



INFRASTRUCTURE
DEVELOPERS LTD.

CORPORATE PRESENTATION

APRIL 2017



- MEP Infrastructure Developers Ltd (MEP), is one of the leading players for OMT and Toll Collection projects in India.
- Founded in 2002 by current promoters Mr Dattatray Mhaikar and Jayant Mhaikar, MEP commenced operations with toll collection at five entry points to Mumbai for 6 years.
- MEP further added a portfolio of Toll collection projects over Short and Long term, together with OMT projects, and has recently forayed into road development / construction by participating in Hybrid Annuity Model road projects.

Company Overview



Business Mix



Tolling Projects

- 2 Long Term (LT) and 6 Short Term (ST) Tolling projects under management pan India
- 12 Toll Plazas across 7 states

Operate Maintain Transfer (OMT)

- Managing 3 OMT projects across India
- Covering 1,361 lane kms and 9 toll plazas

Hybrid Annuity Model (HAM)

- Awarded 6 HAM projects in Maharashtra (4) and Gujarat (2)
- Worth INR 38,369.9 mn covering 1,060 lane kms

Build Operate Transfer (BOT)

- 1 Long term BOT project with Toll Revenues under management
- Covering bridge, Ring Road and 5 toll plazas

- One of the largest OMT contracts at the five Mumbai Entry Points for a period of 16 years until 2026
- Toll collection projects such as HRBC- Vidyasagar Setu in Kolkata
- Six HAM projects (4 in Maharashtra and 2 in Gujarat) covering 1,060 lane kms

Key Projects



Financials



- **Total Revenue** grown from INR 12,149 Mn in FY14 to INR 20,068 in FY16;
- **Net Profit** grown from INR (1,292) Mn in FY14 to INR 263 Mn in FY16;
- **Cash Profit** grown from INR (256) Mn in FY14 to INR 1,816 Mn in FY16;



COMPANY OVERVIEW

Leading and Diversified Player

- Since commencing operations in 2002 from a pure toll collection business model, MEP has evolved into a diversified Infrastructure company having operations in OMT and Toll collections and its recent foray into construction with the win of six major Hybrid Annuity Model (HAM) projects.
- MEP has a successful track record of over 14 years of operational excellence pan India having operated in 12 states in India.
- The company has executed more than 120 projects over the years and has completed 111 projects including 210 toll plazas and 1,303 lanes
- MEP is backed by a strong promoter and professional management team.
- MEP's recent foray into road development / construction by participating in Hybrid Annuity Model road projects is through its Joint Venture with Sanjose India Infrastructure & Construction Pvt. Ltd. who are a reputed multinational infrastructure development company.
- As on 31st March 2017, MEP had a workforce strength at –
 - ~ 2,446 employees in Tolling and maintenance activities.
 - ~ 908 contract workforce at various toll plazas.

Strong Relationship With Statutory And Government Authorities



सड़क परिवहन और राजमार्ग मंत्रालय
MINISTRY OF ROAD TRANSPORT & HIGHWAYS
Government of India

