

PRESS RELEASE

New Delhi, 8th April 2019

VELCAN HOLDINGS: EXTENSION OF TIME FOR THE LAND ACQUISITION PROCEDURE OF THE INDIAN HYDROPOWER PROJECTS

Under the land acquisition regulations applicable to the Heo-Tato1 hydropower tandem project (426 MW) in India, the “Section 11 preliminary notification” was due by 27th March 2019. Such notification is the act by which the State Government decides it is appropriate to acquire the concerned land for public purpose, based on the completion of the first phase of the acquisition procedure.

This first phase of the procedure involved a social impact assessment, a social impact management plan, public hearings in all 9 concerned villages, the recommendation of an expert group, the establishment of a list of land owners, the obtaining of the consent of at least 80% of the individual land owners and the obtaining of the consent of all the concerned village councils.

The above activities and steps were successfully completed between June 2016 and March 2019. However due to the current preparation of the national and local elections, scheduled on 11th April 2019, the “code of conduct” has entered into force, hence preventing the State Government to take any decision outside the day to day current affairs. Therefore, in compliance with the possibility offered by applicable regulations, the State Government has decided a time extension of 6 months, until 26th September 2019, to issue the Section Notification.

Under the concession agreement and applicable regulations, the land is to be acquired by the State Government itself, and then leased to the project developer. The completion of this phase, especially obtaining the land owners consent (subject to Section 11 Notification), is a major step in the land acquisition procedure, although it does yet not resolve the land registry disputes. At a later stage, the settlement of these disputes will be necessary to determine the sharing of financial compensations between land owners.

If and when the Section 11 notification is issued, the State Government will have to conduct another set of surveys and complex procedural steps such as notably a detailed and individual census of affected families, the marking of land boundaries, the hearing of individual objections, the preparation and publication of Rehabilitation & Resettlement plans (Section 19), the public hearings on such plans, the issuance of financial awards (Sections 23 and 31) and the physical possession of the Land (Section 38).

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About Velcan:

Velcan Holdings is a Luxemburg headquartered investment holding company founded in 2005, operating as an independent power producer in emerging countries and managing a global portfolio of financial assets.

The company owns and operates a 15MW hydro power plant in Brazil that it developed and built in 2009. The company is developing a cascade of hydropower concessions located in India and totalling 571 MW.

Hydropower concessions provide long periods of cash generation but their development outcome is uncertain and many years are needed to bring these projects to maturity in emerging countries: it involves field studies in remote places, obtaining the necessary authorizations and permits, and land acquisition in political and regulatory environments that can be unstable or heavily hampering. Meanwhile Velcan Holdings actively manages its treasury, investing in listed and unlisted financial instruments.

Velcan Holdings' headquarters are in Luxemburg, with administrative and financial offices in Singapore and Mauritius. The team dedicated to the development of the Indian hydropower cascade is based in New Delhi and at the project site (Arunachal Pradesh). The team dedicated to the Rodeio Bonito plant is based in Sao Paulo and Chapeco (Santa Catarina State).

The company was launched more than 10 years ago by its reference shareholder Luxembourg Hydro Power SA, owned by Velcan Holdings' management team.

Velcan Holdings is listed on the Paris Euronext Growth Stock Market (Euronext Growth/Ticker ALVEL/ISIN FR0010245803).

Velcan Holdings never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

Disclaimer

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