



JSW Energy Limited

Investor Presentation

August 2016

A decorative graphic in the top left corner consisting of several overlapping curved lines in blue and red.

Agenda

Overview

Value Proposition

Business
Environment

Appendix

JSW Group – overview

USD 11 billion group with presence across the core sectors



JSW Steel*: India's leading integrated steel producer (Steel making capacity: 18MTPA)



JSW Energy*: Engaged across the value chain of power business (Operational plants' capacity: 4,531MW – proposed increase to 6,031 MW[^])

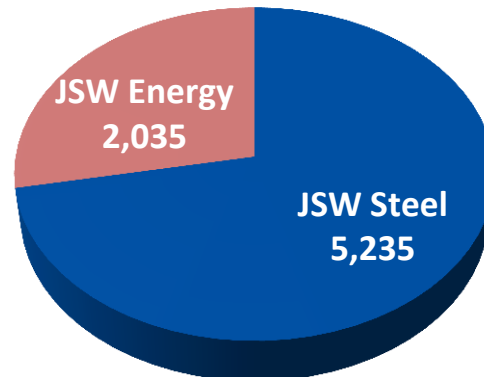


JSW Infrastructure: Engaged in development and operations of ports (Operational capacity: 33MTPA)



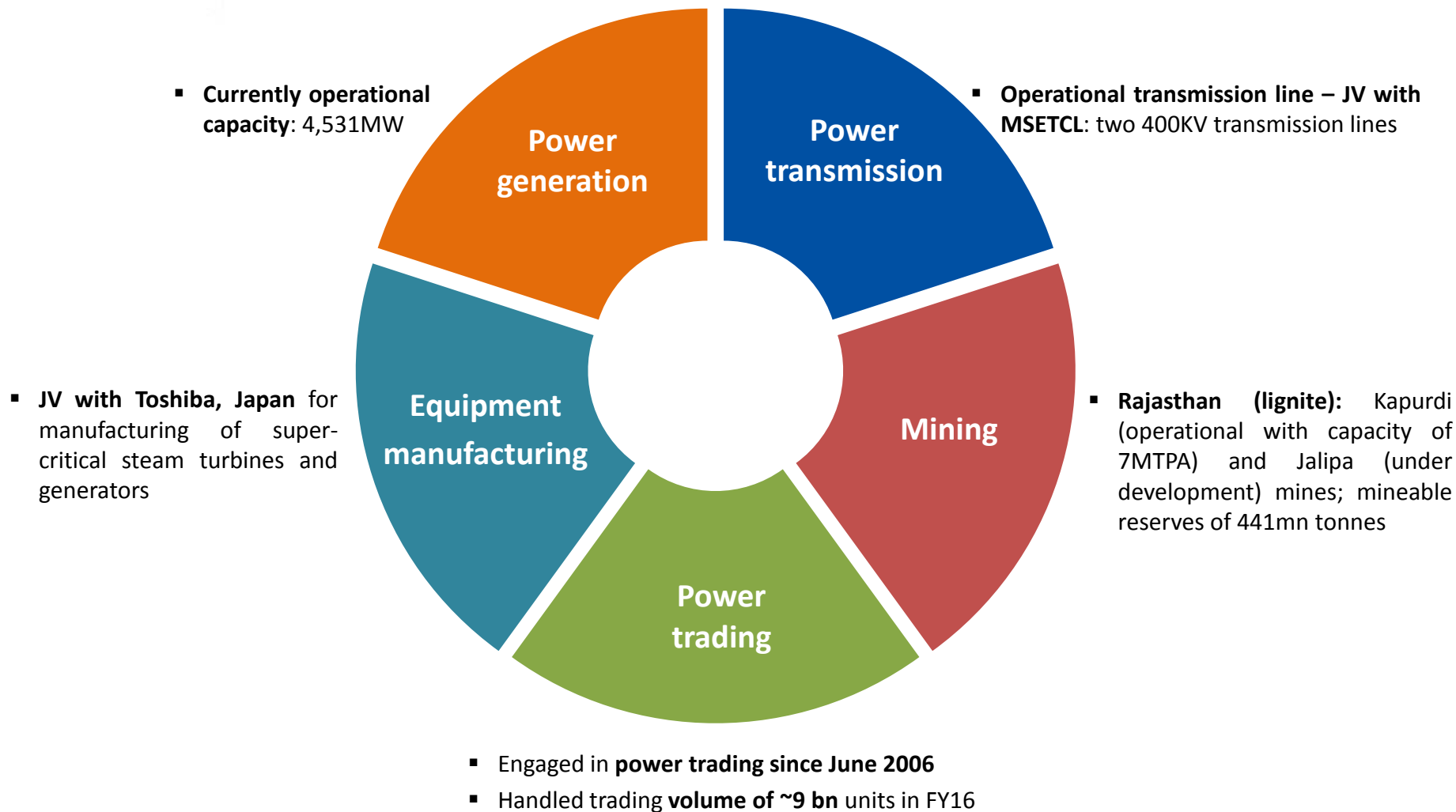
JSW Cement: Manufacturer of PSC, OPC and GGBS cement (Operational plants' capacity: 6MTPA)

Group market cap (\$7,270 mn**)

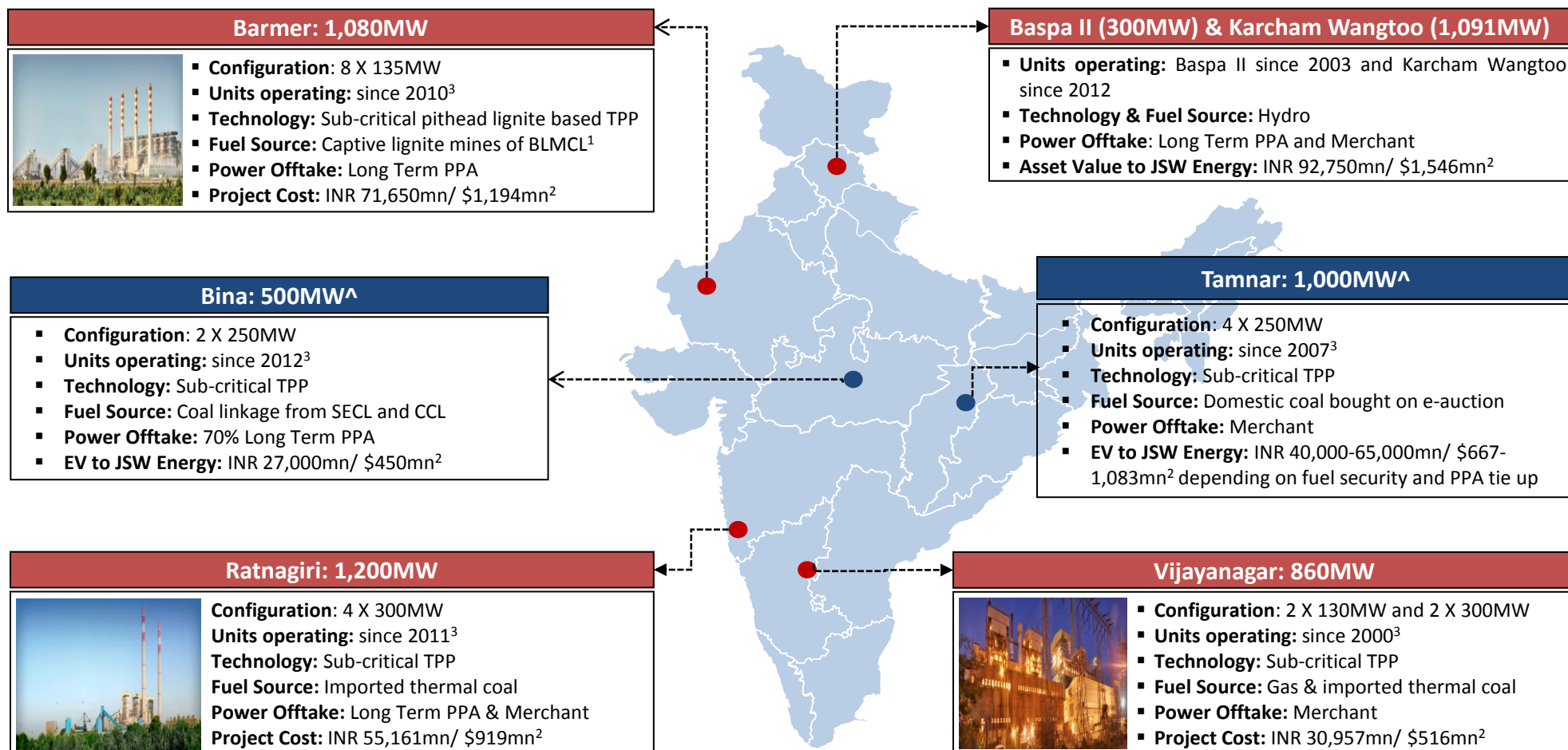


As on Jun 30, 2016

JSW Energy – Presence across the value chain



Established energy company with 4,531 MW operational capacity... proposed increase to 6,031 MW[^]



