

DFIT/2024-25/03**May 13, 2024**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Security Code: **543859**
Symbol: **DIGIFIBRE**

Dear Sirs,

Sub: Submission of Valuation Report of Digital Fibre Infrastructure Trust (the “Trust”) as at March 31, 2024

Pursuant to the applicable provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, we are submitting a copy of the valuation report as at March 31, 2024, as received by us from Ernst and Young Merchant Banking Services LLP (having IBBI Registration Number IBBI/RV-E/05/2021/155), the valuer appointed by the Trust. Please note that the said report has been adopted by the Board of Directors of Infinite India Investment Management Limited, the investment manager of the Trust at its meeting held on May 13, 2024.

We request you to take the above report on your record.

Thank you.

Yours truly,

For and behalf of Digital Fibre Infrastructure Trust

(acting through its Investment Manager Infinite India Investment Management Limited)

Janisha Shah

Compliance Officer

Encl.: as above



Ernst & Young Merchant Banking Services LLP
Registered Valuer
Registration No. IBBI/RV-E/05/2021/155
14th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar West,
Mumbai - 400 028, India

Tel: +91 22 61920000
Fax: +91 22 61920000
ey.com

13 May 2024

To,

Infinite India Investment Management Limited
Attention: Ms. Janisha Shah
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025,
Maharashtra, India.

Digital Fibre Infrastructure Trust
Attention: Ms. Janisha Shah
Acting through its Investment Manager - Infinite
India Investment Management Limited
9th Floor, Maker Chamber IV,
222 Nariman Point,
Mumbai - 400 021,
Maharashtra, India.

Re: Enterprise and equity valuation of Jio Digital Fibre Private Limited and valuation of Staggered Loan given by Digital Fibre Infrastructure Trust to Jio Digital Fibre Private Limited as required by SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended.

Dear Sir / Madam,

In accordance with instructions of Digital Fibre Infrastructure Trust ("DFIT" or the "Trust") and Infinite India Investment Management Limited ("IIIML" or "Investment Manager") acting in the capacity of investment manager of DFIT (hereinafter IIIML and DFIT are collectively referred to as "you" or "Clients"), Ernst and Young Merchant Banking Services LLP ("we" or "EY" or "Valuer") have performed the work set out in our engagement letter dated 26 July 2023 and addendum to our engagement letter dated 07 May 2024 ("Engagement Agreement"). We are pleased to present the following Report ("Report") in connection with the enterprise and equity valuation of Jio Digital Fibre Private Limited (the "Fibre Co" or "JDFPL" or "Company") and valuation of loan of INR 19,489 cr given by DFIT to JDFPL ("Trust Loan 1" or the "Staggered Loan") as at 31 March 2024 ("Valuation Date").

The enterprise and equity valuation of JDFPL and Staggered Loan are hereinafter collectively referred to as the Valuation Subjects.

We understand that Reliance Industrial Investments and Holdings Limited ("Sponsors" or "RIIHL") is the sponsor of the Trust, Infinite India Investment Management Limited is the investment manager and Axis Trustee Services Limited (the "Trustee") is the Trustee to Trust. The Trust is registered with Securities and Exchange Board of India ("SEBI") as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder ("SEBI InvIT Regulations").

It may be noted that for carrying out the valuation, we have relied upon information provided by the management of the Clients and JDFPL (the "Management"). We have been given to understand that the information provided is correct and accurate and that the Management was duly authorized to provide us the same.

Purpose of our Report and restrictions on its use

In this regard, valuation of Valuation Subjects is required for disclosure to unit holders and regulatory filings under Chapter V Regulation 21(4) and Regulation 21(5) of the SEBI InvIT Regulations ("Purpose"). This Report was prepared solely for the above Purpose and should not be used or relied upon for any

other purpose (“Purpose”).

The Report was prepared solely for the above Purpose and should not be used or relied upon for any other purpose including for filing with any statutory/regulatory authority other than as specifically mentioned above. The Report and its contents may not be quoted, referred to or shown to any other parties except as provided in the Engagement Agreement.

We accept no responsibility or liability to any person other than to the Clients, or to such party to whom we have agreed in writing to accept a duty of care in respect of the Report, and accordingly if such other persons choose to rely upon any of the contents of the Report, they do so at their own risk.

Nature and scope of the services

The nature and scope of the services, including the basis and limitations, are detailed in the Engagement Agreement. The contents of our Report have been reviewed by the Clients, who have confirmed to us the factual accuracy of the Report.

Whilst each part of our Report may address different aspects of the work we have agreed to perform, the entire Report should be read for a full understanding of our findings and advice.

Our work commenced on 19 January 2024 and was completed on 12 May 2024. Our Report does not take account of events or circumstances arising after Valuation Date and we have no responsibility to update the Report for such events or circumstances. If you have any questions or require additional information, please do feel free to contact us.

Yours faithfully,



Parag Mehta

Partner

Membership No. IBBI/RV/05/2019/11608

Ernst & Young Merchant Banking Services LLP

Registration No. IBBI/RV-E/05/2021/155

Date: 13 May 2024

Report No. EYMBS/RV/2024-25/019

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I. Executive Summary

Background and Structure

Digital Fibre Infrastructure Trust - Trust

- ▶ Digital Fibre Infrastructure Trust (“DFIT” or the “Trust”) was settled vide trust deed dated 31 January 2019 with Reliance Industrial Investments and Holdings Limited (“Sponsor” or “RIIHL”) as the settlor as well as the sponsor and Axis Trustee Services Limited as the Trustee (“ATSL” or the “Trustee”). The Trust was subsequently registered as an infrastructure investment trust under the SEBI InvIT Regulations vide registration dated 20 March 2019 bearing the InvIT Registration number IN/InvIT/18-19/0010.
- ▶ Infinite India Investment Management Limited (“IIIML” or “Investment Manager”) was appointed as the investment manager vide Investment Management Agreement dated 31 January 2019 between ATSL and IIIML.
- ▶ The main objective of the Trust is to carry on the activity of an infrastructure investment trust, as permissible under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder (“SEBI InvIT Regulations”), namely, to raise resources and to make investments in accordance with the SEBI InvIT Regulations and such other incidental and ancillary matters thereto.
- ▶ In September 2020, the Trust made an Initial offer of 1,47,06,00,000 ordinary units through a private placement at a price of INR 100 each per ordinary unit, aggregating to INR 14,706 cr (the “Offer”). Further, the Trust undertook right issue of its units in December 2021 and allotted 47,88,66,821 ordinary units at an issue price of INR 100 each to the existing unitholders and raised INR 4,789 cr (“Rights Issue”).
- ▶ The proceeds from the Offer and Rights Issue amounting to INR 19,489 cr were extended as Trust Loan 1 (“Trust Loan 1” or the “Staggered Loan”) to Jio Digital Fibre Private Limited (the “Fibre Co” or “JDFPL” or “Company”).
- ▶ The Trust borrowed INR 33,131 cr under the InvIT Loan Agreement (“InvIT Loan Agreement”), out of which INR 32,851 cr was extended as Trust Loan 2 (“Trust Loan 2”) and INR 280 cr was extended as Trust Loan 3 (“Trust Loan 3”) to JDFPL. Trust Loan 2 and Trust Loan 3 are hereinafter collectively referred to as “Fixed Rate Loans”.
- ▶ The Trust got its ordinary units listed on BSE Limited (BSE) on 31 March 2023.
- ▶ Unitholding pattern of the Trust as at the Valuation Date is as follows:

Name of the Unit Holder	No. of Units held (in cr)	% Held
RIIHL	29	15.0%
SPTL	27	14.1%
JUPPL	39	19.9%
Platinum Compass B 2018 RSC Limited (“PCL”), an Abu Dhabi Investment Authority (“ADIA”) entity	50	25.5%
Public Investment Fund (“PIF”)	50	25.5%
Haimavathy Properties Private Limited	0.01	0.01%
Spectrum Informative Services Private Limited	0.01	0.01%
System Management Services Private Limited	0.01	0.01%
Total Units	195	100.0%

Jio Digital Fibre Private Limited - JDFPL

- ▶ Jio Digital Fibre Private Limited is a private limited company incorporated in India on 17 December 2018. JDFPL, pursuant to a Scheme of Arrangement, acquired the optical fibre cable undertaking of Reliance Jio Infocomm Limited (“RJIL” or “Anchor Tenant”) w.e.f the close of business hours on 31 March 2019. The principal activities of JDFPL are setting up, operating and managing optic fibre cable network (“Fibre Infrastructure Business”).
- ▶ Shareholding pattern of JDFPL as at Valuation Date is as follows:

Name of the Shareholder	No. of Shares held (in cr)	% Held
The Trust	263	51.0%
RIL	250	48.5%
Other Minority Shareholders (“Certain Minority shareholders”)	2.8	0.5%
Total Shares	515	100.0%

- ▶ Further, Reliance Industries Limited (“RIL”) and Certain Minority Shareholders hold 100.0% of the 0.01% participating and optionally convertible preference shares (“OCPS”) of face value of INR 78,140 cr of JDFPL and RIL further holds 100.0% of the 0.01% redeemable preference shares (“RPS”) of INR 1.25 cr of JDFPL.

Axis Trustee Services Limited - Trustee

- ▶ Axis Trustee Services Limited is a public limited company, incorporated on 16 May 2008, in Mumbai under the Companies Act, 1956. The Trustee is a trusteeship company, which has been registered with SEBI on January 31, 2014, and has been promoted by and is a wholly owned subsidiary of Axis Bank for providing corporate and other trusteeship services.

Infinite India Investment Management Limited - Investment Manager

- ▶ Infinite India Investment Management Limited a public limited company, incorporated on 02 August 2006, in Mumbai under the Companies Act, 1956, is the Investment Manager of the Trust. The Investment Manager is a wholly owned subsidiary of JM Financial Limited (“JMFL”).

Reliance Industrial Investments and Holdings Limited - Sponsor

- ▶ Reliance Industrial Investments and Holdings Limited, a public limited company, is a wholly owned subsidiary of Jio Financial Services Limited (“JFSL”) and is the Sponsor of the Trust.

Jio Infrastructure Management Services Limited - Project Manager

- ▶ Jio Infrastructure Management Services Limited (“JIMSL” or “Project Manager”), a wholly owned subsidiary of Reliance Strategic Business Ventures Limited which is a wholly owned subsidiary of RIL, is the Project Manager and has entered into a Project Implementation and Management Agreement with JDFPL and the Trustee in accordance with the SEBI InvIT Regulations.

Reliance Industries Limited - Contractor / Operator

- ▶ Reliance Projects & Property Management Services Limited (“RPPMSL”), had been appointed as the “Contractor” in terms of the Amended and Restated Project Execution Agreement and as the “Operator” in terms of the Amended and Restated O&M Agreement. Pursuant to Scheme of Demerger, the telecom EPC business of RPPMSL was demerged to RIL. Hence, RIL is the “Contractor” in terms of the Amended and Restated Project Execution Agreement and as the

“Operator” in terms of the Amended and Restated O&M Agreement.

Identity of the Valuer, disclosure of Valuer’s interest or conflict and declaration

Identity of the Valuer

Name of entity registered	Ernst & Young Merchant Banking Services LLP
Registration Number	IBBI/RV-E/05/2021/155
Registration valid from	01 November 2021

- ▶ EY has been appointed as an independent valuer to undertake valuation of Valuation Subjects as on 31 March 2024, in accordance with Regulation 21(4) and Regulation 21(5) of the SEBI InvIT Regulations.
- ▶ EY is a Registered Valuer for securities or financial assets under Section 247 of the Companies Act, 2013 bearing registration number IBBI/RV-E/05/2021/155.

Disclosure of Valuer’s Interest or Conflict

- ▶ EY, Parag Mehta and the team working on the valuation, do not have any present or planned future financial interest in the Trust, JDFPL or the Investment Manager nor there is any conflict of interest in carrying out the valuation.
- ▶ The information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.

Declaration

- ▶ We hereby confirm on behalf of EY that EY is competent to undertake this valuation in terms of SEBI InvIT Regulations.
- ▶ We further confirm that EY is independent in terms of the SEBI InvIT Regulations and that this report has been prepared on a fair and unbiased basis in compliance with Regulation 13 (1) and Regulation 21 of the SEBI InvIT Regulations.
- ▶ We have at least two partners/ directors having experience of 5 years each in the valuation of infrastructure assets.

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Valuation Summary

- ▶ Income approach have been considered for arriving at value of the Valuation Subjects. Under Income Approach, Discounted Cash Flow (DCF) method has been considered basis the Management's business plan.
- ▶ The enterprise value of JDFPL as per Net Asset Value (NAV) method as at Valuation Date is INR 1,75,902 cr. Asset values are generally not a true indicator of the future distributable cash flow and has been provided for information purpose only.
- ▶ The valuation is based on audited financial statements of the Company for financial year (FY) 2024. A detailed discussion on the appropriateness of use of valuation methods has been given in Section: Valuation Analysis.
- ▶ This Report should be read in its entirety but especially in conjunction with the 'Statement of limiting conditions'.
- ▶ This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the Company is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

Valuation Results / Conclusion

- ▶ The enterprise valuation of JDFPL as at the Valuation Date is estimated to be INR 2,23,750 cr.
- ▶ The equity value of JDFPL as at the Valuation Date is estimated to be INR 515 cr.
- ▶ The value of Staggered Loan as at the Valuation Date is estimated to be INR 19,615 cr.

