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**INDIA SIGNS LOAN AGREEMENT WITH ADB FOR \$50 MILLION LOAN TO
BOOST POWER GENERATION CAPACITY IN ASSAM**

New Delhi, February 20, 2015

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The Asian Development Bank (ADB) and the Government of India signed here today a \$50 million loan agreement for the second Assam Power Sector Investment Program which aims to build up the capacity of power generation and distribution systems to meet the growing energy demand in the state of Assam.

The first tranche loan of the \$300 million multi-tranche financing facility will fund generation capacity enhancement and distribution efficiency improvement subprojects in the state.

Shri Tarun Bajaj, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, who signed the agreement on behalf of Government of India said that more than a third of households in the State face daily electricity cuts of 5 to 6 hours, many important businesses, such as the tea gardens, still aren't connected to the grid, and in peak periods Assam has to buy up to 15% of its power from independent producers at very high cost, said. He added that the project will finance investments to augment and improve generation capacity through the replacement of an inefficient generating plant and construction of new hydropower plant.

Ms. Teresa Kho, Country Director of ADB's India Resident Mission, who signed the loan agreement for ADB said that ADB has supported Assam's power sector since 2003 with five loans totaling \$450 million, which have helped the State enact key reforms and improve transmission and distribution systems. She further said that the new loan will further support Assam to increase capacity and efficiency of power generation to meet growing local and national demand. The project agreements were signed by Sh. V. B. Pyarelal, Additional Chief Secretary (Power) on behalf of the Government of Assam and Shri K. V. Eapen, Chairman, Assam Power Generation Company Limited (APGCL).

The project is expected to be completed by 31 December 2018.
