

# Adani in talks with banks to borrow \$600 mn for gas unit

P R SANJAI AND SAIKAT DAS

May 6

**BILLIONAIRE GAUTAM ADANI'S** conglomerate is seeking an offshore loan of about \$600 million to refinance existing debt, according to people familiar with the matter.

The loan will be raised by Dhamra LNG Terminal, a unit of Adani Total, the people said, asking not be named because the details are private. The debt's tenor could range from three to five years, with the pricing likely linked to the Secured Overnight Financing Rate, they said.

The port-to-power group is discussing the planned transaction with lenders including Credit Agricole, DBS Bank, BNP Paribas, Mitsubishi UFJ Financial Group, and Mizuho Bank, two of the people said. Adani is likely to conclude the borrowing in the next two months.

Adani Group did not immediately respond to Bloomberg's requests for comment.

The conglomerate is regaining the confidence of investors since being targeted early last year by US short seller Hindenburg Research. In March, the group saw robust demand for its first public bond sale since the shortseller crisis.

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## SHIFT TO CLEANER ENERGY

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- Adani Group rebounds post Hindenburg Research targeting
- Group pledges \$100 billion for India's green transition.



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—BLOOMBERG

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With the Hindenburg episode behind it, the Adani Group has doubled down on its infrastructure projects and plans to spend as much as \$100 billion over the next decade on its green transition. That aspiration dovetails with India's ambitions to become a net zero carbon nation by 2070 and curb its reliance on oil and coal.

Prime Minister Narendra Modi's government is trying to increase the country's ability to import LNG to lift the share of natural gas in its energy mix to 15 per cent by 2030 from about 7 per cent now.

**BLOOMBERG**

# Big tech's great AI power grab

Alphabet, Amazon and Microsoft are on the hunt for new energy sources

The Economist

**B**ig tech wants more computing power. A lot more. According to their latest quarterly reports, Alphabet (Google's corporate parent), Amazon and Microsoft—the world's cloud-computing giants—collectively invested \$40bn between January and March, most of it in data centres equipped to deal with growing artificial-intelligence (AI) workloads. Last month Meta, which does not have a cloud business but does run a data-hungry social-media empire, said its capital expenditure could reach \$40bn this year as a result of AI-related projects. That is not far off the \$50bn that Saudi Aramco, an oil colossus, is planning to splurge. Microsoft is likely to spend more.

The comparison with the famously capex-happy energy industry is apt not just because of the sums involved. AI needs vast amounts of processing power. And that processing power needs vast amounts of electricity. On May 2nd Bob Blue, chief executive of Dominion Energy, one of America's biggest utilities, said that data-centre developers now regularly ask him for "several gigawatts" (GW). Dominion's total installed capacity is 34GW.

JPMorgan Chase, a bank, calculates that Microsoft, Amazon's cloud arm (AWS), Alphabet, Meta and Microsoft consumed 90 terawatt-hours (TWh) of electricity in 2022, as much as Colombia. And that was mostly before ChatGPT set off the AI revolution in November that year.

The ensuing hoopla led the International Energy Agency (IEA), an official forecaster, to predict that data centres (including those dedicated to AI and equally energy-hungry cryptocurrencies) will gobble up more than 800TWh globally in 2026, more than double the amount in 2022. BCG, a consultancy, reckons that data processing could triple its share of American power consumption by 2030, to 7.5%.

And not just any power will do. The technology titans want theirs to be clean. In April their industry association warned Georgia Power, which had managed to fast-track the approval of 1.4GW of new fossil-fuelled generation by pointing to rising demand from data centres, that its members would build fewer of these in the southern American state if the utility spewed extra carbon. Combined with rising demand from increasingly electrified transport, heating and parts of heavy industry, digital technology's power needs are putting enormous strain on the businesses that generate and distribute electricity.

*BloombergNEF*, an information



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firm, reckons that annual grid investment needed to fully decarbonise global electricity by 2050 will need to rise from about \$300bn in 2022 to \$600bn in 2030 and well over \$800bn in 2050. Risk-averse utilities, which would normally undertake grid-expansion projects under the watchful eye of cost-minded regulators, have neither the money nor the appetite to do so.

