Borrowing Framework

As a good governance & risk management, we recommend below mentioned borrowing framework over and above borrowing guidelines as per InvIT regulation.

InvIT Regulations (key terms):

- The consolidated borrowings net of cash and cash equivalents not to exceed 70% of value of InvIT assets.
- Obtained credit rating of 'AAA' for borrowing above 49% of value of InvIT assets.
- Any borrowing above 49% shall be used only for acquisition or development of infrastructure projects.
- If the value of the funds borrowed from related parties, in a financial year, exceeds five percent of the total consolidated borrowings then unit holder's approval shall be obtained.

Internal Borrowing framework:

- DSRA to be maintain for one Quarter of principal/interest payment for Transmission and two Quarter of principal/interest payment for Solar. This will be calculated on borrowing in proportion of the Transmission and Solar AUM and will be kept aside in form of Liquidity/BG.
- Avail committed lines/ binding term sheet 6 months in advance from refinancing date for all bullet debt maturities amounting above INR 500 cr and 3 months in advance for other bullet maturities.
- Not to keep any bullet refinancing more than 20% of overall debt in a Financial Year in incremental debt raising plans
- Debt to EBITDA not to exceed 6.75x
- Further as a monitoring measure, on a quarterly basis, all the refinancing coming in next 12 months to be reviewed by the management in order to explore and plan any opportunistic refinancing in advance.
- Similarly, as a prudent strategy, we try to structure debt with call options such that we can refinance the debt at least 6 months in advance before the refinancing due date.