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ENTERPRISE VALUATION REPORT OF GTL INFRASTRUCTURE LIMITED

SITUATED AT

GTL INFRASTRUCTURE LIMITED, FLOOR 7, BUILDING A, PLOT EL – 207, MIDC, TTC
INDUSTRIAL AREA, MAHAPE, NAVI MUMBAI - 400710, MAHARASHTRA, INDIA.

OWNER/ PROMOTER

■ Corporate Valuers **M/S GTL INFRASTRUCTURE LIMITED (GIL)**

■ Business/ Enterprise/ Equity Valuations

■ Lender's Independent Engineers (LIE)

■ Techno Economic Viability Consultants (TEV)

■ Agency for Specialized Account Monitoring (ASM)

■ Project Techno-Financial Advisors

■ Chartered Engineers

■ Industry/ Trade Rehabilitation Consultants

■ NPA Management

■ Panel Valuer & Techno Economic Consultants for PSU
Banks

REPORT PREPARED FOR

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PART A

INTRODUCTION

1. ABOUT THE REPORT:

Enterprise Valuation Report of M/s. GTL Infrastructure Limited ("GIL"). Aadhaar, a wholly owned subsidiary of the M/s Future Consumer Limited (FCL), is in the business of rural and semi-urban wholesale and distribution primarily of fast-moving consumer products of the company.

2. BACKGROUND OF THE PROJECT:

M/s GTL Infrastructure Limited was incorporated on 4th February, 2004 is domiciled and incorporated in India under the provisions of the Companies Act, 1956. The company is in the business of passive infrastructure sharing which is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple telecom operators as well providing energy management solutions.

The company is established as a public (non-govt.) company limited by shares with Registration no. 144367 and Corporate Identification Number L74210MH2004PLC144367 and has directors on board who appears to be well experience in Telecom Infrastructure and Enterprise Networks space as per the profile shared to us by the client/company and information available in the public domain.

The company is registered at Registrar of companies, Mumbai having registered office at 7th Floor, Building No. A, Plot No. EL - 207, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Thane, Thane, Thane, Maharashtra- 400710 under the directorship of Mr. Vikas Arora, Mr. Charudatta Naik, Mrs. Sunali Chaudhry, Mr. Jeevan Rai, Mr. Ramesh Bhosale, Mr. Dhananjay Barve and Ms. Dina Hatekar. As per the audited financials shared by the client, the company is having the authorised share capital of INR 18,000.00 Crores, and paid-up capital of INR 12,807.02 Crores as on 31st March 2023.

The key milestones of the Company are listed in the below table:

Year	Milestones
2004	Formation: GTL Infrastructure Limited was incorporated on February 4th, 2004.
2006	Listing on BSE & NSE: November 9th 2006, GTL Infra Ltd. became the 1st company in Asia Pacific to get listed in the Shared Telecom Infrastructure space.

2007	<p>Rights Issue: In October 2007, the Company raised its Equity Share Capital from Rs. 336.40 Crores to INR 672.80 Crores.</p> <p>Warrants Issue: The promoters and investors committed fresh investments to the tune of INR 1,100 Crores by investment into warrants.</p> <p>FCCB Issue: The company has successfully closed on Unsecured Zero Coupon FCCB issue of INR 1,000 Cr (US\$ 250 Mn.) combined with a green shoe option of INR 200 Cr (US\$ 50 Mn.) at Yield to Maturity (Y-T-M) of 6.9%. The issue received an extraordinary response from about 90 global investors with offerings worth more than INR 40 Bn. (US\$ 1 Bn.)</p>
2008	<p>Financial Closure: GTL Infra successfully achieved the financial closure for the rollout of 23,700 towers across India.</p>
2010	<p>Acquisition of Aircel Towers: GTL Infra acquires 17,500 Aircel towers with 21,000 tenants at a transaction value of US\$ 1.8 Bn making GTL Infra the largest Independent and Neutral Telecom Tower Company in the world.</p>
2016	<p>ET Telecom Awards: GTL Infra along with The Economic Times, India's leading business daily, has created a credible platform that truly honours the primary stakeholders in the Telecom sector. The ET Telecom Awards seeks to recognise performance and felicitate the innovators and movers & shakers of the Telecom Industry.</p>
2017	<p>Lead Sponsors of Digital India Summit: GTL Infra has become a lead partner of Digital India Summit by Times Network. Remonetisation has helped propel India's Digital Economy to new heights. Digital India Summit 3.0 is where expert policy makers and game changers map out the future of Digital India. The summit concludes with Digital India Awards 2017.</p>

GTL Infrastructure Ltd. (GTL Infra) is an independent provider of shared passive telecom infrastructure in India. The company owns, operates, and manages a network of approximately 26,000 telecom towers across all 22 telecom circles in the country. These towers are leased to wireless telecom operators, allowing them to share infrastructure rather than invest in standalone assets.

By offering shared infrastructure, GTL Infra enables telecom operators to reduce capital expenditure and shift to a fixed operational cost model. Revenue is generated through long-term agreements with telecom operators, typically ranging from 5 to 15 years, with renewal options available upon contract expiration.

GTL Infra participates in various government and industry-led initiatives, including projects supported by the Department of Telecommunications (DoT) and the Cellular Operators Association of India (COAI). The company is involved in the Universal Services Obligation Fund (USO) for rural telecom expansion and the Mobile Operator Shared Tower (MOST) initiative.

GTL Infra is publicly traded on the Bombay Stock Exchange (BSE: 532775) and the National Stock Exchange (NSE: GTL Infra). It is registered as an Infrastructure Provider Category 1 (IP-1) with the Department of Telecommunications, Government of India.

The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with the following listing details as on 8th February 2025:

Particulars	NSE (Value)	BSE (Value)
Ticker	GTLINFRA	532775
Current Market Price	INR 1.83	INR 1.84
52 Weeks High/Low	INR 1.45 – INR 4.33	INR 1.45 – INR 4.35
Market Capital	INR 23.18 billion	INR 23.18 billion

As per the data/information shared by the client and the information available on the public domain, GTL Infrastructure serves all the major Wireless Telecom Operators in India. They have entered into long-term contracts with our customers typically for 10 to 15 years. The clients of the company include the major telecom operators like Reliance Jio, Airtel, BSNL and VI.

GTL Infrastructure Limited has experienced a significant decline in tenancies due to the exit of 14 telecom operators, including Aircel Group, Reliance Communications, Shyam Sistema, and Tata Tele, as well as industry consolidations like the Vodafone-Idea merger and the Telenor-Airtel combination. These factors have led to a drop in revenue, cash losses, and impairment provisions on property, plant, and equipment. The company has been unable to pay rents for unoccupied sites, along with other dues, and has sought approval from Edelweiss Asset Reconstruction Company Limited (EARC) to address these payments, but approval remains pending.

As a result of unpaid rents, some landlords have restricted access to sites, leading to unauthorized dismantling of 903 sites in the financial year ending March 31, 2024, compared to 2,932 sites in the previous year. Additionally, 82 sites were reported as stolen or dismantled as of June 2024. These challenges continue to impact GTL Infrastructure's financial position and operational stability. As on March 31, 2024, the Company owned 21,944 towers out of which 10,491 were occupied with 22,018 radiating tenants having tenancy ratio of 2:1 on occupied towers.

At present, M/s GTL Infrastructure Limited is under financial stress as the account has been classified as Non-Performing Asset (NPA). As a result, the company will not be able to receive any financial assistance for its expansion plans.

Hence, Edelweiss Asset Reconstruction Company Limited (EARCL) has appointed R.K. Associates to determine the Fair Market Value/Enterprise Value of the Business/Company to take appropriate course of action on this account.

3. TYPE OF REPORT:

This report is performed to assess the Enterprise Value of the project.

4. PURPOSE OF THE REPORT:

To assess & determine Enterprise Value of the Project as required by the lenders.

5. SCOPE OF THE REPORT:

To estimate & determine current Enterprise Value of the Company based on Income Based Approach (Discounted Cash Flow) method.

