SHREM INFRA INVEST PRIVATE LIMITED
(Formerly Known as Shrem Infra Structure Private Limited)
CIN: U65100MH2014PTC254839
1101, Viraj Towers, Jn of Andheri Kurla Road, W E Highway, Andheri East, Mumbai – 400093, India
Tel: +91 22 4228 5500/ 5555 Email: shremgroup@shrem.in Web: www.shrem.in

Date: 04th March, 2025

To,
National Stock Exchange of India Limited
Listing Compliance Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

Subject: Intimation of Ratings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Ref: Scrip Code: SIPL28, SIPL28A, SIPL27A, SIPL27, SIPL27B and SIPL29

Dear Sir/Madam,

With reference to the provisions of Regulation 55 and other applicable provisions as may be applicable from time to time of the SEBI (LODR) Regulation, 2015, this is to inform that Company has obtained Credit Rating for existing Non-Convertible debenture as well as for Proposed issue of Non-Convertible debenture from Rating Agency India Ratings & Research Private Limited. Details of which are as mentioned below:

India Ratings & Research:

Revised Rating

Sr. No.	ISIN	Existing Credit Rating along with Outlook/Watch	Revised Credit Rating along with Outlook/Watch	Rating Action
1.	INE391V07026	IND AA/Stable Off Rating Watch with Negative Implications	IND AA/Stable	Affirmed
2.	INE391V07109	IND AA/Stable Off Rating Watch with Negative Implications	IND AA/Stable	Affirmed
3.	INE391V07133	IND AA/Stable Off Rating Watch with Negative Implications	IND AA/Stable	Affirmed
4.	INE391V07141	IND AA/Stable	IND AA/Stable	Affirmed
5.	INE391V07158	Provisional IND AA/Stable	IND AA/Stable	Assigned
6.	INE391V07166	Provisional IND AA/Stable	IND AA/Stable	Assigned
7.	INE391V07174	Provisional IND AA/Stable	IND AA/Stable	Assigned

The company has also obtained the following proposed credit rating from India Ratings & Research

Sr. No.	Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
1.	Proposed Non-Convertible debenture*	INR 450	Provisional IND AA/Stable	Affirmed

* The Rating is Provisional pending execution of documents.

Kindly take the above on record and acknowledge the receipt.

Thanking you,
Yours faithfully

FOR SHREM INFRA INVEST PRIVATE LIMITED

Digitally signed by NITAN CHHATWAL
Date: 2025.03.04 12:45:55 +05'30'

NITAN CHHATWAL
DIRECTOR
DIN: 00115575

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NITAN CHHATWAL
DIRECTOR
DIN: 00115575

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Shrem Infra Invest's NCDs; Assigns Final Rating to Proposed NCDs

Nov 25, 2024 | Holding Company

India Ratings and Research (Ind-Ra) has taken the following rating actions on of Shrem Infra Invest Private Limited's (SIIPL) non-convertible debentures (NCDs):

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures$,#	-	-	-	INR3,237.5 (reduced from 3537.5)	IND AA/Stable	Affirmed
Non-convertible debentures *,#				INR2,300	IND AA/Stable	Assigned
Proposed Non-convertible debentures ^	-	-	-	INR450	Provisional IND AA/Stable	Affirmed

$Ind-Ra has disclosed the unsupported rating in compliance with the Securities and Exchange Board of India's (SEBI) master circular dated 3 July 2023. Securities backed by specified support considerations, as mentioned in the circular, rated with or without a CE-suffix would require disclosing unsupported ratings without factoring in the explicit credit enhancement from the specified support consideration.
*The final rating has been assigned on the receipt of the executed financing documents.
^The rating is provisional pending execution of documents as detailed in the Annexure. The final rating, upon receipt of the executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending. In the absence of the documentation considered while assigning the provisional rating, the agency would not have assigned any rating to the proposed instrument.
Detail in Annexure

Analytical Approach

The executed escrow agreements of three Shrem group entities namely SIIPL, Shrem Investments Private Limited (SIPL) and Shrem Enterprises Private Limited (SEPL) holding units of Shrem InvIT ('IND AAA'/Stable) have been shared by the company stating the mechanism has been established, wherein an amount equivalent to the forthcoming quarter of debt servicing will be first set aside from the distributions received as the unit holder of Shrem InvIT on a quarterly basis, apart from the stipulated debt service reserve account (DSRA). In case of any shortfall at any entity, the surplus from the other entity, post setting aside one quarter of their debt obligations, shall be utilised. Accordingly, the agency has consolidated cashflows and debt obligations of three entities for arriving at the coverages.