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II. Sources of Information / Major factors that were taken into account during the valuation

The following sources of information have been utilized in conducting the valuation exercise:

- ▶ The following information, as provided by the Management, have inter-alia been used in the valuation:
 - Audited financials (balance sheet and profit and loss account along with schedules and notes to accounts including auditors' report) of JDFPL from FY21 to FY24.
 - Financial projections of JDFPL from 01 April 2024 to 30 September 2050 including underlying assumptions (It includes forecasts of profit and loss statements, balance sheet, cash flow statements and respective underlying assumptions).
 - Agreements entered into by JDFPL and the Trust as mentioned in Appendix 1.
 - Details of contingent liabilities/assets of JDFPL and probability of their devolving into an actual liability or asset in the foreseeable future.
 - Background information regarding JDFPL provided through emails or during discussions.
- ▶ Besides the above listing, there may be other information provided by the Management which may not have been perused by EY in any detail, if not considered relevant for the defined scope.
- ▶ **Industry and economy information:** EY has relied on publicly available information, proprietary databases subscribed to by EY or its member firms, and discussions with the Management for analysing the industry and the competitors.
- ▶ In addition to the above, EY has also obtained such other information and explanations from the Management as were considered relevant for the purpose of the valuation.

It may be mentioned that the Clients have been provided an opportunity to review factual information in draft Report and confirm with management of JDFPL as part of standard practice to make sure that factual inaccuracies/omissions/etc. are avoided in final Report.

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III. Statement of Limiting Conditions

- ▶ Provision of valuation opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- ▶ The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date.
- ▶ This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized user of this report and is restricted for the purpose indicated in the Engagement Agreement. This restriction does not preclude the Clients from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.
- ▶ While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Clients or JDFPL's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.
- ▶ The valuation has been performed on the audited financial statements provided by Management for FY24.
- ▶ In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the clients or companies, their directors, employees or agents.
- ▶ The Clients 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. We have relied upon the representations of the clients, their Management and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.
- ▶ EY is not aware of any contingency, commitment or material issue which could materially affect the Company's economic environment and future performance and therefore, the fair value of the Company.
- ▶ We do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
- ▶ The Report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

- ▶ The valuation analysis and result are governed by concept of materiality.
- ▶ It has been assumed that the required and relevant policies and practices have been adopted by Company and would be continued in the future.
- ▶ The fee for the Report is not contingent upon the results reported.
- ▶ The figures in the tables in this Report may not sum or cross cast, due to rounding differences.
- ▶ We owe responsibility to only to the Clients that have appointed us under the terms of the Engagement Agreement. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.
- ▶ The actual transacted value achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the transaction value achieved.
- ▶ We have also relied on data from external sources to conclude the valuation. 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.

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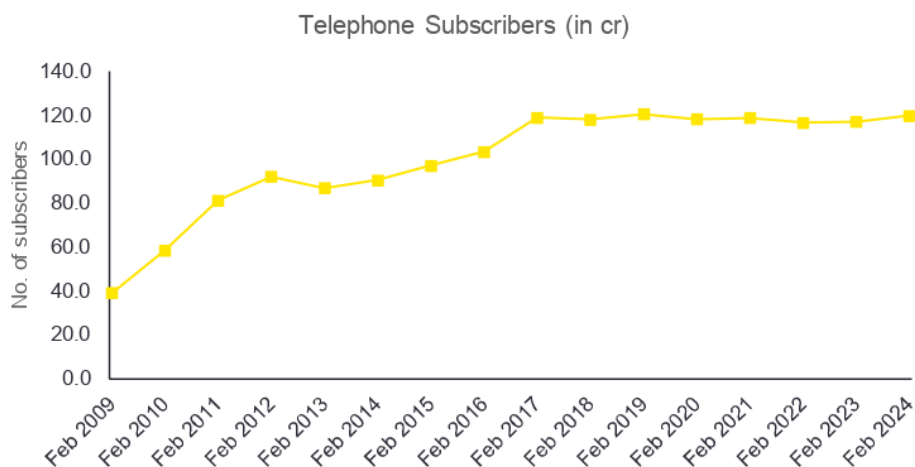
IV. Industry Overview

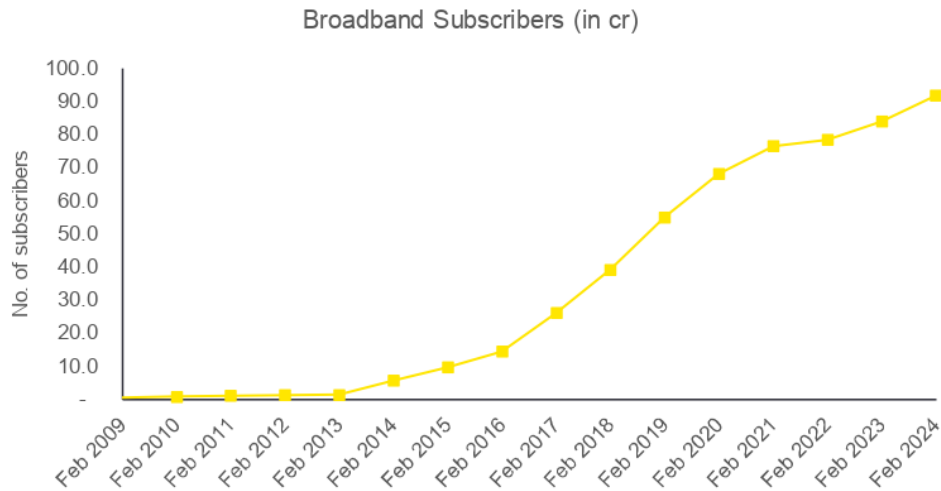
1. Telecom Sector in India

- ▶ Telecommunication has been playing a pivotal role in country's economic growth. It is the backbone of many industries, including e-commerce, media and entertainment, finance, information and technology (IT), healthcare, transportation, and logistics. The sector facilitates seamless movement of data worldwide through wired or wireless channels and significantly influences economic progress. The telecom market is constantly evolving with integration of cutting-edge technologies over the years. This has widened the coverage of telecom services globally and made them an indispensable part of the daily lives of consumers. Telecom proved to be an essential service, especially during the Covid-19 pandemic, by enabling people to remain connected amid worldwide lockdowns.
- ▶ The telecom industry mainly comprises wireless services, or mobile services, and wireline services, or fixed-line services. In India, wireless services accounted for 97.4% of total telecom customers and wireline services for the remaining 2.6% as of the first half of fiscal 2024.
- ▶ India is currently the world's second-largest telecommunications market by subscribers and strong customer demand has led to a rapid growth in this sector. As of 29 February 2024, India had a total reported subscriber base (including wireless and wireline subscribers) of 119.8 cr, according to TRAI.

No of users: in cr	Wireless	Wireline	Total
Total Telephone Subscribers	116.5	3.3	119.8
-Urban	63.6	3.1	66.6
-Rural	52.9	0.3	53.1
Broadband Subscribers	87.7	3.9	91.7

- ▶ The chart below illustrates the annual subscriber base from February 2009 to February 2024:



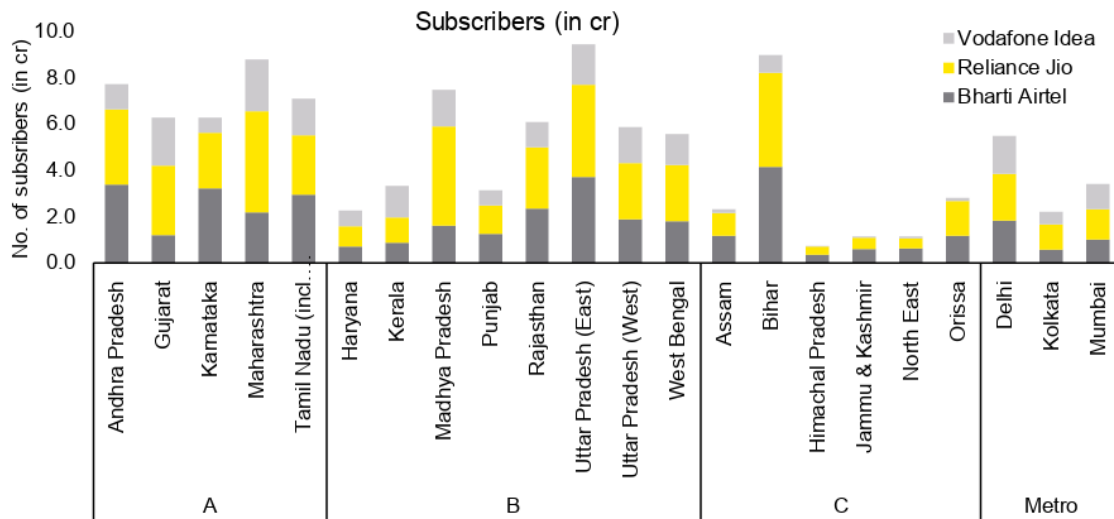


- ▶ As per Crisil MI&A report dated January 2024, Telecom sector is characterised by high entry barriers. A regulated environment, high capital requirements and dominance of existing players in a consolidated market deter new players from entering the telecom industry.
- ▶ In India, spectrum auctions are held for 22 telecom circles - i.e. three metro circles - Delhi, Mumbai, and Kolkata and 19 other circles. These other service areas are categorized as Circle 'A', Circle 'B' and Circle 'C', in descending order on the basis of the degree of affluence, infrastructure development and revenue potential across each service area. A telecom company needs to acquire spectrum in each circle to provide comprehensive coverage to its consumers. Operators also need to acquire a unified license with authorisations for access services in each circle before they participate in auctions. The licensed service areas of the various cellular service providers as of 31 March 2024 are provided below:

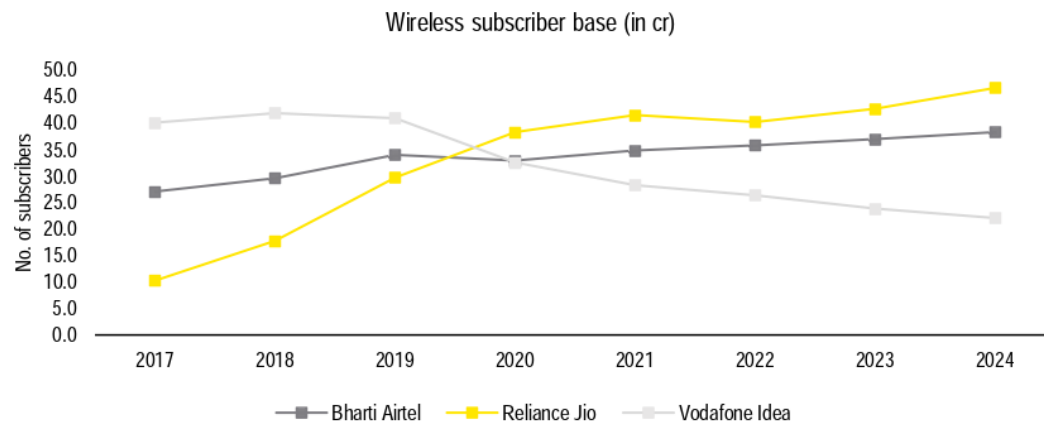
Service Provider	Licensed Service Area
Bharat Sanchar Nigam Limited ("BSNL")	All India (except Delhi & Mumbai)
Bharti Airtel Limited ("Bharti Airtel")	All India
Mahanagar Telephone Nigam Limited ("MTNL")	Delhi & Mumbai
Reliance Jio Infocom Limited ("Reliance Jio")	All India
Reliance Communications Limited ("RCom")	All India (except Assam & NE)
Vodafone Idea Limited ("Vodafone Idea")	All India

- ▶ The industry spent INR 1,50,000 cr during the 5G auction in 2022, with Reliance Jio, Bharti Airtel and Vodafone Idea accounting for INR 80,080 cr, INR 43,040 cr and INR 18,800 cr, respectively. Further, Indian telecom operators have spent nearly INR 3,00,000 cr since 2014 to acquire spectrum across various bands.

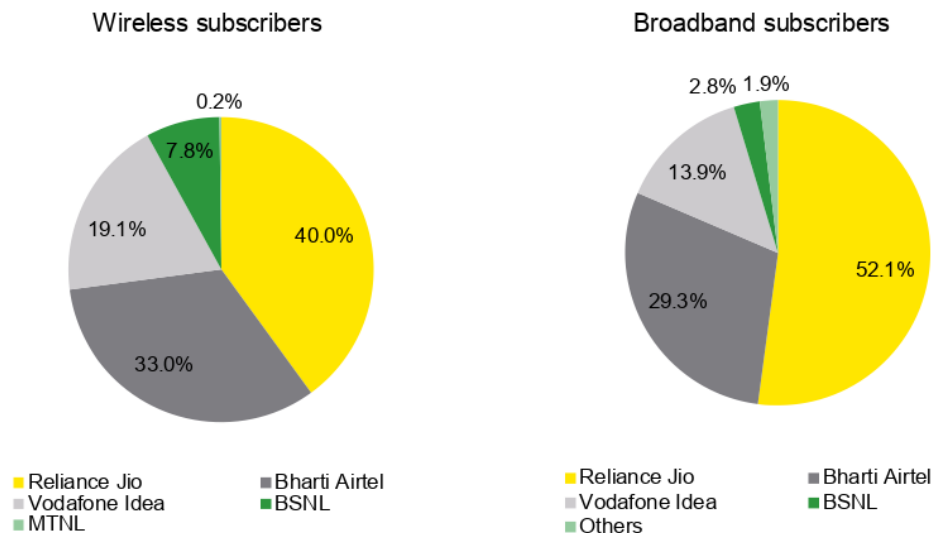
► The circle wise subscriber's data of the access service area providers as of 29 February 2024 is as below:



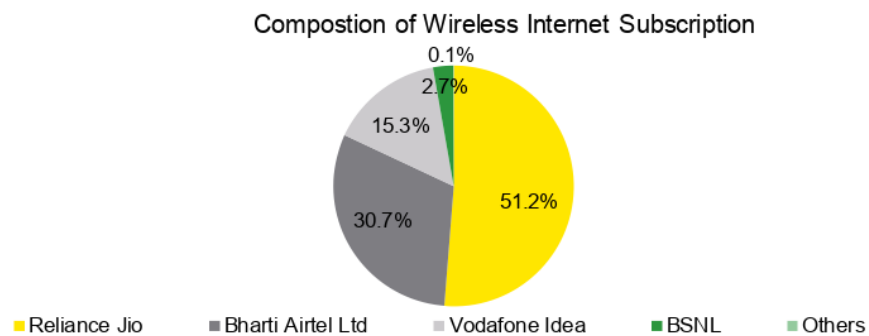
► The wireless subscriber base for the key access service providers from 2017 to 2024 is as below:



