to have been arrested, the margins will be under pressure if the short term prices do not correct pursuant to the lean monsoon season.

**About JSW Energy Ltd.:**

JSW Energy Ltd, part of the JSW Group is a growing energy company. The Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities, aluminum, cement and information technology. JSW Energy is working on power solutions in the states of Karnataka, Maharashtra, Rajasthan and Himachal Pradesh. The company has operational capacity of 995 MW, and 2145 MW of generating capacity under construction. By 2015, the company aims to generate 11,390 MW. The company is an early entrant in power trading business and plans to enter in power transmission business, 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 fully integrated energy solution business.

