



VIRESCENT
INFRASTRUCTURE

Virescent Infrastructure Investment Manager Private Limited Borrowing Policy

**(Approved and Adopted by the Board of Directors
on February 17, 2021 and amended on July 21, 2021)**

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1. Preamble

- 1.1. This Borrowing Policy aims to outline the divestment strategy and process in relation to Terra InvIT to be adopted by the board of directors of the Investment Manager (the "Board") and shall be effective on and from the Terra InvIT Closing Date, provided that, the Investment Manager shall, at all times, comply with the requirements under the SEBI InvIT Regulations and other Applicable Law.

2. Definitions

- 2.1. "**Applicable Law**" shall mean the Indian Trusts Act, 1882, the Companies Act, 2013 and the rules issued thereunder, the SEBI InvIT Regulations, and circulars, issued by the SEBI from time to time.
- 2.2. "**Initial Offer**" shall mean the proposed initial offer of Units by the Terra InvIT.
- 2.3. "**Terra InvIT Assets**" shall mean assets owned by the Terra InvIT, whether directly or Project SPVs, and includes all rights, interests and benefits arising from and incidental to ownership of such assets.
- 2.4. "**Investment Manager**" shall mean Virescent Infrastructure Investment Manager Private Limited, in its capacity as the investment manager to the Terra InvIT.
- 2.5. "**Terra InvIT Closing Date**" shall mean the date on which units are allotted to the successful applicants pursuant to the Initial Offer.
- 2.6. "**Terra InvIT Documents**" shall mean the Trust Deed, the Investment Management Agreement, the Asset Acquisition Agreements, Project Management Agreements, any agreement between the Trustee and/or the Investment Manager and/or the Project Manager with respect to the Terra InvIT or to which the Investment Manager or the Trustee is a party in their capacity as the manager or trustee of the Terra InvIT or Units or any other obligations, securities or instruments as permitted under Applicable Law, executed for the purpose of the Terra InvIT, any Placement Memorandum or Offer Document, and such other documents in connection therewith, as originally executed and amended, modified, supplemented or restated from time to time.
- 2.7. "**Policy**" shall mean this Borrowing Policy, as amended from time to time.
- 2.8. "**Project Manager**" shall mean Virescent Renewable Energy Project Manager Private Limited.
- 2.9. "**Project SPVs**" shall have the meaning ascribed to such term in the SEBI InvIT Regulations or otherwise as permitted by SEBI.

- 2.10. **“SEBI”** shall mean Securities and Exchange Board of India.
- 2.11. **“SEBI InvIT Regulations”** shall mean the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and supplemented from time to time by the SEBI, including all guidelines, circulars, notifications and directions issued by SEBI under the SEBI InvIT Regulations from time to time.
- 2.12. **“Sponsor”** shall mean Terra Asia Holdings II Pte. Ltd.
- 2.13. **“Trustee”** shall mean Axis Trustee Services Limited.
- 2.14. **“Trust Deed”** shall mean the trust deed dated January 28, 2021 entered into between the Sponsor, the Settlor and the Trustee.
- 2.15. **“Unit”** shall mean a unit issued by the Terra InvIT and representing proportionate beneficial interest in the Terra InvIT.
- 2.16. **“Unitholders”** shall mean any person who holds any Unit in the Terra InvIT.

3. Interpretation

- 3.1. Capitalised terms used, but not defined herein, shall have the meaning ascribed to such term under the Trust Deed and other Terra InvIT Documents, as the case may be.
- 3.2. In case of any inconsistency between the terms of the Trust Deed and this Policy, the terms of the Trust Deed shall prevail.

4. Borrowing Mechanism

4.1. Borrowings and Deferred Payments

- 4.1.1. The Terra InvIT may make borrowings and deferred payments from time to time, including availing loans from banks and financial institutions, by any instrument, in Indian or foreign currency in accordance with Applicable Law.
- 4.1.2. The Terra InvIT also has the power to create, mortgage or secure any of its assets or provide guarantees in order to borrow funds in accordance with Applicable Law.

4.2. Borrowing Limits

- 4.2.1. The Trustee shall, on receipt of advice from the Investment Manager, have the power to borrow monies (through any mode, including by way of issuance of debt securities, subordinated debt, equity or other Securities or instruments permitted under

the SEBI InvIT Regulations or other Applicable Law) from any person or authority (whether government or otherwise, whether Indian or overseas) on such terms and conditions, and for such periods and purpose, as may be permitted under the SEBI InvIT Regulations and approved by the Unitholders, and offer such security as it may deem fit, for the purpose of making such borrowing. Further, the Trustee (acting in capacity of the trustee of the Terra InvIT) shall have the power to create charge, security interest and/or lien over any or all of the assets of the Terra InvIT (both, present or future), to secure and/or guarantee the performance of any of the obligations of the Project SPVs, as it may deem fit.

4.3. Investment Manager Disclosures

4.3.1. The Investment Manager shall submit an annual report to the Trustee and Unitholders of the Terra InvIT, either electronically or through physical copies, with the following:

4.3.1.1. Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone at Project SPV level and consolidated at the Terra InvIT level); and

4.3.1.2. Details of outstanding borrowings and deferred payments of Terra InvIT including but not limited to any credit rating(s), debt maturity profiles, and debt service coverage ratio of the Terra InvIT on a consolidated and standalone basis as at the end of the year.

5. Conflict with Law

5.1. The Policy shall not contradict with the provisions of any Applicable Law. In case of any discrepancy, the provisions of Applicable Law shall prevail over the provisions of this Policy.

5.2. Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Law, including any amendment to the SEBI InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Terra InvIT.

Adopted by the board of directors of Virescent Infrastructure Investment Manager Private Limited on behalf of Virescent Renewable Energy Trust on February 17, 2021 and amended on July 21, 2021.