

Indian power company to be year's biggest Aim float

An Indian power project development company has announced plans to raise up to \$500 million after a dual-listing on Aim and the Channel Islands Stock Exchange, making it the biggest float on Aim so far this year.

Aim is the London Stock Exchange's international market for smaller growing companies.

Dealings in KSK Emerging Energy Fund Limited (KEF), a subsidiary of KSK Power Ventur, are expected to begin early June.

The Fund will be headed by non-executive director Tanmay Das, while Scott Bayman, a director of KSK, will also be a director of the Fund.

'KEF's planned admission to Aim is a significant step in the evolution of KSK's fund management business within India's power and energy sector,' Das said Monday.

'With our business relationships and significant industrial expertise, we are confident of exposing the fund to a number of the future success stories in the sector, generating substantial returns for our shareholders along the way,' he added.

The fund will be managed and advised by KSK Asset Management Private Limited, a subsidiary of KSK Power Ventur, which has become one of the larger companies on Aim, with a market capitalisation of 766 million pounds, since floating in 2006.

KEF will target investments in businesses that operate across the Indian power and energy sector value chain, including those involved in the development of infrastructure.

KSK said the fund will seek to invest primarily in companies whose assets and businesses are based in India 'although, if deemed appropriate, it may also invest in companies based outside the region but which have the potential to benefit from the Indian power and energy markets'.

The fund has identified a pipeline of 14 investments, including turbine and boiler-makers, as well as hydro-electric, gas-fired and biomass specialists.

It will invest between \$5 million and \$75 million over two to eight years, and aims to generate returns of at least 20 percent before exiting through a trade sale or flotation.

No more than 20 percent of its net asset value will be invested in any single company, and at least 80 percent of the placing proceeds are expected to be invested within 12 months of admission to Aim next month.

The Indian power sector is said to need investments of \$150 billion over the next five years in order to cope with rising demand.

(© IANS / India eNews)