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Reliance Power closes above Rs 400 mark

Announces June 2 as record date for bonus issue

Our Bureau
Kolkata, April 25

The Reliance Power stock closed above Rs 400-mark on the BSE for the first time since March 3, 2008, as the company announced the record date for the bonus issue. Reliance Power today announced the date of closure of its register of members from June 3 to June 5 for the purpose of determining the entitlement of shareholders to the bonus shares to be issued by the company.

After hitting intra-day high of Rs 404.65, the stock closed at Rs 402.15. Trading volumes too surged to 51.25-lakh shares against its two-week average of 27.16-lakh shares. The stock has recovered about 32 per cent, since it touched its low at Rs 303.45 on March 24. On the NSE, the stock witnessed a trading volume of 82.05-lakh shares, of which 25.75 per cent was presented for delivery.

The company will issue bonus shares to all sharehol-

ders, excluding the promoters (AAA Project Ventures Pvt Ltd, an entity fully-owned and controlled by Mr Anil D Ambani and also the promoter of Reliance Energy Ltd and REL itself), in the ratio of three shares of Rs 10 each for every five held. The bonus shares would reduce the cost for retail investors, who bought it at the IPO

price of Rs 430 a share to Rs 268.75 each. For the institutional investors, who bought at Rs 450 a share at the primary offering, the cost would come down to Rs 281 each.

The bonus shares will be issued to those shareholders whose names appear in the register as on June 2.

The total paid-up equity would increase to Rs 239.7

crore. After the close of the IPO on January 18, the stock got listed on February 11, but had closed below the IPO prices.

Reliance Power has taken up a number projects with a total capacity of over 28,000 MW, but the first revenue flow from its operations would start from March 2010.

'Submit daily report on IPO refunds'

Press Trust of India
New Delhi, April 25

The Government today said the market regulator, SEBI, had advised Anil Ambani-promoted Reliance Power to submit a daily report on refund to retail investors, who bid for the company's public offer, as there are over 8,000 complaints on the matter.

In a written reply, the Minister of State for Finance,

Mr P.K. Bansal, told the Lok Sabha that SEBI, as on April 10 this year, has received 8,362 grievances from retail investors regarding non-receipt of refunds from Reliance Power IPO.

SEBI on March 26 had called a meeting of personnel of Reliance Power, Registrar and all the merchant bankers. Post-issue, the merchant banker was advised to monitor and

resolve all the pending cases, he said. Reliance Power, which raised close to Rs 11,560 crore through an initial public offering, earlier this year, was subscribed by about 73 times.

Earlier, the Government had said in Parliament that the Reliance Power IPO did not appear to be overpriced, if the over-subscription to the public issue was taken into consideration.