



Permitted Use Of Fresh Borrowings For Invits Where Net Borrowings Exceeds Forty-Nine Percent Of The Value Of Invit Assets

SEBI has vide Circular no. SEBI/HO/DDHS/DDHS-PoD-2/I/11700/2026 dated May 15, 2026, specified the permissible end-use of borrowings for Infrastructure Investment Trusts (InvITs) where net borrowings exceed 49% of the value of InvIT assets pursuant to the amendment made in Regulation 20(3)(b)(ii) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 on April 17, 2026 for strategic purposes such as enhancing of existing assets, non-routine maintenance and principal refinancing so to enhance or provide a critical support to existing projects.

The circular provides clarity on the permissible utilization of borrowings by InvITs where net borrowings exceed 49% of the value of InvIT assets. The objective is to ensure that higher leverage is utilized for specified and productive purposes.

Key aspects include:

- Borrowings above 49% may be utilized for capital expenditure aimed at enhancing asset performance or increasing asset capacity.
- Such borrowings may also be used for major maintenance expenditure relating to road projects, provided the expenditure is non-routine in nature and is undertaken in accordance with the obligations and requirements specified in the concession agreement.
- Road projects eligible under the circular include projects falling under the “Roads and Bridges” infrastructure sub-sector as notified by the Ministry of Finance, including any subsequent amendments thereto.
- Borrowings may be utilized for refinancing existing debt at the InvIT, SPV or Holdco level, subject to specified conditions.
- Refinancing is permitted only where the original debt was raised for purposes permitted under Regulation 20(3)(b)(ii) of the InvIT Regulations.
- Only the principal amount of the existing debt can be refinanced. Accrued interest, penalties, fees or other charges are not eligible for refinancing through such borrowings.

The circular provides operational guidance on the expanded borrowing framework introduced through the recent amendment to the InvIT Regulations and ensures that higher leverage is directed towards asset enhancement, critical maintenance activities and prudent debt management.

Kindly refer the circular for further details –[Permitted use of fresh borrowings for InvITs where Net Borrowings exceeds forty-nine percent of the value of InvIT assets](#)