



1st Annual Report

F.Y. 2021-22

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CORPORATE OVERVIEW



Shrem InvIT

1101, Viraj Towers
Junction Off Andheri Kurla Rd,
W.E. Highway Near Landmark Bldg,
Andheri (E), Mumbai – 400069.
Maharashtra

+91 22 42285500

infrateam@shrem.in
www.shreminvit.com

SEBI Registration No.:
IN/InvIT/20-21/0017

SECURITY INFORMATION:

Listed on
NATIONAL STOCK EXCHANGE (NSE)



Scrip Symbol: **SHREMINVIT**
ISIN: **INEOGT123014**

BANKERS:

STATE BANK OF INDIA



INDEPENDENT VALUER

MR. S SUNDARARAMAN

5B, A Block, 5th floor,
Mena Kampala Arcade,
New No 18 and 20,
Theyagaraya Road.
Chennai- 600 017

Firm Registration No:
IBBI/RV/06/2018/10238

T: +91 97909 28047
E: chennaissr@gmail.com

STATUTORY AUDITORS



MUKUND M. CHITALE & CO.

2nd Flr., Kapur House
Paranjape B. Scheme
Road No. 1, Vile Parle (E)
Mumbai 400 057.

Firm Registration No.:
106655W

T: +91 22 2663 3500
E: info@mmchitale.com

Name of contact person:
Saurabh Chitale

Peer review certificate no.:
010900

TRUSTEE

AXIS TRUSTEE SERVICES LIMITED



Axis House, Bombay Dyeing
Mills Compound, Pandurang
Budhkar Marg, Worli,
Mumbai - 400 025

T: +91 22 6226 0054
F: +91 22 6230 0700
E: debenturetrustee@axistrustee.in,
anil.grover@axistrustee.in
www.axistrustee.com

Contact Person:
Anil Grover, Head - Operations

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED



C-101, 247 Park, 1st Floor, L.B.S. Marg
Vikhroli West, Mumbai 400 083.

T: +91 22 4918 6000
F: +91 22 4918 6060
E: bonds.helpdesk@linkintime.co.in
Investor Grievance E-mail:
bonds.helpdesk@linkintime.co.in

Contact Person: **Ajit Patankar**
www.linkintime.co.in

SEBI Registration Number:
INR000004058



INVESTMENT MANAGER



SHREM FINANCIAL PRIVATE LTD.

CIN: **U67190MH2010PTC206680**

Registered Office:

1101, Viraj Towers,
Jn. off Andheri Kurla Rd,
W.E. Highway, Near Landmark Bldg,
Andheri (E), Mumbai – 400069.

T: +91 22 42285500
E: infrateam@shrem.in

BOARD OF DIRECTORS:

Mr. Nitán Chhatwal
Chairman of Board

Mrs. Smita Nitán Chhatwal
Director

Mr. Nikhil Pareek
Director

Mr. Pradeep Singh
Independent Director

Mr. Suneet K Maheshwari
Independent Director

Mr. Anurag Kumar Sachan
Independent Director

MANAGEMENT TEAM:

Mr. Nitán Chhatwal

Mr. Nikhil Pareek

Mr. Hitesh Chhatwal

Mr. Mukesh Jain

Mr. Piyush Jain

Mr. S L Kothari

KEY MANAGERIAL PERSONNEL:

Mr. Shyam Sunder Malani
Chief Financial Officer

Mr. Piyush Oza
Company Secretary



Mr. Nitán Chhatwal
Chairman

Dear Unitholders, Greetings from Shrem InvIT

The Presence of InvIT can be traced back to 1960s in the USA. It is a pooled investment vehicle which enables investment in large capital-intensive, revenue - generating infra-assets with utmost safety and creditable returns. The market for InvIT is evolving in India and is relatively at nascent stage, with only a handful of InvIT registered and listed till date.

Roads & highways are veins & arteries of the nation and with the government's thrust for development of the same, higher economic growth and social welfare is expected over the long term. InvIT is poised to emerge as an attractive investment platform for the infrastructure sector. This can act as an efficient investment vehicle to pool long-term funds for infrastructure creation, from both retail investors and global institutional funds.

FY 2021-22 has been marked by many key transformations, creating a launchpad to leapfrog our growth story.

As we complete our first financial year and mark the onset of FY 2022-23, it gives me immense pleasure to put forward our achievements during the year, which signifies as follows:

- Shrem InvIT ("Trust"/"InvIT") got its units listed on National Stock Exchange (NSE) and commenced its operation from the month of September 2021 by acquiring sizable portfolio of 24 road infra-assets.
- Our focus has been ensuring utmost safety and enhancing return on unitholders funds, expanding asset portfolio, maximizing revenue, and optimizing cost and high standard of corporate governance.

- The aggregate lane kilometers of road projects under operation are approximately 6,442.35 lane kilometers.
- The enterprises value of portfolio assets as on March 31, 2022, is Rs. 6,48,890 Lakhs based on valuation report.
- The Trust availed Term loan of Rs. 3,36,400 Lakhs from State Bank of India, Mumbai.

On the onset of FY 2022-23, our focus shall be, Strong execution on asset acquisition, consistent growth in distribution, and fortifying balance sheet.

In terms of performance, revenue and EBITDA at the year-end reflects as, Rs. 58735 Lakhs and Rs. 45082 Lakhs, respectively and net profit of Rs. 29864 Lakhs were recorded by the Trust in FY 2021-22 based on consolidated financial results. During the year, the Trust has made distribution, twice to its Unitholders on quarterly basis which comprises Rs. 4.018 per unit for the period ended September 30, 2021, and Rs. 3.450 per unit for the quarter ended December 31, 2021.

In addition to existing portfolio of 24 road projects, the InvIT is in process of acquiring 10 road assets in sync with its sustainable growth strategy.

The Board of Directors and the Management team are playing pivotal role in strategic management of the portfolio assets with high standard of corporate governance in the best interest of Unitholders.

I am overwhelmed and with a feeling of pride and gratitude for unflinching support of all stakeholders. Through all the challenges, I deeply admire the resilience and dedication of my colleagues, who demonstrated professionalism in taking business to next level. I would like to express my gratitude to the Board of Directors for providing guidance and direction to the management team and I am also grateful to our unitholders, bank and all other stakeholders for their continuous support.

Thanks & Best Regards,
Nitán Chhatwal
Chairman

Shrem Financial Private Limited
(Investment Manager to Shrem InvIT)

STRATEGIC OVERVIEW

Shrem InvIT (the “Trust”) is an irrevocable trust set up under the Indian Trusts Act, 1882 and registered with the Securities and Exchange Board of India as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

The Trust currently owns, operates, and maintains a portfolio of 24 road assets across five states in India i.e. Madhya Pradesh, Uttar Pradesh, Gujarat, Maharashtra and Karnataka. These roads are operated and maintained pursuant to terms & conditions of Concession Agreements entered by concessionaire SPVs and within the framework of SEBI InvIT Regulations, 2014.

InvIT, being a new instrument, is at emerging stage in terms of its market participation in infra business as well as it is evolving in terms of regulatory aspects. The InvIT regime per se has inherent nature of dealing in large scale of operations and it facilitates to boost infrastructure development in the country. We are committed to contribute towards development and maintenance of the world class state-of-art road infrastructure in the country by acquisition of completed road infra-assets.

Shrem InvIT has been established with following rationale:

Vision:

To be the most preferred partner with all stakeholders in creation of a quality pool of operational revenue generating infrastructure assets with creditable yield for investors.

Mission:

Offering an organised and reliable platform of InvIT to unlock value for highway developers and enable investors to earn superior and stable returns with utmost safety.

Values:

We strive for inclusive, profitable, and sustainable growth in ethical and trusted manner with full compliance. To operate with transparency and integrity having thrust on safety and quality of infra-assets we own and operate.

The InvIT is committed to maintain its regime of good corporate governance. It pledges to provide timely and accurate information through announcements and investor relations activities for the benefits of all stakeholders.

Our Strengths:

- **Distinguished business model**
- **Sound track record & experienced management**
- **Optimal leveraging**
- **No construction risk**
- **Consistent & predictable distribution**
- **Committed & stable workforce**
- **Robust cashflow cover**

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) REPORT

Shrem InvIT per se is not engaged in construction activity but is provider of support service for transportation. Thus, we are not engaged in activities that directly cause environmental hazards.

However, the Trust takes a 360-degree view of sustainable development that encompasses the organization's social, economic, governance, and financial aspects.

Environmental, Social and Governance (ESG) has emerged as much more than only a

corporate responsibility. Apart from providing stability in the business, it is an opportunity to build a strong relationship with all the stakeholders and it acts as a key differentiator to enhance relevancy and trust with them.

Our Board plays a pivotal role in providing oversight of our efforts to ensure responsible business practice. Building a sustainable future is central to our business. Our Sustainable Progress Strategy sets out three key pillars of activities as follows:

Environment

What we do –

- Our commitment is to make parties to the Trust imbibe sustainable growth attitude towards environment and society through their respective functions and initiatives.
- As human activity increases with soaring overpopulation and an increasing number of vehicles, lot of stray animals meet with unfortunate accidents each day. To arrest these unpleasant incidents, the SPVs under the trust has created a Section 8 Company in the name of Shrem Sewa Foundation which inter alia has an object to spend towards animal protection and welfare.
- Shrem Sewa Foundation is in a process of setting up a gaushala near Biaora, which is going to cover an area of approximately fifty acres of land, providing shelter and fodder to approximately two thousand stray cattle.
- The project manager, while carrying out Operation and Maintenance of the Assets under Trust, is advised to undertake all such activities and initiatives pertaining to the environment consciousness and betterment of society.
- The Trust and the Project Manager are committed to ensure adequate tree plantations, energy conservation and ensure minimal impact of operations on environment by providing means for seamless transportation, aiming at improving efficient use of resources over time with low carbon footprint.

Social

- The Senior management embraces top-down driven approach by demonstrating safety leadership at all levels. Site visits and audits are conducted to maintain / improve performance of the road assets.
- Our road assets connect the Hinterlands to the Urban Cities thus enabling the setting up of new industries, provision of health care and education facilities.
- Facilitates the local growth of people and economy through project manager that engages the locals and provides them with employment opportunities.
- Employees are important stakeholders and valuable assets for the organization and their safety and welfare is ensured by the Investment Manager and Project Manager.

Governance

Shrem InvIT is subject to supervision and scrutiny by various regulatory authorities including various intermediaries as under:

- Securities Exchange Board of India (SEBI)
- Ministry of Corporate Affairs (MCA)
- National Stock Exchange (NSE)
- National Highway Authority of India (NHAI)
- Ministry of Road Transport and Highways (MoRTH)
- State Concessioning Authorities

Good governance is a moral stance of the Management, which is committed to create value for all stakeholders on ethical principles. The Trust endeavors to implement the code of Corporate Governance in its true spirit.

The Investment Manager ensures good corporate governance practices by adopting various policies such as UPSI Policy, Determination of Materiality of information Policy, Related Party Transactions Policy, Code of Conduct, Borrowing Policy, Distribution Policy, Documents Archival Policy, Appointment of Auditors and Valuer Policy to carry on the business of the Trust in an ethical manner and ensures that parties to the Trust adhere to the Code of Conduct for business as adopted.

We are committed towards the adoption of best corporate governance practices that goes beyond compliance with the law. We understand the importance of doing business right – each and every day and conducting ourselves with integrity. We believe in building strong stakeholder relations through becoming the listening organization to address stakeholders' issues

as a priority matter, interacting with the Regulators towards better regulatory framework in the interest of all stakeholders.

The Trust is managed by Investment Manager where 50% of its Board consists of Independent Directors. The management of the Investment Manager is governed by an experienced Board of Directors and professionals who have made strategic contribution in development of infrastructure sector and Banking over last multiple decades.

Since its inception, the Trust is audited by prestigious independent Audit firm. Besides the statutory audit, there are internal checks and audits to keep a control and eye on internal operations.

Our Trustee has been playing active role and overlooking activities of the InvIT independently, to ensure that the business of the Trust is being carried out in line with the objectives and regulations.



All images are shot at location | Kalmath - Zarap | Maharashtra

STRUCTURE OF INVIT & BRIEF PROFILES OF PARTIES TO THE INVIT

The key parties involved in an InvIT are the Sponsor, Trustee, Investment Manager (who takes all the acquisition/ divestment related decisions) and Project Manager. This structure

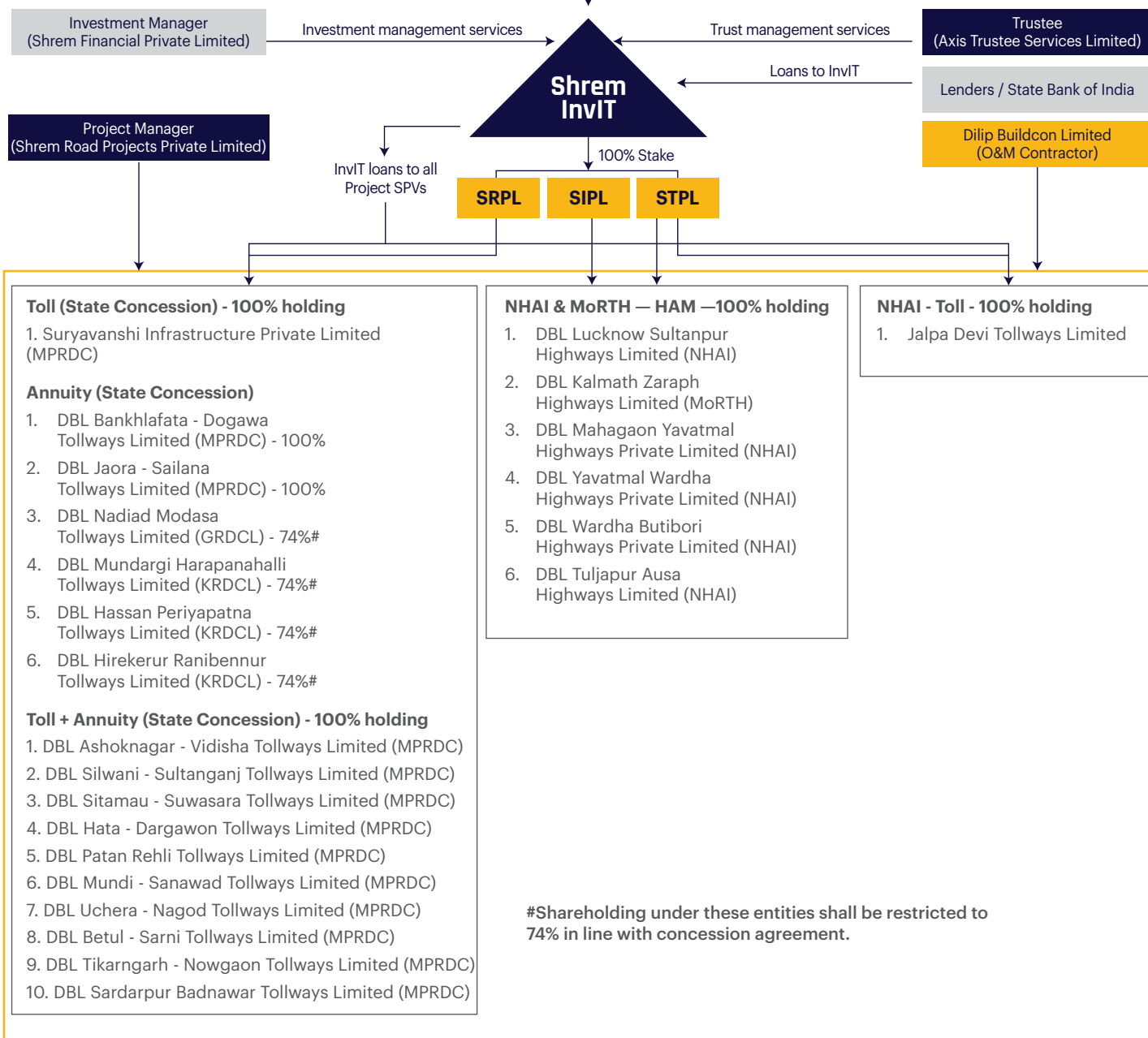
is a standard structure, framed by the regulator attempts to minimize the risk to investors and facilitates better corporate governance.