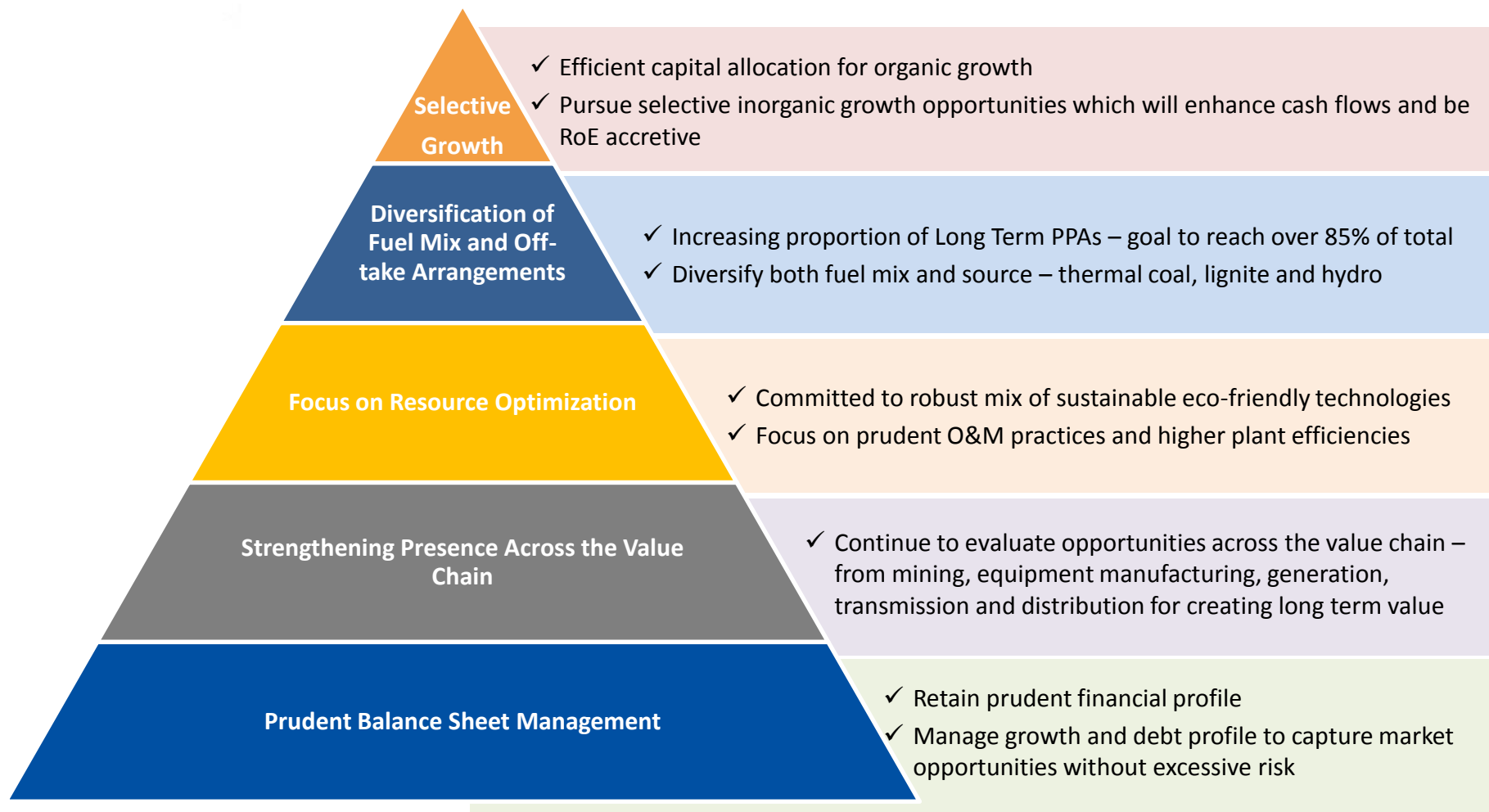
Proximity to load centre/fuel source/infrastructural facilities

Proven track record

	FY12	FY16#	
Capacity (MW)	2,600	4,531	▪ CAGR FY12–16: 15%
Net Generation (MUs)	13,594	22,064	▪ CAGR FY12–16: 13%
Total Revenue	INR 62,654mn / \$1,044mn	INR 102,096mn / \$1,702mn	▪ CAGR FY12–16: 13%
EBITDA	INR 15,944mn/ \$266mn	INR 44,112mn/ \$735mn	▪ CAGR FY12–16: 29%
PAT	INR 1,701mn/ \$28mn	INR 14,445mn/ \$241mn	▪ CAGR FY12–16: 71% ▪ Profitable and dividend paying since listing
Fuel Type	Thermal Coal	Thermal Coal, Lignite, Hydro	▪ Diversifying fuel sources
Business Segment	Power generation, O&M, transmission, trading, coal mining and equipment manufacturing	Power generation, O&M, transmission, trading, coal mining and equipment manufacturing	▪ Presence across the value chain

Despite turbulent sector dynamics, delivering sustainable growth driven by focused execution and balanced strategy

Corporate strategy



Sound Corporate Governance

Audit Committee	<ul style="list-style-type: none"> ✓ Ensures regular review of audit plans, significant audit findings, adequacy of internal audit system, compliance with regulations by the Company and its subsidiaries ✓ Comprises of five Non-Executive Directors
Nomination and Remuneration Committee	<ul style="list-style-type: none"> ✓ Identifies qualified persons and recommends to the Board the appointment, removal and evaluation of Directors ✓ Responsible for drafting policy on specific remuneration packages for Executive Directors and approving the payment of remuneration to managerial personnel ✓ Formulate criteria for independence of Director, evaluation of Independent Directors, policy on Board diversity ✓ Comprises of four Non-Executive Directors
Stakeholders Relationship Committee	<ul style="list-style-type: none"> ✓ Responsible for the functioning of the investor grievances redressal system ✓ Comprises of two Non-Executive Directors
Risk Management Committee	<ul style="list-style-type: none"> ✓ Periodically reviews risk assessment and minimization procedures ✓ Comprises of two Non-Executive Directors
Corporate Social Responsibility (CSR) Committee	<ul style="list-style-type: none"> ✓ Formulates and recommends to the Board a CSR Policy including list of projects and programs ✓ Strong commitment towards CSR ✓ Comprises of four Non-Executive Directors

All key committees in place, having adequate independent director representation

A decorative graphic in the top left corner consisting of overlapping blue and white curved shapes with a red swoosh.