► As of February 2024, following is the market share for wireless and broadband subscribers:

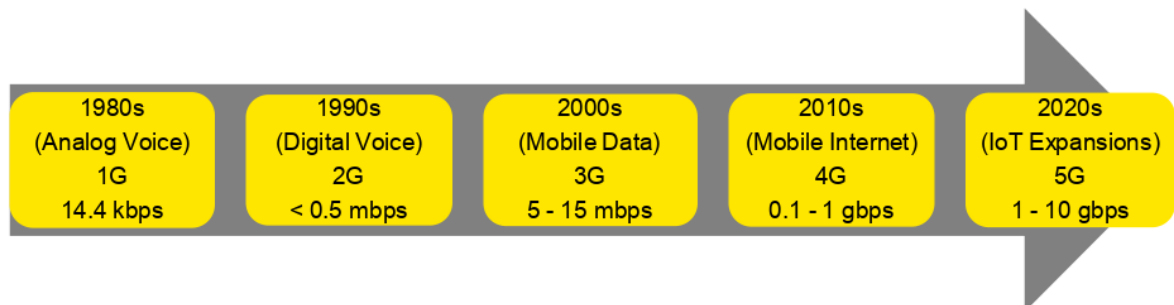


- ▶ The total volume of wireless data usage in India grew 4.0% QoQ from 47,629 PetaByte (“PB”) in quarter ended September 2023 to 49,543 PB in the quarter ended December 2023. The contribution of 2G, 3G, 4G and 5G data usage to the total volume of wireless data usage was at 0.1%, 0.7%, 86.7% and 12.6%, respectively.
- ▶ Average wireless data usage per wireless data subscriber was 19.5 GB per month in December 2023.
- ▶ In wireless internet segment, Reliance Jio holds 51.2% market share with 45.9 cr subscribers followed by Bharti Airtel Ltd with 30.7% and 27.6 cr wireless internet subscribers at the QE December 2023. The below chart shows the composition of Wireless Internet Subscription for Quarter ended December 2023-



▶ **Optic Fibre in India**

- ▶ Over the past few decades, cellular capabilities have advanced from analog voice, at 14.4 kbps, to the promise of Internet of Things (“IoT”) connectivity at multiple gbps. The below chart demonstrates the wireless access evolution –



- ▶ There has been a paradigm shift in communication due to the epidemic, with more people working remotely, taking online classes, and streaming content from digital platforms. 5G has a huge influence in almost every sector of the economy, realizing the promise of a totally connected society. The 5G has a great potential such as 5G smart buildings, towns, and communities; virtual medicine and robotic surgery; autonomous cars etc.
- ▶ Fibre is an “extremely critical” backhaul component of 5G networks. 5G networks need to be linked through fibre optics since higher frequencies cannot pass through obstacles like walls, trees, or windows. More fibre optic cables connecting nano-masts are required for 5G to function at its full potential. Compared to fibre, 5G’s speed is much superior. Fibre is the best option for 5G because of its scalability, security, and capacity to manage the enormous quantity of backhaul data that will be created. Hence, the optic fibre industry is a critical part of the overall telecommunication industry of India.

- ▶ The Ministry of Road Transport & Highways (“MRTH”) announced in April 2023, that National Highways Authority of India (“NHA”) will develop ~10,000 km of Optic Fibre Cable infrastructure across India by fiscal year 2024-25. NHA’s fully owned National Highways Logistics Management Ltd (“NHLML”) will execute the project. MRTH has designated ~1,367 km of the Delhi-Mumbai expressway and ~512 km of the Hyderabad-Bangalore Corridor as the pilot routes for the project.
- ▶ As of June 2023, India had an optic fibre cable network spanning 37,26,577 km. (source: <https://www.lightreading.com/wireless/india-to-start-geotagging-telecom-infrastructure>)
- ▶ In April 2023, the Government of India (“GOI”) merged BSNL and BBNL cumulating a total of 12,60,000 km of optic fibre network for the merged company.

(source:<https://www.fiercenetwork.com/wireless/india-merges-2-government-entities-boostfibercountry#:~:text=The%20revival%20package%20involves%20funds,4G%20services%2C%20among%20other%20initiatives.>)
- ▶ As of December 2023, Vodafone-Idea has an optic fibre network coverage of over 2,90,000 km and Bharti Airtel has an optic fibre network coverage of 4,30,412 km. (source: Red Herring Prospectus of Vodafone Idea Limited dated 11 April 2024 and Investor Presentation of Bharti Airtel Limited)

- ▶ Sources for “Section: Industry overview”:
 - i. <https://traf.gov.in/>
 - ii. <https://dot.gov.in/>
 - iii. [Fibre Deployment: Key to the Success of 5G in India | STL Tech](#)
 - iv. [Promising road ahead for OFC | Communications Today](#)
 - v. CRISIL MI&A
 - vi. Red Herring Prospectus of Vodafone Idea Limited dated 11 April 2024
 - vii. Investor Presentation of Bharti Airtel Limited

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V. Procedures Adopted

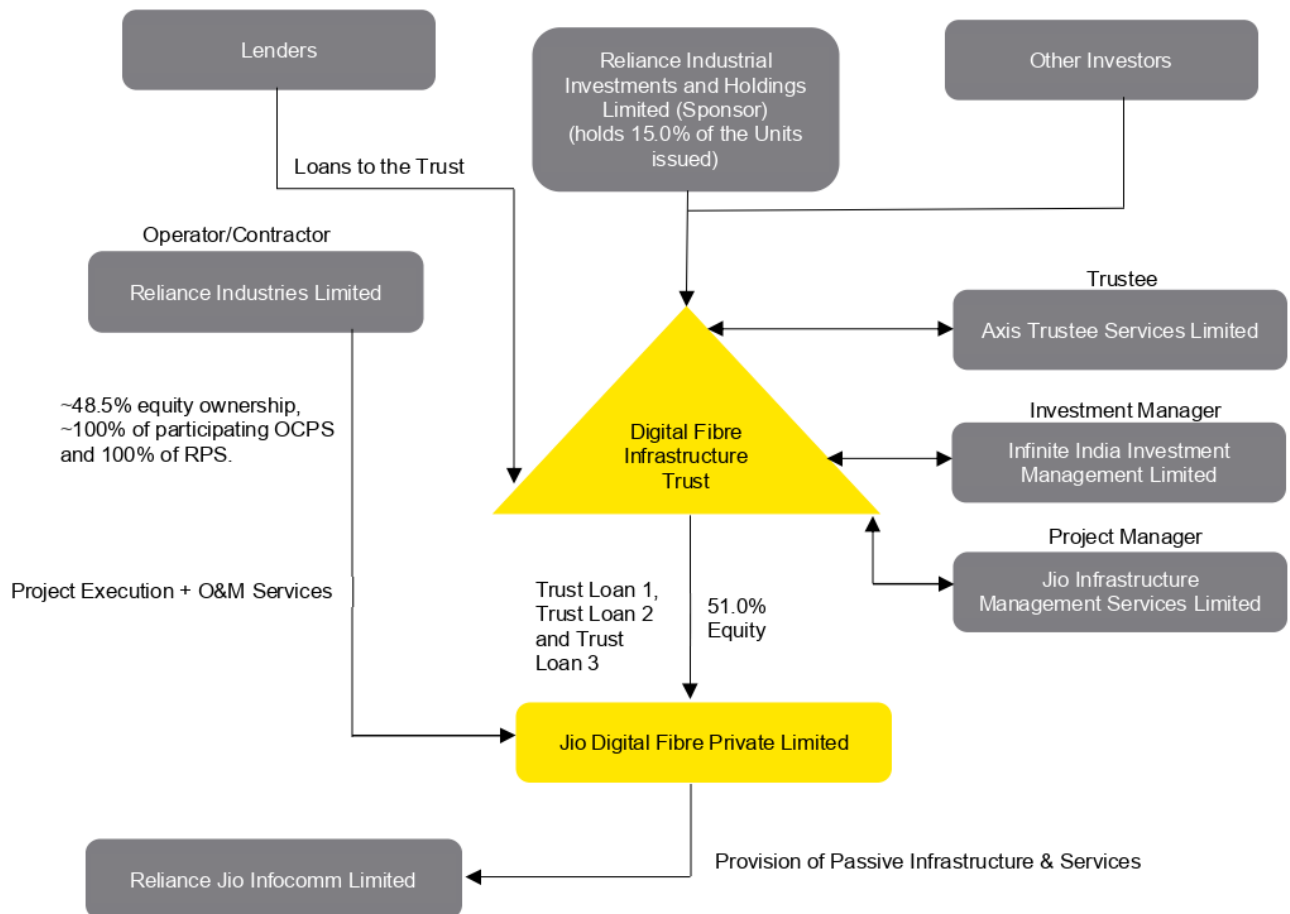
We have carried out the valuation of Valuation Subjects, in accordance with valuation standards as specified in SEBI InvIT Regulations and Companies (Registered Valuers and Valuation) Rules, 2017, to the extent applicable.

In connection with this analysis, we have adopted the following procedures to carry out the valuation analysis:

- Requested and received financial and qualitative information and clarifications regarding past financial performance of JDFPL;
- Discussed with the Management to: Understand the business and fundamental factors that that affect its earning-generating capability and historical and expected financial performance; Understand the key terms of Agreements;
- Analysis of the key economic and industry factors which may affect the valuation of JDFPL; Analysis of the information available in public domain/ subscribed databases in respect of the comparable companies/ comparable transactions, as considered relevant by us;
- Conducted site visits to assess the operating condition of JDFPL as per the requirements of SEBI (InvIT Regulations) 2014 (as amended);
- Selection of valuation approach and valuation methodology/(ies), in accordance with SEBI (InvIT Regulations) and Companies (Registered Valuers and Valuation) Rules, 2017, as considered appropriate and relevant by us; and
- Arriving at valuation of Valuation Subjects as on the Valuation Date.

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VI. Background of JDFPL



- ▶ JDFPL is a private limited company incorporated in India on 17 December 2018. JDFPL, pursuant to a Scheme of Arrangement, acquired the optical fibre cable undertaking of RJIL w.e.f. the close of business hours on 31 March 2019. The principal activities of the Company are setting up, operating and managing optic fibre cable network.
- ▶ As of 31 March 2024, the Fibre Infrastructure Business includes a nation-wide network, covering all 22 circles in the country, of owned as well as indefeasible right to use (“IRU”) of underground cables and ducts with embedded Dark Fibre of 30.1 mn fibre pair kilometre (FPKM) as well as a network of empty ducts (i.e. not having any or fibre in it), each connecting a manhole to another manhole and situated between two ends of a designated route where fibres are already laid by JDFPL (together referred to as “Fibre Assets”). It is being clarified that the Fibre Assets do not include Last Mile Fibres. The Fiber Assets have been classified as NLD (own build), NLD (IRU), ‘Intra-city’, ‘Enterprise Access’ and Fiber to the home (FTTH).
- ▶ RJIL is the anchor tenant of JDFPL, with whom JDFPL has entered into a Fiber and Duct Use Agreement (“FUA”) for a period of 30 years commencing from September 2020.

Historical and Prospective Financial Information

- The historical and forecast profit and loss statements of the Company as provided by the Management are summarized in the table below:

Currency: ₹ cr	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30
	Audited	Audited	Audited	Audited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12	12	12
Net sales	7,640	11,712	15,496	16,729	18,611	24,054	24,054	31,583	33,749	35,041
Total expenses	(1,059)	(1,303)	(1,557)	(1,724)	(2,009)	(2,031)	(2,054)	(2,077)	(2,101)	(2,124)
Operating EBITDA	6,581	10,409	13,939	15,005	16,602	22,023	22,000	29,505	31,648	32,916
Depreciation and amortisation	(6,313)	(5,942)	(6,462)	(6,764)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)
EBIT	268	4,467	7,477	8,241	9,552	14,973	14,950	22,455	24,597	25,866
Finance costs	(7,361)	(10,045)	(11,609)	(12,407)	(12,535)	(12,846)	(12,285)	(13,066)	(11,055)	(9,574)
PBT	(7,093)	(5,578)	(4,132)	(4,167)	(2,983)	2,127	2,665	9,389	13,543	16,292
Other income	24	31	135	243	-	-	-	-	-	-
Tax	1,779	1,396	1,006	992	751	(535)	(671)	(2,363)	(3,408)	(4,100)
PAT	(5,290)	(4,151)	(2,991)	(2,931)	(2,232)	1,591	1,994	7,026	10,134	12,192
Sales growth (%)	na	53.3	32.3	8.0	11.3	29.2	-	31.3	6.9	3.8
EBITDA margins (%)	86.1	88.9	90.0	89.7	89.2	91.6	91.5	93.4	93.8	93.9
EBIT margins (%)	3.5	38.1	48.3	49.3	51.3	62.2	62.1	71.1	72.9	73.8
PBT margins (%)	(92.8)	(47.6)	(26.7)	(24.9)	(16.0)	8.8	11.1	29.7	40.1	46.5
PAT margins (%)	(69.2)	(35.4)	(19.3)	(17.5)	(12.0)	6.6	8.3	22.2	30.0	34.8

