

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

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

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended 31 March 2020 and (b) reviewed the Standalone Financial Results for the quarter ended 31 March 2020 (refer 'Other Matters' section below) which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended 31.03.2020" of **JSW Energy Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on the Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended 31 March 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive loss and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31 March 2020

With respect to the Standalone Financial Results for the quarter ended 31 March 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31 March 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 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.



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Basis for Opinion on the Audited Standalone Financial Results for the year ended 31 March 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31 March 2020 have been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2020 that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended 31 March 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31 March 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended 31 March 2020

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2020 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 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 SAs specified under section 143(10) of the Act 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.

Other Matters

- As stated in Note 12 of the Statement, the figures for the corresponding quarter ended 31 March 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended 31 December 2018. We have not issued a separate limited review report on the results and figures for the quarter ended 31 March 2019.
- The Statement includes the results for the Quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of these matters.

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



Samir R. Shah
Partner
(Membership No. 101708)
(UDIN: 20101708AAAABP6417)

Place: Mumbai
Date: 20 May 2020

JSW ENERGY LIMITED

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

CIN : L74999MH1994PLC077041

Statement of Standalone Financial Results for the Quarter and Year Ended 31.03.2020

(₹ Crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Refer Note 12	Unaudited	Refer Note 12	Audited	
1	Income:					
	a) Revenue from operations	1,016.00	1,091.74	1,111.13	4,313.99	5,118.33
	b) Other income	27.93	34.40	89.72	197.90	362.78
	Total income	1,043.93	1,126.14	1,200.85	4,511.89	5,481.11
2	Expenses:					
	a) Fuel cost	672.30	806.91	862.08	3,074.40	3,959.67
	b) Purchase of power	-	-	-	-	14.07
	c) Employee benefits expense	29.72	29.22	34.18	118.71	130.84
	d) Finance costs	66.87	79.56	93.10	321.95	411.79
	e) Depreciation and amortisation expense	91.38	92.73	90.60	369.27	365.02
	f) Other expenses	74.03	44.79	72.27	226.71	209.44
	Total expenses	934.30	1,053.21	1,152.23	4,111.04	5,090.83
3	Profit before exceptional items and tax (1-2)	109.63	72.93	48.62	400.85	390.28
4	Exceptional items (net) (refer note no.3)	-	(23.02)	-	(23.02)	-
5	Profit before tax (3-4)	109.63	95.95	48.62	423.87	390.28
6	Tax expense:					
	- Current tax	5.50	(39.21)	10.86	5.50	70.37
	- Deferred tax (refer note no.4)	9.07	(128.02)	10.19	(79.44)	68.46
7	Profit for the period / year (5-6)	95.06	263.18	27.57	497.81	251.45
8	Other comprehensive (loss) / income					
A	(i) Items that will not be reclassified to profit or loss	(908.62)	280.85	(96.53)	(1,069.71)	33.72
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.19	-	10.53	0.19	0.13
B	(i) Items that will be reclassified to profit or loss	(5.71)	36.92	2.55	(9.73)	(2.38)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.99	(12.89)	-	3.40	-
	Total other comprehensive (loss) / income (net of tax)	(912.15)	304.88	(83.45)	(1,075.85)	31.47
9	Total comprehensive (loss) / income for the period / year (7+8)	(817.09)	568.06	(55.88)	(578.04)	282.92
10	Paid-up equity share capital (net of treasury shares) (Face value of ₹ 10 per share)	1,641.90	1,641.69	1,640.87	1,641.90	1,640.87
11	Other equity				7,758.30	8,526.61
12	Earnings per share (EPS) (not annualised)					
	- Basic EPS (₹)	0.58	1.60	0.17	3.03	1.53
	- Diluted EPS (₹)	0.58	1.60	0.17	3.03	1.53
13	Debt equity ratio (refer note no.11)				0.24	0.28
14	Debt service coverage ratio (refer note no.11)				1.11	1.27
15	Interest service coverage ratio (refer note no.11)				4.36	3.78