The ratings reflect the creditworthiness of Shrem InvIT and the credit quality of underlying assets in the infrastructure investment trust (InvIT). The ratings also draw strength from the stability of the underlying assets in the InvIT, including a stable stream of cash flows from the recently acquired 10 new hybrid annuity model (HAM) projects awarded by National Highway Authority of India (NHAI; debt rated at 'IND AAA'/Stable) in FY24. Furthermore, the InvIT was in the process of acquiring additional five NHAI awarded HAM SPVs from Apco Infratech Private Limited and Chetak Enterprises Limited in FY24, of which three of the APCO assets are already acquired. Post the said acquisition, Shrem InvIT will have a diversified portfolio of 39 projects, consisting of 20 NHAI and one Ministry of Road Transport and Highways (MoRTH) awarded HAM projects, 10 state annuity plus toll projects, six state annuity projects and two toll projects, including one NHAI awarded toll project.

However, the equity nature of the units and the limited diversification of the revenue stream for SIIPL constrain the ratings. The net cash distributable to unitholders will rank lower in the waterfall arrangement of the InvIT, considering the equity nature of units. The cash flows of InvIT will be first used to service its debt, and the surplus shall be distributed to the unitholders as per the waterfall mechanism, which shall be utilised to meet the debt servicing of SIIPL. The strong coverage metrics of InvIT lends support to the ratings.

Detailed Rationale of the Rating Action

SIIPL's management has informed the agency about the establishment of an escrow mechanism within the Shrem group entities to provide more transparency on cash movements within the group. The executed escrow agreements of three Shrem group entities holding units of Shrem InvIT have been shared by the company stating the mechanism has been established, wherein an amount equivalent to the forthcoming quarter of debt servicing will be first set aside from the distributions received as the unitholder of Shrem InvIT on a quarterly basis, apart from the stipulated DSRA. Similar escrow agreements have been executed for other Shrem entities, namely SIPL and SEPL, holding Shrem InvIT units, and in case of any shortfall in any entity, the surplus from the other entity, post setting aside one quarter of their debt obligations, shall be utilised. With this, Ind-Ra believes that all the three entities' debt obligations will be prioritised and reserved for the forthcoming quarter, thereby preventing liquidity mismatches, and bringing in transparency in the utilisation of funds.

SIIPL has recently been awarded an under-construction project by Karnataka Roads Development Corporation Limited under a joint venture with Bharat Vanijya Eastern Private Limited. The estimated total project cost of around INR14,000 million is likely to be funded by debt (54%), equity (19%) and grants (27%), as per the final sanction of the project debt. SIIPL holds 39% stake and the management team holds 10% in the said project SPV, which will require an equity commitment of INR1,350 million from SIIPL in the next three years. The project construction activity will be undertaken by Bharat Vanijya Eastern. As was stated by the management earlier and basis the signed sanction letters of project financing, the promoter undertaking or guarantee to be extended by Shrem group shall have no bearing directly or indirectly on SIIPL. Also, SIIPL's management continues to confirm that it will not take any construction-related risk that shall increase its debt / contractual obligations or indicate any change in business model to move into the developer space. Ind-Ra has considered the terms stipulated in the signed sanction letters and confirmation of the management, and any deviation from the above understanding shall be credit negative.

List of Key Rating Drivers

Strengths
- Stable underlying cash flow
- Continuous acquisition of new HAM SPVs by Shrem InvIT

Weaknesses
- Moderate debt structure
- Single income stream with limited track record

Detailed Description of Key Rating Drivers

Stable Underlying Cash Flow: The InvIT generates stable revenue from its pool of projects, which shall annually receive 74 annuity payments post the acquisition of all new SPVs until the end of the concession period of each project from different counterparties, and the regular toll collections in its two projects. The acquisition of NHAI-backed HAM projects, which have already achieved provisional or final commercial operations date, mitigates any construction risk and adds strength to the InvIT's cash flows. A significant portion of the revenue originates from the HAM-based assets with NHAI and the MoRTH as the counterparties. The InvIT's cash flows show considerable resilience to stress cases, reflecting ample cushion for distribution to the unitholders. The regulated framework of the InvIT mandates at least 90% of the net distributable cash flow to be distributed to investors. Ind-Ra takes comfort from the sufficient operational track record of the combined portfolio and the timely receipt of annuities from NHAI and the MoRTH, and the distributions made by the InvIT. That being said, the equity nature of the instruments constrains the ratings.