Shrem InvIT Structure

Sponsor (Shrem Infra Structure Private Limited)



Other
Unit Holders



A. Shrem Infra Structure Private Limited -Sponsor

Shrem Infra Structure Private Limited (SISPL) is the Sponsor of Shrem InvIT.

Since March 2017, SISPL is actively engaged in road development. SISPL committed its first investment in road sector in March 2017 and gradually had built a portfolio of 24 operational road assets. Thereafter, the same has been transferred to Shrem InvIT.

Board of Directors of SISPL are as follows:

DIN	Name
00115575	Nitan Chhatwal
00116943	Smita Chhatwal
02919669	Krishani Chhatwal
03182609	Shyam Sunder Malani

B. Axis Trustee Services Limited - Trustee

Sponsor has appointed Axis Trustee Services Limited (ATSL) as the Trustee of Shrem InvIT in accordance with the SEBI InvIT Regulations, 2014. ATSL is a debenture trustee registered with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, having registration number IND000000494. The Trustee is promoted by Axis Bank Limited for providing corporate and other trusteeship services.

The Trustee is independent to Sponsor and Investment Manager and is entrusted with the custody of the assets ensuring highest standards of corporate governance.

C. Shrem Road Projects Private Limited -Project Manager

Shrem Road Projects Private Limited (SRPPL) is the Project Manager for Shrem InvIT.

The Project Manager will be supervising all operation and maintenance of entire portfolio of Shrem InvIT including the present portfolio of 24 projects.

Board of Directors of SRPPL are as follows:

DIN	Name
03260905	Vineet Taparia
07954688	Piyush Sheetalchand Jain

D. Shrem Financial Private Limited - Investment Manager

Shrem Financial Private Limited (SFPL) is the Investment Manager for the Trust. SFPL manages the day to day affairs and oversees administrative function of Shrem InvIT and takes decision in regards to future acquisition, divestment, fund raising etc.

The Investment Manager has been engaged in the infrastructure business since 2011. The Investment Manager, through its erstwhile subsidiary, Shrem Resort Private Limited (now Zon Hotels Private Limited), developed the Novotel Goa Shrem Hotel and the Grand Mercure Goa Shrem Resort. It successfully operated the two hotels until September 2017 and subsequently divested its entire shareholding in Shrem Resort Private Limited (now Zon Hotels Private Limited).

Strategic role of Investment Manager:

- Possesses vide and varied experience of investment management services including fund management particularly in this sub sector, O&M experience and manages necessary resources for underlying assets efficiently.
- Provide administrative services in accordance with the provisions of Investment Management Agreement and SEBI InvIT Regulations, 2014.
- Make prudent investment (asset acquisition and disposal) decisions to ensure growth and perpetuity of the InvIT.
- Make timely distributions to the Unitholders, safeguarding interest of unitholders and improving returns from the InvIT by building an efficient capital structure.
- Timely dissemination of statutory and material information and grievance redressal of Unitholders.

Board of Directors of Shrem Financial Private Limited - Investment Manager:

In order to maintain independence of the Investment Manager has a judicious combination of Executive Director, Non-Executive and Independent Directors ("the Board"). As on date, the Board comprises of six (6) directors. The Board composition is in conformity with the provisions of the SEBI InvIT Regulations, 2014 and Companies Act, 2013.

All Directors are astute professionals coming from varied backgrounds possessing rich experience and expertise which cover a broad range of commercial experience, particularly, experience in infrastructure sector, investment management and financial matters.



Mr. Nitán Chhatwal
Chairman

He is the Chairman of Board of Directors & first - generation entrepreneur with experience of over 30 years in establishing businesses and managing investments.

He started his family office in 2010 and since then has managed investments in Real Estate, Hospitality, Health Care, Telecommunication and Infrastructure sectors.

He has developed two five star hotels in Goa and is currently developing another hotel in Mumbai.

Earlier he co-promoted Viraj Group of companies, which were industry leaders in export market for specialized stainless-steel products.



Mrs. Smita Nitán Chhatwal
Director

She holds Diploma in Textile designing from the South Delhi Polytechnic for Women.

Over 20 Years of Experience in the fields of operations and administration in the infrastructure, real estate and hospitality sectors.

Prior to joining the Sponsor, she was associated with Viraj Profiles Limited as a director.



Mr. Pradeep Singh
Independent Director

He is Chairman of Investment Nomination and Remuneration Committee.

He has 42 years of work experience in government, private sector, and academia.

From 1978 to 1995, as an IAS officer he worked in various senior positions in the state of Assam as also

the Ministry of Home Affairs (MHA) and the Ministry of Defense (MOD) in the central government. He also served as the managing director of a state run textile manufacturing undertaking.

He was the founding CEO of IL&FS Infrastructure Development Corporation (IIDC) and later served as the vice-chairman & CEO of IDFC Projects Ltd.

After a career of 35 years in the government and private sector, Pradeep Singh joined the Indian School of Business (ISB) as the CEO of its Mohali Campus and the Deputy Dean of the school.

He has been a visiting faculty member at the Kennedy School of Government, Harvard University and been engaged in consulting for the World Bank and the ADB. He holds a Master's Degree in Public Administration (MPA) from Harvard University and was a Rotary International Graduate Fellow at Stanford University USA.



Mr. Suneet K Maheshwari
Independent Director

He is the Chairman of Audit Committee & an infrastructure and financial services thought leader.

He has over 38 years of experience in project and corporate finance, investment banking and private equity with a focus on infrastructure & large corporates.

He has been founding CEO & MD of L&T Infra Finance Co Ltd (L&T Infra) from the year 2006 to 2014, further he has also been Group Exec Vice President - L&T Finance Holdings Limited (LTFH) from March 2014 to November 2015. He has also held board positions in SREI Infrastructure Finance Limited and Feedback Ventures Limited.

Currently, serving on the board of directors of various companies, such as Mahindra Manulife Trustee Private Limited, Antony Lara Enviro Solutions Private Limited, Antony Waste Handling Cell Limited, AG Enviro Infra Projects Private Limited, and he is a designated partner in Udvik Infrastructure Advisors LLP.

Besides being a Science graduate from University of Bombay (Mumbai) and an MBA from University of Poona (Pune), he has also completed Executive Training Programs from Harvard Business School in Restructuring of FIs & Banks and Strategy and Operations Strategy & Management.



Mr. Anurag Kumar Sachan
Independent Director

He is the Chairman of Stakeholders Relationship Committee. A professional with techno-commercial skills backed by a strong track record of 37 years of experience in project and contract management, bidding process, arbitration, dispute resolution, freight operation, maintenance and human resource development.

He has worked as Managing Director, Dedicated Freight Corridor Corporation of India Limited (3,300 kms railway line, project cost \$13 billion) from August 2018 to August 2020 and Chief Administrative Officer of Udhampur - Srinagar - Baramulla Rail Link in Himalayan terrain, project cost Rs 30,000 crore.

He is Bachelor of Civil Engineering, MNIT Bhopal 1975 – 1980.



Mr. Nikhil Pareek
Director

He has been associated with Shrem Group since September 2016 and was involved in structuring and negotiating the deal between Shrem Group and Dilip Buildcon Ltd for the acquisition of 24 road projects.

He has over 17 years of experience in the fields of banking, debt syndication, private equity, financial and management consulting in the infrastructure sector.

He has worked with Citi Bank, ICICI Bank & Yes Bank. Later in his career he worked exclusively in Road sector with few consultancy firms and completed many assignments for reputed Infrastructure Developers.

He is a science Graduate from JNVU, Jodhpur and an MBA Finance from ICFAI Business School, Hyderabad.

Our Management Team:

Mr. Hitesh Chhatwal

He has over 25 years of experience in handling projects and is responsible for managing Project development & Joint development partnerships of Shrem Group.

He handled the Forgings business at Viraj Profiles Ltd prior to founding Shrem. In Shrem, he took up the responsibility of managing Shrem Infra Investment Platform.

He spent his formative years in shaping the Flanges & Fittings division at Viraj Group and is credited with making Viraj Forgings the only company to get approvals from reputed oil & gas companies, pipe and ship building companies in USA, Middle-East and Korea.

Mr. Mukesh S. Jain:

He has been associated with Shrem Group since September 2016 and was involved in structuring and negotiating the deal between Shrem Group and Dilip Buildcon Ltd for the acquisition of 24 road projects.

He has over 17 years of experience in the fields of Investment Banking, debt syndication, private equity, financial and management consulting in the infrastructure sector.

He has worked with Kotak Securities and he had set up a securities broking business, having offices in India and overseas with a team of 50 people. Later in his career he worked exclusively in Road sector with few consultancy firms and completed many assignments for reputed Infrastructure Developers.

He is a Commerce Graduate from MLSU, Udaipur and an MBA Finance from ICFAI Business School, Hyderabad.

Mr. Piyush Jain:

He has been associated with Shrem Group since September 2016 and was involved in structuring and negotiating the deal between Shrem Group and Dilip Buildcon Ltd for the acquisition of 24 road projects.

Over 10 years of work experience in India & Australia in Management Consulting and Research roles.

Worked with a Boutique Management Advisory firm, MSCI and Moneybee Securities. Worked with clients from across sectors primarily Infrastructure, Real estate, Retail & Hospitality on debt syndication and rating advisory.

He holds MBA (Finance) from University of Technology Sydney, Australia and a bachelor's degree in Commerce from the University of Mumbai.

Mr. S L Kothari:

He joined the Investment Manager as Director Finance, Head Risk and Compliance, on November 1, 2020.

He has experience working as CFO, for over 20 years with companies like Sanjana Cryogenic Storages Limited (Affiliate of Hindalco Industries Ltd), Kewal Kiran Clothing Limited & Shalby Limited ("Shalby"), a leading chain of multi-specialty hospitals.

He served at MBL Infrastructures Limited as the “group CFO and executive director – finance and commercial”, from August 2018 till July 2019.

He is a science graduate and a Chartered Accountant and a Company Secretary.

Board Committees of Investment Manager

In compliance with both the mandatory and non - mandatory requirements under all the applicable laws, your Investment Manager constituted the following Committees:

- i) Audit Committee.
- ii) Investment Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee

The Composition of the Committees is as follows: Audit Committee

Mr. Suneet Maheshwari
(Independent Director) - Chairman

Mr. Anurag Kumar Sachan
(Independent Director)

Mr. Nikhil Pareek
(Director)

Investment Nomination & Remuneration Committee

Mr. Pradeep Singh
(Independent Director) - Chairman

Mr. Suneet K Maheshwari
(Independent Director)

Mr. Anurag Kumar Sachan
(Independent Director)

Stakeholders Relationship Committee

Mr. Anurag Kumar Sachan
(Independent Director) - Chairman

Mr. Pradeep Singh
(Independent Director)

Mr. Nikhil Pareek
(Director)



All images are shot at location | Wardha - Butibori | Maharashtra

INVESTMENT MANAGER'S REPORT

Activities of the Trust:

Shrem InvIT ("InvIT") has been set-up by the Shrem Infra Structure Private Limited ("Sponsor") as an irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Sponsor has appointed Axis Trustee Services Limited as a Trustee of the InvIT and executed Trust Deed on December 31, 2020. The Trust is registered as an Infrastructure Investment Trust with SEBI under the SEBI InvIT Regulations, 2014 on February 4, 2021, having registration number IN/InvIT/20-21/0017. The InvIT has been mainly formed to invest in infrastructure assets primarily being in the road sector in India. All the Fund's Road projects are implemented and held through special purpose vehicles.

The InvIT currently is involved in owning, operating and maintaining a portfolio of 24 road assets, aggregating to approximately 6,442.35 lane kilometers in the states of Maharashtra, Gujarat, Madhya Pradesh, Karnataka and Uttar Pradesh pursuant to the concessions granted by the National Highways Authority of India ("NHAI"), Ministry of Road Transport and Highway Government of India (MoRTH), Government of State of Gujrat (GoG),

Madhya Pradesh Road Development Corporation of India (MPRDC) and Karnataka Road Development Corporation Limited of India (KRDCL). The units issued by the Trust are listed on the National Stock Exchange of India Limited ("NSE") since 22nd September 2021.

The InvIT has acquired 100% Equity Stake in three Intermediary Holding Companies ("Holdcos") from the Sponsor and other equity holders which in turn holds 24 wholly owned subsidiaries. Thus InvIT acquired 24 Road Assets as an initial portfolio through 3 Securities Purchase Agreements entered into on August 11, 2021. The InvIT has issued its Units on private placement basis to the Sponsor and other equity holders of the Holdcos in consideration of such acquisition. The InvIT listed its units on National Stock Exchange (NSE) during the month of September 2021.