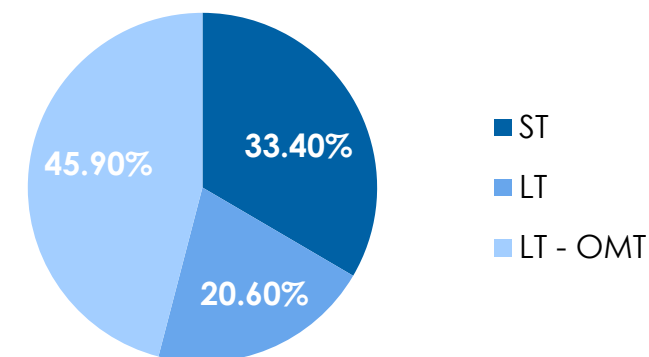


RIDCOR Limited

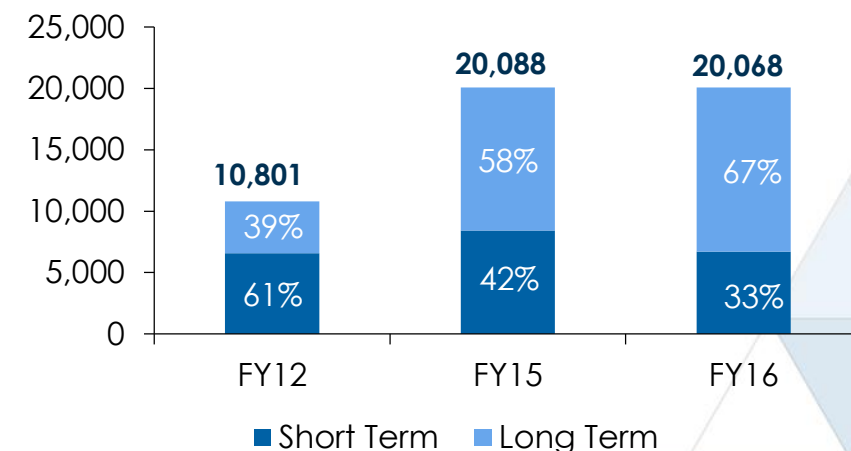


MUMBAI - JNPT
PORT ROAD
COMPANY
LIMITED

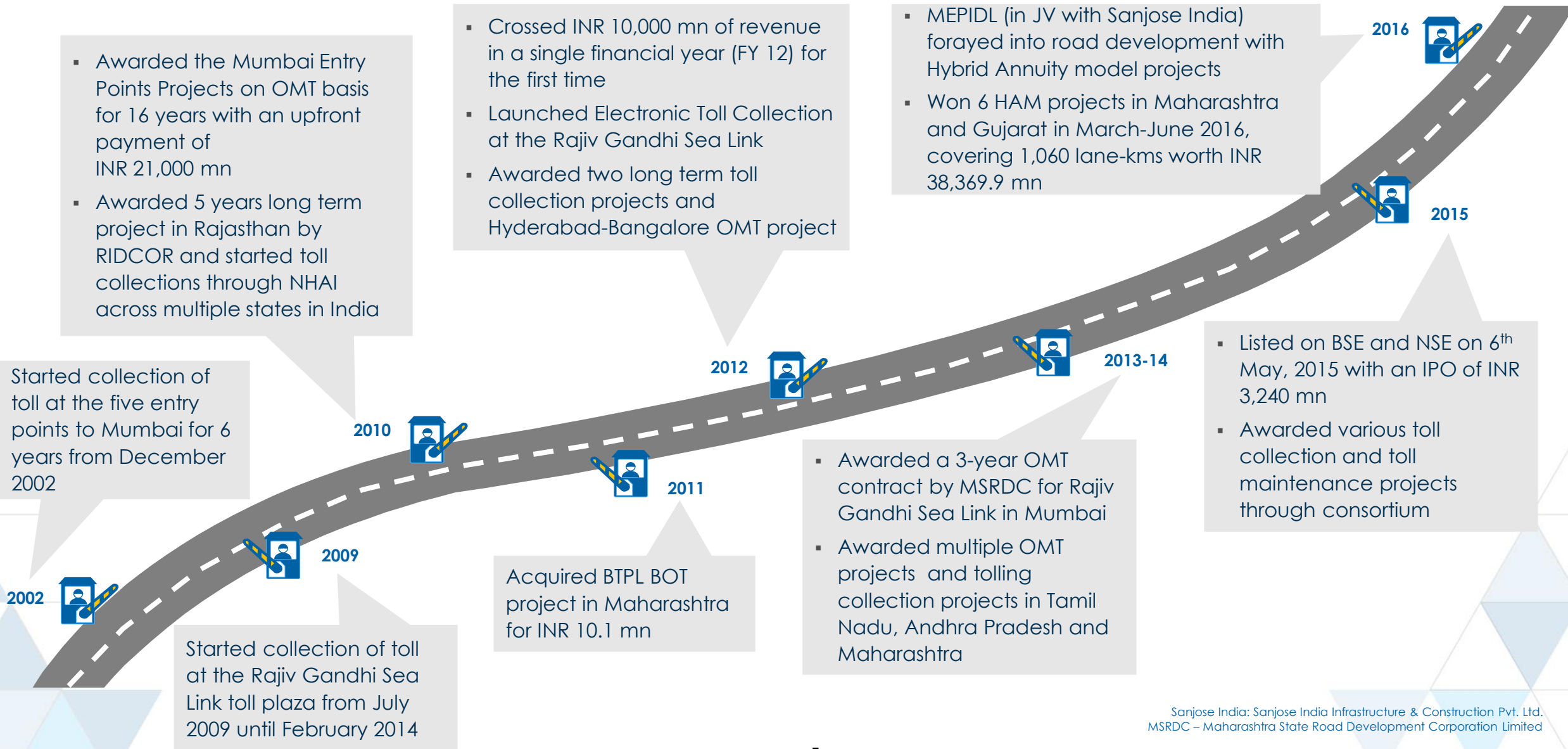
Revenue Mix – FY16



Increasing focus on LT projects (INR Mn)