Agenda

Overview

Value Proposition

Business
Environment

Appendix

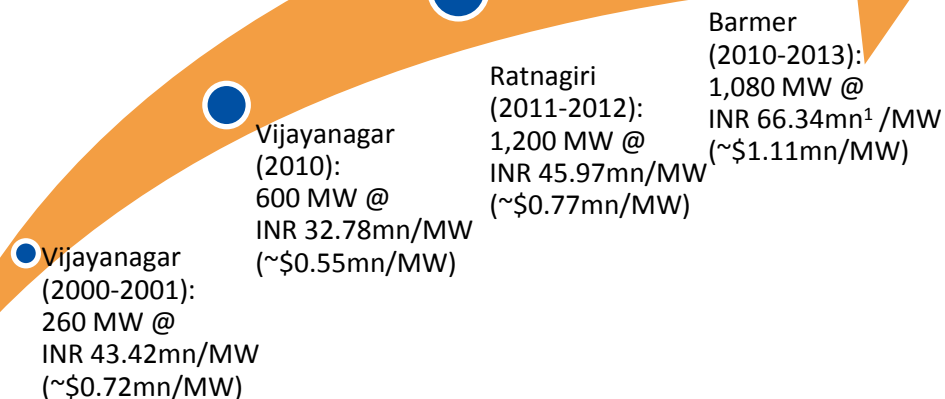
Value proposition



1 Efficient Capital Allocation and Execution Capabilities

Project cost of some the power plants set up by other players in the industry

Power project	Capacity		Project cost		1 st COD
	MW	₹ crore/MW	\$mn/MW	Year	
Lanco (Amarkantak)	600	5.23	0.87	2009	
Lanco (Udupi)	1,200	4.67	0.78	2010	
Aryan Coal (Kasaipalli)	270	5.00	0.83	2011	
Tata Power/DVC (Maithon)	1,050	5.24	0.87	2011	
Adhunik (Padampur)	540	6.18	1.03	2013	
GMR EMCO (Warora)	600	6.25	1.04	2013	
GMR (Kamalanga)	1,050	6.21	1.04	2013	
Dhariwal (Chandrapur)	600	6.22	1.04	2014	
DB Power (Janjgir-Champa)	1,200	7.02	1.17	2014	
JPVL (Nigrie)	1,320	7.92	1.32	2014	
Neyveli (Barsingsar) ¹	250	7.00	1.17	2010	
Giral (Rajasthan) ¹	250	7.69	1.28	2011	

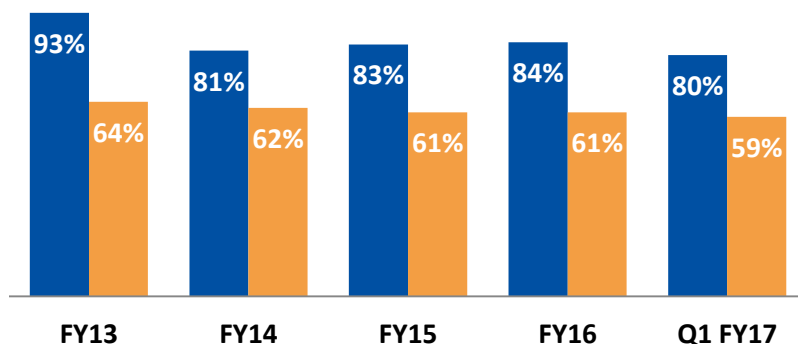


Leveraging upon strong project execution and project management expertise, and infrastructure

2 Portfolio of Efficient Operating Assets

JSW Energy Standalone¹

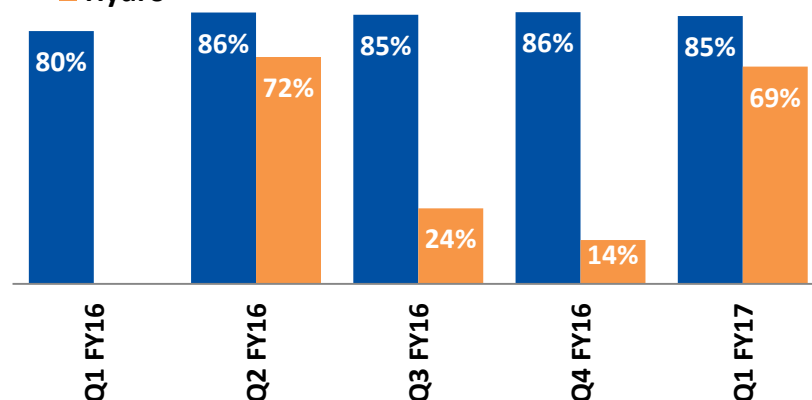
■ JSW Energy Standalone PLF
■ All India private sector thermal power plants' PLF*



- ✓ Among the best run thermal power plants in India on a consistent basis
- ✓ Vijayanagar plant has been consistently recognised as a top performing operating power plant by the Ministry of Power for 8 consecutive years²

RajWest³ and Hydro⁴

■ RajWest
■ Hydro



- ✓ Benchmark O&M practice resulting in consistently higher PLFs
- ✓ Hydro PLF improved post seasonal slowdown

Industry leading PLFs driven by O&M and execution expertise

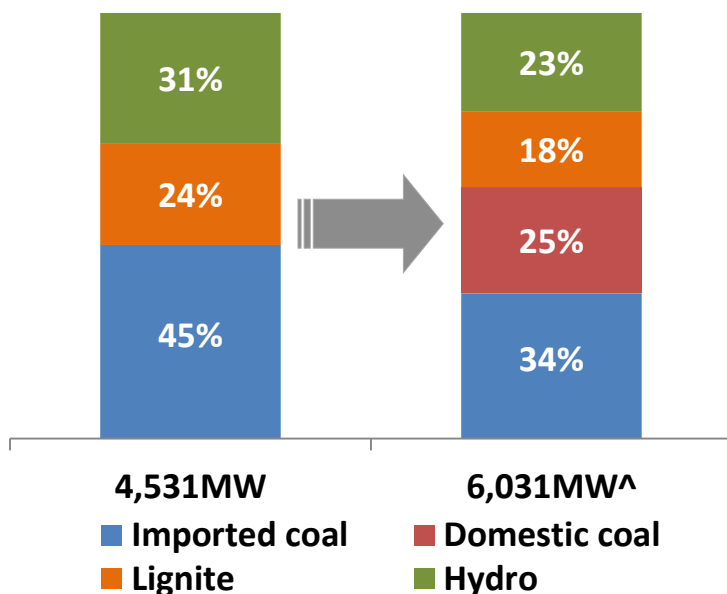
*Source-CEA

1) Includes Vijayanagar (860MW) and Ratnagiri (1,200MW) plants, 2) Vijayanagar's SBU I (260MW) or SBU II (600MW) received either the Bronze Shield or the Silver Shield in the category of 'Performance of Thermal Power Stations' for FY07/FY08/ FY09/ FY10/ FY11/FY14 and the Gold Shield for FY12 and FY13, 3) Deemed PLF, 4) Hydro assets are part of JSW Energy w.e.f. 1st September, 2015

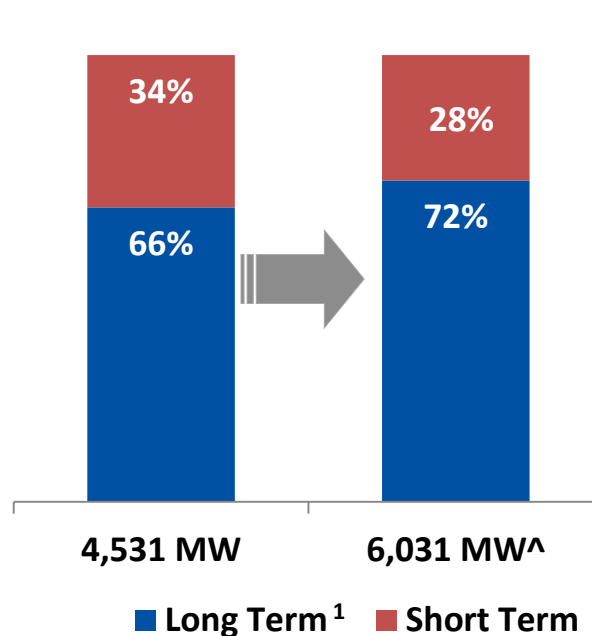
Diversified Fuel Tie-up and balanced Mix of Off-take Arrangements

Fuel sources –

- Imported coal
- Domestic coal
- Lignite
- Hydro



Power off-take arrangements – optimal mix of long term contracts & merchant power sales (return optimisation)



Long term:

- ✓ Stable cashflows, pre-defined returns
- ✓ Insulated from inflation and fuel price movement, declining tariff

