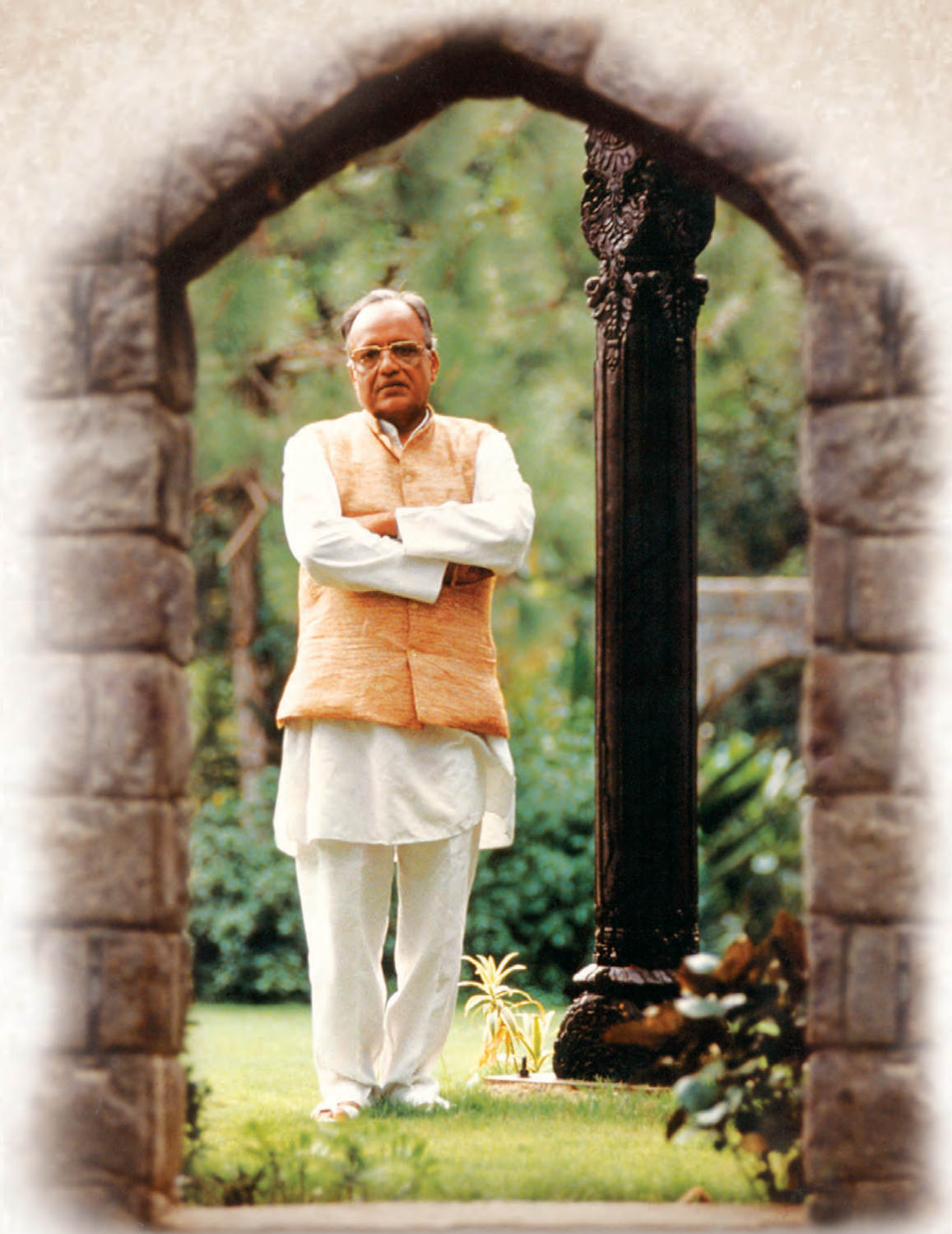




**Resilient
& Ready**

JSW ENERGY LIMITED

ANNUAL
REPORT **12-13**



**"Where others see walls,
I see doors."**

Shri Om Prakash Jindal

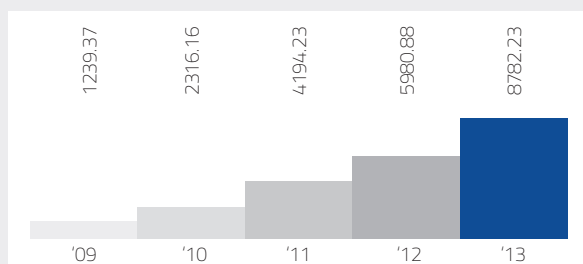
(7th August 1930 - 31st March 2005)
Visionary and Founder, OP Jindal Group

Shri Om Prakash Jindal, a visionary par excellence, inspired millions to follow their dreams. His ability to foresee development and the commitment to build a self-reliant nation created a paradigm shift in India's industrial scenario. A man with humble beginnings, he paved the way to success through sheer hard work and determination. Each one of us can find motivation in his story. His legacy lives on.

Resilience revealed through performance

Gross Turnover

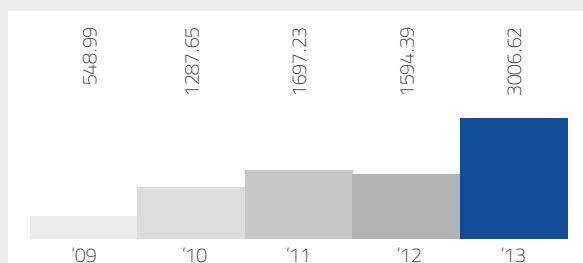
₹ crore



► **63%**
CAGR

EBIDTA

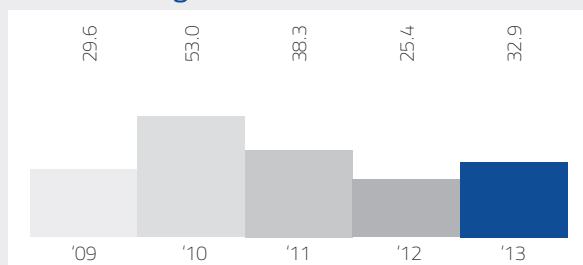
₹ crore



► **53%**
CAGR

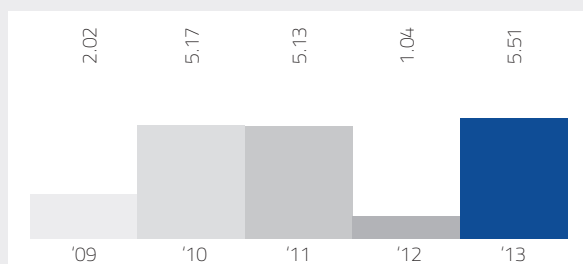
EBIDTA Margin

%



EPS (Basic & Diluted)

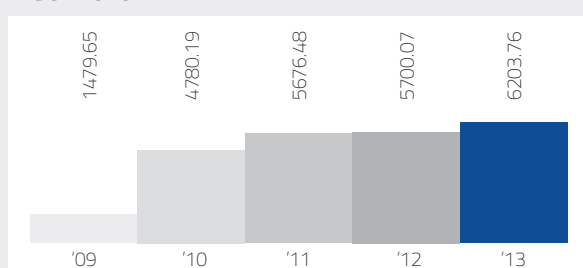
₹



► **28%**
CAGR

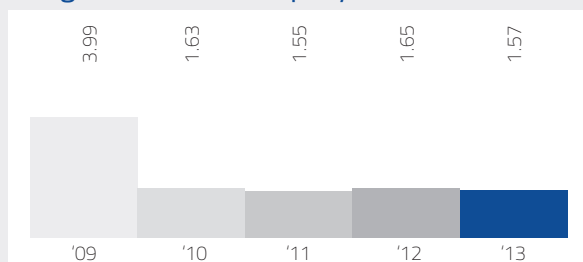
Net worth

₹ crore



► **43%**
CAGR

Long term debt to equity ratio



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CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Sajjan Jindal
Chairman & Managing Director

Dear Shareholders,

After years of recession and slow growth, the global economy seems to be on a path to recovery. The US economy, driven by improvements in the housing and manufacturing sectors, is resorting to fiscal consolidation. Significant liquidity infusion by the European Central Bank has also helped tame the Eurozone's debt crisis to a certain extent. Japan too appears to have reached an inflection point, relative to the trajectory of its growth over the past two decades. Developing economies, such as China, India and the nations of Latin America, are expected to return to higher rates of economic growth over the medium term.

India's power sector, a critical component of the economy, was also buffeted by headwinds, emanating from the adverse economic conditions and sector-specific challenges. Various issues, such as the poor financial health of state

distribution companies, domestic fuel shortages, issues related to Power Purchase Agreements (PPAs) and project clearance issues impacted the sector's profitability and consequently, investor sentiment.

At the end of March 2013, India's power deficit stood at 8.7%. Given the long term structural growth outlook of industrialisation and urbanisation, India's power demand is expected to grow significantly. The Working Group on Power has estimated a capacity addition requirement of 75,785 MW, corresponding to 9% GDP growth, during the Twelfth Five Year Plan period. To address this demand, all efforts must, therefore, be made to carve out a policy regime, which encourages a sustainable development of the power sector.

FY 2012-13 IN REVIEW

JSW Energy has been resilient through the turmoil in the power sector and has benefited from its business model and pricing dynamics of markets for power and coal. The location of the plants, a blend of short term and long term PPAs, and diverse fuel sourcing have helped insulate us during these times of policy uncertainty, especially with merchant realisations remaining firm (due to cost pressures and grid congestion) and imported coal prices easing.

Our achievements during the year included:

- Commissioning of the entire power plant at Barmer
- The highest net power generation since inception at 18,780 Million Units, a growth of 38% since last year
- Achieved a consolidated PLF of 88.97% across the three units
- Achieved transmission facility availability of 98.43%
- Consolidated revenues grew by 46% y-o-y to ₹ 9,148 crore

- Consolidated EBIDTA (before exceptional items) surged 89% y-o-y to ₹ 3,007 crore
- Consolidated Profit After Tax recorded a 431% increase y-o-y to ₹ 904 crore

The year marked the end of our current phase of capex cycle. With the commissioning of the last four units at our Barmer plant, our total installed and operational capacity aggregates to 3,140 MW. As the newly commissioned units ramp up operations, they will start contributing additional volumes and boost cash flows.

During the year, pending clarity on policy and regulatory issues, we decided to consolidate our operations and have put most of our expansion projects, with the exception of our Kutehr hydro project, on hold.

Our focus remains on strengthening the balance sheet and keeping ourselves ready for growth opportunities. Further, as the regulatory scenario eases and an opportunity to participate in competitive bids opens up, we plan to grow organically, while reducing the exposure to merchant capacities. We believe as the sector matures and consolidates, there will be inorganic growth opportunities for evaluation with a strategic fit to your company.

BUILDING OUR RESILIENCE

Our people form the core of our organisation. They contribute to our capabilities in project execution and operations. Their commitment and motivation is what drives us to set industry benchmarks in productivity and efficiency. We continuously invest to develop our employees through internal training platforms. Additionally, the JSW Energy Centre of Excellence (JSWECE) creates a pipeline of highly motivated leaders across managerial and operational levels, thereby bolstering our vision to become India's leading player in the power sector.

We focus on minimising our environmental footprints. We have implemented superior technologies across our locations, which reduce emissions and effluents. Our Kutehr project also underscores our commitment to develop renewable energy. During the year, we successfully registered the project for CDM benefits.

Our belief in inclusive growth drives our activities in communities surrounding our plants. As such, the JSW Foundation invests in the areas of education, health, livelihood creation, environment, local sports, and the conservation and development of arts and cultural heritage.

PREPARING FOR THE FUTURE

The power sector will remain an integral contributor to India's growth story. The issues plaguing the sector need to be resolved prudently to realise the sector's full potential.

India must also capitalise on the opportunities to gainfully utilise vast tracts of mineral deposits, which are currently inaccessible or out-of-bounds, as they lie deep in forest areas. With rapid advances in technology, the window of opportunity to utilise these minerals gainfully is only over the next few decades. As technology for renewable energy advances rapidly, fossil fuel usage is likely to decline sharply over the next few decades. The government must therefore encourage opening up of these mineral deposits in an environment-friendly manner – followed by efforts to regenerate the forest cover, once mining is completed.

The formation of a task force, at the behest of the Prime Minister in January 2012, has helped start the process of resolving the sector specific challenges and is progressively gaining momentum. An expeditious resolution is, however, awaited to revive the power sector's performance.

The need of the hour is to focus on reforms in the distribution sector with an aim to cut down distribution losses. Effective metering and tariff determination is the backbone for sustainability of the sector and its ability to provide power for all at reasonable costs.

At JSW Energy, we have leveraged our internal resilience to weather the power sector's challenges and believe we are ready to capitalise on the opportunities to unfold.

As India emerges as a major driver of global economic growth, the country's power requirements are expected to increase. JSW Energy intends to be a key participant in the Indian power sector and contribute to help in the country's economic progress.

I am pleased with the progress made by our company so far and commend not only the employees of JSW Energy but also other valued stakeholders for their continued effort and support.

Finally, I would like to thank all stakeholders, the Board of Directors and various state and central governments for their support and contribution to the company's performance.

Best wishes,



Sajjan Jindal
Chairman & Managing Director

MESSAGE FROM THE VICE CHAIRMAN



Nirmal Kumar Jain
Vice Chairman

Dear Shareowners,

Power is a catalyst for accelerating economic growth of a country. The power sector in India is set to play a major role in accelerating economic development and bring all-round progress in the country. We are committed to be an active participant in this journey towards economic progress of the country. It is a commitment that goes beyond the business needs to better the lives of millions of people in the country.

With this vision, we have steadily increased our power generation capacity to 3,140 MW within a very short span of time and thereby, addressed a part of the power deficit in the country. Our future plans include, among others, diversifying into hydro energy. These capacity additions are aimed at meeting India's ever-growing energy requirements.

The country is presently passing through a difficult phase due to sluggish economic growth; slow down in industrial production; and uncertain policies and political climate. The power sector is also having its share of woes on the policy front like unavailability of coal linkages, delay in finalisation of standard bidding guidelines and adverse

financial position of the State DISCOMS. In FY 2012-13, India witnessed a power deficit of around 87 Billion Units and a peak deficit of 9% – one of the major obstacles to the country's economic development.

However, we are optimistic that the government will address the policy issues of the power sector and pave the way to minimise the demand-supply gap going forward, given the higher growth targets set by the government and power being the main driving force for growth. This is going to be a major impetus to India's socio-economic development. We are well-positioned and keen to be a part of this journey towards addressing the power deficit of the nation. JSW Energy is committed to bring prosperity and smiles on the faces of millions of people.

We look forward to the support of all our stakeholders in our endeavours.

Best wishes,



Nirmal Kumar Jain
Vice Chairman

BOARD OF DIRECTORS



Sajjan Jindal

Chairman & Managing Director



Nirmal Kumar Jain

Vice Chairman



Sanjay Sagar

Joint Managing Director
& CEO



Pramod Menon

Director - Finance



B. Ravindranath

Nominee Director
of IDBI Bank Limited



P. Abraham IAS (Retd.)

Director



D. J. Balaji Rao

Director



**Chandan
Bhattacharya**

Director

RESILIENT & READY

The power sector is expected to play a critical role in realising India's economic and social aspirations in the future and defining the redrawn boundaries of the new global economic order.

Not just that, it will also lead the innovation and sustainable development model in the evolving energy scenario. The growth of the power sector will lead to inclusive development and create transformational opportunities for India.





Aerial view of the Ratnagiri power plant

The focus on resilience and ready as the theme for this report reflects JSW Energy's belief that policy intervention is underway and the existing challenges and constraints that impede India's power sector will get addressed in a collaborative, strategic and sustainable manner.

At JSW Energy, we believe that organisations participating and contributing to the power sector need to be resilient and ready to emerge unaffected and sustain despite of current constraints and challenges. We believe we are one such company. Our philosophy and performance validates this in no uncertain terms.

Our comprehensive blueprint, aimed at addressing the immediate and enduring needs of the power sector in India, has linked our resilience to readiness by emphasising our business model, project execution capabilities, increased operational efficiencies, talent pool and a strong balance sheet.

These inherent strengths have helped us emerge as a rapidly growing, value generating, fully integrated power company.

During the last four years, we have increased our production capacity from 260 MW to 3,140 MW which signifies our multi-fold growth in building capacities.

It signifies that we are resilient. And ready.

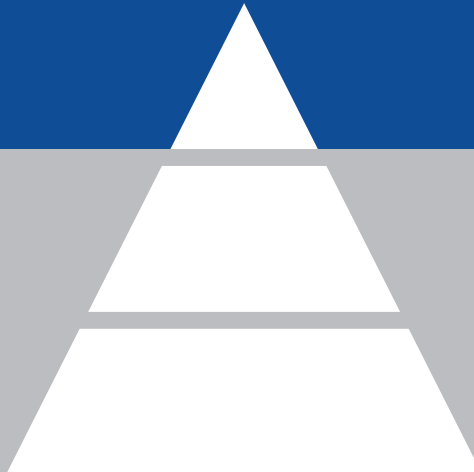


3,140 MW

Operational capacities across
Vijayanagar (Karnataka), Ratnagiri
(Maharashtra) and Barmer (Rajasthan)

A ROBUST BUSINESS MODEL

The cornerstone of resilience



Resilience is a quality built over time. At JSW Energy, we have nurtured our business model in a way that allows us to remain strong in the face of uncertain business environment. We derive our inherent strength from the strong foundations laid down by our leaders since inception. We are unique in being present across the entire value chain – mining and procurement of resources, power generation, power transmission and power trading. This strengthens our effectiveness as a power company.



Our business model demonstrates resilience at various levels – the strategic location of our plants, diverse fuel sources and blended off-take arrangements. These position us to address changing realities in the power industry – promptly and effectively.

Our operating plants in strategic geographic locations – Barmer is a pit-head plant, Ratnagiri is a port-based plant and Vijayanagar has superior logistical facilities – address the growing needs for power in the country's western and southern sectors. These plants are in proximity to load centres, infrastructure and raw material sources, allowing us to capture the advantages of easy



A view of the Vijayanagar power plant

access to resources, besides ensuring sustained off-take.

Our plants operate on a mix of domestic and imported fuel. While the Barmer facility sources lignite from the Kapurdi and Jalipa mines, our plants at Vijayanagar and Ratnagiri operate on imported coal, primarily from Indonesia and South Africa. Diverse sources of fuel and its procurement provide us with the flexibility to choose the optimal fuel mix aimed at efficient costs.

Our sales mix of merchant sales and long term PPAs has allowed us to fortify our business model and generate consistent cash flows. Additionally, the plants are located in load bearing regions, ensuring our presence in power-hungry geographies.

Strategic presence across the power value chain



Mining



Power generation

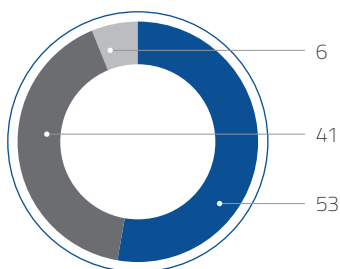


Power transmission



Power trading

Sales Mix



- Merchant sales
- Long term PPA sales
- Generated under the Conversion arrangement

DEMONSTRATED EXECUTION RECORD

A validation of resilience



Project execution is perhaps the most critical element to ensure capital efficiency and quicker revenue accretion. At JSW Energy, we have consistently proved our capabilities in execution – both with reference to deadlines and costs.

There are multiple ingredients contributing to this – successful land acquisition, timely environmental clearances and fast-tracking commissioning. This means, we are able to sweat our investments better – a trait that is proving to be extremely beneficial at a time when the industry is plagued with severe crises.



Our proven project execution skills have enabled us to set up plants in diverse geographies. These span a brownfield expansion at Vijayanagar, Karnataka, a greenfield port-based plant in Ratnagiri, Maharashtra, and a greenfield pit-head power project in Barmer, Rajasthan.

The successful commissioning of the plants at Vijayanagar and Ratnagiri within the envisaged time and cost has enabled us to make these plants contribute revenues faster. At our Barmer plant, we covered the entire



A view of the Barmer power plant

spectrum, from concept to commissioning of a plant including a complex open cast mine with high stripping ratio and depth, within a period of about 5 years, with all consents in place. As a result, the plant has been able to operate consistently from the identified designated pit head fuel.

The capital intensity of the sector makes it imperative that projects

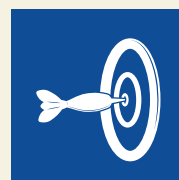
are executed with efficiency.

At JSW Energy we do just that, ensuring that our resilience is not impacted and our readiness is not compromised.



5 years

Time taken to commission the Barmer plant



Execution record

Successful land acquisition, timely environmental clearances and fast-tracking commissioning

OPERATIONS AND MAINTENANCE EFFICIENCIES

Strengthen resilience and enhance readiness



At JSW Energy, we pride ourselves on a relentless efficiency focus. This enables us not just to remain resilient, but also to set sector benchmarks. Successful implementation of contemporary and relevant technologies across our plant locations is an important facilitator of efficiency. Together with this, we optimise operational costs stringently, to ensure that we remain efficient.



Average PLF during FY 2012-13

Vijayanagar

Ratnagiri

Barmer

101%

88%

73%



During 2012-13, we enhanced our capacities to 3,140 MW, which resulted in the highest ever generation of 18.78 Billion Units. Our technologies adopted and equipment installed across locations allowed us to maintain efficient heat generation better than designed rates at Vijayanagar and Ratnagiri.

Our focus on streamlined operations encourages us to follow set processes for timely plant maintenance. Additionally, blending coal from various sources not only helped us



Technicians at the Ratnagiri power plant

optimise costs, but also improve operational efficiencies. As a result, we have ensured high plant availability and witnessed higher effective capacity utilisation.

The efficient operations at our plants bear the testimony to our performance. The Vijayanagar Plant was accorded with the status of 'Best Operating Power Plant' by the Ministry of Power for five consecutive years, adding another milestone in our journey towards achieving excellence at work.

Initiatives to improve operational efficiencies

- Continuous review of heat rate and cooling towers to reduce auxiliary power consumption
- Online leakage identification system in the boiler
- Monitoring equipment efficiency, reducing the use of less efficient equipment and taking corrective actions
- Weekly knowledge management system to reduce human error trips

A MOTIVATED WORKFORCE

Forms our core strength



At JSW Energy, we draw our resilience from the collective strength of our people. Our motivated employees drive our robust growth and ensure operational efficiencies across locations, increasing resilience.



₹ 4,04,673

Manpower cost per MW



2,989 hours

Training to hone manpower skills



Bringing on board the right set of people to see through execution and operational issues and delivering results have helped us build our resilience. Our team has strong project implementation skills in place and have proven themselves in building and maintaining world-class facilities.

We have continuously provided our people with challenging assignments and believed in their strengths and



Employees at work

capabilities to deliver results. We have focused on safety of our employees at the plants while investing in training our human capital during regular intervals on key business areas. Our people are rotated across locations to build on and share knowledge on various operational issues. JSW Energy Centre of Excellence (JSWECE), a one-of-its-kind institute, has enabled us to create a pool of competent manpower and meet our demand of skilled engineers.

Investing in potential

JSW Energy Centre of Excellence is in its sixth year of operations and has earned recognition from several power plants across the country. These are a few initiatives undertaken by JSWECE:

- One-year Post Graduate Diploma course in Power Plant Engineering, offered in academic collaboration with M.S. Ramaiah Institute of Technology, Bangalore, and recognised by the Central Electricity Authority (CEA)
- On-the-job training in its power plants at Vijayanagar, Ratnagiri and Barmer
- Building capabilities of employees through continuous learning and development programmes to improve skill and employability at the shop floor

STRONG BALANCE SHEET

Positions us to leverage future opportunities



At JSW Energy, we strive to maintain our business sustainability and commercial viability. Our strong balance sheet underscores our resilience, and enables us to promptly access emerging opportunities.



₹ 904 crore
Profit for FY 2012-13



₹ 6,204 crore
Net Worth as
on March 31, 2013



We realise the role a robust capital structure plays in navigating difficult business environments. At the same time, it provides better capabilities to deliver stakeholder value, because opportunity monetisation becomes easier.

At JSW Energy, we have achieved financial closure for timely project implementation and all projects are primarily funded by rupee debts. We have raised

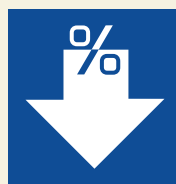


Control Room at the Vijayanagar power plant

optimal capital and set rigorous financial management systems in place. This enables us to maintain sustainable gearing and reasonable liquidity. We pared down our long term debt equity ratio from 3.99 to 1.57, besides reducing our weighted average cost of debt to 11.19%.

We believe that our strong financial management and healthy balance sheet provides us an edge in moving swiftly

to explore and capture growth opportunities in the ever expanding power sector. Ensuring that we remain resilient and ready.



1.57

Long term Debt Equity ratio
as at March 31, 2013



11.19%

Weighted average cost of
debt as at March 31, 2013

ENVIRONMENTAL EMPATHY

Is not optional

Minimising the impact on the environment forms an important constituent towards ensuring the resilience of our business. In each of our plant locations, we have identified factors that may impact the ecological balance of the surroundings and taken necessary steps to mitigate them.



Our key initiatives during the year include:

- Installing Flue-Gas Desulphurisation (FGD) unit to capture the dust and particulate matter coming out from the boiler and produce clean air in the environment
- Installing efficient Electrostatic Precipitators (ESP) to reduce Suspended Particulate Matter (SPM); additionally, sprinkling water at the operating area of the lignite mine and various plants, further controlling the SPM level
- Utilising coal with low ash content, thereby reducing the load on the boiler and further reducing the emissions



Low ash content

Coal utilised to reduce emissions and reduce load on the boiler



Ratnagiri power plant

- Implementing advanced technologies, including Effluent Treatment Plant (ETP) to conserve water leakage and Reverse Osmosis plant to recycle water
- Started community-based conservation project to enable communities conserve rainfall water
- Building water treatment plant to recycle and conserve water

Optimising energy consumption

Conservation measures at JSW Energy resulted in reduced energy consumption, which included:

- **63 KW per hour:** reduction in energy consumption at Vijayanagar
- **969 KW per hour:** reduction in energy consumption at Ratnagiri
- **8.67%:** average station auxiliary power consumption in FY 2012-13 (from 9.34% in FY 2011-12)

AN EMPOWERED COMMUNITY

Is essential to resilience

At JSW Energy, giving back to the society forms a part of our corporate credo. We believe strengthening the society where we operate helps increasing our resilience. This, in turn, helps transform us into a future-ready organisation.



Women Self Help Group at Jaigad near Ratnagiri power plant

We are committed to be a development partner in building better India through consistent endeavours for social development. To this end, we have, through the JSW Foundation, adopted a Millennium Goals Framework to encourage pre-primary and primary

education, reduce infant mortality and improve maternal health. We also put our best foot forward for improved education, healthcare, sports care, livelihood creation, environment conservation, arts and culture promotion.

Contributing to society

Holistic development of communities surrounding plants through initiatives in the areas of **education, health, livelihood creation, environment, local sports development and conservation of our arts and cultural heritage.**

Community initiatives

- Established Jindal Vidya Mandir, a CBSE Board affiliated school at Ratnagiri
- Developed playgrounds for rural schools
- Organised various sports and activities for its employees
- Provided assistance in restoration initiative taken at Sir J. J. School of Arts, Mumbai

Healthcare drives

- Promoted health awareness through schemes like 'Nirmal Gram Abhiyan' in Ratnagiri for better sanitation
- Collaborated with Gram Panchayat to enhance the quality of the available food at Ratnagiri

- Organised periodic local health camps and mobile health facilities at different locations to promote healthcare
- Built over 800 lavatories to promote hygiene during sanitation drives

Empowering lives

- Provided employment to number of skilled and unskilled manpower from the local community
- Formed self-help groups, helping local women to start individual and group enterprises, such as a chapati supply business
- Organised tailoring and handicraft training classes at Kutehr and Barmer

CORPORATE INFORMATION

Senior Management Team

Satish Jindal

Chief Executive Officer (Power Trading)

Navraj Singh

Senior Vice President

Kamal Kant

Senior Vice President

Chhavi Nath Singh

Senior Vice President

Vijay Paranjape

Senior Vice President

Vinayak Bhat

Vice President

Vijay Sinha

Vice President

Company Secretary

Sampath Madhavan

Company Secretary

Auditors

M/s. LODHA & CO.

Chartered Accountants

Bankers

IDBI Bank Limited

ICICI Bank Limited

Punjab National Bank

State Bank of India

Vijaya Bank

Canara Bank

Registered Office

Jindal Mansion, 5-A,
Dr. G. Deshmukh Marg,

Mumbai – 400 026

Tel. No. 022 – 2351 3000

Fax No. 022 – 2352 6400

Website: www.jsw.in

Corporate Office

JSW Centre, Bandra Kurla Complex,
Bandra (East)

Mumbai 400 051

Tel. No. 022-4286 1000

Fax. No. 022-4286 3000

E-mail: jswel.investor@jsw.in

Vijayanagar Plant

Post Box No. 9, Toranagallu – 583 123

Bellary District, Karnataka

Tel. No. 08395 – 252 124

Fax No. 08395 – 250 757

Ratnagiri Plant

Village Nandiwade, Post Jaigad,
Taluka and District

Ratnagiri – 415 614, Maharashtra

Tel. No. 02357 – 242 501

Fax No. 02357 – 242 508

Registrar & Share Transfer Agents

Karvy Computershare Private Ltd.

Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad – 500 081

Ph Nos: 040 – 44655131 / 133 / 177

Fax No. 040 – 2342 0814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

NOTICE

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the Shareholders of **JSW ENERGY LIMITED** will be held on **Thursday, July 25, 2013** at **3.00 p.m.** at Yashwantrao Chavan Pratisthan Mumbai, Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit and Loss Statement for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Nirmal Kumar Jain, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Chandan Bhattacharya, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. LODHA & CO., Chartered Accountants, Firm Registration No.301051E, the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Shah Gupta & Co., Chartered Accountants, Firm Registration

No.109574W, be and are hereby appointed as the Branch Auditors of the Company to audit the accounts in respect of Company's plant situated at Jaigad, Ratnagiri for the Financial Year 2013-14 and to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors and M/s. Shah Gupta & Co., plus reimbursement of taxes, out-of-pocket and travelling expenses incurred in connection with the audit."

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Sanjay Sagar, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention proposing Mr. Sanjay Sagar as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation."
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions,

if any, of the Companies Act, 1956 or any such statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Sanjay Sagar as Whole-time Director of the Company, designated as 'Joint Managing Director and Chief Executive Officer', for a period of five years with effect from July 21, 2012, upon such terms and conditions as are set out in the agreement executed with Mr. Sanjay Sagar (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and/or agreement including the remuneration as may be agreed to between the Board of Directors and Mr. Sanjay Sagar which shall not exceed an overall ceiling of ₹ 40,00,000 (Rupees Forty Lakh only) per month.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Pramod Menon, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received

from a Member signifying his intention proposing Mr. Pramod Menon as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any such statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Pramod Menon as Whole-time Director of the Company, designated as 'Director-Finance', for a period of five years with effect from May 3, 2013, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Pramod Menon (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and/or agreement including the remuneration as may be agreed to between the Board of Directors and Mr. Pramod Menon which shall not exceed an overall ceiling of ₹ 30,00,000 (Rupees Thirty Lakh only) per month.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) ("the **Act**") and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme, Guidelines, 1999) ("the **SEBI ESOP Guidelines**"), including the relevant circulars and notifications issued by the Securities and Exchange Board of India ("**SEBI**") from time to time and the Memorandum of Association and Articles of Association of the Company, consent of the Company be and is hereby accorded to the '**JSWEL Employees Stock Ownership Plan 2010**' ("**ESOS 2010**") and '**JSWEL Employees Mega Stock Ownership Scheme 2012**' ("**ESOS 2012**") (both '**ESOS 2010**' and '**ESOS 2012**' collectively referred to as "**the Scheme**") as approved, implemented and modified from time to time by the Board of Directors ("Board" which term shall be deemed to include any Committee thereof) and pursuant to which the Board has granted 2,82,97,179 Employee Stock Options out of which live Options as at March 31, 2013 being 2,61,43,349 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of such person(s) as are in the permanent employment including Whole-time Directors (but excluding employees who belong to the Promoter or Promoter group) employed in Grades L8 (Junior Manager) and above as are covered as mentioned in the salient features of the Scheme (hereinafter collectively referred to as "**the employees**") provided in the explanatory statement, on such terms and conditions as the Board may determine from time to time and at such exercise price and other terms and conditions of the Scheme as better detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to utilise the 2,23,83,283 Equity Shares acquired by JSW Energy Employees Welfare Trust ("**JSWEL Trust**") from the secondary market for the purposes of the Scheme to meet the requirement in the event of exercise of Options by the employees under the Scheme and in the event of any balance Equity Shares of the

Company lying with the JSWEL Trust after meeting the requirement under the Scheme, to dispose of the same in accordance with the applicable laws including the SEBI Circulars.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot (after utilising the Equity Shares of the Company held by the JSWEL Trust by way of transfer to the employees upon exercise of Options pursuant to the Scheme), upto 37,60,066 new Equity Shares of the Company of ₹ 10 each in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board to meet the balance requirement as at March 31, 2013 arising out of the Employee Stock Options granted under the Scheme and such new Equity Shares shall rank paripassu inter se with the then existing Equity Shares of the Company and that the new Equity Shares may be allotted directly to such employees or through any appropriate mechanism including by JSWEL Trust.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, merger, demerger, amalgamation, sale of division / undertaking and any other forms of corporate capital restructuring, if any additional Equity Shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 37,60,066 new Equity Shares of ₹10 each shall be deemed to be increased to the extent of such applicable additional Equity Shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the new Equity Shares as may be allotted, on the Stock Exchanges where the Equity shares of the Company are listed as per the provisions of the listing agreement(s) with the concerned Stock Exchanges, the guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to above resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its/their absolute discretion deem necessary or desirable for such purpose, including without limitation, filing necessary documents/statements with the Stock Exchanges, Statutory Authorities and other Agencies and such other regulatory authority as may be necessary and the

Trustees of the JSWEL Trust be and are hereby authorised to make suitable amendments to the JSWEL Trust Deed and Rules as may be required/ applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the transfer and/or sale of Equity Shares as also issue and allotment of new Equity Shares upon exercise of option by the employees and utilization of the proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to delegate all or any of the powers herein conferred to any Committee of the Directors or Chief Executive Officer or any Executive Director or Directors or any other officer or officers of the Company to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to determine, modify and vary all other terms and conditions of the Scheme as the Board may in its absolute discretion determine subject to applicable law."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 81(1A) and all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) ("the **Act**") and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme, Guidelines, 1999) ("the **SEBI ESOP Guidelines**"), including the relevant circulars and notifications issued by the Securities and Exchange Board of India

("SEBI") from time to time and the Memorandum of Association and Articles of Association of the Company, consent of the Company be and is hereby accorded to extend the coverage of '**JSWEL Employees Stock Ownership Plan 2010**' ("**ESOS 2010**") and '**JSWEL Employees Mega Stock Ownership Scheme 2012**' ("**ESOS 2012**") (both ESOS 2010 and ESOS 2012 collectively referred to as "**the Scheme**") referred to in the Resolution under Item no. 11 in this Notice and duly passed at the meeting also to such permanent employees of the Subsidiary Companies (including Whole-time Directors of such Subsidiaries but excluding employees who belong to the Promoter or Promoter group) employed in Grades L8 (Junior Manager) and above, as the Board may determine from time to time, at such exercise price and other terms and conditions as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT for the purpose of giving effect to above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its/their absolute discretion deem necessary or desirable for such purpose and to settle all questions, difficulties or doubts that may arise in regard to the transfer and/or sale of Equity Shares as also issue and allotment of new Equity Shares upon exercise of option by the employees and utilization of the proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By order of the Board
for **JSW Energy Limited**

Mumbai
3rd May, 2013

Sampath Madhavan
Company Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item 6 to 12 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed/reappointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxies to be effective should be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold Shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold Shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 16, 2013 to Thursday, July 25, 2013 (both days inclusive).
8. Members holding Shares in electronic form may note that the Bank particulars registered against their respective Depository Accounts will be used by the Company for payment of Dividend and they are requested to send their NECS mandate Form in the format available for download on the Company's website (www.jsw.in) duly filled in to their Depository Participants (DPs). Members who wish to change their Bank accounts may advise their DPs about such change with complete details of Bank account including MICR Code. The Company or its Registrar and Share Transfer Agent cannot act on any direct request from such Members for change / deletion of such bank details.
- Members holding Shares in physical form are requested to send their NECS mandate Form in the format available for download on the Company's website (www.jsw.in) duly filled in, to the Registrar and Share Transfer Agents of the Company-Karvy Computershare Private Limited.
- In order to provide protection against fraudulent encashment of Dividend Warrants, Shareholders holding Shares in physical form are requested to intimate the Company under the signature of the Sole / First joint holder, the following information which will be used by the Company for Dividend payments:
 - i) Name of Sole/First joint holder and Folio No.
 - ii) Particulars of Bank account viz:
 - a) Name of the Bank.
 - b) Name of Branch.
 - c) Bank Account number allotted by the Bank.
 - d) Nine Digits MICR code of Bank.
 - e) Account Type, whether Savings Bank (SB) or Current Account (CA).
 - f) Complete address of the bank with Pin Code Number.
9. Members are requested to intimate the Registrar and Share Transfer Agents of the Company-Karvy Computershare Private Limited, Plot. No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad- 500081, immediately of any change in their address in respect of Equity Shares held in physical mode and to their DPs in respect of Equity Shares held in dematerialized form.
10. Members desirous of having any information regarding Accounts of the Company are requested to address their queries to the Associate Vice President – Accounts at the Company's Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051 or e-mail the queries to jswel.investor@jsw.in with "Query on Accounts" in the subject line, atleast seven days before the date of the meeting, so that requisite information is made available at the meeting.

11. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office as also at the Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
12. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
13. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy to the meeting.
14. The Annual Report for FY 2012-2013 of the Company circulated to the Members of the Company is made available on the Company's website at www.jsw.in
15. Pursuant to the Initial Public Offering of Equity Shares, the Company had, in respect of certain Shares allotted therein, in view of mismatch in particulars of those allottees, parked the same in a demat suspense account. The aggregate number of Shares so lying at the beginning of the financial year was 360 of 3 Investors. Since then, 2 investors for 180 Shares have already approached for transfer during the year which has been done. There is one Shareholder as at the year end and as on date whose Shares are still lying in demat suspense account for 180 Equity Shares.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 6

The Company presently operates and generates Power from two locations i.e. Vijayanagar Plant which has installed capacity of 860MW and Jaigad, Ratnagiri Plant which has installed capacity of 1200MW. Taking into consideration the nature and extent of operations of the Plant situated at Jaigad, Ratnagiri, it is proposed to appoint M/s. Shah Gupta & Co., Chartered Accountants, Mumbai as Branch Auditors for the financial year 2013-14 for Ratnagiri Plant.