- This is just the enterprise valuation of the project based on the Income generating capacity of the project in future years. This Valuation shall not be construed as the physical asset or should not be related directly to cost approach or Project cost.*
- This Enterprise Valuation report doesn't cover vetting of the documents/ financial data/ projections or any other information provided to us by the Bank.*
- This Valuation only covers the cash flow from operation of the company. It does not cover any transaction with the subject company's subsidiary/ associate/ Joint Venture Companies, as per the requirement by the lender.*
- This Valuation is prepared based on the current financial status and projections of the company, financial data/ model, future projections, other facts & information provided by the company/ lender/ Client in writing & verbal discussions held during the course of the assignment and based on independent assessment of certain assumptions which are specifically mentioned in the Valuation section of the Report.*
- It doesn't contain the principles of physical asset valuation and is not based on the site inspection of the project.*
- We have assumed that the information provided to us is correct and is not manipulated or distorted.*

- *The Market and Industrial assessment of the given company's industry/ sector has not been done at our end. So, this valuation doesn't cover the market & industrial scenario in terms of the product demand & market potential.*

6. METHODOLOGY/ MODEL ADOPTED:

Income-based Approach (Discounted Cash Flow Model) for the calculation of Enterprise Value of the Company.

7. DOCUMENTS / DATA REFERRED:

- Audited Financial Statements and Notes provided by the Company.
- Financial Projections of the Company.
- Profile of Directors, Shareholding Pattern and Client wise Bifurcation of Towers
- Company's Profile and Organisation Structure of the Company
- Copy of Agreement with Clients
- O&M Agreement



PART B

PROJECT COMPANY

1. BRIEF DESCRIPTION ABOUT THE COMPANY:

GTL Infrastructure Limited (GTL Infra or the Company) is an IP-1 registered entity under the Department of Telecommunications, India, specializing in passive telecom infrastructure. The company offers shared infrastructure solutions, allowing telecom operators (Telcos) to deploy their active network components efficiently. Its business model revolves around developing, owning, operating, and maintaining telecom sites capable of supporting multiple technologies and service providers.

By facilitating infrastructure sharing, the model enables Telcos to transition from capital-intensive investments (CapEx) to an operational expenditure (OpEx) approach, allowing them to focus their capital on core business operations. GTL Infra was the first independent tower company in India to be listed on the stock exchanges.

The incorporation details of the Project Company are provided in the table below:

INCORPORATION DETAILS OF THE COMPANY	
Name of the Company	M/s GTL INFRASTRUCTURE LTD
CIN	L74210MH2004PLC144367
Address	Registered Office: 7th Floor, Building No. A, Plot No. EL - 207, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Thane, Thane, Thane, Maharashtra- 400710.
Constitution	Public Limited Company / Limited by Shares
Date of Incorporation	04/02/2004
Registration Number	144367
ROC	ROC Mumbai
Listed in Stock Exchange(s)	Yes
Authorised Capital	INR 1,80,00,00,00,000
Paid up Capital (Equity)	INR 1,28,09,11,18,950
Date of Last AGM	12/09/2024
Date of Last Balance Sheet	31/03/2024

Source: Information provided by the client and Data extracted from MCA

2. KEY PERSONNEL OF THE COMPANY:

Below table shows the details of directors/promoters/key personnel of the company along with their DIN/PAN, Date of Appointment and Designation:

S. NO.	NAME	DIN/PAN	DESIGNATION	DATE OF APPOINTMENT
1	Dina Sanjay Hatekar	08535438	Director	14/08/2019
2	Vikas Krishnlal Arora	09785527	Whole-time director	10/11/2022
3	Sunali Chaudhry	07139326	Director	05/09/2023
4	Charudatta Kashinath Naik	00225472	Director	04/02/2004
5	Nitesh Ashok Mhatre	*****1486C	Company Secretary	01/04/2013
6	Bhupendra Jayavant Kiny	*****2924K	CFO	01/01/2018
7	Ramesh Bhagavanrao Bhosale	00078848	Director	13/08/2024
8	Dhananjay Prabhakar Barve	00224261	Director	13/08/2024
9	Jeevan Umesh Rai	02356479	Director	12/09/2024

Source: Information provided by the client

3. CAPITAL STRUCTURE:

As per the audited financial statements for the FY2023-24, the authorized share capital consists of 1,600.00 crores equity shares of INR 10/- each amounting to INR 16,000.00 Crores and 20.00 crores equity shares of INR 100/- each amounting to INR 2,000.00 Crores.

As per the audited financial statements for the FY2023-24, the paid-up share capital of the company is INR 12,807.02 Crores divided into 1,280.702 crores equity shares of INR 10/- each fully paid up.

4. SHAREHOLDING PATTERN:

As per information shared by company/client, below are the details of shareholders as on 30th September, 2024:

S. No.	Category	Nos. holders *	Nos. of Shares held	%
1	Promoter & Promoter Group	1	42,01,44,016	3.28
2	Public – Institutions			
a.	- Mutual Funds	2	214	0.00
b.	- Foreign Portfolio Investors	15	1,51,74,288	0.12
c.	- Financial Institutions / Banks	16	4,31,27,24,898	33.67
d.	- Insurance Companies	1	42,61,77,058	3.33
2	Public Institutions	34	4,75,40,76,458	37.12
3	Public - Non-Institutions			
a.	- Resident Individuals / HUF	27,63,673	7,22,30,30,460	56.40

b.	- Other – Trusts	7	5,72,600	0.00
c.	- Other - Bodies Corporate (Domestic)	1,219	13,88,56,153	1.08
d.	- Other - Clearing Members	132	1,72,41,604	0.13
e.	- Other - Non-resident Indians / Foreign National	4,079	14,28,22,374	1.12
f.	- Other - Overseas Corporate Bodies	5	1,97,266	0.00
g.	- Other - Foreign Companies	4	10,73,39,265	0.84
h.	- Other - Directors / Relatives / KMPs	13	26,47,216	0.02
i.	- Other - Unclaimed Suspense Account	1	49,857	0.00
j.	- Other - Proprietary Firm	1	43,678	0.00
3	Public Non-Institutions	27,69,134	7,63,28,00,473	59.59
	Total:	27,69,169	12,80,70,20,947	100.00
	Foreign Shareholding (2b, 3e, 3f and 3g above)	4,103	26,55,33,193	2.07
	Total in Physical Form	2,695	9,44,23,813	0.74
	Total in Electronic Form	27,66,475	12,71,25,97,134	99.26
	Total in Physical + Electronic	27,69,170	12,80,70,20,947	100.00

Source: Information provided by the client

S. No.	Name of Shareholder	Category	No. of Shares	% Capital
1	Union Bank of India	BANKS	1,54,62,71,529	12.0736
2	Central Bank of India	BANKS	93,71,54,365	7.3175
3	Bank Of Baroda	BANKS	72,79,74,981	5.6842
4	Canara Bank	BANKS	51,91,15,328	4.0534
5	Life Insurance Corporation of India	INSURANCE COMPANIES	42,61,77,058	3.3277
6	Global Holding Corporation Private Limited	CORPORATE BODIES (PROMOTER COMPANY)	42,01,44,016	3.2805
7	ICICI Bank Ltd	BANKS	30,00,00,000	2.3425
8	Indian Overseas Bank	BANKS	20,00,00,000	1.5616
9	Series A Bondholder's Benefit Trust	TRUST	9,40,62,121	0.7345
10	UCO Bank	BANKS	6,91,05,232	0.5396