Short term:

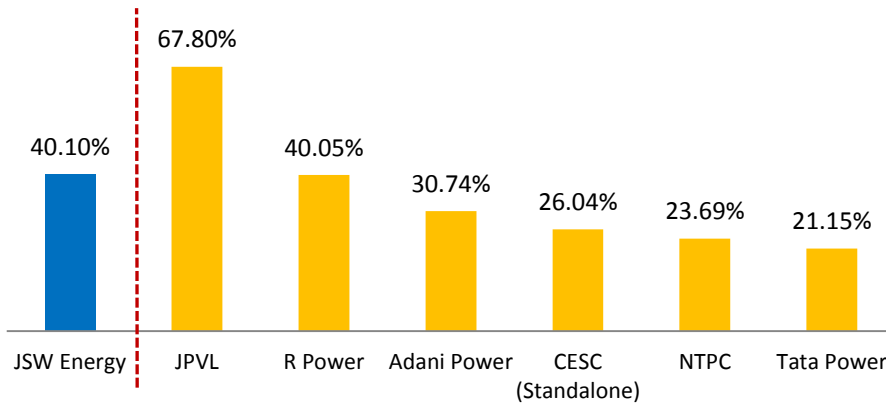
- ✓ Ability to capitalise on better realisations
- ✓ Ability to respond to demand fluctuations and shortages

.... with aim to tie-up over 85% of capacity under long term PPAs

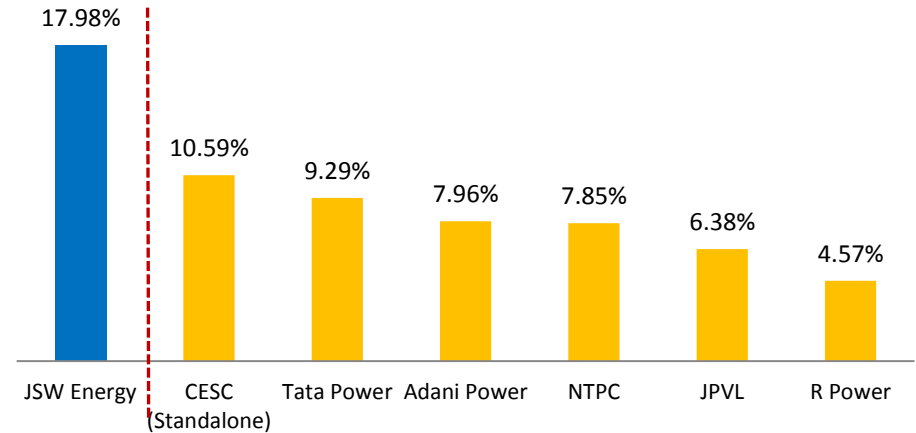
Lower fuel risk, resilience to sector dynamics

5 Robust Financial Profile

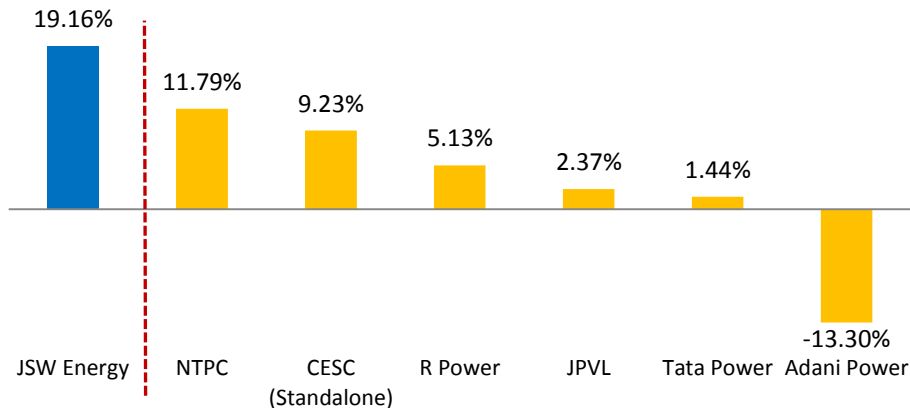
FY15 EBITDA Margin (%¹)



FY15 Return on Capital Employed (%²)



FY15 Return on Net Worth (%)

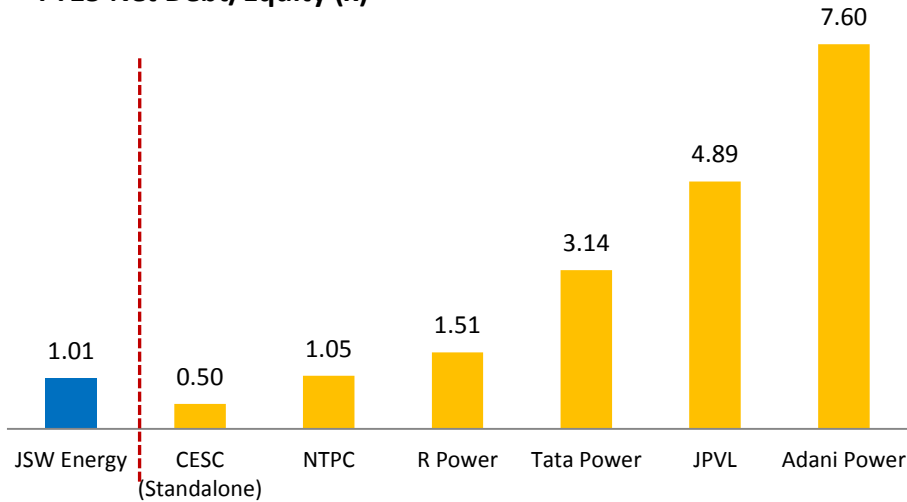


✓ Dividend paying track-record since listing in 2010

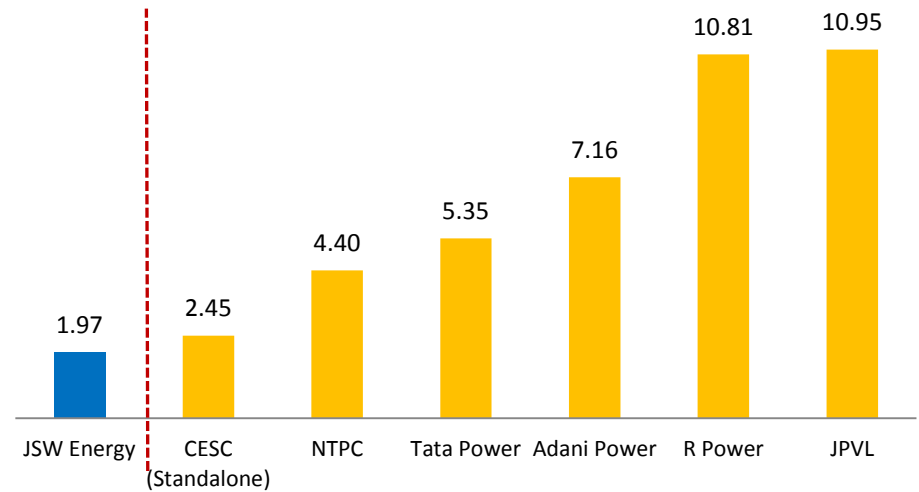
Sector leading margins and return ratios

5 Robust Financial Profile

FY15 Net Debt/Equity (x)



FY15 Net Debt/EBITDA (x)



✓ Free cash positive for last three years, despite sector specific challenges

Well capitalised balance sheet, best positioned to tap growth opportunities

Well poised to capitalise on improving sector fundamentals

		JSW Energy's Advantage / Approach
Regulated sector	Stability of cash flows takes precedence over growth	<ul style="list-style-type: none"> ✓ Increase share of long term PPAs to over 85% ✓ Leverage low fixed cost advantage for upcoming Case 1 Bids
Capital allocation	Prudence as key to sustainable value creation	<ul style="list-style-type: none"> ✓ Put on-hold growth projects when sector fundamentals were uncertain ✓ All existing long term PPAs with pass-through of energy/fuel cost as per applicable regulations
Coal block auctions	Opportunity to secure fuel	<ul style="list-style-type: none"> ✓ Coal auctions may provide potential to enhance our organic growth
Policy environment /Inorganic growth opportunity	Sector looking ripe for consolidation and growth – projects with low risk to cash flow	<ul style="list-style-type: none"> ✓ Well positioned to: <ul style="list-style-type: none"> ▪ leverage our strong balance sheet ▪ capitalise on expected consolidation of the power sector

A decorative graphic in the top left corner consisting of blue and white curved lines.

