

BlackRock's backing for \$750mn private bond deal signals turnaround for Adani

KRISHN KAUSHIK — NEW DELHI
CHRIS KAY — MUMBAI
KAYE WIGGINS — HONG KONG

BlackRock has subscribed to a \$750mn bond issue by India's Adani Group, a private placement deal that signals a turnaround in the conglomerate's fortunes even as its billionaire founder remains mired in US legal troubles.

The world's biggest asset manager was among a half-dozen US and European investors that participated in the bond sale and bought about a third of the debt, said a person familiar with the matter.

The funds raised will help finance Adani subsidiary Renew Exim's purchase of Indian construction engineering group ITD Cementation and also help it to "capitalise on the burgeoning opportunities in the country's booming infrastructure sector", Adani Group said in a statement.

The capital-raising points to a possible easing of the group's troubles after US authorities in November charged its chair, Gautam Adani, and seven others over an alleged \$256mn bribery scheme to win solar projects in India.

The group has dismissed the charges as "baseless".

The Financial Times reported last month that the conglomerate was reviving plans for major US investments after President Donald Trump paused enforcement of the Foreign Corrupt Practices Act, which bars Americans from bribing foreign government officials to win business.

Adani, as a non-American citizen, was

not charged under the act but the law underpins the indictments against others allegedly involved with the scheme.

"They [BlackRock] are subscribing at the group level for a midterm, three-to-five-year period despite the US indictments," said the person familiar with the matter.



Adani Group has refrained from raising money from the public — Amit Dave/Reuters

Trump's order heightened expectations that the cases would eventually collapse.

Since "it will take some time" for the US legal issues to be resolved, the group has refrained from raising money from the public and opted for private placements for at least six months, said a person close to the company.

UK-based Sona Asset Management — which had participated in a more than \$200mn private loan to an Adani Group coal port project in Australia this year — bought bonds in the latest round, said two people familiar with the matter.

Adani did not respond to a request for comment on the amounts raised in the issue. BlackRock and Sona Asset Management declined to comment.

Adani Green Energy, the renewable arm implicated in the indictment, had suspended a \$600mn bond sale after the charges were made public. It held non-deal roadshows this year and refinanced a \$1.1bn loan last month.

Jefferies, which has helped Adani Group raise billions of dollars in the past two years, has also indicated a willingness to work with the conglomerate, said people aware of the US bank's thinking.

In disclosures in an analyst note last month, Jefferies said it had worked with or continued to work with Adani Group to provide investment banking services, underwriting or placing its securities in the past 12 months.

Jefferies did not respond to a request for comment.

Similarly, JPMorgan said in December that multiple group companies, including Adani Ports, were either a client or

'Ultimately, I believe all of these institutions are opportunistic and will jump right back in'

had been a client in the preceding 12 months for securities-related non-investment banking services.

It also said it "may hold a position in debt securities" of Adani Ports, Adani Green Energy and other group companies.

It is not clear if JPMorgan has worked with the group since the indictment. The bank declined to comment.

US investors account for 15 to 18 per cent of the group's total capital book, including US life and insurance compa-

nies and specialist infrastructure funds, said another person close to Adani Group.

The US charges are the second time in as many years that the conglomerate with interests spanning energy, cement, media, ports and airports has weathered allegations of serious wrongdoing.

In 2023, the now-disbanded US short seller Hindenburg Research accused the group and its leadership of corporate fraud and share-price manipulation.

The group has denied the allegations, with Adani saying after the US indictment in November that "every attack" made the group "stronger".

Many "US banks will probably steer clear until there is clarity on the indictments and a review" of the Foreign Corrupt Practices Act, said Bhaskar Chakravorti, dean of global business at The Fletcher School at Tufts University, noting that the pause on enforcing the act was temporary.

"Ultimately, I believe all of these institutions are opportunistic and will jump right back in as soon as they feel the water is lukewarm enough," he added.

Additional reporting by John Reed in New Delhi and Owen Walker in Singapore