Source: Information provided by the client

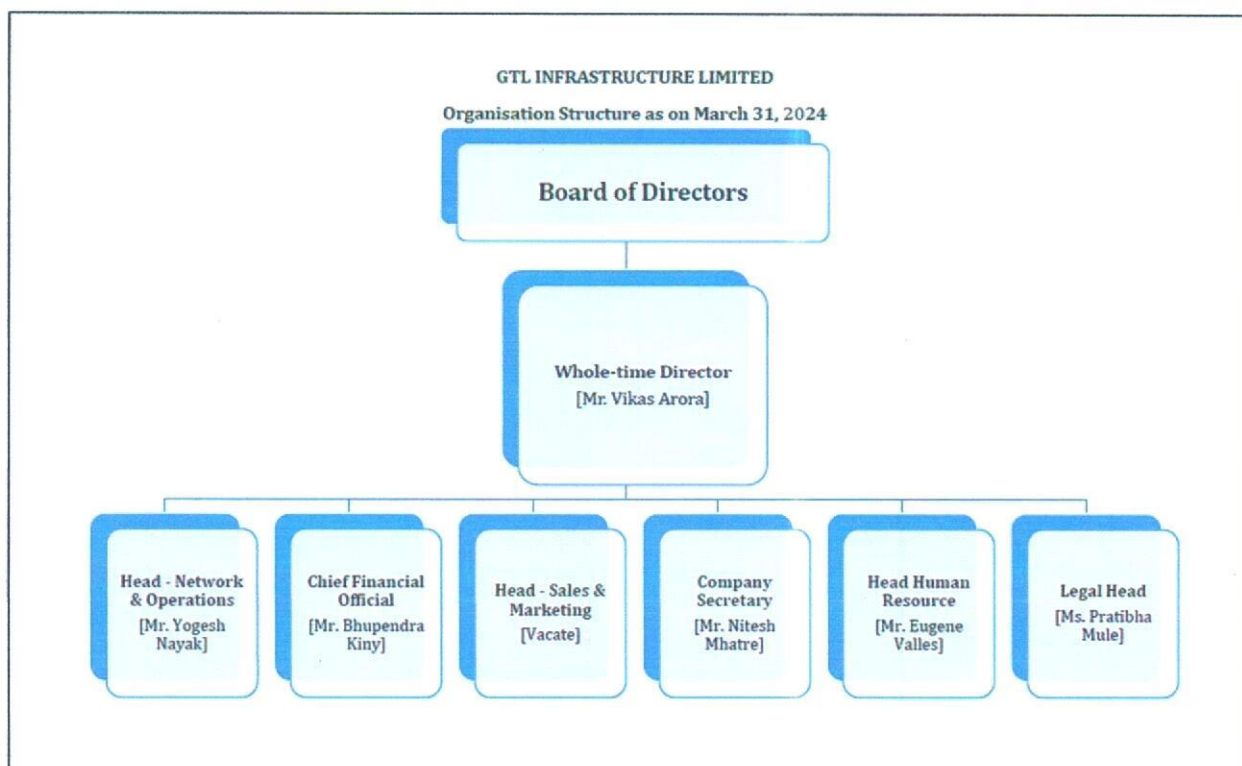
5. SNAPSHOT OF THE OUTSTANDING DEBT OF THE COMPANY: As per the information shared by the client/company, the outstanding debt of the company as on 31st December 2024 is as follows:

Lender	Amount (in Cr)
Corporation Bank	110
Canara Bank	188
IDBI Bank	107
Indian Bank	36

EARC Loan	2,278
Life Insurance Corporation of India	152
Total	2,871

Note: Amount debited by IDBI Trusteeship and amount recovered by sale of pledged shares has been reduced from the respective lender's balance.

6. ORGANIZATIONAL STRUCTURE:



Source: Data shared by the client/company

7. CURRENT STATUS OF THE PROJECT:

According to information provided by the client/company, GTL Infrastructure Limited has experienced a significant loss of tenancies over the past few years due to factors beyond management's control. These include the shutdown or exit of 14 telecom operators, such as Aircel Group, Reliance Communications, Shyam Sistema, and Tata Tele, as well as industry consolidations, including the Vodafone-Idea merger and Telenor-Airtel business combination.

These events have led to a decline in revenue and earnings, cash losses, erosion of the company's net worth, and the need for impairment provisions on property, plant, and equipment. As a result, rental payments to landlords, taxes, and other dues for unoccupied sites have remained unpaid. **GTL Infrastructure Limited** had approached **Edelweiss Asset Reconstruction Company Limited (EARC)**, the Monitoring Institution, seeking approval for rent

payments to landlords of unoccupied sites; however, the approval is still pending. Due to non-payment of rents, some landlords have restricted access to sites, leading to unauthorized dismantling of **903 sites** in the financial year ended **March 31, 2024** (compared to **2,932 sites** in the previous year). Additionally, **82 sites** were reported as stolen or dismantled as of **June 2024**.

The company has been actively implementing various measures to safeguard its assets, including:

- Conducting additional site surveys to assess and monitor conditions.
- Engaging in discussions with landowners to dissuade them from taking adverse actions.
- Negotiating with telecom operators to secure new tenants for unoccupied towers.
- Requesting lenders to approve rent payments and submitting proposals for unviable sites.
- Initiating legal proceedings and filing FIRs against landowners or individuals involved in unauthorized dismantling or theft of tower infrastructure.

Additionally, the company has established a 24/7 surveillance system through a dedicated Tower Vigilance Team (TVT) to mitigate theft and unauthorized dismantling of tower assets. Currently, TVT has been deployed at over 50% of unoccupied sites, resulting in a noticeable reduction in such incidents. The company also attempted to salvage unoccupied tower sites by submitting resolution plans to lenders, which included provisions for rent payments to landowners, as well as settlements for vendors and employees. However, none of these proposals were approved or acknowledged by the lenders.

As per the details shared with us by the company/client, the financial condition of the M/s GTL Infrastructure Limited is under stress as the account has been classified as Non-Performing Asset (NPA).

Hence, Edelweiss Asset Reconstruction Company Limited (EARCL) has appointed R.K. Associates to determine the Fair Market Value/Enterprise Value of the Business/Company to take appropriate course of action on this account.



PART C

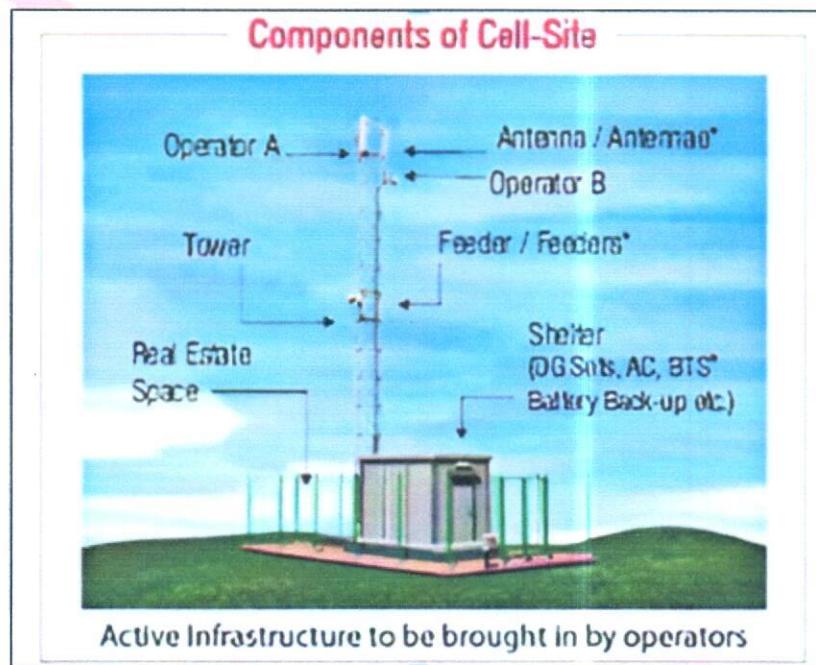
THE PROJECT

1. BRIEF DESCRIPTION OF THE PROJECT COMPANY:

GTL Infrastructure Ltd. provides telecom towers that are shared by multiple telecom operators across India. The company's network consists of approximately 26,000 towers, covering all 22 telecom circles and supporting various technologies, including 2G, 3G, 4G, and emerging 5G networks.

By utilizing shared infrastructure, telecom operators can deploy, operate, and manage their networks while optimizing both capital (CAPEX) and operational (OPEX) expenditures. With experience in the sector, GTL Infra is familiar with the operational requirements and market conditions affecting telecom service providers.

The company's infrastructure is designed to support high network availability and is maintained in accordance with defined Service Level Agreements (SLAs). Below is the Shared Telecom Tower Infrastructure as per the details available on the public domain:



Client Wise No. Of Towers Occupancy as of March 2024

OPCO	No. of Tenancy	No. of Towers Occupied	Tenure of Agreement	Start Date
RJIO	8,354	5,075	10 years	17-Sep-14
VIL	6,405	2,940	10 years	IDEA: 07-Mar-07 Vodafone: 15-Nov-07

AIRTEL	5,905	1,868	15 years	15-Dec-06
BSNL	1,352	608	10 years	10-May-24
VEDANTA	1	0	5 years	23-Jul-09
Sum of Total Tenants	22,017	10,491		


Source: Information provided by the client

2. SALIENT FEATURES OF THE PASSIVE INFRASTRUCTURE BUSINESS MODEL:

GTL Infrastructure Limited (GTL Infra) is registered as an Infrastructure Provider Category 1 (IP-1) under the Department of Telecommunications, India. The company specializes in providing passive telecom infrastructure on a shared basis, allowing telecom operators to install their active network components on its sites.

