

# Infrastructure Finance

## Weekly Newsletter

November 27, 2023 – December 03, 2023

### INSIDE THIS ISSUE

|   |          |
|---|----------|
| <b>LOANS</b>  | <b>2</b> |
| REC approves increase in borrowing to Rs 1.5 trillion   | 2        |
| ADB approves loan worth \$170 million to modernise water supply services in Kochi                 | 2        |
| <b>BONDS/SECURITIES</b>   | <b>2</b> |
| SBI plans AT-1 bond raise of up to Rs 50 billion as credit growth surges                          | 2        |
| Bharti Telecom plans its biggest-ever rupee bonds issuance worth Rs 80 billion                    | 2        |
| <b>IPO/QIP</b>  | <b>2</b> |
| StarAgri eyes an IPO  | 2        |
| <b>MERGERS AND ACQUISITIONS</b>   | <b>3</b> |
| CCI approves Atlas 2022 Holdings' proposed acquisition to increase shareholding in Vodafone Group | 3        |
| UltraTech to take over Kesoram Industries' cement business for Rs 76 billion                      | 3        |
| BP agrees to take full ownership of Lightsource BP  | 3        |
| <b>ASSET SALES</b>  | <b>3</b> |
| IRB's subsidiary inks Rs 44.28 billion concession deal with NHAI                                  | 3        |
| Technique Solaire acquires five solar plants with 135.4 MWp capacity                              | 3        |
| BluPine buys Acme solar assets for Rs 17 billion  | 4        |
| Semcorp to acquire 428 MW of wind assets in China and India                                       | 4        |
| <b>FINANCIAL RESULTS</b>  | <b>4</b> |
| BSNL reports widening of net loss to Rs 14.82 billion in QE September 2023                        | 4        |
| <b>MISCELLANEOUS</b>  | <b>4</b> |
| Centre to upgrade NCLT functioning  | 4        |

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

---

## LOANS

### REC approves increase in borrowing to Rs 1.5 trillion

The Rural Electrification Corporation Limited (REC) has approved a proposal to increase the borrowing to Rs 1.5 trillion from Rs 1.2 trillion for 2023-24.

The board of directors have approved the revision under the market borrowing programme under different debt segments with interchangeability among various instruments, including bonds, debentures, term loans, external commercial borrowing, commercial papers etc. on private/public placement basis from Rs 1,200 billion to Rs 1500 billion for 2023-24.

Funds under the revised scheme will be raised during 2023-24 with approvals from the authority.

### ADB approves loan worth \$170 million to modernise water supply services in Kochi

The Asian Development Bank (ADB) has approved a loan worth \$170 million to modernise water supply services in Kochi, Kerala. The city receives an intermittent water supply for five to 24 hours per day in different localities.

This is despite the universal coverage of the water pipeline network.

Therefore, the project includes the rehabilitation and upgradation of five existing water treatment plants with a cumulative production capacity of 325 million litres per day (mld).

## BONDS/SECURITIES

### SBI plans AT-1 bond raise of up to Rs 50 billion as credit growth surges

The State Bank of India (SBI) is likely to consider raising funds through additional tier-1 (AT-1) bonds by end December 2023 to augment its

capital base. The fund-raise may be in the range of Rs 30 billion to Rs 50 billion via AT-1 bonds.

### Bharti Telecom plans its biggest-ever rupee bonds issuance worth Rs 80 billion

Bharti Telecom is planning to raise bonds worth approximately Rs 80 billion (\$961 million) in the local currency bond market.

If the deal is executed, it will be Bharti Telecom's largest-ever rupee issuance.

It is also the company's first in the onshore market in almost a year.

It raised Rs 32 billion through three-year notes in December 2022.

The non-convertible debentures will be issued in three series – series 1 for Rs 30 billion with a coupon of 8.9 per cent and tenor of two years; series 2 for Rs 30 billion with a coupon of 8.95 per cent and tenor of three years; and series 3 for Rs 20 billion with a coupon of 9 per cent and tenor of five years.

The bids will open on December 1, 2023.

## IPO/QIP

### StarAgri eyes an IPO

StarAgri Warehousing and Collateral Management Limited is currently considering an initial public offering (IPO) over the next 18-24 months, after recording strong growth over the last three years.

The discussions are currently in the preliminary stage.

As per the company, an IPO will help it make substantial investments to operate more effectively and thrive competitively in the rapidly evolving and expanding agri-tech sector and retain a leadership position.

---

## MERGERS ACQUISITIONS

## AND

### CCI approves Atlas 2022 Holdings' proposed acquisition to increase shareholding in Vodafone Group

The **Competition Commission of India (CCI)** has approved the proposed acquisition by **Atlas 2022 Holdings Limited** to increase its voting rights/shareholding in Vodafone Group Plc.

Atlas 2022 Holdings is a wholly-owned subsidiary of Emirates Telecommunications Group Company PJSC (e&).

It was incorporated for the purpose of acquiring and holding e&'s current 14.6 per cent interest in Vodafone.

The proposed combination relates to Atlas's acquisition to increase its voting rights/shareholding in Vodafone from 14.6 per cent to less than 25 per cent in Vodafone Group through a series of on-market and/or off-market transactions.

