



Lanco Infratech Limited

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PRESS RELEASE

Lanco Infratech to raise US\$2 bn from Chinese banks and FIs for power projects

China Development Bank commits USD 600 mn and help syndicate the balance from Chinese banks and financial institutions to finance Lanco power projects

New Delhi, November 26, 2012; Lanco Infratech Limited (LITL), the leading integrated infrastructure conglomerate with global footprints having businesses in the fast growing industry verticals viz. EPC, Power, Solar, Natural Resources and Infrastructure has entered into a memorandum of understanding (MoU) with the China Development Bank (CDB), a bank owned by the Govt. of Peoples Republic of China, to arrange USD 2 Billion debt for two power projects i.e., Anpara Phase II and Himawat, each having capacity of 2x660 MW with supercritical boiler technology.

Out of the total amount of USD 2 Billion required to be raised, USD 600 million will be contributed by CDB, and CDB will syndicate the balance from Chinese banks and FIs.

LITL is one of the largest private sector IPPs in India having an operating capacity of 4740 MW with another 4636 MW is under various stages of execution. This includes projects based on Coal, Gas, Hydro, Solar and Wind. The company has a target of holding 13000 MW operating capacity by 2015. The company has an EPC order book of Rs 28,500 crore.

Mr. K Raja Gopal, CEO – Lanco Power Limited signed the MOU on behalf of Lanco and Mr. Zheng Zhijie, Governor CDB signed on behalf of CDB.

Commenting on the development, Mr. L. Madhusudhan Rao, Chairman, LITL, said,

“We are pleased to have the contribution of large Chinese Development Bank as stakeholders in our prestigious power projects. The transaction is a testimony to the bank’s confidence in LITL and in the Indian power sector. This is going to help us in improving the economies of the project and shall help us in completing the power projects within the stipulated time. This MOU ushers an era of strategic cooperation between the two organization, and will go a long way in augmenting financial capabilities of the Lanco group.

For the past couple of quarters, we have been working on strategies to address the liquidity concerns due to delay in receivables from utilities. The transaction comes at a time when many are saying that market conditions are quite unfavorable and sentiments are impacted. The transactions shows that projects with economic prospects will always receive due attention from financiers. Apart from this we are also working closely with utilities so that receivables can come through, which is likely in the coming days. We are also in the process of addressing the debt equity ratio at the same time”.

China Development Bank has already sanctioned USD 200 million Buyers’ Credit for Amarkantak 3 & 4, Babandh and Vidarbha power projects being developed by Lanco Group. CDB is the largest Chinese development banking institution and one of the leading international bank with total assets exceeding USD 1.1 trillion (Sept 2012). CDB has sanctioned over USD 7 billion to Indian corporations and has an outstanding amount of over USD 4.3 billion.

About Lanco Infratech

Lanco Infratech Limited, one of the India’s largest integrated infrastructure developers, is headquartered in New Delhi Region and has an employee strength of 6,800 of which about 10% are outside India.

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