The company follows a build, own, operate, and maintain model for its telecom infrastructure, supporting multiple technologies for various telecom service providers. The Key Characteristics of the Passive Infrastructure Business Model are as follows:

- i. Supports multiple wireless technologies, including 2G, 3G, 4G, 5G, and enterprise data systems.
- ii. Growth is driven by the expansion of wireless networks and continuous technology upgrades.
- iii. Operates on an annuity-based revenue model, ensuring stable income streams.
- iv. Telecom operators enter into medium to long-term contracts, typically renewable, with annual price escalations built into agreements.
- v. Includes energy management contracts with telecom operators for operational efficiency.
- vi. Features a fixed cost structure with minimal maintenance requirements.
- vii. Provides predictable free cash flows, ensuring financial stability.
- viii. Additional tenancies beyond the initial (anchor) tenant improve EBITDA margins and increase the share of revenue converted into cash flow.
- ix. Increased equipment loading at sites on existing technology by telecom operators leads to incremental revenue and EBITDA growth.

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PART D

INDUSTRY OVERVIEW ON TELECOMMUNICATIONS SECTOR

1. INTRODUCTION:

Indian economy is continuously moving on a higher trajectory since last 2 decades. In last 10 years India has continuously maintained GDP growth rate in the range of 5.5% to 8%. Post Covid Recovery resulting Gross Domestic Product GDP growth rate for year 2021 is 8.7%. Due to adverse impact of Covid pandemic GDP growth rate in 2020 was negative (-6.60%) while average of last two decades is still shows a number of 5.88%.

India's telecom sector is a key driver of economic and technological growth, supported by government policies and initiatives. The Telecommunications Act 2023, National Digital Communications Policy 2018, and National Broadband Mission have laid the foundation for sectoral expansion. By March 2024, broadband subscriptions reached 928 million, reflecting significant digital connectivity growth. The Department of Telecommunications (DoT) aims to extend high-speed internet access to all villages by 2024, aligning with national digital inclusion goals.

With projections estimating nearly 1 billion internet users by 2025, the sector's role in digital transformation is substantial. Government policies emphasize fostering investment and innovation, further strengthened by the 6G roadmap, positioning India as a leader in next-generation wireless technology. These efforts are essential to India's broader objective of becoming a trillion-dollar digital economy and enhancing socio-economic development.

2. MARKET SIZE:

India's telecommunications sector, the second-largest globally, continues to experience sustained growth across wireless and wired broadband segments. As of May 2024, the wireless subscriber base reached 1,168.95 million, with market leaders Jio (474.61 million), Bharti Airtel (387.76 million), Vodafone Idea (218.15 million), and BSNL (86.32 million). Additionally, wired broadband subscriptions stood at 41.31 million, reflecting the increasing demand for high-speed connectivity.

Wireless data consumption surged to 50 million terabytes (PB) by December 2023, marking a 4.01% quarter-over-quarter increase. 4G technology accounted for 86.66% of total usage, followed by 5G (12.59%), 3G (0.65%), and 2G (0.09%). The telecom sector's gross revenue for FY24 stood at Rs. 2.4 lakh crore (US\$ 29 billion). Over the next five years, the sector is expected to witness 500 million new internet users, driven by rising mobile penetration and declining data

costs. To support this rapid expansion, India will require 22 million skilled professionals in 5G-centric technologies, including IoT, AI, robotics, and cloud computing, by 2025.

3. GOVERNMENT INITIATIVES:

The Government of India has identified telecom sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian telecom sector are as below:

- The Union Budget 2024-25 allocated ₹116,342 crore (US\$ 13.98 billion) to the Department of Telecommunications and IT.
- On November 15th, Prime Minister Narendra Modi inaugurated the Nyaya Maha Abhiyan, a three-year initiative with a project outlay of ₹24,000 crore (US\$ 2.9 billion). In the past three months, projects worth over ₹7,000 crore (US\$ 845.9 million) have been approved, with a key focus on housing, water, roads, electricity, telecom, and multipurpose centers.
- In the Union Budget 2023-24, the Department of Telecommunications was granted ₹97,579.05 crore (US\$ 11.92 billion). Out of this, ₹400 crore (US\$ 48.88 million) was designated for Research and Development, while ₹5,000 crore (US\$ 611.1 million) was allocated to the BharatNet initiative.
- As of March 2023, the Production-Linked Incentive (PLI) scheme for Large-Scale Electronics Manufacturing (LSEM) has driven investments totaling Rs. 5,998 crore (US\$ 726.77 million). This initiative has facilitated a cumulative production output of Rs. 2,76,903 crore (US\$ 33.55 billion), with exports contributing Rs. 1,28,886 crore (US\$ 15.61 billion).
- The Competition Commission of India (CCI) has approved Data Infrastructure Trust's acquisition of 100% share capital of ATC Telecom Infrastructure Private Limited, along with associated transactions.

4. RECENT INVESTMENTS:

The telecommunications sector has witnessed significant investment and development, driven by a continuously expanding subscriber base. Between April 2000 and March 2024, the sector attracted Foreign Direct Investment (FDI) inflows totalling US\$ 39.32 billion. The telecommunications sector in India has witnessed significant investments and notable developments in recent times as follows:

- The Bharat 6G Alliance and European telecom industry organizations are working towards a strategic partnership to advance 6G technology.

- C-DOT and IIT Roorkee are collaborating to develop a Millimetre Wave Transceiver under the Telecom Technology Development Fund, aimed at enhancing affordable broadband and mobile services in rural areas.
- Following a recent equity infusion, VI plans to open new retail outlets to strengthen its market presence and boost sales.
- Currently, 36% of telecom towers in India are fiberized, with plans to deploy 1.2 million additional towers to enhance 5G infrastructure.
- Jio, in collaboration with EESL, has initiated the installation of one million smart prepaid meters in Bihar as of March 2023.
- STT GDC invested Rs. 2,000 crore (US\$ 242.33 million) in two new data centers in Pune as of May 2023.
- As of March 2023, Jio had the largest wireless subscriber base in India, reaching 430.23 million users, followed by Bharti Airtel with 235.78 million subscribers. Vodafone Idea accounted for 124.82 million users, while BSNL and Intech Online Pvt. Ltd. reported 21.77 million and 0.23 million subscribers, respectively.

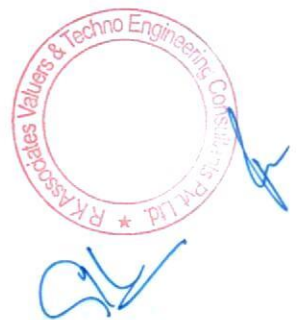
5. WAY FORWARD:

The Indian telecom sector is poised for significant advancements in 2025, driven by rapid 5G adoption, artificial intelligence (AI) integration, and the foundation for 6G research. Over 450 million new 5G users are expected to join the network, pushing average revenue per user (ARPU) beyond ₹250. The government has committed ₹50 billion in early-stage 6G research under a public-private partnership, positioning India as a global leader in next-generation wireless technology. Additionally, private 5G networks are set to expand by 40%, with enterprise applications in healthcare, manufacturing, and smart infrastructure fueling demand. Investments in over 500 micro-edge data centers will further support real-time AI-driven applications, enhancing efficiency and operational capabilities.

Despite this growth, the industry faces challenges in spectrum allocation, OTT regulation, and infrastructure security. The lack of fair contributions from large traffic generators (LTGs) has resulted in an estimated ₹800 crore revenue loss for the government. Unsolicited commercial communications (UCC) and security risks linked to OTT platforms remain regulatory concerns. Infrastructure hurdles, including spectrum interference, illegal boosters, and equipment theft, have already triggered ₹800 crore in losses, affecting 4G and 5G network expansion. The government has introduced reforms such as abolishing wireless operating licenses and easing

spectrum payment conditions, which are expected to improve financial stability for telecom operators. Meanwhile, AI-powered predictive maintenance is projected to reduce network downtime by 15%, and automation-driven customer support could handle 60% of queries, resulting in ₹15 billion in cost savings.

Overall, 2025 will be a transformative year for India's telecom industry, with cutting-edge advancements in connectivity, AI-driven efficiencies, and regulatory developments shaping the sector's trajectory. However, balancing innovation with affordability and ensuring fair competition will be key to sustaining long-term growth.



PART E

FINANCIAL PERFORMANCE

As per the audited financial statements provided by the company/client, below table shows the historical performance of the company.