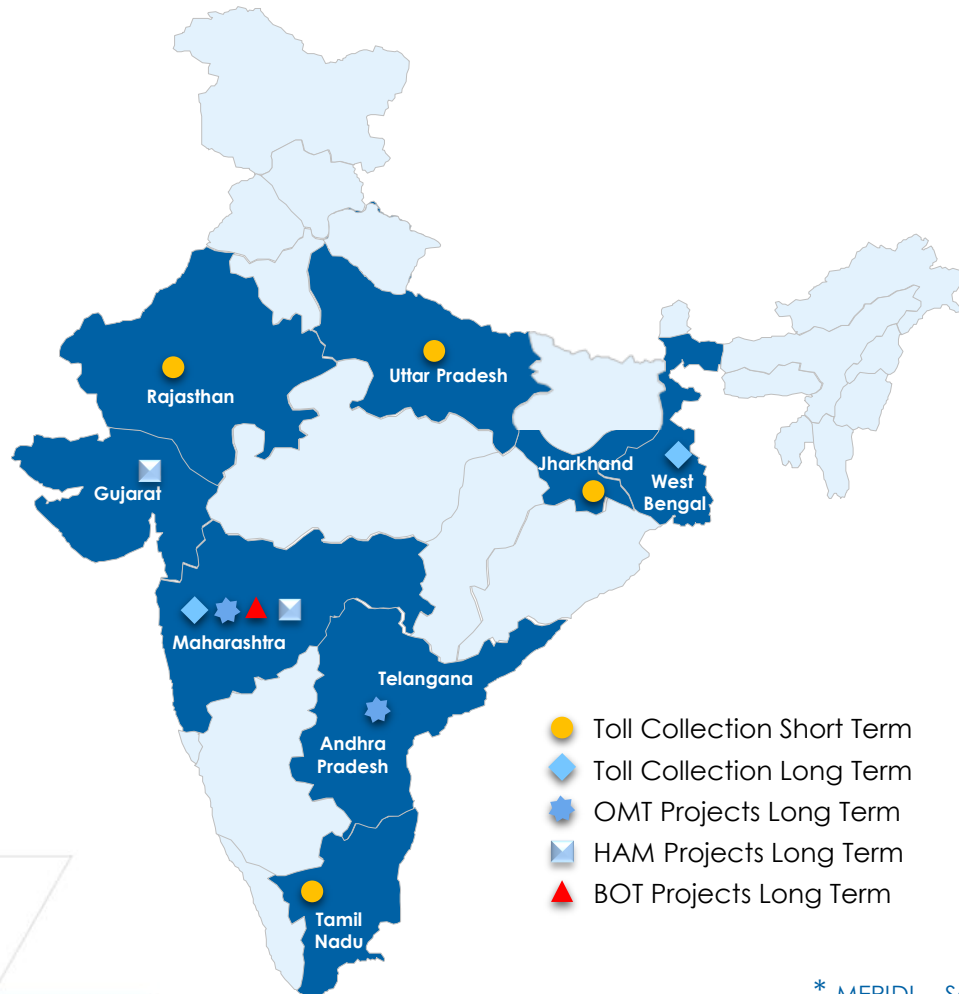


Key Milestones



Diversified Project Portfolio With Pan-India Presence

Current Portfolio Across Eight States In India



Current Project Mix

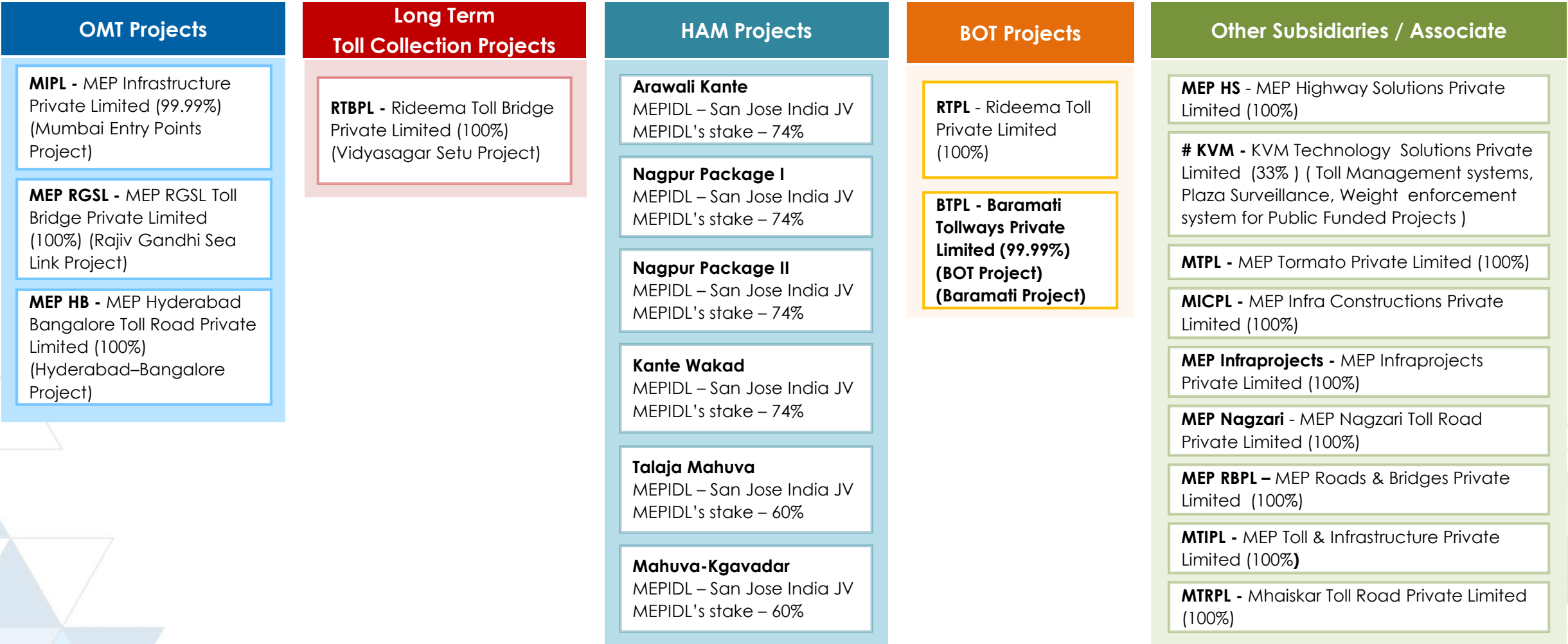
Location	OMT	Long Term Toll	Short Term Toll	HAM	BOT	Total
Maharashtra	2	1	-	4	1	8
Tamil Nadu	-	-	1	-	-	1
Rajasthan	-	-	2	-	-	2
Gujarat	-	-	-	2	-	2
Uttar Pradesh	-	-	1	-	-	1
West Bengal	-	1	-	-	-	1
Andhra Pradesh	1	-	-	-	-	1
Jharkhand	-	-	2	-	-	2
Total	3	2	6	6*	1	18#

