

Rajiv Rattan founder Chairman invests Rs360 crore in preferential allotment of shares in Indiabulls Power

Rajiv Rattan, founding Chairman reaffirming his faith in the power sector and strong commitment in Indiabulls Power Ltd. is further investing Rs. 360 Crore through a preferential allotment of shares in the company. This investment is at a 30% premium to the Friday closing price of Rs. 9 per share.

In view of recent positive policy decisions and proactive approach by Central Government in resolving power sector issues, the worst seems to be over and things are looking up for the sector. I feel that policy vacuum in power sector in bottoming out with the current proactive central government and I have firm belief in the long term prospects of power sector in Indiasaid Rajiv Rattan.

Apart from this equity infusion of Rs. 360 Crore in the company, Rajiv Rattan who had incubated and scaled up the power business within the Indiabulls Group has also bought out complete shareholding of Sameer Gehlaut and Saurabh Mittal in the holding company Indiabulls Infrastructure and Power Ltd. in separate transactions. Post the reorganization within the promoters of Indiabulls Group, Rajiv Rattan and Saurabh Mittal continue to hold 15% stake in Indiabulls Housing Finance Ltd., 18% stake in Indiabulls Securities Ltd. and a substantial stake in Indiabulls Real Estate Ltd. valued at around Rs. 3,000 Crore.

In a significant positive development Maharashtra energy regulator Maharashtra Electricity Regulatory Commission (MERC) in its order dated 20th August 2014, has allowed Indiabulls Power Ltd. to use imported coal to make up for the coal supply shortfalls of Coal India Ltd. and allowed additional cost of such imported coal as pass through in tariff by way of compensation of Rs. 1.55 per unit of power produced by imported coal to Indiabulls Power Ltd. This order came in light of Cabinet Committee of Economic Affairs (CCEA) decision in 2013 to compensate power generation companies for any deficit in domestic coal supply through coal linkages of Coal India Limited.

Indiabulls Power Ltd. is currently supplying power to Maharashtra state utility through long term power purchase agreement from its Amravati plant. As per approved PPA with Maharashtra state utility the companys tariff will increase by 60 paise per unit from 1st April 2015 onwards leading to significant profit from this 1,350 MW plant alone. Currently two units are supplying power in Amravati plant and remaining three units are expected to be operational within the current financial year.

Indiabulls Power Ltd. is one of the very few power generation companies that does not get impacted by the recent Supreme Court order terming all coal block allocations since 1993 as illegal since the

company does not have any allocated coal blocks but has dedicated domestic coal linkages from Coal India Limited for its entire capacity of 5,400 MW. The company also plans to participate in any forthcoming coal block auctions by Government of India pursuant to de-allocation of the illegal coal blocks allocated since 1993.

Indiabulls Power Limited with 5,400 MW capacity under execution is one of India's major power generation companies. The company is currently developing a total of 5,400 MW coal based Thermal Power Projects comprising of two 2,700 MW power plants located at Amravati and Nashik in Maharashtra. The company currently has an installed capacity of 810 MW and is well on the path to achieve 2,700 MW installed capacity by December 2015.

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