Financial summary:

The Summary of financial information on Consolidated & Standalone Financial Statement of the InvIT as on March 31, 2022, are as follows:

(Amt in Lakhs)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	58,734.79	-	39,522.21	-
Total Expenditure	29,298.65	-	15,964.02	335.62
Profit before tax	29,436.14	-	23,558.19	(335.62)
Less: Provision for tax	-	-	-	-
Current tax	(222.15)	-	-	-
Deferred tax	(102.40)	-	-	-
Tax of earlier period	(103.04)	-	-	-
Profit after tax	29,863.73	-	23,558.19	(335.62)
Profit & Loss attributable to:				
(a) Owners of parent	29,196.01	-	-	-
(b) Non-controlling interest	667.71	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	29,196.01	-	23,558.19	(335.62)
Add: Profit at the beginning of the year	(335.62)	-	(335.62)	-
Distribution made during the year	(15,375.14)	-	(15,375.14)	-
Other comprehensive income/(loss) for the period	-	-	-	-
Balance Carried Forward to Balance Sheet	13,485.26	-	7,847.43	(335.62)

GEARING RATIOS OF THE INVIT AS AT THE END OF THE YEAR:

(Amt in Lakhs)

Particulars	Amount	Amount
Enterprise Value		6,60120
Outstanding SBI Debt	3,20606	
Less: Cash & Cash equivalent	(63247)	
Net Debt at InvIT		2,57359
Debt to Equity		38.99%

OPERATING EXPENSES OF INVIT:

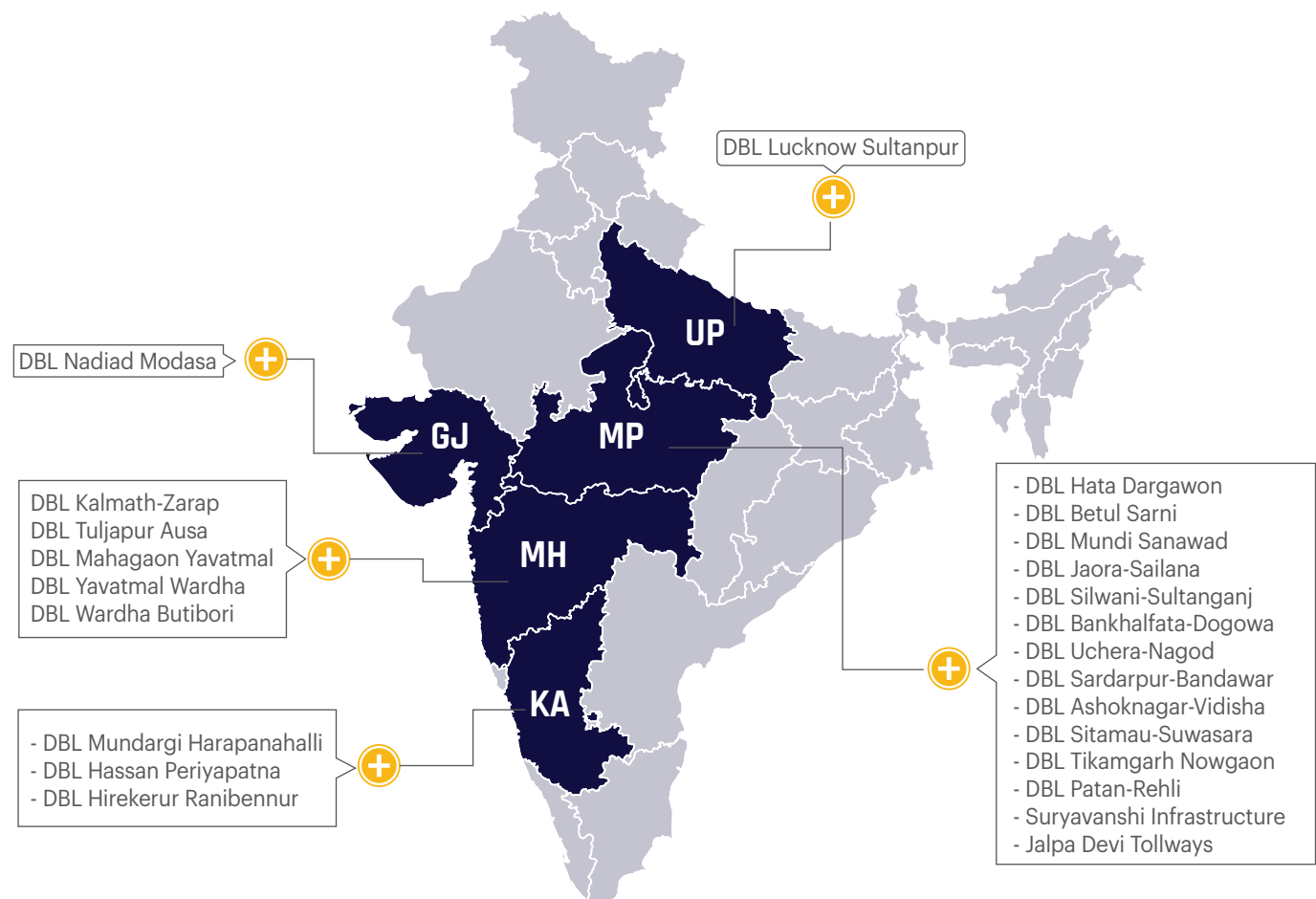
(Amt in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2022
(i)	Audit Fees	10.60
(ii)	Legal & professional fees	82.79
(iii)	Rent, Rates & Taxes	32.87
(iv)	Miscellaneous	0.65
(v)	Initial issue expenses	2591.45
(vi)	Registration & Stamp Duty	17.42
(vii)	Insurance Expenses	3.26
(viii)	Interest on Statutory dues	0.02
(ix)	Listing Fees	10.50
(x)	Investment Manager Fees	627.33

OUR ASSET PORTFOLIO:

The Projects, consisting of both National Highways and State Highways, are located in five different States of

India i.e. Madhya Pradesh, Maharashtra, Uttar Pradesh, Gujarat and Karnataka.



Brief details of all the assets of the InvIT, project-wise:

Sr. No.	Relevant Project SPV	Particulars of the Project (as per the Concession Agreements)	Lane Kilometers (in km)*	State
1	DBL Lucknow Sultanpur Highways Limited ("DLSHL")	Augmenting the existing road from 11.500 kilometer to 134.700 kilometer (approximately 127.425 kilometer) on the Lucknow-Sultanpur section of National Highway number 56 (new National Highway number 731) by four-laning thereof on design, build, operate and transfer (annuity) basis.	666.77	Uttar Pradesh
2	DBL Kalmath Zarap Highways Limited ("DKZHL")	Augmenting the existing road from kilometer 406.030 to kilometer 450.170 (43.905 kilometer) on the Kalmath-Zarap section of National Highway number 17 (new National Highway number 66) by four-laning on design, build, operate and transfer (annuity) basis.	267.40	Maharashtra
3	DBL Yavatmal Wardha Highways Private Limited ("DYWHPL")	Augment the existing road from kilometer 400.575 to kilometer 465.500 of Yavatmal-Wardha section of National Highway number 361 by four-laning on design, build, operate and transfer (annuity) basis.	370.55	Maharashtra
4	DBL Tuljapur Ausa Highways Limited ("DTAHL")	Augmenting the existing road from kilometer 0.000 to kilometer 55.835 (existing chainage: kilometer 416.000 to kilometer 470.000) (approximately 67.428 kilometer) on the Tuljapur-Ausa (including Tuljapur bypass) section of National Highway number 361 by four-laning on design, build, operate and transfer (annuity) basis.	376.96	Maharashtra
5	DBL Wardha Butibori Highways Private Limited ("DWBHPL")	Augmenting the existing road from kilometer 28.800 to kilometer 85.374 (approximately 59.374 kilometer) on the Wardha-Butibori section of National Highway number 361 by four-laning on design, build, operate and transfer (annuity) basis.	351.93	Maharashtra
6	DBL Mahagaon Yavatmal Highways Private Limited ("DMYHPL")	Augmenting the existing road from kilometer 320.580 to kilometer 400.575 (approximately 80.195 kilometer) on the Mahagaon to Yavatmal section of National Highway number 361 by four-laning thereof on design, build, operate and transfer (annuity) basis.	450.42	Maharashtra
7	DBL Ashoknagar Vidisha Tollways Limited ("DAVTL")	Augmenting the existing road from bypass junction of Ashoknagar (kilometer 0/10) to Bangla Chauraha (kilometer 35.68) (approximately 35.68 kilometer), on the section of major district road by two-laning on build, operate and transfer (toll plus annuity) basis.	107.04	Madhya Pradesh
8	DBL Betul Sarni Tollways Limited ("DBSTL")	Augmenting the existing road from kilometer 0.00 (Kamani Gate Betul) to kilometer 124.10 (approximately 124.10 kilometer) on the section of State Highway number 43 by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	372.30	Madhya Pradesh
9	DBL Hata-Dargawan Tollways Limited ("DHDTL")	Augmenting the existing road from kilometer 0.00 (Damoh naka in Ilatta town) to kilometer 64.40 (at Dargawan Tiraha) (approximately 64.40 kilometer), section of the State Highway number 48, by intermediate-laning on build, operate and transfer (toll plus annuity) basis.	193.20	Madhya Pradesh
10	DBL Silwani Sultanganj Tollways Limited ("DBL Silwani")	Augmenting the existing road from kilometer 0.00 to kilometer 75.995 (approximately 76.00 kilometer) on the Silwani-Sultanganj-Jaisinghnagar-Sagar Road section of State Highway number 15 by intermediate-laning / two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	228.00	Madhya Pradesh

Brief details of all the assets of the InvIT, project-wise:

Sr. No.	Relevant Project SPV	Particulars of the Project (as per the Concession Agreements)	Lane Kilometers (in km)*	State
11	DBL Sitamau Suwasara Tollways Limited ("DSSTL")	Augment the existing road from kilometer 0/00 to kilometer 34/000 (approximately 34.97 kilometer) on the Sitamau-Basai-Suwasara section of major district road by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	104.91	Madhya Pradesh
12	DBL Mundi-Sanawad Tollways Limited ("DMSTL")	Augmenting the existing road from kilometer 0.00 (at Mundi) to kilometer 64.400 (at Sanawad town) (approximately 67.63 kilometer) on the Mundi-Punasa-Sulgaon- Sanawad section of the major district road by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	202.89	Madhya Pradesh
13	DBL Uchera-Nagod Tollways Limited ("DUNTLL")	Augmenting the existing road from kilometer 32.00 (near Nagod National Highway number 75) to kilometer 87.00 (near Uttar Pradesh Border) including 1.70 kilometer Nagod bypass (approximately 55.60 kilometer) on the section of State Highway number 56 by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	166.80	Madhya Pradesh
14	DBL Sardarpur Badnawar Tollways Limited ("DSBTL")	Augmenting the existing road from kilometer 0/00 to kilometer 43/300 (approximately 43.00 kilometer) on the Sardarpur-Badnawar Road section of State Highway number 34 by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis	129.00	Madhya Pradesh
15	DBL Patan Rehli Tollways Limited ("DPRTL")	Augmenting the existing road from kilometer 31/10 of State Highway number 15 Rehli-Gorjhamar-Patan Chok and cross the junction of kilometer 113/00 of Rehli Gourjhamar State Highway number 15 including bypass of Rehli which is about 4.4 kilometer and terminated at kilometer 38/10 (approximately 86.60 kilometer) on the section of State Highway number 15 by two-laning on design, build, finance, operate and transfer (toll plus annuity) basis.	259.80	Madhya Pradesh
16	DBL Tikamgarh-Nowgaon Tollways Limited ("DTNTLL")	Augmenting the existing road from Y-junction in kilometer 10/8 at Tikamgarh-Malehra road (State Highway number 10) to kilometer 107 of Jhansi-Nowgaon (National Highway number 76) (approximately 76.40 kilometer), the section of major district road by two-laning on build, operate and transfer (toll plus annuity) basis	229.20	Madhya Pradesh
17	DBL Nadiad Modasa Tollways Limited ("DNMTLL")	Improving the section Nadiad-Madhudha-Kathial-Kapadwanj-Bayad-Modasa from kilometer 0.60 to kilometer 109.00 on State Highway number 59 by strengthening and widening to two-laning on design, build, finance, operate and transfer (annuity) basis.	325.20	Gujarat
18	DBL Bankhalafata-Dogawa Tollways Limited ("DBDTLL")	Augmenting the existing three major district roads under package-I comprising (i) Bankhalafata-Dogawa-via-Borawa-Savardevala (23.67 kilometer); (ii) Punasa-Mundi-Singhaji (thermal power plant) and Singhaji bridge approach road (13.30 kilometer); and (iii) Beed-Mundi-Devala-Khutala-Attoot -NVDA (28.43 kilometer) (total length of 65.40 kilometer) by intermediate-laning / two-laning on design, build, finance, operate and transfer (annuity) basis	196.20	Madhya Pradesh

Brief details of all the assets of the InvIT, project-wise:

Sr. No.	Relevant Project SPV	Particulars of the Project (as per the Concession Agreements)	Lane Kilometers (in km)*	State
19	DBL Jaora-Sailana Tollways Limited ("DJSTL")	Augmenting the existing four major district roads under package-IV comprising (i) Jaora-Piplodha-Jalandharkheda and Piploda-Sailana (42.27 kilometer); (ii) Raipururiya-Petlabad-Bamniya (18.18 kilometer); (iii) Jawad-Khoh (21.07 kilometer); and (iv) Soyat-Pidawa (6.25 kilometer) (total length of 87.77 kilometer) by intermediate-laning / two-laning on design, build, finance, operate and transfer (annuity) basis.	263.31	Madhya Pradesh
20	DBL Mundargi Harapanahalli Tollways Limited ("DMHTL")	Augmenting the existing State Highway from Mundargi-Hadagali-Harapanahalli (approximate length 51.21 kilometer) on design, build, finance, operate, maintain and transfer (annuity) basis.	153.63	Karnataka
21	DBL Hassan Periyapatna Tollways Limited ("DHPTL")	Augmenting the existing State Highway from Hassan-Ramanathapura-Periyapatna (approximate length of 73.69 kilometer) on design, build, finance, operate, maintain and transfer (annuity) basis.	221.07	Karnataka
22	DBL Hirekerur Ranibennur Tollways Limited ("DHRTL")	Augmenting the existing State Highway from Hirekerur-Ranibennur (approximate length 55.69 kilometers) on design, build, finance, operate, maintain and transfer (annuity) basis.	167.07	Karnataka
23	Jalpa Devi Tollways Limited ("JDTL")	Augmenting the existing road National Highway number 3 from kilometer 332.100 to kilometer 426.100 (approximately 93.500 kilometer) on the Guna-Biaora section of National Highway number 3 by four-laning on design, build, finance, operate and transfer (toll) basis.	506.70	Madhya Pradesh
24	Suryavanshi Infrastructure Private Limited ("Suryavanshi Infra")	Reconstruction, strengthening, widening and rehabilitation of Mandsaur-Sitatau section from existing kilometer stone 18 and ends at the existing kilometer stone 62 at Chambal River (Rajasthan border) (total 44 kilometer) on State Highway number 14 section, and its operation and maintenance, on build, operate and transfer basis.	132.00	Madhya Pradesh

*The calculation of lane kilometres is done as per the circular of MoRTH (Ref. No.341/PS/Secretary/RTH/2018) dated March 1, 2018 ("MoRTH Measurement Circular"). As per the MoRTH Measurement Circular, the linear measurement of the project highway has been dispensed with.).



