

Regulatory Story

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Company	KSK Power Ventur PLC
TIDM	KSK
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This is a re-issue of RNS number 5692B released on 29 October 2009 at 0733. The correction is to the word 'audited' in both the first and second paragraphs. This should read 'unaudited'.

Immediate Release
 October 2009

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

Indian subsidiary financial results (under Indian GAAP) for the 3 months ended 30 September 2009

KSK Power Ventur plc (AIM: KSK.L) ("KSKPV"), the power project company listed on the AIM market of the London Stock Exchange, with interests in multiple power plants across India, is pleased to announce that its subsidiary, KSK Energy Ventures Limited ("KSKEV"), the equity shares in which are listed and traded on the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), has filed with the NSE and BSE on 28 October 2009 its unaudited financial results for the three months ended 30 September 2009. KSKPV holds 55.24 per cent. of the shares of KSKEV.

Full details of the KSKEV unaudited results are available from the KSK section of the NSE website (www.nseindia.com) and the BSE website (www.bseindia.com).

BUSINESS UPDATE

Financial Performance (April - September 2009)

The first six months of the current year has witnessed stable performance in line with expectations. The second half could witness enhanced Revenue and profits on account of operations of the existing power plants as well as commissioning of the VS Lignite (135 MW) and Wardha Warora (540 MW) assets besides achievement of critical development milestones for earning development fee.

Consolidated Revenue has marginally increased to Rs 2798 mn as against Rs 2574 mn for H1 of previous year on account of the following:

- Substantial increase in sales from operations (both development as well as operating) but a significant decrease in other income under the head "sale of investment" in the current period (compared to large income in the previous year) as well as limited interest earned on cash deposits on account of commencement of deployment of IPO funds for the Chattisgarh project by the Company.
- Cost of sales and personnel expenses experienced increase reflecting the market increases of fuel costs in operating assets as well as the groups scale-up of business activity and associated overheads for such higher level of activity pursuit
- In spite of marginal investment income during the current period, Profit after tax after minority interest has remained at similar levels as that of the previous period around Rs 850 million

Business Update

The first six months of the current year reflects a good operating performance of the power plants under operations and sustained effort to complete construction and commission the VS lignite and Wardha Power asset in Warora, Maharashtra. Also, the company has made extensive progress on the development of the 3600 MW Chattisgarh power project on various fronts and expecting the Contractor to begin construction works at site shortly.

Operating Assets:

On a standalone basis, among the three operating power plants, both Arasmeta (43 MW) and Sitapuram (43 MW) have recorded PLF of 85% while Sai Regency continued to operate around 68% PLF. Efficient operations and robust sale realization from surplus sale (on short PPAs) from these assets have enabled enhanced performance as highlighted below:

- Total Units sold have risen by 16% and Aggregate revenue has gone to Rs 1700 mn up by 39% compared to H1 of 2008-09. Higher revenue has come from higher tariff realization while the higher generation has become possible due to higher load factor arising from optimal management of the power plant logistics and fuel inventory and procurement management.
- While Fuel costs of both coal and gas have gone up by 27% during the period, pass through structure of PPAs as well as higher realization have ensured higher non fuel cost realizations and PBT levels as expected.
- Aggregate PBT at Rs 333 million of the 3 power plants reflect healthy operating performance and sustained power plant operations on a comparative basis, the PBT for the half year ended September 2008 was Rs. 8 Million on these 3 power plants.
- Aggregate outstanding project level Term loan debt has gone down by 13% compared to previous period on account repayment of the Term loan

The company expects to maintain this momentum for a substantially good full year results from these operating assets

Construction Assets to commission - VS Lignite and Wardha Power

The period under review has witnessed substantial construction progress and completion of erection works of the Boiler, Turbine and Generator with respect to both VS Lignite and Wardha Warora projects. We are pleased to note that having completed construction, both the 135 MW at VS lignite and first and second 135 MW unit at Wardha Warora are ready for necessary activity to synchronize, commission the asset and undertake power generation as expected.

Recently guidelines of the Government of India has required the commissioning engineers needed for our power plants (who are overseas engineers) to enter India only under Employment visas. Both the VS Lignite and the Wardha Power plants are ready and would need 30 to 45 days from the time of arrival of the Chinese commissioning engineers for synchronization. Government of India is aware of this issue and we are expecting these visas on an early date.

Wardha Chhattisgarh, 3600 MW

Wardha Chhattisgarh has witnessed substantial progress during the last six months on various areas including amongst others, land acquisition, progress on tie-up of the project debt, equity commitments from various government stakeholders at the power plant level, EPC contractor and commencement of site works as well as obtainment of Environment Clearance. The company has appointed various agencies to assist in the project implementation and currently finalizing various non-EPC works that are expected to complete around the same time the first unit of 600 MW is expected to commission in 2012.

Further, the company is currently undertaking a Scheme of Demerger pursuant to which warora power plant would continue in the Wardha Power Company Limited SPV while the Chhattisgarh power project is planned to be undertaken in a newly incorporated SPV company "KSK Mahanadi Power Company Limited".

