



Lanco Infratech Limited

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Press Release

Lanco to supply 300 MW power to distribution companies in Madhya Pradesh

MPERC approves procurement process and price for long term power procurement

New Delhi, December 3, 2012: Lanco Infratech Limited (LITL), the leading integrated infrastructure conglomerate with global footprints having business verticals viz. EPC, Power, Solar, Natural Resources and Infrastructure has achieved a major breakthrough in long term sale of 300 MW power from its Unit 1 of **Lanco Amarkantak Thermal Power Station**. On 1st December, Madhya Pradesh Electricity Regulatory Commission (MPERC) had approved the procurement process and price for long term power procurement by Madhya Pradesh from Power Trading Corporation (PTC) to be sourced from Lanco Amarkantak thermal power station.

Lanco is operating the 2 x 300 MW Lanco Amarkantak power plant near Pathadi village in Korba district in Chhattisgarh. This is Lanco Group's first domestic coal based plant, using coal from nearby mines of South Eastern Coalfields Limited (SECL). Power supply to Madhya Pradesh from the plant could not commence due to certain disputes in the Power Purchase Agreement (PPA) signed in 2005. The longstanding imbroglio has been recently resolved with MP Power Management Company (MPPMC) (representing the State Discoms), PTC and Lanco coming together to reach a settlement.

On the occasion Mr L. Madhusudhan Rao, Chairman, LITL said, "We are pleased to be entrusted with the supply of power to distribution companies in Madhya Pradesh from Lanco Amarkantak Thermal Power Station which is operating 2x300 MW power plant. The revised PPA benefits Madhya Pradesh with supply of 300 MW of power on a long term basis at one of the lowest tariffs in the region determined as per CERC Regulations. We are sure that this will ensure the state uninterrupted power supply and look forward to a long and mutually beneficial relationship."

A Settlement Agreement was concluded on 16th October 2012 among the MP Power Management Company, PTC and Lanco which marked an end to the litigations at various forums and paved the way for commencement of supply of 300 MW from Lanco Amarkantak Unit 1 to Discoms of MP through PTC/MPPMC on long-term basis as per CERC regulations with fuel as passthrough. In a related development, on 30 November 2012, the Govt. of Madhya Pradesh also withdrew the debarment imposed by them previously, thus enabling Lanco Group companies to participate in all government projects in the State with immediate effect.

For Lanco, it not only assures offtake of power in the long run but also satisfies the pre-requisite to receive linkage coal from SECL via long term Fuel Supply Agreement (FSA) as per the recent policy of Ministry of Coal and CIL. Further, the revised PPA provides for a pass-through of energy (fuel) charges, and also enables Lanco to procure alternate fuel supplies such as e-Auction or imported coal in case of short-supply from SECL and receive the fuel charge at actuals.

Supply of power to MP Discoms through PTC from the 300 MW Unit No.1 of Amarkantak power station has started from 00:00hrs on 3rd December 2012.

About Lanco Infratech

Lanco Infratech Limited is one of the largest private sector IPPs in India having an operating capacity of 4740 MW with another 4636 MW is under various stages of execution. This includes projects based on Coal, Gas, Hydro, Solar and Wind. The company has an EPC order book of Rs 28,500 crore. LITL, one of the India's largest integrated infrastructure developers and is headquartered in New Delhi Region and has an employee strength of 6,800 of which about 10% are outside India.

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