



## **KKR Backed Virescent Renewable Energy Trust Ties-Up INR 2,150 cr of Debt Financing via Listed NCDs, Long Term Debt Financing and Working Capital**

- Raises INR 1,000 cr via NCDs in the first ever issuance by a renewable energy InvIT from India
- Ties up an additional INR 1,000 cr of long-term financing from L&T Finance
- Avails INR 150 cr of working capital financing from Tata Capital
- Proceeds will be primarily used for refinancing SPV level debt and for funding future acquisitions

**National, 15 November 2021:** Virescent Renewable Energy Trust (VRET) raised INR 1000 crore in its debut issuance across 3, 5 and 7 year tranches. This transaction marks the first ever issuance by a Renewable Energy InvIT in India thereby establishing a new yield curve. The Company will primarily use the proceeds to refinance existing debt at the SPV level as well as fund future acquisitions. The NCD structure benefits from a comprehensive covenant package thereby ensuring the highest domestic rating of AAA by CRISIL and India Ratings. This is the first issue from the renewable energy sector in India to benefit from a dual AAA rating, demonstrating the VRETs strong focus on creditor interests. The success of the transaction highlights the faith of the investor community in the strength of the Sponsor and VRET's robust business plan. Barclays Bank PLC, Trust Investment Advisors and ICICI Bank acted as arrangers on the issuance

VRET has also tied up an additional INR 1,000 crore of long-term financing from L&T Finance. This ensures complete debt tie-up for VRETs immediate near-term acquisition pipeline. Further, VRET has availed a working capital facility of INR 150 crore from Tata Capital to enhance its liquidity position and meet its credit rating requirements

Funding at the InvIT level entails a cash pooling mechanism as well as cross-collateralisation of security, thereby ensuring a cleaner capital structure, this benefiting all lenders - NCD investors as well as long term financiers

Recently, in September 2021, VRET was set-up as a private listed InvIT and raised ~US\$62mn of equity from a group of foreign and domestic investors, led by Alberta Investment Management Corporation (AIMCO). Further to the issuance, VRET has expanded its Board and has appointing Mr. Akshay Jaitly as an Independent Director. The other Independent Directors include Mr. Pradeep Kumar Panja, CMD - Karnataka Bank and Member - Bank Board Bureau and Mr. Vinay Kumar Pabba, former CEO of Brookfield Renewables and Ex-COO of Greenko.

Mr. Akshay Jaitly is the President of 262 Advisors, based in Paris. He advises Indian, French and other international businesses with an interest in India on cross-border strategy and risk management. He is also involved with research initiatives on policy reform in the Indian power and infrastructure sectors. and writes a regular column for BloombergQuint. Mr. Jaitly previously worked as a transactional lawyer for over 25 years, in the UK, Japan and India. In 2000, he co-founded Trilegal and was the head of their energy and infrastructure practice. He remains senior advisor to Trilegal and is a member of their Board.



**Mr. Sanjay Grewal, CEO, Virescent Infrastructure** said “This incredible achievement is an important milestone in VRET’s journey, demonstrating our debt fund raising capabilities at competitive pricing with different instruments and maturity profiles and reposes the faith of lenders in VRET. We look forward to working closely with our lenders as we continue to acquire high-quality assets for achieving our initial growth targets”. Further, we are extremely happy to induct Mr. Akshay Jaitly on our Board and we will benefit from his legal / regulatory knowledge and experience in the infrastructure and renewable sectors.”

**Mr. Parin Mehta, CFO, Virescent Infrastructure** said “We are extremely happy to raise debt in a timely manner at competitive rates. With this fund raise, all our debt will be at the InvIT level, thereby enhancing our overall capital structure. We not only have refinanced our existing debt but also have debt in place for our next set of acquisitions”.

### **About Virescent**

[www.virescent.co.in](http://www.virescent.co.in)

Virescent Renewable Energy Trust is an infrastructure investment trust (InvIT) established as a trust under the Indian Trusts Act, 1882 with the objective of undertaking investment activities as an InvIT in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

Virescent Infrastructure Investment Manager Private Limited is a private limited company incorporated under the provisions of Companies Act, 2013 and will act as the investment manager of Virescent Renewable Energy Trust. 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. The current installed capacity installed ~ 394 MWp across 9 operational projects with additional ~55 MWp of assets in pipeline.

### **About KKR**

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR’s investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

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