For further information please contact:

KSK Power Ventur plc +91 40 2355 9922
S. Kishore

Arden Partners plc +44 (0) 020 7398 1632
Richard Day / Adrian Trimmings

Buchanan Communications +44 (0) 20 7466 5000
Mark Edwards / Nicola Cronk

Unaudited Consolidated Financial Results for the period ended Sept 30, 2009 (All amount in Indian Rupees million, except share data and where otherwise stated)

S.No	Particulars	3 months ended	3 months ended	Year to date figure for current period	Year to date figure for previous period ended	Previous accounting year ended
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		ended					
		30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	31-Mar-09	
		Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	a	Net sales/Income from operations	1,069.98	989.88	2,153.20	1,557.92	3,496.13
	b	Other operating income	142.57	170.56	187.99	280.27	305.23
		Total income	1,212.55	1,160.44	2,341.19	1,838.19	3,801.36
2		<i>Expenditure</i>					
	a	(Increase)/decrease in stock in trade and work in progress	-	-	-	-	-
	b	Consumption of raw materials	290.75	207.43	576.10	458.38	1,040.07
	c	Purchase of traded goods	-	-	-	-	-
	d	Employees cost	28.78	27.04	54.75	49.27	101.35
	e	Depreciation	63.17	62.33	124.43	123.27	246.43
	f	Other expenditure	128.78	144.64	292.31	253.78	478.10
		Total expenditure	511.48	441.44	1,047.59	884.70	1,865.95
3		Profit from operation before other income, interest and exceptional items (1-2)	701.07	719.00	1,293.60	953.49	1,935.41
4		Other income	123.99	232.20	457.26	735.70	1,122.74
5		Profit before interest and exceptional items (3+4)	825.06	951.20	1,750.86	1,689.19	3,058.15
6		Interest	319.72	290.01	584.51	552.67	1,221.01
7		Profit after interest but before exceptional items (5-6)	505.34	661.19	1,166.35	1,136.52	1,837.14
8		Exceptional items	-	-	-	-	60.00
9		Profit (+)/ Loss (-) from ordinary activities before tax (7+8)	505.34	661.19	1,166.35	1,136.52	1,897.14
10		Tax expense	92.76	209.07	238.11	278.13	442.88
11		Net Profit (+)/ Loss (-) from ordinary activities after tax (9-10)	412.58	452.12	928.24	858.39	1,454.26
12		Extraordinary Items (net of tax expense Rs. Nil)	-	-	-	-	-
13		Net Profit(+)/ Loss(-) for the period (11-12)	412.58	452.12	928.24	858.39	1,454.26
14		Minority interest	40.10	(1.78)	76.74	16.63	95.11
15		Shares of associates	-	-	-	-	-
16		Other related items	-	-	-	-	-
17		Consolidated Net Profit (+)/ Loss (-) for the period (13-(14 to 16))	372.48	453.90	851.50	841.76	1,359.15
18		Face Value (in Rs.)	10.00	10.00	10.00	10.00	10.00
19		Paid-up equity share capital	3,461.05	3,461.05	3,461.05	3,461.05	3,461.05
20		Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	16,360.19
21		Earnings Per Share (EPS)					
	a	Before extraordinary items for the period, for the year to date and for the previous year/period (non annualized)					
		- Basic	1.08	1.41	2.46	2.61	4.07
		- Diluted	1.08	1.41	2.46	2.61	4.07
	b	After extraordinary items for the period, for the year to date and for the previous year/period (non annualized)					

		annualized)					
		- Basic	1.08	1.41	2.46	2.61	4.07
		- Diluted	1.08	1.41	2.46	2.61	4.07
22		Public shareholding					
		- Number of shares	154,882,709	154,882,709	154,882,709	154,882,709	154,882,709
		- Percentage of shareholding of	44.75%	44.75%	44.75%	44.75%	44.75%
23	a	Pledged/Encumbered					
		- Number of shares	52,000,000	-	52,000,000	-	-
		- Percentage of shares (as a % of total shareholding of the Promoter and Promoter group)	27.19%	-	27.19%	-	-
		- Percentage of shares (as a % of total Share capital of the Company)	15.02%	-	15.02%	-	-
	b	Non-encumbered					
		- Number of shares	139,222,031	191,222,031	139,222,031	191,222,031	191,222,031
		- Percentage of shares (as a % of total shareholding of the Promoter and Promoter group)	72.81%	100.00%	72.81%	100.00%	100.00%
		- Percentage of shares (as a % of total Share capital of the Company)	40.23%	55.25%	40.23%	55.25%	55.25%

Segment wise revenue, results and capital employed under clause 41 of the Listing agreement

(All amount in Indian Rupees million, except share data and where otherwise stated)

Particulars	3 months ended	3 months ended	Year to date for current period ended	Year to date for previous period ended	Previous accounting year ended
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	31-Mar-09
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment revenue					
(net sale/income from each segment should be disclosed under this head)					
(a) Project development	408.35	519.15	783.51	522.75	1,064.78
(b) Power generation	664.68	473.78	1,375.79	1,041.27	2,443.56
(c) Unallocated					
Total	1,073.03	992.93	2,159.30	1,564.02	3,508.34
Less: Inter segment revenue	3.05	3.05	6.10	6.10	12.21
Net sales/income from operations	1,069.98	989.88	2,153.20	1,557.92	3,496.13
2. Segment results profit(+)/ (loss) (-) before tax and interest from each segment)					
(a) Project development	361.04	457.59	646.77	414.31	863.43
(b) Power generation	197.46	90.85	458.84	258.91	766.75
(c) Unallocated	-	-	-	-	-
Total	558.5	548.44	1,105.61	673.22	1,630.18
Less: i) Interest	319.72	290.01	584.51	552.67	1,221.01
Add : ii) Other un-allocable income net off un-allocable expenditure	266.56	402.76	645.25	1,015.97	1,487.97
Total Profit before tax	505.34	661.19	1,166.35	1,136.52	1,897.14
3. Capital employed					
(Segment assets - Segment liabilities)					
(a) Project development	2,342.20	2,275.57	2,342.20	2,275.57	2,505.56

(b) Power generation	58,560.48	21,551.21	58,560.48	21,551.21	30,773.90
(c) Unallocated	3,917.08	13,286.62	3,917.08	13,286.62	10637.69
Total	64,819.76	37,113.40	64,819.76	37,113.40	43,917.15

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