All images are shot at location
Hassan - Periyapatna | Karnataka

DETAILS OF PROJECT-WISE REVENUE AND EXPENDITURE AND EBITDA DURING THE YEAR FROM THE UNDERLYING PROJECTS:

The Projects are divided into four types, based on form of revenue being generated by a project i.e. (i) hybrid annuity; (ii) toll; (iii) annuity; and (iv) annuity plus toll:

Revenue figures are based on actual cash flow for whole year. These figures are not comparable with audited financial statements based on IndAS and since commencement of operations by Shrem InvIT with effect from 15-9-2021

a. HAM & NHAI Toll (JDTL)

(Amt in Lakhs)

Particulars	Lucknow Sultanpur	Kalmath Zarap	Mahagaon Yavatmal	Tuljapur AUSA	Wardha Butibori	Yavatmal Wardha	Jalpa Devi
Net Annuity Income	16421.80	9311.36	8791.54	5320.49	8465.62	9478.94	-
Toll Income	-	-	-	-	-	-	1346
Other Income	598.01	1426.30	293.30	213.38	780.55	95.91	72.84
Total Income (A)	17019.82	10737.66	9084.83	5533.87	9246.17	9574.85	13537.46
O&M Exp	1654.00	828.00	444.00	500.00	1277.00	871.50	418.75
Other Expenses	1241.05	2503.04	922.03	705.69	926.77	734.66	2481.31
Total Expenses (B)	2895.05	3331.04	1366.03	1205.69	2203.77	1606.16	2900.06
EBITDA (A)-(B)	14124.76	7406.61	7718.81	4328.17	7042.39	7968.70	10637.40

* Payment of DLP deposit during O&M moratorium under HAM Projects.

b. State Assets: (Annuity Plus Toll & State Toll)

(Amt in Lakhs)

Particulars	Ashonagar	Hata	Mundi	Patan	Sardarpur	Silwani
Net Annuity Income	987.84	1375.92	1622.88	3457.44	923.16	1860.04
Toll Income	194.02	183.43	459.51	495.44	207.2	380.55
Other Income	486.90	36.57	54.97	113.65	43.11	79.95
Total Income (A)	1,668.76	1,595.92	2,137.36	4,066.53	1,173.47	2,320.54
O&M Exp	95.59	141.96	128.57	195.54	69.64	131.25
Other Expenses	125.43	565.99	297.46	1,149.58	174.73	394.53
Total Expenses (B)	221.02	707.95	426.03	1345.12	244.37	525.78
EBITDA (A)-(B)	1,447.74	887.97	1,711.33	2,721.41	929.10	1,794.76

* Payment of DLP deposit during O&M moratorium under HAM Projects.

Please note all the projects are completed and no work is on going in the project.

(Amt in Lakhs)

Particulars	Sitamau	Tikamgarh	Uchera	Suryavanshi	Betul
Net Annuity Income	723.24	1,746.36	1,658.16	-	3,034.08
Toll Income	345.82	426.68	430.35	630.79	904.55
Other Income	43.91	88.28	55.72	32.55	96.76
Total Income (A)	1,112.97	2,261.32	2,144.23	663.34	4,035.39
O&M Exp	53.50	166.07	112.50	101.79	275.93
Other Expenses	169.42	963.58	549.71	109.92	408.07
Total Expenses (B)	222.92	1,129.65	662.21	211.71	684.00
EBITDA (A)-(B)	890.05	1,131.67	1,482.02	451.63	3,351.39

Please note all the projects are completed and no work is on going in the project.

DETAILS OF PROJECT-WISE REVENUE AND EXPENDITURE AND EBITDA DURING THE YEAR FROM THE UNDERLYING PROJECTS:

c. State Assets: (Annuity)

(Amt in Lakhs)

Particulars	Hassan	Hirekerur	Nadiad	Mundargi	Jaora	Banklafata
Net Annuity Income	5,150.88	3,845.52	3,390.53	3,475.08	2,363.76	1,940.40
Toll Income	-	-	-	-	-	-
Other Income	10.35	206.36	35.45	23.24	30.26	25.83
Total Income (A)	5,161.23	4,051.88	3,425.98	3,498.32	2,394.02	1,966.23
O&M Exp	523.69	380.71	211.61	343.39	182.14	123.21
Other Expenses	865.85	759.78	840.94	732.97	605.16	438.18
Total Expenses (B)	1,389.54	1,140.49	1,052.55	1,076.36	787.30	561.39
EBITDA (A)-(B)	3,771.69	2,911.39	2,373.43	2,421.96	1,606.72	1,404.84

Please note all the projects are completed and no work is on going in the project.

INVESTOR COMPLAINTS

The status of complaints is reported to the Board, Trustee, and the stock exchange on a quarterly basis. During period ended March 31, 2022, there were no

investor complaints received. Status report on number of investor complaint received and replied by the Trust for the financial year 2021-22:

Investor complaints for the Financial Year ended March 31, 2022

Complaints	All complaints including SCORES complaints	SCORES complaints
Number of investor complaints pending at the beginning of the year.	0	0
Number of investor complaints received during the year.	0	0
Number of investor complaints disposed of during the year.	0	0
Number of investor complaints pending at the end of the year.	0	0
Average time taken for redressal of complaints	NA	NA

BOARD MEETINGS:

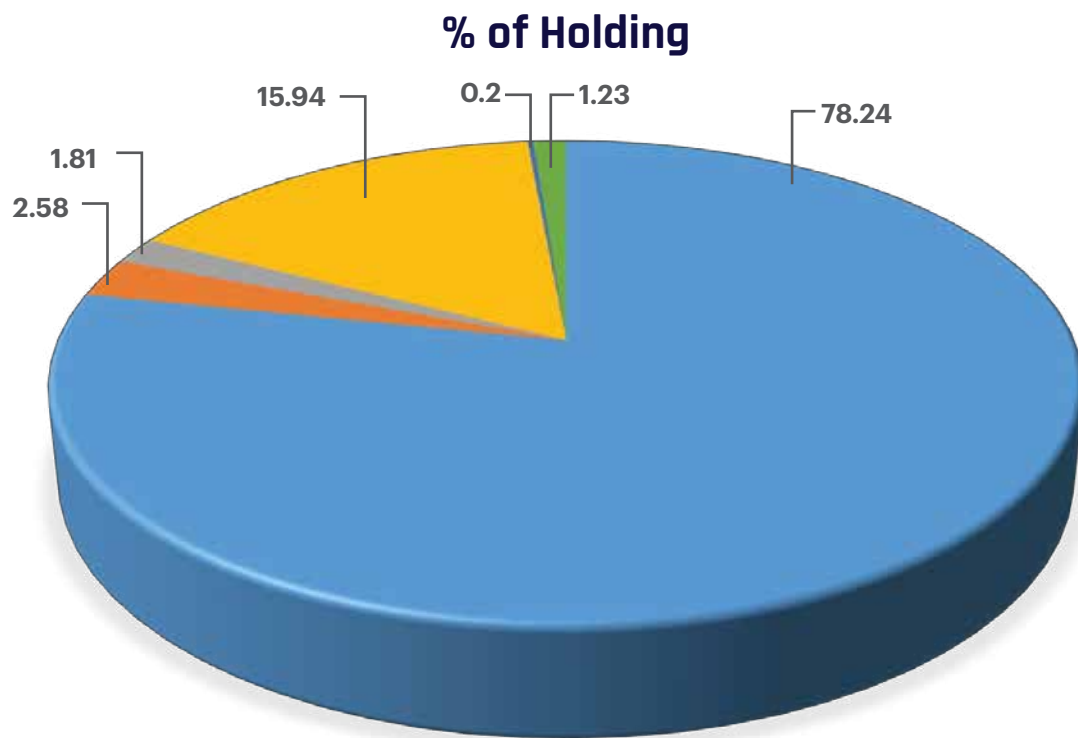
During the financial year the Board of Directors met six times on July 21, 2021, September 20, 2021, 10:00 a.m., September 20, 2021 01:30 p.m., October 26, 2021,

January 24, 2022 and February 11, 2022 attendance of directors in meetings are as follow:

Sr. No.	Name of Director	No. of Board Meetings attended
1	Mr. Nitán Chhatwal	6
2	Mrs. Smita Nitán Chhatwal	2
3	Mr. Nikhil Pareek	6
4	Mr. Pradeep Singh	6
5	Mr. Suneet K Maheshwari	6
6	Mr. Anurag Kumar Sachan	6

Further, resolutions by circulation were passed by the Board of Directors on September 3, 2021, October 6, 2021 and February 16, 2022.

UNITHOLDING PATTERN



■ Sponsor & Promoters Group ■ Individual ■ NBFC ■ Body Corporates ■ HUF ■ Pension Funds & Trusts



All images are shot at location
Guna - Biaora | Madhya Pradesh

MANAGEMENT DISCUSSION AND ANALYSIS

Shrem InvIT is set-up for the purposes of carrying on the activity as an Infrastructure Investment Trust and for making investments in the road infra-projects and/or securities of Indian companies that are carrying on businesses in infrastructure sector, in accordance with the InvIT Regulations. InvIT got registered with SEBI on February 4, 2021. The InvIT has acquired 100% shareholding in 20 Project SPVs and 74% shareholding in 4 Project SPVs (on account of shareholding requirements under the relevant concession agreements) through 3 Intermediary Holding Companies, which maintain and operate road assets aggregating to approximately 6,442.35 lane kilometers, located across five states in India (the "Projects").

The InvIT as an investment platform offers attractive investment opportunities and is expected to take wings, given the huge

government outlay for infrastructure projects. The government has identified InvIT as a way to attract large institutional long-term investors in infrastructure space, to allow for capital recycling and further investments under PPP mode. InvIT plays a key role in the monetization of existing projects with conducive regulatory frameworks, cash flow profile, and taxation advantage.

InvIT helps developers to release their invested equity and deploy capital in new projects. This could enable them to address the challenge of projects with high capex demands. Another advantage of InvIT is that proceeds raised from such vehicles are neither counted as debt nor as equity and provides regular return on capital infused, by way of distribution.

1. Industry Review - India's infrastructure opportunity:

India has the second-largest road network in the world, spanning a total of 5.89 million kilometers (kms). Infrastructure sector is a key driver for the Indian economy. This sector is accountable for propelling India's overall development and adores intense focus from Government for introducing policies that would ensure time-bound formation of world class infrastructure in the country. The opportunities in the sector have seen an incremental curve over previous years and are growing to establish the sector as a key driver in India's development story at a high rate.

Increasing private sector involvement:

Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports.

Private investment into physical and social infrastructure is key to putting India in a high growth trajectory, which will make it a US\$ 5 trillion economy by 2024-25.

Yearly private equity (PE) and venture capital (VC) investment in India is expected to surpass US\$ 65 billion in 2025.

Ministry Of Road Transport And Highways (MoRTH):

As per Ministry of Road Transport and Highways (MoRTH), previous year was the year of consolidation of the gains that accrued from major policy decisions taken in the previous six years, a time for monitoring of ongoing projects, tackling roadblocks and adding to the already impressive pace of work achieved last year. The Ministry provided several relief measures to enable the highway sector to overcome the debilitating impact of the second wave of COVID-19.

During the year the MoRTH and its associated organizations have carried forward the good work of the previous years, expanding the National Highways network in the country, taking various steps to make these highways safe for the commuters and making best efforts to minimize adverse impact on the environment. As a result, in the past seven years, length of National Highways has gone up from 91,287 km (as of April 2014) to 1,41,190 km as on March 31, 2022, out of the set target of 2,00,000 kms for 2024-25. The Ministry has scaled new heights in expanding the Highway infrastructure throughout the country, despite of COVID-19 pandemic.

The MoRTH has envisaged an ambitious highway development programme Bharatmala Pariyojana which includes development of about 65,000 km NHs. Under Phase-I of Bharatmala Pariyojana, the MoRTH has approved implementation of 34,800 km of NHs in 5 years (2017-18 to 2021-22) with an outlay of 5,35,000 crore. The programme focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International Connectivity roads, Coastal and Port Connectivity roads and Green-field expressways. Multi-modal integration is also built into this program. This includes 5,000 km of the national corridors, 9,000 km of economic corridors, 6,000 km of feeder corridors and inter corridors, 2,000 km of border roads, 2,000 km of coastal roads and port connectivity roads and 800 km of green field expressways. Phase I will also subsume 10,000 km of balance roadworks under the NHDP. According to the MoRTH Annual Report 2021-22, Bharatmala Pariyojana envisages 60% projects on Hybrid Annuity Mode, 10% projects on BOT (Toll) Mode and 30% projects on EPC mode respectively. 604 road projects with an aggregate length of 20,965 km have been approved and awarded under Bharatmala Pariyojana, including 131 of residual NHDP works of aggregate length of 5,529 kms with a total capital cost of ` 6,41,713 cr (up to 31.12.2021). (Source: MoRTH Annual Report 2021-22).