Company's ability to manage multiple projects across different locations provides a significant advantage to efficiently manage its growth and expansion









* MEPIDL – Sanjose India JV won 6 HAM projects in Maharashtra & Gujarat and achieved financial closure for them.

This comprises of 12 operational projects and 6 HAM projects, within our project portfolio

MEP Infrastructure Developers Limited



Experienced Promoters and Board Of Directors

Name & Designation		Experience
	Dattatray P. Mhaikar <i>Chairman, Non Independent and Non Executive Director</i>	<ul style="list-style-type: none"> Founding Director and Promoter of the Company Holds a Diploma in Civil Engineering from Sir Cursow Wadia Institute of Electrical Technology, Pune 49+ years of experience in Construction and Infrastructure industry
	Jayant D. Mhaikar <i>Vice Chairman & Managing Director</i>	<ul style="list-style-type: none"> Founding Director and Promoter of the Company 19 years of experience in the Tolling and Infrastructure industry
	Anuya J. Mhaikar <i>Non Independent and Non Executive Director</i>	<ul style="list-style-type: none"> Bachelor's degree in Arts with major in Philosophy from Ramnarain Ruia College, University of Mumbai 17 years of experience in the field of Administration
	Murzash Manekshana <i>Executive Director</i>	<ul style="list-style-type: none"> Qualified Chartered Accountant with a Bachelor's degree in Commerce from University of Mumbai 23 years of work experience in areas of finance & risk management, fund raising, investment banking, strategic planning and business development
	Deepak Chitnis <i>Independent Director</i>	<ul style="list-style-type: none"> Bachelor's degree in Science and Master's degree in Law from Mumbai University 32 years of experience in the field of Law
	Khimji Pandav <i>Independent Director</i>	<ul style="list-style-type: none"> Fellow Chartered Accountant with a Bachelor's degree in Commerce from University of Mumbai Held key posts in the field of Finance and Accounts and also was a Financial Advisor to CIDCO and MSRDC
	Vijay Agarwal <i>Independent Director</i>	<ul style="list-style-type: none"> Fellow Chartered Accountant with a Bachelor's degree in Commerce from Jodhpur University 33 years of experience in cross-border acquisitions and transactions, advising in foreign service collaboration arrangements, providing statutory, management and tax audit services and providing tax advisory services
	Mira Mehrishi <i>Independent Director</i>	<ul style="list-style-type: none"> Retired Indian Administrative Service (IAS) Officer with a Master's degree in Administration and is a full time member of Chief Minister's Advisory Council of Rajasthan and Vice Chairman, ADMA. Experience of working in various capacities in the state and central government and her last positing was as a Special Secretary, Ministry of Climate Change Environment and Forests, Government of India.