The Shareholders' approval, is therefore, sought for the appointment of M/s. Shah Gupta & Co., Chartered Accountants, Mumbai, as Branch Auditors of the Company to audit the accounts in respect of the Company's Plant situated at Jaigad, Ratnagiri for the financial year 2013-14 and to authorise the Board of Directors to determine the remuneration payable to them as may be mutually agreed upon between the Board of Directors and M/s. Shah Gupta & Co.

None of the Directors of your Company are interested either directly or indirectly in the resolution.

Your Directors recommend the resolution as set out at Item No. 6 of the Notice for your approval.

ITEM Nos. 7 & 8

Mr. Sanjay Sagar was appointed as an Additional Director with effect from July 21, 2012 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company at the Board Meeting held on July 20,

2012. He holds office as such till this Annual General Meeting. In the same Board Meeting, he was also appointed as a Whole-time Director of the Company, designated as 'Joint Managing Director and Chief Executive Officer' for a period of five years, with effect from July 21, 2012, subject to the approval of the Members.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the name of Mr. Sanjay Sagar for appointment as a Director of the Company.

Members approval is also sought for the appointment of Mr. Sanjay Sagar as a Whole-time Director of the Company designated as 'Joint Managing Director and Chief Executive Officer' for a period of five years, with effect from July 21, 2012 and for the payment of salary and other perquisites to be fixed from time to time by the Board of Directors of your Company based on the recommendations of the Remuneration Committee within an overall ceiling approved by the Members.

Mr. Sagar, aged 55 years, Indian National, is an alumnus of Modern School & Sri Ram College of Commerce, Delhi and holds a Management Degree from the University of Delhi with over 30 years of experience including 15 years in the Energy Sector.

Until his elevation as a Whole-time Director w.e.f. July 21, 2012, Mr. Sagar was employed with the Company as 'President – Project Development' and had been entrusted with the responsibilities of coordinating with Government and statutory authorities for issues

related to the projects under development, projects under execution and future projects of the Company. He is the Vice Chairman of Raj WestPower Limited (RWPL), a wholly owned subsidiary of the Company and was the Managing Director of Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture of RWPL with Rajasthan State Mines and Minerals Limited (RSMML) from March 29, 2011 until July 18, 2012, where he continues to be the Director. Mr. Sagar is also on the Board of all Indian subsidiaries of the Company. Mr. Sagar has earlier headed the Corporate Affairs function of the JSW group from March 2002 to June 2006 before re-joining the group in January 2009.

Mr. Sagar has a keen acumen for Business Development with a pronounced skill for resolving issues related to Government Policy and procedure, of which he has a deep understanding. Mr. Sagar has provided effective leadership in bringing the RWPL project firmly back on the road to completion. Mr. Sagar is also credited with operationalizing the Kapurdi Lignite mine as a source of fuel for the Barmer Project in record time.

Remuneration of Mr. Sagar will be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance incentive; ESOPs; medical reimbursement; club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Sagar shall not exceed the overall ceiling on remuneration approved by the Members in General Meeting. Your Directors have recommended a ceiling on remuneration of ₹40,00,000/- (Rupees Forty Lakh) per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and

- iv. Earned leave with full pay or encashment as per rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, Mr. Sagar shall be paid remuneration by way of salary, allowances and perquisites as specified above, within the limit prescribed under Part II Section II of Schedule XIII of the Companies Act, 1956 and/or subject to the approval of the Central Government, if required.

Mr. Sagar shall be governed by such of the existing service rules of the Company as may be in force from time to time. Mr. Sagar shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Sagar lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by the resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

Copy of the resolutions passed by the Board of Directors on July 20, 2012 with regard to Mr. Sagar's appointment and copy of the agreement executed with Mr. Sagar is available for inspection at the Company's Registered Office as also at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

In view of his rich and vast experience and distinguished career, the appointment of Mr. Sagar as a Director and as Whole-time Director of the Company designated as 'Joint Managing Director and Chief Executive Officer', would be in the best interest of the Company.

None of the Directors of your Company are interested either directly or indirectly in the resolution except Mr. Sagar.

Your Directors recommend the resolutions as set out at Item Nos. 7 & 8 of the Notice for your approval.

ITEM No. 9 & 10

Mr. Pramod Menon was appointed as an Additional Director with effect from May 3, 2013 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company at the Board Meeting held on May 3,

2013. He holds office as such till this Annual General Meeting. In the same Board Meeting, he was also appointed as a Whole-time Director of the Company, designated as 'Director-Finance' for a period of five years, with effect from May 3, 2013, subject to the approval of the Members.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the name of Mr. Pramod Menon for appointment as a Director of the Company.

Members approval is also sought for the appointment of Mr. Pramod Menon as Whole-time Director of the Company designated as 'Director-Finance' for a period of five years, with effect from May 3, 2013 and for the payment of salary and other perquisites to be fixed from time to time by the Board of Directors of your Company based on the recommendations of the Remuneration Committee within an overall ceiling approved by the Members.

Mr. Pramod Menon, aged 42 years, Indian National, is an Associate member of Institute of Chartered Accountants of India and a graduate of the Institute of Cost and Works Accountants of India. Before his appointment as Whole-time Director of the Company, he was working as Senior Vice President and Chief Financial Officer (CFO) of the Company.

Mr. Menon joined the JSW Group in 1994 and had been involved with various successful and notable assignments in JSW Steel Limited before being entrusted with the assignment of CFO of your Company in April 2007. Mr. Menon has vast experience in Project Finance, Corporate Finance, Treasury Management, Investor Relations as well as Mergers & Acquisitions.

Mr. Menon had played a key role in the maiden Initial Public Offer (IPO) of the Company which was successfully concluded in January 2010, besides ensuring financial closure for the projects. Mr. Menon holds directorships in various subsidiaries of the Company and was the Managing Director on the Board of Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture of Raj WestPower Limited with Rajasthan State Mines and Minerals Limited (RSMML), where he continues to be the Director.

Mr. Pramod Menon shall be paid remuneration as may be fixed by the Board of Directors from time to time based on recommendation of Remuneration Committee, such that the salary and the aggregate value of all perquisites and allowances together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance incentive; ESOPs; medical

reimbursement; club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Pramod Menon shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling on remuneration of ₹ 30,00,000 (Rupees Thirty Lakhs) per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, Mr. Menon shall be paid remuneration by way of salary, allowances and perquisites as specified above, within the limit prescribed under Part II Section II of Schedule XIII of the Companies Act, 1956 and / or subject to the approval of the Central Government, if required.

Mr. Menon shall be governed by such of the existing service rules of the Company as may be in force from time to time. Mr. Menon shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Menon lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by the resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

Copy of the resolutions passed by the Board of Directors on May 3, 2013 with regard to Mr. Menon's

appointment and copy of the draft agreement to be executed with Mr. Menon is available for inspection at the Company's Registered Office as also at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

In view of his rich and vast experience and distinguished career, appointment of Mr. Menon as a Director and as Whole-time Director of the Company designated as 'Director-Finance', would be in the best interest of the Company.

None of the Directors of your Company are interested either directly or indirectly in the resolution except Mr. Menon.

Your Directors recommend the resolutions as set out at Item Nos. 9 & 10 of the Notice for your approval.

ITEM No. 11 & 12

Your Company appreciates the critical role of its employees in its growth. Your Company strongly feels that the value created by its employees should be shared with them.

To promote the culture of employee ownership in your Company, the Board of Directors of your Company at its meeting held on November 1, 2010 resolved to introduce the "Employees Stock Option Scheme - 2010" subject to the approval of the shareholders and the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended (the "SEBI ESOP Guidelines"). Approval of the shareholders was sought by way of Postal Ballot (notice dated November 1, 2010) for issue of stock Options to the employees of your Company and its subsidiary Companies by introduction of Employees Stock Option Scheme - 2010. Special Resolution of Shareholders' for introduction of Employees Stock Option Scheme - 2010" was declared to be passed on December 28, 2010 by way of Postal Ballot.

The Employees Stock Option Scheme - 2010 envisaged an exercise price for the first mega grant which was much above the then prevailing market price and hence could not be given effect as it was not fulfilling the Company's desired objective.

Hence, the Board of Directors of the Company at its meeting held on February 9, 2011, decided not to implement the aforesaid Employees Stock Option Scheme - 2010 and had instead decided to implement an alternate scheme i.e. "JSWEL Employees Stock Ownership Plan", through JSW Energy Employees

Welfare Trust (JSWEL Trust), by acquiring the requisite number of shares determined as per the scheme from the market from time to time. Accordingly, the Board of Directors of the Company on February 9, 2011 approved introduction and implementation of JSWEL Employees Stock Ownership Plan - 2010 (the 'ESOS 2010') through JSWEL Trust and to purchase Equity Shares of the Company and to grant Options to the employees (other than employee who is Promoter or belonging to the Promoter group) of the Company and its Subsidiaries including the Directors who are in the Whole-time employment of the Company, in one or more tranches. At the said meeting, the Board also constituted and authorised ESOP Committee (now also termed as Compensation Committee as per SEBI ESOP Guidelines) comprising of majority of Independent Directors to implement, operate and administer ESOS 2010 under the policy and framework laid down by the Board. The Board of Directors had also approved to make loan of an amount not exceeding ₹ 275 crore in one or more tranches from time to time to JSWEL Trust without any security and without any interest to acquire the Company's Equity shares.

ESOS 2010 covered all permanent employees including Whole-time Directors (other than Promoter(s) or persons belonging to the Promoter group) employed in the Company and its Indian subsidiaries.

ESOS 2010 comprised of Mega grants and periodic normal grants aggregating to four as detailed under:

- A. Mega Grant
- B. First Normal Options
- C. Second Normal Options
- D. Third Normal Options
- E. Fourth Normal Options

The ESOP Committee on July 20, 2011 had granted Mega Options to the eligible employees of the Company with vesting period as 1/3rd till September 30, 2011, 1/3rd till September 30, 2012 and balance 1/3rd till September 30, 2013. The Exercise period of Mega grant was from vesting dates till September 30, 2017 and Exercise Price per share was determined to be ₹ 75 (Rupees Seventy Five).

However, as none of the employees had exercised the vested Mega Options in view of the market price being lesser than the Exercise Price and as an employee friendly and retention measure, the Board of Directors of the Company on October 4, 2012, had approved termination / withdrawal of the Mega Options which were earlier granted under ESOS 2010 and in its

place and stead introduced a new plan i.e. 'JSWEL Employees Mega Stock Ownership Scheme-2012' (the 'ESOS 2012') for grant of Mega Options to all those employees of Company and its Subsidiaries who were earlier granted Mega Options under ESOS 2010 and who continued to be in the employment with the Company or its Subsidiaries or JSW Group Company. Accordingly, the Board of Directors on October 4, 2012 granted 1,54,21,980 Mega Options to all those eligible employees (including the Directors) of the Company or its Subsidiaries who were granted the Mega Options on July 20, 2011 under ESOS 2010 and who continued to be employed with the Company or its Subsidiaries or JSW Group Company as on that date.

The ESOP Committee on November 8, 2011 had granted First Normal Options called "Options -1st October 2011" and on October 31, 2012 had granted Second Normal Options called 2nd Normal Options – 1st October 2012.

The Company, together with some subsidiaries of the Company, has advanced aggregate approximately ₹ 136.06 crore as and by way of advance/loan to JSWEL Trust to enable them to acquire shares of the Company from the secondary market to meet the requirements as may arise for the Options granted for ESOS 2010 and ESOS 2012 (both "ESOS 2010" and "ESOS 2012" collectively referred to as "the Scheme"). Since February 10, 2011 till December 14, 2012, JSWEL Trust has in tranches purchased 2,23,83,283 Equity shares of your Company from secondary market to meet the requirements of Mega Options, First Normal Options and Second Normal Options at an aggregate cost of approximately ₹ 135.83 crore. (i.e at average price of ₹ 60.69 per share).

SEBI vide its circular No. CIR/CFD/DIL/3/2013 dated January 17, 2013 ("SEBI Circular") had interalia provided that all employee benefit schemes involving securities of the company shall not acquire shares of the company from the secondary market. SEBI had also provided that such schemes be aligned with and made to conform to SEBI ESOP Guidelines within such time as permitted.

No approval was obtained from the Shareholders of the Company in respect of the Scheme under SEBI ESOP Guidelines.

The total number of Options granted under the Scheme before the SEBI circular were 2,82,97,179 Options out of which live Options as at March 31, 2013 are 2,61,43,349 and thus, JSWEL Trust is short, as of March 31, 2013, of 37,60,066 Equity Shares to meet the requirement

for the live Options already granted pursuant to the Scheme.

It is necessary for the Scheme to be aligned to the SEBI ESOP Guidelines to enable Equity Shares held by JSWEL Trust to continue to be held and used for the purpose of the Scheme. In order to achieve such alignment, one of the key requirements under the SEBI ESOP Guidelines is that the stock option plan must be approved by the Shareholders of the Company. Further, in order to meet the shortfall requirement for Options already granted under the Scheme, it would be required to issue and allot upto 37,60,066 number of new Equity Shares of ₹ 10 each in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board of the Company.

The approval of the Shareholders is, therefore interalia sought to the Scheme and to the Options granted thereunder, to authorise the Board to issue /allot new Equity Shares upto 37,60,066 shares of ₹ 10 each in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board as proposed in the resolutions set out at Item Nos. 11 & 12.

Approval by the shareholders of the Company pursuant to the resolutions proposed herein is proposed so that the Scheme shall stand aligned to the SEBI ESOP Guidelines as required under the SEBI circular. The Scheme would be available for inspection at the Registered Office as also at the Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting

The salient features of the Scheme are as under:

a. Total number of Options granted and shares that could be transferred/ issued under the Scheme:

As set out above, Options in respect of 2,82,97,179 Equity shares have already been granted out of which 261,43,349 Options are live as on March 31, 2013 pursuant to the Scheme.

JSWEL Trust, which interalia administers the Scheme holds 2,23,83,283 Equity Shares of the Company which can be transferred to employees on exercise of Options pursuant to the Scheme. Furthermore, upto 37,60,066 new Equity Shares are proposed to be issued and allotted towards the shortfall requirement that may arise for the grants already made under the Scheme.

b. Employees to whom Options have been granted:

Options under the Scheme have been granted to all persons who are/were permanent employees in Grade L8 (Junior Manager) and above employed by the Company and the Indian Subsidiaries, working in India or out of India including any Director of the Company or the Subsidiary, whether Whole-time or not. The grant of Options to Company's Whole-time Directors has been

approved by Remuneration Committee and the Board of Directors. However, Options have not been granted to employees who are Promoter or belong to the Promoter group or directors who either by themselves or through their relatives or body corporates, directly or indirectly holds more than 10% of the outstanding issued and subscribed shares of the Company.

Details of Options already granted/live as on March 31, 2013 are as follows:

Type of Grant / Name of the Grant	Grant date	Vesting date	No of Options granted to the persons who are / were the employees under the Scheme	No. of live Options as on March 31, 2013 [Out of (A)]
			(A)	(B)
Mega Grant	October 4, 2012	October 4, 2013	1,54,21,980	1,49,87,977
First Normal Options	November 8, 2011	November 8, 2014	68,20,333	55,29,672
Second Normal Options	October 31, 2012	October 31, 2015	60,54,866	56,25,700
Total			2,82,97,179	2,61,43,349

c. Vesting and period of vesting:

All the Options granted have a minimum vesting period of not less than one year in terms of SEBI ESOP Guidelines.

d. Maximum period within which the option shall be vested:

The maximum period within which the Options shall vest shall be 3 years from the date of grant or such other period as the Board/ESOP Committee may determine.

e. Exercise price:

The Exercise Price determined per Option under the Scheme is as under

Sr. No	Grant	Exercise price (In ₹)
1	Mega Grant	65.00
2	First Normal Options	52.35
3	Second Normal Options	60.90

f. Exercise period and process of exercise:

The Options shall be valid and exercisable for such period as may be determined by the ESOP Committee from time to time but would not exceed the closing date of the Scheme which is September 30, 2017. However, in case of resignation, death or retirement, etc., of the employees, the exercise

period shall be as laid down in the Scheme.

Options granted under the Scheme are exercisable by delivery of an Exercise Notice, which shall state the election to exercise the option, the number of Equity shares in respect of which the option is being exercised (the "Exercised Equity Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Scheme. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Equity Shares. No Equity shares shall be transferred pursuant to the exercise of the Options unless such exercise and transfer complies with applicable laws.

The Scheme also provides for cashless exercise of Options. For the purpose of implementing the 'Cashless Exercise', the ESOP Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the Options as may be necessary and the same shall be binding on the grantee.

g. Appraisal process for determining the eligibility of employees to the Options:

All eligible employees have been granted Options by the ESOP Committee on the basis of any or all of the following criteria:

- Level, role and performance of the employee;

- b) Tenure in organization;
- c) Such other factors as may be determined by the ESOP Committee.

h. Maximum number of Options to be issued per employee and in aggregate:

The maximum number of Options granted to an individual employee in a year does not exceed 1% of the total number of shares under the Scheme.

- i. The Company shall value the Options granted under the Scheme, at their 'Fair value' or 'Intrinsic value' as defined by SEBI ESOP Guidelines.
- j. The ESOP Committee shall be authorized to determine the amount of withholding, deduction or recovery, if any, of such tax from the employee and also the modalities for recovery.
- k. The trustees of the Trust are authorized to make suitable amendments to the existing JSW Energy Employees Welfare Trust Deed and its Rules as may be applicable to give effect to these Special Resolutions.
- l. In the event that the Company calculates the employee compensation cost using the intrinsic value of the Equity Share, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the share shall be disclosed in the Directors'

report and also impact of this difference on profits and on EPS of the Company, if applicable shall also be disclosed in the Directors' report.

- m. In the context of the above, the Company shall conform to the accounting policies specified by SEBI as per the SEBI ESOP Guidelines as amended from time to time, as applicable.

As the implementation of the Scheme may require issue of Equity Shares, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and as per Clause 6 of the SEBI Guidelines. As per Clause 6.3 of the SEBI ESOP Guideline, a separate Special resolution is required to be passed if the benefits of the Scheme are extended to employees of subsidiary Company.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the stock Options or shares that are granted or may be offered to them under the Scheme.

Your Directors recommend the resolutions as set out in Items nos. 11 & 12 for your approval as Special Resolutions.

By order of the Board
for **JSW Energy Limited**

Mumbai
3rd May, 2013

Sampath Madhavan
Company Secretary

Important Communication to Shareholders

Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs (vide circular nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed Companies to share documents / notices (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) with its Shareholders through an electronic mode. The move of the Ministry allows public at large to contribute to the green movement.

To support this Green initiative of the Government in full measure, Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Shareholders holding Shares in electronic form can avail the said facility by registering/ changing the E-mail address with the Depository through their concerned Depository Participants (DP) or by filling in the E-Communication Registration Form available on Company's website (www.jsw.in) or as attached to this Annual Report and forward the same to Company's Registrar i.e Karvy Computershare Private Limited. Shareholders holding Shares in physical form can also avail the said facility by filling in the E-Communication Registration Form available on Company's website (www.jsw.in) or as attached to this Annual Report and forward the same to Company's Registrar i.e Karvy Computershare Private Limited.

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

Name of the Director	Mr. Nirmal Kumar Jain	Mr. Chandan Bhattacharya	Mr. Sanjay Sagar	Mr. Pramod Menon
Date of Birth	May 3, 1946	January 13, 1945	August 4, 1957	August 12, 1971
Relationship with other Directors Inter-se	None	None	None	None
Date of Appointment	January 21, 2010	March 6, 2007	July 21, 2012	May 3, 2013
Expertise in specific functional area	<p>Mr. Nirmal Kumar Jain has over four decades of wide experience in the areas of mergers and acquisition, finance, law and capital restructuring. Combining his deep and abiding passion for people, Mr. Jain adds depth to his leadership roles by also serving as executive coach and mentor of human resources for the JSW Group's 10,000 strong workforce.</p> <p>Mr. Jain who joined the JSW Group in 1992, held positions of increasing responsibilities including as Director-Finance in 1994, Deputy MD & CEO in 1996 and Executive Vice-Chairman of Jindal Iron & Steel Co. Ltd.</p> <p>Mr. Jain was involved in the management of joint ventures with leading business partners from the globe. His deep knowledge and astute eye for all aspects of business have helped establish JSW as a still-rapidly growing diversified conglomerate.</p>	<p>Mr. Chandan Bhattacharya is the former Managing Director of State Bank of India (SBI). He has wide range of experience of over 42 years in Banking, Trade and Commerce including 2 years stint in SAT which gave him valuable insight and knowledge about the working of the capital market. He was a member of Managing Committee of Indian Banking Association, Executive Committee of FICCI, Chairman of Banking & Finance Committee of ASSOCHAM and Head of Inter-Institutional Group on financing of fast track Power Projects.</p> <p>Currently, he is an advisor to McKinsey & Co. in India. He is also the group financial advisor to 2/3 leading industrial groups in Mumbai and was also a visiting Guest Lecturer at NIBM, Pune, IIM, Indore and MDI, Gurgaon and is a Chairman of Finance and Banking of Indian Merchants Chamber, Mumbai.</p>	<p>Mr. Sanjay Sagar has over three decades of wide experience including over one decade in Energy sector. Mr. Sagar has a keen acumen for Business Development with a pronounced skill for resolving issues related to Government Policy and procedure, of which he has a deep understanding. Mr. Sagar has provided effective leadership in bringing the Raj WestPower Limited's project firmly back on the road to completion. Mr. Sagar is also credited with operationalizing the Kapardi Lignite mine as a source of fuel for the Barmer Project in record time. He was Managing Director on the Board of Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture of Raj WestPower Limited with Rajasthan State Mines and Minerals Limited, where he continues to be Director. Mr. Sagar is also on the Board's of all Indian Subsidiaries.</p>	<p>Mr. Menon has vast experience in Project Finance, Corporate Finance, Treasury Management, Investor Relations as well as Mergers & Acquisitions. Before his appointment as Whole-time Director of the Company, he was working as Senior Vice President and Chief Financial Officer (CFO) of the Company. Mr. Menon joined the JSW Group in 1994 and had been involved with various successful and notable assignments in JSW Steel Limited before being entrusted with the assignment of CFO of your Company in April 2007. Mr. Menon had played a key role in the maiden Initial Public Offer (IPO) of the Company which was successfully concluded in January 2010, besides ensuring financial closure for the projects. Mr. Menon holds directorships in various subsidiaries of the Company and was the Managing Director on the Board of Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture of Raj WestPower Limited with Rajasthan State Mines and Minerals Limited (RSMML), where he continues to be Director.</p>
Qualification	B.Com, FCA and FCS	B.A (Honours) and CAIIB.	B.A (Honours) and MBA	B.Com, ACA and Grad CWA.
No. of Equity Shares held in the Company	5,000	NIL	5,000	2,900

Name of the Director	Mr. Nirmal Kumar Jain	Mr. Chandan Bhattacharya	Mr. Sanjay Sagar	Mr. Pramod Menon
Directorship in other Indian Public Limited Companies as on March 31, 2013	JSW Power Trading Company Limited	JSW Power Trading Company Limited	Barmer Lignite Mining Company Limited	Jaigad PowerTransco Limited
	Raj WestPower Limited	GOL Offshore Limited	Raj WestPower Limited	Raj WestPower Limited
	JSW Infrastructure Limited	Liberty Videocon General Insurance Company Limited	Jaigad PowerTransco Limited	JSW Power Trading Company Limited
	Jindal South West Holdings Limited		JSW Power Trading Company Limited	JSW Energy (Raigarh) Limited
	JSW Aluminium Limited		JSW Energy (Raigarh) Limited	JSW Green Energy Limited
	JSW Energy (Kutehr) Limited		JSW Green Energy Limited	JSW Energy (Kutehr) Limited
Chairmanship / Membership of other Indian Public Limited Companies as on March 31, 2013* (C=Chairman) (M=Member)	JSW Cement Limited (M)		JSW Energy (Kutehr) Limited	JSW Energy (Bengal) Limited
	Shareholders/Investors Grievance Committee	Shareholders / Investors Grievance Committee	Barmer Lignite Mining Company Limited (M)	Barmer Lignite Mining Company Limited (M)
	Jindal South West Holdings Ltd (C)	JSW Power Trading Company Limited (C)	JSW Energy (Raigarh) Limited (M)	Gourangdih Coal Limited
	JSW Infrastructure Limited (C)	GOL Offshore Limited (M)		
	JSW Aluminium Limited (M)	Liberty Videocon General Insurance Company Limited (M)		
* only two committees namely Audit Committee and Shareholders/Investors Grievance Committee have been considered.				

DIRECTORS' REPORT

To the Shareholders,

Your Directors are pleased to present the Nineteenth Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2013 is summarized below:

(₹ crore)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales and Other Income	6,701.23	5,130.44	9,147.73	6,265.44
Profit before Interest, Depreciation, Tax and Exceptional items	2,410.52	1,328.24	3,006.62	1,594.39
Finance Costs	571.80	508.16	962.79	717.24
Depreciation and amortisation expense	424.94	377.22	661.53	503.34
Exceptional items	169.95	151.61	196.59	161.27
Profit before Tax	1,243.83	291.25	1,185.71	212.54
Provision for Tax	250.80	56.61	273.31	41.91
Profit for the year before Share of loss of Associates and Minority Interest	993.03	234.64	912.40	170.63
Share of Profit / (Loss) of Minority	-	-	(2.93)	0.58
Share of Loss of Associate Company	-	-	11.68	-
Profit for the year	993.03	234.64	903.65	170.05
Add: Profit brought forward from previous year	1,717.71	1,717.85	1,272.43	1,338.12
Less : Share of Loss of Associate up to previous year	-	-	11.88	-
Profit available for appropriation	2,710.74	1,952.49	2,164.20	1,508.17
Less: Transfer to Debenture Redemption Reserve	135.23	139.48	135.23	139.48
Less: Transfer to Contingency Reserve	-	-	1.39	0.96
Less: Transfer to General Reserve	74.48	-	74.48	-
Less: Proposed Dividend	328.01	82.00	328.01	82.00
Less: Dividend Distribution Tax	55.75	13.30	55.75	13.30
Balance Carried to Balance Sheet	2,117.27	1,717.71	1,569.34	1,272.43

2. FINANCIAL PERFORMANCE

Standalone

- The total revenue of your Company for fiscal 2013 stood at ₹ 6,701.23 crore as against ₹ 5,130.44 crore for fiscal 2012 showing an increase of 31%.
- The EBIDTA (before exceptional items) increased by 81% from ₹ 1,328.24 crore in fiscal 2012 to ₹ 2,410.52 crore in fiscal 2013.
- Profit for the year increased by 323% from ₹ 234.64 crore in fiscal 2012 to ₹ 993.03 crore in fiscal 2013.
- The net worth of your Company increased to ₹ 6,773.24 crore at the end of fiscal 2013 from ₹ 6,158.72 crore at the end of fiscal 2012.
- The debt gearing of your Company was at 0.80 times as at the end of fiscal 2013 compared to 0.87 times at the end of fiscal 2012.

Consolidated

- The consolidated total revenue of your Company for the fiscal 2013 stood at ₹ 9,147.73 crore as against ₹ 6,265.44 crore for fiscal 2012 showing an increase of 46 %.
- The consolidated EBIDTA (before exceptional items) increased from ₹ 1,594.39 crore in fiscal 2012 to ₹ 3,006.62 crore in fiscal 2013 showing an increase of 89%.
- The consolidated Profit for the year has also increased from ₹ 170.05 crore in fiscal 2012 to ₹ 903.65 crore in fiscal 2013 showing an increase of 431%.
- The consolidated Net Worth of your Company has increased from ₹ 5,700.07 crore at the end of fiscal 2012 to ₹ 6,203.76 crore in fiscal 2013.
- The consolidated debt gearing of the Company is at 1.67 times as at end of fiscal 2013 compared to 1.75 times in fiscal 2012.

3. CONSOLIDATED FINANCIAL STATEMENTS

The audited Standalone and Consolidated Financial Statements of your Company, which form part of the Annual Report, have been prepared pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges, in accordance with the provisions of the Companies Act, 1956, the Accounting Standard (AS-21) on Consolidated Financial Statements, the Accounting Standard

(AS-23) on Accounting for Investments in Associates and Accounting Standard (AS-27) on Financial Reporting of Interests in Joint Ventures, prescribed by the Companies (Accounting Standards) Rules, 2006.

4. DIVIDEND

Your Directors have recommended Dividend of ₹ 2 per share (20%) on 164,00,54,795 Equity Shares of Face Value of ₹ 10 each for FY 2012 – 2013 [₹0.50 per share (5%) in previous year], subject to the approval of the Members at the ensuing Annual General Meeting. Together with the Dividend Distribution Tax, the total outflow on account of Equity dividend will be ₹ 383.76 crore [₹ 95.30 crore in previous year].

5. SUBSIDIARIES

The details of the Subsidiary Companies are as follows:

a. Raj WestPower Limited (RWPL)

RWPL, a wholly owned subsidiary of your Company, has implemented the 8X135 MW Lignite based Thermal Power Plant in Village Bhadresh, Barmer District, Rajasthan at a total estimated cost of ₹ 7,165 crore.

During the year, RWPL commenced commercial operations of its 5th unit on 5th February, 2013, 8th Unit on 28th February, 2013, 6th Unit on 3rd March, 2013, and 7th Unit on 16th March, 2013, thereby increasing its operating capacity to 1080 MW.

RWPL had executed Implementation Agreement (IA) with the Government of Rajasthan for the implementation, operation and maintenance of Lignite Mining cum Thermal Power Plant, with associated facilities, of 8X135 MW Power Plant based on Lignite mined from the Jalipa and Kapurdi Mines in the Barmer District of Rajasthan. In accordance with the IA, Barmer Lignite Mining Company Limited (BLMCL) was incorporated as a Joint Venture Company between Rajasthan State Mines & Minerals Limited (RSMML), a Government of Rajasthan enterprise & RWPL, with Equity participation of 51% and 49% respectively to develop lignite mines in two contiguous blocks viz. Kapurdi and Jalipa for supplying lignite to the mine-head located 1080 MW (8x135 MW) capacity Thermal Power Plant of RWPL. BLMCL will meet the entire fuel requirement of the Power Plant.

RWPL achieved Plant Load Factor (PLF) of 73.36% during operational period of the plant and has generated 3,780.20 million units (gross) during the year. Out of the gross generation, RWPL has sold 3,310.31 million units to Rajasthan Distribution Companies (Discoms) and generated revenues of ₹ 1,232.14 crore and profit after tax of ₹ 19.79 crore on standalone basis and revenues of ₹ 1,214.64 crore and profit after tax of ₹ 8.52 crore on consolidated basis during the FY 2012-2013.

RWPL has incurred ₹ 6,844 crore for the project (excluding investment in BLMCL & towards expansion project) as on 31st March, 2013. Your Company has invested ₹ 1,726.05 crore in RWPL (including Equity for BLMCL) and advanced ₹ 1,167.28 crore as loan as at 31st March, 2013.

RWPL has received in-principle consent for the proposed expansion for setting up another 2X135 MW Power Plant at the same location. The cost of this Project was estimated at ₹ 1,350 crore and was proposed to be financed with a Debt to Equity ratio of 75:25. RWPL has incurred a cost of ₹ 61.25 crore towards the expansion project and the entire amount has been funded by your Company.

Barmer Lignite Mining Company Limited (BLMCL)

During the year, BLMCL had supplied entire lignite to meet the requirements of RWPL power plant from Kapurdi Lignite Mines.

The land acquisition of the Jalipa Lignite Mines is under progress and the mine development activity of the same would take approximately 18 months for the extraction of lignite and more than 24 months to achieve its full capacity. Mining lease for the Jalipa Lignite Mine has been granted by Government of Rajasthan in favour of RSMML on 22nd February, 2013 and the execution of mining lease is expected to be done soon.

BLMCL had also applied for enhancement of mining capacity of Kapurdi Lignite Mines from 3MTPA to 7MTPA in March 2012 so that the lignite requirement for operating all eight units of the Power Plant can be met at normative PLF. This application for statutory approvals for the revised Mining Plan is under advanced consideration.

Meanwhile, BLMCL had also applied in January, 2013 for the one time enhancement in mining capacity by 25% to Ministry of Environment & Forest (MOEF) over the approved Environment Clearance (EC) of 3 MTPA, subject to meeting certain criteria as per MoEF Office Memorandum

dated 19th December, 2012. The approval for the same is under consideration of MoEF.

During the year, BLMCL had also received final clearance from MoEF for diversion of 9.794 hectares of protected forests land lying on both sides of NH-15 in Jalipa Lease area. PWD-NH division is also finalizing DPR for the diversion of NH-15 and is likely to complete the same soon.

BLMCL has incurred ₹ 1,371.58 crore till 31st March, 2013. RWPL has invested Equity of ₹ 9.80 crore in BLMCL besides providing unsecured subordinate debt of ₹ 368.59 crore as at 31st March, 2013.

Both RWPL and BLMCL are presently operating on adhoc interim Tariff and transfer price of Lignite respectively provided by the Hon'ble Rajasthan Electricity Regulatory Commission (RERC) till the final determination of Tariff & transfer price of Lignite by the Regulator. Besides the determination of final Tariff & transfer price of Lignite, there are other issues related to the project either pending before RERC or Hon'ble Appellate Tribunal for Electricity or Hon'ble Supreme Court, which will have an eventual bearing on the earnings of the company. As a prudent & conservative practice, both RWPL & BLMCL have only adopted the Tariff approved by the RERC.

b. JSW Power Trading Company Limited (JSWPTC)

JSWPTC, a wholly owned subsidiary of your Company, is engaged in power trading activities with a category "I" license, which is the highest Power Trading license issued by Central Electricity Regulatory Commission (CERC) to trade in power in whole of India. JSWPTC trades in power procured from your Company and its associates as well as third party suppliers/generators. JSWPTC has achieved total trading volume of 11,327.83 MUs as against 8,247.30 MUs during the previous financial year thereby generating a total sales turnover of ₹ 5,298.67 crore with Profit after Tax of ₹ 18.76 crore. JSWPTC is a member in both the Power Exchanges namely, India Energy Exchange (IEX) and Power Exchange of India Limited (PXIL).

JSWPTC has, through its efforts over a period of time, emerged as one of the leading Power Trading Companies in India and achieved second position on all India basis as per the monthly report of Market Monitoring Cell of Hon'ble CERC for month of October, November and December 2012. It has been one of the active members in Power Committees for southern region and western

region for presenting its views on different issues related with power sector. JSWPTC is a representative in the Central Advisory Committee of Hon'ble CERC.

c. Jaigad PowerTransco Limited (JPTL)

Your Company had entered into a Joint Venture Agreement with Maharashtra State Electricity Transmission Company Limited (MSETCL), for development of Transmission System as an integral part of Intra-State Transmission System aimed at evacuation of power generated from 1200 MW Ratnagiri Power Plant and also from other proposed projects in the region.

JPTL, the Joint Venture Company incorporated for the said purpose, where your Company has shareholding of 74% and MSETCL has balance 26% Equity, was granted Transmission License to establish, maintain and operate the Transmission System for 25 years by Maharashtra Electricity Regulatory Commission (MERC). JPTL is one of the few private players to have entered into development of Transmission System in the State of Maharashtra under the Public Private Partnership (PPP) model and has demonstrated exceptional capabilities in terms of successfully executing and commissioning the Transmission Project passing through difficult terrain.

The entire Transmission Project was constructed in record time and became fully operational since 2nd December, 2011. The Transmission System is presently evacuating power from 1200 MW Ratnagiri Power Plant as well as transmitting intra-state power of State Utilities. JPTL has maintained a high availability of Transmission System at 98.43% for the FY 2012-2013.

Your Company has invested ₹ 101.75 crore as Equity contribution as at 31st March, 2013. JPTL has generated revenues of ₹ 92.02 crore and Net Loss of ₹ 0.03 crore during the FY 2012-2013.

The petition for truing up of Annual Revenue Requirement (ARR) for the FY 2010-2011 and ARR for FY 2011-2012 was approved by MERC on 16th May, 2012. MERC has also approved Multi Year Tariff (MYT) Business plan of JPTL for the control period FY 2012-2013 to FY 2015-2016 vide order dated 20th December, 2012.

d. JSW Energy (Raigarh) Limited (JERL)

JERL, a wholly owned subsidiary of your Company, was incorporated for setting up 1320 MW Power Plant in Raigarh District, Chhattisgarh based on coal. Total land required is approximately 795 acres and a significant portion of the land has been acquired either directly or indirectly through CSIDC

for development of Project. Environment clearance has been obtained from Ministry of Environment & Forests. The Project Cost is estimated at ₹ 6,500 crore and is proposed to be financed with a Debt Equity ratio of 75:25. Your Company has invested ₹ 107.38 crore as Equity contribution as at 31st March, 2013.

e. JSW Green Energy Limited (JSWGEL)

JSWGEL was incorporated on 12th January, 2011 as a wholly owned subsidiary of your Company for taking up the business pertaining to Renewable Energy.

Your Company has invested ₹ 0.05 crore as Equity contribution and advanced ₹ 4.41 crore as loan as at 31st March, 2013.

f. JSW Energy (Kutehr) Limited (JEKL)

JEKL has been incorporated on 20th February, 2013 as a wholly owned subsidiary of your Company as a SPV for the purpose of pursuing the Kutehr Hydro Project.

OVERSEAS SUBSIDIARIES

g. PT Param Utama Jaya (PTPUJ)

Your Company had acquired controlling interest in FY 2007 in PTPUJ, an Indonesian Company. PTPUJ is rendering management and technical consultancy services to Coal Mining Companies in Indonesia.

h. JSW Energy Minerals Mauritius Limited (JEMML)

JEMML was incorporated on 19th April, 2010 in Mauritius as wholly owned subsidiary of the Company for overseas acquisition of coal assets. It has downstream Equity investment of ₹ 32.63 crore in JSW Energy Natural Resources Mauritius Limited (JENRML) and advanced ₹ 270.58 crore as loan as on 31st March, 2013 for acquiring and developing Coal mining assets in South Africa.

