

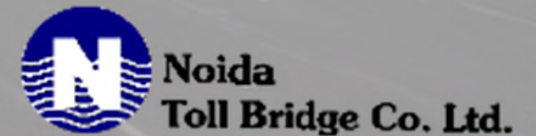


Noida Toll Bridge Company Limited

Investment Teaser



May 2024



Company Overview

Proposed Transaction

IL&FS Transportation Networks Limited (“ITNL”) is looking to exit by divesting its equity stake of 26.37% held in Noida Toll Bridge Company Limited (“NTBCL”) and 49.00% held in ITNL Toll Management Services Limited (“ITMSL”), a subsidiary of NTBCL.

Company Overview



NTBCL, an associate of ITNL, was incorporated to develop, construct, operate and maintain the **Delhi Noida Direct (DND) Flyway** on a build, own, operate and transfer basis. NTBCL is listed on National Stock Exchange and the Bombay Stock Exchange.



NTBCL and Infrastructure Leasing & Financial Services Limited (“IL&FS”) had entered into a Concession Agreement (“CA”) with New Okhla Industrial Development Authority (“Concessions Authority” or “NOIDA”).



Concession effective from December 30, 1998, with a concession period of 30 years from effective date. It is India’s first private green-field toll bridge project on a Public Private Partnership (“PPP”) format.



Pursuant to the judgement of the Hon’ble High Court of Allahabad, the collection of user fee from October 26, 2016, was suspended and currently the primary source of income is the income generated through lease of prime advertising space.



ITMSL, a 51.0% subsidiary of NTBCL, currently handles the operations and maintenance of the DND flyway. Also, 49.0% of ITMSL is owned by ITNL.

Note: For detailed transaction overview, kindly refer the Expression of Interest document. Please refer link: <https://www.ilfsindia.com/Sale-of-Shares-held-by-ITNL.aspx>

Source: Company Website and Public Records

Financial Snapshot of NTBCL (Consolidated)

Particulars (INR Cr.)	FY21	FY22	FY23	9M FY24
Revenue ¹	12.93	16.14	23.72	10.85
Total Operating Expense	9.44	13.99	18.09	9.00
EBITDA ²	3.49	2.15	5.63	1.85
Margin %	26.97%	13.29%	23.75%	17.05%
Other Income	0.69	1.10	3.10	2.48
Cash & Cash Equivalents	11.41	13.80	40.54	34.14
Asset Net Block ³	382.02	341.28	300.18	271.01
Total Debt ⁴	66.71	66.71	66.71	66.71

Note:

- FY 23- Revenue primarily comprises of revenue from advertisement space worth INR 20.54 Cr.
- EBITDA does not include overlay expenses provisions.
- FY 23-Intangible assets worth INR 296.32 Cr. form major part of the Asset Net Block
- FY 23-Debt includes unsecured short-term loan from ITNL worth INR 19.30 Cr. and secured term loan from ICICI Bank worth INR 47.41 Cr.

Shareholding Pattern

Shareholders as of March 31, 2024	Holding %
IL&FS Transportation Networks Ltd (Promoter)	26.37%
New Okhla Industrial Development Authority	5.37%
Public	68.26%
Total	100.00%

Key Asset Highlights

Business Highlights



The DND Flyway is a 9.2 km long, eight lane dual-carriageway connecting Noida to South Delhi.

The DND was opened to traffic in 2001, a 7.5 km. facility across the Yamuna river, connecting Noida to South Delhi. An additional 1.7 km. link connecting the DND to Mayur Vihar was commissioned in phases (Phase I in June 2007 and Phase II in January 2008).



The main advantage of using the bridge is the savings in time, distance and fuel consumption for commuters between South Delhi and Noida.

As per a Visual Inspection Report conducted in 2023, the actual traffic on the flyway was 2.35 lakh vehicles per day.



DND flyway is located at a premium destination and is commanding significant demand for its advertisement space.

The hoarding capacity across the flyway is approx. 62,659 sq ft with around 500 hoardings.

Presently, the advertisement contract has been awarded on February 15, 2023 (with different effective dates), to Times Innovative Media Ltd. (through a bid process).



The project has 32 Lane 200m wide fully computerized Toll Plaza with advertisement capacity. However, the user fee collection has been suspended and the matter is sub-judice (please refer current operational status section).

Corporate Office of NTBCL is located at the Toll Plaza, Noida UP and Registered Office is at Mayur Vihar Toll Plaza, New Delhi.

Current Operational Status of NTBCL

Concession related litigation:

- Allahabad High Court (“HC”), on October 26, 2016, directed NTBCL to stop collecting the user fee but refused to quash the CA.
- Subsequently, an SLP was filed before the Supreme Court (“SC”) seeking an interim stay. However, SC issued an interim order denying the interim stay and sought assistance of CAG to verify the recovery of Total Cost of the project in terms of CA. On Submission of the report by CAG, SC directed the report to be kept in sealed cover. The matter was last posted for hearing on April 12, 2024, and the next date of hearing is yet to be notified.
- Consequently, in 2018, NTBCL filed an arbitration against the Concessions Authority for modifications in CA and reinstatement of Company’s position as it was prior to change in law. However, the SC granted interim stay on said arbitration favoring the Concessions Authority in 2019. Post this NTBCL approached SC for vacation of this interim stay. Presently, the matter is sub-judice and the next date of hearing is yet to be notified.

Other Key Matters:

- In September 2021, the Concessions Authority issued a demand notice to NTBCL for INR 26.05 Cr., failing which Concessions Authority removed advertisement displays on the flyway. In January 2022, the SC allowed NTBCL to put up advertisements by paying INR 125 per sq ft per month to the Concessions Authority, subject to outcome of the SLP as mentioned above.
- NTBCL has been contesting an income tax demand including penalty of INR 23,127 Cr at ITAT. ITAT has allowed the appeal filed by NTBCL for some of the Assessment Years. As a result, approximately 72% of the total demand has been addressed and for pending appeals pertaining to balance Assessment Years, the matter is ongoing, and the next date of hearing is May 21, 2024.

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