Enter big tech itself. The deep-pocketed giants have already been the biggest force behind green "power-purchase agreements", which helped kickstart America's renewables boom by persuading utilities and other investors to build wind and solar farms. They are now getting in on the green-energy action more directly.

On May 1st Microsoft and Brookfield, one of the world's biggest infrastructure investors, announced a deal to build 10.5GW of renewables capacity in America and Europe by 2030. The arrangement is meant to enable the software giant to meet its pledge to have 100% of its electricity use, 100% of the time, come from zero-carbon sources by 2030. Microsoft and Brookfield have not revealed the price tag, but adding a gigawatt of wind or solar capacity can cost about \$1bn.

One problem is that data centres tend to consume power at a steady rate, including when the sun is not shining nor the wind blowing. So technology firms are also thinking of ways to make data-processing more flexible. In March Sidewalk Infrastructure Partners, an infrastructure-technology company co-created by Alphabet, presented a detailed plan for how this could be

achieved. It involves a combination of microgrids (which can run independently but also exchange energy with others nearby), batteries and advanced software in order to enable shifting less time-sensitive tasks, such as training AI models, to periods of fallow demand.

Jonathan Winer, one of Sidewalk's founders, expects such data centres to pop up first in energy-constrained places like Arizona, California and Massachusetts.

Renewables are not the only area of big tech's power interest. In March AWS paid \$650m for a 960-megawatt (MW) data centre in Pennsylvania powered by a nuclear reactor located next door. Microsoft has struck a deal with Constellation Energy, America's biggest nuclear operator, for supply of nuclear power for its data centre in Virginia, as a backstop when wind and solar are unavailable. Both firms have also been looking at "small modular reactors", a promising though unproven nuclear technology.

Google, meanwhile, is dabbling in geothermal energy. The search giant has signed the first-ever corporate deal to develop "enhanced" geothermal power with Fervo, a startup that has raised \$430m in venture capital. Inspired by the hot-rocks hot-shot has developed horizontal wells, monitored using fibre-optic cables. Its site in Nevada produces round-the-clock, carbon-free power for the local grid—which Google then acquires. Tim Latimer, Fervo's boss, says that every drilling rig his firm operates can add 100MW of power. The firm is developing a 400MW commercial plant in Utah that will

start feeding the grid in 2026. The Department of Energy reckons that innovations like Fervo's could expand geothermal output in America around 20-fold, to more than 90GW, by 2050.

Google and Microsoft have also teamed up with Nucor, a giant American operator of steel mini-mills, which consume lots of electricity. In March the trio announced that they will aggregate demand and jointly offer contracts to clean-energy projects, both early-stage commercial ones and entirely novel "first-of-a-kind" ventures. The idea is to guarantee custom for developers of promising technologies like long-duration energy storage, clean hydrogen, next-generation geothermal and nuclear energy.

The AI industry's most exotic power plays come courtesy of Sam Altman, the techno-optimistic boss of OpenAI, maker of ChatGPT and Microsoft's main model-making partner. In a quest to power the AI revolution, he has invested in Helion, a nuclear-fusion startup, and Exowatt, a startup developing solar modules that can act as both electricity generators and thermal-storage batteries.

Mr Altman is now looking to raise \$500m for Oklo, which is working on nuclear micro-reactors that run on spent fuel from larger ones and that could power individual factories, corporate campuses and, of course, AI server farms. These wagers may seem fanciful. Then again, 18 months ago so did the idea that an AI could write essays or paint like a human.

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**CROSSING CAPEX TARGET FOR FY24**

# Central PSUs' Buys from GeM Rise by 36%, Exceed Target

**Anuradha. Shukla**  
@timesgroup.com

**New Delhi:** India's Central Public Sector Enterprises (CPSEs) continued to drive economic activities as their procurement from MSMEs was 36.34% against the mandated 25% for the Financial Year 2024.