Your Company has Equity investment of ₹ 35.55 crore in JEMML and advanced ₹ 260.09 crore as loan as on 31st March, 2013.

i. JSW Energy Natural Resources Mauritius Limited (JENRML)

JENRML was incorporated on 19th April, 2010 in Mauritius as a wholly owned subsidiary of JEMML for overseas acquisition of coal assets. It has downstream investment of ₹ 32.41 crore in Equity of JSW Energy Natural Resources South Africa (PTY) Limited (JSWNRSAL) and advanced ₹ 270.40 crore as loan as on 31st March, 2013.

j. JSW Energy Natural Resources South Africa (PTY) Limited (JSWNRSAL)

JSWNRSAL has invested an amount of ₹ 42.59 crore in acquiring Equity of Royal Bafokeng Capital (Proprietary) Limited (RBC) and ₹ 9.27 crore in acquiring Equity of Mainsail Trading 55 Proprietary Limited (Mainsail), wholly owned subsidiaries, of JSWNRSAL. Further JSWNRSAL has invested an amount of ₹ 27.90 crore in Equity of South African Coal Mining Holdings Limited (SACMH) and advanced ₹ 176.98 crore as loan to SACMH & its subsidiaries.

k. South African Coal Mining Holdings Limited (SACMH)

During the year, SACMH mined 209,388 MT of raw coal from the existing mines. The total sale of coal during the year was 179,332 MT.

The mines are presently under care and maintenance pending receipt of requisite licences in the new Mining area.

The effective shareholding of your Company in SACMH as at 31st March, 2013 stands at 93.27%.

l. JSW Energy Natural Resources (BVI) Limited (JENRBL)

JENRBL was incorporated on 3rd December, 2010 in British Virgin Islands as a wholly owned subsidiary of your Company for achieving the objective of overseas acquisition of coal assets in Botswana. Your Company had invested ₹ 3.53 crore as Equity in JENRBL, which has been entirely provided for during the previous year.

6. EXEMPTION U/S 212 FOR SUBSIDIARIES

The Company has availed the exemption available vide circular issued by Ministry of Corporate Affairs dated 8th February, 2011 from attaching a copy of the Balance Sheet, Profit and Loss Statement, Directors' Report and Auditors' Report of the subsidiary Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956, to the Balance Sheet of the Company.

Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiary Companies is contained in the report. The Annual Accounts of the subsidiary Companies are open for

inspection by any Shareholder at the Company's Registered Office as also at the Company's Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051 and the Company will make available these documents and the related detailed information upon request by any Shareholder of the Company or any Shareholder of its subsidiary Companies who may be interested in obtaining the same.

7. NEW PROJECTS, INITIATIVES AND JOINT VENTURES

240 MW Kutehr Hydro Project

Your Company is implementing the 240 MW (3X80 MW) run of the river Hydro Electric Project (HEP) on the upper reaches of river Ravi in district Chamba of Himachal Pradesh. An Implementation Agreement (IA) was signed with Himachal Pradesh (HP) Government on 4th March, 2011.

Ministry of Environment and Forests (MoEF) has accorded the Environment Clearance to the project on 5th July, 2011 and Forest Stage-II clearance has been given on 19th February, 2013. Consent to establish has been accorded by the HP State Pollution Control Board on 17th December, 2012.

Kutehr HEP has been registered as carbon credit project by UNFCCC under CDM mechanism of Kyoto protocol. The project is entitled to claim carbon credits from the date of commissioning.

57 Bighas of private land required for the implementation of the project has been acquired through direct negotiations and balance is being acquired through Land Acquisition Act, 1894. The Project is progressing well.

Toshiba JSW Turbine & Generator Private Limited (Toshiba JSW)

Toshiba JSW has been incorporated as a Joint Venture (JV) with a shareholding of 75% by Toshiba Corporation Limited, Japan (Toshiba) and 25% by JSW Group (your Company and JSW Steel Limited) to design, manufacture, marketing and maintenance services of large sized Supercritical Steam Turbines & Generators of size 500 MW to 1000 MW. Technology transfer agreement was signed between Toshiba and Toshiba JSW for transferring supercritical turbine manufacturing technology. The JV with Toshiba would provide the Company with an advantage of being a preferred client for sourcing of state of the art power plant equipment.

Your Company has invested ₹ 97.25 crore equivalent to 22.46% of the paid up Equity in Toshiba JSW, with JSW Steel Limited holding 2.54% and Toshiba holding 75%.

The Manufacturing facility of Toshiba JSW has been established and production activity commenced for supply of 3 X 800 MW Supercritical Turbine and Generators sets for Kudgi Power plant, Karnataka and 2 X 660 MW Supercritical Turbine and Generator sets for Meja Power Project, Uttar Pradesh under the orders bagged from NTPC Limited.

It is also decided to expand the Manufacturing facility to enhance annual production capacity from 3000 MW to 6000 MW and construction work for the same is in progress.

MJSJ Coal Limited (MJSJ)

In terms of the Joint Venture Agreement to develop Utkal-A and Gopal Prasad (West) Thermal coal block in Odisha, your Company has participated in the 11% Equity of MJSJ, Odisha along with four other partners. The Government of India decided to allot 1,522 acres of Gopal Prasad west area to MJSJ. Mahanadi Coalfields Limited, a Public Sector Company holds 60% of the Equity. Land acquisition by Government of India under Section 9(1) of Coal Bearing Areas (Acquisition and Development) Act, 1957 has been completed. Ministry of Coal, Government of India has been requested for vesting of land in favour of MJSJ under the provisions of Section 11 of the Act. Other pre-development activities like statutory clearances are in the process of completion. Your Company has invested ₹10.46 crore towards its 11% stake as on 31st March, 2013.

Power Exchange of India Limited (PXIL)

Your Company has invested ₹ 1.25 crore in PXIL which provides the platform for trading in electricity. PXIL is promoted by National Stock Exchange of India Limited and National Commodities & Derivatives Exchange Limited.

Other New projects, Initiatives etc

Your Company has plans to expand the capacity and foot print in the generation space with locations identified in Chattisgarh, Jharkand, Vijayanagar and Ratnagiri. While the Company has acquired / acquiring land in these locations besides taking various consents, these projects are proposed to be taken up on getting reasonable clarity on the fuel and power off-take arrangements which are awaited. Besides, as part of the strategy to be a fully integrated player in the power sector, the Company is keenly evaluating the opportunities

in the distribution space. However, given the prevailing challenging economic environment and slow paced action on policy fronts, your Company is treading carefully in making fresh investments.

8. CREDIT RATING

CARE has reaffirmed 'CARE AA-' (Double AA minus) rating to the long-term bank facilities of your Company aggregating to ₹ 3,248.02 crore. Non Convertible Debentures of your Company aggregating to ₹ 3,600 crore are also rated 'CARE AA-' (Double AA minus). The rating reaffirmed to the short-term bank facilities of your Company aggregating to ₹ 5,050 crore is 'A1+' (A One Plus)

9. FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

10. AWARDS

During the year, your Company received the following awards:

1. "Best Thermal Power Generation Company Award" at Power Line Awards, 2012 function organized by Power Line Magazine in New Delhi.
2. Best Fuel Efficient Boiler Award-2012, awarded to CPP- 2 at the Award function on 42nd National Safety Day Celebrations 2013.

11. BOARD OF DIRECTORS

1. Composition

The Board comprises of Eight Directors, of which four are Independent Directors with one of them being a Nominee Director.

2. Retirement by Rotation

In accordance with the requirements of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company, Mr. Nirmal Kumar Jain and Mr. Chandan Bhattacharya, retire by rotation and being eligible, offer themselves for reappointment.

3. Changes in the Composition of Directors

- Mr. Sanjay Sagar was appointed as an Additional Director and Whole-time Director designated as Joint Managing Director & Chief

Executive Officer with effect from 21st July, 2012. The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sanjay Sagar for the office of Director.

- Mr. Pramod Menon is appointed as an Additional Director and Whole-time Director designated as Director – Finance with effect from 3rd May, 2013. The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Pramod Menon for the office of Director.
- Mr. B. Ravindranath was nominated by IDBI Bank Limited as its Nominee Director on the Board of the Company with effect from 30th January, 2013.
- Mr. S. S. Rao had resigned as a Director and ceased to be the Whole-time Director of the Company with effect from the close of 30th April, 2012. The Board placed on record the significant contributions made by Mr. S.S. Rao during his tenure.
- Mr. R. R. Pillai, consequent upon attaining the age of superannuation, ceased to be Director and Director (Technical & Projects) of the Company with effect from the close of 31st January, 2013. The Board placed on record the valuable contributions made by Mr. R. R. Pillai during his long and illustrious career with the Company.
- Mr. T. R. Bajalia, consequent upon withdrawal of his nomination by IDBI Bank Limited, ceased to be Director of the Company with effect from 10th January, 2013. The Board placed on record the significant contributions made by Mr. T. R. Bajalia during his tenure.

4. Board Meetings

The Board met four times during the year on 30th April, 2012, 20th July, 2012, 1st November, 2012 and 23rd January, 2013.

12. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated under Clause 49 of the Equity Listing Agreement of Stock Exchange and accordingly, the Report on Corporate Governance forms part of the Annual Report.

The requisite Certificate from M/s. LODHA & CO., the Statutory Auditors of the Company regarding

compliance with the conditions of Corporate Governance as stipulated in Clause 49 is annexed to this Report as also the Management Discussion and Analysis which is given as Annexure to this report.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the Directors have prepared the annual accounts for the year under review, on a 'going concern' basis.

14. AUDITORS

M/s. LODHA & CO., Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Company has 4 units of 300 MW each operational at Jaigad, Ratnagiri. It is proposed to appoint M/s. Shah Gupta & Co., Chartered Accountants as Branch Auditors for the said plant for the FY 2013-2014. The Shareholders' approval is therefore sought for the appointment of M/s. Shah Gupta & Co, Chartered Accountants as Branch Auditors of the Plant situated at Jaigad, Ratnagiri for the financial year 2013-2014 and to authorize the Board of Directors to determine the remuneration payable in consultation with them.

In accordance with the Order dated 2nd May, 2011 issued by Ministry of Corporate Affairs (MCA) pursuant to Section 233B of the Companies Act, 1956, your Company is required to get its cost accounting records audited by a Cost Auditor and had accordingly appointed M/s. S. R. Bhargave & Co., Cost Accountants for this purpose for FY 2012-2013. The Cost Audit Report for FY 2011-2012 has been filed on 30th January, 2013.

Subject to the approval of the Central Government, your Company has reappointed M/s. S. R. Bhargave & Co., Cost Accountants to conduct the audit of the cost accounting records for FY 2013-2014.

15. DISCLOSURES AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Disclosure as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

A. ENERGY CONSERVATION

a) Measures taken for Conservation of Energy:

Vijayanagar

- i. Replacement of passing CEP recirculation control valve.
- ii. ACW pumps (4 nos) casing internal surface were applied with ceramic type antifriction coat to reduce the frictional losses.
- iii. Optimised equipment running hours to achieve gain in auxiliary power consumption.
- iv. Optimised ESP ash Compressor operation for energy conservation.
- v. Equipment efficiencies were evaluated and optimized on a continuous basis.

Ratnagiri

- i. Optimised the coal belt running hours by effective planning of coal consumption.
- ii. Arresting of leakages in flue gas and air ducts and optimization of Flue gas O₂ %.
- iii. Optimization of CT fan and vacuum Pump Operation.
- iv. Seawater intake pump running optimization.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Vijayanagar

- i. Installed mechanical seals for DM water pumps to reduce friction loss & DM water leakage.
- ii. ACW Pumps: Recommissioned with modified impellers thus reducing the power consumption

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Vijayanagar

The energy conservation measures have reduced energy consumption by 63KW/hr.

Ratnagiri

The energy conservation measures have reduced energy consumption by 969 KW/hr and Avg station Aux power reduced to 8.67 % for FY 2012-2013 from 9.34% of FY 2011-2012.

d) Total energy consumption and energy consumption per unit of production as per Form A in Respect of industries specified in the Schedule thereto: Not Applicable

- e) Your Company follows the ash utilisation norms stipulated in environmental clearances issued by the respective State Pollution Control Board / Ministry of Environment and Forests.

B. TECHNOLOGY ABSORPTION AND INNOVATION

- a) The form for disclosure of particulars with respect to Technology Absorption in Form 'B' is attached as Annexure "A" to this report.
- b) The Company has carried out 144 numbers of logic/structural modifications in plants located at Toranagallu, which has resulted in enhanced plant performance.
- c) The Company has carried out 20 numbers of logic/structural modifications in plants located at Jaigad, which has resulted in enhanced plant performance.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings of the Company for year under review amounted to Nil. The foreign exchange outflow is as under:

Sr. No.	Particulars	₹ crore
a)	Import of Coal	3,047.32
b)	Plant, Machinery and Spares	8.30
c)	Furniture and Fixtures	5.01
d)	Travelling Expenses	0.76
e)	Legal and Professional	2.05
f)	Interest and Finance charges	39.42
g)	License and Membership Fee	1.25
h)	Dividend	5.55
Total		3,109.66

16. EMPLOYEE STOCK OPTION PLANS (ESOP)

In terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, the disclosure relating to JSWEL Employees Stock Option Plan 2010 and JSWEL Employees Mega Stock Option Scheme 2012 is given in Annexure "B" to the Directors Report.

17. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 ("Act") read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office or Company's Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

18. ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, the financial institutions, banks, vendors, customers, debenture holders and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board of Directors

Mumbai
3rd May, 2013

Sajjan Jindal
Chairman & Managing Director

ANNEXURE "A" TO DIRECTORS' REPORT

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific area in which R & D carried out by the Company	<p>As such the Company did not carry out any basic R&D work during the year 2012-2013. However, following equipment were installed to improve performance & safety:</p> <p><u>Vijayanagar</u></p> <p>A. DCS Engineering work station upgradation from WIN TOOL to COMPOSER in both 130MW units.</p> <p>B. Critical equipment Digital Output Modules were changed from DSO 04 to DSO 14 & and identified DCS Power supply modules upgraded from MPS2 to MPS3 in 2X130 MW.</p> <p>C. O₂ analyser up graded at APH Inlet.</p> <p>D. AVR Replaced in 130 MW and 300 MW Units.</p> <p>E. PLCs of DM and ESP replaced.</p> <p><u>Ratnagiri</u></p> <p>A. Installation of ammonia dosing system for all units.</p> <p>B. Installation of Flue Gas Desulphurisation (FGD) System in all the units.</p> <p>C. Turbine fast cooling system installed.</p> <p>D. New DVR installed in Unit - 1. (Old Chinese AVR system taken out to serve as spare).</p>
2. Benefits derived as a result of the above R & D	<p><u>Vijayanagar</u></p> <p>A, B, C: For system safety, better reliability and combating obsolescence.</p> <p>D. Better technology, reliability, controllability and combating obsolescence.</p> <p>E. Upgradation / replacement of Obsolete version of software and hardware.</p> <p><u>Ratnagiri</u></p> <p>A. Reduces the SPM level in flue gas.</p> <p>B. Reduction of SO₂ released in the atmosphere (Station Flue Gas SO₂ reduced to 63.25 Ton per day by installing 50 % FGD capacity for each unit).</p> <p>C. Reliability of unit operation in the long term. Availability of imported spares for the old AVRs.</p>
3. Future Plan of Action	<p><u>Vijayanagar</u></p> <p>A. Renovation and Modernisation of C & I package due to completion of successful 1 Lakh working hrs.</p> <p>B. AVR replacement in one unit of 130 MW & one unit of 300 MW.</p> <p>C. Upgradation of 2X130 MW Turbine & Boiler equipment vibration monitoring system</p> <p>D. VFDs for ID & CEP for conservation of energy.</p> <p>E. PA duct modification to facilitate firing high CV coal.</p> <p>F. Turbine control system upgradation in 130 MW Unit-2 with Max – DNA.</p> <p><u>Ratnagiri</u></p> <p>A. Construction of separate coal storage covered shed in the coal yard.</p> <p>B. Alternative source of water.</p> <p>C. Modification of bunker inlet chute for segregation of big size coal.</p> <p>D. Installation of H₂ leak detection system.</p> <p>E. Tie between Unit 1-2 and Unit 3-4</p>
4. Expenditure on R & D (in ₹ crore)	
(a) Capital	(a) ₹ 2.80 crore
(b) Recurring	(b) ₹ 0.22 crore per annum
(c) Total	(c) ₹ 3.02 crore
(d) Total R& D expenditure as a percentage of turnover	(d) 0.045%

Technology absorption, adaptation and innovation

<p>1. Efforts, in brief, made towards Technology absorption, adaptation and innovation</p>	<p><u>Vijayanagar</u></p> <ul style="list-style-type: none"> A. Coal feeder Upgraded from STOCK to TRANSWEIGH. B. Upgraded AVR for 130 MW with ABB make Unitrol 6800 and for 300 MW with ABB Make Unitrol 6080. C. Upgradation of CTMM relays with VAMP-40 & 7UT513 upgraded with 7UT613 relays 220 KV transformers. D. Upgraded Ash & Coal handling PLC's from PLC5 with Control Logix in 130 MW Units. E. CEMS upgradation carried out in 130 MW. F. Established CCTV surveillance system in 130 MW G. Electro-chlorination system for 2x130MW and 2x300 MW for CW treatment installed. H. Reed bed system for sewage water treatment I. ABB make relays SPAU and SPAE replaced with new version relays for LT & MV system. J. Wear resistant usage for Mill internals & Rollers. K. Pump seals replaced with mechanical seals. L. CEP mechanical seal replaced with spilt seal in 300 MW Units. M. Replaced inferior valves with better quality valves in Turbine & Boiler side of 2 x 300 MW. N. Modified coal burners with high grade material to accommodate high CV Coal. <p><u>Ratnagiri</u></p> <ul style="list-style-type: none"> A. Eco friendly bio-degradable chemical dosing for CW treatment adopted against previous high cost & chemical intensive CW water treatment. B. Magnetic separator installation on coal conveyor. C. Installation of PLC dust extraction system in coal handling system. D. Installation of ABT meter software for monitoring & control of UI charges. E. On-line moisture analyser installed for determination of continuous average coal moistures as fired. F. Online O₂ grid measurement systems installed in all units for representative average flue gas oxygen at APH inlet for boiler losses control.
<p>2. Benefits derived as a result of the above efforts</p>	<p><u>Vijayanagar</u></p> <ul style="list-style-type: none"> A. Simplified system with better availability and combating obsolence. B. Reduction in outage time, combating obsolence. C. To combat obsolence. D. To combat obsolence. E. For better monitoring emission from plant. F. For reliable safety system. G. Eliminated hazardous liquid chlorine gas from working environment H. To protect environment I. To combat obsolence. J. Increased life of mill internals. K. Better availability. L. Minimum time required for maintenance and better availability of the pump. M. Better controllability and improved plant performance. N. Increased life of the coal burners. <p><u>Ratnagiri</u></p> <ul style="list-style-type: none"> A. Cleaner, cheaper technology for CW treatment for maximising CW flow in condensers. B. To prevent the foreign metal entry to coal mills & feeders, thereby increasing the milling system availability. C. Avoid fugitive dust emission in coal handling system and to create better working environment.

	D. Minimising UI charges. E. For correct determination of boiler efficiency for booking of actual coal consumptions in units.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the FY), following information may be furnished: (a) Technology Imported (b) Year of Import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	Not Applicable

ANNEXURE "B"

Disclosure under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the year ended 31st March 2013:

Scheme Name		JSWEL Employees Stock Ownership Plan – 2010		JSWEL Employees Mega Stock Ownership Scheme – 2012
Sr. No.	Particulars	Granted on 8 th November, 2011	Granted on 31 st October, 2012	Granted on 4 th October, 2012
1.	Options Granted	68,20,333	60,54,866	1,54,21,980
2.	Pricing Formula	Exercise Price determined based on closing market price on the day prior to the ESOP / Compensation Committee meeting on that exchange where higher shares are traded	Exercise Price determined based on closing market price on the day prior to the ESOP / Compensation Committee meeting on that exchange where higher shares are traded	Exercise Price determined based on closing market price on the day prior to the ESOP / Compensation Committee meeting on that exchange where higher shares are traded
3.	Exercise Price (₹)	52.35	60.90	65.00
4.	Options Vested	Nil	Nil	Nil
5.	Options Exercised	Nil	Nil	Nil
6.	Total number of Shares arising as a result of exercise of Options	Nil	Nil	Nil
7.	Options Lapsed	12,90,661	4,29,166	4,34,003
8.	Variations of terms of Options	Not applicable	Not applicable	Not Applicable
9.	Money realised by exercise of the Options	Nil	Nil	Nil
10.	Total number of Options in force	55,29,672	56,25,700	1,49,87,977
11.	i. Details of Options granted to senior managerial personnel	Appendix – A	Appendix – A	Appendix – A
	ii. Any other employee who receives in any One Year of grant of Options amounting to 5% or more of Options granted during that Year	None	None	None
	iii. Identified employees, who were granted Options, during any One Year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	None	None	None

Scheme Name		JSWEL Employees Stock Ownership Plan – 2010		JSWEL Employees Mega Stock Ownership Scheme – 2012
Sr. No.	Particulars	Granted on 8 th November 2011	Granted on 31 st October 2012	Granted on 4 th October 2012
	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31 st March 2013	Not applicable, as there is no issue of shares during the FY 2012-13.	Not applicable, as there is no issue of shares during the FY 2012-13.	Not applicable, as there is no issue of shares during the FY 2012-13.
	A description of method and significant assumptions used during the year to estimate the fair value of Options granted during the year	The fair value of options has been calculated by using Black Schole's Method and significant Assumptions used to estimate the fair value of option are :		
	Risk free Interest Rate	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option. The rate used for calculation is 8.86%	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option. The rate used for calculation is 8.09%	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option. The rate used for calculation is 8.13%
	Expected Life	The expected option life is assumed to be mid-way between the option vesting period and contractual term of the option.	The expected option life is assumed to be mid-way between the option vesting period and contractual expiry of the option.	The expected option life is assumed to be mid-way between the option vesting period and contractual expiry of the option.
	Expected Volatility	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 34.85%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.65%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.98%
	Expected Dividend	Re.1.00 per share	₹0.50 per share	₹0.50 per share
	The price of underlying share in the market at the time of grant	₹52.35 per share	₹60.90 per share	₹60.75 per share

Appendix – A

Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	Granted on 8 th November, 2011 (Live as at 31.03.2013)	Granted on 31 st October, 2012 (Live as at 31.03.2013)	Granted on 4 th October, 2012 (Live as at 31.03.2013)
1.	Mr. Nirmal Kumar Jain	Vice Chairman	4,85,467	4,09,544	13,90,269
2.	Mr. Sanjay Sagar	Jt. Managing Director & CEO	1,62,765	1,92,268	4,82,212
3.	Mr. Pramod Menon	Director –Finance	94,794	88,512	2,50,022
4.	Mr. R. R. Pillai*	Director –Technical & Projects	1,81,979	1,72,137	5,13,756
5.	Mr. S.S. Rao*	Whole-Time Director	-	-	2,22,455
6.	Mr. Satish Jindal	Chief Executive Officer (Power Trading)	1,26,726	1,06,907	3,37,615
7.	Mr. Navraj Singh	Senior Vice-President	77,298	70,816	2,11,046
8.	Mr. Kamal Kant	Senior Vice-President	78,343	71,862	2,15,932
9.	Mr. Vijay Paranjape	Senior Vice-President	Nil	54,559	Nil
10.	Mr. Ajai Srivastava*	Senior Vice-President	-	-	2,03,735
11.	Mr. Vijay Sinha	Vice-President	44,031	41,072	1,19,510
12.	Mr. Vinayak Bhat	Vice-President	60,828	55,789	1,72,266

*Seperated during FY 2012 – 2013

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC REVIEW

1.1 Global outlook

Global economic prospects have improved, but the road to recovery still remains vulnerable to headwinds. Over the past several months, advanced economy policymakers have successfully defused two of the biggest short-term threats to the global recovery – the threat of euro area breakup and a sharp fiscal contraction in the United States caused by a plunge off the “fiscal cliff.” In response, the financial stability has improved, as underscored in the April, 2013 Global Financial Stability Report (GFSR). The stability helped economic recovery by improving funding conditions and supporting confidence, but the overall growth prospects are yet to change. U.S. private demand has been showing strength as credit and housing markets are healing and larger-than-expected fiscal adjustment projected real GDP growth of about 2 percent in 2013. In the euro area, banks still face challenges of poor profitability and low capital, constraining the supply of credit. Also, in many economies, economic activity is affected by continued fiscal adjustment, balance sheet weaknesses and political risks. However, Japan, by contrast, projects a rebound, driven by fiscal and monetary stimulus. Overall, the annual growth forecast for advanced economies in 2013 is a modest 1 percent.

In case of the emerging economies, there was a noticeable slowdown during 2012 – a reflection of the sharp deceleration in demand from key advanced economies, domestic policy tightening, and the end of investment booms in some of the major developing markets. Economies in the Middle East and North Africa continue to struggle with difficult internal transitions. Few economies in South America are facing high inflation and increasing exchange market pressure. However, with consumer demand resilient,

macroeconomic policies on hold and exports reviving, most economies in Asia, sub Saharan Africa, Latin America and the Commonwealth of Independent States are seeing higher growth.

[Source: World Economic Outlook, April, 2013 by International Monetary Fund]

1.2. Domestic outlook

The Indian economic growth also faced major roadblocks to economic development during fiscal 2013, due to sluggish global trade, weak foreign direct investment scenario and declining global growth. The principal reasons for the lower growth during fiscal 2013 have primarily been, a tighter monetary policy to rein in inflation, fall in domestic savings, slowdown in corporate infrastructure investment and declining exports.

However, fiscal consolidation, firming up of demand and increase in agricultural production lowered the WPI price inflation considerably to 7.6% (April-January) in 2013, compared to 8.94% in 2012. This provides RBI the headroom to reduce policy rates, which in turn will enhance investment in industry and services. The fiscal deficit also declined to 4.89 % in 2013, compared to 5.7% in 2012. The government is addressing the major concerns, in order to reduce the fiscal deficit to 3% by 2016-17. Moving forward, all the three major sectors of the economy – agriculture, industry and services project better performance in 2013-14 as compared to 2012-13, enhancing the overall economic growth estimate to the range of 6.1% to 6.7% in 2013-14.

[Source: PricewaterhouseCoopers]

2. POWER SECTOR REVIEW

Expanding population, growing economies, new technology development and changes in the nature and

scope of regulations has transformed the global power landscape. Yet even now, around 1.3 billion people don't have access to electricity. The world electricity demand is growing rapidly with advancement of emerging economies and improved living standards. Moving forward, global population growth is expected to spur a rapid growth in the electricity demand.

Demographics also impact the demand for power. A robust working age population supports a strong economy and drives power consumption. In some places – primarily within the OECD and China – population is expected to plateau as relatively low birth rates and other factors combine to produce a rising percentage of older citizens. An exception is the United States, which sees continued population growth and thus will maintain a relatively large working-age population. India is expected to become the world's most populous country and, unlike China, its working-age population is expected to continue to expand, providing a boost to its economic prospects. This economic growth – and the improved living standards fostered by these demographic shifts – creates an opportunity to supply power in a safe, reliable and affordable manner that enables both economic growth and social development.

2.1 Thermal Coal overview

The imported coal prices witnessed a significant correction in FY 2012-13 primarily due to shift from coal to Shale gas in the USA that has made it a net exporter of coal, thereby adding to an excess of seaborne supply. Decline in import by China, depreciation in currencies of the coal exporting countries and continued weakness in Eurozone have added to the decline in coal prices.

The global seaborne trade witnessed an increase of 11.8% in Calendar Year (CY) 2012 over CY 2011 from 739 MMT to 826 MMT, while the Indian imports have shown a steady increase of 14% from 94 MMT to 107 MMT in the same period on the back of additional capacity and continued shortage of domestic coal.

On the supply front, the worldwide availability of coal increased by 12% in CY 2012. In CY 2013, the growth in coal availability at 5% is expected to outstrip growth in global sea-borne trade at 4.5%.

While Shale gas is primarily acting as a viable alternative to thermal coal, growth in China and the Eurozone are expected to remain weak. New sources of thermal coal in certain markets are also finding way into the sea-borne trade. These developments are expected to rein in the prices of thermal coal in the medium term.

3. INDIAN POWER SECTOR OVERVIEW

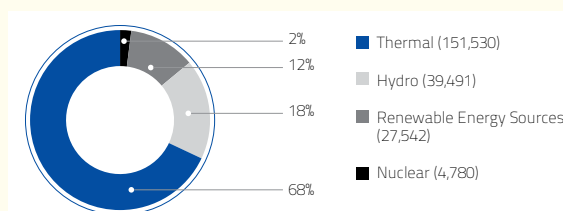
The Indian power sector has witnessed considerable progress since the initiation of planned development process of the economy in 1950. The installed capacity of power utilities has increased from a meager 1,713 MW in 1950 to 199,877 MW at the end of the Eleventh Five Year Plan. For the same period, the electricity generation has increased from about 5.1 billion KWh to 877 billion KWh, registering a growth of more than 170 times. The per capita annual electricity consumption also increased to about 59 times, from 15 KWh in 1950s to about 879 KWh in 2012, making the country the fourth largest consumer of energy in the world.

[Source: CEA and Ministry of Power]

3.1. Power sources in India

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional sources like coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources like wind, solar and agriculture waste. The power generating sector is dominated by thermal power plants and coal-based power plants which are the major contributors. Over the past few years, development of nuclear power and renewable energy sources are considered as an important source to meet the country's growing energy demand in view of their inherent advantages.

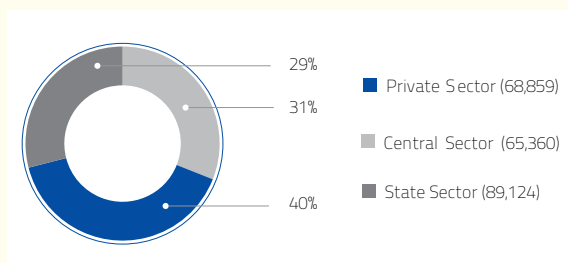
Source-wise installed capacity
(as on 31st March, 2013 in MW)



[Source: CEA]

The total generation capacity of the country stands at 223,343 MW (as on 31st March, 2013). The power generation is dominated by the state and central utilities. However, post liberalisation, the private players achieved significant market share. Over the last five years, the installed capacity of the private sector witnessed commendable growth, increasing from 14% to 31%. The growing capacity of private players in the industry significantly improved the efficiency and power generation. The private sector has added more than 60% to the country's total additional capacity in FY 2013.

Sector-wise installed capacity
(as on 31st March, 2013 in MW)



[Source: CEA]

Capacity addition during the Eleventh Plan period has been at 54,964 MW which is 69.8 per cent of the original target and 88.1 per cent of the reduced target of 62,374 MW set in the Mid-term Appraisal (MTA). It is more than 2.5 times that of any of the earlier Plans.

During FY 2013, all India power generation was 911.65 Billion Units compared to 876.89 Billion Units over the last year, registering a growth of 3.96% and it is 98.03% of the target. However despite the 7.9% CAGR growth in installed capacity (from FY 2005 to FY 2013), the demand supply gap continues to be more than 8.7% (87 billion units in FY 2013). The Southern Region of the country accounts for almost 50% of the deficit.

To bridge the gap between peak demand and peak deficit, the target for the Twelfth Plan has been fixed at 88,537 MW. In order to reduce GHG emissions, emphasis is being given to the development of nuclear power, hydro power as well as power from renewable sources. Since need is felt to create peaking capacity in the country, the Working Group of the Planning Commission has recommended setting up of a Task Force under CERC to comprehensively address all issues related to creation of peaking and reserve capacity in the country.

The large expansion in production and consumption of electricity has to be supported by a significant expansion and strengthening of the transmission network. A total of about 1,07,440 ckm of transmission lines; 2,70,000 MVA of AC transformer capacity and 12,750 MW of HVDC systems are estimated as needed during the Twelfth Plan.

3.2. Challenges

The power sector in India is presently facing many headwinds – fuel shortages, falling merchant tariffs, issues in land acquisition, unviable power purchase agreements (PPAs) and poor financial health of distribution companies. The stagnant production levels by Coal India in the last three years and firming up of international coal prices and depreciation of the Indian rupee further affected the situation.

For the Twelfth Plan period, resolution of coal supply to the power plants is crucial as 80 per cent of the additional generating capacity will be coal-based. Availability of gas is also a challenge as gas has yet to be ensured for 5,156 MW of gas-based projects commissioned during the Eleventh Plan period. In addition to these projects, at least 1086 MW of additional gas based capacity is expected to come up during the Twelfth Plan.

In the case of hydropower, while large-capacity projects are entering the construction phase, it offers little relief in the medium term since these projects take 7-8 years to complete. Environmental issues as well as rupee depreciation is a further impediment to the growth of the sector. However, the government has realised the importance of reforms in the sector, and central and state governments are endeavoring to implement measures to make the energy sector competitively efficient and self sustainable.

HEALTH OF STATE DISCOMS

Distribution continues to be the weakest link in the Indian power sector. The commercial losses for Distribution Companies (DISCOMS) in India (after including subsidies) increased from ₹ 16,666 crore in 2008 to ₹ 37,836 crore in 2012. According to estimates, the combined outstanding debt of the DISCOMS is ₹ 2 lakh crore. Pending the revision in consumer tariffs and a substantial reduction in AT&C losses, the financial woes of the DISCOMS would continue, having serious implications on the sustainability of the power sector as a whole. This would also impact future investments in capacity additions in the sector. The Shunglu Committee report by the Planning Commission shows that the average tariff per unit of electricity has consistently been much lower than average cost of supply per unit. Between 2008 and 2012, the gap between average cost and average tariff per unit of electricity was between 20 and 30 percent of costs.

As a recovery measure, apart from Government's various initiatives such as Restructured Accelerated Power Distribution Reform Program (RAPDRP) and debt restructuring, the Planning Commission Report also stated that DISCOMS of key states need to hike power tariffs at a CAGR (Compound Annual Growth Rate) of 13 to 58 percent in FY 2013-2014.

3.3 Future roadmap

Despite the sluggish economic growth, the overall fundamentals of the power sector remains strong. Industrial expansion, Government support in infrastructure, growing per-capita incomes and rapid urbanisation are leading to a growth in power demand.

India's power demand is expected to rise up to 1,355 TWh by 2017 and further to 1905 TWh by 2022. The current production levels are not enough to meet the upcoming demand. The annual demand is expected to outstrip supply by about 7.5 per cent.

The government has an ambitious target for capacity addition under the Twelfth (2012-17) and Thirteenth (2017-22) Five Year Plans. A tangible shift as regards policy focus on fuel supply, power sources and financial reforms for the power sector will provide ample growth opportunity to the entire power industry, including generation, transmission and distribution.

4. COMPANY OVERVIEW

JSW Energy Limited, a part of JSW Group, is a leading power generating company in India, and is an early entrant in the power trading and power transmission business. The Company also has lignite mining rights in Rajasthan and owns mines in South Africa. During the last 4 years, it has enhanced its power generation capacity exponentially from 260 MW to 3140 MW. The Company is present across Karnataka, Maharashtra and Rajasthan, and has plans to expand further into Himachal Pradesh, Chhattisgarh, Jharkhand and West Bengal. Leveraging its operational efficiencies, technological expertise and a highly engaged and motivated workforce, the Company targets a combined installed capacity of 11,770 MW.

4.1. Operational review

The Company's operational capacity increased to 3,140 MW during the current financial year with the balance four units of 135 MW each at Barmer commencing commercial operations in February and March, 2013. As a result, the Company achieved its highest ever yearly net generation of 18.78 billion units (13.59 billion units in FY 2012), witnessing a growth of 38% over the previous year.

Improved operational efficiencies across all the three locations increased the Plant Load Factor (PLF) of the Company significantly in FY 2013. During the year, the Company achieved a consolidated PLF of 88.97%, as against a consolidated PLF of 76.16 % in the previous year.

Plant-wise PLF and Net Generation

Plant	2012-13		2011-12	
	PLF (%)	Net Generation (MU)	PLF (%)	Net Generation (MU)
Vijayanagar	101.00	7,022#	84.70	5,905#
Ratnagiri	87.99	8,448	78.09	6,259
Barmer	73.36	3,310	77.72*	1,430
Total		18,780		13,594

including power conversion of 1,208 Mus in 2012-13 and 895 Mus in 2011-12.

* based on operational period of the plant.

Other key developments during the year include:

- Successful commissioning of the FGD project at Ratnagiri
- Successful registration for CDM benefits of the Kutehr Hydro Project
- Transmission facility achieved availability of 98.43%
- Achieved merchant sales of 9,885 million units (53%) and Long-term PPA sales of 7,596 million units (41%). Additionally, 1,208 million units (6%) were generated under the Conversion arrangement.

4.2. Project review

1080 MW at Barmer

During the last quarter of FY 2012-13, the balance four units of 8x135 MW project commenced commercial operations. Approvals are awaited for licenses to enhance lignite mining capacity at Kapurdi to meet the lignite requirement for all the units. The project cost is estimated at ₹ 7,165 crore and project expenditure incurred upto 31st March, 2013 is ₹ 6,844 crore.

Barmer Lignite Mining Company Limited

The possession of land for Jalipa mines is in progress and the Company has initiated the process for transfer of Jalipa Lignite Mining lease, as well as efforts for enhancing the production from the Kapurdi Mines. The project cost is estimated at ₹ 1,800 crore (comprising both Kapurdi & Jalipa mines) and cost incurred till 31st March, 2013 is ₹ 1,372 crore.

240 MW – at Kutehr, Himachal Pradesh (HP)

At Kutehr, Himachal Pradesh, the company is implementing a 240 MW (3 X 80 MW), run-of-the-river, hydroelectric power project. All the requisite environmental approvals for the project have been received. The land acquisition process for the project is progressing satisfactorily. Project has been successfully registered for CDM benefits. Project expenditure upto 31st March, 2013 is ₹ 225 crore.

4.3. Financial review

4.3.1. Standalone financial performance

Revenues

Parameters	2012-13	2011-12	% change
Net Generation (MU)	15,470	12,164	27.18
Revenue from sale of power and conversion (₹ crore)	6,235.74	4,847.61	28.64
Operator fee (₹ crore)	124.29	82.46	50.73
Project management fee (₹ crore)	28.75	78.75	(63.49)
Other operating income (₹ crore)	7.67	7.60	0.92
Other income (₹ crore)	304.78	114.02	167.30
TOTAL REVENUE (₹ crore)	6,701.23	5,130.44	30.62

The higher revenues have been contributed by a higher generation during FYE 13 resulting from a higher PLF as compared to FYE 12. An improvement in the merchant tariffs has also contributed to an increase in revenues.