Agenda

Overview

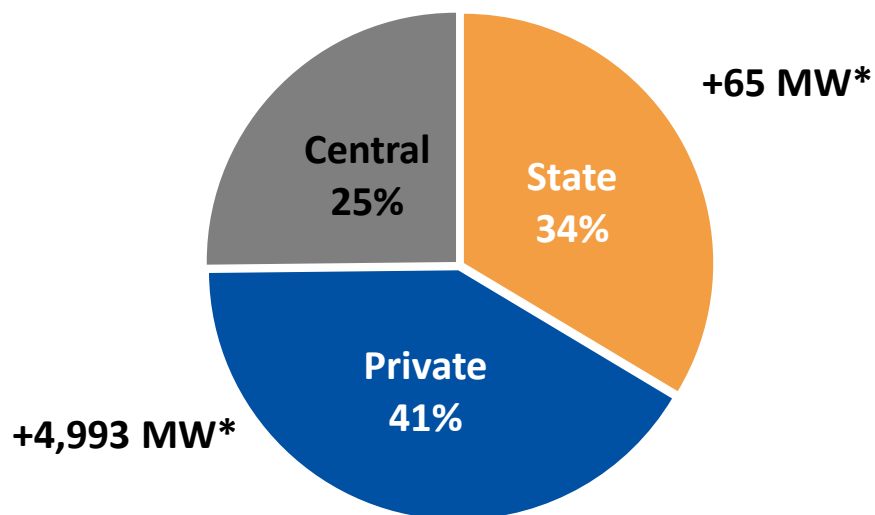
Value Proposition

Business
Environment

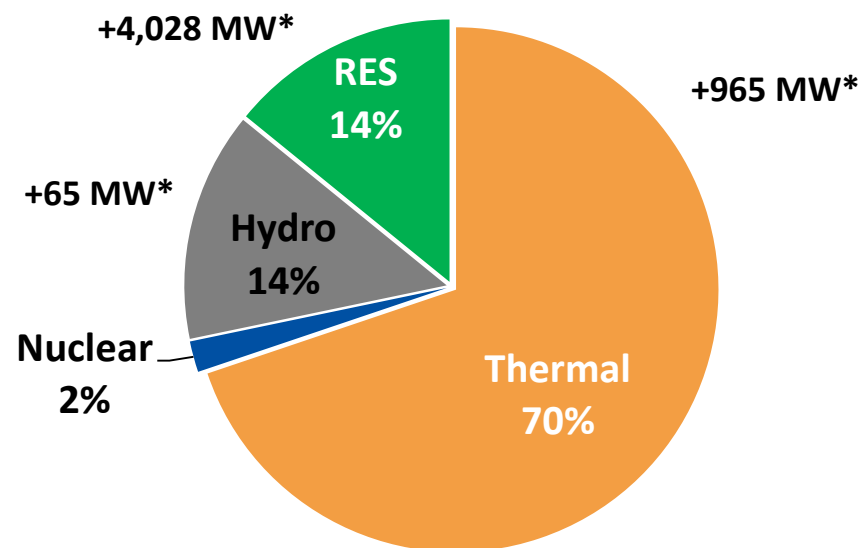
Appendix

Capacity profile and PLF's

Sector-wise Installed Capacity – 303 GW
(as on Jun 30, 2016)



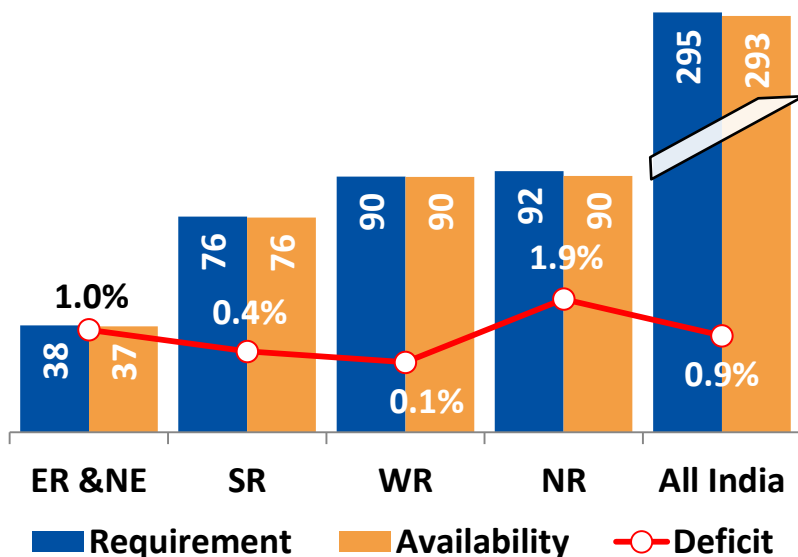
Mode-wise Installed Capacity
(as on Jun 30, 2016)



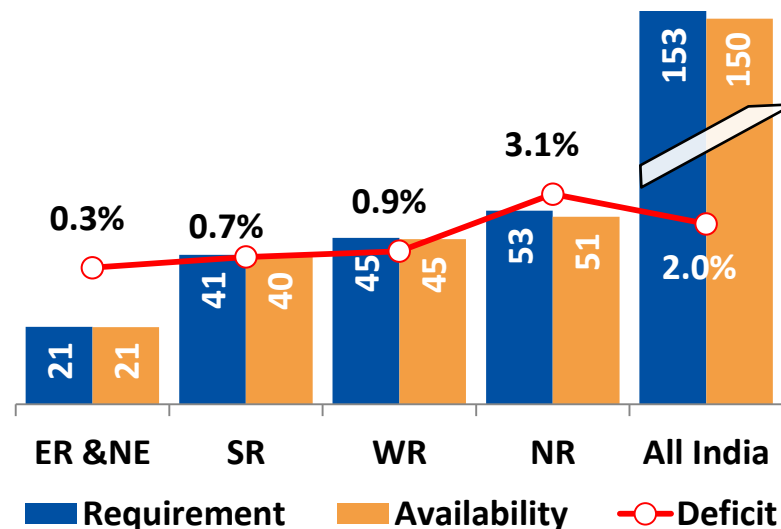
- Most of the capacity additions in Q1 FY17 was contributed by the Private Sector in the Renewable Energy space.
- All India thermal PLF improved to ~64% in Q1 FY17 compared to ~62% in Q1 FY16.

Demand-supply scenario

Power Demand Supply Position Q1 FY17 (BU)



Peak Demand and Peak Met Q1 FY17 (GW)

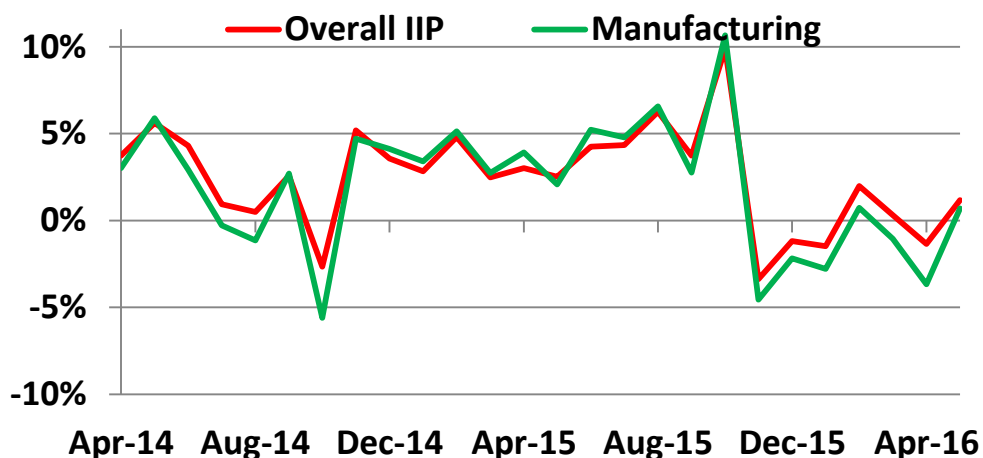


- All India power demand improved by 8.2% YoY while supply improved by 9.7% YoY in Q1 FY17
- All India demand-supply gap was 2.5 Billion Units in Q1 FY17 and peak deficit was 3 GW
- Despite delayed onset, monsoon has progressed well which bodes well for the overall economy. Increasing number of Discoms joining UDAY Scheme is encouraging. Government continues to focus on renewable energy and enhancement of transmission capacity.
- Merchant prices under pressure as supply outstrips demand