In absolute terms the procurement through Government e-marketplace (GeM) by 54 CPSEs and five departmental arms of government including Railways Board and National Highways Authority of India stood at ₹2.62 lakh crore by March 31, 2024, against ₹1.06 lakh crore in the same period last year, which helped them to push their combined capex at all-time high of 108.54% at ₹8.05 lakh crore, ET has learnt.

"All the CPSEs have done well so far, procurement from MSMEs are concerned which has a multiplier effect," a senior official told ET, adding that even the spending under the Corporate Social Responsibility was ₹2,467 crore in FY 24.

The gross merchandise value of state-run government e-market-

**BIG INVESTMENT**



The growth was led by two large boards including NHAI, which invested ₹2.07 lakh crore, against their annual target of ₹1.67 lakh crore, up 19% over previous year

place (GeM) has already touched ₹4 lakh crore by the end of March 31, with the centre actively pushing ministries to procure goods and services through the portal.

Officials said that there was a push in March.

"In the month of March itself the CPSEs spent ₹1.22 lakh crore which helped us to exceed the annual target by ₹63,354 crore," a senior official told ET, adding that the momentum is expected to continue in FY25 also.

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The Railway Board invested ₹2.49 lakh crore against an annual target of ₹2.44 lakh crore, up 32% than last fiscal.

All petroleum CPSEs achieved or exceeded their target mainly on account of capacity expansion and focus on green transition.

State-run fuel retailer-cum-refiner Indian oil Corporation achieved a capex of ₹42,581 crore or 136% of the FY24 target of ₹31,254 crore, followed by ONGC, which achieved a capex of ₹34,965 crore against the annual target of ₹30,500 crore.

Power sector enterprise NTPC has invested ₹26,088 crore in FY24, 116% of its annual target, while coal india's capex was ₹19,840, against annual target of ₹16,600, up 119%.

**Over Performers**  
(in ₹ crore)



# ‘Modi Way: Dignity, Connectivity, Prosperity’

GOI’s minister for housing & petroleum argues govt’s DBT approach has reduced extreme poverty in the last decade, but this hasn’t come at the cost of encouraging free enterprise

**Hardeep S Puri**



Be it reservations, caste-based divisions, or personal attacks on political leaders, the level of misleading propaganda and outright misinformation in the current general elections is alarming.

One issue in particular is how the poor citizens have fared in the last 10 years in India. Many spurious claims have been made, despite the overwhelming evidence that the last 10 years have witnessed a significant rise in consumption per capita; a drastic reduction in poverty; and decline in inequality. Nearly 25 crore people exited multidimensional poverty in the nine-year period between 2013-14 (29.17%) and 2022-23 (11.28%), according to Niti Aayog.

**Data on poverty** | The World Poverty Lab, which provides real-time poverty estimates based on official data, reported a few months ago that extreme poverty (less than PPP \$2.15) was brought down to less than 3% in India. Bhalla and Bhasin have argued that “high growth and large decline in inequality have combined to eliminate poverty for the PPP \$1.9 poverty line...[which] closely corresponds to the official India Tendulkar poverty line.”

They have also suggested that there has been “an unprecedented decline in both urban and rural inequality. The urban Gini declined from 36.7 to 31.9; the rural Gini declined from 28.7 to 27.0.” Other studies and analyses verify these claims.

‘Garib Kalyan’ or welfarism – from ‘Antyodaya Sarvodaya’ – has driven this wave of empowerment. Large-scale programmes designed with precision and implemented with speed, minimal leakages, using technology, have been the bulwark behind the

‘saturation of public services’ provided to the poor.

Missions to provide universal access to toilets, electricity, cooking fuel, piped water, and roads have increased consumption, improved health outcomes, and generated jobs.