Expenses

Parameters	2012-13	2011-12	% change
Fuel Cost (₹ crore)	3,894.28	3,460.28	12.54
Employee cost (₹ crore)	106.50	80.90	31.64
Operating expenses (₹ crore)	293.24	261.02	12.34
Finance cost (₹ crore)	571.80	508.16	12.52
Depreciation (₹ crore)	424.94	377.22	12.65

Considering the increase in generation on the back of an improved PLF, the fuel cost increased marginally due to higher Coal consumption offset by muted material price. Similarly the Operating expenses have also gone up consequent to the increase in generation during the year. The Finance costs and Depreciation as well as employee costs have also gone up during the FYE 2013 owing to the fact that this is the first full year of operations of two units of the Ratnagiri plant which commenced commercial operations in FY 2012. In addition, growing human capital and a general increase in salaries has also contributed to an increase in the employee cost.

EBIDTA and Profit for the year

Parameters	2012-13	2011-12	% change
EBIDTA (₹ crore)	2,410.52	1,328.24	81.48
Profit for the year (₹ crore)	993.03	234.64	323.21

Increased power generation and higher revenues, combined with reduced raw material price and improved operational efficiencies resulted in a commendable EBIDTA and PAT growth.

In addition, the Net Worth increased from ₹ 6,158.72 crore as on 31st March, 2012 to ₹ 6,773.24 crore as on 31st March, 2013. Also, the Debt Equity ratio declined from 0.87 as on 31st March, 2012 to 0.80 as on 31st March, 2013. The Company has proposed a dividend of ₹ 2 per Equity share of ₹ 10 each for the FY 13.

4.3.2. Consolidated financial review

- Total Revenue: ₹ 9,147.73 crore, increased by 46 % over the previous year
- EBIDTA: ₹ 3,006.62 crore, increased by 89% over the previous year
- Profit for the year: ₹ 903.65 crore, increased by 431% over the previous year
- Consolidated Net Worth: ₹ 6,203.76 crore, as against ₹ 5,700.07 crore during previous year.
- Debt-equity ratio: 1.67, as against 1.75 in the previous year

During the year, the Company has achieved a Total Revenue from operations of ₹ 8,934.30 crore and EBIDTA (before exceptional items) of ₹ 3,006.62 crore, an increase of 46 % and 89 % respectively over the previous year. The increase in profitability is primarily due to enhanced capacity, improved PLF and lower fuel cost. The Company earned a Profit after tax of ₹ 903.65 crore during the current year as against ₹ 170.05 crore in the previous year.

The Company achieved highest yearly net generation of 18.78 billion units, with the commissioning of additional capacities and better loading of plants. The Total Income, EBIDTA and PAT witnessed growth of 46%, 89% and 431% respectively over the previous year, primarily due to enhanced generation and lower costs.

The Consolidated Net Worth and consolidated Debt as at March 31, 2013 was ₹ 6,203.76 crore and ₹ 10,376.55 crore respectively resulting in a debt equity ratio of 1.67 times.

4.4. Risk Management

The company has been following the globally recognised Committee of Sponsoring Organisations (COSO) framework of risk management to proactively manage risks and opportunities that impact organisational objectives.

The relevant risks are identified, assessed and then responded. The framework provides for:

- Timely identification, communication and assessment of risks and opportunities.
- Risk ownership aimed at comprehensive coverage, impact assessment, proactive action and regular tracking.

- Training of all risk owners with a view to embedding risk intelligence in :
 - a. Decision making – to ensure prudence.
 - b. Performance – to ensure competence and accountability.
- Timely escalation to the Directors’ Committee for risk oversight to ensure prioritisation of initiatives and allocation of resources in line with enterprise objectives.

4.4.1. Fuel

Company is currently using imported coal from countries like Indonesia, South Africa, Australia etc. The interruption in supply of coal due to regulatory changes, weather conditions in the sourcing country, strike by mine workers & closure of mines due to force-majeure can impact the availability and/or cost of coal.

Risk Management

- The company regularly broadens the sources (countries / vendors) and maintains the optimum fuel mix & stock level.
- The Company also directly sources coal from mines after due diligence.
- Multiple port options for landing coal consignments reduce delay due to port congestion.
- Adequate infrastructure for loading / unloading and coal storage.

4.4.2. Foreign exchange fluctuations

Foreign exchange fluctuations can affect cost of coal and consequently have an impact on margins.

Risk Management

- Prudent hedging strategies to mitigate the risk of foreign exchange fluctuations.
- Reduction in the quantum of short term foreign currency liabilities.

4.4.3. Power evacuation

Demand-supply fluctuation, availability of transmission network, changing tariffs and government policies regarding open access impact the revenue generation of the Company. Competitive bidding mechanism impacts the competitiveness of power plants based on imported coal. . Also due to lack of proper guidelines for long term PPAs, buyers are more inclined to short and medium term PPAs.

Risk Management

- Regular market review.
- Focus on ensuring an optimum mix of medium, short and long term arrangements.
- Petitions to Government for sector friendly policy measures.
- Tracking various opportunities for procurement of power by utilities in the home states as well as from others.
- Focus on enhancing the direct selling under the open access.

4.4.4 Projects, operations and maintenance

Factors affecting projects, operations & maintenance can have a significant impact on performance.

Risk Management:

- Effective integration of vendor, contractor, schedule and cost management.
- Reverse engineering to develop alternative vendors locally for spares supply.
- Need-based knowledge and resource sharing across plants.
- Ensuring adequate availability of critical inputs like water.
- Preventive maintenance as per predetermined schedule.
- Highest standards of human resource management.
- ERP systems and effective processes.

4.4.5. Environment, health and safety

Adverse EHS factors can have a negative impact on human life, property and operations emphasising the need for continued organisation wide awareness and maintenance of EHS standards.

Risk Management

- Possession of equipment which meet the highest quality standards, coupled with processes to control hazardous waste, leakages, structure instability, natural calamities and health hazards.
- Regular training programmes on latest updates in basic EHS norms.

4.5. Human Resource

Human resource plays a critical role to ensure hazard free, effective and smooth operation of the Company.

As on 31st March, 2013, the Company has a total strength of 1177 young work force with an average age of 31.9 years, of which 170 were recruited in FY 2012-13.

The key HR policies of FY 2013 include the following:

- **Person-Role Fitment :** Engaging the employees according to their expertise and interest, as well as requirements of the role which they are expected to perform. Monitoring the same via means of SMART KRAs to ensure achievement of individual and company goals.
- **Aagman:** Employee is inducted in the company via a well tailored, one week, Induction program, which ensures smooth landing and on-boarding of the employee. This helps quick alignment of employee with the goals of the company, besides imbibing the company's culture.
- **Connect Session:** Every fourth Friday of the Month, Head-HR conducts a Connect Session, wherein he connects to all the new joiners of that month to listen to their experience with the company, obtains their feedback, clarifies their doubts and shares the core values of the company i.e our commitment to Transparency, Strive for Excellence, Dynamism and Passion for learning.
- **DISC:** A very detailed and clear cut Directory of Skill and Competency records the Role requirements and functional competencies for all the roles, across all the levels, functions and locations. This also helps tailor the training as per the requirements, contributing directly to the productivity and harmony.
- **LEAP:** Lead Engage Aspire and Perform is a program which is building capability in the current system and nurturing a strong second line to meet the fast paced future business requirements.
- **Umang -** a fun at work initiative and Akanksha - our ladies club; both keep employees and their families happily engaged throughout the year.
- **Learning and Development:** Best of the trainers both in functional as well as behavioural fields were engaged to build capability in the system, improve efficiency and productivity, spread wellness amounting to 2,989 hours of trainings in the FY 2012-2013.

4.6. Corporate Social Responsibility

The Corporate Social Initiatives of the JSW Group of companies is conducted under the JSW Foundation which is an independent institution governed by a Board of Trustees, comprising senior management of the JSW group of companies. The Foundation is headed

by Mrs. Sangita Jindal, Chairperson JSW Foundation. The aim of JSW Foundation is:

- Holistic development of the communities through initiatives in the areas of education, health, livelihood creation, environment, local sports development and conservation of our arts and cultural heritage.
- Adapted the 'Millennium Development Goals' framework to encourage pre-primary and primary education, infant mortality and maternal health.
- Activities were conducted in selected locations adjacent to plant operations.

4.6.1. Community development initiatives

4.6.1.1. Education

JSW Foundation has established Jindal Vidya Mandir, a CBSE Board affiliated school (operating till standard VI) at Ratnagiri. JSW Group operates five other schools as well. Each of these schools focuses on rigorous academic pursuits and encourages extra-curricular talent. In addition to these, the Group also invests considerably on the infrastructure, construction and providing financial supports to a number of schools at its plant locations.

4.6.1.2. De-centralised Mid-day Meal programme

In collaboration with Gram Panchayat, JSW Group focuses on enhancing the quality of the available food, both hygienically and nutritionally at Ratnagiri. After consultation with a dietician, nutritious supplements (sprouted legume, eggs and dates) are given to the students thrice a week. This initiative reduced the instances of malnutrition among the students, enhancing attendance.

4.6.1.3. Employment generation

The Group creates significant employment opportunities in the plant locations. Considerable number of skilled and unskilled workforce from the local community currently forms a part of its various power plants. The local people get further work opportunities, including supplying manpower, vehicles and machineries in the construction companies and in the township development.

The Foundation appointed 14 local youth as teachers across 14 schools at Kutehr, HP, to match the student-teacher ratio. A 90% increase in attendance is observed in these schools.

Before deployment of teachers among the Government Schools the attendance status was 75 to 80 %. After

deployment of local eligible teachers attendance ratio increase is observed 90 to 95 % in these schools.

4.6.1.4. URJA PHC

The Foundation operates a well-lit and ventilated PHC (Public Health Care) at Ratnagiri with adequate space for registration, record room, drug dispensing room and waiting area for patients, among others. It also conducts special camps for women, children and the elderly as well as routine health check-ups for students. Till now, it has conducted 43 health camps and covered around 1025 patients.

4.6.1.5. Up-gradation of government-run health centres

The government-run health centres at Bhadresh, Barmer and Kutehr have been upgraded to strengthen the existing infrastructure, including:

- a) Improving water and sewerage systems.
- b) Renovation of buildings.
- c) Sanitisation of operation theatre and other rooms.
- d) Recruitment of doctors, nurses and other staff; also providing new medical equipment.
- e) Providing refrigerators for medicines/vaccines and registers for data collection and MIS.

The Foundation collaborates with State Health Departments and aims to ensure advanced health outreach to a large rural population through PHCs. The initiatives have resulted in increased institutional delivery and adoption of family-planning methods.

4.6.1.6. Sanitation drive

A major sanitation drive was undertaken at Ratnagiri in collaboration with the Government's Total Sanitation Campaign. Three hundred and six individual units have been constructed and the community is providing financial assistance to this initiative.

4.6.1.7. Self-help groups

Active self-help groups have been organised for local women, which have started individual and group enterprises. One such enterprise is supplying chapattis to the Ratnagiri mess. In addition, tailoring and handicraft training classes were conducted at Kutehr and Barmer.

4.6.1.8. Environment

Water conservation: A community-based water conservation project was started in Barmer to enable communities to understand how even small quantities

of rainfall could be conserved. The project has covered 95 hector land for the soil moisture conservation and construction of 21 Agors.

At Barmer, the Company is investing approximately ₹ 1.5 crore in building a water plant. It will include construction of proper water tank and water distribution to provide drinking water facility in the village.

4.6.1.9. Sports promotion

The development of playing grounds for rural schools helps encourage sports. In addition, it also encourages its employees for various sports and activities are arranged across the year accordingly.

4.6.1.10. Promotions of Arts

Following a major exterior restoration initiative at Mumbai's Sir J. J. School of Arts, the Foundation is now completing the restoration of the Interiors of Fine Arts Building.

JSW Energy Centre of Excellence (JSWECE)

The Company has started the one-year Post Graduate Diploma course in Power Plant Engineering to develop a trained talent pool for the energy sector and JSW Energy in particular. The course is offered under academic collaboration with M.S. Ramaiah Institute of Technology, Bangalore, an autonomous Institute under Visvesvaraya Technological University, Karnataka and is recognised by the Central Electricity Authority (CEA). JSWECE launched its first batch of Post Graduate Diploma in Power Plant Engineering (PGDPPE) in August, 2009.

The Company runs JSWECE at OPJ Centre, Vijayanagar, which imparts training on PC-based dynamic high-fidelity 300 MW Thermal Power Plant Simulator. It also provides enhanced exposure to students through on-the-job training in its power plants at Vijayanagar, Ratnagiri and Barmer. It is successfully running its sixth batch with 70 students and has earned recognition from several power plants across the country. While some of the students are employed by the Company, the rest are employed in other power-generating companies.

In addition to conducting the one-year PGDPPE, JSWECE is also building capabilities of employees of JSW Energy and JSW Ispat through continuous learning and development programmes at its centre. A programme developed for Diploma Engineers of Ratnagiri has helped improve their skill and employability at the shop floor. JSWECE is developing a continuous stream of professionals, groomed with specialized skills, to strengthen India's energy sector and enhance employability for eligible engineering professionals.

4.7. Internal Control and Audit

4.7.1. Internal control

A proper and adequate system of internal control, commensurate with the size and nature of its business is integral to the Company's corporate governance.

Some key features of the Company's internal control system comprise:

- Adequate documentation of policies, guidelines, authorities and approval procedures, encompassing important functions of the Company.
- Deployment of an organisation-wide ERP system covering its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources from any loss, attrition and deterioration.
- Ensuring the integrity of the accounting system; the proper and authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring reliability of all financial and operational information.
- The Audit Committee, comprising Independent Directors, regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, among others.
- A comprehensive Information Security Policy and continuous updation of IT systems.

4.7.2. Internal audit

The internal audit function of the Company inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department reporting to the Audit Committee comprising Independent / Nominee Directors who are experts in their field.

The Company successfully integrated the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework with its audit

process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective in-system checks and balances to arrest non-conformance. The internal audit team has access to all organisational information, facilitated by the ERP mechanism.

4.7.3. Audit plan and execution

Internal Audit department prepares Risk-based Audit Plan with the frequency of audit being decided by risk rating of areas / functions. The audit plan is executed by the internal audit team.

The Plan is reviewed periodically to include areas, which have assumed significant importance in line with the emerging industry trends and the aggressive growth of the Company. In addition, the audit department also relies on internal customer feedback and other external events for inclusion of clauses into the audit plan.

Forward looking and cautionary statements

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE GOVERNANCE

Report on Corporate Governance for the Year 2012 – 13

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance is concerned with holding the balance between economic and social goals and between Individual and Communal goals. Corporate governance is about the way we do the business, encompassing every day activities. The Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. The Company will focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a mix of experts of eminence and integrity, forming a core group of top level executives, including competent professionals across the organization and putting in place best systems, process and technology. The Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure:

The Directors of the Company are appointed by the Shareholders at General Meetings.

All Directors except Managing Director and

Nominee Directors are, subject to Company's Articles of Association, liable to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offers themselves for re-election, in accordance with the provisions of Sections 256 and 257 of the Companies Act, 1956 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

2.2 Composition, Meetings and attendance record of each Director:

The Company has a mix of Executive and Non-Executive Independent Directors. The Board of Directors comprises of 8 Directors, of which 4 are Non-Executive. The Chairman is Executive and a Promoter of the Company. The number of Independent Directors is 4. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

None of the Directors are related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement is being made available to the Board.

The details of composition of the Board as on date, the attendance record of the Directors at the Board

Meetings held during the financial year ended on 31st March, 2013 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given below:

Category	Name of Director	Position	Attendance at		No. of other Directorships and other Committee Membership(s) / Chairmanship(s)		
			Board Meetings	18th AGM held on 20th July 2012	Other Directorships in Indian Companies##	Other Committee Memberships ##	Other Committee Chairmanships##
Executive	Mr.Sajjan Jindal	Chairman and Managing Director	4	Yes	7	-	-
	Mr.Nirmal Kumar Jain	Vice Chairman	4	Yes	7	3	2
	Mr. Sanjay Sagar*	Jt. Managing Director and CEO	2	N.A	7	2	-
	Mr.Pramod Menon **	Director-Finance	N.A	N.A	9	5	-
	Mr. R.R. Pillai***	Director (Technical and Projects)	3	Yes	-	-	-
	Mr. S. S. Rao ****	Whole Time Director	N.A	N.A	-	-	-
Non-Executive Independent	Mr. P. Abraham	Director	3	Yes	11	3	1
	Mr.Chandan Bhattacharya	Director	4	Yes	3	3	1
	Mr. D. J. Balaji Rao	Director	4	Yes	9	5	4
	Mr. B. Ravindranath*****	Nominee of IDBI Bank	N.A	N.A	4	1	2
	Mr. T. R. Bajalia*****	Nominee of IDBI Bank	2	Yes	-	-	-

Notes:

1. During FY 2012-13, four Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 30th April, 2012; 20th July, 2012; 1st November, 2012 and 23rd January, 2013.
2. *Appointed as Additional Director and Whole-time Director designated as Jt. Managing Director and CEO w.e.f 21st July 2012 subject to shareholder's approval;
3. ** Appointed as Additional Director and Whole-time Director designated as Director-Finance w.e.f 3rd May 2013 subject to shareholder's approval;
4. ***Director till 31st January, 2013;
5. ****Director till 30th April, 2012
6. *****Appointed as Nominee Director by IDBI Bank w.e.f 30th January, 2013;
7. *****Director till 9th January, 2013;
8. #Alternate Directorship, Directorship in Private Companies, Foreign Companies and Section 25 Companies are excluded.
9. ###Represents Membership / Chairmanship of Audit Committee and Shareholders / Investors Grievance Committee.

2.3 Board Meetings, Board Committee Meetings and Procedures:

A. Institutionalised decision making process:

The Board of Directors oversee the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

The Chairman and Managing Director is assisted by the Executive Directors in overseeing the functional matters of the Company. The Board has constituted several Committees such as Audit Committee, Shareholders / Investors Grievance Committee, Remuneration Committee, Finance Committee, Risk Management Committee and ESOP / Compensation Committee. The Board constitutes additional functional Committees from time to time depending on the business needs.

B. Scheduling and selection of Agenda Items for Board Meetings:

- (i) A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarters are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, and where possible, resolutions are passed by circulation.
- (ii) The meetings are usually held at the Company's Registered Office at Jindal Mansion, 5-A, Dr. G. Deshmukh Marg, Mumbai – 400 026.
- (iii) All divisions/departments of the Company are advised to schedule their work plan well in advance, particularly with regard to matters requiring discussion/ approval/ decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings.

In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on relevant significant matters.
- (iv) The Board is given presentations covering Outlook/Economy, Company's Financials, Company's Performance, Business Strategy, Subsidiary Company's performance, the Risk Management practices, etc. before taking on record the Quarterly/Half yearly/Annual financial results of the Company.

C. Distribution of Board Agenda Material:

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings of Board and Committee Meetings:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

E. Post Meeting Follow-up Mechanism:

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/ Committees. Important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly.

Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board for noting by the Board/ Committee members.

F. Compliance:

While preparing the Agenda, Notes on Agenda, Minutes, etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 read with the Rules made there under.

2.4 Changes in Board Composition:

Name of the Director	Details of Change	Date of Change
Mr. Sanjay Sagar	Appointed as Additional Director and Whole-time Director designated as Jt. Managing Director and CEO	21 st July 2012
Mr. S.S.Rao	Ceased to be Whole-time Director	1 st May, 2012
Mr. R.R. Pillai	Ceased to be Director (Technical and Projects) also Whole-time Director	1 st February, 2013
Mr. T.R. Bajalia	Ceased to be Nominee Director of IDBI Bank	10 th January, 2013
Mr. B. Ravindranath	Appointed as Nominee Director of IDBI Bank	30 th January, 2013
Mr. Pramod Menon	Appointed as Additional Director and Whole-time Director designated as Director-Finance	3 rd May, 2013

3. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Chandan Bhattacharya, Mr. D. J. Balaji Rao, Mr. P. Abraham and Mr. B. Ravindranath, all Non-Executive Independent Directors.

Mr. Chandan Bhattacharya is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc.

The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Auditors and Internal Audit department and to review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors, etc. In addition, the powers and role of the Audit Committee are as laid down under Clause 49(II) (C) & (D) of the Listing Agreement entered with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Audit Committee met 8 times during the year under review on following dates: 27th April, 2012; 30th April, 2012; 19th July, 2012, 20th July, 2012; 31st October, 2012; 1st November, 2012; 22nd January, 2013 and 23rd January, 2013. The detail of the meetings during the year attended by the Committee members is as given below:

Name of Director	Category	No. of Meetings Attended
Mr. Chandan Bhattacharya	Non-Executive, Independent	8
Mr. D. J. Balaji Rao	Non-Executive, Independent	7
Mr. P. Abraham	Non-Executive, Independent	5
Mr. T. R. Bajalia*	Non-Executive, Independent, Nominee Director	3
Mr. B. Ravindranath**	Non-Executive, Independent, Nominee Director	N.A

*Ceased to be Member w.e.f 10th January, 2013 .

**Appointed as member on 3rd May, 2013.

The Audit Committee invites such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The CEO, CFO (now Director-Finance) and Head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings.

Mr.Sampath Madhavan, the Company Secretary, acts as the Secretary of the Committee.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of Mr.Chandan Bhattacharya, Mr. P. Abraham (both Non Executive Independent Directors) and Mr.Nirmal Kumar Jain, Executive Director.

Mr. Chandan Bhattacharya is the Chairman of the Committee.

The terms of reference of the Committee are interalia as follows:

- Review the reports submitted by the Registrars and Share Transfer Agents of the Company at quarterly intervals.
- Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement, if any.
- Periodically report to the Board about serious concerns, if any.

The Shareholders/Investors Grievance Committee met 4 times during the year on 27th April, 2012; 19th July, 2012; 31st October, 2012 and 22nd January, 2013. The details of the meeting during the year attended by the Committee Members are given below:

Name of Director	Category	No. of Meetings Attended
Mr. Chandan Bhattacharya	Non-Executive, Independent	4
Mr. T. R. Bajalia*	Non-Executive, Independent	2
Mr. P. Abraham**	Non-Executive, Independent	N.A
Mr. Nirmal Kumar Jain ***	Executive	2
Mr. S. S. Rao****	Executive	-

* Ceased to be Member w.e.f. 10th January, 2013;

**Appointed as member w.e.f 23rd January, 2013;

***Appointed as member w.e.f 20th July 2012;

**** Ceased to be Member w.e.f 1st May, 2012

Mr. Sampath Madhavan, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements entered with the Stock Exchanges. His address and contact details are as given below:

Address: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Phone : 022-4286 1000

Fax : 022-4286 3000

E-mail : jswel.investor@jsw.in

Number of complaints / requests received during the year under review and their break-up is as under:

Sr. No	Description	Total	
		Received	Replied/ Resolved
1.	Letter from Statutory bodies (SEBI/Stock Exchange(s))	13	*13
2.	Letter from Shareholders	1,264	1,264
Total		1,277	1,277

* Includes two complaints received around end March 2013 which were resolved in the 1st week of April, 2013.

5. REMUNERATION COMMITTEE:

The Remuneration Committee which comprises of Mr. P. Abraham, Mr. Chandan Bhattacharya and Mr. D. J. Balaji Rao, all Non Executive Independent Directors met thrice during the year on 30th April, 2012; 19th July, 2012 and 31st October, 2012. Mr. P. Abraham is the Chairman of Remuneration Committee. The Composition of Committee and details of the meeting attended by the Committee Members are as given below:

Name of the Director	Category	No of Meetings Attended
Mr. P. Abraham	Non-Executive, Independent	2
Mr. D. J. Balaji Rao	Non-Executive, Independent	3
Mr. Chandan Bhattacharya	Non-Executive, Independent	3

The terms of reference of the Remuneration Committee are as follows:

- 1) To determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

- 2) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

5.1 Remuneration Policy:

A. Non-Executive Directors:

The Non-Executive Directors (NEDs) are paid remuneration by way of commission and sitting fees. In terms of the Shareholders' approval obtained at the Annual General Meeting (AGM) held on 20th July, 2012, the commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of commission amongst the NEDs is placed before the Board for approval.

The Commission payment for the year ended 31st March, 2013 amongst the NEDs is proposed to be distributed broadly on the following basis:

1. Lumpsum Payment;
2. Number of meetings of the Board and Audit Committee attended;
3. Role and responsibility as Chairman/Member of the Audit Committee and member of the Board.

During the year, the Company paid sitting fees of ₹ 20,000/- per meeting to the NEDs for attending meetings of the Board and Committee.

B. Executive Directors:

The Remuneration Committee recommends the remuneration package for the Executive Directors (EDs) of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature and the Industry Standards.

Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on Salary and Perquisites & allowances is approved by the Shareholders, within which the salary and perquisites & allowances is recommended by the Remuneration Committee and approved by the Board. The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. EDs are paid, subject to the approval of the Board and of the Company in General Meeting as may be required/ necessary, compensation as per the appointment

terms/agreements entered into between them and the Company.

The present remuneration structure of EDs comprises of salary, perquisites, allowances, performance linked incentive/special pay, ESOPs and contributions to Provident Fund & Gratuity.

C. Management Staff:

Remuneration of employees largely consists of basic remuneration, perquisites, allowances, ESOPs and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by them, their annual performance, etc. For the last few years, efforts have also been made to link the annual variable pay of employees with the performance of the Company. The variable pay policy links the performance pay of the officers with their individual and overall organizational performance on parameters aligned to Company's objectives whereas Variable Production Incentive Bonus is linked to the respective Plant's parameters.

5.2 Details of Remuneration paid to Directors:

A. Payment to Non-Executive Directors:

The sitting fees paid to Non-Executive Directors (NEDs) for attending the Board/Committee Meetings held during the year and Commission payable for F.Y 2012-13 is as under:

(Amount in ₹)

Name of the Non-Executive Director	Sitting fees paid	** Commission Payable
Mr.Chandan Bhattacharya	4,20,000	7,20,000
Mr. D. J. Balaji Rao	3,00,000	5,90,000
Mr. P. Abraham	2,00,000	5,40,000
Mr. B. Ravindranath*	Nil	4,90,000
Mr. T. R. Bajalia*	1,40,000	-
Total	10,60,000	23,40,000

* Sitting fees to Mr. T.R. Bajalia and Commission payable of Mr.B.Ravindranath, both Nominee Directors of IDBI Bank, were paid/ payable to IDBI Bank.

** Commission of ₹ 23,40,000 has been provided as payable to the eligible NEDs in the accounts for the year ended 31st March, 2013.

B. Details of remuneration and perquisites paid and/ or value as per the Income Tax Act, 1961 to the Managing Director and Executive Directors for FY 2012-13, their tenure and Stock Options held as at 31st March, 2013:

Name of Director	Position	Salary (₹crore)	Tenure	Notice Period	Share options held
Mr.Sajjan Jindal	Chairman & Managing Director	7.25	5 years (till 31.12.2013)	--	Nil
Mr.Nirmal Kumar Jain	Vice-Chairman	3.57	5 years (till 20.01.2015)	3 months from either side or salary in lieu thereof.	22,85,280
Mr. Sanjay Sagar*	Jt.Managing Director & CEO	1.34	5 years (till 20.07.2017)	3 months from either side or salary in lieu thereof.	8,37,245
Mr.Pramod Menon**	Director-Finance	N.A	5 years (till 2.05.2018)	3 months from either side or salary in lieu thereof.	4,33,328
Mr. R.R. Pillai ***	Director (Technical and Projects)	1.25	N.A	N.A	8,67,872
Mr.S.S.Rao ****	Whole-time Director	0.06	N.A	N.A	2,22,455

* Appointed as Additional Director and Whole-time Director w.e.f 21st July, 2012 subject to shareholder's approval.

**Appointed as Additional Director and Whole-time Director w.e.f 3rd May, 2013 subject to shareholder's approval.

***Ceased to be Whole-time Director w.e.f 1st February, 2013;

**** Ceased to be Whole-time Director w.e.f 1st May, 2012

Note: Salary includes Basic Salary, House Rent Allowance, Bonus, use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund, etc.

Mr. Nirmal Kumar Jain, Mr. Sanjay Sagar, Mr. Pramod Menon, Mr. R. R. Pillai and Mr. S. S. Rao were granted 13,90,269, 4,82,212, 2,50,022, 5,13,756 and 3,33,683* stock options respectively at an exercise price of ₹ 65 per share which vests on 4th October, 2013. Further 4,85,467; 1,62,765, 94,794 and 1,81,979 stock options were granted to Mr. Nirmal Kumar Jain, Mr. Sanjay Sagar, Mr. Pramod Menon and Mr. R. R. Pillai respectively on 8th November, 2011 at an exercise price of ₹ 52.35 per share which vests on 8th November, 2014. Also, 4,09,544, 1,92,268, 88,512 and 1,72,137 stock options were granted to Mr. Nirmal Kumar Jain, Mr. Sanjay Sagar, Mr. Pramod Menon and Mr. R. R. Pillai respectively on 31st October, 2012 at an exercise price of ₹ 60.90 per share which vests on 31st October, 2015. Options are granted considering the ruling market price of the share of the Company on the date of grant. Exercise period for the above options will be after vesting and till 30th September, 2017.

*Out of these, only 2,22,455 Equity shares can be exercised by Mr. S. S. Rao.

5.3 Details of shares held by the Directors:

The Equity shares held by the Directors of the Company as on 31st March, 2013 is given below:

Name of Director	No of Shares held
Mr. Sajjan Jindal	7,41,44,262
Mr. Nirmal Kumar Jain	5,000
Mr. Sanjay Sagar	5,000
Mr. Pramod Menon*	2,900
Mr. D. J. Balaji Rao	900
Mr. P. Abraham	3,000

*Appointed as Director w.e.f 3rd May, 2013

OTHER COMMITTEES OF THE BOARD OF DIRECTORS:

In addition to the above referred Committees, the Board has constituted Finance Committee, Risk Management Committee, ESOP / Compensation Committee of Directors, etc. to consider various business matters and delegated thereto powers and responsibilities with respect to specific purposes.

6. GENERAL MEETINGS:

Annual General Meetings:

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years are as under:

AGM	Date	Time	Venue
18 th	20 th July, 2012	3.00 P.M.	Yashwantrao Chavan Pratishthan Mumbai, Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai – 400 021
17 th	21 st July, 2011	3.00 P.M.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai – 400 020
16 th	15 th July, 2010	11.00 A.M.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai – 400 020

Details of Special Resolutions passed in the previous three AGMs:

AGM	Particulars of Special Resolutions passed thereat
18 th	a. Commission payment to Non Executive Directors b. Issue/ Allotment of Equity Shares pursuant to an Institutional Placement Programme, etc.
17 th	No Special Resolutions were passed at this AGM
16 th	No Special Resolutions were passed at this AGM

No Resolution was passed through postal ballot during the FY 2012-13.

None of the business required to be transacted at the 19th AGM require passing of special resolution through postal ballot.

7. DISCLOSURES:

- There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that conflict with the interests of the Company.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India

and there are no statutory audit qualifications in this regard.

- 7.5 In terms of Clause 49(V) of the Listing Agreement, the Managing Director, Jt. Managing Director and CEO and Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

8. SUBSIDIARY COMPANIES MONITORING FRAMEWORK:

All the subsidiary Companies of the Company are Board managed with their Boards having the right and obligations to manage such Companies in the best interest of their stakeholders. As a majority Shareholder, the Company at times nominates its representatives on the Boards of some subsidiary Companies. The Company monitors the performance of subsidiary Companies, inter alia, by the following means:

- A copy of the Minutes of the Meetings of the Board of Directors of the subsidiary Companies / Resolutions passed is tabled before the Company's Board on quarterly basis.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies is placed before the Company's Board.
- Quarterly compliance reports issued by Director-in-charge/Finance and Accounts Head/Company Secretary/HR Head are tabled before the Company's Board on quarterly basis.
- Subsidiary Company's Financial Results are also tabled before the Company's Board on quarterly basis.

9. MEANS OF COMMUNICATION:

- Quarterly/Annual Results:** The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- News Releases:** The Quarterly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, atleast in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State where the

Registered Office of the Company is situated.

The Annual Financial Results for Year ended 31st March, 2012 were published as detailed below

FY 2011-12	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
Annual Financial Results	30 th April, 2012	1 st May, 2012	Financial Express	English
			Navshakti	Marathi

The quarterly financial results for FY 2012-13 were published as detailed below:

FY 2012-13	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
First Quarter	20 th July, 2012	21 st July, 2012	Financial Express	English
			Navshakti	Marathi
Second Quarter	1 st November, 2012	2 nd November, 2012	Financial Express	English
			Navshakti	Marathi
Third Quarter	23 rd January, 2013	24 th January, 2013	Financial Express	English
			Navshakti	Marathi

(iii) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investors" where latest Shareholders information is available. The Quarterly and Annual Results are posted on the website. Comprehensive information about the Company, its business and operations, Press Releases, Shareholding pattern, Corporate benefits, Investors' Contact details, Investor Forms, etc. are posted on the website in addition to the Information stipulated under Clause 54 of the Listing Agreement.

(iv) **Presentations to Analysts:** Four presentations were made to analysts / investors during FY 2012 - 2013 on 2nd May, 2012, 23rd July, 2012, 1st November, 2012 and 23rd January, 2013. Presentations are available on Company's website www.jsw.in. The presentations broadly cover operations, financials and industry outlook.

(v) **Corporate Filing and Dissemination System (CFDS) filing:** The Company electronically files data such as shareholding pattern, Corporate Governance Report and Corporate's Announcement, etc. on the CFDS portal, www.corpfiling.co.in within the time frame prescribed in this regard.

(vi) NSE Electronic application Processing System (NEAPS): NEAPS is a web based application designed by NSE for corporates. The Shareholding pattern, Corporate Governance Report and Corporate's Announcement, etc. are also filed electronically on NEAPS.

(vii) BSE Corporate Compliance & Listing Centre: BSE has recently launched its Online Portal - BSE Corporate Compliance & Listing Centre for submission of various filings by the Listed Companies. It is web based facility which is designed to make Corporate filings easy, convenient and environment friendly. The Company has recently electronically filed data such as shareholding pattern, Corporate Governance Report, etc on the aforesaid portal.

(viii) Annual Report: Annual Report containing, interalia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MD & A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.

(ix) Chairman's Communique: Printed copy of the Chairman's Speech is distributed to all the Shareholders at the Annual General Meeting.

10. GENERAL SHAREHOLDERS INFORMATION:

10.1 Annual General Meeting:

Date and Time: Thursday, 25th July, 2013 at 03.00 p.m.

Venue : Yashwantrao Chavan Pratishthan
Mumbai, Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021

Dates of Book Closure : 16th July, 2013 to 25th July 2013 (both days inclusive).

Dividend Announcement: The Board of Directors of the Company has recommended a dividend of 20% (₹ 2 per share) on the Equity Share of the face value of ₹ 10 each for the year ended 31st March, 2013, subject to approval by the Shareholders of the Company at the forthcoming Annual General Meeting.

Date of Dividend Payment : 30th July, 2013 (Tuesday).

Dividend Eligibility : The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, upon declaration by the Shareholders at the forthcoming Annual General Meeting, will be paid as under:

- To all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 15th July 2013; and
- To all those shareholders as at the close of business hours on 15th July 2013 in respect of the shares held in physical form (after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on 15th July 2013).

10.2 Listing on Stock Exchanges and Stock Codes:

The Company's Equity Shares are listed on the following Stock Exchanges in India:

Name	Address	Stock code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533148
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	JSWENERGY-EQ

ISIN for Equity Shares: INE121E01018

The privately placed Secured Redeemable Non Convertible Debentures issued by the Company are listed on BSE and their ISIN are as follows:

INE121E07080 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07114 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07098 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07106 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07130 - 9.05 % NCDs of ₹ 10 Lakhs each
 INE121E07148 - 9.10 % NCDs of ₹ 10 Lakhs each
 INE121E07155 - 9.20 % NCDs of ₹ 10 Lakhs each
 INE121E07163 - 9.30 % NCDs of ₹ 10 Lakhs each
 INE121E07171 - 9.40 % NCDs of ₹ 10 Lakhs each
 INE121E07189 - 9.50 % NCDs of ₹ 10 Lakhs each
 INE121E07197 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07205 - 9.70 % NCDs of ₹ 10 Lakhs each
 INE121E07213 - 9.75 % NCDs of ₹ 10 Lakhs each

INE121E07221 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07239 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07247 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07254 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07262 - 9.60 % NCDs of ₹ 10 Lakhs each
 INE121E07270 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07288 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07296 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07304 - 9.75 % NCDs of ₹ 10 Lakhs each
 INE121E07312 - 9.75 % NCDs of ₹ 10 Lakhs each

Debenture Trustee:

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor,
 17th R. Kamani Marg, Ballard Estate,
 Mumbai-400 001.

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the FY 2013-14.

10.3 Market Price Data:

The monthly high/low market price of the Company's shares during the year 2012-13 at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) were as under:

Month	BSE			NSE			Total Volume of BSE & NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
Apr 2012	64.70	48.25	98,81,985	64.75	48.15	3,67,31,577	4,66,13,562
May 2012	53.00	40.10	1,21,46,646	52.85	41.80	4,32,59,222	5,54,05,868
Jun 2012	53.10	41.00	1,14,37,684	53.10	41.05	6,18,99,375	7,33,37,059
Jul 2012	57.55	46.90	1,22,35,263	57.60	46.85	5,19,61,483	6,41,96,746
Aug 2012	53.55	42.30	47,20,518	53.60	42.25	2,40,43,018	2,87,63,536
Sep 2012	61.95	45.20	87,39,656	61.95	45.15	3,93,43,478	4,80,83,134
Oct 2012	64.65	58.60	56,20,372	64.75	58.65	2,41,18,395	2,97,38,767
Nov 2012	66.25	58.05	55,92,566	66.20	58.50	2,64,22,931	320,15,497
Dec 2012	69.65	55.00	1,05,83,696	69.60	61.60	4,41,96,002	5,47,79,698
Jan 2013	75.00	65.00	1,24,96,401	74.90	65.10	5,30,53,907	6,55,50,308
Feb 2013	71.95	53.40	59,74,867	71.90	52.80	1,95,80,223	2,55,55,090
Mar 2013	62.10	50.65	42,68,487	62.10	50.75	1,45,23,576	1,87,92,063

(in ₹ per share)

10.4 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited (KARVY)
 Unit: JSW Energy Limited
 Plot No. 17 to 24, Vittalrao Nagar,
 Madhapur, Hyderabad - 500 081
 Ph. Nos: 040 - 44655000 Ext. 131, 133 & 177,
 Fax No. 040 - 23420814
 E-mail: einward.ris@karvy.com
 Website: www.karvy.com

10.5 Share Transfer System:

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks. For more information please visit our website www.jsw.in which contains a separate dedicated section "Investors".

