

EQT Infrastructure investors and offshore capital raising for Adani Group

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EQT Infrastructure Funds IV (PE18786 SS) and V (PE23927 SS) GPs and LPs should examine potential capital raising being undertaken by portfolio company EdgeConneX's joint venture, AdaniConneX, as this could be viewed as a financing transaction for a related party, Adani Power and, more broadly, the Adani Group. Such transactions could become the first dollar funding for the Adani Group since the [Hindenburg report](#), and would follow on from recent Adani investments into thermal coal mining.

Press reports indicate that Adani Group is reaching out to a syndicate of banks to obtain offshore funding.¹ The preliminary deal ticker for the facility is (FIGI) BBG01G4T8GR2. The funding vehicle is [AdaniConneX](#), a joint venture between Adani Group and EdgeConneX, a portfolio company of the Swedish private equity house EQT and, specifically, the EQT Infrastructure Funds IV and V.²

On 23 March, Adani Power sold a private property-related company to AdaniConneX - Support Properties Private Ltd.³ The company's reported purpose is real estate and property rental.⁴ The purchase price has been reported as Rs1,1556crore, approximately USD189mn, an amount covered by the proposed loan (USD220mn), which has been flagged as "Term CAPEX".

"Transparency & Accountability" is included as a focus area in [EQT's sustainability framework](#) and thus it seems appropriate, given the compressed timeframe and comparable values in the sale and loan process, for investors to examine the JV/AdaniConneX's property company purchase and subsequent search for funding, considering broader concerns in the market around Adani Group governance and cross-group funding.^{5, 6}

We suspect Adani Power would currently have difficulties raising dollar funding on a standalone basis. Aside from the governance concerns this transaction raises, Adani Power is central to Adani Group's efforts to increase thermal coal mining in India and abroad, and it has won a number of coal mine auctions as of late.⁷

As part of our efforts to support transparency around fossil fuel funding in the fixed income markets, the Anthropocene Fixed Income Institute welcomes questions from private equity GPs, LPs and industry observers on the potential implications of this financing effort by Adani Group affiliated entities.

¹ "[Adani JV Is in Talks for First Dollar Loan Since Hindenburg](#)", Bloomberg, 4 April 2023.

² "[EQT Infrastructure Doubles Down on EdgeConneX with Fund V](#)", Dgtll Infra, 19 Aug 2021; "[EQT and Adani Enterprises: Some ESG questions](#)", AFII, 24 Feb 2021.

³ "[Adani Power sells 100 pc equity in Support Properties to AdaniConneX for Rs 1,556 crore](#)", Hindustan Times, 23 Mar 2023.

⁴ "[Support Properties Private Limited](#)", The Economic Times, accessed 5 Apr 2023.

⁵ "[MSCI ESG raters flag governance risks at embattled Adani Group](#)", Reuters, 13 Mar 2023.

⁶ "[Adani Green/Ports and Carmichael funding exposures](#)", AFII, 14 Feb 2023

⁷ "[Adani Won Coal Mine in Auction Where Only Bidder Was Firm Linked to the Group](#)", The Wire, 4 April 2023.

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