Continued Acquisition of New HAM SPVs by Shrem InvIT: For completing the acquisition of 10 new SPVs by Shrem InvIT, the revised total equity value was around INR30 billion, including the value of unsecured loans infused by Dilip Buildcon Limited (DBL; 'IND A'/Positive) and its affiliates. The entire consideration has been discharged for the acquisition of 10 new SPVs. The consideration has been discharged by paying cash of ~INR21 billion and issuance of fresh units of the InvIT to DBL and its affiliates equivalent to INR8.69 billion. The said discharge equivalent to INR8.38 billion was arranged in form of issuance of Shrem InvIT units to Shrem group entities, including SIIPL, against their infusion in the InvIT. The consideration of nearly INR4 billion and INR8.60 billion was met through internal accruals and the term debt availed by the InvIT, respectively. The balance consideration was discharged by a preferential issuance of InvIT units to DBL and its affiliates.

Upon the completion of the entire acquisition process of 10 new SPVs by Shrem InvIT, the agency had previously expected SIIPL and/or its group entities, namely SIPL and SEPL, to maintain an outstanding external debt of about INR6,500 million and total outstanding debt of about INR8,100 million. As on 30 September 2024, the overall debt exposure of SIIPL, SEPL and SIPL amounted to INR5,725 million. With the said outstanding debt quantum and proposed debt of INR450 million, the agency believes that Shrem group will meet the permitted indebtedness as per the financing terms of SIIPL, which stipulate the aggregate debt to be lower than 25% of the carrying amount of the investment in form of the InvIT units held by SIIPL and its subsidiaries along with unencumbered unit holding of its associate entities, and also lower than 40% of the carrying amount of investment in the form of InvIT units held by SIIPL solely. The agency will monitor the cash flows of SIIPL and/or group entities generated as a unitholder of Shrem InvIT. Any adverse impact on the cash flows of SIIPL and/or group entities along with an increase in the external debt would be a credit negative.

Moderate Debt Structure: The NCDs worth INR850 million issued in September 2021 were repayable in 14 quarterly instalments until December 2024, and a DSRA, equivalent to six months of debt obligations, has been created from the debt proceeds. The existing NCDs feature a put/call option that can be exercised by the debenture holders from end-December 2021 and every year thereafter with a prior written notice of 90 days for exercising the put/call option. The said NCDs are backed by a corporate guarantee from Chhatwal Group Trust and SIPL. SIIPL also issued NCDs worth INR1,200 million in May 2023, repayable in equated six instalments commencing from 15 February 2027. As per the financing terms, the company is required to create and maintain a DSRA equivalent to two quarters of interest obligations within three days from the deemed date of allotment of NCDs and enhance it to one quarter of redemption amount and coupon payment obligations within 44 months from the deemed date of allotment of NCDs. Any shortfall in DSRA is to be replenished within three days, which otherwise, will be considered as an event of default, and thereby, provide the right to invoke the securities available in accordance with the financing terms. The facilities are also secured by the units of Shrem InvIT and NCDs are backed by a guarantee from the promoters.

The debt structure also stipulates a minimum debt service coverage ratio (DSCR) of 1.2x to be tested quarterly from 30 June 2023. Also, NCDs worth INR600 million were issued in May-June 2023 with maturity of 15 May 2028. These will be repaid in six quarterly instalments commencing 15 February 2027. As per the financing terms, a DSRA equivalent to two quarters of interest obligations will be created within three days from the deemed date of allotment of NCDs and it will be enhanced it to one quarter of redemption amount and coupon payment obligations within 44 months from the deemed date of allotment of NCDs. A failure to maintain the same will be considered as an event of default.