The Board has delegated the authority for approving transfers, transmissions, etc. of the Company's securities to the Shareholders/ Investor Grievance Committee. The decisions of Shareholder's / Investor Grievance Committee are placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

10.6 Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2013 is given below:

No. of Equity Shares	No of Shareholders	% of Holders	No. of Shares held	% of Total shares
1 - 5000	1,44,759	98.96	4,77,44,651	2.91
5001 - 10000	745	0.51	55,14,132	0.34
10001 - 20000	345	0.24	49,88,788	0.30
20001 - 30000	112	0.08	28,06,211	0.17
30001 - 40000	51	0.03	17,49,971	0.11
40001 - 50000	41	0.03	19,12,164	0.12
50001 - 100000	80	0.05	62,76,507	0.38
100001 & Above	147	0.10	1,56,90,62,371	95.67
TOTAL	1,46,280	100.00	1,64,00,54,795	100.00

10.7 Geographical Distribution of Shareholders as on 31st March, 2013:

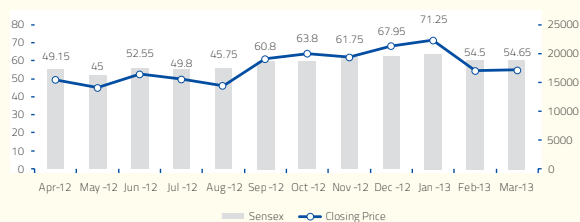
Name of City	Electronic			Physical			Total		
	No. of Share-holders	No. of Shares	% of total Share-holding	No. of Share-holders	No. of Shares	% of total Share-holding	No. of Share-holders	No. of Shares	% of total Share-holding
Mumbai	22,460	1,47,37,71,274	89.86	1	3	0.02	22,461	1,47,37,71,277	89.86
New Delhi	9,450	89,21,459	0.54	0	0	0.00	9,450	89,21,459	0.54
Ahmedabad	6,418	28,45,887	0.17	0	0	0.00	6,418	28,45,887	0.17
Kolkatta	6,744	56,54,865	0.34	3	401	3.31	6,747	56,55,266	0.34
Bengaluru	5,081	42,77,517	0.26	0	0	0.00	5,081	42,77,517	0.26
Chennai	4,527	23,31,973	0.14	0	0	0.00	4,527	23,31,973	0.14
Pune	3,390	15,00,994	0.09	0	0	0.00	3,390	15,00,994	0.09
Hyderabad	3,519	20,26,277	0.12	1	700	5.79	3,520	20,26,977	0.12
Vadodara	2,765	9,54,554	0.06	2	5,900	48.76	2,767	9,60,454	0.06
Others	81,910	13,77,57,896	8.40	9	5,095	42.11	81,919	13,77,62,991	8.40
TOTAL	1,46,264	1,64,00,42,696	100	16	12,099	100	1,46,280	1,64,00,54,795	100.00

10.8 Shareholding pattern:

Category	As on 31 st March, 2013			As on 31 st March, 2012		
	No. of Holders	No. of Shares	% of Holding	No. of Holders	No. of Shares	% of Holding
Promoter / Promoter Group	28	1,25,82,70,644	76.72	29	1,25,82,70,644	76.72
Non-Resident Indians	1,556	27,35,426	0.17	1,775	28,71,129	0.18
Foreign Institutional Investors	82	4,75,08,724	2.90	65	5,85,22,050	3.57
Foreign Bodies Corporates	2	10,81,98,047	6.60	2	10,81,98,047	6.60
Indian Financial Institutions	14	9,22,11,618	5.62	13	9,19,14,503	5.60
Indian Mutual Funds	13	46,21,307	0.28	0	0	0
Banks	4	23,24,339	0.14	6	22,34,502	0.14
Bodies Corporates	1,600	2,52,05,384	1.54	1,782	2,27,73,617	1.39
HUF	3,642	50,91,166	0.31	3,841	54,94,637	0.34
Trust	7	7,700	0.00	8	12,700	0.00
Public	1,39,332	9,38,80,440	5.72	1,52,617	8,97,62,966	5.47
Total	1,46,280	1,64,00,54,795	100.00	1,60,138	1,64,00,54,795	100.00

10.9 Performance of Closing Share Price in comparison to BSE Sensex:

Performance of JSW Energy share price vs. BSE Sensex



10.10 Performance of Closing Share Price in comparison to S & P CNX Nifty:

Performance of JSW Energy share price vs. S&P CNX Nifty



10.11 Top 10 Shareholders as on 31st March, 2013:

Name of the Shareholder(s)	No. of Shares	% of Total Shareholding
JSW Investments Private Limited	53,62,01,147	32.69
Sun Investments Private Limited	27,08,92,170	16.52
Vrindavan Services Private Limited	11,01,46,190	6.72
Life Insurance Corporation of India	8,04,75,310	4.91
JSW Steel Limited	7,79,80,500	4.75
Sajjan Jindal	7,41,44,262	4.52
Steel Traders Limited	5,93,72,000	3.62
Indus Capital Group Limited	4,88,26,047	2.98
Gagan Trading Company Limited	4,69,59,910	2.86
Sangita Jindal	4,13,13,125	2.52

10.12 Corporate benefits to Shareholders (since IPO Listing):

A Dividend declared:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2009-10	15 th July, 2010	7.5%
2010-11	21 st July, 2011	10.00%
2011-12	20 th July, 2012	5.00%

Note: Dividend of ₹ 2 per share (20%) as recommended by the Board of Directors on 3rd May, 2013 for

FY 2012-13 is subject to declaration by the Shareholders at the ensuing Annual General Meeting.

B Unclaimed Amount:

Under the Companies Act, 1956, amounts that are unpaid/ unclaimed for a period of seven years are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the Investors. To ensure maximum disbursement of unclaimed dividend /refund amount, the Company has sent reminders to the concerned investors at appropriate intervals. Members can check the details of unpaid / unclaimed dividend/ refund amount on the website of the Company www.jsw.in in the Investor Section. Also the said information is available on the Ministry of Corporate Affairs website www.mca.gov.in.

The unpaid and unclaimed amounts that are due for transfer to the IEPF are as follows:

(i) Unpaid / Unclaimed Dividend

Financial Year	Date of Declaration of Dividend	Unclaimed and Unclaimed Dividend Amount as on 31 st March, 2013 (Amt in ₹)	Date for transfer to IEPF
2009-10	15 th July, 2010	4,84,696	16 th August, 2017
2010-11	21 st July, 2011	12,51,072	26 th August, 2018
2011-12	20 th July, 2012	9,02,725	24 th August, 2019

(ii) Unpaid /Unclaimed Refund Amount

Particulars	Unclaimed / Unclaimed Refund Amount as on 31 st March, 2013 (Amt in ₹)	Date for transfer to IEPF
Initial Public offer in the year 2009-Refund amount	2,59,440	22 nd December, 2016

Members who have not claimed their dividend/refund amount may approach the Company's Registrar, for obtaining payments thereof immediately.

10.13 Financial Calendar 2013-14 (tentative):

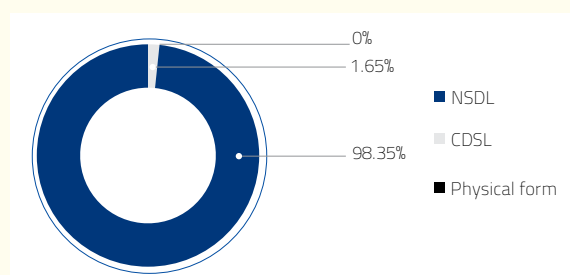
First quarterly results	July, 2013
Second quarterly results	October, 2013
Third quarterly results	January, 2014
Annual results for the year 2013-14	April/May 2014

10.14 Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

Particulars of Shares	Equity Shares of ₹ 10/- each		Members	
	Number	% of Total	Number	% of Total
Dematerialised form				
NSDL	1,61,29,85,267	98.35	95,107	65.02
CDSL	2,70,57,429	1.65	51,157	34.97
Sub Total	1,64,00,42,696	100.00	1,46,264	99.99
Physical form	12,099	*0.00	16	0.01
Total	1,64,00,54,795	100.00	1,46,280	100.00

Dematerialisation of shares as on 31st March, 2013



*Shares in physical form constitute miniscule percentage of total shares.

10.15 Register NECS Mandate and furnish correct Bank Account particulars with Company / Depository Participant (DP):

Investors holding the shares in electronic form should ensure that correct and updated particulars of their Bank Account are available with the Depository Participant (DP) and Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company. This would facilitate in receiving Dividend payment through electronic mode from Company and avoid postal delays and loss in transit. Investors must update the new Bank Account number allotted after implementation of Core Banking Solution (CBS) to the DP in case of shares held in electronic form and to the Company's Registrar i.e. Karvy Computershare Private Limited, in case of shares held in physical form.

10.16 Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the Circulars issued by the MCA, Companies can now send various Notice(s)/ Balance Sheet (Annual Report) / Documents, etc. to their Shareholders through electronic mode to the registered e-mail addresses of the Shareholders after providing advance opportunity to register their e-mail address with the Company or Depository Participant (DP) and changes therein from time to time.

To support the "Green Initiative" taken by the MCA, to contribute towards greener environment and to receive through electronic mode all documents, Notice(s), including Balance Sheet (Annual Reports) and other communications of the Company, Shareholders should register their e-mail addresses.

Shareholders holding shares in demat mode can register their e-mail address/change their e-mail address with their DP or fill in the E-Communication Registration Form as attached to this Annual Report and forward the same to Company's Registrar i.e. Karvy Computershare Private Limited in the event they have not done so earlier for receiving notices/documents through Electronic mode. Shareholders holding shares in physical form can avail the said facility by downloading the Form from the Company's website (www.jsw.in) or as attached to this Annual Report and forwarding the same to Company's Registrar i.e. Karvy Computershare Private Limited, Unit: JSW Energy Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, Fax No. 040 - 23420814.

10.17 Outstanding GDRs / ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:

NIL

10.18 Registered Office:

Jindal Mansion, 5A, Dr. G. Deshmukh Marg,
Mumbai - 400 026.

10.19 Plant Locations:

Vijayanagar Plant : Post Box No. 9, Toranagallu,
District Bellary - 583 123, Karnataka.

Ratanagiri Plant : Village Nandiwade, Post Jaigad, Taluka & District Ratnagiri - 415 614, Maharashtra.

10.20 Address for Investor Correspondence:

A. For Retail Investors:

(i) Securities held in Demat form

The Investors' Depository Participant(s) and/or Karvy Computershare Private Limited

(ii) Securities held in Physical Form

Registrar & Share Transfer Agents

Karvy Computershare Private Limited

Unit: JSW Energy Limited

Plot No.17 to 24, Vittalrao Nagar,

Madhapur, Hyderabad - 500 081

Ph. Nos: 040 - 44655000, Ext 131, 133 & 177

Fax No. 040 - 23420814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

(iii) JSW Energy Limited-Investor Service Centre

JSW Centre, Bandra Kurla Complex,
Bandra (East)

Mumbai 400 051

Tel. No. 022-4286 1000

Fax. No. 022-4286 3000

E-mail: jswel.investor@jsw.in

Website: www.jsw.in

B. For Institutional Investors:

Mr. Pritesh Vinay Vice President - Capital Markets and Group Investor Relations prites.vinay@jsw.in Mr. Amitav Chatterjee Vice President - Investor Relations amitav.chatterjee@jsw.in	Contact Address: JSW Centre- Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No. 022-4286 1000 Fax. No. 022-4286 3000 www.jsw.in
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C. Designated exclusive e-mail id for Investor servicing: jswel.investor@jsw.in

D. Toll Free Number of R & T Agent's (KARVY) exclusive call centre: 1-800-3454001

E. Web-based Query Redressal System:

Facility has been extended by the Registrar and Share Transfer Agents for redressal of Shareholders' queries. The Shareholders can visit <http://karisma.karvy.com> and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES" option provided on the website, which would give the grievance registration number. For accessing the status/ response to their query, the same number can be used at the option "VIEW REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

11. CORPORATE POLICIES / ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively.

A. Code of Conduct for Board Members and Senior Management:

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management personnel of the Company and the same are posted on the Company's website www.jsw.in. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the Code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

Declaration affirming compliance of Code of Conduct:

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Jt. Managing Director and CEO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

B. Code of Conduct for Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended (the Regulations), the Board of the Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading (the "Code") for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, top level executives and certain staff whilst dealing in shares. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

C. Whistle Blower Policy:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, encourages all employees to report any suspected violations promptly and intends to investigate any good faith reports of violations. The WBP specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of

accounts and financial statements. The Company affirms that no employee has been denied access to the Ethics Counsellor / Audit Committee.

D. Policy for Prevention of Sexual Harassment:

Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it and the best way to prevent sexual harassment is to adopt a comprehensive sexual harassment policy. The Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

E. Reconciliation of Share Capital Audit Report:

Share Capital Audit Report in terms of SEBI directive vide its circular CIR/MRD/DP/30/2010 dated 6th September, 2010, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is submitted to the Stock Exchanges where the shares of the Company are listed.

F. Internal Checks and Balances:

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Board and the Management periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary.

G. Legal Compliance of the Company's Subsidiaries:

Periodical Audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the Compliance reports of the Management, there has been no material

non-compliance with the applicable statutory requirements by the Company and its Subsidiaries.

12. OTHER SHAREHOLDER INFORMATION:

A. Corporate Identity Number (CIN):

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is L74999MH1994PLC077041.

B. Shares held in electronic form:

Members holding shares in electronic form may please note that:

- (i) Instructions regarding bank details which they wish to have incorporated in Dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of National Securities Depository Limited and Central Depository Services (India) Limited, the Company is obliged to print Bank details on the Dividend warrants, as furnished by these Depositories to the Company.
- (ii) Instructions already given by them for shares held in physical form will not be automatically applicable to the Dividend paid on shares held in electronic form.
- (iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DPs.
- (iv) The Company provides NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

C. Depository Services:

Members may write to the respective Depository or to Karvy for guidance on depository services.

National Securities Depository Limited
Trade World, "A" Wing, 4th Floor,
Kamala Mills Compound, Lower Parel,
Mumbai 400 013.
Tel : 022-2499 4200
Fax : 022-2497 6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai 400 001
Tel : 022-2272 3333
Fax : 022-2272 3199
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

D. Nomination Facility:

Pursuant to the provisions of Section 109A of the Companies Act, 1956, Members are entitled to make nominations in respect of shares held by them. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly. Form No.2B can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the 'Investors Section'.

Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. 2B to Company's Registrar, Karvy Computershare Private Limited.

13. INVESTOR SAFEGUARDS:

In pursuit of the Company's objective to mitigate / avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

i. Consolidate your Multiple Folios

Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

ii. Confidentiality of Security Details

Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

iii. Dealing with Registered Intermediaries

Members should transact through a registered intermediary who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

iv. Update your Address

To receive all communication and corporate actions promptly, please update your address with the DP or Company, as the case may be.

v. Prevention of Frauds

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the

Member is either deceased or has gone abroad etc. Hence, we urge you to exercise diligence.

vi. Monitor holdings regularly

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

vii. PAN requirement for Transfer of Shares in Physical Form

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions

involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to Company's Registrar for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy to Company's Registrar.

viii. Mode of Postage

Share Certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or reputed courier.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31st March, 2013.

For **JSW Energy Limited**

Mumbai:
3rd May, 2013:

Sanjay Sagar
Jt. Managing Director and CEO

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by JSW Energy Limited ("the Company") for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration No. 301051E

Mumbai
3rd May, 2013

A.M. Hariharan
Partner
Membership No. 38323

INDEPENDENT AUDITORS' REPORT

To
The Members of JSW Energy Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **JSW Energy Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2013, Profit and Loss Statement and the Cash Flow Statement of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. in the case of Profit and Loss Statement, of the profit of the Company for the year then ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to paragraph below the Note 16 regarding overdue trade receivable of ₹ 5.35 crore from Karnataka Power Transmission Corporation Limited, the matter in respect of which is pending in the Honourable Supreme Court. Our report is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **LODHA & CO.**

Chartered Accountants

ICAI Firm Registration No. 301051E

A. M. Hariharan

Partner

Place: Mumbai

Date: 3rd May, 2013

Membership No. 38323

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been verified in accordance with a phased program designed to cover all assets once in three years. The frequency of verification is considered reasonable, having regard to the size of the Company and nature of its fixed assets. Pursuant to the program, physical verification of certain plant and machinery was conducted
- c. and no material discrepancies were noticed on such verification.
- c. During the year, no substantial part of fixed assets has been disposed off by the Company, thus it does not affect the going concern assumption.
2. a. The inventory has been physically verified by the management at reasonable intervals during the year.
- b. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. On the basis of examinations of the record of the inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. The Company has granted an unsecured loan in kind (stock of coal) to a company covered in the register maintained under section 301 of the Companies Act. Maximum amount involved during the year ₹ 31.80 crore; year-end balance ₹ 31.80 crore.
- b. According to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions on which the loan has been granted to the company are not, prima-facie, prejudicial to the interest of the Company.
- c. According to the terms of arrangement, the company is regular in payment of interest and the principal amount is not yet due for return.
- d. There are no overdue amounts in respect of the said loan.
- e. Other than above, the Company has not granted / taken any loan, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us and having regard to the fact that some of the items purchased are of a special nature in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b. In our opinion, having regard to our comments in para 5(a) above and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to ₹ 5,00,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. No deposits within the meaning of Section 58A and Section 58AA of the Act and rules framed there under have been accepted by the Company.
7. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under Section 209(1) (d) of the Act and are of the opinion that, prima-facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute except those mentioned in the table below.

Name of the statute	Nature of dues	Period to which it relates	Amount (₹ crore)	Forum where dispute is pending
Karnataka Electricity (Taxation on Consumption) Act, 1959	Electricity Tax @	Financial Year 2011-12	4.47	Department of Electrical Inspectorate, Karnataka
Income Tax Act, 1961	Income tax and interest	Financial year 2008-09 & 2009-10	69.04	Commissioner of Income Tax (Appeals)

@ Excluding electricity tax leviable ₹ 76.49 crore [Refer Note 25(i)(a) Contingent Liabilities – other disputed tax matters].

10. The Company has no accumulated losses as at 31st March, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees/securities given by the Company for loans taken by others from banks and financial institutions are not, prima-facie, prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on overall examination of the cash flow statement and balance sheet of the Company, in our opinion, funds raised on short term basis have, prima-facie, not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has created securities in respect of debentures issued.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & CO.**

Chartered Accountants
ICAI Firm Registration No. 301051E

A. M. Hariharan

Partner

Membership No. 38323

Place: Mumbai

Date: 3rd May, 2013

BALANCE SHEET

AS AT 31ST MARCH, 2013

(₹ crore)			
Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' fund :			
(a) Share capital	2	1,640.05	1,640.05
(b) Reserves and surplus	3	5,133.19	4,518.67
		6,773.24	6,158.72
(2) Non-current liabilities :			
(a) Long term borrowings	4	4,717.30	4,960.99
(b) Deferred tax liabilities (net)	25(v)(b)	153.72	138.17
(c) Other long term liabilities	5	2.36	0.50
(d) Long term provisions	6	5.31	3.03
		4,878.69	5,102.69
(3) Current liabilities :			
(a) Short term borrowings	7	120.00	-
(b) Trade payables	8	2,088.95	2,384.52
(c) Other current liabilities	9	865.07	699.59
(d) Short term provisions	10	387.86	97.19
		3,461.88	3,181.30
TOTAL		15,113.81	14,442.71
II ASSETS			
(1) Non-current assets :			
(a) Fixed assets	11		
(i) Tangible assets		6,944.42	6,912.57
(ii) Intangible assets		1.60	2.70
(iii) Capital work-in-progress		791.19	801.05
(b) Non-current investments	12	2,304.18	2,278.20
(c) Long term loans and advances	13	1,851.98	1,005.98
		11,893.37	11,000.50
(2) Current assets :			
(a) Current investments	14	590.92	210.02
(b) Inventories	15	411.03	705.14
(c) Trade receivables	16	1,320.19	614.22
(d) Cash and bank balances	17	314.60	636.95
(e) Short term loans and advances	18	529.27	1,084.83
(f) Other current assets	19	54.43	191.05
		3,220.44	3,442.21
TOTAL		15,113.81	14,442.71
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 25		

As per our attached report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

Chartered Accountants

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

A. M. HARIHARAN

Partner

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)			
Particulars	Note	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I Revenue from operations	20	6,396.45	5,016.42
II Other income	21	304.78	114.02
III Total Revenue (I + II)		6,701.23	5,130.44
IV Expenses:			
Cost of fuel		3,894.28	3,460.28
Increase in banked energy		(3.31)	-
Employee benefits expense	22	106.50	80.90
Finance costs	23	571.80	508.16
Depreciation and amortisation expense		424.94	377.22
Other expenses	24	293.24	261.02
Total expenses		5,287.45	4,687.58
V Profit before exceptional items and tax (III-IV)		1,413.78	442.86
VI Exceptional Items - Net foreign exchange loss	25(vii)(a)	169.95	151.61
VII Profit before tax (V-VI)		1,243.83	291.25
VIII Tax Expenses:			
Current tax		235.25	58.98
Deferred tax		15.55	(2.37)
		250.80	56.61
IX Profit for the year (VII - VIII)		993.03	234.64
X Earnings per share of face value of ₹10 each (Basic & Diluted)	25(vi)	6.05	1.43
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 25		

As per our attached report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**
Chartered Accountants

NIRMAL KUMAR JAIN
Vice Chairman

SAJJAN JINDAL
Chairman and Managing Director

A. M. HARIHARAN
Partner

SAMPATH MADHAVAN
Company Secretary

PRAMOD MENON
Director-Finance

SANJAY SAGAR
Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,243.83	291.25
Adjusted for:		
Depreciation	424.94	377.22
Interest Income	(216.38)	(61.76)
Expense on Employee Stock Option Scheme	(0.02)	0.61
Loss on Sale / Discard of Fixed Assets	4.73	0.16
Unrealised Foreign Exchange (Gain) / Loss	(17.20)	122.21
Finance costs	571.80	508.16
	767.87	946.60
Operating profit before working capital changes	2,011.70	1,237.85
Adjustments for:		
Trade and Other Receivables	(554.39)	(117.93)
Trade Payables including Advance received from customers	(286.51)	1,668.94
Loans & Advances	(223.35)	(805.73)
Inventories	294.11	(224.34)
	(770.14)	520.94
Cash generated from operations	1,241.56	1,758.79
Direct Taxes Paid (Net)	(254.31)	(71.14)
NET CASH FLOW FROM OPERATING ACTIVITIES	987.25	1,687.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP & Pre-operative Expenses	(438.00)	(733.90)
Interest Received	168.56	53.17
Investments (including advance against share capital) in :		
Subsidiaries	(14.23)	(188.92)
Associates	(97.25)	(23.30)
Others	(22.32)	(24.25)
Sale of Fixed Assets	0.20	8.13
NET CASH USED IN INVESTING ACTIVITIES	(403.04)	(909.07)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debenture issue expenses	-	(6.62)
Borrowings (Net)	42.05	(297.23)
Finance costs paid	(580.25)	(503.84)
Dividend Paid (includes tax on dividend)	(95.31)	(190.62)
NET CASH USED IN FINANCING ACTIVITIES	(633.51)	(998.31)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(49.30)	(219.73)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	843.93	1,063.66
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	794.63	843.93

Notes :

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- Cash and cash equivalents includes ₹ 483.10 crore (Previous Year ₹ 210.02 crore) being current investments in Mutual Funds and Certificate of deposits.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

Chartered Accountants

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

A. M. HARIHARAN

Partner

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1 SIGNIFICANT ACCOUNTING POLICIES:

a. General

- i. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- ii. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- iii. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- iv. The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.
- v. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

b. Revenue Recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract. Power supplied under banking arrangements is accounted as per terms of agreements. Quantity of power banked is recorded as a loan transaction valued at cost or net realizable value whichever is lower and recognised as revenue when the same is returned and sold to an ultimate customer.
- ii. Revenue from construction / project related activity:

Revenue from construction contract is recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contract cost comprises of all costs that relate directly to the specified contract, incidental costs attributable to the contract including allocated overheads and warranty costs.
- iii. Operator fees and other income are accounted on accrual basis as and when the right to receive arises.

c. Fixed Assets

i. Tangible Assets:

Fixed assets are stated at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or commencement of commercial generation of power.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.

ii. Intangible Assets:

An item is recognized as an intangible asset if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to the Company and the cost of the assets can be reliably measured.

d. Capital Work-in-Progress (CWIP):

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP on the basis of the closing balance of specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance / receipt of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the fixed asset is charged off to profit and loss statement in the year in which they are incurred.

e. Depreciation / Amortisation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 or as notified by Central Electricity Regulatory Commission (CERC), whichever is higher.

In the following categories of Assets, the higher depreciation rates are adopted:

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Sr No.	Asset Type	Schedule XIV rate	CERC rate
a	Buildings	1.63%	3.34%
b	Plant and Equipments		
	- Air Conditioners	4.75%	9.50%
	- Computers	16.21%	15.00%
	- Factory Equipment	5.28%	7.07%
c	Office Equipments	4.75%	6.33%

Leasehold Land acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.

Software is depreciated over an estimated useful life of 3 years.

f. Impairment of assets

In accordance with AS-28 'Impairment of Assets' prescribed by the Companies (Accounting Standards) Rules, 2006, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the profit and loss statement whenever the carrying amounts of such assets exceed its recoverable amount.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

g. Borrowing Costs

- Borrowing Costs directly attributable to the acquisition or construction of qualifying assets, are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.
- Expenses incurred in connection with the arrangement of borrowings are written off over the period of the borrowing.
- Other borrowing costs are charged to revenue.

h. Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made. Current Investments are valued at lower of cost or fair value.

i. Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the weighted average basis for valuation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stocks are duly provided for.

j. Foreign Exchange Transactions

Foreign Currency transactions are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign Currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date.

All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules 2011, wherein:

- Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increased/reduced.
- In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation difference account" and amortized over the balance period of such long term assets / liabilities.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.

All other exchange differences are dealt with in the profit and loss statement

k. Employee benefits

Retirement benefits in the form of Provident Fund and Family Pension Scheme are defined contribution schemes and the contributions are charged to the profit and loss statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value method of the stock options.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

The compensation expense is amortised uniformly over the vesting period of the option in accordance with the Guidance note on Share based payments issued by the Institute of Chartered Accountants of India.

Employee benefits under defined benefit plans, such as Gratuity and Compensated absences are provided for on the basis of the actuarial valuation made at the end of each financial year.

Actuarial gains/ losses are immediately taken to profit and loss statement and are not deferred.

I. Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

m. Provisions and Contingent Liabilities

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when,

- a) the Company has a present obligation as a result of a past event
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- b) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the enterprise.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 2 SHARE CAPITAL		
Authorised:		
5,000,000,000 (Previous Year 5,000,000,000) Equity Shares of ₹10 each	5,000.00	5,000.00
Issued, Subscribed and Paid-up:		
1,640,054,795 (Previous Year 1,640,054,795) Equity Shares of ₹10 each	1,640.05	1,640.05
	1,640.05	1,640.05

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

(No. of Shares)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Balance as at the beginning of the year	1,640,054,795	1,640,054,795
Issued during the year	-	-
Balance as at the end of the year	1,640,054,795	1,640,054,795

b) Terms & Rights attached to equity shares :

- The Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% :

(No. of Shares)		
Name of the Companies	As at 31st March, 2013	As at 31st March, 2012
1. JSW Investments Private Limited	536,201,147	536,201,147
	32.69%	32.69%
2. Sun Investments Private Limited	270,892,170	270,892,170
	16.52%	16.52%
3. Vrindavan Services Private Limited	110,146,190	110,146,190
	6.72%	6.72%

d) Aggregate number of Bonus shares issued and shares issued for consideration other than cash during the last five years :

(No. of Shares)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
(i) Equity Shares issued as fully paid bonus shares by capitalisation of General Reserve and Surplus	819,856,914	987,812,147
(ii) Equity Shares allotted pursuant to the scheme of Amalgamation without consideration being received in cash	31,816,044	31,816,044

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 3 RESERVES AND SURPLUS		
Debenture Redemption Reserve:		
Balance as at the beginning of the year	325.85	186.37
Add: Additions during the year	135.23	139.48
Balance as at the end of the year	461.08	325.85
General Reserve:		
Balance as at the beginning of the year	91.49	91.49
Add: Additions during the year	74.48	-
Balance as at the end of the year	165.97	91.49
Securities Premium Account: [refer note 25 (ii) (b)]		
Balance as at the beginning of the year	2,380.81	2,387.43
Less: Debenture issue expenses	-	6.62
Balance as at the end of the year	2,380.81	2,380.81
Share Options Outstanding Account:		
Balance as at the beginning of the year	2.81	2.20
Add: Additions during the year	-	0.61
Less: Deduction during the year	0.02	-
Balance as at the end of the year	2.79	2.81
Foreign Currency Monetary Item Translation Difference Account :		
Additions during the year	6.72	-
Less: Amortised during the year	1.45	-
Balance as at the end of the year	5.27	-
Surplus:		
Balance as at the beginning of the year	1,717.71	1,717.85
Add: Profit for the year	993.03	234.64
Less: Transfer to Debenture Redemption Reserve	135.23	139.48
Less: Transfer to General Reserve	74.48	-
Less: Proposed dividend @ ₹ 2 per share (Previous Year ₹ 0.50 per share)	328.01	82.00
Less: Dividend Distribution Tax	55.75	13.30
Balance as at the end of the year	2,117.27	1,717.71
	5,133.19	4,518.67

(₹ crore)				
Particulars	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2012
Note 4 LONG TERM BORROWINGS	Non-Current	Current	Non-Current	Current
Secured Loans				
1. Debentures:				
a) 12,000 (Previous Year 12,000) 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	1,200.00	-	1,200.00	-
b) 22,800 (Previous Year 24,000) Ranging from 9.05% to 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	2,040.00	240.00	2,280.00	120.00
c) Nil (Previous Year 140) 20% Secured Redeemable Non-Convertible Debentures of ₹ 100 lakhs each	-	-	-	1.48
2. Rupee Term Loans from:				
a) Banks	1,263.70	291.36	1,226.24	232.88
b) Financial Institutions	213.60	41.16	254.75	52.41
	4,717.30	572.52	4,960.99	406.77

i) Terms of Redemption of Debentures :

- 12,000 nos. @ 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each redeemable at par in 10 half yearly equal installments commencing from 20th January / 30th January / 16th February, 2016 till 20th July / 30th July / 16th August, 2020.
- Coupon Rates ranging from 9.05% to 9.75% Secured Redeemable Non-Convertible Debentures of 22,800 nos of ₹ 10 lakhs each having tranches of ₹ 120 crore each aggregating to ₹ 2,280 crore. Each of the tranches are redeemable at par at different intervals from 30th September, 2013 and ending at 1st November, 2022.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

ii) Term of Repayment of Rupee Terms Loans:

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
From Banks :		
2 - 3 Years	613.02	595.67
4 - 5 Years	371.85	421.09
6 - 10 Years	278.83	209.48
Total borrowing from Banks	1,263.70	1,226.24
From Financial Institutions :		
2 - 3 Years	95.28	96.42
4 - 5 Years	77.69	97.18
6 - 10 Years	40.63	61.15
Total borrowing from Financial Institutions	213.60	254.75

iii) Details of Security :

- Debentures aggregating to ₹ 1,200 crore (Previous Year ₹ 1,200 crore), mentioned in 1 (a) are secured on a pari passu basis by (a) a first ranking charge by way of legal mortgage on the freehold land situated at Mouje Maharajpura, Taluka Kadi, District Mehsana, in the State of Gujarat (b) a first ranking charge by way of legal mortgage of immovable assets of the Company's SBU I & SBU II situated in the State of Karnataka (c) a first ranking charge by way of hypothecation of moveable fixed assets of the Company's SBU I & SBU II.
- Debentures aggregating to ₹ 2,280 crore (Previous Year ₹ 2,400 crore), mentioned in 1 (b) are secured on a pari passu basis by (a) a first ranking charge by way of legal mortgage on the freehold land situated at Mouje Maharajpura, Taluka Kadi, District Mehsana, in the State of Gujarat (b) secured on a pari passu basis by a first ranking charge by way of mortgage on fixed assets of the Company's SBU III (4 x 300 MW Power Plant situated at Dist. Ratnagiri, in the State of Maharashtra).
- Rupee Term Loan aggregating to ₹ 215.77 crore (Previous Year ₹ 273.97 crore) included in 2 (a) and (b) are secured on a pari passu basis by (a) a first ranking charge by way of equitable mortgage of immovable assets of the Company's SBU I & SBU II situated in the State of Karnataka (b) a first ranking charge by way of hypothecation of moveable fixed assets of the Company's SBU I & SBU II unit situated in the State of Karnataka (c) a second ranking charge by way of hypothecation on the current assets of Company's SBU I & SBU II including stock and receivables (both present and future).
- Rupee Term Loan aggregating to ₹ 145.03 crore (Previous Year ₹ 182.54 crore) included in 2 (a) is secured on a pari passu basis by (a) a first ranking legal mortgage of immovable property of the Company's SBU II situated in the State of Maharashtra (b) a first ranking charge by way of equitable mortgage of immovable assets of the Company's SBU I & SBU II situated in the State of Karnataka (c) a first ranking charge by way of hypothecation of moveable fixed assets of the Company's SBU I & II (d) a second ranking charge by way of hypothecation on the current assets of Company's SBU I & SBU II including stock and receivables (both present and future).
- Rupee Term Loan included in 2 (a) amounting to ₹ 196.67 crore (Previous Year ₹ 193.06 crore) is secured by first ranking charge on the Company's share (i.e. 50%) in the property being developed at Village Kole Kalyan, Taluka South Salsette, District of Mumbai Suburban, in the State of Maharashtra.
- Rupee term loan included in 2 (a) and (b) aggregating to ₹ 1,252.35 crore (Previous Year ₹ 1,115.00 crore) are secured on a pari passu basis by (a) first ranking charge by way of legal mortgage on the Company's SBU III (4x300 MW) immovable property both present and future situated in Ratnagiri and Mumbai (b) a first ranking charge by way of Hypothecation of moveable assets both present and future of Company's SBU III situated in Ratnagiri, in the State of Maharashtra (c) second ranking charge on current assets of the Company's SBU III for rupee term loan included in 2 (a) aggregating of ₹ 1,149.21 crore (Previous Year ₹ 999.36 crore).

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 5 OTHER LONG TERM LIABILITIES		
Security deposits :		
Associates	2.18	0.50
Others	0.18	-
	2.36	0.50

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 6 LONG TERM PROVISIONS		
Employee benefits	5.31	3.03
	5.31	3.03

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 7 SHORT TERM BORROWINGS		
Other Loans & Advances :		
Working Capital Loan from Banks	120.00	-
	120.00	-

Details of Security:

- i) Working Capital Loans pertaining to the Company's SBU II are secured on a pari passu basis by (a) a second ranking charge by way of equitable mortgage of immovable assets of the SBU II situated in the State of Karnataka (b) a second ranking charge by way of hypothecation of movable fixed assets of the SBU II (c) a first ranking charge by way of hypothecation on the current assets of SBU II including stock and receivables (both present and future).

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 8 TRADE PAYABLES		
Acceptances	1,669.05	2,110.36
Trade Payables #	419.90	274.16
	2,088.95	2,384.52

Refer Note 25 (iii) for dues to Micro, Small and Medium Enterprises

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 9 OTHER CURRENT LIABILITIES		
Current maturities of long term debentures & term loans (Refer Note 4)	572.52	406.77
Interest accrued but not due on borrowings	24.40	32.86
Unclaimed dividend #	0.26	0.19
Unclaimed share application money refunds #	0.03	0.07
Payables and Acceptances (Capital goods / Project) *	245.40	230.55
Other payables:		
Employee benefit expenses payable	13.80	13.28
Due to subsidiaries	-	0.05
Statutory dues	5.47	13.48
Security deposits	1.08	1.12
Others	2.11	1.22
	865.07	699.59

No Amount due to be credited to Investor Education and Protection Fund

* Refer Note 25(iii) for dues to Micro, Small and Medium Enterprises

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 10 SHORT TERM PROVISIONS		
Provision for Employee Benefits	3.57	1.78
Other Provisions :		
Wealth Tax	0.53	0.11
Proposed Dividend	328.01	82.00
Dividend Distribution Tax	55.75	13.30
	387.86	97.19

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Gross Block				Depreciation / Amortisation		Net Block	
	As at 1st April, 2012	Additions	Deductions/ Adjustments	As at 31st March, 2013	Upto 31st March, 2012	For the year	As at 31st March, 2013	As at 31st March, 2012
Note 11	FIXED ASSETS							
A) Tangibles								
Freehold Land {Refer note (a) below}	72.26	13.00	-	85.26	-	-	85.26	72.26
Leasehold Land {Refer note (b) below}	13.29	-	-	13.29	-	-	13.29	13.29
Buildings	491.25	44.50	-	535.75	23.73	17.59	494.43	467.52
Plant & Equipment{Refer note (c) below}	7,549.77	397.60	8.72	7,938.65	1,207.91	403.66	6,331.15	6,341.86
Furniture & Fixtures	9.07	2.90	0.11	11.86	3.00	0.62	8.34	6.07
Vehicles	8.51	0.38	0.35	8.54	1.69	0.81	6.16	6.82
Office Equipment	8.51	2.09	0.39	10.21	4.03	0.88	5.65	4.48
Leasehold Improvements	0.40	-	-	0.40	0.13	0.13	0.14	0.27
Total (A)	8,153.06	460.47	9.57	8,603.96	1,240.49	423.69	6,944.42	6,912.57
B) Intangibles								
Specialised Softwares	7.96	0.15	-	8.11	5.26	1.25	1.60	2.70
Total (B)	7.96	0.15	-	8.11	5.26	1.25	1.60	2.70
TOTAL (A + B)	8,161.02	460.62	9.57	8,612.07	1,245.75	424.94	6,946.02	6,915.27
Previous Year								
A) Tangibles	5,589.05	2,572.61	8.60	8,153.06	866.66	374.14	6,912.57	
B) Intangibles	4.38	3.58	-	7.96	2.18	3.08	2.70	
TOTAL (A + B)	5,593.43	2,576.19	8.60	8,161.02	868.84	377.22	6,915.27	

a) i) Company has leased 1.18 acres (Previous Year 1.18 acres) of land amounting to ₹ 0.35 crore (Previous Year ₹ 0.35 crore) to a related party for 99 years, with an option to purchase the same after 10 years.

ii) The Company has leased land measuring 12.75 acres (Previous Year Nil) amounting to ₹ 1.17 crore (Previous Year Nil), 3.325 acres (Previous Year Nil) amounting to ₹ 0.50 crore (Previous Year Nil) and 35 acres (Previous Year 35 acres) amounting to ₹ 0.16 crore (Previous Year ₹ 0.16 crore) to related parties for a period of 50 years, 25 years and 28 years respectively.

b) Leasehold Land acquired by the Company under lease deed entitles the Company to exercise the option to purchase on an outright basis after 10 years from the date of lease deed and there will be no further consideration payable at the time of conversion of the same from leasehold to freehold.

c) Includes Gross Block ₹ 28.00 crore (Previous Year ₹ 28.00 crore); Net Block ₹ 100 (Previous Year ₹ 100) towards Company's share of Water Supply System constructed on land not owned by the Company, written off over a period of 10 years from 1st April 2000.

d) Additions include Borrowing costs of ₹ 31.63 crore (Previous Year ₹ 300.20 crore) and foreign exchange loss of ₹ 6.52 crore (Previous Year ₹ 4.73 crore).