1. HISTORICAL PROFIT & LOSS STATEMENT: (FY 2019-20 to FY 2022-23)

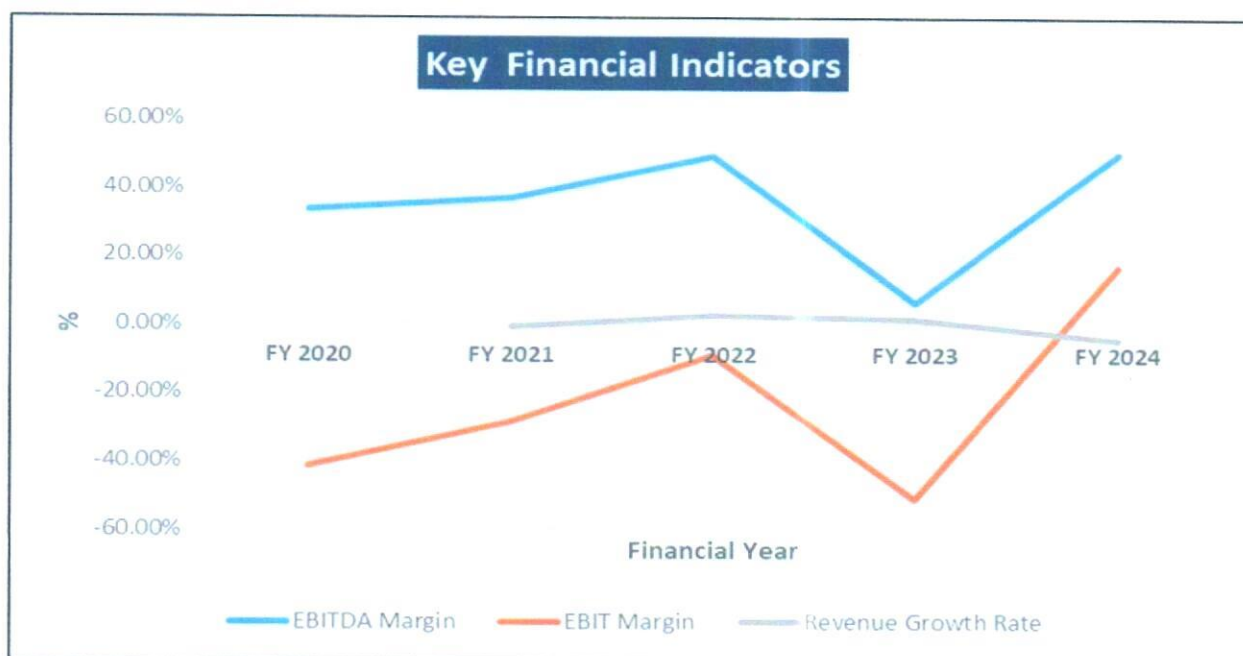
(Figures in INR Crores)

Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Revenue from Operations	844.88	838.52	861.36	874.83	834.19
Energy & Other Re-imbursements	572.06	571.16	601.37	583.03	537.82
Other Income	20.29	39.16	14.16	27.47	51.24
Total Revenue	1,437.23	1,448.84	1,476.89	1,485.33	1,423.25
Infrastructure O&M Cost	864.36	871.03	880.81	817.75	795.18
Employee Benefit Cost	61.41	61.42	62.07	63.40	71.77
Bad Debts & Prov.	52.36	4.33	11.60	95.49	40.49
Exchange Differences (Net)	33.06	-15.54	2.45	39.55	4.36
Other Expenses	143.46	219.19	94.10	414.01	94.30
Total Operating Expenses	1,154.65	1,140.43	1,051.03	1,430.20	1,006.10
EBITDA	282.58	308.41	425.86	55.13	417.15
Less: Depreciation	634.44	547.18	503.19	503.57	277.99
EBIT	-351.86	-238.77	-77.33	-448.44	139.16
Less: Finance Costs	662.22	663.12	733.88	781.93	805.09
Profit before Exceptional Items & Tax	-1,014.08	-901.89	-811.21	-1,230.37	-665.93
Less: Exceptional Items	849.46	368.88	663.46	586.54	15.43
PBT	-1,863.54	-1,270.77	-1,474.67	-1,816.91	-681.36
Less: Taxes	-	-	-	-	-
PAT	-1,863.54	-1,270.77	-1,474.67	-1,816.91	-681.36

2. KEY FINANCIAL RATIOS:

Particular	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
EBITDA Margin %	33.45%	36.78%	49.44%	6.30%	50.01%
EBIT Margin %	-41.65%	-28.48%	-8.98%	-51.26%	16.68%
Revenue Growth (Y.O.Y.)	-	-0.75%	2.72%	1.56%	-4.65%

3. GRAPHICAL REPRESENTATION OF THE KEY FINANCIALS OF THE COMPANY:



Notes:

The EBITDA margin has fluctuated considerably, improving from 33.45% in March 2020 to 49.44% in March 2022, indicating better operational efficiency. However, there was a sharp decline to 6.30% in March 2023, likely due to increased costs, loss of tenancies, or lower revenue realization. By March 2024, the margin rebounded to 50.01% is a positive sign.

The EBIT margin has remained negative for most of the period, indicating that depreciation, amortization, and other fixed costs continue to weigh on profitability. Although it improved from -41.65% in March 2020 to -8.98% in March 2022, it fell drastically to -51.26% in March 2023, likely due to impairment provisions or increased expenses. The shift to 16.68% in March 2024 is a positive sign.

Revenue growth has been inconsistent, with a slight decline of -0.75% in March 2021, followed by modest growth of 2.72% in March 2022 and 1.56% in March 2023. However, in March 2024, revenue contracted by -4.65%, possibly due to tenancy losses, site dismantling, or industry-wide challenges.



PART F

VALUATION OF THE COMPANY

1. METHODOLOGY/ MODEL ADOPTED:

Out of the various models & theories available, we have adopted the most widely used & acceptable approach to calculate the Enterprise Value of the Company, which is, Income based approach (Discounted Cash Flow Model).

- a) The free cash flow method is similar to the method used for public companies.
- b) FCFF is more practical when substantial capital changes are expected because weighted average cost of capital (WACC) is less sensitive to the cost of equity.
- c) In this method, we calculate the free cash flow to firm (FCFF) for the projected period.
- d) Finally, we calculate the present value of future cash flows by using a required rate of return based on the riskiness of the project, which we determine by using the Weighted Average Cost of Capital (WACC).

RATIONALE FOR USING DCF METHOD FOR ENTERPRISE VALUATION:

- a) The three broadly used approaches of the company/Business Valuations are – Income based approach (Discounted Cash Flow Model), Asset Based Approach (Net Asset Value Method) and Relative Valuation Approach (Market Multiple method).
- b) Asset Based Model is inappropriate as the Company is a going concern and the model is unable to capture the Value of the company.
- c) Market Multiple Approach is also not suitable as no proper similar recent comparable transactions are available.
- d) Instead, DCF method is used which determines the value of a business based on its ability to generate desired economic benefit/ cash flows for the owners. Thus, considering the nature of business, we have used DCF method for valuing the Company.
- e) The DCF Model gives us a variety of input options to use while calculating the Value of the firm - Dividend, Free Cash Flow to the Firm, Free Cash Flow to Equity, Capitalized Cash Flows and Residual Earnings.

Handwritten signature and circular stamp of RK Associates Valuers & Techno Engineers Consultants Pvt. Ltd.

- f) Dividends cannot be used as the Company has no recent history of paying dividends and we don't foresee any dividend payments to occur in the future due to the high leverage of the firm.
- g) The best method input option for the PV Model in the case of M/s Aadhaar Wholesale Trading and Distribution Limited will be FCFF as it represents the benefits attributable to all the stakeholders in the Business enterprise.

FCFF Model Formula and Key Inputs:

$$\text{Firm value} = \sum_{t=1}^n \frac{\text{FCFF}_t}{(1 + \text{WACC})^t}$$

- **Free Cash Flow to Firm (FCFF):** FCFF is the cash available to pay investors after a company pays its costs of doing business, invests in short-term assets like inventory, and invests in assets like property, plants and equipment.

FCFF = Net Income + Non-Cash Charges + Interest (1 - tax rate) – Working Capital Investment – Fixed Capital Investment.

