

Infrastructure Finance

Weekly Newsletter

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Note: Rs 1 crore = Rs 0.01 billion; Rs 1 lakh = Rs 0.1 million; Rs 1,000 million = Rs 1 billion

POLICY

PSBs may approach govt seeking changes to rules for infrastructure loans

State-owned lenders are planning to approach the government seeking changes to terms governing performance bank guarantees (PBGs), timely compensation from concessioning authorities, and greater immunity for board members sanctioning funds for infrastructure projects.

Overall, the lenders are demanding a unified set of rules for invoking performance bank guarantees, which are issued against the progress of a contract. They have also expressed a demand for timelines fixed for concessioning authorities to decide on compensation if a project is delayed on account of reasons such as land acquisition that are beyond the remit of the project developer. According to some bankers, comprehensive rules are required so that these issues are resolved or the whole liability is on the banks with no skin in the game for some stakeholders, including the monitoring authorities. Moreover, they have also sought greater immunity for their board members for commercial decisions and will reiterate their demand for norms, such as the exemptions granted to top executives of the National Bank for Financing Infrastructure and Development (NaBFID).

Additionally, the burden of supporting infrastructure finance will totally fall on state-run banks as private sector financial institutions will shy away on account of such high provisioning norms as proposed by the Reserve Bank of India (RBI).

LOANS

Avaada Group secures Rs 3.15 billion financing for solar project in Karnataka

Avaada Energy, the renewable energy division of Avaada Group, has secured approximately Rs

3.15 billion in financing from Aseem Infrastructure Finance Limited. The funding will support Avaada Energy's solar photovoltaic power project, which is being developed under a long-term captive power purchase agreement with the Karnataka Cooperative Milk Producers' Federation Limited. The project is situated in the Kalaburagi district of Karnataka.

Jakson Green bags Rs 600 million sustainable trade facility

Jakson Green has bagged a Rs 600 million sustainable trade facility from HSBC India. This funding will cover the company's working capital needs for its renewable energy business, both within India and abroad. Additionally, Jakson Green is actively extending its international presence in the Middle East, Africa, CIS countries, and Europe.

In May 2024, Jakson Green planned to invest Rs 35 billion through private equity investors and non-recourse financing to enhance its renewable energy portfolio. Prior to this, in March 2024, Jakson Green signed its first power purchase agreement with Solar Energy Corporation of India for a utility-scale solar project.

Tata Power planning to raise \$1 billion loan for clean energy projects

Tata Power Limited is planning to secure up to \$1 billion in local currency to finance clean energy projects, potentially marking the largest such loan in India this year. Discussions are underway with major lenders, including State Bank of India, IndusInd Bank, Axis Bank, and ICICI Bank, according to sources who requested anonymity due to the private nature of the information.

This loan aims to support Tata Power's \$1.6 billion investment, announced in August, for developing pumped hydro storage projects. The financing could take the form of either a bilateral loan or a clubbed facility, with the

finalisation of credit lines expected within the next three to six months.

IPO/QIP

Adani Enterprises received board nod to raise up to Rs 166 billion

Adani Enterprises (AEL), the flagship company of Adani Group, intends to **raise Rs 166 billion**. The fundraising is similar to plans announced by Adani Energy Solutions (AESL), to raise up to Rs 125 billion. The fundraising round would be through qualified institutional placement (QIP) route or other permissible methods.

EQUITY MOVES

Maxvolt raises \$1.5 million for production of lithium EV battery

Maxvolt Energy Industries, a Noida-based producer and supplier of lithium battery packs for electric vehicles (EVs), has secured **\$1.5 million** in funding from several angel investors to advance its sustainable energy solutions by launching fast-charging lithium-ion batteries and establishing recycling facilities. The financing will bolster the company's research and development efforts into lithium battery designs for EVs like scooters and rickshaws, energy storage systems, and medical devices. A primary focus will be on decreasing the charging times for their batteries.

Zypp Electric secures Rs 15 million for EV expansion

Zypp Electric has raised **\$15 million** in series C1 to increase its fleet of electric scooters from 21,000 to 2,000,000. The round was spearheaded by the Japanese major ENEOS with participation from current investors 9unicorns, IAN fund, venture catalysts, WFC, and others.

Zypp is a leading player in the electric motorcycle delivery market. From January 2023

to March 2024, the company has completed over 50 million deliveries. The company plans to expand its domestic operations to 15 cities nationwide by 2026.