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 11 FIXED ASSETS (Contd.)		
Capital work-in-progress and pre-operative expenditure during construction period and trial run production (Pending allocation) :		
Plant and Machinery under installation	378.99	1,608.85
Building Under Construction (50% share in property located in Mumbai jointly owned with a related party)	484.65	428.57
Civil Works	46.67	357.85
	910.31	2,395.27
Less: Amount Transferred to Fixed Assets	372.16	1,758.80
Sub Total (A)	538.15	636.47
Pre-Operative expenditure during construction period & trial run		
Opening Balance	164.58	584.72
Power, Water and Fuel	2.59	47.27
Employees Cost	8.42	13.53
Rates and Taxes	1.44	0.10
Rent	0.53	0.63
Legal and Professional Expenses	3.92	3.80
Travelling and Conveyance	1.28	1.72
Other Expenses	5.13	9.03
Compensatory Afforestation Expenses	10.77	-
Catchment Area Treatment Expenses	45.00	-
Local Area Development Expenses	6.75	-
Finance Costs	36.85	84.78
Foreign Exchange Loss	4.86	39.90
	292.12	785.48
Less : Interest Income	-	1.75
Less : Profit from Sale of Current Investments	-	3.96
	292.12	779.77
Less: Amount Transferred to Fixed Assets	39.08	615.19
Sub Total (B)	253.04	164.58
Total (A+B)	791.19	801.05

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 12 NON-CURRENT INVESTMENTS		
LONG TERM		
A. Trade Investments		
Investment in Equity Shares (Unquoted):		
i) In Subsidiary Companies		
a) 70,000,000 (Previous Year 70,000,000) Equity Shares of ₹ 10 each fully paid up of JSW Power Trading Company Limited (JSWPTCL)	70.02	70.02
b) 1,726,050,000 (Previous Year 1,726,050,000) Equity Shares of ₹ 10 each fully paid up of Raj WestPower Limited (RWPL)	1,726.05	1,726.05
{517,815,000 (Previous Year 517,815,000) shares pledged as security in favour of financial institutions for loans granted to RWPL}		
c) 1,500 (Previous Year 1,500) Equity Shares of Indonesian Rupiah 1,000,000 each fully paid up of PT Param Utama Jaya, Indonesia	17.84	17.84
d) 101,750,000 (Previous Year 101,750,000) Equity Shares of ₹ 10 each fully paid up of Jaigad Power Transco Limited (JPTL)	101.75	101.75
{67,375,000 (Previous Year Nil) shares pledged as security in favour of financial institutions for loans granted to JPTL}		

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Note 12 NON-CURRENT INVESTMENTS (Contd.)

		₹ crore	
Particulars	As at 31st March, 2013	As at 31st March, 2012	
e) 107,384,300 (Previous Year 93,199,300) Equity Shares of ₹ 10 each fully paid up of JSW Energy (Raigarh) Limited	107.38	93.20	
f) 50,000 (Previous Year 50,000) Equity Shares of ₹ 10 each fully paid up of JSW Green Energy Limited	0.05	0.05	
g) 800,000 (Previous Year 800,000) Equity Shares of USD 10 each fully paid up of JSW Energy Mineral Mauritius Limited	35.55	35.55	
h) 50,000 (Previous Year Nil) Equity Shares of ₹ 10 each fully paid up of JSW Energy (Kutehr) Limited	0.05	-	
i) 757,150 (Previous Year 756,500) Equity Shares of USD 1 each fully paid up of JSW Energy Natural Resources (BVI) Limited	3.53	3.53	
Less: Provision for Diminution	(3.53)	(3.53)	
	2,058.69	2,044.46	
ii) In Associate Company			
97,250,000 (Previous Year Nil) Equity Shares of ₹ 10 each fully paid up of Toshiba JSW Turbine & Generator Private Limited	97.25	-	
	97.25	-	
iii) In Joint Venture Company			
10,461,000 (Previous Year 7,711,000) Equity Shares of ₹ 10 each fully paid up of MJSJ Coal Limited	10.46	7.71	
Nil (Previous Year 64,000,000) Equity Shares of ₹ 10 each fully paid up of Toshiba JSW Turbine & Generator Private Limited	-	64.00	
	10.46	71.71	
iv) Other Company			
1,250,000 (Previous Year 1,250,000) Equity Shares of ₹ 10 each fully paid up of Power Exchange India Limited	1.25	1.25	
	1.25	1.25	
Investment in Preference Shares (Unquoted) :			
i) In Subsidiary Company			
132,000,000 (Previous Year 132,000,000) 10% Non Cumulative Redeemable Preference Shares of ₹ 10 each fully paid of JSW Power Trading Company Limited (JSWPTCL)	132.00	132.00	
	132.00	132.00	
ii) In Other Related Party			
453,000 (Previous Year 453,000) 10% Redeemable Non - Cumulative Preference Shares of ₹ 100 each fully paid up of JSW Realty & Infrastructure Private Limited	4.53	4.53	
	4.53	4.53	
Total Trade Investment (A)	2,304.18	2,253.95	
B. Investment in Others			
Government and trust securities			
6-Year National Savings Certificate * (₹ 33,000; Previous Year ₹ 33,000) (Pledged with Commercial Tax Department)	*0.00	*0.00	
	0.00	0.00	
Investment in Own Debentures (Quoted) :			
Nil (Previous Year 250) Secured Redeemable Non-Convertible Debenture of ₹ 10 lakhs each of the Company	-	24.25	
Total Investments in Others (B)	-	24.25	
Total Non Current Investments (A+B)	2,304.18	2,278.20	
Aggregate amount of Unquoted Investments	2,304.18	2,253.95	
Aggregate amount of Quoted Investments	-	24.25	
Aggregate Market Value of Quoted Investments	-	24.25	
Aggregate Provision for diminution in value of investments	3.53	3.53	

Basis of Valuation: Refer Note 1(h)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 13 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good :		
Capital Advances - Related Parties	75.00	75.00
Capital Advances - Others	46.01	43.92
Deposits :		
Deposits with Government/Semi Government Authorities	10.67	10.61
Deposits - towards Lease of Property & Equipment	58.37	58.52
Other deposits	0.25	0.25
Loans and advances :		
- Loans to Subsidiaries	1,110.44	427.66
- Loans to Other Related Parties	148.24	80.05
- Interest free Loan to JSW Energy Employees Welfare Trust	130.86	89.35
Interest accrued on Loan to Subsidiary Company	45.23	12.37
Advance tax and tax deducted at source [(Net of provision ₹ 765.32 crore) (Previous year ₹ 516.46 crore)]	96.23	90.78
Minimum Alternate Tax credit entitlement	128.09	114.48
Other Loans & Advances	2.59	2.99
	1,851.98	1,005.98

₹ crore			
Name of the Party	As at 31st March, 2013	As at 31st March, 2012	Maximum amount outstanding during the year
a) Loans and advances in the nature of Loans :			
i) Raj WestPower Limited (Interest free to the extent of ₹ 61.25 crore)	845.94	422.88	1,094.02
ii) JSW Energy Mineral Mauritius Limited	260.09	-	260.09
iii) JSW Green Energy Limited (interest free)	4.41	4.78	4.78
iv) South West Mining Limited	68.12	-	78.12
v) JSW Energy (Bengal) Limited	80.12	80.05	80.12
vi) JSW Energy Employees Welfare Trust (interest free) (Loans given to employees under Company's policy are not considered above)	130.86	89.35	130.86
	No. of Shares	No. of Shares	
b) Investment by the loanee in the shares of the Company :			
JSW Energy Employees Welfare Trust	22,383,283	15,150,901	

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 14 CURRENT INVESTMENTS		
Details of Investments:		
Investment in Own Debentures (Quoted) :		
1,100 (Previous Year Nil) Secured Redeemable Non- Convertible Debenture of ₹ 10 lakhs each of Company	107.82	-
Total Investments in Own Debentures	107.82	-
Investment in Certificate of Deposits (Quoted) :		
a) 2,500 (Previous Year Nil) Certificate of Deposit of ₹ 1 lakhs each of Vijaya Bank	24.56	-
b) 5,000 (Previous Year Nil) Certificate of Deposit of ₹ 1 lakhs each of Corporation Bank	46.10	-
Total Investments in Certificates of Deposits	70.66	-

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

			₹ crore	
Particulars			As at 31st March, 2013	As at 31st March, 2012
Note 14 CURRENT INVESTMENTS (Contd.)				
Investment in Mutual Funds (Unquoted, Fully paid up):				
	No. of Units	Face Value		
a) <u>Birla Sun Life Mutual Fund</u>				
Birla Sunlife Cash Plus Growth	8,903,493	100	167.05	-
Birla Sun life Floating Rate Fund STP IP Growth	(3,514,967)	100	-	50.00
b) <u>Reliance Mutual Fund</u>				
Reliance Liquid Fund TP IP Growth	303,278	1000	86.39	-
c) <u>IDFC Mutual Fund</u>				
IDFC Ultra Short Term Growth	15,360,889	10	25.00	-
d) <u>Kotak Mutual Fund</u>				
Kotak Floater Short Term Growth	117,188	1000	22.50	-
e) <u>Baroda Pioneer Mutual Fund</u>				
Baroda Pioneer Liquid Fund Growth	272,338	1000	36.50	-
f) <u>UTI Mutual Fund</u>				
UTI Floating Rate Fund STP Growth (UST)	133,590	1000	25.00	-
g) <u>Axis Mutual Fund</u>				
Axis Liquid Fund Ip Growth	(168,598)	1000	-	20.02
h) <u>IDBI Mutual Fund</u>				
IDBI Liquid Fund Growth	79,523	1000	10.00	25.00
	(217,423)			
i) <u>ICICI Prudential Mutual Fund</u>				
ICICI Prudential Money Market Fund Cash Option Growth	(3,372,076)	100	-	50.00
j) <u>Tata Mutual Fund</u>				
Tata Liquid Fund SHIP Growth	(202,068)	1000	-	40.00
k) <u>SBI Mutual Fund</u>				
SBI Premier Liquid Fund Super IP Growth	217,179	1000	40.00	25.00
	(148,407)		-	
Total Investments in Mutual Funds			412.44	210.02
Total Current Investments			590.92	210.02
Aggregate amount of Quoted Investments			178.48	-
Aggregate amount of Unquoted Investments			412.44	210.02
Aggregate Market Value of Quoted Investments			178.73	-
Aggregate Re-purchase Value of Units of Mutual Fund			413.36	210.19

Basis of Valuation: Refer Note 1(h)

(Figures in brackets relates to the Previous Year)

			₹ crore	
Particulars			As at 31st March, 2013	As at 31st March, 2012
Note 15 INVENTORIES				
Stock of Fuel			316.18	644.28
(including in transit ₹ 160.94 crore; Previous Year ₹ 267.75 crore)				
Stores & spares			94.85	60.86
(including in transit ₹ 3.88 crore; Previous Year ₹ 4.17 crore)				
			411.03	705.14

Basis of Valuation : Refer Note 1(i)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 16 TRADE RECEIVABLES		
Unsecured, Considered good :		
Outstanding for a period exceeding six months from the due date #	10.55	5.35
Outstanding for a period not exceeding six months from the due date	1,309.64	608.87
	1,320.19	614.22

The Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July, 2002 reducing the tariff retrospectively from 1st August, 2000. The Company's appeal against the said Order was decided by the Honourable Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Honourable Karnataka High Court. As against the outstanding amount of ₹ 105.35 crore, in terms of the interim order dated 23rd January, 2007 of Honourable Supreme Court, KPTCL paid ₹ 100.00 crore against bank guarantee provided by the Company. The balance amount of ₹ 5.35 crore (Previous Year ₹ 5.35 crore) due from KPTCL is included in Trade Receivables and considered as good and recoverable.

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 17 CASH AND BANK BALANCES		
Cash and Cash Equivalents :		
In current accounts	115.50	18.71
Bank Deposit	196.01	615.15
Cash on Hand	0.02	0.03
Cheques on hand* (₹ 21,117)	*0.00	0.02
	311.53	633.91
Others :		
Unpaid Dividends	0.26	0.19
Unclaimed share application money refunds	0.03	0.07
Margin Money Accounts	2.78	2.78
	3.07	3.04
	314.60	636.95

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 18 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits :		
Deposits with Government / Semi Government Authorities	47.75	6.91
Loans and advances to :		
Subsidiaries :		
Loans	321.35	919.08
Due from Subsidiaries	0.30	-
Other Related Parties :		
- Advance against Preference Share Capital	0.50	0.50
- Other Advances	61.80	50.06
- Due from Associates	2.40	-
Inter Corporate Deposits	75.00	75.00
Other Loans & Advances	20.17	33.28
	529.27	1084.83

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore			
Name of the Party	As at 31st March, 2013	As at 31st March, 2012	Maximum Amount outstanding during the year
Note 18 SHORT TERM LOANS AND ADVANCES (Contd.)			
a) Loans and advances in the nature of Loans :			
i) Raj WestPower Limited	321.35	716.39	401.65
ii) JSW Energy Minerals Mauritius Limited	-	202.69	202.69
iii) JSW Realty & Infrastructure Private Limited (interest free)	30.00	50.06	50.06
iv) JSW Steel Limited	31.80	-	31.80
b) Loans and advances given for :			
Preference Shares Capital :			
i) JSW Realty & Infrastructure Private Limited (interest free)	0.50	0.50	0.50
	No. of Shares	No. of Shares	
c) Investment by the loanee in the shares of the Company :			
None of the loanees and loanees of Subsidiary Companies have made investments in the shares of the Company			
d) Investment by JSW Energy Mineral Mauritius Limited in subsidiary:			
i) JSW Energy Natural Resources Mauritius Limited	43,500,000	43,500,000	
e) Investment by Raj WestPower Limited in joint venture:			
i) Barmer Lignite Mining Company Limited	9,800,000	9,800,000	

₹ crore		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 19 OTHER CURRENT ASSETS		
Unbilled revenue	-	163.42
Interest Accrued on :		
- Loan to Subsidiary Company	38.36	24.08
- Loan to Other Related Parties	1.93	-
- On deposits	1.99	3.24
Receivable from Other Related Parties	8.31	-
Others	3.84	0.31
	54.43	191.05

₹ crore		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 20 REVENUE FROM OPERATIONS		
Sale of Power	6,078.65	4,731.22
Power Conversion Charges	157.09	116.39
Sale of services:		
- Operator Fee	124.29	82.46
- Project Management Fee	28.75	78.75
- Other Services	5.20	6.08
Other Operating Income	2.47	1.52
	6,396.45	5,016.42

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 21 OTHER INCOME		
Interest income	216.38	61.76
Net gain on sale of current investments	44.07	49.50
Other non-operating income :		
Claims received from vendors	40.88	-
Miscellaneous income	3.45	2.76
	304.78	114.02

₹ crore		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 22 EMPLOYEE BENEFITS EXPENSE		
Salaries,wages and bonus	96.24	71.73
Contribution to Provident fund and other funds	4.25	3.27
Expense on Employee Stock Option Scheme	(0.02)	0.61
Workmen and staff welfare	6.03	5.29
	106.50	80.90

₹ crore		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 23 FINANCE COSTS		
Interest expenses	542.81	491.25
Finance Charges	28.99	16.91
	571.80	508.16

₹ crore		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 24 OTHER EXPENSES		
Water and Power	42.26	25.18
Rent	2.17	1.66
Rates and taxes	6.89	7.03
Insurance	10.14	11.61
Consumption of stores and spares	46.22	34.18
Repairs and Maintenance expenses :		
Repairs to buildings	0.25	0.25
Repairs to machinery	58.00	45.38
Repairs - Others	18.36	14.45
Legal and professional charges	7.43	12.08
Travelling and Conveyance	7.50	6.74
Loss on sale / discard of fixed assets	4.73	0.16
Cash Discount	46.03	55.13
Project Management Expenses	16.36	17.18
Donations and CSR Expenses	3.67	9.09
Safety and Security Expenses	4.30	4.06
Open Access Charges	6.30	6.98
General expenses	12.63	9.86
	293.24	261.02

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	Current Year	Previous Year
Note 25		
(i) Contingent Liabilities and Commitments to the extent not provided for in respect of:		
(a) Contingent Liabilities:		
Bank guarantees	115.95	120.90
Corporate guarantees	891.66	500.00
Other Money for which the company is contingently liable:		
Pledge of Shares (refer note 12)	585.19	517.82
Disputed Income Tax matters (excluding further interest leviable, if any)	121.81	78.48
Other disputed tax matters	83.40	16.95
Claims not acknowledge as debts	16.83	8.67
(b) Commitments:		
i) Estimated amount of contracts remaining to be executed to the extent not provided for	53.63	460.30
ii) The Company has given unconditional undertakings to the lenders of the power projects being setup by its subsidiary company Raj WestPower Limited for meeting any shortfall in completing the project, due to cost overrun, if any.		
iii) The Company has taken certain premises on cancellable / non-cancellable operating lease arrangement.		
Rentals charged to Profit and Loss Statement ₹ 2.17 crore (Previous year ₹ 1.66 crore)		
The total of Future Minimum lease payments under non-cancellable operating lease for each of the following period are as under.		
A) Not later than 1 year	0.86	0.29
B) Later than 1 year and not later than 5 years	1.31	0.05
C) Later than 5 years	-	-

(ii) Employees Benefits:

(a) Defined benefit plan:

The employee's gratuity fund scheme managed by Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

₹ crore		
Particulars	Current Year	Previous Year
1. Reconciliation of opening and closing balances of obligation		
a. Opening Balance	3.76	2.53
b. Current Service Cost	0.99	1.35
c. Interest Cost	0.32	0.20
d. Actuarial (gain)/loss	0.76	(0.01)
e. Benefits paid	(0.36)	(0.32)
f. Closing Balance	5.47	3.76
g. Current Liabilities	5.36	3.76
h. Non-Current Liabilities	0.12	-
2. Change in Plan Assets (Reconciliation of opening and closing balances)		
a. Opening Fair Value of plan assets	2.71	2.06
Difference in Opening Balance	0.06	(0.04)
b. Actual Company Contributions	-	0.84
c. Expected return on plan assets	0.24	0.16
d. Transfer to Other Company	(0.29)	-
e. Actuarial gain /(loss)	0.01	0.01
f. Benefits paid	(0.36)	(0.32)
g. Closing Fair Value of plan assets	2.35	2.71

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Particulars	Current Year	Previous Year
3. Reconciliation of fair value of assets and obligations		
a. Present value of obligation	5.47	3.76
b. Fair value of plan assets	2.35	2.71
c. Balance amount recognised as liability in the Balance sheet	3.12	1.05
4. Expense recognized in the period		
a. Current service cost	0.99	1.35
b. Interest cost	0.32	0.20
c. Expected return on plan assets	(0.24)	(0.16)
d. Actuarial (gain)/loss	0.75	(0.01)
e. Expense recognised	1.83	1.39
5. Assumptions		
a. Discount rate (per annum)	8.25%	8.50%
b. Estimated rate of return on plan assets (per annum)	8.70%	8.50%
c. Rate of escalation in salary (per annum)	6.00%	5.00%
6. Investment Details		
Amount invested in cash accumulation scheme of Life Insurance Corporation of India		

(b) Employee Share Based Payment Plan:

The Company has withdrawn the Mega Options which were earlier granted under 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2010' ("ESOP Plan") and in its place and stead introduced a new Scheme i.e "JSWEL EMPLOYEES MEGA STOCK OWNERSHIP SCHEME-2012" ("ESOS Plan") for grant of Mega Options to all those employees of the Group who were earlier granted Mega Options under the ESOP Plan and who continued to be in the employment of JSW Group.

Presently there are two Schemes which are in force for the Options granted / to be granted to the eligible employees of the Group as under:

A) For Normal Options - 'ESOP Plan'

B) For Mega Options - 'ESOS Plan'

The details of the aforementioned schemes of share-based payments arrangement administered by the JSW Energy Employee Welfare Trust (JSWEEWT) are described below:

Particulars	Normal Option (ESOP Plan)		Mega Option (ESOP Plan)	Mega Option (ESOS Plan)
Date of Grant	8th November, 2011	31st October, 2012	9th February, 2011 & 20th July, 2011	4th October, 2012
Opening Grants as on 1st April, 2012	5,075,711 (-)	- (-)	9,174,853 (-)	- (-)
Less : Withdrawal of Mega Options granted under the "ESOP Plan"	- (-)	- (-)	9,174,853 (-)	- (-)
Balance Options under the "ESOP Plan"	5,075,711 (-)	- (-)	- (-)	- (-)
Add: Granted during the year:				
Under the "ESOP Plan"	- (5,558,105)	4,831,174 (-)	- (10,709,471)	- (-)
Under the "ESOS Plan"	- (-)	- (-)	- (-)	12,674,750 (-)
Less: Forfeited during the year	555,625 (482,394)	369,267 (-)	- (1,534,618)	377,824 (-)
Less: Transfer arising from transfer of employees to group companies	- (-)	3,449 (-)	- (-)	66,606 (-)
Less: Exercised during the year	- (-)	- (-)	- (-)	- (-)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Normal Option (ESOP Plan)		Mega Option (ESOP Plan)	Mega Option (ESOS Plan)
Date of Grant	8th November, 2011	31st October, 2012	9th February, 2011 & 20th July, 2011	4th October, 2012
Outstanding as on 31st March, 2013	4,520,086 (5,075,711)	4,458,458 (-)	- (9,174,853)	12,230,320 (-)
Vesting period	3 Years	3 Years	3 Years	361 days
Method of settlement	Cash	Cash	Cash	Cash
Exercise Price (₹)	52.35	60.90	75.00	65.00
(Figures in bracket relates to previous year)				
Expenses arising from employee's share-based payment plan debited to Profit and Loss Statement ₹ (0.02) crore (Previous Year ₹ 0.61 crore).				

(iii) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

₹ crore			
Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

(iv) Remuneration to Auditors (excluding service tax) :

₹ crore		
Particulars	Current Year	Previous Year
Audit Fees	0.29	0.25
Tax Audit Fees	0.06	0.05
Other Services	0.22	0.20
Reimbursement of Expenses	0.04	0.02
Total	0.61	0.52

(v) Provision for Taxation and Deferred Tax :

₹ crore		
Particulars	Current Year	Previous Year
(a) Provision for Taxation includes:		
Current Tax	248.86	58.98
Minimum Alternate Tax (MAT) credit entitlement	(13.61)	-
	235.25	58.98
Deferred Tax	15.55	(2.37)
(b) Deferred Tax liability:		
Comprises of timing differences on account of depreciation	153.72	138.17

(vi) Earnings Per Share (Basic & Diluted) :

Particulars	Current Year	Previous Year
Net profit / (loss) as attributable to equity shareholders (₹ crore) (A)	993.03	234.64
Average number of equity shares outstanding during the year (B)	1,640,054,795	1,640,054,795
Earnings Per Share - Basic and Diluted (₹) (A/B)	6.05	1.43
Nominal value of an equity share (₹)	10	10

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

- (vii) (a) During the year, due to the unusual volatility / fluctuation in the value of Rupee against US Dollar, net foreign exchange loss of ₹ 169.95 crore (Previous Year ₹ 151.61 crore) has been considered by the Company as exceptional in nature.
- (b) The foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	Foreign Currency	Foreign currency equivalent	In Rupees equivalent ₹ crore
a. Loan to foreign subsidiary including interest receivable	USD	48,252,140	262.44
		(39,762,376)	(203.41)
b. Project related Payables	USD	930,715	5.06
		(25,640,986)	(131.17)
c. Operation related Payables	USD	27,270,385	148.32
		(12,204,182)	(62.43)
d. Buyer's Credit	USD	299,839,678	1,630.81
		(414,034,908)	(2,118.06)
e. Interest accrued but not due on Buyer's Credit	USD	694,752	3.78
		(2,273,616)	(11.63)
f. Advance to Vendors	USD	671,223	3.65
		(3,555,515)	(18.19)
g. Advance to Vendors * (₹ 27,122)	EURO	390	* 0.00
		(26,803)	(0.18)

(Figures in bracket relates to previous year)

- (c) The foreign currency exposures that have been hedged by a derivative instrument or otherwise as at Balance Sheet date are ₹ 109.93 crore (Previous Year Nil).
- (viii) (a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- (b) The Company is yet to receive balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and loan and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

(ix) Related Party Transactions

List of Related Parties :

A) Subsidiaries (Control exists) :

- JSW Power Trading Company Limited
- Raj WestPower Limited
- Jaigad PowerTransco Limited
- JSW Energy (Raigarh) Limited
- JSW Green Energy Limited
- JSW Energy (Kutehr) Limited (w.e.f. 20th February, 2013)
- PT. Param Utama Jaya
- JSW Energy Natural Resources (BVI) Limited
- JSW Energy Minerals Mauritius Limited
- JSW Energy Natural Resources Mauritius Limited
- JSW Energy Natural Resources South Africa (Pty) Limited
- South Africa Coal Mining Holdings Limited
- Royal Bafokeng Capital (Pty) Limited
- Ilanga Coal Mines Proprietary Limited
- Jigmining Operations No.1 Proprietary Limited
- Jigmining Operations No.3 Proprietary Limited
- Mainsail Trading 55 (Pty) Limited
- SACM (Breyten) Proprietary Limited
- SACM (Newcastle) Proprietary Limited

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

- t) South African Coal Mining Equipment Company Proprietary Limited
- u) Umlabu Colliery Proprietary Limited
- v) Voorslag Coal Handling Proprietary Limited
- w) Yomhlaba Coal Proprietary Limited
- x) South African Coal Mining Operations Proprietary Limited

B) Other Related Parties with whom the Company has entered into transactions during the year :

- a) JSW Steel Limited
- b) JSoft Solutions Limited
- c) Toshiba JSW Turbine & Generator Private Limited
- d) JSW Cement Limited
- e) Gagan Trading Company Limited
- f) JSW Realty & Infrastructure Private Limited
- g) JSW Techno Projects Management Limited
- h) Barmer Lignite Mining Company Limited
- i) JSW Jaigarh Port Limited
- j) JSW Infrastructure Limited
- k) Jindal Steel & Power Limited
- l) JSW Ispat Steel Limited
- m) JSW Energy (Bengal) Limited (Related party w.e.f. 5th March, 2012)
- n) O.P. Jindal Foundation
- o) JSW Foundation
- p) JSW Green Private Limited
- q) South West Mining Limited
- r) JSL Lifestyle Limited
- s) MJSJ Coal Limited
- t) JSW Bengal Steel Limited

Key Managerial Personnel :

- 1 Mr. Sajjan Jindal – Chairman & Managing Director
- 2 Mr. Nirmal Kumar Jain – Vice Chairman
- 3 Mr. Sanjay Sagar – Jt. Managing Director & CEO (w.e.f. 21st July, 2012)
- 4 Mr. S.S.Rao – Whole time Director (Up to 30th April, 2012)
- 5 Mr. R.R.Pillai – Director (w.e.f. 30th April, 2012 to 30th January, 2013)
- 6 Mr. L.K Gupta – Jt. Managing Director & CEO (Upto 30th November, 2011)

		₹ crore	
Nature of transactions		Current Year	Previous Year
A	Transactions during the year		
1	Sale of power & Other Materials :		
	JSW Steel Limited	16.79	209.06
	JSW Power Trading Company Limited	4106.04	3,337.48
	JSW Ispat Steel Limited	922.87	172.92
	JSW Cement Limited	20.00	12.39
	Raj WestPower Limited	0.17	-
	Jaigad PowerTransco Limited	0.04	-
2	Power Conversion Charges :		
	JSW Steel Limited	157.09	116.39
3	Service Rendered :		
i.	Operator Fee from :		
	JSW Steel Limited	124.29	82.46
ii.	Project Management Fees from:		
	Raj WestPower Limited	28.75	35.35

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ crore	
Nature of transactions		Current Year	Previous Year
JSW Steel Limited		-	43.40
iii. Other Services:			
Toshiba JSW Turbine & Generator Private Limited		4.50	4.50
Raj WestPower Limited		0.20	-
4 Purchase of Fuel / Other Materials :			
JSW Steel Limited		37.56	452.10
Raj WestPower Limited		-	15.72
JSW Cement Limited		2.93	0.56
South West Mining Limited		-	0.01
Jindal Steel & Power Limited		-	3.68
JSoft Solutions Limited		0.40	-
JSL Lifestyle Limited		0.25	-
5 Rebate on Sale of Power :			
JSW Power Trading Company Limited		40.17	32.73
6 Service Received from :			
JSW Steel Limited		0.74	16.99
JSoft Solutions Limited		2.48	3.63
JSW Techno Projects Management Limited		-	32.20
South West Port Limited		1.99	7.23
JSW Jaigarh Port Limited		131.74	111.02
JSW Green Private Limited		2.08	-
Jaigad PowerTransco Limited		1.64	-
7 Interest received on overdue receivables :			
JSW Ispat Steel Limited		38.94	-
JSW Power Trading Company Limited		19.50	-
8 Interest on Loan given :			
JSW Energy Minerals Mauritius Limited		1.40	0.81
Raj WestPower Limited		133.18	40.50
South West Mining Limited		2.14	-
JSW Steel Limited (Material given on loan basis)		0.63	-
9 Rent Paid / (Received) :			
Gagan Trading Company Limited		0.82	0.66
JSW Realty & Infrastructure Private Limited		0.12	0.11
JSW Steel Limited		0.93	0.92
JSW Jaigarh Port Limited *(₹ 350)		*0.00	-
Jaigad PowerTransco Limited *(₹ 893)		*0.00	-
10 Donation / CSR Expenses :			
O.P. Jindal Foundation		0.21	0.26
JSW Foundation		0.89	0.55
11 Reimbursement receivables from/(payables to) :			
JSW Energy (Raigarh) Limited		0.13	0.94
JSW Energy (Bengal) Limited		-	0.72
Raj WestPower Limited		1.18	73.37

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ crore	
Nature of transactions	Current Year	Previous Year	
Jaigad PowerTransco Limited	1.62	2.06	
JSW Green Energy Limited *(₹ 175)	*0.00	0.33	
JSW Energy (Kutehr) Ltd *(₹ 19,967)	*0.00	-	
JSW Energy Natural Resources (BVI) Limited	-	(3.41)	
JSW Power Trading Company Limited	(5.05)	(0.10)	
JSW Steel Limited	14.46	15.09	
Barmer Lignite Mining Company Limited	-	0.06	
JSW Realty & Infrastructure Private Limited	-	0.25	
JSW Cement Limited	1.63	-	
JSW Techno Projects Management Limited	2.45	-	
JSW Jaigad Port Limited	2.98	4.13	
JSW Green Private Limited	0.01	-	
JSW Ispat Steel Limited *(₹ 36,195)	*(0.00)	-	
12 Purchase of Freehold Land :			
JSW Infrastructure Limited	0.13	0.02	
13 Trade Advance / (Refund) :			
JSW Techno Projects Management Limited	-	11.50	
JSW Realty & Infrastructure Private Limited	(20.00)	-	
JSW Jaigad Port Limited	25.00	-	
14 Security Deposit Paid / (Refund) for lease of office property :			
JSW Realty & Infrastructure Private Limited	0.29	-	
Gagan Trading Company Limited	(0.32)	(0.46)	
15 Advance Paid / (Refund) against Equity Share Capital :			
JSW Energy (Raigarh) Limited	14.19	39.16	
Jaigad PowerTransco Limited	-	(5.15)	
JSW Energy (Kutehr) Limited	0.05	-	
JSW Energy Natural Resources (BVI) Limited *(₹ 34,671)	*0.00	3.53	
Toshiba JSW Turbine & Generator Private Limited	33.25	20.00	
MJSJ Coal Limited	2.75	3.30	
16 Loan Given to / (Repaid) (net) :			
JSW Energy Minerals Mauritius Limited	44.59	62.99	
JSW Energy (Bengal) Limited	0.08	22.49	
Raj WestPower Limited	28.01	1,139.28	
JSW Green Energy Limited	(0.37)	4.78	
South West Mining Limited	68.12	-	
JSW Steel Ltd (Material given on loan)	31.80	-	
17 Investment in Equity Share Capital :			
Raj WestPower Limited	-	99.65	
Toshiba JSW Turbine & Generator Private Limited	33.25	20.00	
MJSJ Coal Limited	2.75	3.30	
Jaigad PowerTransco Limited	-	15.60	
JSW Energy (Raigarh) Limited	14.19	73.71	
JSW Energy (Kutehr) Limited	0.05	-	

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ crore	
Nature of transactions	Current Year	Previous Year	
JSW Energy Natural Resources (BVI) Ltd *(₹ 34,671)	*0.00	3.53	
18 Sale of Investment in Equity Share Capital of :			
JSW Bengal Steel Limited	-	0.04	
19 Lease Deposit from :			
Jaigad Power Transco Limited	0.50	-	
JSW Jaigarh Port Limited	1.17	-	
20 Security & Collateral Provided to :			
Raj WestPower Limited	391.66	292.82	
Jaigad PowerTransco Limited	67.38	(59.85)	
21 Provision for diminution in value of Investment :			
JSW Energy Natural Resources (BVI) Limited * (₹ 34,671)	*0.00	3.53	
B Balance at the year end :			
1 Trade (Payables) / Receivable :			
JSW Steel Limited	81.45	57.80	
JSW Power Trading Company Limited	353.48	180.62	
JSW Cement Limited	10.46	2.34	
Raj WestPower Limited	164.18	199.87	
Jaigad PowerTransco Limited *(₹ 893)	*0.00	(0.02)	
JSW Green Private Limited	(0.21)	-	
Toshiba JSW Turbine & Generator Private Limited	2.28	2.23	
JSW Energy (Raigarh) Limited	-	(0.04)	
JSW Techno Projects Management Limited	2.40	(0.12)	
JSW Jaigarh Port Limited	0.36	(6.66)	
JSW Ispat Steel Limited	558.09	136.06	
South West Port Limited	-	(0.17)	
JSL Lifestyle Limited	0.01	-	
2 Deposit With :			
JSW Steel Limited	6.49	6.49	
Gagan Trading Company Limited	12.80	13.12	
JSW Realty & Infrastructure Private Limited	8.75	8.46	
3 Lease Deposit from :			
JSW Steel Limited	0.16	0.16	
Jaigad PowerTransco Limited	0.50	-	
JSW Jaigad Port Limited	1.17	-	
4 Trade Advance paid :			
JSW Realty & Infrastructure Private Limited	30.00	50.00	
JSW Jaigad Port Limited	25.00	-	
5 Advance paid against Preference Share Capital :			
JSW Realty & Infrastructure Private Limited	0.50	0.50	
6 Advance paid for Acquisition of Office / Residential Properties :			
Windsor Residency Private Limited	75.00	75.00	
7 Investment in Equity Share Capital :			
JSW Power Trading Company Limited	70.02	70.02	

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

₹ crore		
Nature of transactions	Current Year	Previous Year
Raj WestPower Limited	1726.05	1,726.05
PT. Param Utama Jaya	17.84	17.84
Jaigad PowerTransco Limited	101.75	101.75
JSW Energy (Raigarh) Limited	107.38	93.20
JSW Energy (Kutehr) Ltd	0.05	-
JSW Green Energy Limited	0.05	0.05
JSW Energy Mineral Mauritius Limited	35.55	35.55
JSW Energy Natural Resources (BVI) Limited (fully provided for)	3.53	3.53
JSW Toshiba Turbine & Generator Private Limited	97.25	64.00
MJSJ Coal Limited	10.46	7.71
8 Investment in Preference Share Capital :		
JSW Power Trading Company Limited	132.00	132.00
JSW Realty & Infrastructure Private Limited	4.53	4.53
9 Security & Collateral Provided to :		
Raj WestPower Limited	1409.48	1,017.82
10 Loans / Advances to :		
JSW Energy Minerals Mauritius Limited	260.09	202.68
Raj WestPower Limited	1167.28	1,139.28
Jaigad PowerTransco Limited	67.38	-
JSW Green Energy Limited	4.41	4.78
JSW Energy (Bengal) Limited	80.12	80.05
South West Mining Limited	68.12	-
JSW Steel Ltd (Material given on loan)	31.80	-
11 Interest receivable on loan :		
JSW Energy Minerals Mauritius Limited	2.35	0.95
South West Mining Limited	1.93	-
C Remuneration to Key Managerial Personnel :		
Mr. Sajjan Jindal	7.25	7.15
Mr. Nirmal Kumar Jain	3.57	3.53
Mr. Sanjay Sagar	1.34	-
Mr. S.S Rao	0.06	0.78
Mr. R.R. Pillai	1.25	-
Mr. L.K Gupta	-	1.81

Notes:

- I No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables except as discussed above.
- II Related party relationships have been identified by the management and relied upon by the Auditors.

