

June 14, 2023

Shrem InvIT: Ratings reaffirmed; provisional rating finalised for term loan; outlook revised to Negative from Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Term Loan - I	3364.0	3364.0	[ICRA]AAA Reaffirmed; outlook revised to Negative from Stable
Fund-based Term Loan - II	0.0	4086.0	[ICRA] AAA provisional rating finalised; outlook revised to Negative from Stable
Proposed Term Loan	4086.0	-	-
Issuer Rating	0.0	0.0	[ICRA]AAA Reaffirmed; outlook revised to Negative from Stable
Total	7450.0	7450.0	

*Instrument details are provided in Annexure-I

Rationale

The rating assigned by ICRA is not a comment on the ability of Shrem InvIT to meet the distribution/dividend payouts to unitholders/investors; neither should it be construed as a comment on the debt servicing ability of the individual assets or special purpose vehicles (SPVs) held by the Trust.

ICRA has undertaken a consolidated financial analysis of Shrem InvIT and its underlying 32 SPVs and the proposed acquisition of two more operational hybrid annuity (HAM) assets from Dilip Buildcon Limited (DBL) which are yet to be acquired. Shrem InvIT has a 100% controlling stake in 29 SPVs and 49% in three SPVs with full cash flow fungibility. The balance 51% in the three SPVs and the 100% stake in two SPVs are expected to be acquired by Q1 FY2024. There is an established track record of seven quarters for transfer of surplus from the SPVs to the InvIT from the time of inclusion of these assets under the InvIT structure in September 2021.

The rating draws comfort from the strength of the 34-operational road SPVs, with an average operational track record of around 5.4 years. The portfolio is well diversified, involving 15 hybrid annuity (HAM) projects awarded by National Highway Authority of India (NHAI; [ICRA]AAA (Stable)), one HAM project awarded by Ministry of Road Transport and Highway (MoRTH), one NHAI toll project, 10 state annuity plus toll projects awarded by Madhya Pradesh Road Development Corporation (MPRDC), six state annuity projects awarded by MPRDC, Karnataka Road Development Corporation Limited (KRDCL), Gujarat State Road Development Corporation Limited (GRDCL) and one state toll project awarded by MPRDC. Majority of the consolidated revenues are from the NHAI/MORTH projects. The portfolio is geographically diversified as they are spread across nine states viz. Madhya Pradesh, Maharashtra, Uttar Pradesh, Karnataka, Gujarat, Jharkhand, Andhra Pradesh, Odisha and Chhattisgarh.

The outlook for the [ICRA]AAA rating has been revised to Negative from Stable on account of expected material increase in leverage to ~ 49% following the change in the acquisition plan – from assigning InvIT units as consideration to cash payout funded by additional debt of Rs. 1000 crore. Further, there has been a gradual deterioration in the debt structure with back-ended ballooning debt repayments for the proposed Non-convertible debentures (NCDs) of Rs. 1000 crore and a put option from the end of five years for term loan-II which exposes the InvIT to refinancing risks. Inability to improve the leverage will put pressure on the credit profile. However, ICRA expects the Trust to continue to benefit from its well-diversified pool of

assets, which is expected to generate healthy cash flows without any material delays or deductions in annuities and a strong cash flow cover.

The rating notes the benefit of cash flow pooling for the SPVs and the Trust, which ensures that cash flows of all the SPVs are available for meeting the debt servicing obligations of the InvIT and the operations and maintenance (O&M) expenses of the SPVs. While there is no major maintenance reserve (MMR) maintained at the SPVs, the consolidated cash flows are adequate to meet the MM obligations in the years when they are due. Also, SEBI InvIT regulations restrict the aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs, thereby limiting the leverage that can be undertaken by the Trust. The current leverage of the InvIT is at around ~46%, as per the valuation report dated March 31, 2023. However, the leverage is expected to increase to around ~49%, much higher than the ICRA-expected leverage, post the acquisition of the remaining two assets, and the proposed fresh debt of Rs. 1,000 crore of NCDs. ICRA notes that the trust has displayed a tendency to make adjustments to its financial policy, including a tolerance for a higher financial leverage. ICRA considers this to be a credit negative. Accordingly, the InvIT's debt-raising plans, primarily to fund the future acquisitions, and its impact on the debt protection metrics would remain a key monitorable, going forward.