The debt structure also stipulates a financial covenant of a minimum DSCR of 1.2x and aggregate debt to be lower than 25% of the carrying amount of the investment in form of InvIT units held by SIIPL and its group entities, and also lower than 40% of the carrying amount of investment in form of InvIT units held by SIIPL solely. These NCDs also feature a put/call option that can be exercised by the debenture holders from end of one year from the deemed allotment date with a prior written notice of 30 days for exercising the put/call option. Healthy coverages, stable cash flow generation from Shrem InvIT and the long concession period of projects held by the InvIT mitigate the refinance risk in the event that the put option is exercised. The company has raised further NCDs (proposed NCDs) worth INR1,250 million and INR2,300 million carrying fixed coupon payment of 9.75% p.a. Management has also proposed to raise NCDs of INR450 million on similar terms. As per the executed documents of NCDs worth INR1,250 million, the repayment instalments shall commence from March 2025 in form of quarterly instalments until the December 2029 quarter. As per the said terms, a DSRA equivalent to three months of debt servicing is required to be created and maintained. Apart from the permitted indebtedness as stated for the already issued NCDs, financial covenants to maintain a minimum DSCR of 1.25x is present and these NCDs have put and call option available to lender / issuer after 18 months of the deemed allotment date.

With respect to NCDs worth INR450 million, the management has confirmed that the repayment schedule will not have any bullet payment risk and could have repayment after the considerable moratorium period. The indicative financing terms are considered by the agency to be similar to NCDs raised during August-November 2024. The management has confirmed that the aggregate debt of SIIPL, SEPL and SIPL will be within around INR8,000 million and that no further debt will be raised by SIIPL beyond the permitted indebtedness stipulated under the financing terms of already raised NCDs. With the track record of cashflows in form of distributions from InvIT to SIIPL, SEPL and SIPL in lieu of their unit holding, the agency's base case DSCR is comfortable showing adequate resilience to stress. Any adverse implication of additional debt and unit-holding of SIIPL or its group entities will be a credit negative.

Single Income Stream: SIIPL depends on the cash flow distribution from the InvIT to meet its debt obligations. The InvIT has a track record of distributing cash to its unitholders with 13 distributions made between November 2021 and October 2024 for the quarters ended from September 2021 to September 2024. Although the underlying asset quality is strong, the absence of a diversified revenue stream exposes the company to single revenue concentration risk.

Liquidity

Adequate: SIIPL maintains a DSRA of INR296.3 million. Of which, INR58.5 million and INR29.3 million have been maintained as DSRA equivalent to two quarters of interest servicing under the debt terms for NCDs worth INR1,200 million (outstanding INR1,200 million) and NCDs worth INR600 million (outstanding INR600 million), respectively. Furthermore, INR143.4 million has been maintained as DSRA of two quarters for NCDs of INR1,250 million. The overall liquidity including DSRA as on 20 November 2024 was INR820 million.

SIIPL has been receiving quarterly distributions from Shrem InvIT in lieu of its unit holding. Historically, the distributions from were received within 30-45 days from the quarter end date. As per Ind-Ra's base case estimates, the actual distributions received by SIIPL were lower in 1QFY24 and 2QFY24. This was on account of the retention of the surplus undertaken by the InvIT for past acquisitions, the creation of additional DSRA by the InvIT, and temporary advances provided to the SPVs for their O&M requirements. While the distribution in 3QFY24 was largely in line with Ind-Ra's estimates, the InvIT had set aside INR1,607.1 million for acquisitions and contingency. Hence, the actual distribution in FY24 was lower than Ind-Ra's estimates, largely due to the amount set aside for the past and future acquisitions and contingency by the InvIT. The distribution in FY25 is expected to be in line with the Ind-Ra estimates. The agency takes into account the net distribution cash flow format guided in the recent Securities and Exchange Board of India's circular, which is applicable from 1 April 2024, and accordingly, Ind-Ra believes the retention of surplus by the InvIT will be within the permissible limit of 10%. The agency expects SIIPL and its group entities' unitholding in Shrem InvIT to remain between 60%-68%, and believes further acquisitions will not impact the unitholding pattern of the InvIT. As per Ind-Ra's base case, SIIPL's DSCR is comfortable for meeting external debt obligations between FY25 and FY30.

