



KKR Backed Virescent Renewable Energy Trust issues INR 650 cr via Domestic Bond Issue

- *Raises INR 650 crore through Listed Rated Non-Convertible Debentures*
- *Largest single series domestic bond issuance of INR 500 crore in 10-year tenor, by a Renewable Energy Company*
- *Average quarterly coupon rate of 7.93 percent (fully fixed for entire tenor)*
- *Subscription by marquee domestic financial institutions (India Infrastructure Finance Company Limited & Aseem Infrastructure Finance Limited)*
- *Proceeds to be primarily used for funding its acquisitions related debt requirements*

India, 7th February 2022: Virescent Renewable Energy Trust (VRET) raised INR 650 crore through a domestic bond issuance across 7.33-year (INR 150 crore) and 10-year (INR 500 crore) tranches. This transaction marks the largest single series issuance of INR 500 crore in 10-year tenor by a Renewable Energy Company. This bond issuance establishes a new yield curve for VRET, while also achieving significant elongation of average tenor as compared to the earlier INR 1000 crore bond issuance of VRET in November 2021 (4.8 years to 9.4 years). The average quarterly coupon of the bonds is 7.93%, fully fixed for the entire tenor. VRET will primarily use the bond proceeds to fund its immediate acquisition related debt requirements as it scales up its portfolio from the existing 450MW (peak) of operational solar projects.

The bonds are assigned the highest domestic rating of AAA (Stable) by CRISIL and India Ratings. The success of the transaction highlights the faith of the investor community in the strength of KKR as the Sponsor and the presence of long-term power purchase agreements (PPAs) for the entire capacity, a diverse portfolio of underlying assets in terms of geography, counterparty, operators and equipment suppliers, demonstrated track record of stable operations, timely receipt of payments from the offtakers for majority of the projects, strong debt coverages as well as robust debt protection features as per the India Ratings credit rationale.

Mr. Sanjay Grewal, CEO, Virescent Infrastructure said “This bond issuance is a significant achievement in VRET’s journey, demonstrating our debt raising capabilities to achieve competitive pricing and longer maturity profiles. With VRET being a recently established entity in September 2021 and only 5 months into our journey, we are pleased to have issued such long tenor bonds and attracted marquee institutional lenders such as the government backed India Infrastructure Finance Company Limited as well as the NIIIF promoted Aseem Infrastructure Finance Limited.

VRET’s bond issuance comes in the backdrop of the announcement in the recent Union Budget to issue Sovereign Green Bonds, thereby continuing the Govt. of India’s serious push to promote renewables. Proceeds from Green Bonds are earmarked only for green projects. With this new initiative by Govt. of India, more renewable energy companies are expected to issue Green Bonds in domestic market at competitive pricing.

The Government and Policy Makers continue to focus on deepening the debt markets by opening new avenues through Pension Funds, Insurance Companies, Foreign Portfolio Investors, etc facilitating the availability of long-term debt capital to finance infrastructure.

Grewal mentioned that “It is very encouraging to see specialized lenders and development finance institutions such as IIFCL and Aseem Infrastructure participate in the long-term debt markets as it will go a long way in creating much



needed capital for infrastructure funding. Sanjay Grewal added that “We are pleased to have a diversified lender base comprising of Banks, Mutual Funds, NBFCs, Specialized Financial Institutions & Corporate Treasuries, etc through our current & earlier bond issuances.”

Shri Padmanabhan Raja Jaishankar, Managing Director, IIFCL said "Keeping in mind country's infrastructure needs and development of bond markets, IIFCL has embraced these objectives by investing into Infrastructure Bonds thereby boosting the availability of longer-tenor bond finance. This step will propel the new financial architecture wherein financial institutions and banks fund the construction phase and later re-financings are funded through bond market and IIFCL is accelerating this proposition."

Shri Virender Pankaj, CEO, Aseem Infrastructure Finance Ltd, said “This issuance marks our first fixed investment in a significantly longer tenor (10 years) Infrastructure Bond and is in line with our aspiration to become one of the leading players in Infrastructure financing by providing focused and customized solutions to clients”

About Virescent:

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 ~ 450 MWp across 13 operational projects with additional ~50 MWp of assets in pipeline which would take the installed capacity to half a gigawatt.

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 and on Twitter @KKR_Co.

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