

 Early Warning System

AIIB-000776

India: Project Meridian



Quick Facts

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| Countries | India |
| Financial Institutions | Asian Infrastructure Investment Bank (AIIB) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2023-12-14 |
| Borrower | Mahindra Susten Private Limited |
| Sectors | Energy, Finance |
| Investment Type(s) | Equity |
| Investment Amount (USD) | \$ 73.00 million |
| Loan Amount (USD) | \$ 73.00 million |



Project Description

As stated by the AIIB, the objective of the project is to support the development of Infrastructure Investment Trust (InvIT) as an infrastructure asset class in India by financing the InvIT's acquisition of renewable energy assets.

Mahindra Susten Private Limited (MSPL), backed by Mahindra Group and 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers' Pension Plan Board (OTPPB) jointly referred to as the Sponsors, have set-up and registered an Infrastructure Investment Trust under the SEBI InvIT Regulations called Sustainable Energy Infra Trust. The Trust is set up with an investment strategy focused on renewable energy, supporting India to achieve its Net Zero targets. The Trust will acquire from the Sponsors' portfolio consisting of eight 100 percent operational solar power projects of 1.54 gigawatt peak (GWp) capacity.

AIIB's investment into Units (InvIT Units) to be issued by the Sustainable Energy Infra Trust will finance the Project, which consists of the Trust's acquisition of eight identified renewable energy assets, by de-leveraging and paying the Trust's set-up expenses. By supporting the formation of SEIT, Sponsors will be provided an efficient financing channel to monetize investments in revenue-generating infrastructure assets, thereby freeing up the much-needed capital for Sponsors to undertake new project development. In addition, the Project contributes to mobilizing private capital, and building the capital-raising track record of InvITs as an infrastructure asset class in India.

The Portfolio Assets encompass eight identified solar plants in operation for several years, across five states in India. All the assets are built on land not suitable for agricultural activities, largely provided by the government or purchased from local stakeholders following the willing buyer and willing seller arrangements. The Project Team's field validation as well as external legal counsel's due diligence has not identified any legacy concerns in respect of lands of the assets.



Early Warning System Project Analysis



People Affected By This Project



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Mahindra Susten Private Limited](#) (Financial Intermediary) **is owned by** [Mahindra & Mahindra Ltd](#) (Parent Company)
- [Sustainable Energy Infra Investment Managers Private Limited](#) (Subsidiary) **is owned by** [Mahindra Susten Private Limited](#) (Financial Intermediary)
- [Mahindra Susten Private Limited](#) (Financial Intermediary) **is owned by** [Ontario Teachers' Pension Plan](#) (Parent Company)



Private Actor Relationship

Private Actors Description

As stated on the company's website, Sustainable Energy Infra Trust is an Indian Infrastructure Investment Trust (InvIT), sponsored by 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers' Pension Plan Board) and Mahindra Susten Private Limited.

The Sponsors established the Trust on July 20, 2023, and the Trust was registered with SEBI as an Infrastructure Investment Trust under the InvIT Regulations on August 11, 2023, with registration number IN/InvIT/23-24/0027. The Trust proposes to focus on investments in renewable energy power plants.

As per CRISIL's report, on MSPL dropping its entire current portfolio of operating renewable energy assets into the Trust, SEIT would become India's largest renewable energy InvIT.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|----------------------------|----------------------|------------------------|
| - | - | - | - | Axis Trustee Services Ltd. | Undisclosed | Finance |



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



Bank Documents

- [Project Summary \(January 15, 2024\)](#) [Original Source]

Corporate Documents

- [Jan 10, 2024| InvIT Private Issues : Final Placement Memorandum filed with SEBI](#)

Media

- [India's Mahindra Group-backed infra investment trust goes public](#)