

GVK achieves yet another milestone

Financial closure achieved for Shrinagar Hydro Electric Project

New Delhi, Delhi, IND, 2007-08-06 18:54:00 (IndiaPRwire.com)

Alakananda Hydro Power Company Ltd., a GVK group company has achieved financial closure for its 330 MW Shrinagar Hydro Electric Project being set up in Uttarakhand.

'The capital cost of the Project is estimated to be Rs. 2,069 crore which will be funded through a debt equity ratio of 80:20. The debt component of Rs.1,655 crore is funded in Rupees (Rs.1,494 crore) and in US Dollars (Rs. 161 crore). The equity of the project will be Rs. 414 crore,' said, Mr. A Issac George, Chief Financial Officer, GVK Power & Infrastructure Limited.

The debt has been syndicated by Axis Bank (formerly UTI Bank). Punjab National Bank is the lenders agent and Axis bank is the security trustee. The banks/financial institutions participating in the consortium are Andhra Bank, Central Bank of India, Dena Bank, Indian Bank, India Infrastructure Finance Company Limited, Industrial Development Bank of India Limited, Life Insurance Corporation of India, Punjab National Bank, UCO Bank, United Bank of India and Vijaya Bank. IDBI Bank Ltd. is the trust and retention account banker.

Alakananda Hydro Power Company Limited (AHPCL) is implementing the Project pursuant to an implementation agreement signed on February 10, 2006 with the Governments of Uttar Pradesh and Uttarakhand. The Power Purchasing Agreement (PPA) for the project was signed on June 28, 2006 with the Uttar Pradesh Power Corporation Limited (UPPCL) which is valid for a period of 30 years.

As per the PPA, UPPCL has agreed to purchase 88% of the energy generated by the Shrinagar Power Project. The remaining 12% shall be supplied free of cost to the State of Uttarakhand as per the agreement. The levelised tariff is Rs 2.11.

The Electro-mechanical works have been awarded to Bharat Heavy Electricals Limited (BHEL). The plant will be ready for commercial operations by early 2011.

Once the scheme of amalgamation is approved by the Hon'ble High Court of Delhi, AHPCL will become a subsidiary of GVK Power & Infrastructure Limited (GVKPIL).

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About GVK

As a pioneer in infrastructure development in India, GVK set up India's first independent power project, the 217 MW Jegurupadu Combined Cycle Power Plant in Andhra Pradesh. This was followed by a 220 MW expansion facility at the same site in January 2006 and the 464 MW Gautami Power Ltd. a Combined Cycle Power Plant located in Peddapuram near Kakinada in Andhra Pradesh. GVK is also developing a 600 MW thermal project in Punjab and two hydro projects totaling 700 MW in Uttaranchal.

The GVK-led consortium has been mandated to operate, manage and develop India's busiest airport, the Chhatrapati Shivaji International Airport in Mumbai. GVK aims to make CSIA a global benchmark by equipping it with the best possible facilities and infrastructure.

GVK has successfully completed India's first six-lane BOT project connecting Jaipur and Kishangarh section of the National Highway 8 in Rajasthan. The project was completed in a record time of 24 months, six months ahead of schedule.

Till date GVK has invested over Rs. 5,000 crore into infrastructure projects and has on hand projects in the pipeline of over Rs. 13,000 crore.

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