The rating considers the strong cash flow cover, with a projected average debt service coverage ratio (DSCR) of more than 1.65 times (as per ICRA's base case) for the portfolio, and other features such as a well-defined cashflow escrow waterfall mechanism and debt service reserve account (DSRA) of Rs. 447.0 crore (six-month peak DSRA for Term loan-I (for initial 24 assets) and three-month peak DSRA for Term loan-II (for 10 new HAM assets)) as of March 31, 2023, and provision for cash trap in case the DSCR falls below 1.25 times as per the annual audited figures. Additionally, a contingency reserve of Rs. 90.0 crore will be maintained at the InvIT/SPV level (till FY2027 to fund any shortfall arising from delays in annuity payments for State annuity projects. The lender can utilise the DSRA as well as contingency reserve for debt servicing on/before the due date (without any approval from the borrower or any other third party) in case of shortfall in cashflows for meeting debt servicing requirement due to any delays in annuity receipts from the authorities.

The rating also favourably takes into account the significant experience and established track record of the O&M contractor (DBL) and an arrangement wherein the toll revenues of 11 MPRDC SPVs (10 toll-plus annuity, one toll) will be passed on to DBL for carrying out the entire O&M activities (both routine and periodic) of the 14 road SPVs (13 MPRDC + 1 GRDCL) during the balance concession period. This arrangement reduces market risks to a significant extent for the respective SPVs. For the remaining 20 SPVs (16 NHAI, 1 MORTH and 3 KRDC), InvIT has entered into a fixed-price contract with DBL for taking up routine and major maintenance activities for the entire concession period, including the 10 new HAM assets. The O&M payments to DBL are paid after the receipt of annuity from the authority, and in case there are any deductions from the authority on account of non-maintenance of the stretch, the same would be deducted from the O&M payments to be paid to DBL, thereby reducing the O&M risk to a significant extent.

Notwithstanding these strengths, the Trust remains exposed to the risks inherent in toll road projects including those arising from political acceptability of the rate hikes over the concession period, the likelihood of toll leakages, development or improvement of alternative routes or modes of transportation. ICRA has taken note of the expected commencement of the Delhi-Mumbai Expressway (DME) by 2024 and has considered its impact on the toll revenues of Jalpa Devi Tollways Limited (JDTL). JDTL accounts for around 16% of the overall CFADS. Therefore, any higher than anticipated traffic shift once the DME becomes fully operational remains a key monitorable. It is also exposed to counterparty credit risks with 16 of the 34 SPVs being state annuity projects, which may result in delays in annuity payments as witnessed in the past. However, this is mitigated by the availability of an additional contingency reserve of Rs. 90 crore to be maintained till FY2027. Further, the contribution from the state annuity projects to the consolidated cumulative revenues over the debt tenure remained low at 5%. Overall, across all the 30 existing annuity-based projects, the projects have received 296 annuities since PCOD/COD of these projects till March 31, 2023, with an average receivable cycle of 10-11 days.

While the Shrem Group has a limited track record of six years in the infrastructure segment satisfactory annuity and grant collection track record, the presence of an established O&M contractor, technically competent key management personnel and the vast experience of the independent directors of the investment manager are the comforting factors.

The ability of the InvIT to undertake regular and periodic maintenance within the budgeted cost will be critical, given that the SPVs do not have provision for building adequate MMR, in the absence of which the cash outflows for periodic maintenance would be met from the respective years' inflows. Any annuity deductions from the authorities because of O&M deficiencies will be adjusted in the O&M payments to DBL. However, the fixed price contract with DBL, step up in MM estimates in the future years providing comfortable cushion to meet any increase in costs and defect liability period (DLP) deposit (for the 6 HAM projects acquired initially) and the O&M deposit (under 14 state projects) mitigates the O&M contractor risk to an extent. Further, DBL has signed a non-disposal undertaking with Shrem InvIT, where 15% of the units of Shrem InvIT held by DBL shall not be disposed till the end of the concession period.

Further, the cash flows are exposed to interest rate risk, given the floating nature of the interest rates of the project loan. However, 71% of the inflows (cumulatively including the 10 new HAM assets) for the InvIT are linked with the bank rate which mitigates this risk to an extent.

