



KSK Power Ventur PLC - KSK Indian Subsidiary Results and Trading Update Released 13:44 31-May-2016

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> > KSK Power Ventur plc ("KSK" or the "Group" or the "Company")

## Indian Subsidiary Financial Results and Trading Update

KSK Power Ventur plc (KSK.L), the power project company listed on the London Stock Exchange, with interests in multiple power plants and businesses across India, is pleased to announce that its Indian subsidiary, KSK Energy Ventures Limited ("KSKEV"), the equity shares of which are listed and traded on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") has filed its financial results for year ending 31 March 2016 under Indian GAAP with the NSE and BSE.

Full details of the KSKEV results are available at: <a href="http://www.bseindia.com/xmldata/corpfiling/AttachLive/853543E0">http://www.bseindia.com/xmldata/corpfiling/AttachLive/853543E0</a> 07F8 4F94 9D62 ED21811D3259 120237.pdf

In addition, the Company is able to give the following trading update up to 31 March 2016.

During the twelve month period operating assets generated 9,987 GWh with an average portfolio plant load factor of 55%, as against 6,158 GWh (34%) for FY 2015, and 5,757 GWh (32%) for FY 2014.

	31 March 2016		31 March 2015		31 March 2014	
KSK Mahanadi ( 1200 MW)	6,368 GWh	(60%)*	3,203 GWh	(30%)*	1,088 GWh	(10%)*
Sai Wardha (540 MW)	1856 GWh	(39%)	1,174 GWh	(25%)	2,586 GWh	(55%)
VS Lignite (135 MW)	792 GWh	(67%)	851 GWh	(72%)	902 GWh	(76%)
Sai Regency (58 MW)	459 GWh	(90%)	423 GWh	(83%)	445 GWh	(88%)
Sai Lilagarh (86 MW)	172 GWh	(23%)	148 GWh	(20%)	341 GWh	(45%)
Sitapuram Power (43 MW)	324 GWh	(86%)	343 GWh	(91%)	342 GWh	(91%)
Solar Project (10 MW)	17 GWh	(19%)	16 GWh	(18%)	19 GWh	(21%)
TOTAL	9,987 GWh	(55%)	6,158 GWh	(34%)	5,757 GWh	(32%)

\*KSK Mahanadi's PLF is calculated across the periods on the installed capacity base of 1200 MW although actual operations of this capacity only commenced substantially during the second half of FY 2016 (upon grant of the necessary transmission corridor access for supplying through the National Grid).

The near 10 TWh of generation has resulted in a significant uplift in gross revenue, supported by increased supply tariffs, as well as additional tariff entitlement under change in law provisions of the underlying Power Purchase Agreements (PPAs) with state owned distribution companies. With current generation at KSK Mahanadi supported by a combination of coal linkage from South East Coalfields Limited, as well as higher priced e-auctions of domestic coal periodically being conducted by SECL, the

Board expect EBITDA to be in line with market expectations and further improvements to EBITDA are anticipated upon coal linkage stabilisation.

With capitalisation of the entire common infrastructure setup at KSK Mahanadi and associated debt being charged to operations, higher interest charges were incurred during FY 2016. Together with finance costs at other projects, higher finance costs are therefore expected for the period ending 31 March 2016. However, going forwards, the Board have initiated debt refinancing discussions for a number of assets, such as at VS Lignite and Sai Wardha, with the potential for interest savings coupled with a longer repayment profile.

Total project cost for the 3,600 MW KSK Mahanadi power station, along with the integration of the rail and water support infrastructure projects, is estimated at US\$ 4.181 billion (at exchange rate of INR 68 / US\$). Of this, US\$ 2.561 billion has already been incurred with a contribution of US\$ 522 million of Sponsor Equity and US\$ 2.039 billion of project debt. As regards the balance of US\$1.62 billion yet to be incurred:

- Next 1200 MW an amount of US\$ 962 million is expected to be incurred
- Last 1200 MW an amount of US\$ 658 million is to be incurred

The consortium of project lenders have now committed to fund the entire expenditure required for the next 1200 MW and construction progress is being fully accelerated currently in coordination with the EPC Contractor. As regards funding the additional project equity including the last 1200 MW, the Group is also engaged in discussion with multiple strategic investors for appropriate equity participation at the KSK Mahanadi subsidiary level and the Group is committed to raise the necessary incremental equity required at the earliest opportunity. While this would result in the Group diluting its effective equity interest in KSK Mahanadi this would enable a completely funded and secure 3.6 GW power project.

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This information is provided by RNS
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