The MoRTH achieved the record-breaking milestone of constructing 37 km highways per day in fiscal years 2020-21 from 28 km highways per day in fiscal years 2019- 2020. (Source: MoRTH press release titled "Year End Review 2021: Ministry of Road Transport and Highways" dated December 31, 2021). Despite COVID 19, MoRTH has constructed 10,457 km of National Highways up to March in 2021-22 as compared to 13,327 km in 2020- 21 and awarded 12,731 km of National Highway in the fiscal year 2021-22 as compared to 10,964 km in the previous year. The pace of execution has been impacted in fiscal year 2021-22, owing to prolonged monsoons which has affected productive days for an extended period.

Pradhan Mantri (PM) Gati Shakti National Master Plan (NMP):

The seven drivers of PM Gati Shakti are Roads, Railways, Airports, Ports, Mass Transport, Waterways and Logistics Infrastructure. The scope of PM Gati Shakti National Master Plan will encompass all seven drivers for economic transformation, seamless multimodal connectivity and logistics efficiency. The projects in the National Infrastructure Pipeline will be aligned with the PM Gati Shakti framework. The PM Gati Shakti master plan for expressways will be formulated in 2022-23 to facilitate

faster movement of people and goods. The National Highways network will be expanded by 25,000 km in 2022-23. (Source: Highlights of the Union Budget 2022-23, February 1, 2022).

Strong momentum in expansion of roadways:

• High Budgetary Allocation for Infrastructure

- In Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. ~217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.

• Improvement in logistics:

- In 2020, India's US\$ 215 billion logistics sector was one of the largest worldwide and increased at a CAGR of 10% to US\$ 320 by 2025.
- India was ranked second* in the 2021 Agility Emerging Markets Logistics Index.

• Rising foreign direct investment (FDI) in the sector:

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, between April 2000-December 2021.

• Strong momentum in expansion of roads & highways:

- Highway construction in India increased at a CAGR of 21.44% between FY16-FY19. In FY19, 10,855 kms of highways were constructed. The Government of India aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion) by 2022.
- The national highways will be expanded by 25,000 kilometers with a funding outlay of Rs. 20,000 crore (US\$ 2.61 billion).
- In March, Mr. Nitin Gadkari, Minister for Road Transport and Highway inaugurates 19 National Highway projects in Haryana and Rajasthan totaling Rs 1,407 crore (US\$ 183.9 million).
- By 2024, the Ministry of Road Transport and Highways wants to build 60,000 kms of world-class national highways at a rate of 40 kms each day.
- To transform road infrastructure in Punjab, Haryana

and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion).

- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region also recorded growth in national highways, from 7 in 2014 to 11 in 2021.
- In September 2021, the Maharashtra government approved a 173.7-kilometre long outer-ring road project, worth Rs. 26,831 crore (US\$ 3.61 billion), in Pune.
- In FY22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- As of October 2021, the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms, as of October 2020.
- In August 2021, Union Minister of Road Transport Highways, Mr. Nitin Gadkari announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.

The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The roads sector is likely to account for 18% capital expenditure over FY 2019-25.

• **Growth in Public -Private Participation**

- In FY21, there were 125 PPP projects worth US\$ 23.25 billion in India.

NHAI targets 450 kilometers of the Build-operate-transfer (BOT) projects in FY22 and is looking forward to bidding out 600-1000 kilometers of highway stretch under the Build-operate-transfer (BOT) model as of November 2021.

Outlook:

The InvIT predominantly has fixed annuity assets and largely insulated against volatilities in traffic resulting

from lockdowns. To further accelerate the development of road infrastructure and enable seamless connectivity across country while reducing overall logistics costs at the same time, the Government of India (GoI) has lined up INR 1.99 lakh crore for the road and highway sector in the Union Budget for 2022-23, increasing it by 68%.

The ambitious target for expanding the National Highways network by 25,000 km in 2022-23 at an all-time high pace of over 68 km per day compared with around 37 km per day achieved, the highest so far, in 2020-21. While models such as hybrid annuity and toll-operate transfer have supported the government's ambitious plans, initiatives such as PM Gati Shakti Yojana and Bharatmala Pariyojana will play a key role in the growth of road and highway infrastructure sector going forward.

Furthermore, there are tremendous opportunities in the near and long term for the infrastructure space in India. The government's ambitious infrastructure development programmes provide significant opportunities for investors and market players to help transform the sector and partner India's socio-economic progress. Robust demand, higher investments, attractive opportunities and policy support changed the face of the road sector in the country within three years. The government is implementing various projects across the length and breadth of the country to solve the woes of the common man. The MoRTH has introduced notable trends that will make India take lead position in road infrastructure in the times to come.

2. Distribution:

TAs per SEBI InvIT Regulations, 2014, InvIT shall distribute to the unitholders not less than 90% of net distributable cash flows, once in every six months in every financial year and payment shall be made not later than fifteen days from the date of declaration.

The Shrem InvIT has made distribution twice during the financial year on quarterly basis in accordance with its Distribution Policy.

For FY 2021-22, the Net Distributable Cash Flow (NDCF) of the Trust was Rs. 291.62 Crore, the Trust has distributed at least 100% of NDCF. The total pay-out from the NDCF for FY 2021-22 was Rs. 7.468 per unit to the unitholders.

3. Factors affecting results of operation of the InvIT:

The Project SPVs' business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

• **Inflation and Interest rate risk:**

In some of our concession agreements, our income

from interest on balance completion cost is linked with RBI Bank Rate and income from operation and maintenance is linked with the movements of inflation indices in a relevant period. However, there are no specific provisions in our concession agreements protecting us against increases in interest rates on our borrowings or cost of raw materials except to the limited extent of rates linked to RBI Bank Rate and inflation. Our lenders may have the right to periodically adjust our interest rates and our applicable interest rates may increase based on their review of our credit profile and perceived risks in our operations. Our operational costs may also increase substantially if the O&M Contractor fails to perform its duties as per the O&M Agreements. Many factors causing such adverse changes are beyond our control, and we are usually not able to demand matching increases in our tolling rates or annuities. Even if we invoke the inflation adjustment clauses in some of our concession agreements, the increase may not be adequate to offset the negative impact of increases in interest rates or the O&M costs.

- **Lower than expected returns on our investment in our Projects:**

In our annuity BOT projects or BOT projects with an annuity component, our annuity revenue depends on the fixed amounts paid to us by our government clients. The amount of annuity is not necessarily linked to our actual costs of construction and may only be deducted pursuant to the relevant concession agreements. In our toll-based projects or projects with a toll component, our toll revenue depends on the tolling rates set by the relevant concessioning authority in accordance with the relevant concession agreements and the actual traffic volume using our roads. Our decision to undertake BOT road projects is largely based on our estimate of our expected toll revenue, which in turn partly based on our estimate of the traffic volume using our roads.

Traffic volume may be affected by a number of factors beyond our control, including general economic conditions, alternate routes, alternate means of transportation, location of toll plazas, weather conditions, demographic changes, fuel prices, reduction in commercial or industrial activities in the regions served by the roads and natural disasters. Thus, the actual traffic volume may be lower than our estimate. Decreases in traffic volume could result in a significant loss of our toll revenue. In addition, our concession agreements typically limit and regulate increases in tolling rates. Usually, the NHAI sets the applicable tolling rates, and we may not be able to increase tolling rates to cover increases in our operational costs.

In some of our concession agreements, adjustments of annuities are linked to the movements of inflation

indices in a relevant year. However, there are no provisions in our concession agreements protecting us against increases in interest rates or cost of raw materials. Our lenders may have the right to periodically adjust our interest rates and our applicable interest rates may increase based on their review of our credit profile and perceived risks in our operations. Our operational costs may also increase substantially during the operation of our BOT projects due to shortage of raw materials or substantial increases in prices of raw materials required for operation and maintenance beyond the permitted scope of adjustment due to occurrence of certain events under the relevant provisions of the concession agreements. Many factors causing such adverse changes are beyond our control, and we are usually not able to demand matching increases in our tolling rates over and above fixed increase of 3% and 40% of variation in WPI or annuities. Even if we invoke the inflation adjustment clauses in some of our concession agreements, the increase may not be adequate to offset the negative impact of increases in interest rates or cost of raw materials.

Under the relevant concession agreements, our Project SPVs have rights to construct and operate the road projects exclusively for fixed periods of time and we receive annuities and/or tolls, as the case may be, for the use of our roads. However, we may be faced with competition from new roads developed by State Governments, which are not within our control. For example, MPRDC has the right to construct competing roads after a prescribed period, pursuant to the terms of the concession agreements. State Governments may not always charge for the use of these roads. There can be no assurance that our road projects will compete effectively against such roads that connect the same locations. Any material decrease in the actual traffic volume as compared to our forecasted traffic volume could have a material adverse effect on our cash flows from our tolling projects, which in turn can adversely affect our business, prospects, financial condition and results of operation.

As our BOT projects often require significant capital investment with potential returns spread over a long period of time, inadequate toll revenues and annuities collected from our projects may result in a low return or even loss on our investment, which may adversely affect our liquidity, business, financial condition and results of operation.

- **The road sector in India:**

We derive and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the road industry and could negatively impact our business. Accordingly, our business is highly dependent on the state of

development of the Indian economy and the macroeconomic environment prevailing in India. Since the use of our Projects, our expansion plans and future projects depend or will depend on macroeconomic factors that may negatively impact demand of development of road infrastructure projects in India, or timely commencement of their operations could in turn have a material adverse effect on our growth prospects, business and cash flows. In addition, access to financing may be more expensive or not available on commercially acceptable terms during economic downturns. Any of these factors and other factors beyond our control.

- **General economic conditions in India**

Our performance and the growth are dependent on the performance of the Indian economy, which, in turn, depends on various factors. The Indian economy has been affected by the recent global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions, especially in U.S., Europe and China, have an impact on the growth of the Indian economy, and Government of India (GoI) policy may change in response to such conditions. While recent Indian governments have been focused on encouraging private participation in the infrastructure sector, any adverse change in policy could result in a further slowdown of the Indian economy. The rate of economic liberalisation could decrease, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. In the road sector, there can be no assurance that the GoI's engagement with and outreach to private sector operators, including the Trust, will continue in the future. A significant change in India's economic liberalisation and deregulation policies, in particular, those relating to the road sector, could disrupt business and economic conditions in India generally and our business, in particular. In addition, adverse developments in the Indian economy could also impact companies and banks that provide services to us. For example, on March 5, 2020, and November 17, 2020, respectively, the GoI, in consultation with RBI placed Yes Bank Limited and Lakshmi Vilas Bank under moratorium, imposed limitations on their operations as well as on withdrawals by depositors and payments to creditors over certain specified amounts for a limited period from the date of such moratorium coming into effect. The limitations on operations and the moratorium were subsequently lifted in both cases. The occurrence of any such development in the future may impact our banking channels, and we may or may not be able to recover our deposits, in part or in full. This could result in potential write-offs on our books of accounts. Additionally, an increase in trade

deficit or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business.

- **Dependence on support from governmental entities:**

Any significant changes in a particular government's policy for the road infrastructure sector could have a significant effect on the Trust's revenues, expenditure and growth prospects as they relate to future projects. The results of operations of future projects are likely to be affected by budgetary allocations made by the various central and state government agencies for the infrastructure sector as well as funding provided by international and multilateral development finance institutions for road infrastructure projects.

Further, trends in particular government's approach to infrastructure – such as slowdowns in the volume of build- operate-transfer projects for which concessions are granted – may be likely to affect the Trust's business, financial condition and results of operations. Policies relating to tolling methodologies, exemptions and changing political or social imperatives can also affect the Trust's or the Project SPVs' businesses.

- **Tax benefits for road infrastructure sector in India:**

The Project SPVs are entitled for certain benefits under Section 80-IA of the Income Tax Act, 1961, as amended, if certain conditions are satisfied. However, the benefits to the Project SPVs may expire at various points of time. Any expiry, termination or Government of India's withdrawal of these tax benefits could result in an increase in the Trust's tax expenses, thereby adversely affecting the Trust's, or the Project SPVs' results of operations and cash flows.

- **Competition:**

The Trust faces competition from other road operators, financial investors and other InvIT in acquiring profitable concessions for future projects. The competition for road projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some competitors may have greater financial resources, economies of scale and operating efficiencies than the Trust.

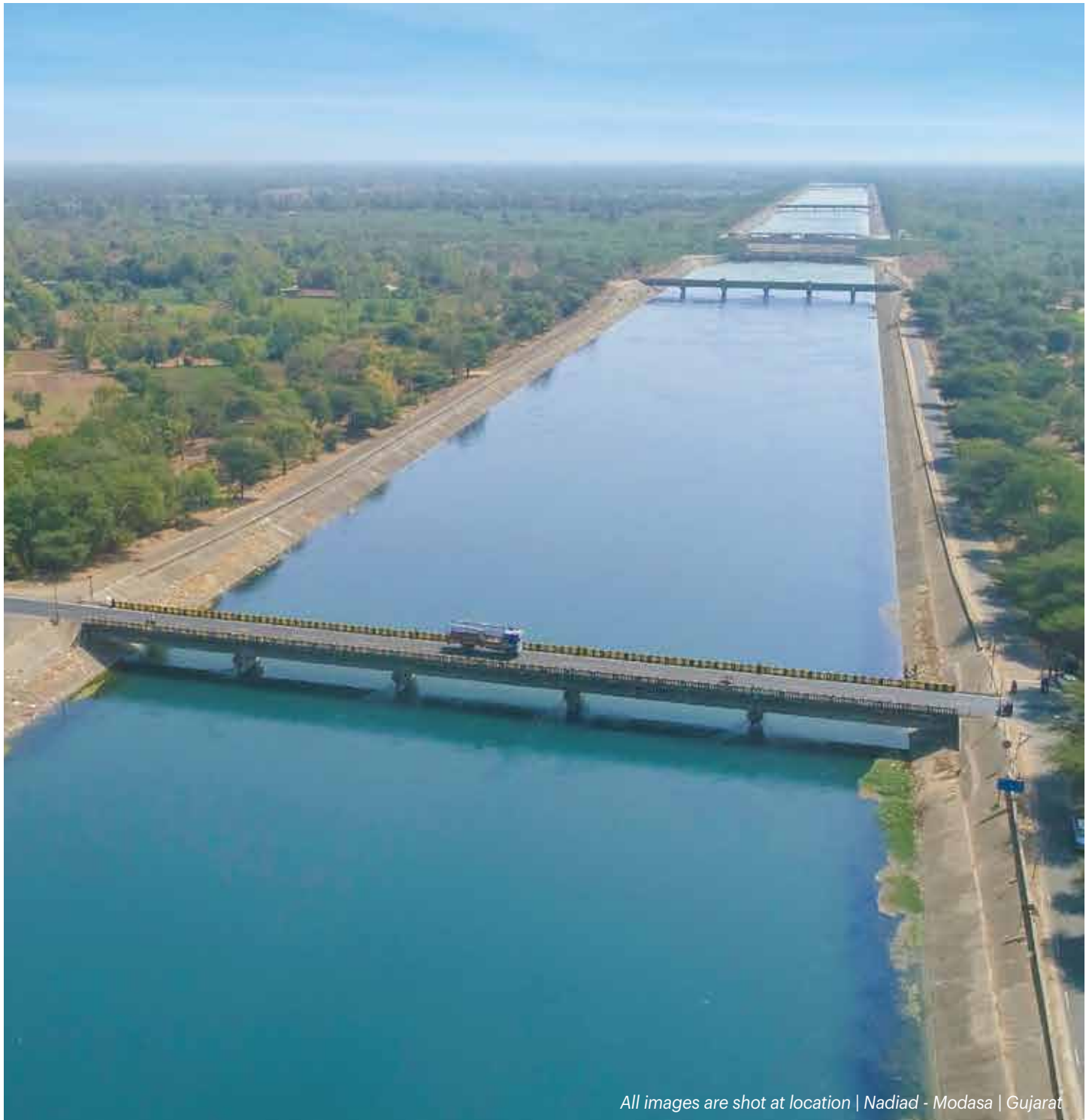
4. Summary of significant accounting policies

Please refer Note No. 2 of Consolidated Financial Statements for detail.