- **Weighted Average Cost of Capital (WACC):** The weighted average cost of capital (WACC) is the rate that a company is expected to pay on average to all its security holders to finance its assets. The WACC is commonly referred to as the firm's cost of capital. WACC is used as the discount rate to discount FCFF.

$$\text{WACC} = \frac{D}{D + E} K_d + \frac{E}{D + E} K_e$$

Where D is the total debt, E is the shareholders equity and K_d and K_e are the cost of debt and cost of equity, respectively.

2. CALCULATION OF FREE CASH FLOW TO FIRM:

(Figures in INR Crores)

Particulars	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32		
Revenue from Operations	857.13	829.33	852.13	866.13	861.80	863.61	882.54	904.08	922.57	942.22
MSA Renegotiation charges	-50.00	-	-9.18	-27.40	-21.30	-4.69	-2.66	-6.20	-5.57	-0.38
Energy & Other Re-imbursements	537.82	537.82	537.82	537.82	537.82	537.82	537.82	537.82	537.82	537.82
Other Income	17.57	17.00	17.46	17.75	17.66	17.70	18.09	18.53	18.91	19.31

Total Income	1,362.52	1,384.14	1,398.24	1,394.30	1,395.98	1,414.44	1,435.79	1,454.23	1,473.73	1,498.97
Infrastructure O&M Cost	805.60	816.51	827.96	839.95	852.53	865.71	879.53	894.02	909.21	925.13
Employee Benefit Cost	75.36	79.13	83.08	87.24	91.60	96.18	100.99	106.04	111.34	116.91
Bad Debts & Prov.	38.46	38.83	38.96	39.53	39.89	40.00	40.44	41.07	41.75	42.32
Other Expenses	88.95	86.07	88.43	89.89	89.44	89.63	91.59	93.82	95.74	97.78
Total Expenses	1,008.36	1,020.54	1,038.43	1,056.61	1,073.45	1,091.51	1,112.54	1,134.95	1,158.03	1,182.14
EBITDA	354.15	363.61	359.80	337.69	322.53	322.93	323.25	319.28	315.69	316.83
Depreciation & Amortization	280.08	254.00	230.34	208.89	189.43	171.79	155.79	141.28	128.12	116.19
EBIT	74.07	109.61	129.46	128.81	133.10	151.14	167.46	178.00	187.57	200.64
Tax Rate (T)	34.94%	34.94%	34.94%	34.94%	34.94%	34.94%	34.94%	34.94%	34.94%	34.94%
(1-T)	65.06%	65.06%	65.06%	65.06%	65.06%	65.06%	65.06%	65.06%	65.06%	65.06%
NOPAT	48.19	71.31	84.22	83.80	86.59	98.33	108.94	115.80	122.03	130.53
ADD: Depreciation	280.08	254.00	230.34	208.89	189.43	171.79	155.79	141.28	128.12	116.19
Less: Capex	-60.00	-60.00	-75.00	-75.00	-75.00	-75.00	-75.00	-75.00	-75.00	-75.00
Unlevered Free Cash Flow (UFCF)/ FCFF	268.27	265.30	239.56	217.68	201.02	195.12	189.73	182.08	175.15	171.72
FCFF for Remaining Year	44.71	265.30	239.56	217.68	201.02	195.12	189.73	182.08	175.15	171.72
Discount Rate (WACC)	17.76%									
Perpetual Growth Rate	1.00%									
Valuation Date	01-02-2025									
Period	0.17	1.17	2.17	3.17	4.17	5.17	6.17	7.17	8.17	9.17
Discount Factor	0.97	0.83	0.70	0.60	0.51	0.43	0.36	0.31	0.26	0.22
Terminal Value										1,034.82
PV of FCFF	43.51	219.24	168.11	129.72	101.72	83.84	69.23	56.42	46.09	38.37
PV of terminal Value								-	-	231.23
PV of FCFF + PV of TV	43.51	219.24	168.11	129.72	101.72	83.84	69.23	56.42	46.09	269.60
Enterprise Value of the Firm	1,187.49 Crores									

3. KEY INPUTS USED TO DISCOUNT CASH FLOWS DURING THE PROJECTION PERIOD:

Inputs	
Valuation Date	01 st February 2025
Discount Rate	17.76%
Discount Rate Change	1%
Tax Rate	34.94%

Calculation of WACC for 'GTL Infra'

Particulars	Rate
Expected Market Return (Rm) Nifty Fifty 5-year Return	15.76%
Company Risk Premium	2.00%
Appropriate Discount Rate	17.76%

Note: Discount Rate Change of 1% is used to calculate the Sensitivity of the Enterprise Valuation with +/- changes in discount rate.

4. VALUATION OF NON-CORE ASSETS:

As per the data/information shared with us, the company had the following Non-Core Assets as on the 30-09-2024:

Non-Core Assets	Amount (INR Crores)
Building	36.75
Office Equipment	0.35
Furniture & Fixtures	1.42
Vehicles	0.34
Software License	0.88
Total	39.73

For the purpose of Enterprise Valuation, the fair value of Non-Core Assets of GTL Infrastructure Limited is considered at 50% of the book value as of 30.09.2024. This valuation accounts for factors such as lower marketability and liquidity, depreciation and impairment over time, and prevailing market conditions that typically result in reduced realizable value. Additionally, the potential risk of a distressed sale and past industry transactions indicate that non-core assets often sell at significant discounts. Applying a 50% discount ensures a conservative and realistic estimation aligned with industry norms and best valuation practices. **Hence, the fair value of Non-Core Assets is INR 19.87 Crores.**

5. CALCULATION OF ENTERPRISE VALUE:

(Value in INR Crores)			
Discount Rate	16.76%	17.76%	18.76%
PV of Free Cash Flow Over Projection Period	986.39	956.25	927.68
PV of Terminal Value	265.90	231.23	201.94
Fair Value of Non-Core Assets	19.87	19.87	19.87
Adjusted Enterprise Value	1,272.15	1,207.35	1,149.49

Thus, **M/s GTL Infrastructure Limited** is having an **Enterprise value of INR 1,207.35 Crores** while all the assumptions according to company's audited financials have been considered.

ENTERPRISE VALUE OF M/S GTL INFRASTRUCTURE LIMITED
INR ONE THOUSAND TWO HUNDRED SEVEN CRORES AND THIRTY-FIVE LAKHS (INR 1,207.35 CRORES)

NOTE:

- The valuation is done based on the historical financials, Industry trend and our experience within the sector.
- The enterprise valuation of the project is just the reflection of the present value of its cash flow generating capacity in future years.
- This Valuation shall not be construed as the physical asset or should be directly related to cost approach or Project cost.
- We are of the viewpoint that the telecom industry growth and demand for the 5g connectivity will be higher in the future years, which will increase the demand for the telecom towers as a result of it.
- We have not considered any contingent Dues / Liability/ Payables / Receivables / Pendency on or of the company in future years, which should be assessed separately by the parties, wanting to enter in the transaction, unless otherwise mentioned.

6. SENSITIVITY ANALYSIS:

- a) **WACC** is the key input which has strong impact on the firm's value with respect to percentage change. We have considered a change of **1.00%** to perform the sensitivity analysis.

Scenario	WACC
Optimistic Case	16.76%
Base Case	17.76%
Pessimistic Case	18.76%

- b) **TERMINAL GROWTH RATE** is the key input to calculate the Enterprise Value during assessing the firm's value. We have considered a change of **0.25%** to perform the sensitivity analysis.

Scenario	Growth Rate
Optimistic Case	1.25%
Base Case	1.00%
Pessimistic Case	0.75%

- c) **ENTERPRISE VALUE OF THE FIRM IN THE DIFFERENT SCENARIO:**

INR 1,207.35 Crores	Terminal Growth Rate		
	0.75%	1.00%	1.25%

Discount Rate	16.76%	1,267.35	1,272.15	1,277.11
	17.76%	1,203.39	1,207.35	1,211.43
	18.76%	1,146.19	1,149.49	1,152.88

Thus, in the base case, 'GTL INFRA' is having the Enterprise Value of **INR 1,207.35** and it may vary up to **INR 1,277.11 Crores** as optimistic case and **INR 1,146.19 Crores** as the pessimistic case. However, as per sensitivity analysis, the final transaction price will be dependent on the bargaining power of market participants to reach out to a successful outcome for all the concerned parties.

Hence, using two-stage Discounted Cash Flow (DCF) Model, considering as a base case the Enterprise Value of "M/s GTL Infrastructure Limited" is being calculated as **INR 1,207.35 Crores**, subject to the current assumptions and inputs used during the forecasted period, as well as the terminal growth rate and WACC used to calculate the EV.