### UltraTech to take over Kesoram Industries' cement business for Rs 76 billion

**UltraTech Cement** is likely to acquire the cement business of **Kesoram Industries** on a share swap basis.

The deal size has not been disclosed. The demerger and merger will help Kesoram Industries in deleveraging the balance sheet by reduction of debt and outflow of interest, and unlock the value in cement business.

As per the proposed deal, about 59,74,301 new equity shares of UltraTech will be issued to the shareholders of Kesoram Industries.

This will increase UltraTech's equity capital to Rs 2.94 billion consisting of 0.29 billion equity shares of Rs 10 each.

### BP agrees to take full ownership of Lightsource BP

BP, the British oil-giant, has agreed to acquire the 50.03 per cent stake it does not already own in **Lightsource BP**, one of the world's leading developers and operator of utility-scale solar and battery storage assets.

The transaction is being valued at around \$322 billion.

The full ownership will now enable BP to further scale up Lightsource BP and create additional value.

In the near future, BP may also consider unlocking further value by bringing a strategic partner into the business.

## ASSET SALES

### IRB's subsidiary inks Rs 44.28 billion concession deal with NHAI

IRB Infrastructure Developers' subsidiary, **IRB Lalitpur Tollway**, has finalised a concession agreement with the **National Highways Authority of India (NHAI)** for the toll-operate-transfer (TOT) project on NH-44, the Lalitpur-Sagar-Lakhnadon section in Uttar Pradesh and Madhya Pradesh.

The special purpose vehicle (SPV) will make an upfront payment of Rs 44.28 billion for tolling, operation, maintenance, and transfer responsibilities along the stretch.

The TOT agreement spans a 20-year concession period with an annual tariff revision featuring a fixed raise of 3 percent and 40 per cent linked to the wholesale price index (WPI).

### Technique Solaire acquires five solar plants with 135.4 MWp capacity

**Technique Solaire Group** has acquired five ground-mounted solar power plants with a total capacity of 135.4 MWp in Karnataka.

The photovoltaic plants have been acquired from ReNew Solar Power Private Limited which produce more than 215 GWh of green electricity

---

per year, equivalent to the Indian consumption of more than 922,000 inhabitants.

This acquisition marks a milestone for the Technique Solaire group, which now operates 210 MWp in India. Technique Solaire aims to reach an operating capacity of over 350 MWp by 2025 in India (and 1 GW worldwide).

### **BluPine buys Acme solar assets for Rs 17 billion**

**BluPine Energy**, a unit of **Actis**, has acquired solar power assets from **Acme group** for an enterprise value of **Rs 17 billion**.

The acquired assets are housed in 14 special purpose vehicles (SPVs).

Additionally, the binding agreements for these have been signed.

This transaction will add 312 MW of solar capacity to BluPine Energy.

### **Semcorp to acquire 428 MW of wind assets in China and India**

**Semcorp Industries Limited** has signed two separate agreements to acquire a total of **428 MW** of wind assets in **China and India**.

**Green Infra Wind Energy Limited (GIWEL)**, Semcorp's wholly-owned subsidiary, has signed an agreement with **Leap Green Energy Private Limited**, an independent power producer in **Tamil Nadu**.

Under the agreement, GIWEL will acquire 100 per cent of the share capital in two special purpose vehicles (SPVs) for an equity consideration of approximately \$70 million.

The SPVs own 228 MW of operational wind assets in **Madhya Pradesh, Maharashtra and Rajasthan, India**. Further, **Semcorp Energy (Shanghai) Holding Company Limited** has signed an agreement with **Envision Energy Company Limited** to acquire 100 per cent of the share capital in **Qinzhou Yuanneng Wind Power Corporation Limited (Qinzhou Yuanneng)** for an equity consideration of approximately \$130 million.

## **FINANCIAL RESULTS**

### **BSNL reports widening of net loss to Rs 14.82 billion in QE September 2023**

**Bharat Sanchar Nigam Limited (BSNL)** has reported a widening of net loss to **Rs 14.82 billion** in the quarter ended (QE) **September 2023**, from **Rs 14.7 billion** in the previous quarter.

The higher sequential loss during the quarter was primarily due to an increase in expenses on advertisement, business promotion and marketing, interconnect usage charge to other operators, higher revenue share to business partners, bad debt write-off, and expenses on construction contracts, among others.

However, on a year-on-year (YoY) basis, the company's net loss narrowed from **Rs 20.33 billion** in the corresponding quarter last year largely due to a fall in employee benefit expenses, licence and spectrum fee, finance costs, etc.

## **MISCELLANEOUS**

### **Centre to upgrade NCLT functioning**

The **Centre** may come out with a **major upgrade** in the **functioning** of the **National Company Law Tribunal (NCLT)**.

The upgrade is expected to have an impact in the speed and efficiency for India's insolvency resolution regime.

In addition to expediting the resolution of insolvency cases, the principal aim is to guarantee a swifter resolution of company law issues deliberated by NCLT benches.

The government is also looking to add around 100 more members to it. The current sanctioned strength of the NCLT is 63.