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Yeida to raise funds for projects around airport via infra bonds

Many critical projects planned around the proposed airport in Jewar are expected to cost around ₹10,000 crore

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GREATER NOIDA: The Yamuna Expressway industrial development authority (Yeida) has decided to raise funds via infrastructure bonds for development projects and land acquisition around the Noida International Greenfield airport coming up at Jewar. This is the first time in Uttar Pradesh that a land owning agency will raise funds this way.

While officials said that banks were eager to lend to Yeida after the airport project was approved, the authority believes raising funds through

bonds could get it low cost funds.

Many critical infrastructure projects are expected to be built around the Jewar airport. A high-speed Metro line, an extension of the Eastern Peripheral Expressway and other road projects are part of the plan, which is expected to cost around ₹10,000 crore. Jewar is 70km away from Delhi and 30 km away from Greater Noida and hence, these links are critical in providing connectivity.

"We have hired a Brickwork Ratings that will assess and rate us. It has been mandated to complete the assessment in next two months. Once the ratings will be out we can start raising funds via these instruments. But the rating should be in at least category A or better with A+++ to start raising funds with infrastructure bonds," said Arun Vir Singh, chief executive officer of the Yedia. "The industrial bodies in Hyderabad and Pune are already selling infrastructure bonds to fund their projects."

{ ARUN VIR SINGH } YEIDA CEO



We are going for infra bonds as these will make available funds at lower interest and investors also can get better returns.



Yeida expects that its market value would have increased after the Switzerland company Zurich International AG signed the agreement to build the airport. Work is scheduled to start

by the middle of next year and completed by 2023.

The Uttar Pradesh government on April 24, 2001, had established Yeida to set up industries to generate employ-

ment and develop urban areas along the expressway that connects Greater Noida with Agra. Around 200,000 hectares from 1,187 villages of six districts -- Gautam Budh Nagar, Bulandshahr, Aligarh, Hathras, Mathura and Agra -- were notified under Yeida. So far, it has acquired around 16,000 hectares of land for its various schemes.

In 2012, it borrowed around ₹3,000 crore from banks and the Noida authority at a rate of 9.5% and 12%, respectively.

"Before the airport project was approved, banks were reluctant to provide loan to us, but now everyone wants to give. However, going for bonds will make available funds at lower interest and investors also can get better returns," said Singh.

"The government agencies can go to raise funds via selling bonds. In these bonds the public can directly invest infrastructure projects and earn safely," said Neeresh Kumar chartered account and expert in finances.