GREEN FINANCING & DEBT SYNDICATION · STEP 02 · STRUCTURE · MODEL

Debt Sizing & Sculpting Model

Tranche-wise sizing model sculpting debt service to project cash flows, testing minimum DSCR, leverage limits and reserve requirements across tranches.

Worked example (anonymised): Standalone BESS Capital Structuring · 300 MW / 600 MWh · Western India. DISCOM-awarded capacity contract with availability-based payments; sponsor evaluating blended senior + green mezzanine structure to fund EPC and 15-year O&M; reserve.

Illustrative sample image

Sample excerpt · Tranche Sizing Summary (Illustrative)

Tranche	Amount (INR Cr)	Min DSCR	Tenor (yrs)	Indicative Rate
Senior Green Tranche	520	1.30x	14	10.2%
SLL Tranche	180	1.25x	10	10.1% ± ratchet
Mezzanine	90	1.10x	7 (bullet)	15.0%
Total Debt	790	-	-	Blended 10.9%
Sponsor Equity	260	-	-	-

Notes

• Base case uses P90 generation/availability assumptions
• Sensitivity run includes ±10% capex and 12-month COD delay scenarios

What happens in this step

1. Review project cash-flow model, revenue contracts and risk allocation to determine debt capacity and optimal tenor bands
2. Screen eligible instruments — SLLs, green/climate bonds, ECB, non-recourse project finance, mezzanine/subordinated debt — against RBI/FEMA and green-taxonomy criteria

3. Model blended tranche structures (senior + mezzanine + green tranche) to test DSCR, leverage and pricing outcomes under multiple scenarios
4. Define KPI/SPT frameworks for sustainability-linked pricing ratchets and align with target certifications (e.g. CBI, LMA/APLMA Green Loan Principles)
5. Assess security package, cash-waterfall and covenant package for each instrument option, including DSRA, MMRA and step-in rights
6. Prepare comparative term-sheet framework and recommend the instrument mix, with rationale, to the client's investment committee
7. Finalise financing structure memo and hand over to Market & Negotiate phase with lender long-list and pitch materials

Outcomes

• A financing structure with instrument mix matched to project risk, tenor and cost-of-capital objectives
• Quantified debt capacity and sculpted repayment profile validated against downside scenarios
• A defensible, lender-ready term sheet comparison to accelerate the negotiation phase
• Reduced blended cost of capital through appropriate use of green/SLL pricing incentives

Want this for your project? Write to info@growthifye.com or use the Contact page — we will scope the real deliverable set for your capacity, state and lender requirements.