MERGERS AND ACQUISITIONS

Birla TMT Holdings transfers its shares worth Rs 353.7 million in Vi to Birla Group Holdings

According to a statutory filing, Birla TMT Holdings has transferred its **Vodafone Idea Limited (Vi)** shares worth **Rs 353.7 million**, or **0.52 per cent** stake to Birla Group Holdings after amalgamation scheme involving certain entities got the National Company Law Tribunal's (NCLT) approval.

As per Vi's Bombay Stock Exchange (BSE) filing, NCLT Kolkata Bench and NCLT Mumbai Bench, through its orders earlier in 2024, sanctioned the scheme of amalgamation of Birla Family Investments, Birla TMT Holdings, Umang Commercial Company, Aditya Birla Online Fashion, Infocyper India, and Sunbeam Trading and Investments with Birla Group Holdings.

ASSET SALES

RECPDCL hands over two SPVs to successful bidders for power transmission projects

REC Power Development and Consultancy Limited (RECPDCL) has handed over two project-specific special purpose vehicles (SPV) formed for implementation of two power transmission projects.

The SPVs, namely Khavda IV-E2 Power Transmission Limited and NERES XVI Power Transmission Limited, are established for executing inter-state transmission schemes. Power Grid Corporation of India Limited secured the bid for the ISTS scheme aimed at

evacuating power from the potential renewable energy zone in the Khavda area of Gujarat under Phase-IV (7 GW): Part E2. Techno Electric & Engineering Company Limited was selected for the North Eastern Region Expansion Scheme-XVI (NERES-XVI).

Megha Engineering to sell CGD gas unit

Megha Engineering and Infrastructures (MEIL), has put its city gas distribution (CGD) business, **Megha City Gas Distribution (MCGDPL)**, on the block. The wholly-owned subsidiary has decided to consolidate operations and reached out to state-run Indian Oil Corporation, Hindustan Petroleum Corporation, Bharat Petroleum Corporation and Indraprastha Gas, among other players.

HCLTech to purchase certain assets of HPE's Communication Technology Group

HCLTech has announced to extend its leadership in the telecom services market with Hewlett Packard Enterprise (HPE), carving out certain **Communications Technology Group (CTG)** assets to HCLTech.

Through this arrangement, HCLTech will acquire industry-leading intellectual property (IP), engineering and research and development (R&D) talent and client relationships with top global communication service providers (CSPs).

FINANCIAL RESULTS

BSNL reports net loss of Rs 53.67 billion in FY24

Bharat Sanchar Nigam Limited (BSNL) has reported a net loss of **Rs 53.67 billion** in the 2023-24, which has narrowed from Rs 81.61 billion in FY23, on the back of lower expenses, especially finance cost, and higher non-operating income.

The company reported that revenue from operations grew 1 per cent to Rs 193.43 billion, missing the target of Rs 200.08 billion, set by the government as part of the Rs 3.2 trillion revival package. Meanwhile, revenue from cellular services and enterprise segment saw a decline during the year.

MTNL reports loss of Rs 8.17 billion during Q4 FY23-24

Mahanagar Telephone Nigam Limited (MTNL) has reported widening of losses to **Rs 8.17 billion** in the **fourth quarter-ended (QE) March 31, 2024**, mainly on account of high finance costs, according to a regulatory filing. Meanwhile, the company had recorded a loss of Rs 7.45 billion in Q4 FY22-23.

MISCELLANEOUS

NCLT admits Srei's insolvency plea against Supreme Infrastructure BOT

The **National Company Law Tribunal (NCLT)** has admitted **Srei Infrastructure Finance's** petition to initiate a **corporate insolvency resolution process (CIRP)** against **Supreme Infrastructure BOT** after it defaulted on the **repayment of a loan**. Srei Infrastructure Finance had granted a term loan of Rs 1.50 billion to Supreme Infrastructure BOT for a period of five years.

Engine Lease Finance moves insolvency plea against SpiceJet before NCLT

Aircraft engine lessor **Engine Lease Finance (ELF) BV** has reportedly moved an **insolvency plea** against **SpiceJet** before the **National Company Law Tribunal (NCLT)** for the non-payment of more than **\$12 million**. The amount claimed, along with interest and rental was around \$ 16 million. ELF has reportedly leased eight engines to the airline.