Key Management Team

Name & Designation	Experience
Uttam Pawar <i>Chief Tolling Officer</i>	<ul style="list-style-type: none"> Bachelor's degree in Commerce from Shivaji University, Kolhapur with over 25 years of experience in tolling business Previously associated with Ideal Road Builders Private Limited
Sameer Apte <i>Chief Operating Officer (Corporate)</i>	<ul style="list-style-type: none"> Bachelor's degree in Commerce from University of Mumbai with 16 years of experience in tolling operations Previously associated with Ideal Toll & Infrastructure Private Limited and Ideal Road Builders Private Limited
M. Sankaranarayanan <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> Chartered Accountant, Company Secretary, and a fellow member of the ICAI and holds Diploma in Information Systems Audit (DISA) from ICAI. Over 18 years of experience in the field of finance, accounting, audit and taxation Previously associated with SKS Ispat and Power Limited, Hotel Leelaventure Limited and was a partner of M. Srinivasan & Associates, Chartered Accountants, Chennai
Shridhar Phadke <i>Company Secretary & Compliance Officer</i>	<ul style="list-style-type: none"> Qualified Company Secretary with over 16 years of work experience Master's degree in Commerce from University of Pune Previously associated with J. H. Ranade & Associates and Kshitij Investment Advisory Company Limited and Ideal Energy Projects Limited
Dinesh Padalkar <i>Assistant Vice President, Toll Audit</i>	<ul style="list-style-type: none"> Bachelor's degree in Commerce from University of Mumbai with over 16 years of experience in audit Previously associated with IRB Infrastructure Developers Limited, Yash Jewels and JAN Transport
Mohan Khandkar <i>President – Human Resources</i>	<ul style="list-style-type: none"> 47 years of work experience, with over 5 years of experience in human resource development Previously associated with Ideal Road Builders Private Limited as General Manager (Tolls), Heubach Colours & Khatau Group.

Key Management Team

Name & Designation	Experience
Pandurang Dandawate <i>Chief Technical Officer</i>	<ul style="list-style-type: none"> ▪ Bachelor's Degree in Engineering (Civil) from Govt. College of Engineering from Aurangabad in 1984 and was university topper. Passed MPSC exam of GOM. ▪ Professional experience of 32 years. Worked in Maharashtra state PWD and MSRDC for 19 years with vast experience in roads and bridge constructions, tolls and BOT projects. ▪ Associated with MSRDC in construction of flyovers in Mumbai, maintenance, toll collection works, IRDP projects, ROB projects and road works. ▪ Headed a leading consultancy firm in India for 13 years. ▪ Prepared @ 2,000Kms of DPR for NHAI/MORT&H/MSRDC for four laning of National Highways. Completed 16 flyovers in Mumbai from 1998 to 2003 as an Executive Engineer of MSRDC and was instrumental in starts of tolls of MEP and Mumbai Pune expressway. ▪ Part of Independent Engineer's team for 4 laning of 500 Kms of National Highways namely Solapur-Yedshi-Aurangabad road (NH - 211) and Khed-Sinner road (NH-50). Incharge of OMT of Mumbai Pune Expressway, Satara-Kagal and Thane Ghodbandar road.
Amit Mokashi <i>Deputy Chief Technical officer</i>	<ul style="list-style-type: none"> ▪ Bachelor's Degree in Engineering (Construction) from Mumbai University; Masters in Finance Management (MFM) from Mumbai University and Post Graduate Diploma in Construction Management from National Institute of Construction management & research (NICMAR). ▪ 18 years of experience in Construction Industry. ▪ Previously associated with Gammon Infrastructure Projects Limited, Shapoorji pallonji & Co Ltd, Gammon India Ltd.
Raja Mukherjee <i>Deputy Chief Technical Officer</i>	<ul style="list-style-type: none"> • Bachelor's Degree in Civil Engineering from Osmania University, Hyderabad; Masters in Business Administration (MBA) from IIBM, Delhi with Construction Management & Six Sigma. • Professional Programmes - Airline System in MIT – USA; Finance, O & M Planning in BOT Projects in Publimaks – Bangkok; Highway Design & Execution in Design Urban International Training at Singapore & for diferrent Surface designs at IIT Kharagpur. • Around 23 years of experience in Construction Industry. • Previously associated with Gammon Infrastructure Projects Limited, Reliance Infrastucture Limited, Hindustan Construction Company Limited, L & T Ramboll / L & T - E CC, Stup Consultants & Span Consultants



mep

INFRASTRUCTURE
DEVELOPERS LTD.