Key rating drivers and their description

Credit strengths

Operational nature and diversification of asset portfolio with track record of toll collection and annuity receipts – Shrem InvIT has a portfolio of 34 road assets of various road asset types – 15 NHAI HAM, one MoRTH HAM, one NHAI toll, 10 MPRDC toll+annuity, two MPRDC annuity, three KRDCL annuity, one GRDCL annuity and one MPRDC toll project – spread across nine states (Madhya Pradesh, Maharashtra, Uttar Pradesh, Karnataka, Gujarat, Jharkhand, Andhra Pradesh, Odisha, and Chhattisgarh). InvIT has completed the acquisition of eight operational HAM assets from DBL in FY2023 and is likely to complete the acquisition of the remaining two HAM assets in Q1 FY2024. The projects awarded by the Central government authorities (NHAI/MoRTH) are anticipated to account for 95% of the consolidated cumulative revenues, while the remaining 5% will be from the state authorities (MPRDC, GoG, KRDCL).

Cash pooling benefit of InvIT – Cash pooling ensures that cash flows of all the SPVs are available for meeting the debt servicing obligations of the InvIT and the O&M expenses of the SPVs. While there is no MMR maintained at the SPVs, the consolidated cash flows are adequate to meet the MM obligations in the years when it is falling due.

Strong cash flow cover– The InvIT's consolidated cash flows have a robust cash flow cover, with a projected average DSCR (including proposed portfolio) of more than 1.65 times for the portfolio, and other features such as a well-defined cash flow escrow waterfall mechanism, a debt service reserve account (DSRA) of Rs. 447.0 crore (six-month peak DSRA for term loan-I for initial 24 assets and a three-month peak DSRA for term loan-II (for 10 new HAM assets)) as on March 31, 2023, and a provision for cash trap in case the DSCR falls below 1.25 times, as per the annual audited figures. Additionally, a contingency reserve of Rs. 90.0 crore will be maintained at the InvIT/SPV level till FY2027 to fund any shortfall arising from delays in annuity payments for the state annuity projects. The lender can utilise the DSRA as well as contingency reserve for debt servicing on/before the due date (without any approval from the borrower or any other third party) in case of a shortfall in cash flows for meeting the debt servicing requirement due to delays in annuity receipts from the authorities.

Established track record of O&M contractor – DBL is the O&M contractor (both routine and periodic) for all the 34 projects, including the 10 new HAM projects, for the entire concession period. It has significant experience in the maintenance of road projects and has a demonstrated track record of executing O&M works, within the budgeted time and cost. There is an arrangement wherein the toll revenue of 11 MPRDC SPVs (10 toll-plus annuity, one toll) would be passed on to DBL for carrying out O&M activities (both routine and periodic) for 14 road SPVs (13 MPRDC + 1 GRDCL) during the balance concession period. This arrangement reduces the market risks to a considerable extent for the respective SPVs. For the other 20 SPVs (three KRDCL, 16 NHAI and one MORTH), InvIT has entered into a fixed-price contract with DBL for taking up routine and major maintenance activities for the entire concession period. The O&M payments to DBL are paid after the receipt of annuity from the authority, and in case there are any deductions from the authority on account of non-maintenance of the stretch, the same would be deducted from the O&M payments to be paid to DBL, thereby reducing the O&M risk to a significant extent.

Credit challenges

Higher than expected increase in leverage and weakening of debt structure – The current leverage of the InvIT is at around ~46%, however, post the acquisition of the remaining two assets and the proposed fresh debt of Rs. 1,000 crore of NCDs, the leverage is expected to increase to around ~ 49%, much higher than the ICRA-expected leverage, given the change in the acquisition plan – from assigning InvIT units as consideration to cash payout funded by additional debt. ICRA notes that the trust has displayed a tendency to make adjustments to its financial policy, including a tolerance for a higher financial leverage. ICRA considers this to be a credit negative. Accordingly, the InvIT's debt-raising plans, primarily to fund the future acquisitions, and its impact on the debt protection metrics would remain a key monitorable, going forward.

Further, there has been a gradual deterioration in the debt structure with back-ended ballooning debt repayments for the proposed NCDs and put option at the end of five years for term loan-II which exposes the InvIT to refinancing risks. However, ICRA expects the Trust to continue to benefit from its well-diversified pool of assets, which is expected to generate healthy cash flows without any material delays or deductions in annuities and robust strong cash flow cover.

Limited track record of Shrem Group – While the Shrem Group has a limited track record of six years in the infrastructure segment and satisfactory annuity and grant collections, the presence of an established O&M contractor, technically competent key management personnel and the vast experience of the independent directors are the comforting factors.

