



**Company** [KSK Power Ventur PLC](#)  
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Thursday 6 February 2014

**KSK Power Ventur plc**  
("KSK", the "Group" or the "Company")

**Placing of new shares raising £20.7 million**

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 it has successfully raised approximately £20.7 million (before expenses) through the placing ("Placing") of 15,930,000 Ordinary Shares (the "Placing Shares") at a price of 130 pence per Placing Share (the "Placing Price") with new and existing institutional shareholders through its broker Arden Partners plc ("Arden").

The Placing Price represents a discount of 11.86 per cent. to the closing mid-market price of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange on Wednesday 5 February 2014, the latest practicable date prior to the date of this announcement.

Of the £20.7 million, up to £8.3 million (the "First Placing") has been placed conditionally using existing shareholder permissions. The balance of £12.4 million (the "Second Placing") has been conditionally placed, subject to the passing of the necessary resolutions by shareholders at an extraordinary general meeting of the Company ("EGM").

**Placing Details**

Placing price	130 pence
<i>First Placing</i>	
Number of new Ordinary Shares to be issued pursuant to the First Placing ("First Placing Shares")	6,372,000
Percentage of the enlarged issued share capital as enlarged by the First Placing represented by the First Placing Shares	3.8%

### *Second Placing*

Number of new Ordinary Shares to be issued pursuant to the Second Placing ("Second Placing Shares") 9,558,000

Percentage of the enlarged issued share capital as enlarged by the Second Placing represented by the Second Placing Shares 5.5%

The First Placing is conditional upon, amongst other things, admission to the standard listing on the Official List, and to trading on the Main Market of the London Stock Exchange ("Admission"). Application has been made in respect of Admission of the First Placing Shares and trading is expected to commence at 8.00 a.m. on Tuesday 11 February 2014.

Following Admission of the First Placing Shares, the total number of Ordinary Shares with voting rights in the Company will be 175,308,600. This figure may be used by shareholders following Admission as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Financial Conduct Authority's Disclosure and Transparency Rules.

The Second Placing is conditional upon, amongst other things, the passing of the necessary resolution by the Company's shareholders at the EGM, and Admission of the Second Placing Shares. Once the necessary resolution is passed, Admission in respect of the Second Placing Shares is expected to occur on Tuesday 25 February 2014. A circular convening the EGM of the Company to pass the necessary shareholder resolution is expected to be sent to shareholders as soon as possible.

### **Background to and reasons for the Placing**

The demand for power in India continues to grow and there is a clear requirement for new generation capacity.

The Group's power generation assets are held through the Company's 74.94 per cent. subsidiary, KSK Energy Ventures Limited ("KSKEV") which is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Group's strategy is to leverage and vertically integrate upstream its operations into the power generation supply chain. It is consolidating the support infrastructure and supply chains to its power production operations by making investments in its mineral, water resources and transport infrastructure for the movement of coal supplies over rail lines. These investments are held in its subsidiary, KSK Energy Company Private Limited.

### **Use of proceeds**

Accordingly, the Company is now looking to raise £20.7 million (approximately US\$33.8 million) by way of an issue of 15,930,000 new Ordinary Shares in the Company to invest in its rail, water and mineral resources infrastructure activities related to the KSK Mahanadi (Chattisgarh) 3,600 MW site, as well as its ongoing working capital requirements.

### **Related Party Considerations**

Sayi Energy Ventur Limited ("Sayi"), which is currently interested in approximately 60.72 per cent. of the existing Ordinary Share capital (and in which two of the Directors, S. Kishore and K.A. Sastry, are deemed to be interested), is participating in the Placing and has agreed to subscribe for all the Second Placing Shares representing 60.0 per cent. of the total Placing Shares. Although the related party provisions of the Listing Rules do not apply to the Company in light of its standard listing, the Company agreed at the time of its move from AIM to the Main Market to conduct its activities as if the relevant AIM requirements continued to apply. Accordingly in light of Sayi's participation in the Placing, the Company's

independent Directors consider, having consulted with Arden, the Company's broker, that the terms of Sayi's participation in the Placing are fair and reasonable insofar as shareholders are concerned.

Upon completion of the Placing, it is anticipated that Sayi will be interested (and accordingly S. Kishore and K.A. Sastry will be deemed interested) in an aggregate of 106,336,750 Ordinary Shares representing 60.66 per cent. of the enlarged share capital of the Company (comprising the existing Ordinary Shares and the Placing Shares). In addition, Sayi has also given the Company an irrevocable undertaking to vote all of the Ordinary Shares held by it in favour of the resolutions at the Company's upcoming EGM in relation to the Placing.

## **Outlook**

As has been recently reported, the Group has seen the pricing of long term power purchase agreements improving, with significantly higher tariff rates being achieved. In addition, it was announced on 17 January 2014 that the Ministry of Coal had directed Coal India Limited to execute the Fuel Supply Agreement to provide coal for 1,800 MW to KSK Mahanadi.

The Group considers that consolidating the various supply chain activities within KSKEV will also help ensure that planned generation capacity is synchronised with the availability of fuel supplies through vertically integrated power generation operations.

Project costs have been increasing, with the depreciation of the Indian Rupee and the resulting impact on imports of capital goods and costs across all power projects in India. Lower financing costs are being pursued by the Company under various refinancing initiatives.

Earlier today, the Company announced that Mr Keith Nicholas Henry and Mr Guy Delemere Lafferty have agreed to join the Company's board as new Non-Executive Directors, subject to usual regulatory searches.

Against this background, the Company is looking forward to emerging as one of the more stable players in the Indian power generation landscape.

## **Conclusion**

Commenting on the Placing, Mr T L Sankar, Chairman, said:

"We are delighted at this support from our shareholders. There have been various developments in the Indian power sector which gives encouragement for producers but there is still further progress to be made"

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Arden, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for KSK and for no one else in connection with the book building and the Placing and will not be responsible to anyone other than KSK for providing the protections afforded to clients of Arden nor for providing advice in relation to the Placing or the book building or any other matters referred to in this announcement.

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