This is only a general assessment of the Enterprise/Business Value of the firm based on the data/ input Company officials could provide to us against our questions/ queries and information available in the public domain. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.

7. KEY ASSUMPTIONS AND WORKINGS:

Assumptions in the Valuation assessment have been taken based on data/ information/ documents shared by the Company, Operating History of the Company, Annual Reports of the company, Market & Industry analysis. Assumptions have been considered after thoroughly reviewing their feasibility.

A. FREE CASH FLOW TO FIRM: After the preparation of projections, we have calculated the Free Cash Flow to Firm for the particular year during the explicit period, which was calculated after adjusting the Non-Cash Expenses, Working Capital Changes and Capex with the Net Operating Profit after taxes (NOPAT).

B. GROWTH RATE:

- **Projected Period:** The annual growth rate for the projected years' revenue is considered as 2.75% in accordance with the MSAs (Master Service Agreements) with all the parties. As per information shared with us, the company has lost more than 2,000 tenancies during the last 3 years and as per the recent trends, the company is primarily securing

equipment tenancy (EQ tenancies). Thus, considering impact of exits and addition of primarily EQ tenancies, we have considered escalation only as per MSA.

- **Perpetual Period:** Perpetual Growth rate has been considered as 1.00%, which is in the line and on conservative side in comparison with the respective sector and industry.

C. ENERGY & OTHER REIMBURSEMENTS AND ENERGY COSTS: Energy and reimbursements, as well as energy costs, are pass-through in nature. Any changes in energy due to rate or tenancy changes do not significantly affect EBITDA. Therefore, these are considered the same throughout the period.

D. OTHER INCOME: To estimate the Other Income during the projection period we have used the average of the historical other income (without extraordinary and one-off income) with respect to the operating revenues as per the best practices used in the industry, which comes out to be 2.05%.

E. MSA RENEGOTIATION CHARGES: As per the information shared with us, the company had long-term agreements with telecom operators like Jio, Airtel, VI, and BSNL under Master Service Agreements (MSAs) with lock-in periods of 5 to 15 years. However, MSAs with three operators have expired, and renegotiations are in progress. Additionally, over 6,500 sites have exceeded their lock-in periods and 12,479 sites will be out of lock-in periods in the next 10 years. Over time, due to annual escalations, the base rental rates at these sites have also nearly doubled compared to their original levels.

Telecom operators are now raising concerns about the higher costs and are requesting a price reset to the original base levels. If their demands are not met, they may exit these sites, resulting in a complete loss of revenue. Tenancies exhibit base rents ranging from ₹12,000 to ₹37,000, contingent upon the specific tower type and the associated Master Service Agreement (MSA) terms. The renegotiation fee is being proposed to help offset this impact while maintaining long-term partnerships with telecom operators. To address this, the company has assessed the situation and estimated that resetting prices would lead to a revenue impact of approximately INR 50.00 crores in FY 2024-25 and for the next 10 years the company have proposed the following annual impact of revenue.

Financial Year	No. of tenancies out of lock in	Potential annual impact of resetting of revenue
FY 26-27	1,468	9.18
FY 27-28	3,947	27.40
FY 28-29	3,255	21.30

FY 29-30	793	4.69
FY 30-31	423	2.66
FY 31-32	1,254	6.20
FY 32-33	1,287	5.57
FY 33-34	52	0.38
Total	12,479	77.38

F. INFRASTRUCTURE O&M COST:

- **Site Rentals:** Site rentals are **pass-through in nature**, meaning any changes in rental costs do not have a significant impact on EBITDA. Since, these costs are typically recovered from tenants, fluctuations in site rentals do not materially affect the company's profitability. Therefore, for consistency and financial predictability, site rental expenses are assumed to remain unchanged throughout the projected period.
- **O&M Cost:** The annual escalation rate for the projected years' O&M Cost is considered as 5.00% in accordance with the O&M agreements.
- **Repairs and Maintenance to Plant & Equipment:** As per the information provided by the client/company, repair & maintenance to plant & equipment are estimated based on previous years' expenses with an annual expected inflation of 3%.
- **Stores & Spares:** As per the information provided by the client/company, cost of stores & spares is estimated based on previous years' expenses with an annual expected inflation of 3%.
- **Other Operating Expenditure:** As per the information provided by the client/company, other operating expenses are estimated based on previous years' expenses with an annual expected inflation of 3%.

G. OTHER EXPENSES:

- **Employee Benefit Expenses:** Employee benefit expenses are estimated based on previous years' expenses with an annual expected growth rate of 5% is estimated for the projections.
- **Bad Debts & Provisions:** Bad Debts & Provisions are estimated based on past years' trends and are projected at 2.86% of Total Revenue except other income for the forecasted period.

- **Other Expenses:** Other expenses are estimated based on past years' trends and are projected at **10.38% of Operating Revenue** for the forecasted period. *(For other expenses percentage with respect to operating revenue, we have excluded extraordinary expenses incurred during a particular year to find a more accurate estimation of the forecasted numbers.)*

- H. TAXATION:** As per the information shared by company/client, corporate tax rate is 34.94%.
- I. DEPRECIATION AND AMORTIZATION:** As per historical trend, we have considered an annual rate for depreciation as 9.31% with respect to total depreciable assets for those years, which seems to be reasonable to keep a mark-up for future market & economic risks in the Project.
- J. CAPEX:** The projected Capital Expenditure (CapEx) is taken as INR 60 crores for the first two years and INR 75 crores per year thereafter, based on discussions with the client/company. This allocation is essential for maintaining and expanding operational capacity. The budgeted CapEx primarily covers maintenance needs, including the replacement of battery banks and SMPS reaching the end of their lifecycle, new tenancy requirements to support capacity expansion with additional battery banks, SMPS, and B&C category materials, and upgrading or installing new electricity connections to enhance infrastructure reliability.
- K. CHANGE IN WORKING CAPITAL:** In the absence of relevant information to estimate the working capital, we have assumed that the working capital will remain constant during the forecasted period, hence the changes in working capital is considered as zero.
- L. DISCOUNT RATE:** Due to unavailability of comparable and sensitivity of company with respect to the market we cannot determine the cost of equity and debt easily, hence in this scenario we have considered the Nifty Fifty 5-Year Return as a proxy for WACC (required rate of return for an unbiased investor), which is 15.76%. (Ref: <https://www.niftyindices.com/market-data/return-profile>).
- M. COMPANY RISK PREMIUM:** As the company has been declared NPA, which restricts the company (GTL Infra) to expand its operations as per the information shared by the company. The historical performance of the company is also under stress as per the audited historical financials, which makes this company a risky prospect for any prospective investor. Due to these reasons, we have assumed a company-wide risk premium of 2%, which covers all the associated expected risks.

N. TERMINAL VALUE: Terminal value (TV) is used to estimate the value of a project beyond the forecast period. It is the present value of the sum of all future cash flows to the project or company and assumes the free cash flow will grow at a constant rate of 1% in this case. The formula for calculating the terminal value is as follows:



$$TV = \frac{FCF_n * (1 + g)}{(r - g)}$$

To calculate the terminal value, we have used the financial data of the last projected year, i.e., FY 2031-32 and multiplied the FCFF of FY 2031-32 with (1 + Perpetual Growth Rate of 1%) and then divide the Free Cash Flow of the terminal period with the difference of required rate of return (WACC) and Perpetual Growth Rate (g) i.e., (WACC - g).

Hence, the calculated Fair Market Value/Enterprise Value of M/s GTL Infrastructure Limited is INR 1,207.35 Crores, subject to the current micro & macro-economic assumptions, market, industry trends and inputs used during the forecasted period, as well as the growth rate and WACC used to calculate the EV.