Source: Management

Currency: ₹ cr	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12	12	12
Net sales	35,041	35,041	35,039	35,034	35,034	35,034	35,034	35,034	35,034	35,034
Total expenses	(2,148)	(2,172)	(2,196)	(2,221)	(2,246)	(2,271)	(2,297)	(2,324)	(2,351)	(2,378)
Operating EBITDA	32,893	32,869	32,843	32,813	32,788	32,762	32,736	32,710	32,683	32,656
Depreciation and amortisation	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(6,952)	(6,787)	(6,787)	(6,787)
EBIT	25,842	25,819	25,792	25,763	25,737	25,712	25,785	25,923	25,896	25,869
Finance costs	(8,745)	(8,020)	(7,470)	(7,626)	(7,381)	(7,790)	(8,250)	(8,106)	(7,885)	(7,639)
PBT	17,097	17,798	18,322	18,137	18,357	17,922	17,535	17,817	18,011	18,230
Other income	-	-	-	-	-	-	-	-	-	-
Tax	(4,303)	(4,479)	(4,611)	(4,565)	(4,620)	(4,511)	(4,413)	(4,484)	(4,533)	(4,588)
PAT	12,794	13,319	13,711	13,572	13,737	13,411	13,122	13,333	13,478	13,642
Sales growth (%)	-	-	(0.01)	(0.01)	-	-	-	-	-	-
EBITDA margins (%)	93.9	93.8	93.7	93.7	93.6	93.5	93.4	93.4	93.3	93.2
EBIT margins (%)	73.7	73.7	73.6	73.5	73.5	73.4	73.6	74.0	73.9	73.8
PBT margins (%)	48.8	50.8	52.3	51.8	52.4	51.2	50.1	50.9	51.4	52.0
PAT margins (%)	36.5	38.0	39.1	38.7	39.2	38.3	37.5	38.1	38.5	38.9

Source: Management

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Currency: ₹ cr	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49	31-Mar-50	30-Sep-50
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12	12	12	6
Net sales	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	17,360
Total expenses	(2,406)	(2,435)	(2,464)	(2,493)	(2,523)	(2,554)	(2,586)	(2,618)	(2,650)	(2,684)	(1,358)
Operating EBITDA	32,628	32,599	32,570	32,541	32,510	32,480	32,448	32,416	32,383	32,350	16,002
Depreciation and amortisation	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)	(6,618)	(5,271)	(5,271)	(4,209)
EBIT	25,841	25,812	25,783	25,754	25,723	25,693	25,661	25,798	27,112	27,079	11,793
Finance costs	(8,222)	(8,724)	(8,278)	(7,779)	(7,221)	(11,044)	(14,091)	(11,824)	(9,284)	(6,439)	(2,263)
PBT	17,619	17,088	17,505	17,974	18,502	14,649	11,570	13,974	17,828	20,640	9,531
Other income	-	-	-	-	-	-	-	-	-	-	-
Tax	(4,434)	(4,301)	(4,406)	(4,524)	(4,657)	(3,687)	(2,912)	(3,517)	(4,487)	(5,195)	(2,399)
PAT	13,184	12,787	13,099	13,450	13,846	10,962	8,658	10,457	13,341	15,445	7,132
Sales growth (%)	-	-	-	-	-	-	-	-	-	-	na
EBITDA margins (%)	93.1	93.1	93.0	92.9	92.8	92.7	92.6	92.5	92.4	92.3	92.2
EBIT margins (%)	73.8	73.7	73.6	73.5	73.4	73.3	73.2	73.6	77.4	77.3	67.9
PBT margins (%)	50.3	48.8	50.0	51.3	52.8	41.8	33.0	39.9	50.9	58.9	54.9
PAT margins (%)	37.6	36.5	37.4	38.4	39.5	31.3	24.7	29.8	38.1	44.1	41.1

Source: Management

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- The historical and forecast balance sheet of the Company as provided by the Management are tabulated below:

Currency: ₹ cr	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	Audited	Audited	Audited	Audited	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12
Fixed assets								
Net block of fixed assets (NFA)	1,65,181	1,77,287	1,83,657	1,89,228	1,82,177	1,75,127	1,68,076	1,61,026
Goodwill	13,931	13,931	13,931	13,931	13,931	13,931	13,931	13,931
Investments	149	2,597	1,840	2,212	-	-	-	-
Loans to related party	280	280	280	280	-	-	-	-
Current assets								
Trade receivables	9	5	38	7	0.1	0.3	0.3	522
Cash and bank balances	20	95	90	147	1,083	6,175	8,183	37,498
Other financial assets	812	546	1,338	593	-	-	-	-
Other current assets	4,664	6,180	6,309	6,381	4,558	1,166	667	667
	5,505	6,826	7,775	7,128	5,641	7,340	8,850	38,687
Current liabilities and provisions								
Provisions	-	1	2	2	-	-	-	-
Other current liabilities	15,921	15,378	14,863	14,493	13,880	13,341	12,801	38,854
	15,921	15,379	14,865	14,495	13,880	13,341	12,801	38,854
Net current assets (NCA)	(10,416)	(8,553)	(7,090)	(7,367)	(8,239)	(6,000)	(3,951)	(167)
Deferred tax asset	-	-	-	-	-	-	-	-
Unamortised finance charges	150	176	175	236	162	143	125	106
Loan funds								
Borrowings	1,01,549	1,26,284	1,31,885	1,33,446	1,39,916	1,32,960	1,25,275	1,12,601
Interest accrued but not due	29	250	197	171	-	-	-	-
Creditors for capital goods	3,003	38	5,562	13,781	-	-	-	-
	1,04,581	1,26,572	1,37,644	1,47,398	1,39,916	1,32,960	1,25,275	1,12,601
Deferred tax liability	23,398	22,002	20,996	19,978	19,227	19,762	20,433	22,796
Net worth	41,296	37,144	34,153	31,144	28,887	30,479	32,473	39,499
Represented by								
Equity	515	515	515	515	515	515	515	515
OCPS	78,140	78,140	78,140	78,140	78,140	78,140	78,140	78,140
Other equity	(37,359)	(41,511)	(44,502)	(47,511)	(49,768)	(48,176)	(46,182)	(39,156)
Total	41,296	37,144	34,153	31,144	28,887	30,479	32,473	39,499

Source: Management

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Currency: ₹ cr	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12
Fixed assets								
Net block of fixed assets (NFA)	1,53,975	1,46,925	1,39,874	1,32,824	1,25,773	1,18,722	1,11,672	1,04,621
Goodwill	13,931	13,931	13,931	13,931	13,931	13,931	13,931	13,931
Investments	-	-	-	-	-	-	-	-
Loans to related party	-	-	-	-	-	-	-	-
Current assets								
Trade receivables	671	762	762	762	762	762	762	762
Cash and bank balances	50,220	59,262	64,827	70,694	79,711	94,236	108,723	122,709
Other financial assets	-	-	-	-	-	-	-	-
Other current assets	667	667	667	667	667	667	667	667
	51,558	60,691	66,256	72,123	81,140	95,665	1,10,152	1,24,139
Current liabilities and provisions								
Provisions	-	-	-	-	-	-	-	-
Other current liabilities	44,715	46,424	44,165	41,906	39,649	37,398	35,146	32,894
	44,715	46,424	44,165	41,906	39,649	37,398	35,146	32,894
Net current assets (NCA)	6,843	14,267	22,091	30,217	41,491	58,267	75,006	91,244
Deferred tax asset	-	-	-	-	-	-	-	-
Unamortised finance charges	88	69	51	32	14	-	-	-
Loan funds								
Borrowings	98,999	83,102	72,048	60,921	52,760	50,502	48,141	45,664
Interest accrued but not due	-	-	-	-	-	-	-	-
Creditors for capital goods	-	-	-	-	-	-	-	-
	98,999	83,102	72,048	60,921	52,760	50,502	48,141	45,664
Deferred tax liability	26,205	30,265	29,281	28,145	26,800	25,199	23,511	21,764
Net worth	49,633	61,824	74,618	87,937	1,01,648	1,15,220	1,28,957	1,42,369
Represented by								
Equity	515	515	515	515	515	515	515	515
OCPS	78,140	78,140	78,140	78,140	78,140	78,140	78,140	78,140
Other equity	(29,022)	(16,830)	(4,036)	9,282	22,994	36,566	50,302	63,714
Total	49,633	61,824	74,618	87,937	1,01,648	1,15,220	1,28,957	1,42,369

Source: Management

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Currency: ₹ cr	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12
Fixed assets								
Net block of fixed assets (NFA)	97,669	90,883	84,096	77,309	70,522	63,735	56,948	50,161
Goodwill	13,931	13,931	13,931	13,931	13,931	13,931	13,931	13,931
Investments	-	-	-	-	-	-	-	-
Loans to related party	-	-	-	-	-	-	-	-
Current assets								
Trade receivables	762	762	762	762	762	762	762	762
Cash and bank balances	1,36,841	1,51,550	1,66,199	1,80,792	1,94,710	2,07,992	2,21,306	2,34,663
Other financial assets	-	-	-	-	-	-	-	-
Other current assets	667	667	667	667	667	667	667	667
	1,38,270	1,52,979	1,67,628	1,82,221	1,96,139	2,09,421	2,22,735	2,36,092
Current liabilities and provisions								
Provisions	-	-	-	-	-	-	-	-
Other current liabilities	30,643	28,391	26,140	23,888	21,637	19,385	17,134	14,883
	30,643	28,391	26,140	23,888	21,637	19,385	17,134	14,883
Net current assets (NCA)	1,07,627	1,24,588	1,41,488	1,58,333	1,74,502	1,90,036	2,05,601	2,21,209
Deferred tax asset	-	-	-	-	-	-	-	-
Unamortised finance charges	-	-	-	-	-	-	-	-
Loan funds								
Borrowings	43,763	42,421	40,918	39,232	37,342	35,224	32,850	30,188
Interest accrued but not due	-	-	-	-	-	-	-	-
Creditors for capital goods	-	-	-	-	-	-	-	-
	43,763	42,421	40,918	39,232	37,342	35,224	32,850	30,188
Deferred tax liability	19,974	18,157	16,295	14,397	12,485	10,563	8,616	6,648
Net worth	1,55,490	1,68,823	1,82,302	1,95,943	2,09,127	2,21,915	2,35,014	2,48,464
Represented by								
Equity	515	515	515	515	515	515	515	515
OCPS	78,140	78,140	78,140	78,140	78,140	78,140	78,140	78,140
Other equity	76,835	90,169	1,03,647	1,17,289	1,30,473	1,43,260	1,56,359	1,69,810
Total	1,55,490	1,68,823	1,82,302	1,95,943	2,09,127	2,21,915	2,35,014	2,48,464

Source: Management

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Currency: ₹ cr	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49	31-Mar-50	30-Sep-50
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	6
Fixed assets							
Net block of fixed assets (NFA)	43,374	36,587	29,800	23,182	17,911	12,640	8,431
Goodwill	13,931	13,931	13,931	13,931	13,931	13,931	13,931
Investments	-	-	-	-	-	-	-
Loans to related party	-	-	-	-	-	-	-
Current assets							
Trade receivables	762	762	762	762	762	762	-
Cash and bank balances	2,48,074	2,58,316	2,65,910	2,74,681	2,84,774	2,96,352	3,00,683
Other financial assets	-	-	-	-	-	-	-
Other current assets	667	667	667	667	667	667	-
	2,49,504	2,59,745	2,67,339	2,76,110	2,86,203	2,97,781	3,00,683
Current liabilities and provisions							
Provisions	-	-	-	-	-	-	-
Other current liabilities	12,631	10,380	8,129	5,878	3,627	1,376	-
	12,631	10,380	8,129	5,878	3,627	1,376	-
Net current assets (NCA)	2,36,872	2,49,365	2,59,210	2,70,232	2,82,576	2,96,405	3,00,682
Deferred tax asset	-	-	-	-	2,511	4,119	5,263
Unamortised finance charges	-	-	-	-	-	-	-
Loan funds							
Borrowings	27,205	23,861	20,113	15,911	11,201	5,921	1
Interest accrued but not due	-	-	-	-	-	-	-
Creditors for capital goods	-	-	-	-	-	-	-
	27,205	23,861	20,113	15,911	11,201	5,921	1
Deferred tax liability	4,662	2,749	899	(953)	-	-	-
Net worth	2,62,310	2,73,272	2,81,930	2,92,387	3,05,729	3,21,174	3,28,305
Represented by							
Equity	515	515	515	515	515	515	515
OCPS	78,140	78,140	78,140	78,140	78,140	78,140	78,140
Other equity	183,655	194,617	203,275	213,733	227,074	242,519	249,651
Total	2,62,310	2,73,272	2,81,930	2,92,387	3,05,729	3,21,174	3,28,305

Source: Management

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- The historical and projected working capital cycle of the Company as provided by the Management is tabulated as below:

Currency: ₹ cr	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
Operating NCA	(10,450)	(8,664)	(7,185)	(7,519)	(9,322)	(12,175)	(12,134)	(37,665)	(43,377)
Operating NCA / Net sales (%)	(136.8)	(74.0)	(46.4)	(44.9)	(50.1)	(50.6)	(50.4)	(119.3)	(128.5)
(Increase)/ Decrease in net working capital	-	(1,786)	(1,479)	333	1,803	2,852	(41)	25,531	5,712

Currency: ₹ cr	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36	31-Mar-37	31-Mar-38
Operating NCA	(44,995)	(42,736)	(40,477)	(38,220)	(35,969)	(33,717)	(31,465)	(29,214)	(26,962)
Operating NCA / Net sales (%)	(128.4)	(122.0)	(115.5)	(109.1)	(102.7)	(96.2)	(89.8)	(83.4)	(77.0)
(Increase)/ Decrease in net working capital	1,618	(2,259)	(2,259)	(2,257)	(2,252)	(2,252)	(2,252)	(2,252)	(2,252)

Currency: ₹ cr	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47
Operating NCA	(24,711)	(22,459)	(20,208)	(17,956)	(15,705)	(13,454)	(11,202)	(8,951)	(6,700)
Operating NCA / Net sales (%)	(70.5)	(64.1)	(57.7)	(51.3)	(44.8)	(38.4)	(32.0)	(25.6)	(19.1)
(Increase)/ Decrease in net working capital	(2,252)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)

Currency: ₹ cr	31-Mar-48	31-Mar-49	31-Mar-50	30-Sep-50
Operating NCA	(4,449)	(2,198)	53	-
Operating NCA / Net sales (%)	(12.7)	(6.3)	0.2	-
(Increase)/ Decrease in net working capital	(2,251)	(2,251)	(2,251)	53

Source: Management

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As informed by the Management,

Following is the Fibre Asset roll out of JDFPL:

Fibre Asset rollout: mn FPKM	FY21	FY22	FY23	FY24	FY25
NLD - Own Build	7.3	9.0	9.8	10.9	10.9
NLD - IRU	0.6	0.6	0.6	0.6	0.6
Intracity					
A	0.7	0.7	0.8	0.9	0.9
B	2.5	3.0	3.2	3.4	3.4
Others	6.2	7.4	8.1	8.3	8.3
Enterprise Access	0.1	0.1	0.1	0.1	0.1
FTTH	2.8	3.9	5.3	5.9	5.9
Total	20.2	24.7	27.8	30.1	30.1

Source: Management

Revenue

- ▶ As on 31 March 2024, RJIL is utilising ~65.7% of the total capacity and had contracted to utilise 68.0% of the total capacity. The fibre infrastructure in India is at nascent stage and the demand for data usage is growing exponentially due to increase in and 5G technology. From FY28 onwards, JDFPL expects to provide its fibre to third party service providers. The usage of fibre by other third-party customers is estimated to be ~11.2 % for FY28, 14.4% for FY29 and 16.0 % for FY30 and onwards. From FY30 and onwards, these third-party customers are projected to contribute ~31.3% of the total revenue generated of JDFPL.
- ▶ The revenue of JDFPL constitutes of amortisation of upfront fibre fees, monthly fibre fees and monthly maintenance fees.