Standalone Statement of Assets and Liabilities

₹ Crore

Particulars	As at	
	31.03.2020	31.03.2019
	Audited	
A. ASSETS		
1. Non-current assets:		
(a) Property, plant and equipment	4,507.17	4,852.07
(b) Capital work-in-progress	108.85	376.78
(c) Other Intangible assets	0.76	0.60
(d) Investments in subsidiaries and an associate	4,024.11	4,063.14
(e) Financial assets		
(i) Investments	1,058.59	2,449.26
(ii) Loans	205.13	881.12
(iii) Other financial assets	1,002.50	942.66
(f) Income tax assets (net)	61.19	7.97
(g) Other non-current assets	96.75	433.04
Total non - current assets	11,065.05	14,006.64
2. Current assets:		
(a) Inventories	540.77	348.46
(b) Financial assets		
(i) Investments	334.10	190.19
(ii) Trade receivables	797.12	554.70
(iii) Cash and cash equivalents	140.47	69.58
(iv) Bank Balances other than (iii) above	17.13	42.92
(v) Loans	250.83	182.51
(vi) Other financial assets	337.22	78.92
(c) Other current assets	72.75	36.29
Total current assets	2,490.39	1,503.57
TOTAL ASSETS (1+2)	13,555.44	15,510.21
B. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	1,641.90	1,640.87
(b) Other equity	7,758.30	8,526.61
Total equity	9,400.20	10,167.48
2. Liabilities		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,333.08	2,054.04
(ii) Other financial liabilities	0.30	0.26
(b) Provisions	19.90	15.80
(c) Deferred tax liabilities (net)	325.90	408.74
(d) Other non-current liabilities	6.21	6.37
Total non - current liabilities	1,685.39	2,485.21
II. Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
a) Total outstanding dues of micro and small enterprises	1.17	0.69
b) Total outstanding dues of creditors other than micro and small enterprises*	1,264.74	1,558.22
(ii) Other financial liabilities	1,035.29	1,111.55
(b) Other current liabilities	127.74	143.63
(c) Provisions	4.21	4.40
(d) Income tax liabilities (net)	36.70	39.03
Total current liabilities	2,469.85	2,857.52
Total liabilities	4,155.24	5,342.73
TOTAL EQUITY AND LIABILITIES (1+2)	13,555.44	15,510.21

*Includes acceptances



Standalone Statement of Cash Flows

₹ Crore

Particulars	For the Year Ended 31.03.2020 Audited	For the Year Ended 31.03.2019 Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	423.87	390.28
Adjusted for:		
Depreciation and amortisation expense	369.26	365.07
Interest income earned on financial assets that are not designated as at FVTPL	(143.04)	(232.43)
Interest income earned on other assets	-	(41.78)
Finance costs	321.95	411.79
Share based payments	3.22	2.94
Dividend income	(28.72)	(32.59)
(Gain) / Loss on sale / discard of property, plant and equipment	(2.91)	1.85
Loss on sale of Investments	2.67	-
Impairment loss allowance for investment in subsidiaries	11.70	-
Allowance for doubtful loans / trade receivables / interest receivables	53.76	14.72
Contingent Consideration / liabilities no longer payable written back	(177.48)	-
Loans written off	116.02	-
Allowance for non moving inventories	0.29	-
Unrealised foreign exchange gain (net)	(23.95)	(4.11)
Operating profit before working capital changes	926.64	875.74
Adjustment for movement in working capital :		
Increase in trade receivables	(242.66)	(66.18)
(Increase) / Decrease in inventories	(192.61)	101.50
(Increase) / Decrease in current and non current assets	(65.15)	28.82
Decrease in trade payables and other liabilities	(335.61)	(471.09)
Cash flow from operations	90.61	468.79
Income Taxes Paid (net)	(60.86)	(71.84)
Net Cash Generated from Operating Activities (A)	29.76	396.95
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP and capital advances)	(64.99)	(193.16)
Proceed from sale of property, plant and equipment	46.44	0.59
Interest received	129.36	270.69
Dividend income	28.72	32.59
Loans given	(1,162.56)	(2,730.89)
Loans repaid	1,896.93	2,588.66
Advance repaid	-	50.00
Investment in equity share capital of subsidiaries	(1.69)	-
Proceed from sale investment in equity shares of a subsidiary	26.35	-
Proceed from Redemption of investment in debentures of a subsidiary	384.50	415.50
Bank balances other than cash and cash equivalents	22.19	10.74
Net Cash Generated from Investing Activities (B)	1,305.25	444.72
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from transfer of treasury shares under ESOP plan	(1.57)	(0.01)
Proceed from issue of equity shares under ESOP Plan	6.96	5.15
Proceed from borrowings	300.00	200.00
Repayment of borrowings	(857.90)	(536.81)
Interest paid	(369.84)	(401.41)
Dividend paid (including corporate dividend tax)	(197.86)	-
Net Cash Used in Financing Activities (C)	(1,120.21)	(733.08)
Net Increase in Cash and Cash Equivalents (A+B+C)	214.80	108.59
Cash and Cash Equivalents - at the beginning of the year	259.77	151.18
Cash and Cash Equivalents - at the end of the year	474.57	259.77
Cash and Cash Equivalents comprise of:		
1) Balances with banks		
In current accounts	119.02	16.17
In deposit accounts maturity less than 3 months at inception	21.41	52.07
2) Cheques on hand	-	1.32
3) Cash on hand	0.04	0.02
4) Investment in mutual funds	334.10	190.19
Total	474.57	259.77