Risks inherent in BOT (toll) projects and exposure to state annuity projects – BOT toll projects are exposed to revenue risks arising from the development or improvement of alternative routes or modes of transportation, political acceptability of the rate hikes over the concession period, and the likelihood of toll leakages. ICRA has taken note of the expected commencement of DME by 2024 and has considered its impact on the toll revenues of JDTL. JDTL accounts for around 16% of the overall CFADS. Therefore, any higher-than-anticipated traffic shift once the DME becomes fully operational remains a key monitorable. The sensitivity of revenues to GDP growth and inflation (WPI) and user resistance to pay/accept any increase in toll rates are the other risks. The InvIT is also exposed to counterparty credit risks, owing to high exposure to state annuity projects (MPRDC, KRDC and R&B GoG) for 16 of the 34 SPVs, which may result in delays in annuity payments, as witnessed in some of the projects in the past. However, this is mitigated to an extent by the availability of the contingency reserve of Rs. 90 crore to meet any delays from authorities and given that the state annuity projects' contribution to the consolidated cumulative revenues over the debt tenure remained low at 5%.

Undertaking regular and periodic maintenance/capex within budgeted cost and risks related to new asset acquisition by the Trust and its funding pattern – The cash flows of the underlying assets will depend on the ability of the InvIT to undertake regular and periodic maintenance within the budgeted cost, given that the SPVs do not have provision for building adequate MMR, in the absence of which the cash outflows during periodic maintenance are to be met from the respective years' inflows. However, the fixed-price contract with DBL, step up in MM estimates in the future years providing comfortable cushion to meet any increase in costs and the defect liability period (DLP) deposit for the six HAM projects acquired initially and O&M deposit (under 14 state projects) mitigate the O&M contractor risk to an extent. Any annuity deductions from the authorities on account of O&M deficiencies will be adjusted in the O&M payments to DBL. Further, DBL has signed a non-disposal undertaking with Shrem InvIT, where 15% of the units of Shrem InvIT held by DBL shall not be disposed till the end of the concession period.

The Trust may acquire additional projects in the future, which could have a material impact on its operational and financial risk profile. The extent of increase in the leverage and leverage policy, going forward, remains a key rating monitorable. If Shrem InvIT acquires any other asset or raises any additional debt in future, ICRA will at that juncture, evaluate the impact of the same on the rating.

Liquidity position: Adequate

The liquidity position of Shrem InvIT as on March 31, 2023 is adequate, reflected in DSRA of around Rs.447 crore and additional contingency reserve of Rs. 90 crore at InvIT level/SPVs to meet any shortfall owing to delays (if any) in annuity receipts for any

of the SPVs. The company has a debt repayment obligation of Rs. 380 crore in FY2024 and Rs. 567 crore in FY2025, which can be comfortably serviced through estimated cash flow from operations.

Rating sensitivities

Positive factors – The rating outlook may be changed to Stable upon visibility of comfortable cushion in leverage vis-a-vis stated negative trigger of leverage below 49%, while maintaining strong debt structure and coverage metrics.

Negative factors – Pressure on Shrem InvIT's rating could arise if any incremental debt results in an increase in leverage (Loan-To-Value, ratio of net debt and deferred payment liabilities to the asset value at consolidated level). The rating may also be downgraded if there is deterioration in the debt structure of the InvIT, significant delays or deductions in annuity payments, or deterioration in credit profile of annuity providers, or any changes to the agreed O&M rates or deterioration in profile of the O&M contractor or lower-than expected growth in toll collections resulting in weakening of its debt service coverage ratio. Specific credit metrics that would lead to a downgrade will include an increase in leverage beyond 49% or average DSCR falling below 1.65x.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Infrastructure Investment Trusts (InvITs) Rating Methodology for BOT (Annuity) Roads Rating Methodology for BOT (Toll) Roads Rating Methodology for Roads - Hybrid Annuity
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has consolidated the business and financial risk profile of all SPVs under SHREM InvIT as the cashflows are fungible among various SPVs due to direct control of SHREM InvIT. The list of SPVs consolidated are given in annexure 2

About the company

Shrem InvIT is an infrastructure investment trust floated by the sponsor, Shrem Infra Structure Private Limited. The InvIT is directly holding all the 32 operational SPVs under the Trust. The InvIT was formed under the Indian Trust Act, 1882, and an approval has been received from SEBI for the InvIT on February 4, 2021. The investment manager and the project manager for the InvIT are Shrem Financial Private Limited and Shrem Road Projects Private Limited, respectively, which are 100% owned by Shrem Infra Structure Private Limited. Established in 2011, the Shrem Group is a Mumbai-based family office managed by Mr. Nitán Chhatwal.