- Before 2014, 45% of people did not have access to clean cooking in rural areas. Of the 10.29cr gas connections added to achieve saturation, 8cr were in rural areas.
- Before the Jal Jeevan Mission began, access to piped water supply in rural areas was a meagre 16%, but now stands at 76%.
- Nearly 12cr toilets constructed across India have almost completely eliminated open defecation.
- The Ayushman Bharat mission has heralded a qualitative change – no longer do families have to submerge themselves in debt to pay for a medical emergency. More than 6.5cr hospital admissions have been undertaken under the mission.

**JAM effect** | Despite many challenges thrown at the Modi govt, which included the twin balance sheet problem; high informality of the economy; weak global recovery after the global financial crisis; and the pandemic, we have only increased public spending in our tenure. The JAM (Jandhan, Aadhaar & Mobile) trinity has allowed the govt to distribute benefits to the poor directly through linked bank accounts,

which themselves have increased in coverage – from around 48% of households in 2014 to 99% now. During the pandemic, we expanded our food support plans through the PM Garib Kalyan Anna Yojana to provide dry rations to 80cr people at zero cost.

In urban areas, the PM SVANidhi Yojana has sanctioned 88.57L loans worth more than ₹11,300cr to more than 63L street vendors and self-employed individuals. These vendors, who were earlier subject to rent seeking, now have allocated vending zones, thus giving them an identity, dignity, access to digital capital, and opportunities to become micro-entrepreneurs.

These achievements paint a vivid picture of transformation. The economically weaker sections of our society now have claim to the trifecta of dignity, connectivity, and prosperity.

**Welfare plus growth** | Our model of combining welfarism with free enterprise, and with emphasis on capital expenditure on digital and physical infrastructure, has ensured India is in a structurally sound position, poised to leapfrog other economies in the coming years.

In comparison, the opposition has made grand promises like giving ₹1L to one woman of each household, which would cost ₹32L cr annually, almost equal to the entire revenue expenditure of GOI.

On the flip side, countries which have had sustained rates of growth have all thought long-term. PM Modi is perhaps the only global leader who is planning for his nation’s welfare for the next 25 years.



# Petro product exports drop on high domestic demand

ARUNIMA BHARADWAJ  
New Delhi, May 6

**INDIA'S EXPORTS OF** refined oil products fell by 11% in April to 1.21 million barrels per day, primarily due to the increase in domestic demand and weaker export margins, according to data provided by Kpler.

Exports to Asia and Europe — the two top destinations of the country — also declined by 25% and 3.4% on month to 446,248 barrels per day and 329,279 bpd, respectively.

In value terms, petroleum product exports declined 13.6% in FY24 to \$84.1 billion, bucking a rising trend of the previous years.

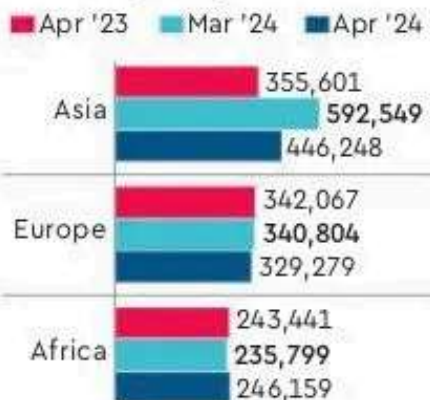
India had become a key supplier of refinery products to the world as many countries stopped direct trade with Russia after its war with Ukraine. In volume terms, these exports grew even in FY24. Data sourced from another ship tracking intelligence firm Vortexa showed a similar trend, with total exports declining to 1.15 million barrels per day in April from 1.37 million bpd in March.

“The overall decline in refined products exports may be attributed to robust domestic demand, and weaker export margins,” said Vortexa’s head of APAC Analysis, Serena Huang. She noted that exports to Southeast Asia fell in April off the back of ample supplies in the region.

India’s diesel exports slumped



Monthly exports of petroleum products (barrels per day)



Total (million barrels per day)



13% m-o-m in April to over 438,704 bpd and that of gasoline exports fell by 17% to 251,681 barrels per day. Jet fuel exports, however, rose marginally by 3.7% to 163,545 bpd.

