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## **CLP India partners leading financial institutions to introduce Pooled Financing for its wind assets**

- New structure reduces risks and brings incremental benefits
- Enhances the ability to attract new lenders and fund future growth

**Mumbai:** CLP India, one of the largest foreign investors in the Indian power sector as well as the largest wind power developer, announced today the signing of an innovative financing structure, 'Pooled Financing', for its wind assets with three leading financial institutions – Standard Chartered Bank, IDBI Bank Limited and IDFC. The new financing structure is expected to boost the growth of CLP India's wind portfolio and support the company's commitment to adding 250 to 300 MW of wind projects every year. Pooled financing will help secure CLP India's current and future assets and mitigate the inherent risk arising out of the unpredictable nature of wind projects' output.

**Mr. Rajiv Mishra, Managing Director, CLP India,** said, *"With a number of existing challenges in the conventional power space, we are now seeing a much greater focus on renewable energy not only amongst private investors, but also amongst lenders, policy makers and State Governments. Renewable energy in India has tremendous potential for growth and I believe that it will play a vital role in helping India achieve Energy Security. At CLP India, renewable energy forms an integral part of our business philosophy, which reflects in a strong wind portfolio of over 1000 MW that has been built over four years. This new, innovative approach to financing our wind projects will strengthen our competitiveness and business performance in the Indian market and will aid the growth we have planned for the future".*

**Mr. Samir Ashta, Director- Finance and Chief Financial Officer, CLP India,** added, *"We have always believed that an innovative and dynamic approach to financing large infrastructure projects plays a vital*

Benefits of the new finance structure are:

- Extract maximum value from both debt and equity investors
- Ensure security for lenders as pooled cash flow would be accessible to all lenders
- Mitigates typical project level risks such as variability of wind
- Fuel CLP India's future growth as excess money from the pool can be accessed efficiently and used to fund additional projects
- Enhance CLP India's ability to attract new lenders, particularly ECB lenders
- Standardized documents for rapid fund raising

*role in improving profitability. We work with this approach and look to minimize our financing costs with an objective to optimize the efficiency and performance of all our assets. With standardization of documentation as a result of this approach, we will see much quicker financial closures for our projects in the future, which will significantly enhance the overall efficiency and effectiveness of the financing process”.*

**Mr. B. K. Batra, Deputy Managing Director, IDBI Bank,** said, *“With the pooled arrangement, project specific risks are reduced and cash-flows get evened out, thereby, making the wind projects more acceptable to the lenders. We have had a long and mutually rewarding business relationship with CLP India and are happy to be part of this innovative approach to financing that, we believe, will open up several new opportunities for us to work together.”*

**Mr Abhay Rangnekar, Managing Director, Head - Project & Export Finance, South Asia, Standard Chartered Bank,** said, *“Standard Chartered Bank is indeed privileged to be associated with the financing of CLP Group’s various wind projects in India. The pooling of cash flows from different projects will be viewed very favorably not just by the existing lenders but by new lenders, domestic as well as international. The pooling would also confer on CLP Wind Farms Ltd, a quasi-corporate risk profile, thereby, giving it access to diversified and cost-competitive funding sources in the future.”*

**Mr. Vinayak Mavinkurve, Group Head – Project Finance, IDFC,** said, *“Pooled Financing is an advanced financing model that will protect both lenders as well as borrowers against project risks, will allow for a greater flexibility in managing or growing the portfolio and will eliminate many of the challenges and inefficiencies typically associated with the traditional approach. We are excited about being part of the lenders’ consortium with a leading player like CLP India and look forward to a strong and fruitful association.”*

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### **About CLP India**

CLP India is the wholly owned subsidiary of CLP Group, which is listed on the Hong Stock Exchange and is one of the leading investor-owned power businesses in Asia. It is one of the largest foreign investors in the Indian power sector with a total committed investment of over INR 14,500 Crores. This investment is spread across a diversified and environment-friendly generation portfolio that covers renewable energy, supercritical coal and gas fired power plants, amounting to over 3,000 MW.

CLP entered the Indian Power Sector in the year 2002 with the acquisition of a 655 MW gas fired power plant, which is located in Bharuch, Gujarat. This power plant was one of the first independent power projects in India and complies with the highest level of internationally accepted standards in safety and in environment conservation. In addition to this, CLP India owns and operates a 1,320 MW (2 X 660MW) supercritical coal-fired power plant in Jhajjar, Haryana, which is the largest power plant of its kind in CLP's generation portfolio in Asia Pacific and is one of India's first and largest supercritical coal-fired power plants.

CLP India is also one of the largest wind power developers in India with committed wind projects of over 1000 MW that are spread across six states. Wind has been an integral part of CLP's business philosophy and is expected to continue making a vital contribution not only to CLP's growth plans for India but also to its commitment to reducing its CO2 emissions.

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