The existing portfolio of 32 projects was acquired from Dilip Buildcon Limited in phases in 2017, 2018, 2022 and 2023. The projects are a mix of state annuity, state toll + annuity, NHAI HAM, MoRTH HAM and NHAI toll located across eight different states. A brief information on the assets is as follows:

Project SPV	Project Type	Concession Authority	State
DBL Lucknow Sultanpur Highways Ltd	HAM	NHAI	Uttar Pradesh
DBL Tuljapur AUSA Highways Ltd	HAM	NHAI	Maharashtra
DBL Wardha Butibori Highways Pvt Ltd	HAM	NHAI	Maharashtra
DBL Yavatmal Wardha Highways Pvt Ltd	HAM	NHAI	Maharashtra
DBL Mahagaon Yavatmal Highways Pvt Ltd	HAM	NHAI	Maharashtra
DBL Kalmath Zarap Highways Ltd	HAM	MoRTH	Maharashtra
Jalpa Devi Tollways Limited	BOT Toll	NHAI	Madhya Pradesh
Suryavanshi Infrastructure Pvt Ltd	BOT Toll	MPRDC	Madhya Pradesh
DBL Ashoknagar – Vidisha Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Silwani – Sultanganj Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh

Project SPV	Project Type	Concession Authority	State
DBL Sitamau– Suwasara Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Hata – Dargawon Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Patan Rehli Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Mundi – Sanawad Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Uchera – Nagod Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Betul – Sarni Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Tikamgarh – Nowgaon Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Sardarpur Badnawar Tollways Ltd	Toll + Annuity	MPRDC	Madhya Pradesh
DBL Bankhlafata – Dogawa Tollways Ltd	Annuity	MPRDC	Madhya Pradesh
DBL Jaora – Sailana Tollways Ltd	Annuity	MPRDC	Madhya Pradesh
DBL Nadiad Modasa Tollways Ltd	Annuity	GRDCL	Gujarat
DBL Mundargi Harapanahalli Tollways Ltd	Annuity	KRDCL	Karnataka
DBL Hassan Periyapatna Tollways Ltd	Annuity	KRDCL	Karnataka
DBL Hirekerur Ranibennur Tollways Ltd	Annuity	KRDCL	Karnataka
DBL Byrapura Challakere Highways Pvt Ltd	HAM	NHAI	Karnataka
DBL Gorhar Khairatunda Highways Pvt Ltd	HAM	NHAI	Jharkhand
DBL Anandapuram Anakapalli Highways Pvt Ltd	HAM	NHAI	Andhra Pradesh
DBL Bellary Byrapura Highways Pvt Ltd	HAM	NHAI	Karnataka
DBL Sangli Borgaon Highways Pvt Ltd	HAM	NHAI	Maharashtra
DBL Bangalore Nidagatta Highways Pvt Ltd	HAM	NHAI	Karnataka
DBL Chandikhole Bhadrak Highways Pvt Ltd	HAM	NHAI	Orissa
DBL Rewa Sidhi Highways Pvt Ltd	HAM	NHAI	Madhya Pradesh

*MPRDC - Madhya Pradesh Road Development Corporation; KRDCL - Karnataka Road Development Corporation Limited and GRDCL - Gujarat Road Development Corporation Limited

The Trust is currently in the process of acquiring the remaining two HAM assets from DBL and the same is expected to be concluded by Q1 FY2024.

Project SPV/ Asset	Project Type	Concession Authority	State/Location
DBL Nidagatta Mysore Highways Pvt Ltd	HAM	NHAI	Karnataka
Pathrapali Kathgora Highways Pvt Ltd	HAM	NHAI	Chhattisgarh

Key financial indicators (audited)

Shrem Consolidated	FY2022*	FY2023
Operating income	571.0	1,384.3
PAT	298.6	483.5
OPBDIT/OI	77.1%	76.9%
PAT/OI	52.3%	34.9%
Total outside liabilities/Tangible net worth (times)	0.9	NA
Total debt/OPBDIT (times)	4.3	NA
Interest coverage (times)	3.3	3.8

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

*Since InviT operation started from 16th September 2021, therefore the number represents for the period starting from 16th September 2021 to 31st March 2022.

Source: Shrem InviT; NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information

Cash flow pooling: For arriving at the rating, ICRA has taken into account the consolidated free cash flows from the underlying

SPVs on account of the pooling benefit at the SPVs and the Trust level. The SPVs have been considered as a single pool. ICRA has applied its rating methodologies as mentioned under the section on analytical approach.