Notes :

- The Board of Directors has recommended dividend of 10% (₹ 1 per equity share of ₹ 10 each) for the year 2019-20 subject to the approval of shareholders in the Annual General Meeting.
- Effective April 1, 2019, the Company has adopted Ind AS 116 – Leases using the modified retrospective approach. The adoption of the standard did not have any material impact on these financial results.
- 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.
- The Company has, basis the impact assessment of the option given under section 115BAA of the Income Tax Act, 1961 to pay income tax at 22% plus applicable surcharge and cess subject to certain conditions, decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. Accordingly, deferred tax liability is re-measured at the tax rates that are expected to apply to the period when such liability will be settled resulting in write back of ₹ 165.18 crore.
- During the quarter ended December 31,2019, the Company has restructured its ownership interest in Kutehr Hydro Project by selling equity investment in JSW Energy (Kutehr) Limited (JSWEKL), a subsidiary, to JSW Hydro Energy Limited, another subsidiary, for ₹ 26.35 crore and by transferring capital work in progress of ₹ 241.79 crore relating to the project to JSWEKL. There is no material impact on the financial results.
- The Company has continued its operations during lockdown due to outbreak of COVID-19 as the electricity generation is considered 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 agreements, which insulates revenue of the Company under such contracts. The notices of applying force majeure clause under the power supply agreements from some of the customers have been appropriately responded under legal advice that the prevailing situation is outside the ambit of force majeure clause. This position is further supported by clarification from Ministry of Power that the DISCOMs will have to comply with obligation to pay fixed capacity charges as per the power purchase agreement. Based on initial assessment, the management does not expect any medium to long-term impact on the business of the Company. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, goodwill, inventory, loans, receivables and debt covenants 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 over the foreseeable future.
- The Company has only one reportable operating segment i.e. 'Power Generation'.

8 Additional Disclosure:

Particulars	For the year Ended	
	31.03.2020	31.03.2019
1. Net Worth (₹ Crore)	9,400.20	10,167.48
2. Debenture Redemption Reserve (₹ Crore)	166.67	166.67
3. Credit Rating of secured redeemable non-convertible debentures	CARE AA- Credit watch with Negative Implications	CARE AA- Stable outlook
4. Asset Cover available (times)	2.13	1.84

- The listed Secured Redeemable Non Convertible Debentures aggregating ₹ 1,399.05 crore as on March 31, 2020 are secured by way of pari passu charge on the certain immovable and moveable assets of the Company.
- Details of secured redeemable non-convertible debentures are as follows :

Particulars	Previous Payment Dates		Next Payment Date	
	Principal	Interest	Principal	Interest
9.75% Secured Redeemable Non Convertible Debentures	20.01.2020	20.01.2020	20.07.2020	20.04.2020
	30.01.2020	30.01.2020	30.07.2020	30.04.2020
	17.02.2020	17.02.2020	17.08.2020	16.05.2020
8.55% Secured Redeemable Non Convertible Debentures	NA	NA	28.02.2022	29.01.2021
8.65% Secured Redeemable Non Convertible Debentures	NA	30.12.2019	30.12.2020	30.12.2020
8.40% Secured Redeemable Non Convertible Debentures	NA	20.09.2019	18.09.2020	18.09.2020
Interest and Principal have been paid on the due dates				

- 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 made during the 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
- The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter for the relevant financial year which were subjected to limited review by the statutory auditors.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 20, 2020. The Statutory Auditors of the Company have carried out audit of the results for the year ended March 31, 2020.

For and on behalf of the Board of Directors



Prashant Jain
 Prashant Jain
 Jt. Managing Director & CEO
 [DIN:01281621]

Place : Mumbai
 Date : May 20, 2020