- (x) MJSJ Coal Limited has not been considered for disclosure of interest in terms with relevant Accounting Standards as the Company is not having any control over said joint venture entity.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(xi) Additional information pursuant to Revised Schedule VI to the Companies Act, 1956:

	₹ crore	
	Current Year	Previous Year
(a) C.I.F Value of Imports:		
Coal	3047.32	2,775.68
Stores & Spares	5.37	1.14
Plant & Equipment	2.93	64.32
Furniture & Fixtures	5.01	1.95

	₹ crore	
	Current Year	Previous Year
(b) Fuel consumed:		
Coal	3874.44	3,318.78
Corex Gas	-	105.22
Others	19.84	36.28
Total	3894.28	3,460.28
Imported #	99% 3874.44	94% 3,318.78
Indigenous	1% 19.84	6% 141.50
# includes materials indigenously procured		

	₹ crore	
	Current Year	Previous Year
(c) Consumption of Stores & Spares:		
Imported	12% 5.37	3% 1.14
Indigenous	88% 40.80	97% 33.04

	₹ crore	
	Current Year	Previous Year
(d) Expenditure in Foreign Currency:		
Travelling Expenses	0.76	0.34
Legal & Professional Charges	2.05	1.52
Interest & Finance Charges	39.42	7.41
Membership Fee	1.25	0.59

	₹ crore	
	Current Year	Previous Year
(e) Remittance in Foreign Currency on account of Dividend:		
Dividend to Equity Shareholders:		
Year to which the dividend relates	2011-12	2010-11
No. of Non-resident shareholders	1,461	1,507
No. of Equity shares held by them	110,902,171	110,717,216
Amount remitted (₹ crore)	5.55	11.07

(xii) The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.

(xiii) Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of JSW Energy Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of **JSW Energy Limited** ('the Parent Company'), its subsidiaries and shares in a joint venture and associate collectively referred to as 'the JSW Group', which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Profit and Loss Statement and Consolidated Cash Flow Statement of the Group for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Profit and Loss Statement, of the profit of the Group for the year then ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to paragraph below the Note 16 regarding overdue trade receivable of ₹ 5.35 crore from Karnataka Power Transmission Corporation Limited, the matter in respect of which is pending in the Honourable Supreme Court. Our report is not qualified in respect of this matter.

OTHER MATTERS

- A. (i) The financial statements of a subsidiary outside India included in the consolidated financial statements, whose financial statements reflect the total assets of ₹ 3.85 crore as at 31st March, 2013 and total revenue for the year ended 31st March, 2013 of ₹ 0.82 crore. These financial statements and other financial information have been audited by other auditors in the respective country upto 31st December, 2012 and adjustments made for the effects of significant transactions upto 31st March, 2013.
- (ii) The financial statements of certain subsidiaries in India included in the consolidated financial statements, whose financial statements reflect the total assets of ₹ 9,071.25 crore as at 31st March, 2013 and total revenue for the year ended 31st March, 2013 of ₹ 6,709.16 crore. These financial statements and other financial information have been audited by other auditors.
- (iii) The reports of those auditors have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of those auditors.
- B. (i) The financial statements of certain subsidiaries including step down subsidiaries outside India included in the consolidated financial statements, whose financial statements reflect the total assets of ₹ 1,238.96 crore as at 31st March, 2013 [Net amount on consolidation of subsidiaries and step down subsidiaries ₹ 310.07 crore as at

31st March, 2013] and total revenue for the year ended 31st March, 2013 of ₹ 86.07 crore [Net amount on consolidation of subsidiaries and step down subsidiaries for the year ended 31st March, 2013 ₹ 78.70 crore], are based on unaudited financial statements, certified by management. In respect of one of the subsidiary company which has ten step down subsidiaries, the assets and revenue mentioned above are included at its consolidation level.

- (ii) The financial statements of a joint venture in India included in the consolidated financial statements, whose financial statements reflect the total assets of ₹ 1,468.03 crore as at 31st March, 2013 and total revenue for the year ended 31st March, 2013 of ₹ 404.77 crore, are based on unaudited financial statements, certified by management.
- (iii) The financial statements of an associate included in the consolidated financial statements, whose financial statements reflect the Group's share of loss of ₹ 11.68 crore for the year ended 31st March, 2013 and Group's share of loss of ₹ 23.56 crore upto 31st March, 2013 and having a carrying value of ₹ 73.69 crore as at 31st March, 2013, are based on unaudited financial statements.
- (iv) As explained by the management, adjustments as may be required to the aforesaid financial statements are not expected to be significant and would be carried out upon completion of respective audits. Our opinion is not qualified in respect of this matter.

For **LODHA & CO.**

Chartered Accountants

ICAI Firm Registration No. 301051E

A. M. Hariharan

Partner

Place: Mumbai

Date: 3rd May, 2013

Membership No. 38323

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2013

(₹ crore)			
Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds :			
(a) Share capital	2	1,640.05	1,640.05
(b) Reserves and surplus	3	4,563.71	4,060.02
		6,203.76	5,700.07
(2) Minority Interest		45.23	50.02
(3) Non-current liabilities :			
(a) Long term borrowings	4	8,852.67	8,717.24
(b) Deferred tax liabilities (net)	26(vi)	152.42	129.16
(c) Other long term liabilities	5	1.86	1.40
(d) Long term provisions	6	30.57	28.64
		9,037.52	8,876.44
(4) Current Liabilities :			
(a) Short term borrowings	7	646.76	571.01
(b) Trade payables	8	2,567.84	2,528.87
(c) Other current liabilities	9	1,487.21	1,426.22
(d) Short term provisions	10	389.78	146.17
		5,091.59	4,672.27
TOTAL		20,378.10	19,298.80
II ASSETS			
(1) Non-current assets :			
(a) Fixed assets	11		
(i) Tangible assets		13,543.47	10,560.01
(ii) Intangible assets		351.85	384.97
(iii) Goodwill on consolidation		27.99	29.41
(iv) Capital work-in-progress		977.20	3,670.22
(v) Assets held for disposal		1.56	-
(b) Non-current investments	12	271.42	287.08
(c) Long term loans and advances	13	1,399.22	1,306.79
(d) Other non-current assets	14	67.69	49.07
		16,640.40	16,287.55
(2) Current assets :			
(a) Current investments	15	683.56	210.02
(b) Inventories	16	441.47	765.84
(c) Trade receivables	17	1,848.74	1,063.98
(d) Cash and bank balances	18	398.98	668.57
(e) Short term loans and advances	19	223.97	181.61
(f) Other current assets	20	140.98	121.23
		3,737.70	3,011.25
TOTAL		20,378.10	19,298.80
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 26		

As per our attached report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**

Chartered Accountants

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

A. M. HARIHARAN

Partner

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)			
Particulars	Note	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I Revenue from operations	21	8,934.30	6,118.82
II Other income	22	213.43	146.62
III Total Revenue (I + II)		9,147.73	6,265.44
IV Expenses:			
Cost of fuel		4,295.92	3,654.11
Purchase of power / solar panels		1,148.21	358.26
Increase in banked energy / Inventory		(2.56)	(2.68)
Employee benefits expense	23	126.76	90.47
Finance costs	24	962.79	717.24
Depreciation and amortisation expense		661.53	503.34
Other expenses	25	572.78	570.89
Total Expenses		7,765.43	5,891.63
V Profit before exceptional item and tax (III-IV)		1,382.30	373.81
VI Exceptional item - Net foreign exchange loss	26(x)(i)	196.59	161.27
VII Profit before tax (V-VI)		1,185.71	212.54
VIII Tax Expenses:			
Current tax		243.92	68.97
Deferred tax		29.39	(27.06)
		273.31	41.91
IX Profit for the year before share of loss of Associates and Minority Interest (VII-VIII)		912.40	170.63
X Share of loss of Associate Company		11.68	-
XI Minority Interest		(2.93)	0.58
XII Profit for the year		903.65	170.05
XIII Earnings per share of face value of ₹10 each (Basic & Diluted)	26(ix)	5.51	1.04
Significant Accounting Policies	1		
Notes forming integral part of the financial statements	2 - 26		

As per our attached report of even date

For and on behalf of the Board of Directors

For **LODHA & CO.**
Chartered Accountants

NIRMAL KUMAR JAIN
Vice Chairman

SAJJAN JINDAL
Chairman and Managing Director

A. M. HARIHARAN
Partner

SAMPATH MADHAVAN
Company Secretary

PRAMOD MENON
Director-Finance

SANJAY SAGAR
Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,185.71	212.54
Adjusted for:		
Depreciation	661.53	503.34
Interest Income	(101.78)	(70.10)
Dividend Income	(5.25)	(8.58)
Expense on Employee Stock Option Scheme	0.01	0.70
Loss on sale / discard of Fixed Assets	7.68	0.16
Unrealised Foreign Exchange (Gain) / Loss	8.89	123.67
Finance Costs	962.79	717.24
	1,533.87	1,266.43
Operating profit before working capital changes	2,719.58	1,478.97
Adjustments for:		
Trade and Other Receivables	(784.76)	(411.48)
Trade Payables including Advance received from customers	(31.21)	1,491.12
Loans & Advances	(195.80)	(216.31)
Inventories	324.37	(231.04)
	(687.40)	632.29
Cash generated from operations	2,032.18	2,111.26
Direct Taxes Paid (Net)	(262.68)	(82.58)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,769.50	2,028.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Pre-operative Expenses	(978.25)	(1,883.25)
Interest Income	96.84	91.31
Dividend Income	5.25	8.58
Investments (including advance against share capital) in :		
Associates / Joint Ventures	(36.00)	(23.30)
Investment in Own Debentures	(83.57)	(24.25)
Others	-	(0.64)
Sale of Fixed Assets	6.74	11.38
NET CASH USED IN INVESTING ACTIVITIES	(988.99)	(1,820.17)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net)	381.86	357.06
Finance Costs	(970.97)	(719.62)
Dividend Paid (includes tax on dividend)	(95.30)	(190.62)
NET CASH USED IN FINANCING ACTIVITIES	(684.41)	(553.18)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	96.10	(344.67)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	875.55	1,220.22
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	971.65	875.55

Notes :

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- Cash and cash equivalents includes ₹575.74 crore (Previous Year ₹210.02 crore) being current investments in Mutual Funds & Certificate of Deposits.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For and on behalf of the Board of Directors

For LODHA & CO.

Chartered Accountants

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

A. M. HARIHARAN

Partner

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Overview of the Group

JSW Energy Limited (the Parent company), its Subsidiaries, Associates and Joint Venture Entities, collectively is referred to as 'the Group'. The Group is primarily engaged in the business of generation and transmission of power, operation & maintenance of power plants, power trading including coal/lignite mining.

1.2 Significant accounting policies followed by the Group:

(a) Basis of preparation

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard (AS) 21-“Consolidated Financial Statements”, Accounting Standard (AS) 23 – “Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard (AS) 27 – “Financial Reporting of Interests in Joint Ventures”, prescribed by the Company's (Accounting Standards) Rules, 2006.

(b) Principles of Consolidation

(i) The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements”. The financial statements of the Parent Company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits/losses on

intra-group transactions, and are presented to the extent possible, in the same manner as the Parent Company's independent financial statements.

Associates are consolidated by adopting the equity method of accounting whereby the carrying amount of the investment is adjusted for the post acquisition change in the investor's share of net assets of the investee.

Investments in Joint Ventures are consolidated using proportionate consolidation method on a line-by-line basis, after eliminating intra-group balances and unrealized profits and losses resulting from transactions between the Company and the Joint Venture Companies to the extent of Company's share in the Joint Ventures.

As far as possible, the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(ii) Goodwill /Capital Reserve on consolidation

The excess of cost to the Parent company of its investment in Subsidiary Companies, Joint Ventures and Associate Companies over the Parent's portion of equity, at the date on which investment in Subsidiaries, Joint Ventures and Associate Companies is made, is recognized as Goodwill in the Consolidated Financial Statements. When the cost to the Parent Company is less than the Parent's portion of equity, the difference is recognized in the financial statements as Capital Reserve.

(iii) Companies included in Consolidation

	Country of Incorporation	Shareholding either directly or through subsidiaries/ associates as at	
		31st March, 2013	31st March, 2012
On the basis of audited financial statements:			
Subsidiaries:			
JSW Power Trading Company Limited (JSWPTCL)	India	100.00%	100.00%
Jaigad PowerTransco Limited (JPTL)	India	74.00%	74.00%
Raj WestPower Limited (RWPL)	India	100.00%	100.00%
JSW Energy (Raigarh) Limited (JSWRL)	India	100.00%	100.00%
JSW Green Energy Limited (JSWGEL)	India	100.00%	100.00%
JSW Energy (Kutehr) Limited (JSWEKL)	India	100.00%	-
P.T Param Utama Jaya (PTPUJ)	Indonesia	100.00%	100.00%
JSW Energy Minerals Mauritius Limited (JSWEMML)	Mauritius	100.00%	100.00%
JSW Energy Natural Resources Mauritius Limited (JSWNRML)	Mauritius	100.00%	100.00%
JSW Energy Natural Resources (BVI) Limited (JSWNRBL)	British Virgin Islands	100.00%	100.00%
On the basis of unaudited financial statements, certified by the Management :			
Subsidiaries :			
JSW Energy Natural Resources South Africa (Pty) Limited (JSWENRSAL)	South Africa	100.00%	100.00%
Royal Bafokeng Capital (Pty) Limited (RBC)	South Africa	100.00%	100.00%
Mainsail Trading 55 Proprietary Limited (MTPL)	South Africa	100.00%	100.00%
South African Coal Mining Holdings Limited (SACMH)	South Africa	93.27%	93.27%
Ilanga Coal Mines Proprietary Limited	South Africa	93.27%	93.27%
Jigmining Operations No 1 Proprietary Limited	South Africa	93.27%	93.27%
Jigmining Operations No 3 Proprietary Limited	South Africa	93.27%	93.27%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

	Country of Incorporation	Shareholding either directly or through subsidiaries/associates as at	
		31st March, 2013	31st March, 2012
SACM (Breyten) Proprietary Limited	South Africa	93.27%	93.27%
SACM (Newcastle) Proprietary Limited	South Africa	93.27%	93.27%
South African Coal Mining Equipment Company Proprietary Limited	South Africa	93.27%	93.27%
South African Coal Mining Operations Proprietary Limited	South Africa	93.27%	93.27%
Umlabu Colliery Proprietary Limited	South Africa	93.27%	93.27%
Voorslag Coal Handling Proprietary Limited	South Africa	93.27%	93.27%
Yomhlaba Coal Proprietary Limited	South Africa	93.27%	93.27%
Joint Venture Companies:			
Barmer Lignite Mining Company Limited (BLMCL)	India	49.00%	49.00%
Associates:			
Toshiba JSW Turbine & Generator Private Limited (TJTGPL)	India	22.46%	-

- (iv) MJSJ Coal Limited has been excluded from consolidation and for disclosure of interest in accordance with relevant accounting standard, as the group does not have any control over the said Joint Venture entity.

(c) General

- The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern.
- All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
- The preparation of financial statements, are in conformity with generally accepted accounting principles (GAAP), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.
- All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

(d) Revenue Recognition

- Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Revenue from sale of power / coal / other items is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract. Power supplied under banking arrangements is accounted as per terms of agreements. Quantity of power banked is recorded as a loan transaction valued at cost or net realizable value whichever is lower and recognised as revenue when the same is returned and sold to an ultimate customer.

- Transmission Income is accounted for on accrual basis for the period of operation of the transmission line computed based as per Maharashtra Electricity Regulatory

Commission (Multi Year Tariff) Regulation 2011, effective from 1st April, 2012, as applicable for tariff block 2012-16. As per the MERC Regulations, transmission income has been computed by taking the total costs, contingency provision and Return on Equity (ROE) @ 15.5% on post-tax basis and after grossing up with the applicable income taxes for the purpose of revenue. The difference between the total annual revenue recognized as aforesaid and the annual revenue as approved by MERC in respect of the ARR/ Truing Up Petitions filed by the Company is adjusted/recognized during the accounting period in which the ARR approval or approval for the Truing Up Petition, as the case may be is received from MERC.

- Revenue from construction contracts is recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contract costs comprise all costs that relate directly to the specified contract, incidental costs attributable to the contract including allocated overheads and warranty costs.

- Operator fees and other income are accounted on accrual basis as and when the right to receive arises.

(e) Fixed Assets

Tangible Assets:

Fixed assets are recorded at cost which includes all direct and indirect expenses up to the date of acquisition, installation or the commencement of commercial operations.

In case of commissioned assets, work against deposits/works contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on a provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered "put to use", for the purpose of capitalization, after

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

test charging / successful commissioning of the system / assets and on completion of stabilization period wherever technically required.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalized as part of construction cost. Income, if any, earned during the construction period is reduced from construction cost.

Intangible Assets:

An item is recognised as an intangible asset if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to the Company and the cost of the asset can be reliably measured.

(f) Capital Work-in-progress (CWIP)

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP on the basis of the closing balance of specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance / receipt of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the Fixed Asset is charged off to profit and loss statement in the year in which they are incurred.

(g) Depreciation and amortization

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 or as notified by Central Electricity Regulatory Commission (CERC), whichever is higher.

Assets held under Finance lease are depreciated over their expected useful life or where shorter, the term of the relevant lease.

In case of foreign subsidiaries, depreciation is charged on a systematic basis over the estimated useful lives of the assets, after taking into account the estimated residual value of the assets. Mineral rights are amortized on a straight line basis over its estimated useful life.

Lease Improvement Costs are amortized over the period of the lease. Leasehold Land acquired by the Group, with an option in the lease deed, entitling the Group to purchase on outright basis after a certain period at no additional cost is not amortized.

Surface Rights on Land and Rights under the Implementation and Joint venture agreement are amortised on the basis of lignite actually extracted during the year as a proportion to the estimated quantity of extractable mineral reserves.

(h) Provision for Mine closure charges and Decommissioning and environmental rehabilitation

i) The Group's Joint Venture Company provides for Annual mine closure cost based on the Guidelines for preparation of Mine Closure Plan issued by the Ministry of Coal, Government of India.

ii) In case of a foreign subsidiary, provision is made for environmental rehabilitation and decommissioning costs where either a legal or constructive obligation is recognized as a result of past events. Estimates are based upon costs that are regularly reviewed and adjusted as appropriate for new circumstances.

Provisions are raised in the rehabilitation provision, operated in accordance with the statutory requirements, to provide for the estimated cost of pollution control and rehabilitation during and at the end of the life of the mine.

The long term obligation resulting from environmental disturbances associated with the Group mining operations estimates are determined by independent environmental specialists in accordance with environmental regulations and valued over the expected period of the programme.

(i) Borrowing Costs

i) Borrowing Costs directly attributable to the acquisition or construction of qualifying assets as defined in Accounting Standard -16 on "Borrowing Costs" are capitalized as part of borrowing cost of such asset up to the date when such asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. The borrowing cost eligible for capitalization is netted off against any income arising on temporary investment of those borrowings. The capitalization of the borrowing costs shall cease when substantially all activities necessary to prepare the qualifying asset for its intended use are completed.

ii) Expenses incurred in connection with the arrangement of Borrowings are written off over the period of the borrowing.

iii) Other borrowing costs are charged to revenue.

(j) Investments

Long term Investments are stated at cost. In case of a decline, other than temporary, in the value of any investments, a provision is made for the same.

Current investments are stated at lower of cost and fair value.

(k) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the weighted average basis for valuation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stocks are duly provided for.

(l) Foreign Currency Transactions

Foreign Currency transactions are initially recorded at the exchange rates prevailing on the date of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

transaction. Foreign Currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date.

All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognized in the Profit and Loss Statement.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standard) (Second Amendment) Rules 2011, wherein:

- a) Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and the charge of depreciation is accordingly increased/reduced.
- b) In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term assets / liabilities.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, the income and expense items of the subsidiary company are translated at average exchange rates and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

All other exchange differences are dealt with in the profit and loss statement

(m) Employee benefits

Retirement benefits in the form of Provident Fund and Family pension Scheme are defined contribution schemes and the contributions are charged to the profit and loss statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value method of accounting for stock options. The compensation expense is amortised uniformly over the vesting period of the option.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided

for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains / losses are immediately taken to profit and loss statement and are not deferred.

(n) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain as the case may be, to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid under the Income Tax Act, 1961 based on convincing evidence that the Group will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(o) Provisions and Contingent Liabilities

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date when;

- a) The group has a present obligation as a result of a past event
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can reliably be estimated.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.
- b) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the enterprise.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 2 SHARE CAPITAL		
Authorised:		
5,000,000,000 (Previous Year 5,000,000,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
Issued, Subscribed and Paid-up:		
1,640,054,795 (Previous Year 1,640,054,795) Equity Shares of ₹ 10 each	1,640.05	1,640.05
	1,640.05	1,640.05

a) Reconciliation of the number of shares outstanding at the beginning and end of the year:

(No. of Shares)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Balance as at the beginning of the year	1,640,054,795	1,640,054,795
Issued during the year	-	-
Balance as at the end of the year	1,640,054,795	1,640,054,795

b) Terms & Rights attached to equity shares :

- The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exists currently.

c) Details of shareholding more than 5% :

(No. of Shares)		
Name of the Companies	As at 31st March, 2013	As at 31st March, 2012
1. JSW Investments Private Limited	536,201,147	536,201,147
	32.69%	32.69%
2. Sun Investments Private Limited	270,892,170	270,892,170
	16.52%	16.52%
3. Vrindavan Services Private Limited	110,146,190	110,146,190
	6.72%	6.72%

d) Aggregate number of Bonus shares issued and shares issued for consideration other than cash during the last five years :

(No. of Shares)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
(i) Equity Shares issued as fully paid bonus shares by Capitalisation of General Reserve and Surplus in Profit and Loss statement	819,856,914	987,812,147
(ii) Equity Shares allotted pursuant to the scheme of Amalgamation without consideration being received in cash	31,816,044	31,816,044

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 3 RESERVES AND SURPLUS		
Debenture Redemption Reserve:		
Balance as at the beginning of the year	325.85	186.37
Add: Additions during the year	135.23	139.48
Balance as at the end of the year	461.08	325.85
Capital Reserve:		
Balance as at the beginning of the year	-	26.87
Less: Adjusted against Goodwill	-	26.87
Balance as at the end of the year	-	-
General Reserve:		
Balance as at the beginning of the year	91.49	91.49
Add : Additions during the year	74.48	-
Balance as at the end of the year	165.97	91.49
Securities Premium Account:		
Balance as at the beginning of the year	2,380.81	2,387.43
Less: Debenture issue expenses	-	6.62
Balance as at the end of the year	2,380.81	2,380.81
Share Options Outstanding Account [Refer Note 26 (v) (b)]:		
Balance as at the beginning of the year	2.90	2.20
Add: Additions during the year	0.01	0.70
Balance as at the end of the year	2.91	2.90
Foreign Currency Translation Reserve:		
Balance as at the beginning of the year	(15.32)	3.05
Add: Additions during the year	11.58	(18.37)
Balance as at the end of the year	(3.74)	(15.32)
Foreign Currency Monetary Item Translation Difference Account:		
Additions during the year	(17.07)	-
Less: Amortized during the year	(1.16)	-
Balance as at the end of the year	(15.91)	-
Contingency Reserve:		
Balance as at the beginning of the year	1.86	0.90
Add: Additions during the year	1.39	0.96
Balance as at the end of the year	3.25	1.86
Surplus:		
Balance as at the beginning of the year	1,272.43	1,338.12
Add: Profit for the year	903.65	170.05
Less: Share of Loss of Associate upto previous year	11.88	-
Less: Transfer to Debenture Redemption Reserve	135.23	139.48
Less: Transfer to Contingency Reserve	1.39	0.96
Less: Transfer to General Reserve	74.48	-
Less: Proposed dividend @ ₹ 2 per share (Previous Year ₹ 0.50 per share)	328.01	82.00
Less: Dividend Distribution Tax	55.75	13.30
Balance as at the end of the year	1,569.34	1,272.43
	4,563.71	4,060.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)				
Particulars	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2012
	Non - Current	Current	Non - Current	Current
Note 4 LONG TERM BORROWINGS				
Secured Loans				
1) Debentures:				
a) 12,000 (Previous Year 12,000) 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	1,200.00	-	1,200.00	-
b) 22,800 (Previous Year 24,000) Ranging from 9.05% to 9.75% Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	2,040.00	240.00	2,280.00	120.00
c) Nil (Previous Year 140) 20% Secured Redeemable Non-Convertible Debentures of ₹ 100 lakhs each	-	-	-	1.48
2) Term Loans:				
a) Banks	4,561.47	536.15	4,169.13	435.41
b) Financial Institutions	977.25	95.16	1,011.76	113.19
c) Foreign Currency Term Loan from Bank (ECB)	50.94	5.66	22.05	2.20
Total Secured Loans	8,829.66	876.97	8,682.94	672.28
Unsecured Loans				
1) Term Loans:				
a) Banks	13.68	-	23.18	-
b) Finance Lease Obligations	-	0.15	0.66	1.44
c) Other parties	0.58	-	0.58	-
2) Other Loans & Advances:				
Other Loans	8.75	-	9.88	32.72
Total Unsecured Loans	23.01	0.15	34.30	34.16
	8,852.67	877.12	8,717.24	706.44

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 5 OTHER LONG TERM LIABILITIES		
Payables (Capital Goods / Projects)	-	0.89
Other payables:		
Security deposits	1.86	0.51
	1.86	1.40

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 6 LONG TERM PROVISIONS		
Employee benefits	6.20	3.28
Provision for Rehabilitation [Refer Note 1.2 (h)]	24.37	25.36
	30.57	28.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 7 SHORT TERM BORROWINGS		
Secured Loans		
Term Loans:		
Financial Institutions	50.00	-
Other Loans & Advances:		
Working Capital Loan from Banks	209.42	63.28
Unsecured Loans		
Term Loans:		
a) Banks	387.34	407.73
b) Financial Institutions	-	100.00
	646.76	571.01

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 8 TRADE PAYABLES		
Acceptances	1,696.05	2,116.50
Trade Payables	871.79	412.37
	2,567.84	2,528.87

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 9 OTHER CURRENT LIABILITIES		
Current maturities of long term debentures and term loans	877.12	706.44
Interest accrued but not due on borrowings	24.94	33.12
Advances from customers	2.07	2.02
Unclaimed dividend	0.26	0.19
Unclaimed share application money refunds	0.03	0.07
Payables and Acceptances (Capital Goods / Projects)	532.92	624.89
Other payables:		
Statutory dues	18.03	25.92
Employee benefit expenses payable	17.84	15.32
Security deposits	1.16	1.48
Others	12.84	16.77
	1,487.21	1,426.22

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 10 SHORT TERM PROVISIONS		
Employee Benefits	4.23	2.49
Provision for Mine closure charges and Rehabilitation [Refer Note 1.2 (h)]	1.73	12.85
Provision for purchase of power under banking	-	31.10
Proposed Dividend	328.01	82.00
Dividend Distribution Tax	55.75	13.30
Other provisions	0.06	4.43
	389.78	146.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Gross Block				Depreciation / Amortisation		Net Block	
	As at 1st April, 2012	Additions	Deductions	As at 31st March, 2013	Upto 31st March, 2012	For the year March, 2013	As at 31st March, 2013	As at 31st March, 2012
Note 11 FIXED ASSETS								
A. Tangible								
Leasehold Land [Refer note (a) below]	15.30	0.38	-	15.68	-	0.04	15.64	15.30
Freehold Land [Refer note (b) below]	125.13	13.58	1.00	137.71	-	-	137.71	125.13
Buildings	959.43	455.94	6.46	1408.91	44.84	40.23	1,325.02	914.59
Plant and Equipment [Refer note (c) below]	10,864.71	3,205.16	50.14	14,019.73	1,389.78	600.33	12,036.70	9,474.93
Plant and Equipment - under lease	11.50	-	2.20	9.30	6.27	3.75	-	5.23
Office Equipment	9.90	2.68	0.45	12.13	4.32	1.00	7.19	5.58
Furniture and Fixtures	14.34	4.87	0.52	18.69	3.85	1.50	13.52	10.49
Motor Vehicles	10.37	0.56	0.44	10.49	2.18	1.04	7.40	8.19
Leasehold Improvements	1.84	-	-	1.84	1.27	0.28	0.29	0.57
Total	12,012.52	3,683.17	61.21	15,634.48	1,452.51	648.17	13,543.47	10,560.01
B. Intangible								
Specialised Softwares	8.41	0.15	-	8.56	5.35	1.39	1.82	3.06
Membership-Power Trading Exchanges	0.33	-	-	0.33	0.33	-	-	-
Mineral Rights	261.27	1.03	31.01	231.29	20.40	7.01	206.22	240.87
Rights under the Implementation and JV Agreement	1.67	-	-	1.67	0.02	0.07	1.58	1.65
Surface Rights	142.61	8.33	-	150.94	3.22	5.49	142.23	139.39
Total	414.29	9.51	31.01	392.79	29.32	13.96	351.85	384.97
C. Assets Under Disposal								
Plant and Equipment	-	1.56	-	1.56	-	-	1.56	-
Total	-	1.56	-	1.56	-	-	1.56	-
Total (A+B+C)	12,426.81	3,694.24	92.22	16,028.83	1,481.83	662.13	13,896.88	10,944.98
Previous Year								
A. Tangible	7,137.20	4,887.17	11.85	12,012.52	958.65	494.17	10,560.01	
B. Intangible	260.96	153.33	-	414.29	18.07	11.25	384.97	
Total (A+B)	7,398.16	5,040.50	11.85	12,426.81	976.72	505.42	10,944.98	

- Includes Leasehold Land acquired by the Group under lease deed entitles the Group to exercise the option to purchase on an outright basis after 10 years from the date of lease and there will be no further consideration payable at the time of conversion of the same from leasehold to freehold.
- Group has leased 1.18 acres (Previous Year 1.18 acres) of land amounting to ₹ 0.35 crore (Previous Year ₹ 0.35 crore) to a related party for 99 years, with an option to purchase the same after 10 years.
 - The Group has leased land measuring 12.75 acres (Previous Year Nil) amounting to ₹ 1.17 crore (Previous Year Nil), 3.325 acres (Previous Year Nil) amounting to ₹ 0.50 crore (Previous Year Nil) and 35 acres (Previous Year 35 acres) amounting to ₹ 0.16 crore (Previous Year ₹ 0.16 crore) to related parties for a period of 50 years, 25 years and 28 years respectively.
 - Includes Gross Block ₹ 28.00 crore (Previous Year ₹ 28.00 crore); Net block ₹ 100 (Previous Year ₹ 100) towards Group's share of Water Supply System constructed on land not owned by the Group, written off over a period of 10 years from 1st April 2000.
 - Additions include Borrowing costs of ₹ 655.58 crore (Previous year ₹ 872.91 crore) and foreign exchange loss of ₹ 49.75 crore (Previous Year ₹ 17.06 crore) .

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FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 11 FIXED ASSETS (Contd.)		
Capital work-in-progress and pre-operative expenditure during construction period and trial run production (Pending allocation)		
Plant and Equipment under installation	2,724.35	5,383.77
Rights under the Implementation and Joint Venture Agreement	3.33	5.00
Building Under Construction (50% share in property located in Mumbai jointly owned with a related party)	484.65	428.57
Civil Works	47.08	357.85
	3,259.41	6,175.19
Less: Amount Transferred to Fixed Assets	2,569.84	3,414.59
Sub Total (A)	689.57	2,760.60
Pre-Operative expenditure during construction period and trial run		
Opening Balance	909.62	1,499.21
Power, Water and Fuel	27.31	69.71
Employees Cost	10.42	16.82
Insurance	5.28	3.12
Rent, Rates and Taxes	2.60	1.28
Legal and Professional Expenses	6.27	3.48
Travelling and Conveyance	3.17	4.23
Project Management Expenses	32.30	41.15
Other Expenses	11.89	11.71
Finance Costs	234.78	429.77
Foreign Exchange Loss / (Gain)	24.32	79.57
CSR Expenses	0.30	0.34
Material Handling Charges	5.72	4.98
Postage and Telephone Expenses	0.03	0.04
Printing and Stationery	0.01	0.01
Security Expenses	0.80	1.18
Right of Way Expenses	-	14.38
Terminal Bay Construction Expenses	-	12.71
Compensatory afforestation expenses	10.77	-
Catchment area treatment expenses	45.00	-
Local area development expenses	7.56	-
Overhead Line Diversion Expenses	-	0.81
Depreciation	0.58	0.50
	1,338.74	2,195.00
Less : Revenue from Sale of Power	17.32	10.17
Less : Interest Income	3.84	8.36
Less : Profit from Sale of Current Investments	-	4.62
	1,317.58	2,171.85
Less: Transfer to Barmer Lignite Mining Company Limited	-	0.80
Less: Amount Transferred to Fixed Assets	1,029.95	1,260.21
Less: Amount Transferred to Profit and Loss Statement	-	1.22
Sub Total (B)	287.63	909.62
Total (A+B)	977.20	3,670.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 12 NON-CURRENT INVESTMENTS		
Long Term		
A) Trade Investments		
Investments in Equity Shares (Quoted) :		
7,003,835 (Previous Year 7,003,835) Equity Shares of ₹ 10 each fully paid up of JSW Steel Limited - Related party	151.70	151.70
	151.70	151.70
Investments in Equity Shares (Unquoted) :		
Joint Venture Company		
a. 10,461,000 (Previous Year 7,711,000) Equity Shares of ₹ 10 each fully paid up of MJSJ Coal Limited	10.46	7.71
b. Nil (Previous Year 64,000,000) Equity Shares of ₹ 10 each fully paid up of Toshiba JSW Turbine & Generator Private Limited	-	64.00
Associate Company		
97,250,000 (Previous Year Nil) Equity Shares of ₹ 10 each fully paid up of Toshiba JSW Turbine & Generator Private Limited	73.69	-
Other Companies		
a. 1,250,000 (Previous Year 1,250,000) Equity Shares of ₹ 10 each fully paid up of Power Exchange India Limited	1.25	1.25
b. 5,000 (Previous Year 5,000) Equity Shares of Rand 10,100 each fully paid up of Richard Bay Coal Terminal Company Limited	29.78	33.63
	115.18	106.59
Investments in Preference Shares (Unquoted) :		
453,000 (Previous Year 453,000) 10% Redeemable Non - Cumulative Preference Shares of ₹ 100 each fully paid up of JSW Realty & Infrastructure Private Limited - Related Party	4.53	4.53
	4.53	4.53
Total Trade Investments	271.41	262.82
B) Other Investments		
Government and trust securities		
6-Year National Savings Certificate (Pledged with Commercial Tax Department)	0.01	0.01
Investments in Own Debentures: (Quoted)		
Nil (Previous Year 250) Secured Redeemable Non- Convertible Debenture of ₹ 10 lakhs each of the Company	-	24.25
Total Other Investments	0.01	24.26
Total Investments (A + B)	271.42	287.08
Aggregate amount of Quoted Investments	151.70	175.95
Aggregate amount of Unquoted Investments	119.72	111.13
Aggregate Market Value of Quoted Investments	470.90	379.48

Basis of Valuation : Refer Note 1.2 (j)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 13 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances – Related Parties	75.00	75.00
Capital Advances – Others	540.00	581.56
Deposits :		
Deposits with Government / Semi-Government Authorities	12.74	12.20
Deposits towards Property / Equipment	58.37	58.52
Other deposits	0.81	0.85
Loans and advances to:		
Joint Venture Company		
- Subordinate Debt	187.98	184.43
- Other related parties	148.24	80.05
Other Loans and Advances [Refer Note 26 (vii)]	148.99	105.84
Minimum alternate tax credit entitlement	128.09	114.48
Advance tax and tax deducted at source (Net of Provision of ₹ 543.79 crore; Previous Year ₹ 532.28 crore)	99.00	93.86
	1,399.22	1,306.79

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 14 OTHER NON CURRENT ASSETS		
Interest Receivable from Joint Venture	67.69	49.07
	67.69	49.07

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 15 CURRENT INVESTMENTS		
Details of Investments:		
A) Investments in Own Debentures (Quoted) :		
1,100 (Previous Year Nil) Secured Redeemable Non- Convertible Debenture of ₹ 10 lakhs each of the Company	107.82	-
	107.82	-
B) Investment in Certificate of Deposits (Quoted) :		
a) 2,500 (Previous Year Nil) Certificate of Deposit of ₹ 1 lakhs each of Vijaya Bank	24.56	-
b) 5,000 (Previous Year Nil) Certificate of Deposit of ₹ 1 lakhs each of Corporation Bank	46.10	-
	70.66	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ crore)	
Particulars		As at 31st March, 2013	As at 31st March, 2012
Note 15 CURRENT INVESTMENTS (Contd.)			
C) Investment in Mutual Funds (Unquoted, fully paid) :			
	No. of Units	Face Value ₹	
a) Birla Sun Life Mutual Fund			
Birla Sunlife Cash Plus Growth	8,903,493	100	167.05
Birla Sun life Floating Rate Fund STP IP Growth	(3,514,967)	100	-
b) Reliance Mutual Fund			
Reliance Liquid Fund TP IP Growth	303,278	1000	86.39
Reliance Liquid Fund- Treasury Plan- Daily Dividend Option	492,600	1000	75.31
c) IDFC Mutual Fund			
IDFC Ultra Short Term Growth	15,360,889	10	25.00
d) Kotak Mutual Fund			
Kotak Floater Short Term Growth	117,188	1000	22.50
e) Baroda Pioneer Mutual Fund			
Baroda Pioneer Liquid Fund Growth	272,338	1000	36.50
f) UTI Mutual Fund			
UTI Floating Rate Fund STP Growth (UST)	133,590	1000	25.00
g) Axis Mutual Fund			
Axis Liquid Fund IP Growth	(168,598)	1000	-
h) IDBI Mutual Fund			
IDBI Liquid Fund Growth	79,523	1000	10.00
	(217,423)		25.00
i) ICICI Prudential Mutual Fund			
ICICI Prudential Liquid-Regular Plan- Daily Dividend	1,732,947	100	17.33
ICICI Prudential Money Market Fund Cash option Growth	(3,372,076)	100	-
j) Tata Mutual Fund			
Tata Liquid Fund SHIP Growth	(202,068)	1000	-
k) SBI Mutual Fund			
SBI Premium Liquid Fund Super IP Growth	217,179	1000	40.00
	(148,407)		25.00
Total Investments in Mutual Funds		505.08	210.02
Total Current Investments (A + B + C)		683.56	210.02
Aggregate amount of Quoted Investments		178.48	-
Aggregate amount of Unquoted Investments		505.08	210.02
Aggregate Market Value of Quoted Investments		178.73	-
Aggregate Repurchase value of Units of Mutual Funds		506.07	210.19

Basis of Valuation : Refer Note 1.2 (j)

(Figures in bracket relates to previous year)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 16 INVENTORIES		
Stock of Fuel (including in transit ₹ 160.94 crore; Previous Year ₹ 267.75 crore)	335.85	699.92
Traded Goods	1.93	2.68
Stores and Spares (including in transit ₹ 3.88 crore; Previous Year ₹ 4.31 crore)	103.69	63.24
	441.47	765.84

Basis of Valuation : Refer Note 1.2 (k)

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 17 TRADE RECEIVABLES		
Unsecured, Considered good :		
Outstanding for a period exceeding six months from the due date #	55.46	80.75
Outstanding for a period not exceeding six months from the due date	1,793.28	983.23
	1,848.74	1,063.98

The Group was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August, 2000. The Group's appeal against the said Order has been decided in favour of the Group by the Honourable Karnataka High Court vide its Order dated 8th April, 2004. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Honourable Karnataka High Court. As against the outstanding amount of ₹105.35 crore, in terms of the interim order dated 23rd January, 2007 of Honourable Supreme Court, KPTCL paid ₹100.00 crore against bank guarantee provided by the Group. The balance amount of ₹ 5.35 crore (Previous Year ₹ 5.35 crore) due from KPTCL is included in Trade Receivables and considered as good and recoverable.