The company also faces prepayment risk, given the possibility of debt acceleration upon the exercise of put option by the lenders, breach of covenants, including financial covenants, operating covenants and rating linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating would face pressure.

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as of March 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	
				Jun 14, 2023	Jun 29, 2022	Jun 24, 2021	Mar 26, 2021	Mar 23, 2021
1 Fund-based Term Loan - I	Long-term	3364.0	2952.0	[ICRA]AAA (Negative)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	-
2 Fund-based Term Loan - II	Long-term	4086.0	3147.0	[ICRA]AAA (Negative)	-	-	-	-
3 Proposed Term Loans	Long-term	-	-	-	Provisional [ICRA]AAA (Stable)	-	-	-
4 Issuer Rating	Long-term	-	-	[ICRA]AAA (Negative)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)	Provisional [ICRA]AAA (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund Based Term Loans	Simple
Issuer rating	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan - I	June 2021	8.10%	June 2035	3,364.0	[ICRA]AAA (Negative)
NA	Term Loan - II	September 2022	8.10%	December 2036	4,086.0	[ICRA]AAA (Negative)
NA	Issuer Rating	-	-	-	-	[ICRA]AAA (Negative)

Source: Company;

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
DBL Ashoknagar – Vidisha Tollways Ltd	100%	Full Consolidation
DBL Silwani – Sultanganj Tollways Ltd	100%	Full Consolidation
DBL Sitamau– Suwasara Tollways Ltd	100%	Full Consolidation
DBL Hata – Dargawon Tollways Ltd	100%	Full Consolidation
DBL Patan Rehli Tollways Ltd	100%	Full Consolidation
DBL Mundi – Sanawad Tollways Ltd	100%	Full Consolidation
DBL Uchera – Nagod Tollways Ltd	100%	Full Consolidation
DBL Betul – Sarni Tollways Ltd	100%	Full Consolidation
DBL Tikamgarh – Nowgaon Tollways Ltd	100%	Full Consolidation
DBL Sardarpur Badnawar Tollways Ltd	100%	Full Consolidation
DBL Bankhlafata – Dogawa Tollways Ltd	100%	Full Consolidation
DBL Jaora – Sailana Tollways Ltd	100%	Full Consolidation
DBL Nadiad Modasa Tollways Ltd	74%#	Full Consolidation
DBL Mundargi Harapanahalli Tollways Ltd	74%#	Full Consolidation
DBL Hassan Periyapatna Tollways Ltd	74%#	Full Consolidation
DBL Hirekerur Ranibennur Tollways Ltd	74%#	Full Consolidation
Suryavanshi Infrastructure Pvt Ltd	100%	Full Consolidation
Jalpa Devi Tollways Limited	100%	Full Consolidation
DBL Lucknow Sultanpur Highways Ltd	100%	Full Consolidation
DBL Tuljapur Ausa Highways Ltd	100%	Full Consolidation
DBL Wardha Butibori Highways Pvt Ltd	100%	Full Consolidation
DBL Yavatmal Wardha Highways Pvt Ltd	100%	Full Consolidation
DBL Mahagaon Yavatmal Highways Pvt Ltd	100%	Full Consolidation
DBL Kalmath Zarap Highways Ltd	100%	Full Consolidation
DBL Byrapura Chalakere Highways Pvt Ltd	100%	Full Consolidation
DBL Gorhar Khairatunda Highways Pvt Ltd	100%	Full Consolidation
DBL Anandapuram Anakapalli Highways Pvt Ltd	100%	Full Consolidation
DBL Bellary Byrapura Highways Pvt Ltd	100%	Full Consolidation

Company Name	Ownership	Consolidation Approach
DBL Sangli Bargaon Highways Pvt Ltd	100%	Full Consolidation
DBL Bangalore Nidagatta Highways Pvt Ltd	49% [@]	Full Consolidation
DBL Chandikhole Bhadrak Highways Pvt Ltd	49% [@]	Full Consolidation
DBL Rewa Sidhi Highways Pvt Ltd	49% [@]	Full Consolidation
DBL Nidagatta Mysore Highways Pvt Ltd	100%*	Full Consolidation
Pathrapali Kathgora Highways Pvt Ltd	100%*	Full Consolidation

*Yet to be acquired;

[@] Trust has acquired 49% in these entities and is likely to complete the acquisition of balance stake of 51% by Q1 FY2024

Shareholding under these entities shall be restricted to 74% in line with the respective concession agreements, whereas 100% financial interest will lie with the Trust;

Source: Shrem InvIT

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Branches



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