Upfront Fiber Fees

- ▶ Prior to the amendment dated 27 September 2021, RJIL has paid INR 17,010 cr (“Upfront Fiber Fees”), which will be amortized over the life of the FUA w.r.t. to fibre off-take by RJIL under the FUA. Pursuant to the amendment to the FUA on September 27, 2021, RJIL shall pay only Monthly Fibre Fees to JDFPL for all additional fibre taken up by RJIL after September 27, 2021. As of 31 March 2024, the total unamortized Upfront Fiber Fees amounted to INR 14,252 cr. It is also expected that the Third-party customers will be required to pay upfront fibre fees.

Monthly Fiber Fees

- ▶ JDFPL further charges a monthly fiber fee (“Monthly Fiber Fees”) which is charged as per the terms of the FUA.
- ▶ As mentioned above, pursuant to the amendment to the FUA on September 27, 2021, RJIL shall pay only Monthly Fibre Fees to JDFPL for all additional fibre taken up by RJIL after September 27, 2021. The Monthly Fiber Fees was accordingly increased to an extent that would set off the Upfront Fiber Fees that was otherwise payable under the FUA prior to its amendment.
- ▶ Since RJIL is the primary tenant and utilizes ~65.7% of the total available fibre as at Valuation Date and is projected to increase its usage to ~68.0% in the explicit period, hence, RJIL has been given a discount of ~60% to the rate card. It is expected that JDFPL will charge a premium of 10% to the rate card fees to other third-party customers as requirements from third party customers would be more diverse and scattered.

Monthly Maintenance Fees

- ▶ Monthly maintenance fees are also charged to RJIL as set out in the FUA (“Monthly Maintenance Fees”). Similarly, it is projected that the third-party customers would also have to pay monthly maintenance fee.

Expenses

Operation and Maintenance Expense

- ▶ The operation and maintenance expense as per the terms of O&M Agreement between Jio Digital Fibre Private Limited and Jio Infrastructure Management Services Limited and Reliance Projects & Property Management Services Limited effective for the period from 29 September 2020 to 28 September 2050 has been considered.

Capital expenditure

- ▶ JDFPL have not forecasted to incur capex towards laying of additional optic fibre cables in the business plan provided to us. Further, there will be no capex towards maintenance of the fibre as the same will be covered in the terms of O&M Agreement.

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VII. Basis and Premise of Valuation

1. Basis of Valuation

Valuation Base means the indication of the type of value being used in an engagement. In the present case, we have determined the fair value of JDFPL at the enterprise level and equity level. Further, we have determined the fair value of Staggered Loan. Fair Value Bases defined as under:

Fair Value

For this valuation, we have considered the International Valuation Standards, 2022 (“IVS”) and have adopted a definition of Market Value as given in IVS 104, “Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The Fair Value referred elsewhere in the Report is same as Market Value as defined above.

2. Valuation Date

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time inter-alia due to changes in the condition of the asset to be valued and market parameters. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the valuation of the Valuation Subjects is 31 March 2024. Our Report does not take account of events or circumstances arising after Valuation Date and we have no responsibility to update the Report for such events or circumstances.

3. Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. For the purpose of this valuation, the valuation is based on ‘Going Concern’ premise.

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VIII. Valuation Methodology - For Enterprise valuation of JDFPL

To determine the value of enterprises, three traditional approaches can be considered:

A. Market approach

The market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued.

B. Income approach

The income approach determines the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit.

C. Asset approach

The asset approach seeks to determine the business value based on the value of its assets.

The following methods have been considered for determination of enterprise value of JDFPL as at the Valuation Date.

Methodology	Weights	Remarks
Income Approach – Discounted Cash Flows Method	100.0%	▶ DCF method has been considered based on financial projections prepared by the Management.
Market Approach – Comparable Companies’ Multiple Method	-	▶ There are no listed companies which are comparable to JDFPL in terms of nature of operation, size and scale. Hence, Companies’ Multiple Method has not been considered for valuation analysis.
Market Approach – Comparable Transactions’ Multiple Method	-	▶ There has not been any recent transaction in comparable companies with similar size and scale of operations for which adequate information is available in public domain. Hence, Comparable Transactions’ Multiple Method has not been considered for valuation analysis.
Cost Approach – Net Asset Value Method	-	▶ Asset values are generally not a true indicator of the future distributable cash flow / the profit generating ability of a business. NAV of JDFPL has been computed and presented for information only.

IX. Valuation Analysis - For Enterprise valuation of JDFPL

Discounted Cash Flow method

- ▶ Free Cash Flow to Firm approach under DCF method has been considered to determine the enterprise value of JDFPL.
- ▶ The business plan covers explicit forecast period from 01 April 2024 to the end of the FUA i.e., 29 September 2050. Since, the FUA is for a fixed term upto 29 September 2050 and given the probability of technological development and life of Fiber Asset, we have not considered terminal value for our valuation analysis.

Discount Rate

- ▶ The application of the income approach requires the determination of an appropriate discount rate at which future cash flows are discounted to their present value as of Valuation Date.
- ▶ The Weighted Average Cost of Capital (WACC) is based on the current capital structure of JDFPL. For the estimation of the cost of equity, the capital asset pricing model ("CAPM") is applied.

Mid-Year Discounting Convention

- ▶ EY DCF approach assumes that the cash flows occur evenly during each of the measurement period (and not at the end of the year); therefore, the discounting rate is adjusted to value the cash flows at midpoint of the measurement period.

Calculation of WACC is as follows:

Particulars	Weights (%)	Rate (%)	Remarks
Cost of Equity and OCPS	34.8	17.7	Refer Note 1
Cost of Staggered Loan	8.7	12.8	Refer Note 2
Cost of Fixed Rate Loan	14.6	9.6	Refer Note 3
Cost of non-convertible debentures ("NCD")	0.8	7.0	Refer Note 4
Cost of Bank Loans	41.1	6.4	Refer Note 5
Cost of RPS	0.001	0.01	Refer Note 6
WACC	100.0	11.3	

* The weights are based on current capital structure of JDFPL.

Note 1: Cost of Equity and OCPS

For the estimation of the cost of equity, the capital asset pricing model (“CAPM”) is applied.

Particulars	Rate (%)	Remarks
Risk free rate (Rf)	7.0	Current YTM of Government Bonds with 10 years residual maturity (rounded).
Beta (β)	1.52	Beta computation has been presented in the table below. In absence of listed comparable companies in India, companies engaged in providing telecom infrastructure as a service in India, for which the relevant data was available have been considered to compute beta. Re-levered beta (based on a three-year data considering weekly returns) has been considered for the analysis.
Market Risk Premium (MRP)	7.0	Based on EY understanding of the expected MRP in India.
Cost of Equity (Re)	17.7	Re = Rf + (β * MRP)

Beta

Currency: ₹ cr	Equity beta	Market capitalisation	Net debt	Enterprise value	Debt-equity ratio based on 3 year average	Effective tax rate (%)	Unlevered beta	Re-levered beta #
Indus Towers Limited	1.20	71,748	17,896	89,644	34	25.2	0.95	1.43
Tata Communications Limited	1.23	55,546	4,444	59,989	18	25.2	1.08	1.61
Average								1.52

For the purpose of calculation of re-levered beta, the debt equity ratio of 40:60 has been considered based on the average Debt equity ratio of JDFPL over the explicit period.

The OCPS are in the nature of redeemable, cumulative, participating and optionally convertible preference shares and the holders of the OCPS shall be entitled to surplus assets of JDFPL either on winding up or liquidation or otherwise. Hence, the cost of equity has been considered as cost of OCPS.

The weight of equity and OCPS is based on the total value of the equity and OCPS arrived at based on the valuation analysis.

Note 2: Cost of Staggered Loan

Based on the discussions with the Management and based on the agreement pertaining to the Staggered Loan, we understand that the returns Staggered Loan can be bifurcated into two components:

- i) Payment of fixed Interest and repayment of principal: The payment of fixed interest on the Staggered Loan and the repayment of the principal amount had an IRR of 13.4% on 12 December 2021 i.e. when the latest tranche of loan of INR 4,783 cr was given by the Trust from the proceeds of Rights Issue. However, the loan has a progressively increasing interest rate i.e. the initial interest rate will be lower and the same will keep on increasing after specific periods.
- ii) Additional Interest - Variable payments: The agreement of the Staggered Loan provides that, the cashflow of JDFPL after payments of operating expenses, payments & repayment of interest and principal on the loans other than the Staggered Loan, payment & repayment of base fixed interest and principal on Staggered Loans and payments of unpaid obligations of any loan, will be distributed to the lenders of the Staggered Loan and earmarked for OCPS holders in the following manner:
 - a. for the period of first 10 years from the Drawdown Date of the Staggered Loan –

- i. in the ratio of 90:10 between lenders of Staggered Loan and OCPS holders if the expected IRR of the unit holders of the Trust is between 9.5% to 10.0%; and
 - ii. in the ratio of 5:95 between lenders of Staggered Loan and OCPS holders if the expected IRR of the unit holders of the Trust is equal to or greater than 10.0%
- b. for the period after the first 10 years from the Drawdown Date till the final repayment date of the Staggered Loan –
- i. in the ratio of 50:50 between lenders of Staggered Loan and OCPS holders if the expected IRR of the unit holders of the Trust is between 10.0% to 11.5%; and
 - ii. in the ratio of 10:90 between lenders of Staggered Loan and OCPS holders if the expected IRR of the unit holders of the Trust is equal to or greater than 11.5%

The IRR on the Staggered Loan and Fixed Rate Loan is more than 12.0%. Hence, the Management expects that the additional interest towards the Staggered Loan will be in the ratio of 5:95 between lenders of Staggered Loan and OCPS holders for the first 10 years and 10:90 between lenders of Staggered Loan and OCPS holders for next 20 years.

The lenders of the Staggered Loan are expected to receive the above-mentioned additional interest accordingly.

Based on the above terms of the Staggered Loan, we understand that the risk and return profile of the Staggered Loan includes both equity as well as debt. Hence, for the purpose of our valuation analysis the cost of Staggered Loan has been arrived as follows:

Particulars	Rate (%)	Remarks
Cost of Staggered Loan (pre-tax)	17.2	
Tax rate	25.2	As informed by the Management, the tax benefit is available on the fixed interest as well as additional variable interest.
Cost of Staggered Loan (post-tax)	12.8	

The weight of Staggered Loan is based on the value of Staggered Loan arrived at based on the valuation analysis. Refer Section "X. Valuation Analysis - For valuation of Staggered Loan" for valuation of Staggered Loan.

Note 3: Cost of Fixed Rate Loan

Particulars	Rate (%)	Remarks
Cost of Fixed Rate Loan (pre-tax)	12.8	The pre-tax cost of the Fixed Rate Loan is considered as the IRR of the loan on 04 February 2022 (i.e. the date when the additional loan of INR 1,431 cr was granted). The loan is unsecured and the remaining tenure of the loan is ~ 26 years.
Tax rate	25.2	
Cost of Staggered Loan (post-tax)	9.6	

Note 4: Cost of non-convertible debentures

Particulars	Rate (%)	Remarks
Cost of NCD (pre-tax)	9.3	The pre-tax cost of the non-convertible debentures is considered as the IRR of the NCD as on the date of issue of NCD i.e. 27 June 2023. The NCD are secured. The remaining tenure of the NCD is ~ 5 years.
Tax rate	25.2	
Cost of NCD (post-tax)	7.0	

Note 5: Cost of Bank Loans

Particulars	Rate (%)	Remarks
Cost of Bank loans (pre-tax)	8.5	Based on the marginal cost of bank loans as informed by the Management.
Tax rate	25.2	
Cost of Bank Loans (post-tax)	6.4	

As informed by the Management, JDFPL is expected to borrow INR 14,086 cr from banks in FY25 to pay to the capital creditors. The same has been considered to assign weight to the bank loan in calculation of WACC.

