



KSK Energy Ventures Limited

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500 033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Ref: NSE, MUM/NRMR/1060101/
Dated 20th September, 2010

The Secretary
National Stock Exchange Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051.
Fax No. 022-26598237/38

(By Fax, e-mail & Courier)

Dear Sir,

Sub: Business Update -3600 MW Thermal Power Project, Chhattisgarh
Ref: Security Symbol – KSK

KSK Energy Ventures Limited ("KSK" or "the Company") is pleased to report the continual progress on the 3600 MW KSK Mahanadi power project in the state of Chhattisgarh and in that context providing the following update:

Debt and equity funding secured

The company has completed the tying up and has secured the total capital outlay for the project, which is estimated be US\$ 3.6 bn (INR 161,900m). This is initially being funded as a combination of debt and equity, being:

- US\$2.88 bn (Rs 129,520m) of Senior and Subordinate debt (being funded by 27 Indian banks and financial institutions); and
- Project equity investment of US\$720 m (Rs 32,380m), of which, we are pleased to announce IFCI Limited (a large financial institution in India) has agreed to invest US\$56 m (Rs 2,500m), whereupon they will hold 7.72% of the equity in KSK Mahanadi.

With the above arrangements in place, the entire equity and debt funds required for the project is fully tied up

Commencement of civil works

The land acquisition for the proposed power generation units has been secured. In addition, environmental clearance has been obtained from Ministry of Environment and Forest (MoEF). This has allowed the Chhattisgarh Environment Conservation Board (CECB) to issue its 'Consent for Establishment'.



As a result, civil works have now started at the site. Currently, civil works with respect to boilers, electro static precipitators, the chimney, and excavation works with respect to the main power house building, Turbine Generator foundations, switchyard, coal handling plant, cooling towers and raw water reservoir are underway

Shipment of material supplies

M/s Shandong Electric Power Construction Corporation (SEPCO), the largest EPC contractor from China is engaged in the design, supply and project engineering, construction, commissioning & testing services for the site. SEPCO has begun the shipment of material supplies to the site. Further SEPCO has informed KSK that orders for 79 packages have so far been placed by them. They have also entered into sub contracts for construction and other activities with various Indian sub contractors, such as Simplex, Punj Lloyd, and Petron Engineering, SEW Infrastructure amongst many others.

Transmission and Evacuation

KSK Mahanadi has signed a Bulk Power Transmission Agreement with the Power Grid Corporation of India Limited (PGCIL). The necessary land, to setup the requisite pooling facility (400/765 kV), for evacuation of power generated and transmission to consumers, has been sanctioned to PGCIL.

Other Infrastructure

The company has awarded contracts for the development and construction of the necessary water infrastructure. Discussions are continuing to finalize the awards for the railway transportation infrastructure to support the power project.

Outlook

The Company anticipates that the current year will witness substantial progress by the respective companies involved in the KSK Mahanadi power project and associated infrastructure.

The above is for your information and necessary action.

Thanking you,

Yours faithfully
for KSK Energy Ventures Limited


Company Secretary