Rating Sensitivities

Positive: Stable distributions from Shrem InvIT higher than the management estimates post the acquisition of new assets could lead to a positive rating action.

Negative: Future developments that could, individually or collectively, result in a negative rating action are:

- any delay/significant deterioration in the distribution from Shrem InvIT compared to the base case
- an increase in the external debt, impacting its coverages significantly
- a weakening of the credit profile of Shrem InvIT
- negative implications of legal cases on the Shrem group entities/promoters

Disclosures for CE Rating

1) UNSUPPORTED RATING

Ind-Ra has affirmed the unsupported rating at 'IND AA'/Stable**.**

The unsupported rating is arrived at without factoring in the explicit credit enhancement (CE). It helps in understanding the extent of CE factored into the instrument rating.

The analytical approach, key rating drivers, liquidity and sensitivities for unsupported rating are the same as that for the NCD ratings.

2) INSTRUMENT COVENANTS

Refer to Annexure II

3) ADEQUACY OF CE STRUCTURE

Chhatwal Group Trust and SIPL have provided a corporate guarantee for SIIPL's NCDs. Since the guarantee does not meet Ind-Ra's requirement of the presence of a pre-default clause for guarantee invocation and a well-defined payment mechanism, it has not been factored as an explicit CE and hence the CE suffix has not been added to the rating of NCDs.

Disclosures for Provisional Rating

1) **Rating that Would Have Been Assigned in Absence of the Pending Steps/ Documentation**

Ind-Ra would not have assigned any rating in the absence of the pending steps/documentation, as the transaction structure as articulated does not exist.

2) Pending Steps/ Documentation Considered While Assigning Provisional Rating and Risks Associated with the Provisional Nature of the Credit Rating:

The rating is contingent upon the execution of critical documentation/steps pending as details given below:

Sr No.	Pending Critical Documentation while Assigning Provisional Rating*	Risks Associated with Provisional Nature of Credit Rating in absence of Completed Documentation or a Change in Documentation
1	Executed debenture trust deed	The provisional rating is assigned pending the execution of the final financing documents. In the absence of executed documents, which are in line with the originally envisaged draft terms, the transaction structure as delineated does not exist. In the absence of the documentation considered while assigning the provisional rating, the agency would not have assigned any rating to the proposed instrument.

* Additionally, any other relevant documents executed for the transaction should be provided to the agency.

The pending steps while assigning provisional rating are as follows:
- the execution of debenture trustee deed and other critical financing documents
-·debt terms in line with indicative terms assessed

3) VALIDITY PERIOD

The final rating, upon the receipt of the executed documents consistent with the draft documents, shall be assigned within 90 days from the date of the issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

Any Other Information

The Shrem group entered into the infrastructure space through the acquisition of 24 road projects from DBL in 2017. The group had also invested in Nanavati Hospital and developed two hotels in Goa, which were subsequently divested. It is developing a luxury hotel near Chhatrapati Shivaji International Airport, Terminal 2, Mumbai, under the Fairmont Brand and in September 2020 had monetised its investment in Route Mobiles Limited just before the initial public offering of the latter. Two of the Shrem group entities, which are the associates of SIIPL, have been mentioned in the Grant Thornton report dated 5 December 2020 in connection with Dewan Housing Finance Limited Corporation's Insolvency and Bankruptcy Board of India proceedings. SIIPL's management has confirmed that there has been no irregularity by any of the Shrem group entities with regard to the transaction mentioned in the Grant Thornton report. As per the information received by the agency regarding the settlement deed signed between Piramal Capital & Housing Finance Limited (previously Dewan Housing Finance Ltd) and SIIPL on 7 November 2023, the company has fully repaid the amount received by the promoter as an NCD holder. Any unforeseen liability stemming from this legal issue remains a key monitorable for Ind-Ra.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SIIPL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

The sponsor, SIIPL, floated an InvIT called Shrem InvIT in September 2021 and hived off 24 operational SPVs through three intermediate holding companies – Shrem Infraventure Private Limited, Shrem Roadways Private Limited and Shrem Tollway Private Limited under the trust. The InvIT has been formed under the Indian Trust Act, 1882 and an approval has been received from the Securities and Exchange Board of India for the InvIT.