Declaration	<p>i. <i>The undersigned does not have any direct/indirect interest in the Project Company.</i></p> <p>ii. <i>The information furnished herein is true and correct to the best of our knowledge.</i></p> <p>iii. <i>This valuation work is carried out by our Financial & Market Research Analysis team on the request from Edelweiss Asset Reconstruction Company Limited, Edelweiss House, 1st Floor, Off CST Road Kalina, Mumbai - 400098</i></p> <p>iv. <i>We have submitted Valuation report directly to the Bank.</i></p>
Number of Pages in the Repost	41
Enclosed Documents	Disclaimer & Remarks 36-41
Place	Noida
Date	8 th February 2025

FOR ON BEHALF OF M/S. R.K. ASSOCIATES VALUER & TECHNO ENGINEERING CONSULTANTS PVT. LTD.	
PREPARED BY	REVIEWED BY
Mr. Rachit Gupta	Mr. Gaurav Kumar
	



PART G

IMPORTANT DEFINITION

Definitions:

- **Enterprise Value:** Enterprise value (EV) is the corporate valuation of a company, determined by using market capitalization and total debt. Market cap comprises preference stocks, common stocks, and minority interest; total debt comprises short-term and long-term liabilities of the company. Enterprise value (EV) refers to the overall valuation—equity, debt, cash, and cash equivalents. In other words, it is the cost of acquiring a firm. The EV/EBITDA is an enterprise multiple. It correlates EV with earnings before interest, taxes, depreciation, and amortization. The metric determines whether the firm is undervalued or overvalued.

EV is computed using the following formula: $EV = (\text{Market Capitalization} + \text{Market Value of Debt} - \text{Cash and Equivalents})$.

- **Fair Market Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him related to the subject asset at which the subject asset should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, after proper marketing, wherein the parties, each acted knowledgeably, prudently and without any compulsion on the date of the Valuation.

Forced, under compulsion & constraint, obligatory sales transactions data doesn't indicate the Fair Market Value.

- **Realizable Value** is the minimum prospective estimated value of the Company which it may be able to realize at the time of actual transaction factoring in the potential prospects of deep negotiations carried out between the buyer & seller for ultimately finalizing the transaction across the table. Realizable value may be 10-20% less than the Fair Market Value depending on the various salability prospects of the subject asset and the needs of the buyer & the seller.
- **Forced/ Distress Sale Value** is the value when the company has to be sold due to any compulsion or constraint like financial encumbrances, dispute, as a part of a recovery process, legal issues or any such condition or situation. In this type of sale, minimum fetch value is assessed which can be 15-25% less than the estimated Fair Market Value. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the asset is more than buying it. Therefore, the Forced/ Distress Sale Value will always fetch significantly less value compare to the estimated Fair Market Value.

- **Liquidation Value** is the amount that would be realized when an asset or group of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. Liquidation value can be either in an orderly transaction with a typical marketing period or in a forced transaction with a shortened marketing period.
- **Difference between Costs, Price & Value:** Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also have different definitions in the professional & legal terms. Therefore, to avoid confusion, it is our professional responsibility to describe the definitions of these words to avoid ambiguity & confusion in the minds of the user of this report.
 - The **Cost** of an asset represents the actual amount spend in the construction/ actual creation of the asset.
 - The **Price** is the amount paid for the procurement of the same asset.
 - The **Value** is defined as the present worth of future rights in the asset and depends to a great extent on combination of various factors such as demand and supply, market situation, purpose, situation & needs of the buyer & seller, salability outlook, usability factor, market perception & reputation. Needs of the buyer & seller, salability outlook, usability factor, market perception & reputation.
 - Therefore, in actual for the same asset, cost, price & value remain different since these terms have different usage & meaning.



PART H

DISCLAIMER | REMARKS

1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
2. This is just an opinion report on Valuation based on the copy of the documents/ information provided to us by the client which has been relied upon in good faith and the assessment and assumptions done by us.
3. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
4. This Valuation is prepared based on the current financial status of the company, financial data, other facts & information provided by the client in writing & during verbal discussion during the course of the assignment and based on certain assumptions which are specifically mentioned in the Valuation section of the Report.
5. Key assumptions in the report are taken based on data, information, inputs, financial statements etc. provided by the client to us during the course of the assessment and on the basis of the assessment done by us and we have assumed that all such information is true & factual to the best of the knowledge of the promoter company.
6. Sale transaction method of the asset is assumed as free market transaction while assessing Prospective Fair Market Value of the asset.
7. Legal aspects for e.g., investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate.

before requesting for this report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.

8. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.
9. Bank/FII should ONLY take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verify the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
10. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
11. We have relied on data from third party, external sources & information available on public domain also to conclude this report. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can't vouch its authenticity, correctness or accuracy.
12. This Report is prepared by our competent technical team which includes financial experts & analysts. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
13. Value varies with the Purpose/ Date/ Condition of the market. This report should not to be referred if any of these points are different from the one mentioned aforesaid in the Report.
14. Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work.
15. This report is having limited scope as per its fields to provide only the general indication of the Value of Equity of the companies prevailing in the market based on the documents/ data/ information/ financial statements provided by the client and the assessment and assumption taken

by us. The suggested value should be considered only if transaction is happened as free market transaction.

16. Secondary/ Tertiary costs related to transaction like Stamp Duty, Registration charges, Brokerage, etc. pertaining to the sale/ purchase of the company are not considered while assessing the Market Value.
17. Appropriate methodology & assumptions are rationally adopted based on the facts of the case came to our knowledge during the course of the assignment considering many factors like nature of Industry, current market situation and trends.
18. Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various factors/ basis considered during the course of assessment before reaching to any conclusion.
19. At the outset, it is to be noted that Value analysis cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of different factors, which have to be made. Therefore, there can be no standard formulae to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to make them informed and wise decision about the Value of the asset and can help in facilitating the arm's length transaction.
20. This report is prepared on the Enterprise Valuation format as per the client requirement. This report is having limited scope as per its fields to provide only the indicative Fair value of the company based on the current financial position, future prospects & current Industry trends. The Valuation assessed in this Valuation Report should hold well only if transaction is happened as per free market transaction. No detailed analysis or verification of the information is carried upon pertaining to the value of the shares of the subject companies. No claim for any extra information will be entertained whatsoever be the reason. For any extra work over and above the fields mentioned in the report will have an extra cost which has to be borne by the customer.
21. As per the scope of the report no site survey has been carried out by us and no thorough vetting of the documents/ information provided to us has been done at our end.

22. This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned stakeholder which is using this report that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
23. Though adequate care has been taken while preparing this report as per its scope, but still, we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
24. This Valuation report is prepared based on the facts of the companies provided to us during the course of the assignment. However, in future the assumptions taken may change or may go worse due to impact of Govt. policies or effect of World economy, Industry/ market scenario may change, etc. Hence before taking any business decision the user of this report should take into consideration all such future risk.
25. The documents, information, data provided to us during the course of this assessment by the client is reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
26. In case of any default in repayment of credit facility extended to the borrowing company, as estimated by us, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
27. This report only contains general assessment & opinion as per the scope of work evaluated and based on technical & market information which came to knowledge during course of the assignment as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
28. This Valuation is conducted based on the macro analysis of the asset/ property and operations of the companies and not based on the micro, component or item wise analysis. Analysis done is a general assessment and is not investigative in nature.

29. This report is prepared following our Standard Operating Procedures & Best Practices, Limitations, Conditions, Remarks, Important Notes, Valuation TOR.
30. Valuation is done based on the industry wide general accepted norms and based on the international standards & best practices for equity valuations.
31. Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset has not been factored in the Valuation.
32. All Pages of the report including annexures are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
33. Defect Liability Period is **15 DAYS**. We request the concerned authorized reader of this report to check the contents, data and calculations in the report within this period and intimate us in writing if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. Corrections only related to typographical, calculation, spelling mistakes, incorrect data/ figures/ statement will be entertained within the defect liability period. Any new changes for any additional information in already approved report will be regarded as additional work for which additional fees may be charged. No request for any illegitimate change in regard to any facts & figures will be entertained.
34. R.K Associates encourages its customers to give feedback or inform concerns over its services through proper channel at valuers@rkassociates.org in writing within 15 days of report delivery. After this period no concern/ complaint/ proceedings in connection with the Financial Feasibility Study Services will be entertained due to possible change in situation and condition of the subject Project.
35. Our Data retention policy is of **ONE YEAR**. After this period, we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.
36. This Enterprise Valuation report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) R.K Associates Quality Policy, (3) Valuation & Survey Best Practices Guidelines formulated by management of R.K Associates, (4) Information input given to us by the customer and (4) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then it is the responsibility of the user of this report to immediately



or at least within the defect liability period bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.

37. R.K Associates never releases any report doing alterations or modifications from pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void.
38. If this report is prepared for the matter under litigation in any Indian court, no official or employee of R.K Associates will be under any obligation to give in person appearance in the court as a testimony. For any explanation or clarification, only written reply can be submitted on the additional payment of charges.