5. Internal control and systems:

Shrem InvIT has robust internal control system to manage its operations, financial reporting and compliance requirements. The investment manager has clearly defined

roles and responsibilities for all managerial positions. All the business parameters are regularly monitored, and effective steps are taken to control them. Regular internal checks are undertaken to ensure that responsibilities are executed effectively. The audit committee of the Board of Directors of Investment Manager periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them.



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SUMMARY OF VALUATION OF ASSETS AND NAV

The valuation has been conducted by Mr. S. Sundararaman, being an independent valuer (the "Valuer") bearing IBBI registration number IBBI / RV / 06 / 2018 / 10238, who has conducted independent appraisals of the Project SPVs with transparency and fairness and ensured that the valuation of the InvIT Assets is impartial, true and fair.

As per Regulation 21(4) of Chapter V of the SEBI InvIT Regulations, 2014.

"A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year."

The Registered valuer has been mandated by the Investment Manager to arrive at the Enterprise Value ("EV") of the SPVs. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

Valuer has assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow ("DCF") method under the income approach.

The revenue of all the SPVs, except for the Toll SPVs, is mainly derived from the annuity fees that are typically pre-determined with the relevant government authority and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation and interest rate changes wherever applicable, as specified in the concession agreements. The Toll SPVs derives almost all of their revenue from their toll-road operations. The Toll SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects. Accordingly, since all the SPVs are generating income based on pre-determined agreements/mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concessions agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

Summary of Value as of March 31, 2022:

Sr. No	Name of the company	Enterprise Value (INR Mn)
1	Suryavanshi Infrastructure Private Limited	290
2	DBL Nadiad Modasa Tollways Limited	1,074
3	DBL Sardarpur Badnawar Tollways Limited	281
4	DBL Silwani-Sultanganj Tollways Limited	633
5	DBL Mundi-Sanawad Tollways Limited	621
6	DBL Sitamau-Suwasara Tollways Limited	330
7	DBL Uchera - Nagod Tollways Limited	812
8	DBL Jaora-Sailana Tollways Limited	830
9	DBL Bankhlafata-Dogawa Tollways Limited	645
10	DBL Ashoknagar-Vidisha Tollways Limited	443

Sr. No	Name of the company	Enterprise Value (INR Mn)
11	DBL Betul-Sarni Tollways Limited	1,773
12	DBL Tikamgarh Nowgaon Tollways Limited	924
13	DBL Hata Dargaon Tollways Limited	681
14	DBL Patan Rehli Tollways Limited	2,208
15	DBL Mundargi Harapanahalli Tollways Limited	864
16	DBL Hassan Periyapatna Tollways Limited	1,369
17	DBL Hirekerur Ranibennur Tollways Limited	1,047
18	DBL Lucknow Sultanpur Highways Limited	10,085
19	DBL Kalmath Zarap Highways Limited	3,951
20	DBL Yavatmal Wardha Highways Private Limited	3,855
21	DBL Mahagaon Yavatmal Highways Private Limited	4,867
22	DBL Wardha Butibori Highways Private Limited	4,571
23	DBL Tuljapur Ausa Highways Limited	3,611
24	Jalpa Devi Tollways Limited	20,247
Total Enterprise Value		66,012

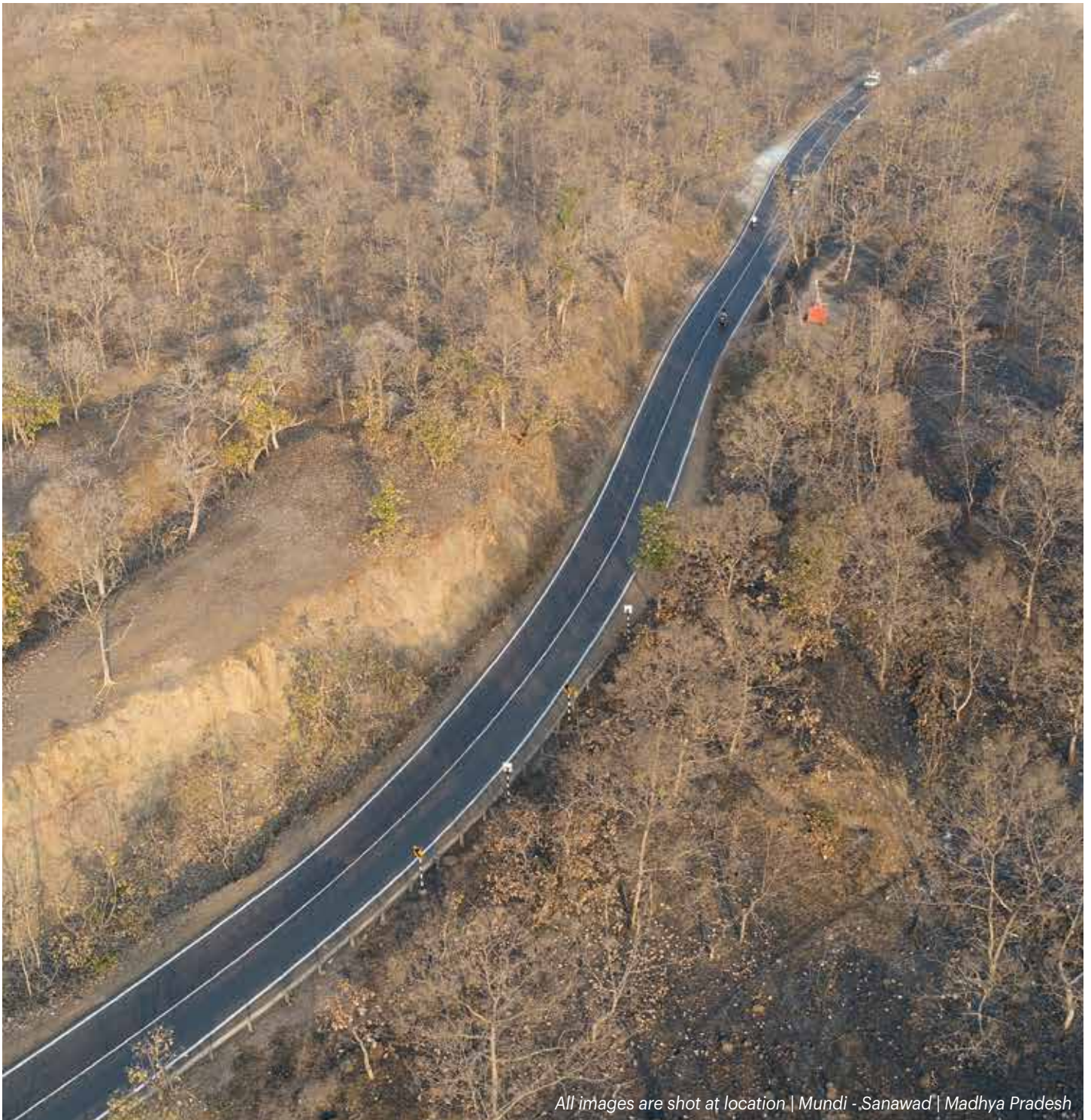
Calculation of Net Assets Value (NAV): NAV Working

Particulars	(INR in Million)	(INR in Million)
Operating EV		66,012
Add: Liquidity with SPVs		
Cash & Bank with SPVs	148	
Add: Investments with SPVs	566	714
Add: Liquidity with Hold Cos		
Cash & Bank with 3 Hold Cos	77	
TDS Receivable	2	79
Add: Liquidity with InvIT		
Investments in Government Securities	2,069	
Investments in Others (Bonds, CPs, NCDs)	1,941	
Cash & Bank	141	
FDRs	1,387	5,539
Working Capital Adjustment of InvIT		
Current Assets		
Interest accrued on investments	39	
TDS Receivable	7	
Current Liability		
Less: other current liabilities	-2	
Net Working Capital		44
Less: Term Loan of InvIT		-32,061
Less: Present value of IM fee		-944
Net Asset		39,384
No. of Units		390.47
Net Assets at Fair Value per unit as at March 31, 2022		100.86

CREDIT RATING - (AAA)

Shrem InvIT enjoys a long term debt rating of AAA (Stable) by ICRA and India Ratings and Research, a Fitch Group company, which signifies highest safety. This inter alia is on account robust cashflow cover, cash pooling benefit and structural features of InvIT. The rationale for which is available at the website <https://www.icra.in> and <https://www.indiaratings.co.in>, respectively.

The Credit Rating of the InvIT has been reviewed by the India Ratings & Research (Ind-Ra) pursuant to the InvIT Regulations, 2014 and circulars and notifications if any thereto. The India Ratings & Research (Ind-Ra) has reaffirmed rating of the Shrem InvIT rupee term loan rating at "IND AAA" which signifies "HIGHEST SAFETY". The Outlook is Stable.



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OTHER MANDATORY DISCLOSURES

(Pursuant to Regulation 23(5) and Schedule-IV of InvIT Regulations, 2014)

1. Details of changes during the year

a. Acquisition of Road Infra Assets:

The Shrem InvIT has executed a non-binding Term Sheet with Dilip Buildcon Ltd and its affiliates, on January 21, 2022, for acquiring entire equity stake in graduated manner in a portfolio of ten Hybrid Annuity Model ("HAM") projects (as detailed in Table-1) which comprises three completed and seven nearing completion projects subject to necessary approvals. Equity acquisition from Dilip Buildcon Ltd. and its affiliates shall be completed in a progressive manner after the completion of the projects, subject to receipt of approvals from the respective project lenders and NHAI.

The total Equity valuation of said ten projects is expected around Rs. 2,34,900 Lakhs.

Subsequently, the Shrem InvIT has executed definitive agreements with the Dilip Buildcon Ltd. and its affiliates on March 3, 2022, to give effect and complete the transaction. The above valuation may undergo change based upon outcome of final due diligence and on account of prevailing Bank Rate, outstanding actual debt, inflation adjusted balance completion cost etc. of each of the projects on the actual transfer date.

Table – 1

Sr. No	Name of the Project	Project Authority	Status
1	DBL Byrapura Challakere Highways Pvt. Ltd.	NHAI	COD Achieved
2	DBL Gorhar Khairatunda Highways Pvt. Ltd.	NHAI	COD Achieved
3	DBL Anandapuram Anakapalli Highways Pvt. Ltd.	NHAI	COD Achieved
4	DBL Bellary Byrapura Highways Pvt. Ltd.	NHAI	Under Construction
5	DBL Sangli Borgaon Highways Pvt. Ltd.	NHAI	Under Construction
6	DBL Chandikhole Bhadrak Highways Pvt. Ltd.	NHAI	Under Construction
7	DBL Bangalore Nidagatta Highways Pvt. Ltd.	NHAI	Under Construction
8	DBL Nidagatta Mysore Highways Pvt. Ltd.	NHAI	Under Construction
9	DBL Rewa Sidhi Highways Pvt. Ltd.	NHAI	Under Construction
10	Pathrapali Kathgora Highways Pvt. Ltd.	NHAI	Under Construction

b. Any regulatory changes that has impacted or may impact cash flows of the underlying projects:

FASTag System to get end soon as government of India mulling to collect toll based on distance travelled by a vehicle on a particular highway, may impact cash flow of the Trust.

c. Any other material changes during the year:

Shrem InvIT is holding 24 Road project SPVs through 3 intermediary holding companies. However, due to administrative and tax complexities, the management decided to opt for capital reduction in three Holdcos and in lieu of capital reduction all 24 road projects will be transferred to the InvIT. Each of three Holdcos have filed petition with NCLT for capital reduction.

2. Borrowings & repayment of borrowings

Standalone:

(Rs. in Lakhs)

Particulars	Opening Bal.	Received during the year	Repaid during the year	Closing Bal.
Secured Loan	-	3,36,400	15,794	3,20,606

Consolidated:

(Rs. in Lakhs)

Particulars	Opening Bal.	Received	Repayment	Closing Bal.
Secured Loan	-	3,36,400	15,794	3,20,606
Unsecured Loan	2048	001	630	1419

3. Debt Maturity Profile:

(Rs. in Lakhs)

Sr. No.	Financial Year	Amount
1	FY 22-23	25,382.00
2	FY 23-24	22,647.00
3	FY 24-25	30,881.00
4	FY 25-26	37,745.00
5	FY 26-27	33,283.00
6	FY 27-28	24,156.00
7	FY 28-29	18,084.00
8	FY 29-30	15,098.00
9	FY 30-31	16,126.00
10	FY 31-32	16,470.00
11	FY 32-33	16,127.00
12	FY 33-34	23,676.00
13	FY 34-35	29,509.00
14	FY 35-36	11,422.00
	Total Outstanding	3,20,606

4. Performance of the InvIT with respect to Distributions, Unit Price, volume & yield:

The Investment Manager has adopted the Distribution Policy to ensure proper, accurate and timely distribution for Shrem InvIT. The Distributable cashflow of Shrem InvIT is calculated in accordance with the Distribution Policy,

InvIT Regulations including any circular, notification or guidance issued thereunder.