An additional 10 projects including 51% shareholding in one of the projects have been acquired from DBL and another five projects were also identified for acquisition in FY25, out of which three projects are already acquired. Post acquisition, Shrem InvIT will have a diversified portfolio of 39 projects, involving 20 NHAI and one MoRTH awarded HAM projects, 10 state annuity plus toll projects, six state annuity projects and two toll projects, including one NHAI awarded toll project.

Key Financial Indicators

Particulars (INR million)	FY24	FY23
Revenue from operations	3,403.2	1,453.9
Total revenue	3,450.6	1,680.3
EBITDA	3,293.3	1,585.1

EBITDA margin (%)	95.4	94.3
Finance cost	664.7	453.4
Interest coverage (EBITDA/Interest) (x)	5.0	3.5
Gross debt/ EBITDA (x)	1.5	3.2
Cash and cash equivalents	383.3	156
Source: SIIPL consolidated financials, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook								
	Rating Type	Size of Issue (million)	Rating	11 July 2024	10 June 2024	1 March 2024	14 August 2023	11 May 2023	24 March 2023	21 March 2023	22 March 2022	3 Marc 2022
Non-convertible debentures	Long-term	INR5,987.5	IND AA/Stable	IND AA/Stable	IND AA/Rating Watch with Negative Implications	IND AA/Rating Watch with Negative Implications	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Sta
Principal protected market linked debentures	Long-term	INR2,740	-	-	WD	IND PP-MLD AA/Rating Watch with Negative Implications	IND PP-MLD AA/Stable	IND PP-MLD AA/Stable	IND PP-MLD AA/Stable	IND PP-MLD AA/Stable	IND PP-MLD AAemr/Stable	Provisic IND PP-M AAemr/S
Unsupported Rating	Long-term	-	IND AA/Stable	IND AA/Stable	IND AA/Rating Watch with Negative Implications	-	-	-	-	-	-	-

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debenture	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

ANNEXURE I:

ISIN	Date of Issue	Coupon Rate (%)	Maturity date	Size of Issue (million)	Rating/Outlook
INE391V07026	14 September 2021	14.25	20 December 2024	INR187.5	IND AA/Stable
INE391V07042	25 February 2022	8.39	31 August 2024	INR300	WD (paid in full)
INE391V07109	4 May 2023	10.25	15 May 2028	INR1,200	IND AA/Stable
INE391V07133	15 June 2023	10.25	15 May 2028	INR600	IND AA/Stable
INE391V07141	6 August 2024	9.75	30 June 2027	INR1,250	IND AA/Stable
INE391V07158	27 August 2024	9.75	13 August 2027	INR750	IND AA/Stable
INE391V07166	27 September 2024	9.75	13 August 2027	INR300	IND AA/Stable
INE391V07174	22 November 2024	9.75	21 November 2029	INR 1,250	IND AA/Stable
Total	**-**	**-**	**-**	**INR5,537.5**	
Source: NSDL, Exchange disclosure					

ANNEXURE II – INSTRUMENT COVENANTS

Financial covenants for NCDs worth INR850 million	·Minimum DSCR of 1.5x ·SIIPL to maintain positive net worth throughout the tenor of facility
Financial covenants for NCDs worth INR1,500 million	·Minimum DSCR of 1.3x and average DSCR of 1.5 ·SIIPL to maintain net worth of at least INR15 billion throughout the tenor of facility ·Financial Indebtedness of SIIPL shall be capped at INR8 billion and in case, number of InvIT units held increase from 25,55,24,030 units, then the cap on financial indebtedness to increase to maximum of INR10 billion

