



PRESS RELEASE

GVK achieves yet another milestone

Financial closure achieved for Shrinagar Hydro Electric Project

HYDERABAD, AUGUST 3, 2007- Alakananda Hydro Power Company Ltd., a GVK group company has today 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 of Rs. 1655/- Crores is funded in Rupees (Rs.1494/- Crores) and in US Dollars (Rs. 161/- Crores). The equity of the project will be Rs. 414 /-Crores.

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 (RIA) 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 RIA. The levelised tariff is Rs 2.11.

The Electro-mechanical works have been awarded to Bharat Heavy Electricals Limited (BHEL). The Project is scheduled to be completed within 48 months from the date of financial closure.

About GVK:

GVK is amongst India's largest infrastructure developers with experience and expertise spanning areas including power, airports, roads, urban infrastructure, hospitality, contract research and manufacturing. Until date GVK has invested over Rs 5,000 crore in its various businesses and has on hand- projects in the pipeline worth over Rs 12,000 crore.