



GVK achieves financial closure for power project in Punjab

Mumbai, Monday, February 1, 2010: GVK Power (Goindwal Sahib) Ltd, a subsidiary of GVK Power and Infrastructure Ltd, which is setting up a 540 MW coal based thermal power project at Goindwal Sahib, Tarn Taran District, Punjab today achieved financial closure. The project cost is estimated at Rs. 3200 crore which is financed by equity of Rs. 800 crore and debt of Rs. 2400 crore. The debt was syndicated by IDBI Bank Ltd. The debt has been funded by 13 banks through a consortium lending. The total amount spent on the project till date is Rs. 488.80 crore.

The Company has entered into a Power Purchase Agreement with Punjab State Electricity Board for the sale of power. The contract for the BTG package has been awarded to BHEL and the BOP package to Punj Lloyd. The project is expected to be completed in 36 months from financial closure.

The Coal for the Project will be sourced from the company's captive coal mines GVK Coal (Tokisud) Company Pvt Ltd & Seregarha Mines Ltd situated in the state of Jharkhand. Coal transportation from the mines to the project site will be arranged by Indian Railways.

Luthra & Luthra Law Offices is the Lenders' Legal Counsel, Lahmeyer International India Private Limited is the Lenders' Engineer and Howden Insurance Brokers India Private Limited is the Lenders' Insurance Advisor.