Note 6: Cost of Redeemable Preference Shares

Particulars	Rate (%)	Remarks
Cost of RPS (pre-tax)	0.01	Based on the coupon rate of RPS as informed by the Management.
Tax rate	25.2	
Cost of RPS (post-tax)	0.01	

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Enterprise valuation of JDFPL as per DCF method

Currency: ₹ cr	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34
Number of months	12	12	12	12	12	12	12	12	12	12
Net sales	18,611	24,054	24,054	31,583	33,749	35,041	35,041	35,041	35,039	35,034
Operating expenses	(2,009)	(2,031)	(2,054)	(2,077)	(2,101)	(2,124)	(2,148)	(2,172)	(2,196)	(2,221)
EBITDA	16,602	22,023	22,000	29,505	31,648	32,916	32,893	32,869	32,843	32,813
Depreciation and amortisation	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)	(7,051)
EBIT	9,552	14,973	14,950	22,455	24,597	25,866	25,842	25,819	25,792	25,763
Tax expense	-	-	-	(3,402)	(6,655)	(7,172)	(7,333)	(7,470)	(7,584)	(7,679)
Debt free net income	9,552	14,973	14,950	19,052	17,943	18,694	18,509	18,349	18,208	18,083
Add: Depreciation and amortisation	7,051	7,051	7,051	7,051	7,051	7,051	7,051	7,051	7,051	7,051
(Increase)/ Decrease in net working capital	1,803	2,852	(41)	25,531	5,712	1,618	(2,259)	(2,259)	(2,257)	(2,252)
Less: Capital expenditure	-	-	-	-	-	-	-	-	-	-
Debt free cash flow	18,405	24,875	21,959	51,634	30,705	27,363	23,301	23,141	23,002	22,882
Discount rate (%)	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Present value factor- Mid year discounting	0.95	0.85	0.76	0.69	0.62	0.55	0.50	0.45	0.40	0.36
Present value debt free cash flow	17,444	21,177	16,792	35,466	18,944	15,164	11,599	10,347	9,238	8,255
Present value for explicit period	2,23,745									
Enterprise value	2,23,745									
Advance tax (net of provision)	5									
Adjusted enterprise value	2,23,750									

Currency: ₹ cr	Mar35	Mar36	Mar37	Mar38	Mar39	Mar40	Mar41	Mar42	Mar43	Mar44
Number of months	12	12	12	12	12	12	12	12	12	12
Net sales	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034	35,034
Operating expenses	(2,246)	(2,271)	(2,297)	(2,324)	(2,351)	(2,378)	(2,406)	(2,435)	(2,464)	(2,493)
EBITDA	32,788	32,762	32,736	32,710	32,683	32,656	32,628	32,599	32,570	32,541
Depreciation and amortisation	(7,051)	(7,051)	(6,952)	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)	(6,787)
EBIT	25,737	25,712	25,785	25,923	25,896	25,869	25,841	25,812	25,783	25,754
Tax expense	(7,760)	(7,828)	(7,884)	(7,931)	(7,969)	(8,001)	(8,026)	(8,047)	(8,063)	(8,076)
Debt free net income	17,978	17,884	17,901	17,992	17,927	17,868	17,814	17,765	17,720	17,677
Add: Depreciation and amortisation	7,051	7,051	6,952	6,787	6,787	6,787	6,787	6,787	6,787	6,787
(Increase)/ Decrease in net working capital	(2,252)	(2,252)	(2,252)	(2,252)	(2,252)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)
Less: Capital expenditure	-	-	-	-	-	-	-	-	-	-
Debt free cash flow	22,776	22,683	22,601	22,528	22,462	22,403	22,350	22,301	22,255	22,213
Discount rate (%)	11.3	11.3	11.3	11.3	11.34	11.34	11.34	11.34	11.34	11.34
Present value factor- Mid year discounting	0.32	0.29	0.26	0.23	0.21	0.19	0.17	0.15	0.14	0.12
Present value debt free cash flow	7,381	6,603	5,909	5,291	4,738	4,245	3,804	3,409	3,056	2,740

Currency: ₹ cr	Mar45	Mar46	Mar47	Mar48	Mar49	Mar50	Sep50
Number of months	12	12	12	12	12	12	6
Net sales	35,034	35,034	35,034	35,034	35,034	35,034	17,360
Operating expenses	(2,523)	(2,554)	(2,586)	(2,618)	(2,650)	(2,684)	(1,358)
EBITDA	32,510	32,480	32,448	32,416	32,383	32,350	16,002
Depreciation and amortisation	(6,787)	(6,787)	(6,787)	(6,618)	(5,271)	(5,271)	(4,209)
EBIT	25,723	25,693	25,661	25,798	27,112	27,079	11,793
Tax expense	(8,086)	(8,092)	(8,097)	(8,099)	(8,100)	(8,099)	(3,991)
Debt free net income	17,638	17,600	17,564	17,699	19,012	18,980	7,802
Add: Depreciation and amortisation	6,787	6,787	6,787	6,618	5,271	5,271	4,209
(Increase)/ Decrease in net working capital	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)	(2,251)	54
Less: Capital expenditure	-	-	-	-	-	-	-
Debt free cash flow	22,173	22,136	22,100	22,066	22,032	22,000	12,065
Discount rate (%)	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Present value factor- Mid year discounting	0.11	0.10	0.09	0.08	0.07	0.06	0.06
Present value debt free cash flow	2,457	2,203	1,976	1,772	1,589	1,425	721

- ▶ Enterprise value of JDFPL as per DCF method is estimated to be INR 2,23,750 cr.

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X. Valuation Analysis - For valuation of Staggered Loan

The key terms of the Staggered Loan have been explained in section “IX. Valuation Analysis - For Enterprise valuation of JDFPL” of the Report. Considering the terms of the Staggered Loan, DCF method has been considered for valuation of Staggered Loan, based on financial projections prepared by the Management.

Discounted Cash Flow method

- ▶ The payment of fixed interest, principal repayment and additional interest (variable payments) till the end of tenure of the Staggered Loan i.e. upto 27 September 2050 has been considered. The additional interest on Staggered Loan is based on the business plan. The business plan covers explicit forecast period from 01 April 2024 to the end of the FUA i.e., 29 September 2050.

Discount Rate

- ▶ The application of the income approach requires the determination of an appropriate discount rate at which future cash flows are discounted to their present value as of Valuation Date.
- ▶ The discount rate is based on the pre-tax cost of Staggered Loan. The calculation of pre-tax cost of Staggered Loan is explained in section “Valuation Analysis - For Enterprise valuation of JDFPL”.

Valuation of Staggered Loan as per DCF method

- ▶ The present value of the payment of fixed interest, principal repayment and additional interest (variable payments) till the end of tenure of the Staggered Loan i.e. upto 27 September 2050 discounted using the pre-tax cost of Staggered Loan is INR 19,615 cr.

Currency: INR cr	Value
Sum of total payments towards Staggered Loan over the balance tenure of the Loan	1,47,947
Pre-tax Cost of Staggered Loan (%)	17.2
Present Value	19,615

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XI. Valuation Analysis - For equity value of JDFPL

As mentioned under section “IX. Valuation Analysis - For Enterprise valuation of JDFPL” of the Report, the OCPS are participating in nature.

The value of equity shares and OCPS is as follows:

Currency: ₹ cr	Notes	Weights (%)	Value
Enterprise value (value of business operations)			
Discounted cash flows method	1	100.0	2,23,750
Assets value method	2	-	1,75,902
Enterprise value			2,23,750
Adjustment for non-operating items			
Less: Staggered Interest Loan	3		(19,615)
Less: Fixed Rate Loan			(33,131)
Less: Interest accrued but not due on borrowings			(171)
Less: Creditors for capital goods			(13,781)
Less: Bank loans			(79,008)
Less: NCD			(1,816)
Add: Investment			2,212
Add: Loans and advances			280
Add: Cash and cash equivalents			147
Value of equity shares and OCPS			78,864

Note 1: Before adjusting for gross debt, all surplus cash balances, other non-operating items

Note 2: NAV + gross debt – all surplus cash balances – book value of surplus assets.

Note 3: Refer section “X Valuation Analysis - For valuation of Staggered Loan”

Based on the above, the total value of OCPS and equity shares is higher than the face value of equity shares and OCPS. Hence, based on the explanations provided to us by the Management, the face value of equity shares will be receivable by equity shareholders and the upside in the value will accrue to OCPS. Hence, the equity value of JDFPL is estimated to be INR 515 cr.

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XII. Other disclosures as required under SEBI InvIT Regulations

1. Latest pictures of the project and the date of inspection

- ▶ Owing to the spread of the Fibre Assets over 9,00,000 kms and the nature of the assets being deployed under the ground, it was not possible to physically verify the whole of the Fibre Assets. hence our verification team had visited the Node IDs on sample basis in Mumbai, Delhi, Kolar, Bangalore, Navi Mumbai and Pune.
- ▶ We have visited the control room located at Reliance Corporate Park in Navi Mumbai, Maharashtra. However, it has limited access and permission restrictions being a sensitive site from operations perspective and hence we were not allowed to take the pictures of the same.
- ▶ The following are the site visits undertaken:

Sr. No.	Maintenance Point	Span / Link / Node ID	Type of Network	Type of Node	Start Point	End Point	Date of visit
01	Mumbai	MUMB_0076	Intracity	AG2	Reliance Corporate Park (RCP), Ghansoli	Bhandup	22-Apr-24
02	Mumbai	MUMB_0018	Intracity	AG2	Sewari	Nariman Point	22-Apr-24
03	Kolar	KABGPKABGPLSPR002_BU	Intercity	T-Node	Bandarapalli	Lakkasandra	23-Apr-24
04	Kolar	KABTHGKARBRPSPS001_BU	Intercity	AG1	Bethamangala	Robertsonpet	23-Apr-24
05	Kolar	KAGBNDKACKBPSR001_BU	Intercity	T-Node	Doddapyalagurki	Dibbur	23-Apr-24
06	Mumbai	MUNVMBMUKLYNSPN001_BU	Intercity	AG2	RCP, Ghansoli	Kalyan	23-Apr-24
07	Mumbai	MUMB_0088	Intercity	AG2	Kalyan	Dombivali	23-Apr-24
08	Delhi	DLHI_5325	Intracity	CSS	NSG Camp	NSG Camp	24-Apr-24
09	Delhi	DLHI_5321	Intracity	CSS	Sector 76, Gurgaon	Sector 76, Gurgaon	24-Apr-24
10	Delhi	DLHI_0296	Intracity	AG1	Badshahapur	Bhosari	24-Apr-24
11	Delhi	HRRWRIDLGRGNPN008	Intercity	AG2	Sector 37, Gurgaon	Manesar	24-Apr-24
12	Bangalore	BGLR_1409	Intracity	AG1	Hoskote	Whitefield	24-Apr-24
13	Bangalore	BGLR_0073	Intracity	AG2	Devasandra	MCN	24-Apr-24
14	Bangalore	BGLR_1563	Intracity	AG1	Hoskote	Katamnallur	24-Apr-24
15	Pune	MHIDPRMHBCMSPS001_BU	Intercity	Tower Node	Bawada	Surwad	24-Apr-24
16	Pune	MHBRMTMHKZESPS001_BU	Intercity	Tower Node	Korahale	Vadgaon	24-Apr-24
17	Pune	MHMHADMHBHORSPO001_BU	Intercity	AG1- ILA	Bhor	Mahad	24-Apr-24
18	Pune	MHSSWDMHPURDPS001_BU	Intercity	Tower Node	Saswad	Purandar	24-Apr-24
19	Pune	MHMADDMHRJRISP004_BU	Intercity	AG1- ILA	Rajuri	Madha	25-Apr-24
20	Pune	PUNE_0010	Intracity	AG2	Hinjewadi	Akurdi	25-Apr-24
21	Pune	PUNE_1245	Intracity	Tower Node	Wadgaon Sheri	Chandan Nagar	25-Apr-24
22	Pune	PUNE_1226	Intracity	Tower Node	Yerwada Road	Vishrant Wadi	25-Apr-24
23	Delhi	DLDLHIHRBDGHSPN001_BU	Intracity	AG2	Vikaspuri	Bahadurgarh	25-Apr-24
24	Delhi	DLHI_1954	Intracity	CSS	Greenfield	Ankeer Circle	26-Apr-24
25	Delhi	DLHI_0546	Intracity	AG1	Sarai	Bahadurpur	26-Apr-24
26	Delhi	DLHI_0016	Intracity	AG2	Sector 56, Faridabad	Sector 6, Faridabad	26-Apr-24
27	Navi Mumbai	NVMB2501	FTTH	-	Mehta Apartments	Nerul	26-Apr-24
28	Navi Mumbai	NVMB2527	FTTH	-	Millenium Icon	Kamothe	26-Apr-24
29	Navi Mumbai	NVMB2517	FTTH	-	Chamunda Krupa	Kamothe	26-Apr-24

- ▶ The photographs taken during site visits are provided in Appendix 2.

2. The nature of the interest the Trust holds or proposes to hold in the project, percentage of interest of the Trust in the project

The Trust holds investment in the following:

- ▶ 51% equity stake in JDFPL which comprise of 5,15,00,00,009 equity shares.
- ▶ Fixed Rate Loan of INR 33,131 cr outstanding in the books of JDFPL.
- ▶ Staggered Loan of INR 19,489 cr outstanding in the books of JDFPL.

3. Purchase price of the project by the Trust

As informed by the Management, the Trust acquired the equity shares of JDFPL for INR 263 cr and JDFPL taken loans aggregating to INR 52,620 cr from Trust.

4. Valuation of the project in the previous 3 years;

Summary of Enterprise Value Changes over Valuation Dates

Currency: ₹ cr	31-Mar-24	31-Mar-23	31-Mar-22	30-Sep-21	31-Mar-21
Enterprise value of JDFPL	2,23,750	2,08,646*	2,02,929*	1,92,946*	1,85,206*

*As provided by the Management

5. List of one-time sanctions/approvals which are obtained or pending

As informed by the Management, JDFPL has obtained an Infrastructure Providers Category - I (IP-I) registration on 06 March 2019

6. List of up to date/overdue periodic clearances

As informed by the Management, JDFPL is not required to obtain any periodic clearances.