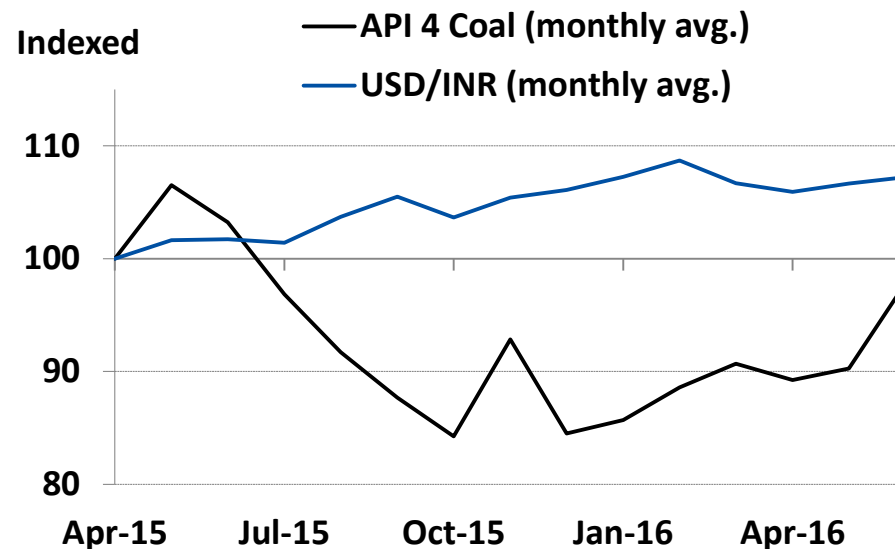
Indian economy and thermal coal prices

- Industrial Production growth turned positive in May-2016. Almost all the sectors showed improvement.
- Inflation has been inching up in the last few months but good monsoons and improvement in economic sentiment creates room for softening of interest rates. Government spending on infrastructure and other development projects should lead to a gradual pick up of the investment cycle and energy demand in the coming quarters.

Industrial production growth (% YoY)



Thermal coal prices inched up, while INR depreciated slightly during Q1 FY17



Month	API 4 Coal	USD/INR
Mar-16	100	100
Apr-16	98	99
May-16	100	100
Jun-16	108	101

A decorative graphic in the top left corner consisting of overlapping blue and white curved shapes with a red swoosh.

Agenda

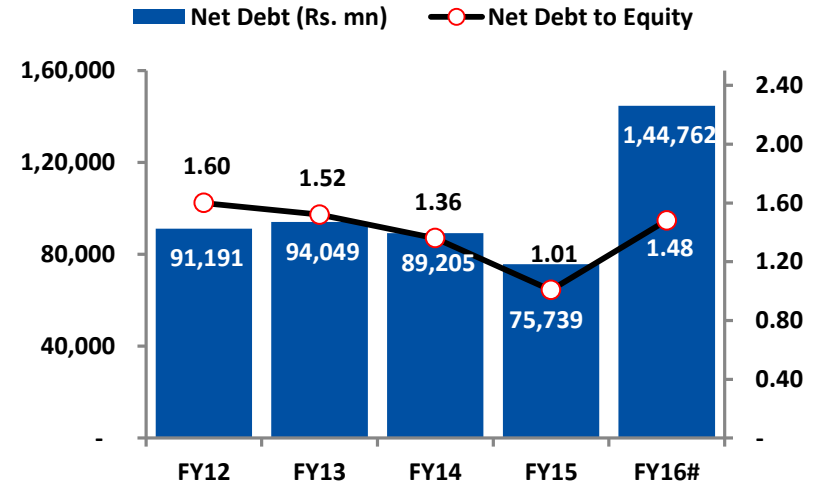
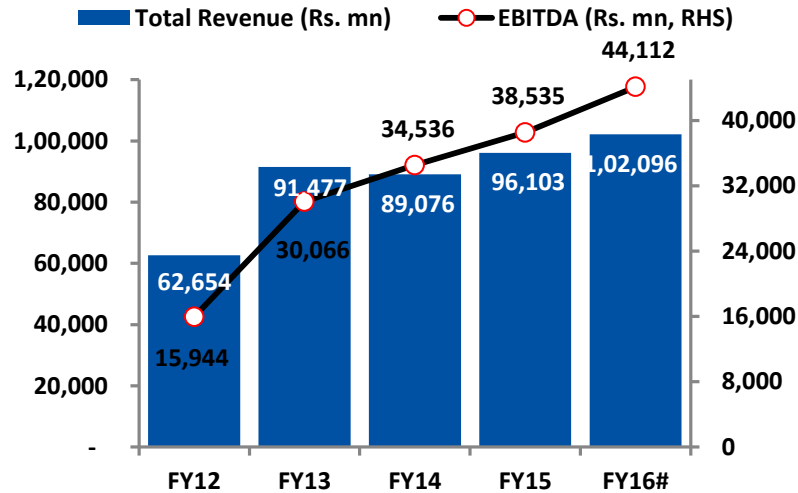
Overview

Value Proposition

Business
Environment

Appendix

Strong financial track record



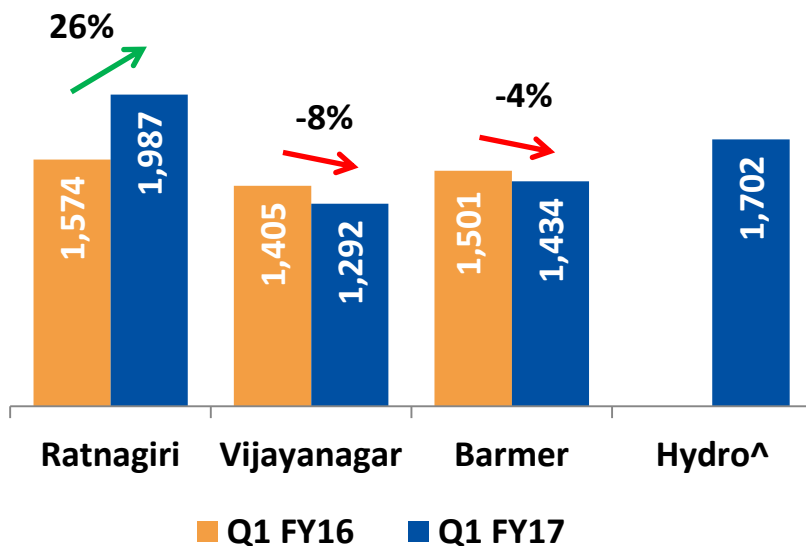
Key financial parameters	FY14	FY15	FY16#
EBITDA Margin (%)	38.8	40.1	43.2
Return on Avg. Net Worth (%)	11.8	19.2	15.9
EPS (₹ Per Share)	4.60	8.23	8.88
DPS (₹ Per Share)	2.00	2.00	2.00

- ✓ Profit making entity since inception
- ✓ Dividend paying track-record since listing
- ✓ Free cash positive
- ✓ Well capitalised balance sheet/ low gearing ratios

