

December 21, 2010

## **CLP India signs \$288 million ECB financing agreement for its 1320 MW Jhajjar Power Plant**

*One of the first power generation projects in India to be financed by a consortium of foreign banks*

- **Total loan amount : \$288 million**
- **Largest project of its kind in CLP's generation portfolio in Asia Pacific and one of India's first supercritical power plants**

CLP India has entered into a financing agreement with The Bank of Tokyo–Mitsubishi, UFJ Ltd., China Development Bank Corporation, The Export-Import Bank of China, The Hong Kong And Shanghai Banking Corporation Ltd. and Standard Chartered Bank for its 1,320 MW (2x660 MW) power project in Jhajjar, Haryana – making it one of the first coal-fired generation projects in India to be project-financed by a consortium of foreign banks, since the Dabhol power project. Installed with supercritical technology, the project will be the largest of its kind in CLP's generation portfolio in Asia Pacific and one of India's first supercritical power plants.

The consortium of five lenders is providing approximately USD 288 million (INR 13 billion) in financing. This marks a landmark project for India, involving overseas investment in the power industry from banks based out of Japan and China. The total investment in the Jhajjar project – including the financing of the first phase project – amounts up to approximately USD 1.3 billion (INR 60 billion). CLP India itself has committed an investment of approximately INR 97 billion in the country.

The project had previously received sanctions amounting to INR 39 billion in loans, part of which will now be refinanced, using the cheaper ECB financing. The rupee transaction was lead-arranged by IDBI Bank and was funded by a group of banks including Power Finance Corporation (PFC), Rural Electrification Corporation (REC), Infrastructure Development and Finance Corporation (IDFC) and India Infrastructure Finance Company (UK) Ltd. (IIFCL) among others. The \$288 million ECB financing agreement is significant, as it takes place against the backdrop of tight liquidity conditions, especially in the power sector.

**Mr. Rajiv Mishra, Managing Director, CLP India** said “We were the first foreign company to win a power generation project in India through international competitive bids in July 2008. The international financial community's confidence in us and, in this project specifically, is indeed heartening. This is a landmark deal for us, as it makes us the first power generation company in India with project finance by a foreign lender in a long time. Our consistent performance and satisfactory progress on this project is one of the factors that aided this deal.”

In line with CLP's Climate Vision 2050, which targets reduction in carbon intensity by 75% across its operations in Asia-Pacific by 2050, the Jhajjar power plant will be equipped with highly efficient supercritical technology that will significantly lower carbon emissions.

The first unit is scheduled to be commissioned by December 2011 and, the second unit by May 2012. Once completed, the project is expected to significantly improve the power situation in Haryana, with 90% of the electricity output dedicated to Haryana state and the remaining 10% to Delhi.

CLP India is also the largest foreign investor in the wind power sector with a combined capacity of 485.6 MW - also making it the largest wind energy developer in India.

**\*\* Ends \*\***

### **About CLP India**

CLP India is a wholly owned subsidiary of the CLP Group, a Hong Kong-listed company and one of the largest investor-owned power businesses in Asia. CLP India is one of the largest foreign investors in the Indian power sector and is responsible for developing CLP's presence in that market. It has a diversified and climate friendly generation portfolio that covers renewable energy, supercritical coal fired, and gas fired generation, amounting to approximately 2,460.6 equity MW.

CLP India owns and operates a 655 MW gas-fired IPP in Gujarat. It is also one of the largest wind power developers in the country with approximately 485.6 MW of committed wind projects at different stages of implementation. The total committed investment by CLP India is in excess of INR97 billion including the 1320 MW coal-fired Jhajjar Power Plant in Haryana.

In line with the CLP Group's commitment to develop 20% of generating capacity from non-carbon emitting energy sources such as renewable energy and nuclear power by 2020, CLP is investing in renewable energy projects in Asia Pacific, focusing on wind, small hydro and biomass, with an emphasis on India, China and Australia.

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