



Press Release

New Delhi, August 10, 2011.

INR 1,600 Crores for India's largest solar PV Power Plant at Sakri in Maharashtra by German Development Bank KfW

To promote development of renewable energy in India, the German Government-owned development bank KfW today signed a Loan Agreement worth EUR 250 million (approximately INR 1,600 Crore) with the Government of India. The Agreement was signed in New Delhi by Mr. Prabodh Saxena, Joint Secretary, Department of Economic Affairs of India's Ministry of Finance and Mr. Uwe Ohls, Director General Europe and Asia of KfW, in the presence of Mr. Cord Meier-Klodt, Chargé d'Affaires a.i. of the Federal Republic of Germany, Mr. C.K. Jhadhav, Deputy Secretary (Energy), Government of Maharashtra, and Mr. G.J. Girase, Director Finance MAHAGENCO.

The concessional loan will finance a 125 MW solar PV power plant to be constructed by MAHAGENCO at Shivajinagar, Sakri, in the Dhule district of Maharashtra with the option for further expansion by 25 MW. Sakri Solar Power Plant will be the largest of its kind in the world. Its total costs are estimated at EUR 370 million (INR 2,370 Crore) and will be funded by the loan amount from KfW and the Maharashtra state government's contribution. The Loan carries a concessional interest rate, with a 12 year repayment period, including a two year moratorium. The power plant is due to be commissioned by March 2012. The project seeks to strengthen and broaden the use of solar power in India by promoting economies of scale in the Indian renewable energy market.

To tackle the twin problems of widening power deficits and mounting carbon emissions, the Indian Government has set ambitious goals to deliver access to all Indians and to increasingly replace coal with renewable sources. The agreement signed today supports the Government of India's agenda of inclusive growth and its focus on a low-carbon growth strategy for power generation in India. "Developing the use of solar energy sources not only helps address environmental concerns, but also improves energy security and spurs regional economic development," said Ohls, Director General Europe and Asia, KfW. "Therefore, the solar power plant at Sakri, being the largest of its kind in India and, in fact, the entire world, will open up new opportunities for a more secure and sustainable energy future in India."

The Agreement signed today forms part of the Financial Cooperation between India and Germany. It underscores and further deepens the longstanding cooperation between KfW and India in the power sector. It also symbolizes the long standing commitment India and Germany show towards each other. Today's ceremony took place a month before the

programme opening of a fifteen-month collaborative celebration titled “Germany and India 2011-2012: Infinite Opportunities” scheduled to be held in India from September 2011 to November 2012. With a thematic focus on “StadtRäume – CitySpaces”, including energy, the programme series across India will broach the implications of rapid urbanisation and challenges posed by the fast changes in cities of both countries today.

About KfW: German Financial Cooperation is channeled through KfW, which acts as implementing agency on behalf of the German Government. KfW is Germany's Development Bank and one of the largest banks in Germany. It is also the largest financier of Renewable Energy Projects under development cooperation worldwide.

Germany and KfW are longstanding partners of India. Since the 1950s, more than EUR 9 billion have been sanctioned by KfW, mainly in the fields of Energy, Financial Sector Development, Health, and Protection of the Environment and Natural Resources. The main objective of the German Government is to work together with the Indian Government in facilitating inclusive growth, reducing poverty and meeting the Millennium Development Goals.

For further information, please contact KfW Office New Delhi under Tel: 011-2464-1202 / kfw.newdelhi@kfw.de or MAHAGENCO under cgmcp@mahagenco.in

OR to know more about “Germany and India 2011-2012: Infinite Opportunities” please visit: www.germany-and-india.com