Financial covenants for NCDs of INR 750 million and INR 300 million	The Issuer shall ensure that, at all times, till the Final Settlement Date: (i) ensure that the consolidated external debt shall not exceed 25% (twenty five percent) of the carrying amount of the investments held by the issuer along with its subsidiaries and unencumbered units held by its associate entities/group companies in Shrem InvIT. In the event Consolidated External Debt is beyond the permissible limits, the Issuer, subsidiaries or its associate entities/ group companies shall not extend any corporate guarantee or provide any security or letter of comfort for the loans or debt facilities availed by any of the Issuer's subsidiaries, associates, group companies or Shrem InvIT or any subsidiaries of Shrem InvIT (except for the pledge and lien already created for the loan availed by Shrem InvIT, and the non-disposal undertaking already provided over the units of Shrem InvIT, each as on date of this deed) without prior approval of the Debenture Trustee; (ii) ensure that the external financial indebtedness of the issuer on standalone basis, including the outstanding corporate guarantee /letter of comfort given by it, shall not exceed 40% of the carrying amount of the investments held by the issuer; It is clarified that availing of any Financial Indebtedness by: (a) the Issuer, its subsidiaries, associate entities, group companies holding units in Shrem lnvIT, Shrem InvIT and/or any subsidiaries of Shrem InvIT in breach of threshold set out in sub-clause (i) above, (b) the Issuer in breach of threshold set out in sub-clause (ii) above' shall only be undertaken with the prior written consent of the Debenture Trustee. (iii) maintain minimum DSCR of 1.25x for the entire financial debt availed by it on consolidated basis (i.e., debt availed from the debenture holders and other lenders of the issuer). The DSCR shall be tested by the debenture holders or debenture trustee on a quarterly basis and/or at the time of testing restricted payment conditions (on a trailing 12-month period, on the basis of last quarterly declared results). The issuer shall, within 45 days from the end of each fiscal quarter (or prior to making any restricted payments), provide to the debenture trustee a certificate issued by an independent chartered accountant confirming that a minimum DSCR of 1.25x is maintained; (iv) ensure that any pledge or lien or non-disposal undertaking on the units of Shrem InvIT in relation to any financial indebtedness availed by any member of the promoter group and/or the issuer shall not, in aggregate, exceed 75% of the unit holding of promoter group and/or the issuer (as the case may be) in Shrem InvIT.
Financial covenants for other NCDs	·Minimum DSCR of 1.2x ·Aggregate debt to be lower than 25% of the carrying amount of the investment in form of InvIT units held by SIIPL and its group entities, and also lower than 40% of the carrying amount of investment in the form of InvIT units held by SIIPL solely
Financial covenants for NCDs of INR1,250 million each	The Issuer shall ensure that, at all times, till the Final Settlement Date: 1. ensure that the consolidated external debt shall not exceed 25% of the carrying amount of the investments held by the issuer along with its subsidiaries and unencumbered units held by its associate entities/group companies in Shrem InvIT. In the event consolidated external debt is beyond the permissible limits, the issuer, subsidiaries or its associate entities/ group companies shall not extend any corporate guarantee or provide any security or letter of comfort for the loans or debt facilities availed by any of the Issuer's subsidiaries, associates, group companies or Shrem InvIT or any subsidiaries of Shrem InvIT (except for the pledge and lien already created for the loan availed by Shrem InvIT, and the non-disposal undertaking already provided over the units of Shrem InvIT, each as on date of this deed) without prior approval of the debenture trustee; 2. ensure that the external Financial Indebtedness of the Issuer on standalone basis, including the outstanding corporate guarantee /letter of comfort given by it, shall not exceed 40% of the carrying amount of the investments held by issuer; it is clarified that availing of any financial indebtedness by: (a) the Issuer, its subsidiaries, associate entities, group companies holding units in Shrem InvIT, Shrem InvIT and/or any subsidiaries of Shrem InvIT in breach of threshold set out in sub-clause (i) above, (b) the issuer in breach of threshold set out in sub-clause (ii) above, shall only be undertaken with the prior written consent of the debenture trustee. 3. maintain minimum DSCR of 1.25x for the entire financial debt availed by it on consolidated basis (i.e., debt availed from the debenture holders and other lenders of the issuer). The DSCR shall be tested by the debenture holders or debenture trust a quarterly basis and/or at the time of testing restricted payment conditions (on a trailing 12-month period, on the basis of last quarterly declared results). The Issuer shall, within 45 days from the end of each fiscal quarter (or prior to making any restricted payments), provide to the debenture trustee a certificate issued by an independent chartered accountant confirming that a minimum DSCR of 1.25x is maintained; 4. ensure that any pledge or lien or non-disposal undertaking on the units of Shrem InvIT in relation to any financial indebtedness availed by any member of the promoter group and/or the Issuer shall not, in aggregate, exceed 75% of the unit holding of promoter group and/or the issuer (as the case may be) in Shrem InvIT. (collectively the Financial Covenants).

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Policy on Provisional Ratings

The Rating Process