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 18 CASH AND BANK BALANCES		
Cash and Cash Equivalents :		
In current accounts	156.83	42.22
Bank Deposits	239.05	623.22
Cash on Hand	0.03	0.07
Cheques on hand * (₹ 20,362)	* 0.00	0.02
Total	395.91	665.53
Others		
Unpaid Dividends	0.26	0.19
Unclaimed share application money refunds	0.03	0.07
Margin Money Accounts	2.78	2.78
Total	3.07	3.04
	398.98	668.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 19 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits :		
Deposits with Government/Semi Government Authorities	48.32	7.18
Other deposits	4.91	2.15
Loans and advances to :		
Joint Venture	2.75	2.20
Other Related parties		
- Advance against Preference Share Capital	0.50	0.50
- Other Advances	64.20	50.06
Inter Corporate Deposits	75.00	75.00
Other Loans and Advances	28.29	44.52
	223.97	181.61

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Note 20 OTHER CURRENT ASSETS		
Revenue Receivable (Pending approval of Tariff by MERC)	115.54	111.97
Interest Accrued on Deposits	11.38	8.37
Insurance Claim Receivable	-	0.17
Receivable from Other Related Parties	8.31	-
Interest Accrued on Loan to Associates	1.93	-
Others	3.82	0.72
	140.98	121.23

(₹ crore)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 21 REVENUE FROM OPERATIONS		
Sale of Power - Own Generation	7,305.05	5,178.67
Sale of Power - Power Traded	1,162.05	358.74
Power Conversion Charges	157.09	116.39
Income from Transmission	90.63	94.21
Sale of Coal	67.05	232.19
Sale of Solar Panels	0.36	0.68
Sale of services:		
- Operator Fee	124.29	82.45
- Project Management Fee	-	43.40
- Other Services	5.21	6.08
Other Operating Income	22.57	6.01
	8,934.30	6,118.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 22 OTHER INCOME		
Interest income	101.78	70.10
Dividend Income from Long term investments	5.25	8.58
Dividend Income from Current investments	1.96	-
Net gain on sale of current investments	44.88	49.76
Other non-operating income :		
Claims received from Vendors	40.88	-
Miscellaneous income	18.68	18.18
	213.43	146.62

(₹ crore)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 23 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	113.23	79.28
Contribution to Provident fund and other funds	5.26	3.97
Expense on Employee Stock Option Scheme [Refer Note 26 (vi) (b)]	0.01	0.70
Workmen and staff welfare	8.26	6.52
	126.76	90.47

(₹ crore)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 24 FINANCE COSTS		
Interest expenses	930.72	695.87
Finance Charges	32.07	21.37
	962.79	717.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ crore)		
Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 25 OTHER EXPENSES		
Water and Power	56.57	30.47
Rent	3.72	3.52
Rates and taxes	22.73	9.15
Insurance	15.44	15.25
Consumption of stores and spares	72.85	49.69
Repairs and Maintenance expenses:		
- Repairs to buildings	1.71	0.44
- Repairs to machinery	94.55	67.05
- Repairs - Others	19.67	14.62
Legal and professional charges	10.14	18.05
Travelling and Conveyance	10.13	6.86
Loss on sale / discard of fixed assets (net)	7.68	0.16
Cash Discount	64.24	61.69
Project Management Expenses other than Employees cost	-	3.58
Mining Expenses	80.30	250.73
Coal Inventory Written Off	14.09	-
Exchange Commission	11.16	3.04
Open Access Charges	55.58	11.25
General expenses	32.23	25.34
	572.78	570.89

Note 26

(i) (a) Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ crore)		
Particulars	Current Year	Previous Year
Bank Guarantees Outstanding	115.95	120.90
Disputed Income Tax matters (excluding additional interest, if any)	122.73	78.78
Other disputed matters in respect of Electricity tax / Customs etc.	83.40	16.95
Claims not acknowledged as debts	16.83	63.12

(b) Estimated amount of commitments to the extent not provided for (net of advances):

(₹ crore)		
Particulars	Current Year	Previous Year
Estimated amount of contracts (net of advances)	157.65	665.46

- (ii) a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- b) The Group is yet to receive balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and loans & advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

- (iii) a) The Subsidiary Company JPTL, has set aside an amount of ₹ 1.39 crore (Previous year ₹ 0.96 crore) as 'Contingency Reserve' to be used for the purpose of future losses, which may arise from uninsured risks or as determined by the board as per Clause 50.7.1 of Maharashtra Electricity Regulatory Commission (MERC) (Terms and Conditions of Tariff) Regulations, 2005.
- JPTL has reversed revenue from operations aggregating to ₹ 23.54 crore (Previous year ₹ Nil) being the reversal (net) of revenue pursuant to the truing up and approval of petitions by the Regulatory Authorities for the financial years 2010-11 and 2011-12.
- b) The Subsidiary Company, Raj WestPower Limited (RWPL), has recognized revenue from sale of power on the basis of adhoc Interim Tariff Orders passed by Rajasthan Electricity Regulatory Commission (RERC) on various dates for different Units. The same is subject to adjustment based on final Tariff determination by RERC.
- RWPL is reasonably certain about realization of ₹ 39.21 crore (Previous year ₹ 34.24 crore) receivable from Rajasthan DISCOMS on account of Fuel Price Adjustment on the basis of Dispute Resolution Petition u/s 86(1)(f) filed on 28th March, 2013 with Rajasthan Electricity Regulatory Commission (RERC) .
- RWPL has filed a petition with the Appellate Tribunal for Electricity (APTEL) against the Rajasthan Electricity Regulatory Commission (RERC) order dated 17th October, 2012 fixing the ceiling on the first year tariff at ₹ 2.43 per unit which impacts the revenue of all the Units. Pending determination of the actual liability arising on account of the same, no effect has been given in the financial results.
- c) The Joint Venture Company has paid a sum of ₹ 977.51 crore upto 31st March, 2013 (Previous year ₹ 977.51 crore) to Rajasthan State Mines & Minerals Limited (RSMML) towards the compensation for land acquisition of 17,323.05 bighas of Kapurdi Mining Block and 22,347.85 bighas of Jalipa Mining Land which in turn has been paid as land compensation to the land owners. Presently, the mutation process of Kapurdi Lignite Mining Block has been completed and land has been transferred in the name of RSMML. RSMML has intimated that the transfer of land to the Company, pursuant to an opinion obtained by the Company from Advocate General on the transfer of land in accordance with the Implementation Agreement and Joint Venture Agreement, has been rejected by Government of Rajasthan. Accordingly, the cost paid towards the acquisition of Kapurdi land to RSMML has been re-classified during the year as Surface Rights for Kapurdi Land and documentation for which is under process.
- (iv) The proportionate share in the assets, liabilities, income and expenses of the Group's Joint Venture Company BLMCL included in these consolidated financial statements are given below:

(₹ crore)		
Particulars	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES		
(a) Share capital	9.80	9.80
(b) Reserves and surplus	2.76	(3.81)
(c) Non-current liabilities including borrowings	660.43	598.86
(d) Current Liabilities	46.35	36.43
TOTAL	719.34	641.28
ASSETS		
Non-current assets		
(a) Fixed Assets		
(i) Tangible assets	172.22	175.57
(ii) Capital work-in progress	139.52	70.36
(b) Non-current investments *(₹ 9,800)	*0.00	* 0.00
(c) Deferred tax Assets (net)	0.20	1.04
(d) Long-term loans and advances	348.92	349.54
(e) Current Assets	58.48	44.77
TOTAL	719.34	641.28
	Current Year	Previous Year
Income	198.34	80.10
Expenses	193.42	83.67

Capital commitments as on 31st March, 2013 ₹ 19.97 crore (Previous Year ₹ 44.15 crore).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

(v) Employees Benefits:

a) Defined benefit plans :

The employee's gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Details of Gratuity Plan are as under :

(₹ crore)		
Description	Current Year	Previous Year
1. Reconciliation of opening and closing balances of obligation		
a. Opening Balance	4.37	2.84
b. Current Service Cost	1.30	1.64
c. Interest Cost	0.37	0.23
d. Actuarial (gain)/loss	0.83	(0.02)
e. Benefits paid	(0.36)	(0.32)
f. Closing Balance	6.52	4.37
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Opening Fair Value of plan assets	2.71	2.06
b. Difference in opening balance	0.06	(0.04)
c. Actual Company Contributions	-	0.84
d. Expected return on plan assets	0.24	0.16
e. Actuarial gain /(loss)	0.01	0.01
f. Benefits paid	(0.36)	(0.32)
g. Closing Fair Value of plan assets	2.64	2.71
3. Reconciliation of fair value of assets and obligations		
a. Present value of obligation	6.52	4.37
b. Fair value of plan assets	2.64	2.71
c. Balance amount recognized as liability in the Balance sheet	3.87	1.66
4. Expense recognized in the period		
a. Current service cost	1.30	1.64
b. Interest cost	0.37	0.23
c. Expected return on plan assets	(0.24)	(0.16)
d. Actuarial (gain)/loss	0.83	(0.02)
e. Expense recognized	2.27	1.69
5. Investment Details		
The full amount has been invested in cash accumulation scheme of Life Insurance Corporation of India		
6. Assumptions	Current Year	Previous Year
a. Discount rate (per annum)	8.25%	8.00%
b. Estimated rate of return on plan assets (per annum)	8.70%	8.50%
c. Rate of escalation in salary (per annum)	6.00%	5.00%
d. Mortality : LIC/(94-96) Ultimate mortality table		

b) Employee Share based Payment Plan:

The Company has withdrawn the Mega Options which were earlier granted under 'JSWEL EMPLOYEES STOCK OWNERSHIP PLAN – 2010' ("ESOP Plan") and in its place and stead introduced a new Scheme i.e "JSWEL EMPLOYEES MEGA STOCK OWNERSHIP SCHEME-2012" ("ESOS Plan") for grant of Mega options to all those employees of the Group who were earlier granted Mega options under the ESOP Plan and who continued to be in the employment of JSW Group. Presently there are two Schemes which were in force for the Options granted / to be granted to the Eligible Employees of the Group as under:

- For Normal Options - 'ESOP plan'
- For Mega Options - 'ESOS Plan'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

The details of the aforementioned schemes of share-based payments arrangement administered by the JSW Energy Employee Welfare Trust (JSWEEWT) are described below :

Particulars	Normal Options (ESOP Plan)		Mega Options (ESOP Plan)	Mega Options (ESOS Plan)
Date of Grant	8th November, 2011	31st October, 2012	9th February, 2011 & 20th July, 2011	4th October, 2012
Opening Grants as on 1st April, 2012	6,097,036	-	10,967,966	-
	(-)	(-)	(-)	(-)
Less : Withdrawal of Mega Options granted under the "ESOP Plan"	-	-	10,967,966	-
	(-)	(-)	(-)	(-)
Balance Options under the "ESOP Plan"	-	-	-	-
	(-)	(-)	(-)	(-)
Granted during the year:				
Under the "ESOP Plan"	-	6,054,866	-	-
	(-)	(-)	(12,790,197)	(-)
Under the "ESOS Plan"	-	-	-	15,181,827
	(66,60,325)	(-)	(-)	(-)
Forfeited during the year	666,977	429,166	-	434,003
	(5,63,289)	(-)	(1,822,231)	(-)
Transfer arising from transfer of employees to group companies	-	3,449	-	73,415
	(-)	(-)	(-)	(-)
Exercised during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Outstanding as on 31st March, 2013	5,430,059	5,622,251	-	14,674,409
	(60,97,036)	(-)	(10,967,966)	(-)
Vesting period	3 Years	3 Years	3 Years	361 days
Method of settlement	Cash	Cash	Cash	Cash
Exercise Price	52.35	60.90	75.00	65.00

(Figures in bracket relates to previous year)

Expenses arising from employee's share-based payment plan debited to Profit and Loss statement ₹ 0.01 crore (Previous Year ₹ 0.70 crore).

- (vi) Deferred Tax Liability primarily consists of timing differences due to depreciation and brought forward losses ₹ 152.42 crore (Previous Year ₹ 129.16 crore).
- (vii) Long term loans and advances includes ₹ 136.06 crore (Previous Year ₹ 94.56 crore) paid as interest free loan to JSW Energy Employees Welfare Trust.
- (viii) There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.

(ix) Earnings Per Share (Basic & Diluted)

(₹ crore)			
Particulars	UOM	Current Year	Previous Year
Net Profit as attributable to equity shareholders (A)	₹ crore	903.65	170.05
Number of equity shares outstanding during the year (B)	Nos.	1,640,054,795	1,640,054,795
Earnings Per Share (Basic & Diluted) (A/B)	₹	5.51	1.04
Nominal Value of an equity share	₹	10.00	10.00

- (x) (i) During the year, due to unusual volatility/fluctuation in the value of rupee against US dollar, the net foreign exchange loss of ₹ 196.59 crore (Previous year ₹ 161.27 crore) has been considered by the Group to be exceptional in nature.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

- (ii) The foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at the Balance Sheet date are given below:

Particulars	Foreign currency equivalent (USD)	₹ crore
a. Secured Loan	10,410,000	56.62
	(4,741,087)	(24.25)
b. Interest accrued but not due on Secured Loan	90,000	0.49
	(42,084)	(0.22)
c. Project related Payables	36,140,715	196.57
	(77,727,916)	(397.60)
d. Buyers Credit	299,839,678	1,630.81
	(415,235,015)	(2,124.20)
e. Interest accrued but not due on Buyer's credit	694,752	3.78
	(2,282,484)	(11.68)
f. Advance to Vendors	16,141,223	87.79
	(3,555,515)	(18.19)
g. Trade Payables	27,270,385	148.32
	(12,204,182)	(62.43)
h. Trade receivables	-	-
	(930,066)	(4.76)
Particulars	Foreign currency equivalent (EURO)	₹ crore
Advance to Vendors * (₹ 27,122)	390	*0.00
	(26,803)	(0.18)

(figures in bracket relates to previous year)

- (iii) The foreign currency exposures that have been hedged by a derivative instrument or otherwise as at Balance Sheet date are ₹ 109.93 crore (Previous Year Nil).

(xi) Related Party Disclosures :

A) List of Related Parties

I Related parties with whom the Group has entered into transactions during the year:

- 1 JSW Steel Limited
- 2 JSof Solutions Limited
- 3 JSW Cement Limited
- 4 JSW Realty & Infrastructure Private Limited
- 5 JSW Jaigarh Port Limited
- 6 JSW Techno Projects Management Limited
- 7 JSW Infrastructure Limited
- 8 Gagan Trading Company Limited
- 9 Jindal Steel & Power Limited
- 10 JSW Ispat Steel Limited
- 11 South West Port Limited
- 12 South West Mining Limited
- 13 JITF Water Infrastructure Limited
- 14 JSW Green Private Limited
- 15 O.P. Jindal Foundation
- 16 JSL Lifestyle Limited
- 17 JSW Energy (Bengal) Limited
- 18 JSW Foundation

II Joint Venture /Associates

- 1 Barmer Lignite Mining Company Limited
- 2 Toshiba JSW Turbine & Generator Private Limited
- 3 MJSJ Coal Limited

III Key Managerial Personnel

- 1 Mr. Sajjan Jindal – Chairman & Managing Director
- 2 Mr. Nirmal Kumar Jain – Vice Chairman
- 3 Mr. Sanjay Sagar – Jt. Managing Director & CEO (w.e.f. 21st July, 2012)
- 4 Mr. S. S. Rao – Whole Time Director (upto 30th April, 2012)
- 5 Mr. R. R. Pillai – Whole Time Director (w.e.f. 30th April, 2012 to 30th January, 2013)
- 6 Mr. L.K Gupta – Jt. Managing Director & CEO (Upto 30th November, 2011)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

B) Transactions during the year

		(₹ crore)	
Nature of Transactions		Current Year	Previous Year
1	Sale of power and other materials to		
	JSW Steel Limited	36.39	227.21
	JSW Cement Limited	55.74	12.39
	JSW Ispat Steel Limited	923.46	172.92
2	Interest on Outstanding Receivables		
	JSW Ispat Steel Limited	38.94	-
3	Dividend Received		
	JSW Steel Limited	5.25	8.58
4	Rebate on Sale of power to		
	JSW Steel Limited	0.39	0.32
	JSW Cement Limited	0.69	-
5	Service Received from		
	JSW Steel Limited	0.74	16.99
	JSoft Solutions Limited	2.49	3.63
	JSW Jaigarh Port Limited	131.74	111.02
	JSW Techno Projects Management Limited	-	32.30
	South West Port Limited	1.99	7.23
	JSW Green Private Limited	2.08	-
6	Service Rendered to		
	JSW Steel Limited	124.29	242.25
	Toshiba JSW Turbine & Generator Private Limited	4.50	4.50
7	Purchase of Power		
	JSW Steel Limited	1,032.00	300.31
8	Rebate on purchase of Power		
	JSW Steel Limited	15.00	3.52
9	Purchase of Fuel / Materials		
	JSW Steel Limited	47.76	481.04
	JSW Cement Limited	2.93	0.56
	Barmer Lignite Mining Company Limited	240.10	98.00
	South West Mining Limited	0.07	0.01
	JSoft Solutions Limited	0.40	-
	Jindal Steel & Power Limited	-	9.87
	JSW Jaigarh Port Limited	0.02	-
	JSL Lifestyle Limited	0.25	-
10	Rent Paid		
	Gagan Trading Company Limited	0.82	0.66
	JSW Realty & Infrastructure Private Limited	0.12	0.11
	JSW Steel Limited	0.93	0.92
	JSW Jaigarh Port Limited *(₹ 350)	*0.00	-
11	Advance paid/ (Refund received)		
	JSW Techno Projects Management Limited	-	11.50
	JSW Jaigarh Port Limited	25.00	-
	JSW Realty & Infrastructure Private Ltd	(20.00)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

B) Transactions during the year (contd.)

		(₹ crore)	
Nature of Transactions		Current Year	Previous Year
12 Security Deposit paid/(refund) for lease of office property / houses			
JSW Realty & Infrastructure Private Limited		0.29	-
Gagan Trading Company Limited		(0.32)	(0.46)
13 Purchase of Freehold Land			
JSW Infrastructure Limited		0.13	0.02
14 Lease Deposit from			
JSW Jaigarh Port Limited		1.17	-
15 Reimbursement Expenses Incurred for			
JSW Steel Limited		15.87	15.63
Barmer Lignite Mining Company Limited		0.55	0.44
JSW Cement Limited		1.63	-
JSW Energy (Bengal) Limited		0.08	-
JSW Techno Projects Management Limited		2.45	-
JSW Realty & Infrastructure Private Limited		-	0.25
JSW Jaigarh Port Limited		2.98	4.13
JSW Green Private Limited		0.01	-
JSW Ispat Steel Limited * (₹ 36,195)		*(0.00)	-
16 Investment in Equity Shares			
Toshiba JSW Turbine & Generator Private Limited		33.25	20.00
MJSJ Coal Limited		2.75	3.30
17 Subordinated Loan to			
Barmer Lignite Mining Company Limited		3.55	25.77
18 Interest on subordinate loan			
Barmer Lignite Mining Company Limited		18.62	49.17
19 Excavation of Raw Water Reservoir			
South West Mining Limited		-	70.21
20 Supply & Erection of Raw Water Pipe Line Works			
JITF Water Infrastructure Limited		-	1.81
21 Operation & Maintenance of Raw Water Pipe Line			
JITF Water Infrastructure Limited		-	1.34
22 Loan given to/(repaid)			
South West Mining Limited		68.12	-
JSW Steel Limited		31.80	-
23 Interest on Loan given to/(repaid)			
South West Mining Limited		2.81	-
JSW Steel Limited (Material on loan basis)		0.63	-
24 Donations/CSR Expenses			
O.P. Jindal Foundation		0.21	-
JSW Foundation		0.89	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

C. Closing Balances:

		(₹ crore)	
Nature of Transactions		Current Year	Previous Year
1	Trade (Payables) / Receivables		
	JSW Steel Limited	(281.47)	(6.75)
	JSW Cement Limited	10.75	2.34
	JSW Jaigarh Port Limited	0.36	(6.66)
	Toshiba JSW Turbine & Generator Private Limited	2.28	2.23
	Barmer Lignite Mining Company Limited	(31.64)	(19.04)
	Jindal Steel & Power Limited	-	1.18
	JSW Techno Projects Management Limited	2.40	(0.12)
	South West Mining Limited	0.61	22.07
	JSW Ispat Steel Limited	558.59	136.06
	JITF Water Infrastructure Limited	(5.95)	(10.25)
	South West Port Limited	-	(0.17)
	JSW Green Private Limited	(0.21)	-
	JSL Lifestyle Limited	0.01	-
2	Lease Deposit with		
	JSW Steel Limited	6.49	6.49
	Gagan Trading Company Limited	12.80	13.12
	JSW Realty & Infrastructure Private Limited	8.75	8.46
	JSW Jaigarh Port Limited	1.17	-
3	Lease Deposit from		
	JSW Steel Limited	0.16	0.16
4	Advance Recoverable		
	JSW Realty & Infrastructure Private Limited	30.00	50.06
	JSW Energy (Bengal) Limited	80.12	80.05
	Barmer Lignite Mining Company Limited	2.75	2.20
	JSW Jaigarh Port Limited	25.00	-
5	Advance paid against Preference Share Capital		
	JSW Realty & Infrastructure Private Limited	0.50	0.50
6	Advance paid for acquisition of Office/Residential Properties		
	Windsor Residency Private Limited	75.00	75.00
7	Investment in Preference Share Capital		
	JSW Realty & Infrastructure Private Limited	4.53	4.53
8	Investment in Equity Shares		
	JSW Steel Limited	151.70	151.70
	Toshiba JSW Turbine & Generator Private Limited	97.25	64.00
	MJSJ Coal Limited	10.46	7.71
9	Subordinated Loan (including interest) to		
	Barmer Lignite Mining Company Limited	255.67	233.49
10	Loan given to/(repaid)		
	South West Mining Limited	68.12	-
	JSW Steel Limited	31.80	-
11	Interest Receivable on Loan given to		
	South West Mining Limited	1.93	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

D. Remuneration to Key Managerial Personnel:

Nature of Transactions	(₹ crore)	
	Current Year	Previous Year
Mr. Sajjan Jindal	7.25	7.15
Mr. Nirmal Kumar Jain	3.57	3.53
Mr. Sanjay Sagar	1.34	-
Mr. S.S Rao	0.06	0.78
Mr. R.R. Pillai	1.25	-
Mr. L.K.Gupta	-	1.81

Notes:

- No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.
 - Related party relationships have been identified by the management and relied upon by the Auditors.
- (xii) Previous year's figures have been re-grouped /re-arranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

NIRMAL KUMAR JAIN

Vice Chairman

SAJJAN JINDAL

Chairman and Managing Director

SAMPATH MADHAVAN

Company Secretary

PRAMOD MENON

Director-Finance

SANJAY SAGAR

Jt. Managing Director & CEO

Place : Mumbai

Date : 3rd May, 2013

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	Capital (Including Share Application Money)	Reserve & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before Taxation	Provision for Taxation	Profit for the year	Proposed Dividend	Reporting Currency	Conversion Rate (₹)
Raj WestPower Limited	172,605.00	(6,747.61)	747,922.54	577,045.29	980.14	123,214.32	3,291.78	1,312.99	1,978.79	-	Indian Rupee (₹)	NA
JSW Power Trading Company Limited	20,200.00	5,449.86	74,424.01	73,208.28	24,434.13	538,464.13	2,433.59	557.21	1,876.38	-	Indian Rupee (₹)	NA
Jaigad PowerTransco Limited	13,750.00	3,644.41	65,162.38	47,767.97	-	9,201.68	345.66	348.30	(2.64)	-	Indian Rupee (₹)	NA
JSW Energy (Paigarh) Limited	10,738.43	(286.87)	10,514.11	62.55	-	-	(1.80)	-	(1.80)	-	Indian Rupee (₹)	NA
JSW Green Energy Limited	5.00	(248.56)	198.24	441.80	-	36.34	(38.95)	0.04	(38.99)	-	Indian Rupee (₹)	NA
JSW Energy (Kuthar) Limited	5.00	(0.42)	4.80	0.22	-	-	(0.42)	-	(0.42)	-	Indian Rupee (₹)	NA
JSW Energy Minerals Mauritius Limited	4,351.14	(98.30)	27,235.48	26,245.99	3,263.36	77.30	(65.42)	-	(65.42)	-	United States Dollar (USD)	54.39
JSW Energy Natural Resources Mauritius Limited	3,263.36	(28.71)	27,216.90	27,223.25	3,241.01	77.15	(9.08)	-	(9.08)	-	United States Dollar (USD)	54.39
JSW Energy Natural Resources South Africa Limited	2,564.67	(1,895.48)	19,898.63	27,205.93	7,976.49	343.73	(1,597.26)	-	(1,597.26)	-	South African Rand (ZAR)	5.90
South Africa Coal Mining Holdings Limited	13,789.40	(14,627.57)	26,202.03	30,017.57	2,977.38	7,229.98	(4,205.43)	(218.22)	(3,987.21)	-	South African Rand (ZAR)	5.90
JSW Energy Natural Resources (B.V.) Limited	411.81	(411.80)	0.01	-	-	-	(1.92)	-	(1.92)	-	United States Dollar (USD)	54.39
Royal Bafokeng Capital (PTY) Ltd	0.01	(1,268.90)	0.84	5,595.77	4,326.04	2.58	2.58	-	2.58	-	South African Rand (ZAR)	5.90
Mainsail Trading 55 (Pty) Ltd	0.01	(5,600.86)	1,204.28	7,158.88	353.75	195.86	195.86	-	195.86	-	South African Rand (ZAR)	5.90
PT Param Utama Jaya	84.60	11.24	385.01	289.17	-	84.64	8.45	-	8.45	-	Indonesian Rupiah (Rp.)	0.01
Ilanga Coal Mines Proprietary Limited	0.06	11.28	11.34	-	-	-	165.87	-	165.87	-	South African Rand (ZAR)	5.90
Jigmining Operations No 1 Proprietary Limited	0.02	(14,333.10)	-	1,433.08	-	-	3.17	-	3.17	-	South African Rand (ZAR)	5.90
Jigmining Operations No 3 Proprietary Limited	0.01	(367.07)	0.01	367.07	-	-	0.79	-	0.79	-	South African Rand (ZAR)	5.90
SACM(Breyten) Proprietary Limited	0.01	(8,409.97)	6,140.13	14,550.09	-	4,656.92	(3,296.66)	-	(3,296.66)	-	South African Rand (ZAR)	5.90
South African Coal Mining Equipment Company Proprietary Limited	0.01	(73.75)	-	73.74	-	-	(96.67)	-	(96.67)	-	South African Rand (ZAR)	5.90
South African Coal Mining Operations Proprietary Limited	0.03	1,102.33	1,133.71	31.35	-	11,994.07	5,985.40	-	5,985.40	-	South African Rand (ZAR)	5.90
Umlahu Colliery Proprietary Limited	0.01	(5,225.96)	3,125.65	8,351.60	-	1,549.46	(4,268.58)	(218.59)	(4,049.99)	-	South African Rand (ZAR)	5.90
Voorslag Coal Handling Proprietary Limited	0.01	(143.48)	-	143.47	-	-	(38.75)	-	(38.75)	-	South African Rand (ZAR)	5.90
Yomhlaba Coal Proprietary Limited	530.69	(4,182.37)	-	3,651.68	-	-	0.79	-	0.79	-	South African Rand (ZAR)	5.90
SACM (Newcastle) Proprietary Limited	0.01	-	0.01	-	-	-	-	-	-	-	South African Rand (ZAR)	5.90

FINANCIAL HIGHLIGHTS (STANDALONE)

	2008-09	2009-10	2010-11**	2011-12	2012-13
(₹ crore)					
REVENUE ACCOUNTS					
Gross Turnover	1,233.67	2,227.36	3,661.84	4,847.61	6,235.74
Other Operating Income	357.37	155.18	207.21	168.81	160.71
Other Income	2.94	58.49	112.10	114.02	304.78
Total Income	1,593.98	2,441.03	3,981.15	5,130.44	6,701.23
EBIDTA before exceptional items	847.09	1,356.03	1,641.98	1,328.24	2,410.52
Depreciation and amortisation expense	59.63	124.32	211.61	377.22	424.94
Earning before finance costs, exceptional items and tax	787.46	1,231.71	1,430.37	951.02	1,985.58
Finance Costs	120.28	262.30	341.00	508.16	571.80
Exceptional items	-	-	-	151.61	169.95
Profit before Taxes	667.18	969.41	1,089.37	291.25	1,243.83
Provision for Taxation	89.10	122.74	203.76	56.61	250.80
Profit for the year	578.08	846.67	885.61	234.64	993.03
Dividend - Equity	-	123.00	164.01	82.00	328.01
CAPITAL ACCOUNTS					
Gross Block	1,100.59	2,920.64	5,593.43	8,161.02	8,612.07
Net Block	568.05	2,264.72	4,724.59	6,915.27	6,946.02
Capital Work-in-progress (including capital advances)	1,879.61	173.91	2,889.79	919.97	912.20
Total Debt	2,331.14	2,105.18	5,469.06	5,367.76	5,409.82
Long Term Debt	2,312.36	2,005.18	5,368.86	5,367.76	5,289.82
Short Term Debt	18.78	100.00	100.20	-	120.00
Equity Capital	546.57	1,640.05	1,640.05	1,640.05	1,640.05
Reserves & Surplus	1,418.29	3,726.57	4,385.34	4,518.67	5,133.19
Shareholders' Funds	1,964.86	5,366.62	6,025.39	6,158.72	6,773.24
RATIOS					
Book Value Per Share (₹)	35.95	32.72	36.74	37.55	41.30
Market Price Per Share (₹)	NA	111.85	71.65	61.25	54.70
Earning Per Share (Basic & Diluted) (₹)	4.23	5.86	5.40	1.43	6.05
Market Capitalisation (₹ crore)	NA	18,344.01	11,750.99	10,045.34	8,971.10
Equity Dividend Per Share (₹)	-	0.75	1.00	0.50	2.00
Fixed Assets Turnover Ratio	2.17	0.98	0.78	0.70	0.90
EBIDTA Margin	53.1%	55.6%	41.2%	25.9%	36.0%
Interest Coverage	6.55	4.70	4.19	1.87	3.47
Long Term Debt Equity Ratio	1.18	0.37	0.89	0.87	0.78
Long Term Debt to EBIDTA	2.73	1.48	3.27	4.04	2.19

** The Honourable High Court of Mumbai has approved the Scheme of Amalgamation of JSW Energy (Ratnagiri) Limited (JSWERL), a wholly owned subsidiary of the Company with appointed date as 1st April, 2010. The above figures for the FY 2010-11 are after giving effect of the said Scheme and hence not comparable with the previous years.

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(₹ crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
REVENUE ACCOUNTS					
Gross Turnover	1,239.37	2,316.16	4,194.23	5,980.88	8,782.23
Other Operating Income	606.66	48.96	107.85	137.94	152.07
Other Income	6.13	64.14	125.46	146.62	213.43
Total Income	1,852.16	2,429.26	4,427.54	6,265.44	9,147.73
EBIDTA before exceptional items	548.99	1,287.65	1,697.23	1,594.39	3,006.62
Depreciation and amortisation expense	60.21	136.10	266.80	503.34	661.53
Earning before finance costs, exceptional items and tax	488.78	1,151.55	1,430.43	1,091.05	2,345.09
Finance Costs	120.94	283.70	432.53	717.24	962.79
Exceptional items	-	-	-	161.27	196.59
Profit before Taxes	367.84	867.85	997.90	212.54	1,185.71
Provision for Taxation	91.15	122.36	156.15	41.91	273.31
Profit after Taxes before Share of Loss of Associate Company and Minority Interest	276.69	745.49	841.75	170.63	912.40
Share of Loss of Associate Company	-	-	-	-	11.68
Share of Profit / (Loss) of Minority	-	-	(0.07)	0.58	(2.93)
Profit for the year	276.69	745.49	841.82	170.05	903.65
Dividend - Equity	-	123.00	164.01	82.00	328.01
CAPITAL ACCOUNTS					
Gross Block	1,151.89	3,666.79	7,398.16	12,426.81	16,028.83
Net Block	616.97	2,995.37	6,421.44	10,944.98	13,896.88
Capital Work-in-progress (including capital advances)	7,925.10	8,602.58	7,723.44	4,326.78	1,592.20
Total Debt	5,927.16	7,870.14	9,637.62	9,994.69	10,376.55
Long Term Debt	5,897.52	7,770.08	8,786.47	9,423.68	9,729.79
Short Term Debt	29.64	100.06	851.15	571.01	646.76
Equity Capital	546.57	1,640.05	1,640.05	1,640.05	1,640.05
Reserves & Surplus	933.08	3,140.14	4,036.43	4,060.02	4,563.71
Shareholders' Funds	1,479.65	4,780.19	5,676.48	5,700.07	6,203.76
RATIOS					
Book Value Per Share (₹)	27.07	29.15	34.61	34.76	37.83
Market Price Per Share (₹)	NA	111.85	71.65	61.25	54.70
Earning Per Share (Basic & Diluted) (₹)	2.02	5.17	5.13	1.04	5.51
Market Capitalisation (₹ crore)	NA	18,344.01	11,750.99	10,045.34	8,971.10
Equity Dividend Per Share (₹)	-	0.75	1.00	0.50	2.00
Fixed Assets Turnover Ratio	2.01	0.77	0.65	0.55	0.63
EBIDTA Margin	29.6%	53.0%	38.3%	25.4%	32.9%
Interest Coverage	4.04	4.06	3.31	1.52	2.44
Long Term Debt Equity Ratio	3.99	1.63	1.55	1.65	1.57
Long Term Debt to EBIDTA	10.74	6.03	5.18	5.91	3.24

E-COMMUNICATION REGISTRATION FORM

To,
Karvy Computershare Private Limited
Unit: **JSW Energy Limited**
Plot no.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad – 500 081
Fax No. 040 – 23420814
E-mail: einward.ris@karvy.com

Green Initiative in Corporate Governance

I/We hereby exercise my/our option to receive all Notices / Documents, etc from the Company including Notice of General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, Postal Ballot Notice, etc. in electronic mode pursuant to the 'Green initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide their circular(s) issued from time to time. Please register my e-mail ID as given below, in your records, for sending the communications:

DP ID & Client ID / Folio No. :

Name of 1st Registered Holder :

Name of Joint Holder(s), if any :

**Registered Address of the Sole/
1st Registered Holder** :

E-mail ID (to be registered) :

Date :

Signature :

Notes:

- The above form may be used for registering the E-mail IDs by those Shareholders :
 - who hold Shares in electronic form and have not registered their E-mail ID with their Depository Participant(s) (DP) so far or;
 - who hold Shares in physical form.
- The form duly filed and signed may please be sent to the Company's Registrar as mentioned above.
- On registration, all the communications will be sent to the E-mail ID registered.
- The form is also available on the website of the Company www.jsw.in under the Section 'Investor information'.
- Shareholders are requested to keep Company's Registrar-Karvy Computershare Private Limited informed as and when there is any change in the e-mail address.



Regd. Office: Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

ATTENDANCE SLIP

*Regd. Folio No.

D.P. I.D.

Client I.D.

NINETEENTH ANNUAL GENERAL MEETING – 25TH JULY, 2013

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the Nineteenth Annual General Meeting of the Company held on Thursday, 25th July 2013 at 3.00 p.m at Yashwantrao Chavan Pratisthan Mumbai, Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai – 400 021.

.....
** Member's / Proxy's Name in Block Letters

.....
** Member's / Proxy's Signature

Note:

1. Member / Proxy must bring the Attendance slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.

* Applicable only in case of investors holding shares in Physical form

****Strike out whichever is not applicable**



Tear Here



Regd Office: Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

PROXY FORM

*Regd Folio No.

D.P. I.D.

Client I.D.

NINETEENTH ANNUAL GENERAL MEETING – 25TH JULY, 2013

I/We
of.....

being a member / members of JSW Energy Limited, hereby appointof
..... or failing him / herof
..... as my/our Proxy to attend and vote for me/us on my
/ our behalf at the **Nineteenth Annual General Meeting** of the Company to be held on Thursday, 25th July, 2013
at 3.00 p.m at Yashwantrao Chavan Pratisthan Mumbai, Y. B. Chavan Auditorium, General Jagannath Bhosale Marg,
Mumbai – 400 021 and at adjournment thereof.

Signed this day of 2013

Note:-

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026, not less than 48 hours before the scheduled time of the meeting.

* Applicable only in case of investors holding shares in Physical form.

Signature—

Affix
Revenue
Stamp

This image shows a full page of blank, cream-colored paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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OPERATIONAL EXCELLENCE

18,780 MUs

Highest net power generation since inception

3,140 MW

Achieved a historical high generation capacity

38%

Growth registered in net generation since last year

88.97%

Consolidated PLF across the three units

₹ 3,007 crore

Consolidated EBIDTA

Other significant developments

- Commissioned Units V to VIII at Barmer
- Commissioned the entire FGD project at Ratnagiri
- Registered Kutehr HEP successfully for CDM benefits
- Achieved transmission facility availability of 98.43%

Current Projects

VIJAYANAGAR

Raw material
Imported coal

Operational capacities
860 MW

RATNAGIRI

Raw material
Imported coal

Operational capacities
1,200 MW (4 x 300)

BARMER

Raw material
Lignite

Operational capacities
1,080 MW (8 x 135)

Projects under implementation & development

KUTEHR HYDRO PROJECT

Capacity
240 MW (3 x 80)

EXPANSION PROJECTS

Locations
Chhattisgarh, Jharkhand, Vijayanagar and Ratnagiri

Mining projects

Barmer Lignite Mining Co. Ltd.,
Kapurdi and Jalipa Mines

South African Coal mining
Holdings Ltd.

BOOK POST



IF UNDELIVERED, PLEASE RETURN TO:

JSW Energy Limited The Enclave, Behind Marathe Udyog Bhavan
New Prabhadevi Road, Prabhadevi
Mumbai - 400 025.