Robust financial profile in a challenging environment

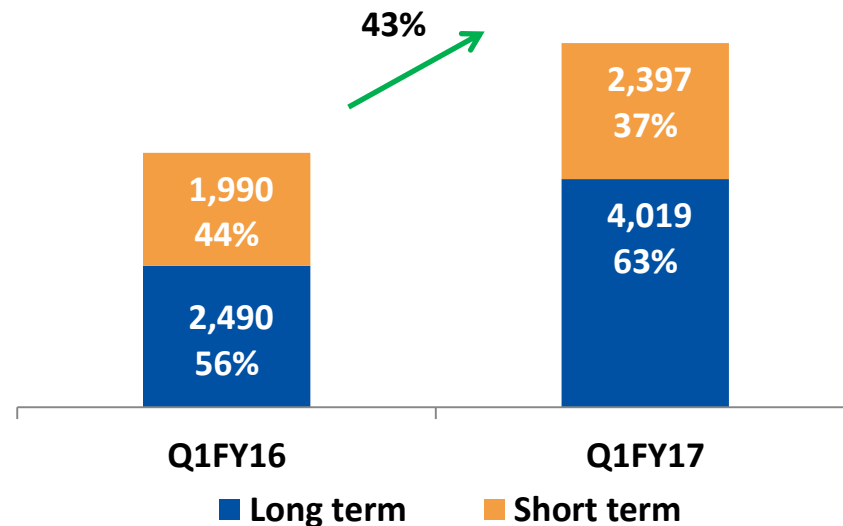
Operational performance

Q1 FY17 plant-wise net generation



PLF (%)	Q1 FY16	Q1 FY17
Ratnagiri*	73%	86%
Vijayanagar	81%	74%
Barmer*	80%	85%
Hydro [^]	-	69%

Q1 power sales break-up



	Q1 FY16	Q1 FY17
Average Realization (₹/kwh) [#]	4.16	3.61

All figures are in million units

[^] Hydro assets are part of JSW Energy w.e.f. 1st September, 2015. Hydro net generation and sales numbers exclude free power to HPSEB

* Deemed PLF

[#] Net of open access charges. Includes deemed generation income.

Previous period figures have been restated as per IndAS.

Consolidated financial results

₹ Crore

Particulars	Q1 FY16	Q1 FY17^	Change
Turnover	2,167	2,492	15%
EBITDA	887	1,159	31%
EBITDA Margin(%)	41%	47%	6%
Interest	262	429	64%
Depreciation	178	240	35%
Profit Before Tax	447	490	10%
Profit after Tax	309	367	19%
Total Comprehensive Income	283	496	76%
Diluted EPS (₹)*	1.90	2.25	

Consolidated financial results

USD mn

Particulars	Q1 FY16	Q1 FY17^	Change
Turnover	320	369	15%
EBITDA	131	171	31%
EBITDA Margin(%)	41%	47%	6%
Interest	39	63	64%
Depreciation	26	35	35%
Profit Before Tax	66	72	10%
Profit after Tax	46	54	19%
Total Comprehensive Income	42	73	76%
Diluted EPS (₹)*	0.28	0.33	

Consolidated financial highlights

Particulars	Mar 31, 2016		Jun 30, 2016	
	₹Crores	USD mn	₹Crores	USD mn
Net Worth	9,779	1,446	10,232	1,513
Net Debt	14,476	2,141	13,836	2,046
Net Debt to Equity Ratio (x)	1.48		1.35	
Weighted average cost of debt	10.32%		10.32%	

Acquisition of 500 MW Bina Power plant - Rationale

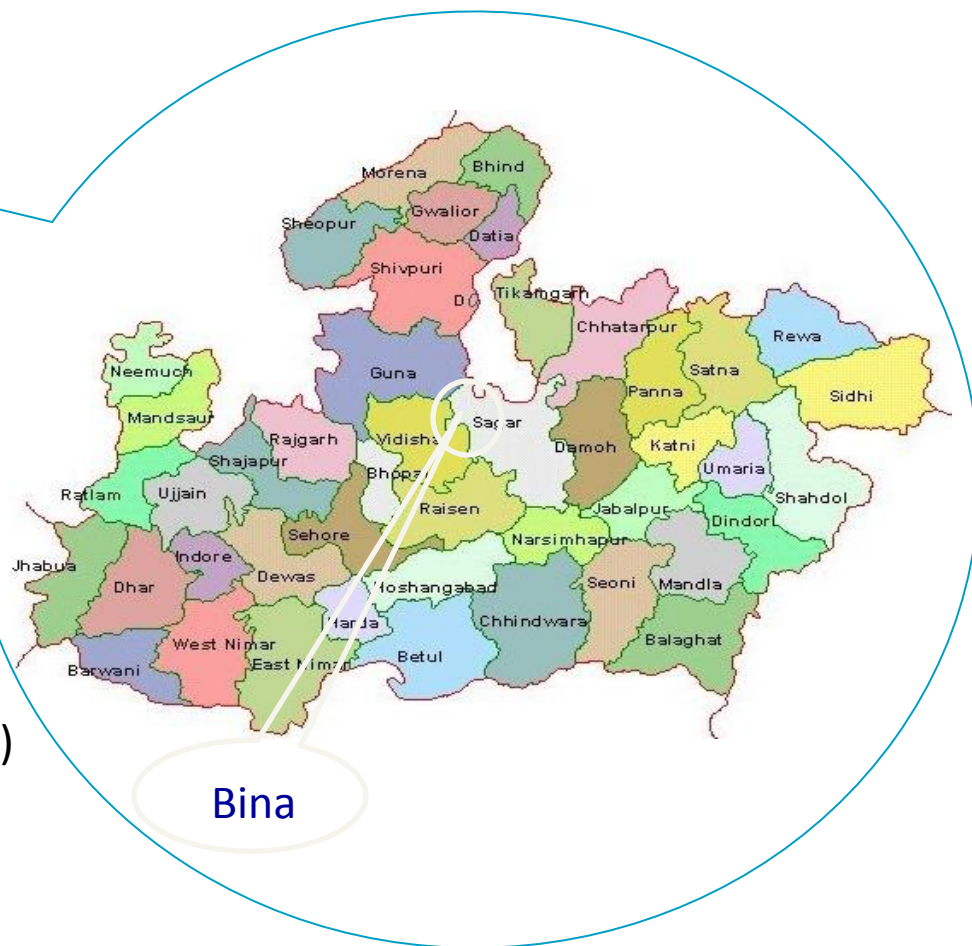
- **Enhanced scale of operations**
 - Capacity increase from 5,531 MW to 6,031 MW (including proposed acquisition of 1,000MW Tamnar power plant from Jindal Steel & Power Ltd.)
- Operational power plant with good infrastructural connectivity and proven track record of operations
- **Diversification of fuel source and geographical footprint**
 - Entire fuel tied up through domestic coal linkage
 - Plant located in Madhya Pradesh
- **Increase in the proportion of Long Term Regulated PPA**
 - 70% of the capacity tied up
- **Operational project with significant cash flow visibility**

The acquisition is structured to be value accretive to the shareholders immediately upon consummation

Bina Power plant – Project location



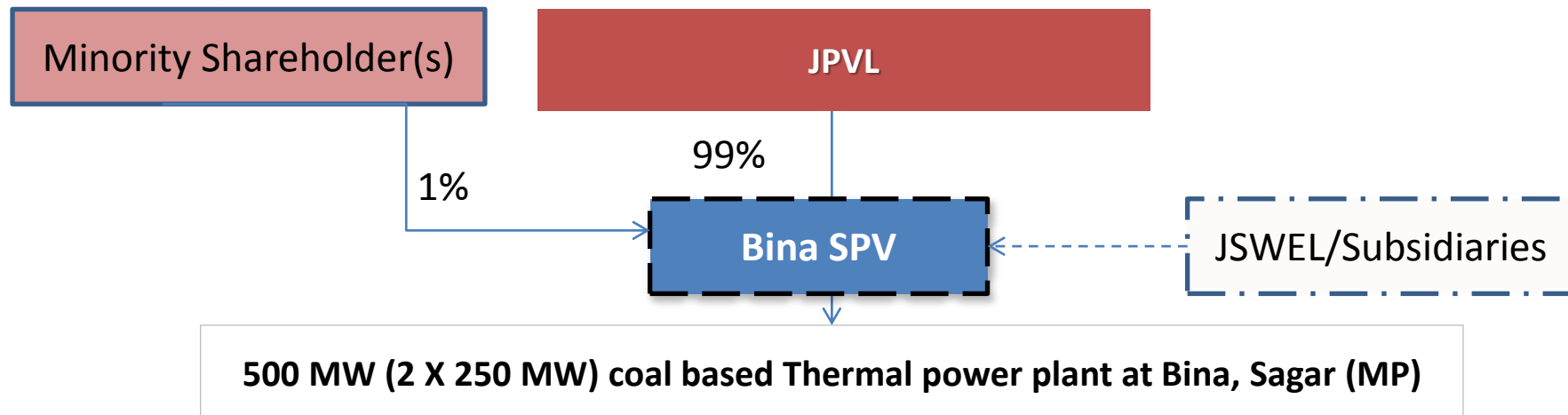
- Location** : Bina, Dist. Sagar in MP
(15 km north of the Bina Town)
- Accessibility** :
- Road** : NH-26 (50 Km) & NH-3 (70 Km)
- Rail** : Semarkhed (4 Km from plant site & 14 Km from Bina Junction)
- Air** : Bhopal (160 Kms)
- Port** : Dahej (862 Kms)



