

Virescent Infrastructure assigned provisional 'AAA' rating by CRISIL for its proposed InvIT

- *CRISIL has assigned a provisional 'AAA/Stable' rating for the bank loan facilities of Virescent Renewable Energy Trust (VRET)*
- *VRET is India's first renewable energy InvIT proposed to be launched by Virescent Infrastructure, a renewable energy platform in India backed by KKR*
- *Virescent's VRET aims to achieve approximately 1.5 GW of assets in the next 2-3 years*

Mumbai, 10 February 2021: Virescent Renewable Energy Trust ("VRET"), the Infrastructure Investment Trust ("InvIT") proposed to be launched by KKR-backed Indian renewable energy platform Virescent Infrastructure, has received a 'AAA/Stable' provisional rating for its bank loan facilities from CRISIL, an S&P company. The proposed Virescent InvIT is awaiting final approval from the market regulator Securities and Exchange Board of India ("SEBI").

A 'AAA/Stable' rating is the highest provisional rating that CRISIL assigns. VRET is the first renewable energy InvIT in India to be assigned a provisional "AAA" rating from CRISIL, and it is among the few infrastructure companies in India which have been assigned a "AAA" rating.

The 'AAA' rating reflects Virescent's healthy revenue visibility due to long-term power purchase agreements at pre-determined tariffs, in addition to its track record of enhanced generation capabilities, its healthy financial risk profile, and its expectation of low leverage. Virescent's low leverage has resulted in a healthy debt service coverage ratio over its entire debt tenure, supported by adequate liquidity.

VRET's initial portfolio will comprise of nine solar energy projects, with an aggregated capacity of approximately 400 MWp. The assets are located in [and service] Maharashtra, Tamil Nadu, Uttar Pradesh, Gujarat and Rajasthan. VRET aims to achieve approximately 1.5 GW of assets in the initial phase of its growth over the next two to three years. The portfolio will continue to be largely focused on solar energy assets – with solar assets estimated to comprise approximately 80% to 90% of VRET's portfolio -- and that are diversified in terms of location and participating counterparties.

The announcement follows the recent news from India's Finance Minister, who announced as part of this year's Budget plans to enact legislation to allow debt financing of InvITs by foreign portfolio investors ("FPIs"), in addition to various key initiatives. The provision demonstrates the government's continued commitment to InvITs and REITs.

Sanjay Grewal, CEO of Virescent, said, "The provisional 'AAA' CRISIL rating for Virescent's proposed InvIT opens up a variety of options for us to raise debt financing at competitive rates from various market avenues – including FPIs – to enhance our liquidity position. The 'AAA' rating is reflective of the strong sponsorship of VRET by KKR, in addition to our prudent business strategy centred on building a diversified portfolio of approximately 1.5 GW over the next two to three years."



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Mr. Grewal added that InvITs worth Rs 2 trillion are expected to enter the market over the next five years, and Rs 80,000 crore of InvITs are in the pipeline for launch within a year. “The proposed InvIT of Virescent Infrastructure gives us a first-mover advantage to create new long-term and stable investment opportunities in India’s fast-growing renewable energy market.”

About Virescent Infrastructure

Virescent Infrastructure (Virescent) is a renewable energy company in India. Headquartered in Mumbai, Virescent will expand its diversified portfolio of operational renewable energy assets by identifying investment opportunities that have stable cash flows stemming from long-term contracts with state and central government counterparties across India. Please visit Virescent Infrastructure website at www.virescent.co.in

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