7. Statement of assets included

The following are the assets of JDFPL as at the Valuation Date:

Currency: ₹ cr	Value
Net Block of Tangible Asset	1,47,093
Net block of Intangible Assets	56,066
Non-Current Assets	3,910
Current Assets	5,709
Total Assets	2,12,778

8. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion

- ▶ As informed by the Management, the Fibre Assets are relatively new, hence, no major repairs were required to be done in the historical period.
- ▶ As per the O&M Agreement, going forward, all major maintenance cost will be borne by the Operator. Accordingly, we understand that JDFPL would not have to incur any major repair costs.

9. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any

- ▶ As informed by the Management, JDFPL does not have material dues including local authority taxes (sum as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities.

10. On-going and closed material litigations including tax disputes in relation to the assets

- ▶ As informed by the Management, as at the Valuation Date, there are no on-going and closed material litigations including tax disputes in relation to JDFPL.

11. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control

- ▶ As informed by the Management, JDFPL is not vulnerable to natural or induced hazards which have not been considered in town planning/building control.

12. Any other matters which may affect the project or its value

- ▶ As informed by the Management, there are no other matters which may affect JDFPL or its value.

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XIII. Appendix

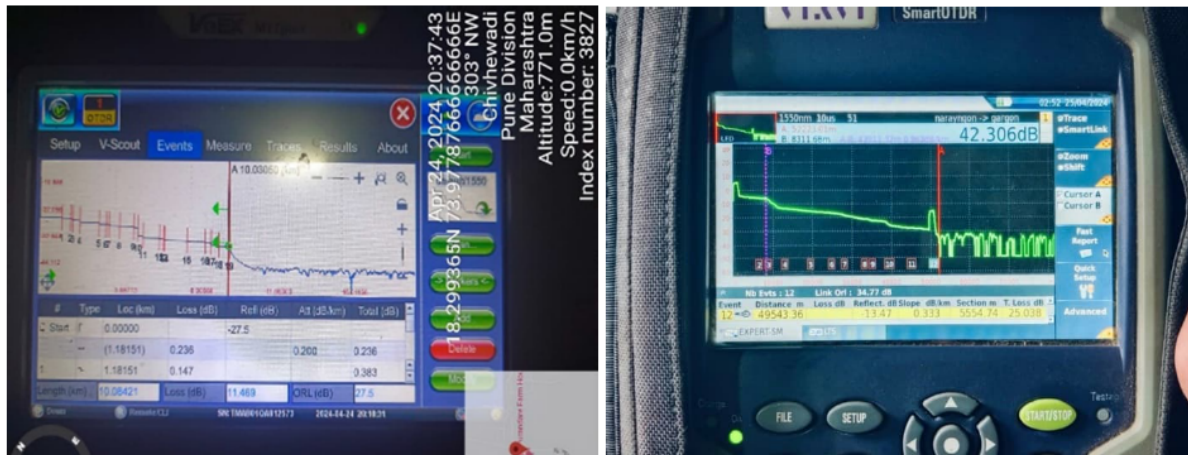
1. The list of agreements provided are as below

1. Amended and restated fiber and duct use agreement dated 21 September 2020, including all amendments thereto.
2. Amended and restated operation and maintenance agreement dated 21 September 2020, including all amendments thereto.
3. Amended and restated project execution agreement dated 21 September 2020, including all amendments thereto.
4. Loan agreement dated 21 September 2020 between Trust and its Lenders, including all amendments thereto.
5. Trust Loan 1 Agreement dated 21 September 2020, including all amendments thereto.
6. Trust Loan 2 Agreement dated 21 September 2020, including all amendments thereto.
7. Trust Loan 3 Agreement dated 22 December 2020.
8. Shareholders' and option agreement dated 21 September 2020, including all amendments thereto Novation Agreement dated 22 December 2020.

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2. Photographs taken during the site visits

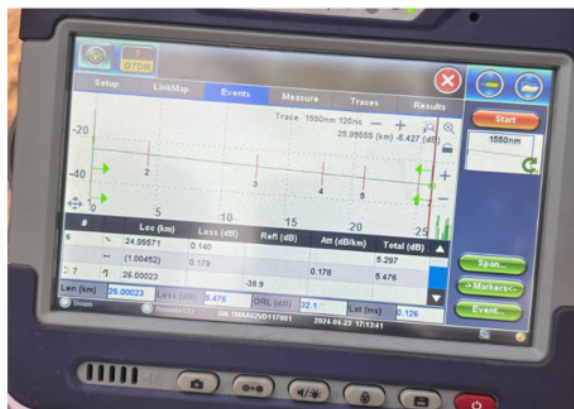
Site Visit Photographs: **OTDR**



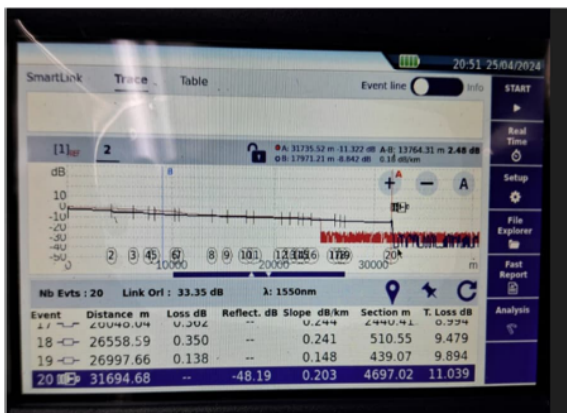
Saswad - Purandar



Rajuri - Madha



Doddapylagurki - Dibbar



Vikaspuri - Bahadurgrh



NSG Camp - NSG Camp



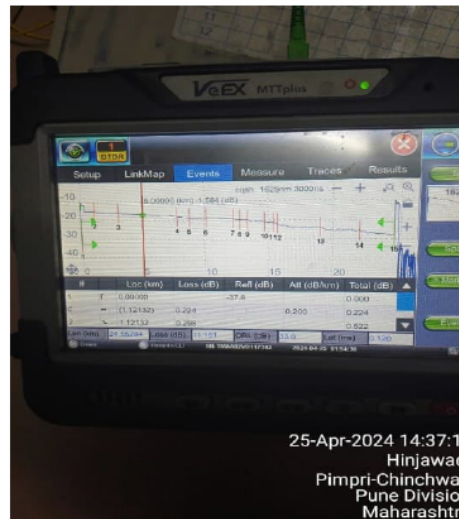
Chamundra Krupa – Kamothe



Mahad – Bhor



Bawada - Surwad

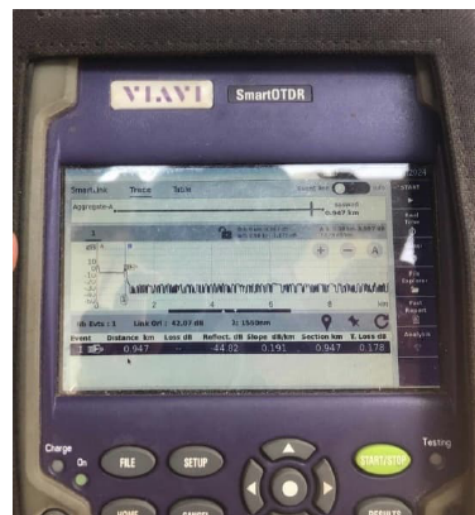


25-Apr-2024 14:37:11
Hinjawadi
Pimpri-Chinchwad
Pune Division
Maharashtra

Hinjawadi – Akurdi



Korahale BK - Vadgaon Nimbalkar

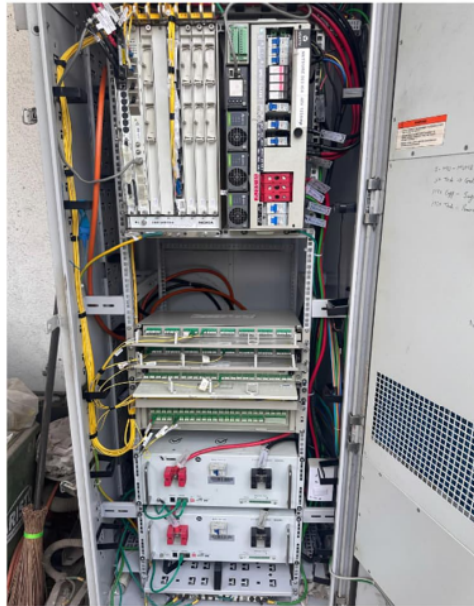


Wadgaon Sheri - Chandan Nagar

Site Visit Photographs: Fibre Termination Points (“FTP”) & others



RCP, Ghansoli - Kalyan



OLT – Millenium Icon - Kamothe



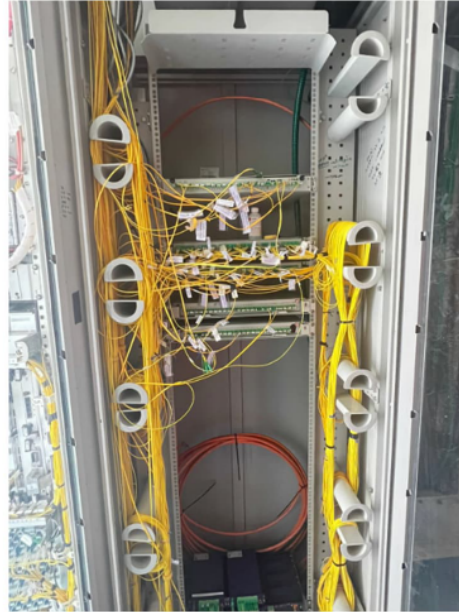
FTP – Sewari – Nariman Point



FTP – Korahale - Vadhgaoon



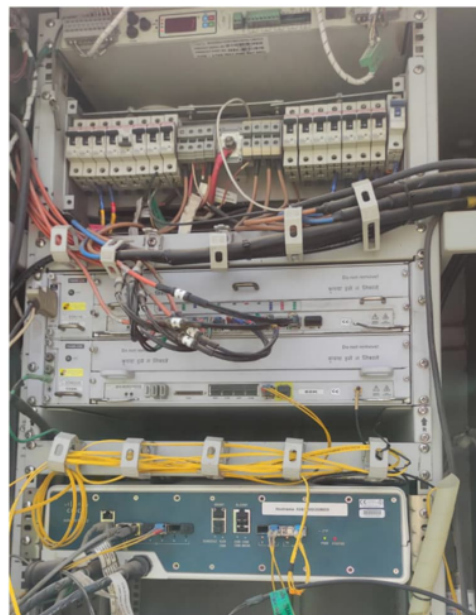
FTP – Bathamangala - Robertson Pet



FTP – Hoskote - Katamnalur



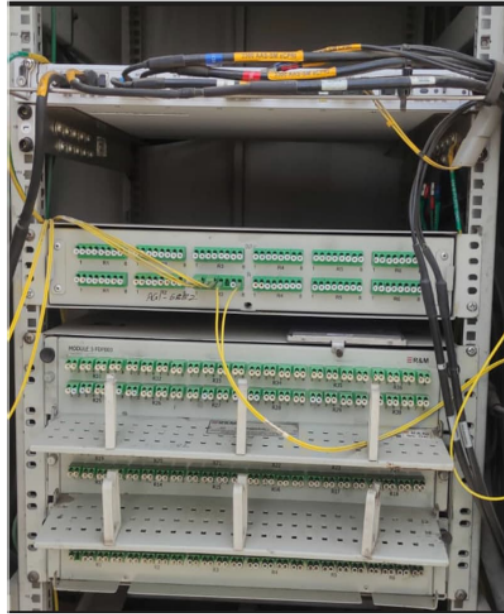
Sector 76, Gurgaon – Sector 76, Gurgaon



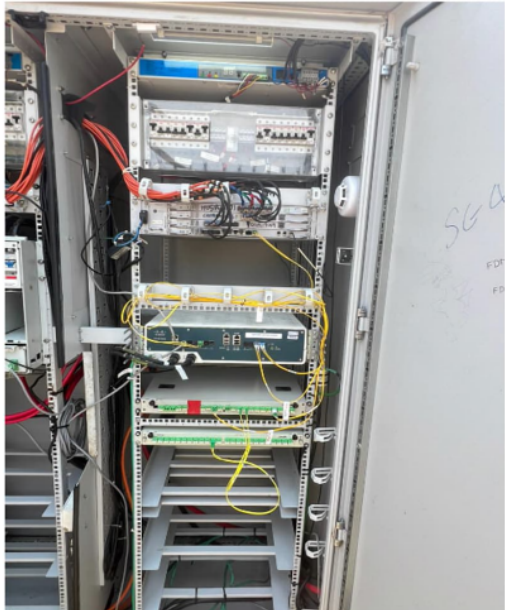
Greenfield – Ankeer Circle



Sector 56, Faridabad – Sector 6, Faridabad



Sarai - Bahadurpur



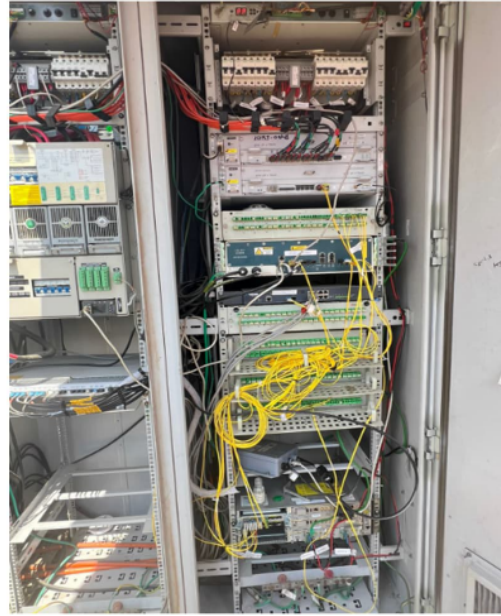
Bandarapalli - Lakasandra



Doddapyalagurki - Dibbar

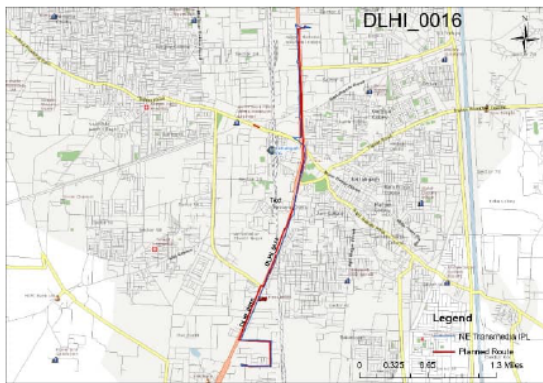


Devasandra - MCN



Hoskote market - Whitefield

As Built Drawings / Route Map:



Sector 56, Faridabad - Sector 6, Faridabad



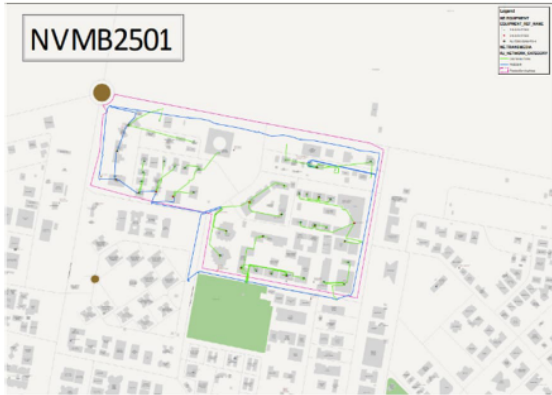
Sarai - Bahadurpur



RCP, Ghansoli - Kalyan



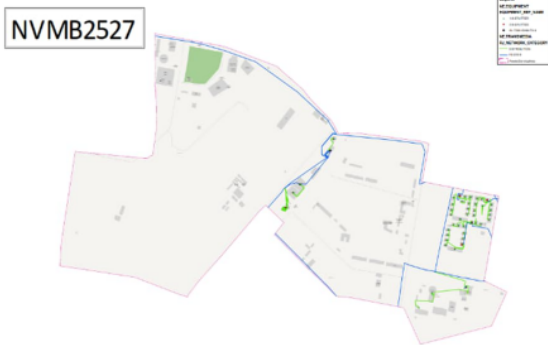
Devasandra - MCN



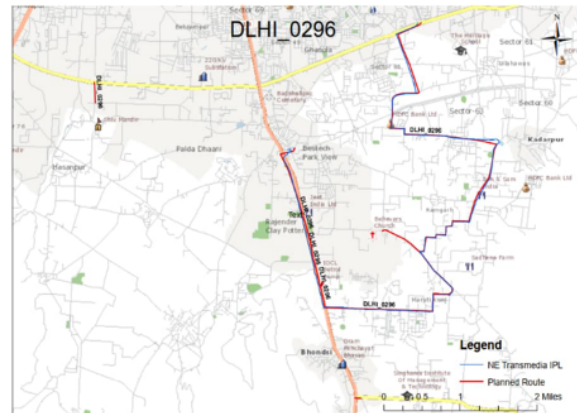
Mehta Apartments – Nerul



Chamundra Krupa - Kamothe



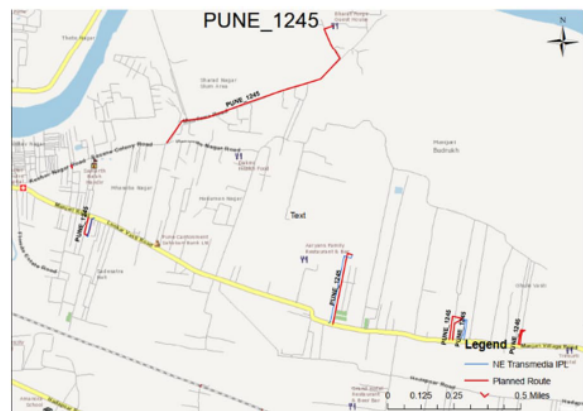
Millenium Icon - Kamothe



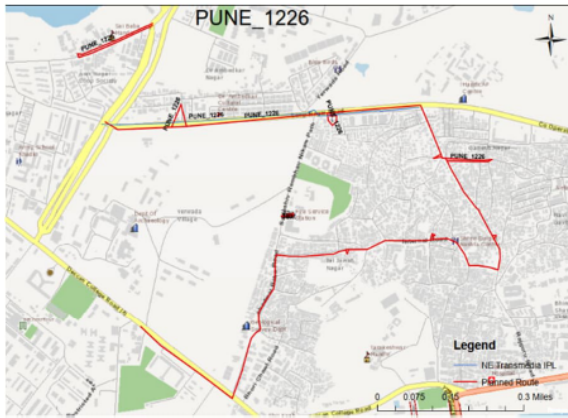
Bhadshahpur - Bhosdi



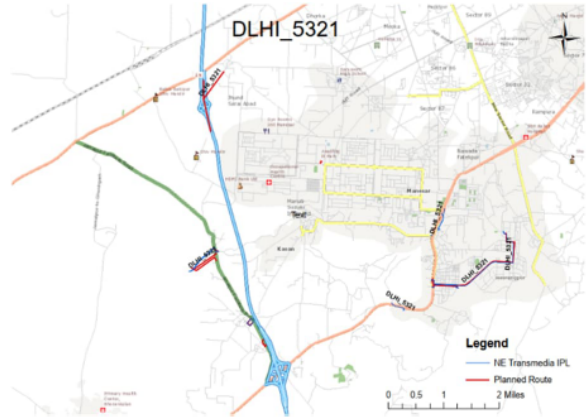
RCP, Ghansoli – Bhandup



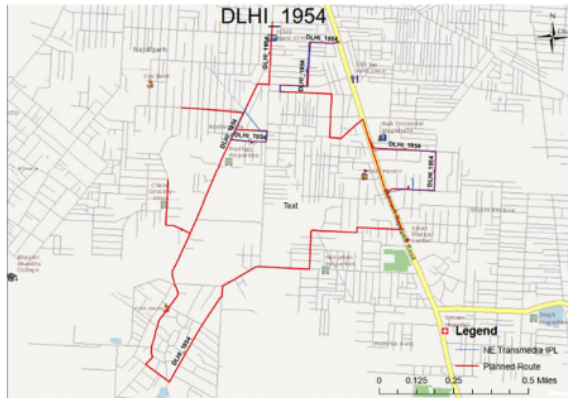
Wagon Sheri – Chandra Nagar



Yewada Road – Vishrant Wadi



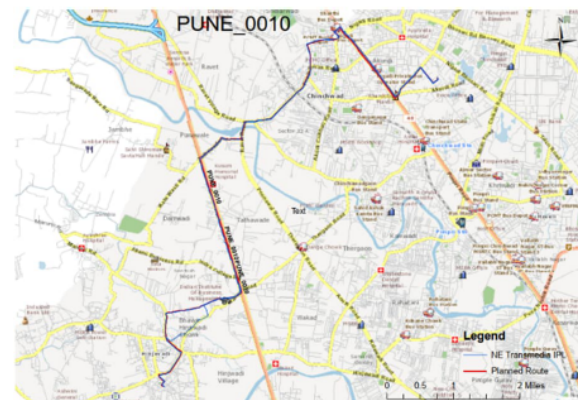
Sector 76, Gurgaon – Sector 76, Gurgaon



Greenfield – Ankeer Circle



Hoskote – Katamnallur



Hinjewadi – Ankurdi



Hoskote – Whitefield

3. Glossary

Abbreviation / Defined as	Explanation
ATSL / Trustee	Axis Trustee Services Limited
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CCM	Comparable Companies Multiple Method
Clients	IIIML and DFIT are collectively referred to as Clients
Contract Fibre	Existing contract ducts, balance contract ducts and any other empty ducts ordered and accepted by RJIL from time to time under the FUA
Cr	Crore
CTM	Comparable Transaction Multiple
DFIT / the Trust	Digital Fibre Infrastructure Trust
DMDT	Digital Media Distribution Trust
DoT	Department of Telecommunications
Equity Shares	Equity shares of JDFPL of face value INR 1.0/- each
EV	Enterprise Value
EY / Valuer	Ernst and Young Merchant Banking Services LLP
FCFF	Free Cash Flow to Firm
Fixed Rate Loan	Trust Loan 2 and Trust Loan 3 are collectively referred to as Fixed Rate Loan
FPKM	Fiber Pair Kilometer
Framework Agreement	Framework agreement dated 27 September 2021 entered into between the Trust (acting through the Trustee), the Investment Manager, JDFPL, RIL and RIIHL
FTTH	Fibre to the home
FUA	Amended and restated fiber and duct use agreement dated 21 September 2020 between JDFPL, RJIL and RPPMSL as amended vide amendment agreement dated 18 October 2020 and further amended vide 2nd amendment agreement dated 18 December 2020 and 3rd amendment agreement dated 27 September 2021
FY	Financial Year
GB	Gigabyte
Gbps	Gigabits per second
GSMA	Global System for Mobile Communications
IIIML / Investment Manager	Infinite India Investment Management Limited
INR / Rs. / ₹	Indian Rupees
Investment Management Agreement	The investment management agreement dated 31 January 2019 entered into between the Trustee and the Investment Manager as amended vide amendment agreement dated 21 September 2020 and further amended vide agreement dated 04 November 2020
InvIT Loan	Loans raised by the Trust amounting INR 33,131 crore in terms of the InvIT Loan Agreement
InvIT Loan Agreement	Agreement dated 21 September 2020 entered into between the Trust, RIIHL, SPTL and JUPPL as amended vide agreement dated 29 October 2020 and further amended vide amendment agreement dated 27 September 2021
IP-I	Infrastructure Providers Category - I
IRU	Indefeasible rights of use
IVS	International Valuation Standards, 2022
JIMSL / Project Manager	Jio Infrastructure Management Services Limited
Kbps	Kilobits per second
Last Mile Fibers	RJIL's last final stretch of optic fibre which connect's with the Fibre Assets at the nearest manhole / handhole / chamber
Management	The management of the Clients and JDFPL
Mbps	Megabits per second
Mn	Million

NCD	Non-convertible debentures of JDFPL
NCD	30,000 Zero Coupon Deep Discounted, Unlisted, Rated, Secured, Redeemable Non-Convertible Debentures – PPD4 of the Face Value of INR 10,00,000/- each, issued at a discounted price of INR 5,73,081.20/- each, for cash, aggregating INR 17,19,24,36,000
NLD	National Long Distance
Novation Agreement	Agreement dated 22 December 2020 between the Trust (acting through the Trustee), IIML (in its capacity as the Investment Manager of the Trust), JDFPL and RVL, pursuant to which the Trust novated the RVL Loan together with interest due thereon to JDFPL for a consideration of INR 280 cr
O&M Agreement	Amended and restated operations and maintenance agreement dated 21 September 2020 between JDFPL, JIMSL and RPPMSL Limited as amended vide agreement dated 18 October 2020 and further amended vide 2nd amendment agreement dated 27 September 2021
OCPS	0.01% Redeemable, cumulative, participating and optionally convertible preference shares
Offer / Units Issue	In September 2020, the Trust made an Initial offer of 1,47,06,00,000 ordinary units through a private placement at a price of INR 100 each per ordinary unit, aggregating to INR 14,706 cr
PB	PETABYTE
PCL	Platinum Compass B 2018 RSC Limited
PEA	Amended and restated project execution agreement dated 21 September 2020 between JDFPL, JIMSL and RPPMSL as amended vide agreement dated 18 October 2020 and further amended vide 2nd amendment agreement dated 27 September 2021
PIF	Public Investment Fund
PM	Placement Memorandum dated 29 September 2020
Purpose	Valuation of Valuation Subject required for disclosure to unit holders and regulatory filings under Chapter V Regulation 21(4) and Regulation 21(5) of the SEBI InvIT Regulations
RCP, Ghansoli	Reliance Corporate IT Park, Ghansoli
Right Issue	The Trust undertook right issue of its units in December 2021 and allotted 47,88,66,821 ordinary units at an issue price of INR 100 each to the existing unitholders and raised INR 4,789 cr
RIIHL / Sponsor	Reliance Industrial Investments and Holdings Limited
RIL / Operator / Contractor	Reliance Industries Limited
RJIL / Anchor Tenant	Reliance Jio Infocom Limited
RPPMSL	Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Projects Services Limited)
RPS	0.01% Cumulative, redeemable, non-participating and non-convertible preference shares
RVL	Reliance Ventures Limited
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and amendments thereto including any circulars and guidelines issued thereunder
SHOA	Shareholders and Option Agreement dated 21 September 2020 between the Trust (acting through its Trustee), the Investment Manager, RIL, RIIHL and JDFPL as amended vide agreement dated 29 October 2020
SPA	Share purchase agreement dated 31 March 2019 entered into between the Trust (acting through the Trustee), the Investment Manager, RIIHL, DMDT (acting through its trustee) and RIL
Trust Deed	Indenture of the Trust dated 31 January 2019 executed between RIIHL as the settlor and sponsor of the Trust and ATSL as the Trustee as amended vide amendment to Indenture of the Trust effective 21 September 2020 and as further amended vide amendment to indenture of Trust effective 04 November 2020
Trust Loan 1 / Staggered Loan	Loan given by the Trust to JDFPL amounting to INR 19,489 cr

Trust Loan 1 Agreement	Agreement dated 21 September 2020 entered into between the Trust and JDFPL as amended vide amendment agreement dated 29 October 2020 and further amended on 27 September 2021 and on 02 December 2021
Trust Loan 2	Loan given by the Trust to JDFPL amounting to INR 32,581 cr
Trust Loan 2 Agreement	Agreement dated 21 September 2020 entered into between the Trust and JDFPL as amended vide amendment agreement dated 29 October 2020 and further amended on 27 September 2021 and on 02 December 2021
Trust Loan 3	Loan given by the Trust to JDFPL amounting to INR 280 cr
Trust Loan 3 Agreement	Agreement dated 22 December 2020 entered into between the Trust and JDFPL
Valuation Date	31 March 2024
WACC	Weighted Average Cost of Capital