The Investment Manager on behalf of Shrem InvIT has made two distributions during the financial year as follows:

Sr. No	Total amount of distribution per Unit (Rs.)	Payment date of distribution	Distribution consists of		
			Dividend per Unit (Rs.)	Interest per Unit (Rs.) (Subject to applicable taxes)	Return of Capital per Unit (Rs.)
1	4.018	November 2, 2021	2.00	0.042	1.977
2	3.450	February 1, 2022	1.250	0.646	1.554

Unit price and volume traded during the financial year.

*Price at the beginning of F.Y. (per unit) (Rs.)	Highest during the year (per unit) (Rs.)	Lowest during the year (per unit) (Rs.)	Price at the end of F.Y. (per unit) (Rs.)
100.00	104.25	100.00	103.00

Average daily volume traded:

Month	Average daily volume
September, 2021	20,57,143
October, 2021	3,60,000
November, 2021	4,00,000
December, 2021	12,33,333
January, 2022	2,00,000
February, 2022	5,50,000
March, 2022	3,33,333

*The units were allotted on September 20, 2021 and the same were listed on NSE w.e.f. September 21, 2021.

Yield details:

Particulars	F.Y.21-22
Yield % based on average market price as on September 21 and March 31	*21.12%

* Note: Distribution Made on May 6, 2022 of Rs. 13292 Lakhs has not been considered as the yield is required for March 31 and April 1.

5. Brief details of material and price sensitive information:

During the period, the Trust has been providing details of material and price sensitive information to the stock exchanges from time to time, in accordance with the InvIT Regulations.

6. Details of material Litigations:

I. Litigation involving the Trust

There is no litigation involving the Trust.

II. Litigation involving the Sponsor

There is no litigation involving the Sponsor.

III. Litigation involving the Investment Manager

There is no litigation involving the Investment Manager.

IV. Litigation involving the Project Manager

There is no litigation involving the Project Manager.

V. Litigation involving the Associates of the Sponsor, Investment Manager and Project Manager, including the common associates of the Sponsor, the Investment Manager and the Project Manager

i. Vrushali Vilas Dagade has filed an application before

the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 1,98,000. The matter is currently pending. The Respondents had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same could not be deposited as the court's

proceedings were disrupted due to COVID. by order dated 20.1.2021, the Court has directed the Respondents to produce original sale deeds of the property purchased from the complainant.

- ii. Vilas Shankar Dagade filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 1,36,62, 000. The matter is currently pending. The Respondents i.e. the sponsors had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same has been deposited within the prescribed period of time. Thereafter, the matter has not been heard due to COVID.
- iii. Vilas Shankar Dagade filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 8,41,50,000. The matter is currently pending. The Respondents i.e. the sponsors had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same has been deposited within the prescribed period of time. Thereafter, the matter has not been heard due to COVID.
- iv. Sunita Shankar Dagade filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 12,87,000. The matter is currently pending. The Respondents i.e. the sponsors had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same has been deposited within the prescribed period of time. Thereafter, the matter has not been heard due to COVID.
- v. Dhanashri Dagade filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 1,98,000. The matter is currently pending. The Respondents i.e. the sponsors had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same has been deposited within the prescribed period of time. Thereafter, the matter has not been heard due to COVID.
- vi. Vilas Shankar Dagade filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others, pursuant to section 138 of the Negotiable Instruments Act, 1881. The estimated amount involved in this matter is approximately ₹ 2,47,50,000. The matter is currently pending. The Respondents i.e. the sponsors had entered into an agreement for purchase of land parcel for a project near Pune. The vendors were required to comply with some obligations and payment of balance consideration had to be made thereupon. Post-dated cheques were given in good faith. The Complainants wrongfully deposited the cheques and filed proceedings under sec 138 r/w 141 of Negotiable Instruments Act, 1888. The matter is being heard by the court and as an interim order, the Hon'ble court had directed the Respondents to deposit 20% of the claim amount. The same has been deposited within the prescribed period of time. Thereafter, the matter has not been heard due to COVID.
- vii. Ganesh Bandal and others filed an application before the Chief Judicial Magistrate, Pune, against Shrem Trading LLP and others. The matter is currently pending and is being heard. Shrem Trading LLP has purchased land from Ganesh Bandal and the said land is now under dispute with Ganesh Bandal and his family
- viii. The Authorities under the Benami Transactions (Prohibition) Act, 1988 ("Authorities") have filed a petition against PravinKumar Ostwal and Nitán

Chhatwal ("Respondents") under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976. The Respondents have approached the Appellate Tribunal for quashing the aforementioned petition. The matter is currently pending.

- ix. Milan Ratilal Dodhia ("Petitioner") has filed a petition against Nitin Chhatwal, Smita Chhatwal and Hitesh Chhatwal ("Respondents") before the Metropolitan Magistrates Court, Vikhroli ("Magistrate Court"). The

Respondents have approached the Magistrate Court for quashing the aforementioned petition on the ground that the matter has been wrongly filed against them. The matter is currently pending.

VI. Litigation involving the Trustee

There is currently no pending litigation involving the Trustee.

7. Details of change pertaining to directors of the Trustee: Details of the Board of Directors of the Trustee as on March 31, 2022, are mentioned below:

Sr. No.	Name of Director	DIN	Date of appointment
1	Mrs. Deepa Rath	09163254	May 1, 2021
2	Mr. Rajesh Kumar Dahiya	07508488	July 11, 2018
3	Mr. Ganesh Sankaran	07580955	April 18, 2019
4	Mr. Sanjay Sinha*	08253225	July 11, 2018

* Mr. Sanjay Sinha retired w.e.f. April 30, 2021

Deepa Rath appointed as the Managing Director & CEO w.e.f. May 1, 2021.

8. Details of all Related Party Transactions during the year, value of which exceeds five percent of value of InvIT (assets)

Sr. No.	Transaction	Party Involved	Amt in Lakhs
1	Interest Income on NCDS	DBL Lucknow Sultanpur Highways Limited	4,287.20
2	Interim Dividend Received	Shrem Infraventure Private Limited	4,521.00
3	Interim Dividend Received	Shrem Roadways Private Limited	8,169.28
4	Issue of Unit Capital	Shrem Infrastructure Private Limited	2,45,524.03
5	Issue of Unit Capital	Shrem Investments Private Limited	31,235.03
6	Issue of Unit Capital	Chhatwal Group Trust	26,300.96
7	Issue of Unit Capital	RS Infra Advisors And Consultants LLP	26,160.30
8	Loan given to related parties	DBL Betul Sarini Tollways Limited	3,509.00
9	Loan given to related parties	DBL Kalmath Zaraph Highways Limited	9,105.23
10	Loan given to related parties	DBL Lucknow Sultanpur Highways Limited	19,302.19
11	Loan given to related parties	DBL Patan Rehli Tollways Limited	3,548.00
12	Loan given to related parties	DBL Wardha Butibori Highways Limited	5,471.00
13	Loan given to related parties	Jalpa Devi Toll Ways Limited	5,750.00
14	Loan given to related parties	Shrem Infrastructure Private Limited	35,891.16
15	Loan given to related parties	Shrem Roadways Private Limited	10,640.00
16	Loan given to related parties	Shrem Tollways Private Limited	18,189.70
17	Loan given to related parties	Shrem Financials Private Limited	5,959.39

Sr. No.	Transaction	Party Involved	Amt in lakhs
18	Repayment Loan from related parties	DBL Kalmath Zaraph Highways Limited	7,438.00
19	Repayment Loan from related parties	DBL Lucknow Sultanpur Highways Limited	19,302.19
20	Repayment Loan from related parties	DBL Wardha Butibori Highways Limited	5,471.00
21	Repayment Loan from related parties	Shrem Infraventure Private Limited	35,891.16
22	Repayment Loan from related parties	Shrem Roadways Private Limited	10,640.00
23	Repayment Loan from related parties	Shrem Tollways Private Limited	18,189.70
24	Investments made in NCDS	DBL Betul Sarini Tollways Limited	15,060.00
25	Investments made in NCDS	DBL Hassan Periyapatna Tollways Limited	8,141.00
26	Investments made in NCDS	DBL Hata Dargawon Tollways Limited	5,110.00
27	Investments made in NCDS	DBL Hirekekrur Ranibennur Tollways Limited	4,460.00
28	Investments made in NCDS	DBL Jaora Sailiana Tollways Limited	5,370.00
29	Investments made in NCDS	DBL Kalmath Zaraph Highways Limited	26,250.00
30	Investments made in NCDS	DBL Lucknow Sultanpur Highways Limited	75,567.00
31	Investments made in NCDS	DBL Mahagaon Yavatmal Highways Ltd	36,196.00
32	Investments made in NCDS	DBL Mundargi Harapanahalli Tollways Ltd	2,805.00
33	Investments made in NCDS	DBL Mundi Snawad Tollways Ltd	4,160.00
34	Investments made in NCDS	DBL Nadiad Modasa Tollways	4,100.00
35	Investments made in NCDS	DBL Patan Rehli Tollways Limited	11,850.00
36	Investments made in NCDS	BL Tikamgarh Nowgaon Tollways Ltd	6,520.00
37	Investments made in NCDS	DBL Tuljapur Ausa Highway Ltd	22,575.00
38	Investments made in NCDS	DBL Uchera Nagod Tollways Ltd	3,790.00
39	Investments made in NCDS	DBL Wardha Butibori Highways Pvt Limited	23,035.00
40	Investments made in NCDS	DBL Yavatmal Wardha Higways Pvt Ltd	26,584.00
41	Investments made in NCDS	Jalpa Devi Tollways Limited	54,720.00
42	Interim Dividend Paid	Shrem Infrastructure Pvt Ltd	7,979.53



All images are shot at location | Bankhalafata - Dogawa | Madhya Pradesh

9. Details Regarding the Monies Lent by the InvIT to the Special Purpose Vehicle in which it has investment in:

Investment Made In NCD's

Sr. No.	Name of Step-Down Subsidiary	Amount in Lakhs
1.	DBL Ashoknagar-Vidisha Tollways Ltd	4,410.00
2.	DBL Bankhlafata-Dogawa Tollways Ltd	4,220.00
3.	DBL Betul Sarni Tollways Ltd	15,060.00
4.	DBL Hassan Periyapatna Tollways Ltd	8,141.00
5.	DBL Hata Dargawon Tollways Limited	5,110.00
6.	DBL Hirekerur Ranibennur Tollways Ltd	4,460.00
7.	DBL Jaora Sailana Tollways Ltd	5,370.00
8.	DBL Kalmath Zarap Highways Ltd	26,250.00
9.	DBL Lucknow Sultanpur Highways Ltd	75,576.00
10.	DBL Mahagaon Yavatmal Highways Pvt Ltd	36,196.00
11.	DBL Mundargi Harapanahalli Tollways Ltd	2,805.00
12.	DBL Mundi Sanawad Tollways Ltd	4,160.00
13.	DBL Nadiad Modasa Tollways Ltd	4,100.00
14.	DBL Patan Rehli Tollways Ltd	11,850.00
15.	DBL Sardarpur Badnawar Tollways Ltd	2,280.00
16.	DBL Silwani Sultanganj Tollways Ltd	3,100.00
17.	DBL Sitamau Suwasara Tollways Ltd	1,890.00
18.	DBL Tikamgarh Nowgaon Tollways Ltd	6,520.00
19.	DBL Tuljapur AUSA Highways Ltd	22,575.00
20.	DBL Uchera Nagod Tollways Ltd	3,790.00
21.	DBL Wardha Butibori Highways Pvt Ltd	23,035.00
22.	DBL Yavatmal Wardha Highways Pvt Ltd	26,584.00
23.	Jalpa Devi Tollways Limited	54,720.00

General Disclosures:

Except as stated otherwise in this report and in any other public disclosures, during the period under review,

- There are no changes in the clauses of trust deed, investment management or any other agreement pertaining to activities of InvIT
- There are no regulatory changes that had impacted or may impact cash flows of the underlying projects.
- There are no changes in material contracts or any new risk in performance of any contract pertaining to the Trust.
- There was no legal proceeding which may have significant bearing of the activities or revenues or cash flows of the trust.

- There were no material changes, events or material and price sensitive information to be disclosed for the trust.
- There has been no change in Sponsor, Investment Manager, Trustee, valuer of the InvIT and directors of Trustee, Investment Manager and Sponsor, etc.
- The Trust has not bought back any units during the period under review.
- the InvIT issued 33,04,70,000 units to the unitholders pursuant to Securities Purchase Agreements and 6,00,00,000 units in private placement to the subscribers of initial offer.