Bina SPV (Bina Power Supply Company) : Snapshot

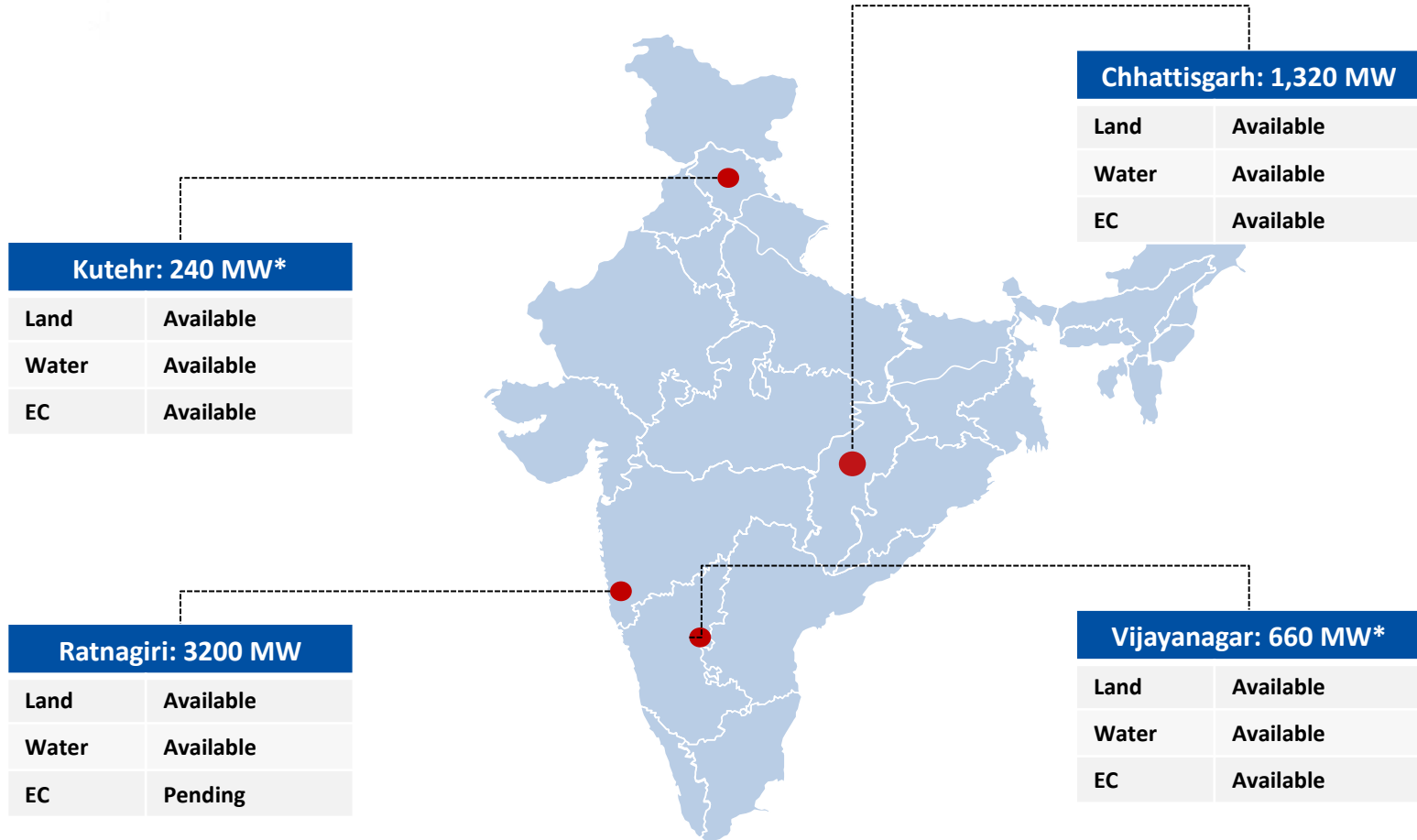
Plant	<ul style="list-style-type: none"> Capacity - 500 MW (2 x 250 MW) Possible to enhance capacity by 1,600 MW
CODs	<ul style="list-style-type: none"> Unit # 1 : 31st August 2012 Unit # 2 : 7th April 2013
Clearances	<ul style="list-style-type: none"> All major consents and clearances are in place
Water	<ul style="list-style-type: none"> Sufficient water is available – barrage constructed on Betwa river
Power evacuation	<ul style="list-style-type: none"> Connected to CTU & STU
Fuel	<ul style="list-style-type: none"> Linkage from SECL & CCL for total coal supply of 2.01 MTPA
Off-Take arrangement	<ul style="list-style-type: none"> Long term PPA for 70% Capacity (350 MW) with MP Power Management Co. <ul style="list-style-type: none"> 65 % power to be supplied at Tariff determined by MPERC 5% power to be supplied at variable cost determined by MPERC 30 % power available for future long term sales yet to be tied up
Equipment	<ul style="list-style-type: none"> Main Plant Equipment – BHEL

Proposed Scheme of Acquisition



- At Closing, JSWEL and/or its subsidiaries would acquire 100% of the Securities of Bina SPV into which the assets would be transferred through the Hon'ble High Court approved scheme
- The consideration payable is linked to a base Enterprise Value of ₹2,700 Crores, subject to mutually agreed adjustments
- The long stop date of the transaction is May 31, 2017

Opportunity for organic growth



Ratnagiri and Chattisgarh projects on hold, which can be revived with low gestation offering geographical diversification

Forward looking and cautionary statement

This presentation has been prepared by JSW Energy Limited (the “Company”) based upon information available in the public domain solely for information purposes without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation should not be construed as legal, tax, investment or other advice. This presentation is confidential, being given solely for your information and for your use, and may not be copied, distributed or disseminated, directly or indirectly, in any manner. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions. Furthermore, by reviewing this presentation, you agree to be bound by the trailing restrictions regarding the information disclosed in these materials.

This presentation contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those specified in such forward-looking statements as a result of various factors and assumptions. The risks and uncertainties relating to these statements include, but are not limited to, (i) fluctuations in earnings, (ii) the Company’s ability to manage growth, (iii) competition, (iv) (v) government policies and regulations, and (vi) political, economic, legal and social conditions in India. The Company does not undertake any obligation to revise or update any forward-looking statement that may be made from time to time by or on behalf of the Company. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

The information contained in this presentation is only current as of its date and has not been independently verified. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. None of the Company or any of its affiliates, advisers or representatives accept any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Such information and opinions are in all events not current after the date of this presentation.

None of the Company, any placement agent or any other persons that may participate in the offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from this presentation or its contents or otherwise arising in connection therewith.

This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India or the United States, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefore.

Securities of the Company may not be offered, sold or transferred in to or within the United States absent registration under the United States Securities Act of 1933, as amended (the “Securities Act”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state of other jurisdiction of the United States. The Company’s securities have not been and will not be registered under the Securities Act.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India.

Thank you