

Adani group in talks with SBI to raise Rs 12,000 cr loan to fund Ganga Expressway

Synopsis

Two months ago, Navi Mumbai International Airport, a subsidiary of Adani Enterprises, availed a long-term credit line from SBI for the greenfield project. The bank had committed the entire debt requirement of Rs 12,770 crore for the ambitious project.



Agencies

The [Adani Group](#) is in talks with the [State Bank of India](#) NSE 0.04% ([SBI](#) NSE 0.04%) to raise about Rs 12,000 crore in long-term project loans that would be utilised to build the [Ganga Expressway](#), billed as the country's longest and linking Meerut in the northwest of [Uttar Pradesh](#) to Prayagraj in the state's east.

SBI is engaged in a road traffic survey before loan terms are finalised, three people familiar with the matter told ET. In December, [Adani Enterprises](#) NSE -0.77% (AEL) won contracts from the Uttar Pradesh government to build three stretches of the 594-km Ganga Expressway. The fourth section was awarded to

[IRB Infrastructure](#) NSE 1.45%. AEL's share of work is 80% of the total project. The loan will be of a longer maturity - anything between 10 and 30 years - although the

In the roads segment, AEL now has 14 projects including three large greenfield packages of the Ganga Expressway. The rest of the projects are mostly HAM (Hybrid Annuity Model) projects.

terms are yet to be fixed.

The loan, if finalised, can be offered in high single-digits, in the range of 7-9%, sources said. SBI can down-sell parts of the total loan given to other local banks. Hide quoted text The Adani Group and SBI did not respond to ET's queries. The Ganga Expressway will reportedly be India's longest expressway to be implemented on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Highway Route

Ganga Expressway supposedly India's longest eway being built on DBFOT basis

Proposed loan from SBI to have long tenors of between 10-30 yrs

May have high single-digit rate of interest

Adani Enterprises will build 3 stretches out of four in eway

Bank conducting road traffic survey that primarily predicts road toll collection potential

"The bank is conducting a survey on road traffic with the help of an external agency, which could be one of the Big Four firms," said one of the persons cited above. This survey primarily predicts the potential of road toll collections. This helps lenders decide on the debt-equity ratio. Higher potential of toll collections lowers the share of equity. The debt-equity ratio can be up to 80:20 if there are no parallel roads, brightening the prospects of higher toll collections. The Ganga Expressway may have eight lanes and is expected to be completed by 2024.

It would be constructed over 6,500 hectares of land. The estimated cost against AEL's three awards is Rs 17,000 crore. Holistically, it caters to huge real estate business opportunities for Uttar Pradesh as the project covers a dozen densely populated districts, including Hapur, Bulandshahar, Badaun and Raebareli. [CARE Ratings](#) NSE 1.37% graded Adani Enterprises A+ (Stable outlook) for its bank facilities citing the group's financial flexibility and completion of substantial capex.

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