Asia’s share in Indian petroleum products exports fell to 36.8% in April against 43.5% in March. Europe’s share, however, increased to

27.2% last month from 25% the previous month but still remains substantially lower than the 32% share it held in the same period last year.

Ample supplies from the US and West Asia and Europe resulted in weaker demand for these products from India. The inclination of European countries towards the US and West Asia for purchases can be attributed to the fact that voyages from India are opting for the longer route around Africa to reach Europe due to the Red Sea crisis, which has also resulted in increased freight costs.

Even as the exports to Europe have moderated from the earlier low levels amid tensions at the Red Sea, the volume is still short of the 350,000-400,000 barrel a day average India supplied to Europe in November and December.

India exports a variety of goods via the Red Sea, including petroleum products. The country’s export of petroleum products fell by 14% in FY24 to \$84.14 billion compared with \$97.47 billion in FY23, government data showed.

The country’s demand for petroleum products, including jet fuel, diesel and LPG among others, is likely to grow to 239 million tonne in FY25, as per estimates by the Petroleum Planning and Analysis Cell. The country’s consumption of petroleum products stood at 233 million tonne last year.





## **SHELL PLANS TO SELL MALAYSIA FUEL STATIONS**

ENERGY GIANT SHELL is in talks with Saudi Arabia's state-owned Saudi Aramco to sell its gas station business in Malaysia, the second-largest such network in the country, four industry sources aware of the discussions said, and a deal could be worth up to \$1 billion.

## मैक्सिको की खाड़ी से कच्चे तेल का उत्पादन बढ़ा रही ऑयल कंपनियां

एजेंसी | न्यूयॉर्क

एनर्जी की जरूरतें पूरी करने के लिए ऑयल कंपनियां जमीन के बजाय समुद्र से तेल और गैस निकाल रही हैं। लुईजियाना के तट से दक्षिण-पूर्व में करीब 129 किमी की दूरी पर मैक्सिको की खाड़ी में 10 हजार मेट्रिक टन का स्टील प्लेटफॉर्म तैर रहा है जो ऑयल और गैस कंपनियों की आशाओं का प्रतीक है। इसे एपोमैटोक्स कहा जाता है। यह शेल के स्वामित्व में है। यह समुद्र तल से हजारों फीट नीचे जमीन के भीतर से तेल और गैस निकालता है। प्लेटफॉर्म पर लगे उपकरणों के जरिये ईंधन तट तक पहुंचाया जाता है। राजनीतिक और कॉरपोरेट लीडर्स ने 2050 तक धरती के तापमान को बढ़ाने वाली ग्रीनहाउस गैसों के शून्य तक कम करने का वादा किया है। लेकिन शेल जैसी तेल कंपनियां इस बात पर दांव लगा रही हैं कि दुनिया को आने वाले दशकों तक तेल और गैस की जरूरत होगी। इस डिमांड को पूरा

### समुद्र से तेल निकालने में गैस उत्सर्जन एक तिहाई कम

अपतटीय तेल, गैस और बिंड बिजनेस से जुड़े एक उद्योग संगठन नेशनल ओशन इंडस्ट्रीज एसोसिएशन की रिपोर्ट

के अनुसार, मैक्सिको की खाड़ी से एक बैरल तेल निकालने में जितना गैस उत्सर्जन होता है वह जमीन से एक बैरल तेल निकालने से होने वाले उत्सर्जन से एक तिहाई कम है। इसमें इंजन या बिजली संयंत्रों में जीवाश्म ईंधन जलाने पर पैदा होने वाला उत्सर्जन शामिल नहीं है, जो तेल-गैस के उत्पादन और इसकी रिफाइनिंग में होने वाले उत्सर्जन से कहीं अधिक है।



करने के लिए गहरे पानी में तेल-गैस ड्रिलिंग बढ़ा रही हैं। अधिकारियों का तर्क है कि समुद्र से उत्पादन न केवल कारों, ट्रकों और पावर प्लांट के लिए जरूरी है, बल्कि जमीन पर ड्रिलिंग की तुलना में धरती के लिए भी बेहतर है।