We have identified certain risk factors broadly mentioned below:

Risks relating to the Trust's business and industry:

- a. A significant portion of our concessions have been granted by MPRDC. Further, a significant portion of our projected revenue will be derived from the NHAI HAM Projects.
- b. Some of our Project SPVs and the Holding Companies have availed non-interest bearing unsecured loans from the Sponsor, other Shrem group entities and/or other parties which shall continue on the books of such Project SPVs even after listing of the Issue. In the event that any such lender seeks any pre-mature repayment of any such loan, such Project SPVs and/or Holding Companies and/or the Trust would need to find alternative sources of financing such repayment, which may not be available on commercially reasonable terms, or at all. Any such pre-mature repayment may have a material adverse effect on the Project SPVs and/or the Holding Companies business, cash flows and financial condition.
- c. Statistical and other information in this annual report relating to India, the Indian economy or the road infrastructure sector have been derived from various government publications, research reports from reputable institutions and communications with various Indian government agencies that are believed to be reliable. However, there can be no guarantee as to the quality or reliability of such information.
- d. The Project SPVs have entered into concession agreements which contain certain onerous provisions and any failure to comply with such concession agreements could result in adverse consequences including penalties and the substitution of the concessionaire.
- e. In addition, the concession agreements also contain clauses which will allow a concessioning authority to step in, in place of a Project SPV, in the event of a suspension or termination of the concession agreement. Further, in case of Project SPVs that have been granted concessions by the NHAI, according to the circular dated January 29, 2014 issued by the NHAI, the NHAI or the lenders of such Projects may substitute a Project SPV in the event that the Project SPV is in "financial default"; that is, for example, if the NHAI or the lenders of such Project have a reason to believe that a Project SPV is likely to face financial distress and is likely to default in its obligations under the terms of the relevant concession agreement. The NHAI may also impose a penalty on the defaulting Project SPV.
- f. Further, the GoI may, on the occurrence of certain events, suspend toll collection at any of the Projects.
- g. In the event that any change in law under a Project's concession agreement imposes a financial burden on the affected Project SPV, the Project SPV may be entitled to approach the relevant concessioning authority to amend its concession agreement or seek compensation such that the Project SPV is placed in its former financial condition. If compensation is sought under such provisions in the concession agreements, there is no assurance that the affected Project SPV will receive such compensation from the relevant concessioning authority in the amounts claimed, in a timely manner, or at all. This could have an adverse effect on the Trust's financial performance.
- h. The form of the concession agreement has evolved in the previous decade and there is limited guidance available on the interpretation of the terms and conditions contained in such concession agreements. In addition, certain terms of the concession agreements are ambiguous and untested and accordingly, their interpretation by the relevant concessioning authorities may differ from that of the Project SPVs. In the event that the interpretation of the concession agreements is unfavorable to the Project SPVs, their business, financial condition and results of operations may be adversely affected.
- i. Lower than expected returns on our investment in our Projects may adversely affect our financial results.
- j. We may be subject to inflation and interest rate risks.
- k. The Projects' revenues from tolls are subject to significant fluctuations due to changes in traffic volumes and the mix of traffic and a decline in traffic volumes could adversely affect their business prospects, financial condition, results of operations and their ability to make distributions.
- l. Leakage of the tolls collected on the toll-linked Projects may adversely affect the relevant Project SPVs' revenues and earnings.
- m. The Project SPVs have a limited period to operate the Projects as the concession periods granted to the Project SPVs are fixed.
- n. The concession agreements may be terminated prematurely under certain circumstances.

- o. The Project SPVs, which are responsible for the operation and maintenance of the Projects under the respective concession agreements, may be directed by the relevant concessioning authority to undertake, and the Project SPVs will be obliged to perform, additional construction work.
 - p. Newly constructed roads or existing alternative routes may compete with the Projects and result in the diversion of the vehicular traffic and a reduction of tolls that the Project SPVs can collect.
 - q. An inability to obtain, renew or maintain the required statutory and regulatory permits and approvals or to comply with the applicable laws may have an adverse effect on the business of the Project SPVs.
 - r. Failure to comply with and changes in, safety, health and environmental laws and regulations in India may adversely affect the business, prospects, financial condition and results of operations of the Project SPVs.
 - s. The current insurance coverage for the Projects may not protect the Project SPVs from all forms of losses and liabilities associated with their businesses.
 - t. The cost of repairing and refurbishing existing equipment for operating, maintaining and monitoring the Projects could be significant and could adversely affect the results of operations, cash flows and financial condition of the Project SPVs.
 - u. The business and financial performance of the Trust, the operations of the Projects and any future projects that the Trust may acquire, are significantly dependent on the policies of, and relationships with, various government entities in India and could be affected if there are adverse changes in such policies or relationships.
 - v. The Projects awarded to the Project SPVs may be subject to legal or regulatory action and the Project SPVs may be required to incur substantial expenses in defending any such actions and there is no assurance that the Project SPVs will be successful in defending such actions.
 - w. The Project SPVs, parties to the Trust and their respective associates are involved in legal proceedings, which if determined against such parties, may have an adverse effect on the reputation, business and results of operations of the Trust.
 - x. The Project SPVs depend on the O&M Contractor to operate and maintain the Projects. Any delay, default or unsatisfactory performance by the O&M Contractor could adversely affect the Project SPVs' ability to effectively operate or maintain the Projects.
 - y. The Project SPVs may be held liable for the payment of wages to the contract labourers engaged indirectly in the operations of the Trust.
 - z. The results of operations of the Project SPVs could be adversely affected by strikes, work stoppages or increased wage demands by the employees of the O&M Contractor or other sub-contractors.
 - aa. The Project SPVs have experienced losses in previous years and any losses in the future could adversely affect the Trust's business, financial condition and the results of its operations, its ability to make distributions and the trading price of the Units.
 - bb. The Project SPVs may be required to pay additional stamp duty if any concession agreement is subject to payment of stamp duty as a deed creating leasehold rights, or as a development agreement.
 - cc. We do not own the "Shrem" trademark and logo. Our license to use the "Shrem" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.
 - dd. There may not be any eligible acquisition opportunities from third parties in the future, which may adversely affect the Trust's business, financial condition, results of operations and prospects.
 - ee. The Trust may not be able to successfully fund future acquisitions of new projects due to the unavailability of debt or equity financing on acceptable terms, which could impede the implementation of its acquisition strategy and negatively affect its business.
 - ff. The use of additional leverage by the Investment Manager and the Trust are subject to risks.
 - gg. The actual performance of the Trust is subject to significant business, regulatory, and tax risks, uncertainties and contingencies that could cause actual results to differ materially.
 - hh. The ability of the Trust to make or maintain consistency in distributions to Unitholders depends on the financial performance of the Project SPVs and their profitability.
 - ii. It may be difficult for the Trust to dispose of its non-performing assets.
- Risks relating to our organization and structure:**
- a. The Trust is a newly settled trust with no established operating history and no historical financial information and, as a result, investors may not be able to assess its prospects on the basis of past records.

- b. The Trust must maintain certain investment ratios which may pose additional risks.
- c. Changes in government regulation could adversely affect our profitability, prospects, results of operations and ability to make distributions to our Unitholders.
- d. We depend on the Investment Manager, the Project Manager and the Trustee to manage our business and assets, and our financial condition, results of operations and cash flows and our ability to make distributions may be harmed if the Investment Manager, Project Manager or the Trustee fail to perform satisfactorily. The rights of the Trust and the rights of the Unitholders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.
- e. Our success depends in large part upon the Investment Manager and Project Manager, the management and personnel that they employ, and their ability to attract and retain such persons.
- f. The Investment Manager has limited experience and may not be able to successfully implement its investment strategy for and Investment Objectives of the Trust or to manage the Trust's growth effectively.
- g. Upon completion of the Issue, the Sponsor may be able to exercise significant influence over activities of the Trust on which Unitholders are entitled to vote. The Sponsor's interests may be different from Unitholders.
- h. The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.
- i. Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions.
- j. The Trust has a limited number of listed peers undertaking similar lines of business for comparison of performance and therefore investors must rely on their own examination of the Trust for the purposes of investment in the Issue.
- k. Parties to the Trust are required to satisfy the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.
- l. The regulatory framework governing infrastructure investment trusts in India is relatively new and the interpretation and enforcement thereof involve uncertainties, which may have a material adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition and results of operations and our ability to make distributions to the Unitholders.
- m. The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to our Unitholders may be more limited than those made to or available to shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.
- n. The InvIT Regulations allow for sponsors of listed infrastructure investment trusts ("InvITs") to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that our Sponsor will not exercise its ability to be classified as the Sponsor of the Trust.
- o. It may be difficult for the Unitholders to remove the Trustee or the Investment Manager.
- p. Unitholders will have no vote in the election or removal of Directors in the Investment Manager and will be able to remove the Investment Manager and Trustee only pursuant to a majority resolution.

Risks relating to the Units:

- a. The sale or possible sale of a substantial number of Units by the Sponsor in the public market following the lapse of its lock-in requirement as prescribed under the InvIT Regulations could adversely affect the price of the Units.
- b. Under Indian law, foreign investors are subject to restrictions that limit their ability to transfer or redeem Units, which may adversely impact the trading price of the Units.
- c. The Units are being traded on the Stock Exchange since a limited period may not result in an active or liquid market for the Units.
- d. Market and economic conditions may affect the market price and demand for the Units.
- e. There is no assurance that our Units will remain listed on the stock exchange.
- f. The Issue Price of the Units may not be indicative of the market price of the Units after the Issue.
- g. Any future issuance of Units by us may dilute investors' Unitholding. The sale or possible sale of a substantial number of Units by the Sponsor or another significant Unitholder could adversely affect the price of the Units.
- h. Rights of Unitholders under Indian law may be more limited than under the laws of other jurisdictions.

Risks relating to India:

- a. Our results may be adversely affected by future unforeseen events, such as adverse weather conditions, natural disasters, terrorist attacks or threats, future epidemics or pandemics or other catastrophic events like COVID-19.
- b. We are exposed to risks associated with the road sector in India.
- c. Our performance and growth are dependent on the factors affecting the Indian economy.
- d. We may be exposed to variations in foreign exchange rates.
- e. A decline in India's foreign exchange reserves may reduce liquidity and increase interest rates in India, which could have an adverse impact on us.
- f. Social, economic and political conditions and natural disasters could have a negative effect on our business.
- g. Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.
- h. Financial instability in other countries may cause increased volatility in Indian financial markets.
- i. If inflation rises in India, increased costs may result in a decline in profits.
- j. Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.
- k. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies could affect the foreign currency equivalent of the value of the Units and any distributions.
- l. Unitholders may not be able to enforce a judgment of a foreign court against the Trust or the Investment Manager.

- m. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 ("Competition Act") could adversely affect our business.

Risks relating to Taxation:

- a. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations.
- b. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.
- c. The Trust and the Project SPVs may be subject to certain tax related risks under the provisions of the IT Act.
- d. The Project SPVs enjoy certain benefits under Section 80-IA of the IT Act in relation to the Project SPVs and any change in these tax benefits applicable to the Trust may adversely affect its results of operations.
- e. The income of the Trust in relation to which pass through status is not granted under the IT Act may be chargeable to Indian taxes.
- f. Depreciation may not be claimed on the capitalised cost of a road constructed on a BOT basis.
- g. The Ministry of Finance, GoI, has constituted a task force to draft new direct tax legislation, the provisions of which may have an unfavorable implication for us.

Information of the contact person of the InvIT:

Mr. S L Kothari
Compliance Officer

1001, Viraj Towers, Junction off Andheri Kurla Road,
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Tel: 022-4228 5500

Email: complianceteam@shrem.in

Website: www.shreminvit.com



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We are committed to...

- partner in nation building by investing in India's highway infrastructure
- due diligence, processes and operational excellence
- enhancing stakeholder value

We appreciate your belief in our vision, mission and values.

Thank you

to all our partners, service providers and stakeholders

Connect with us

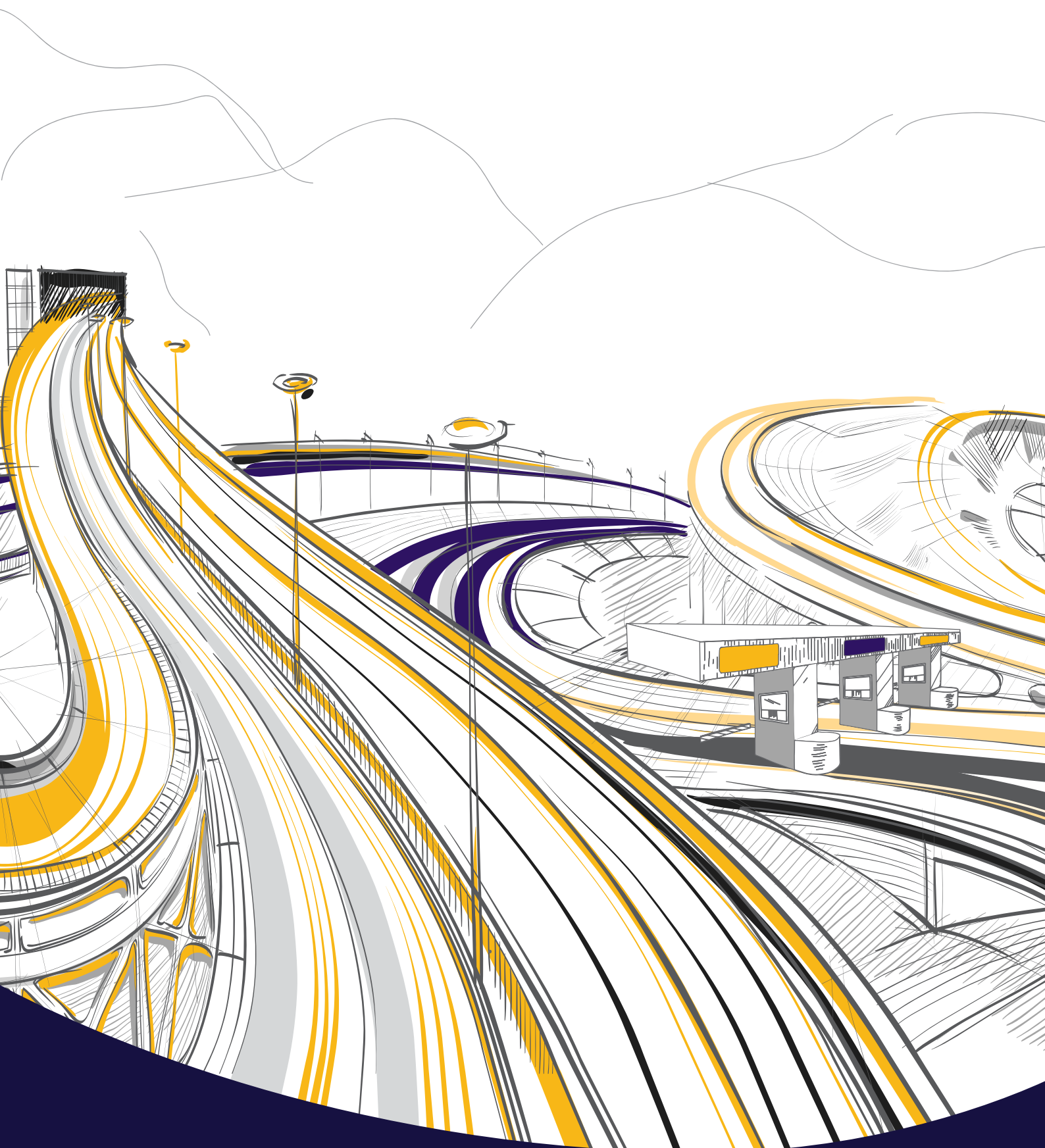
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Thank you