MEP. With you all the way.

BUSINESS OVERVIEW

Understanding The Business Model

Types	Description	Revenue Stream	Concession Period	Award Criteria	Risks borne by Concessionaire		
					Development	Financing	Traffic
Tolling	Private party collects toll during the concession period and pays the estimated toll to the authority	Toll	~ 1 year (Short-term) ~ 1-5 years (Long-term)	Highest revenue sharing bid	✗	✓	✓
OMT	Private party collects toll and undertakes O&M (also develops project facility)	Toll	~9 years	Highest % of toll revenues or highest premium per year	✗	✓	✓
BOT (Toll)	Private party builds roads, undertakes O&M and collects toll	Toll	~20-25 years	Highest revenue sharing bid	✓	✓	✓
BOT (Annuity)	Private party builds roads, undertakes O&M and collects annuity	Annuity payment	~20-25 years	Lowest annuity	✓	✓	✗
Hybrid (Annuity)	Private party builds roads, undertakes O&M and collects annuity, Construction Support 40% from Authority	Annuity payment + interest, O&M payment	15 years post construction	Lowest bid project cost and O&M cost	✓	Concessionaire (60%) Authority (40%)	✗
EPC	Private party builds roads (money spent by government)	Contract amount	Not required	Lowest tariff requested	✓	✗	✗
TOT (Proposed)	Private party pays the estimated toll upfront to the authority, undertakes O&M and collects the toll during concession period	Toll	Long term (typically more than 25 years as observed globally)	Model is under consideration by NHAI	✗	✓	Model is under consideration by NHAI

Source: Assessment of Operate-Maintain-Transfer (OMT) and Toll Collection Market for Road Projects in India" dated April 2016 by CRISIL Limited

☐ **MEP's presence in the value chain**

Short Term (ST) Toll Collection Projects

Short Term Toll projects do not require any initial capex and bear no maintenance responsibility. The concessionaire are not required to provide any upfront payments to the authorities, rather only a performance security (funded / non-funded) needs to be provided and payments are made in fixed instalments through the life of the contract to the authorities.

Sr. No	Toll Plaza	State	Client	Term	Payment to Authority
1	Athur	Tamil Nadu	NHAI	March 26,2016 to March 25,2017 and thereon extended	INR 723.6 mn to be paid in weekly instalments of INR 13.87 mn
2	Paduna	Rajasthan	NHAI	May 17,2016 to May 16,2017	INR 1,280 mn to be paid in weekly instalments of INR 24.56 mn
3	Brijghat	Uttar Pradesh	NHAI	January 17, 2017 to January 16, 2018	INR 600.3 mn to be paid in weekly instalments of INR 11.49 mn
4	Lalsot Kota	Rajasthan	RIDCOR	April 1, 2016 to March 31, 2017 and thereon extended	INR 303.3mn to be paid in weekly instalments of INR 5.8mn
5	Ghangari	Jharkhand	NHAI	September 1, 2016 to September 1,2017	INR 792.0mn to be paid in weekly instalments of INR 15.1mn
6	Sau Kala	Jharkhand	NHAI	September 18, 2016 to September 18, 2017	INR 873 mn to be paid in weekly instalments of INR 16.74 mn

Long Term (LT) Toll Collection Projects

Long Term Toll projects do not require any initial capex and have no maintenance responsibility. The concessionaire is not required to provide Upfront payment to Authority under NHAI, although upfront payments to authorities are required for certain State LT projects. The concessionaire may be required to make payments in fixed instalments through the life of the contract based on the terms of the specific project.

Particulars	Vidyasagar Setu	Kalyan Shilphata ⁽¹⁾
Description	18 lane toll plaza at Vidyasagar Setu, links Howrah to Kolkata	Connecting Mumbai Pune Highway (NH-4) at Shilphata & Mumbai - Nashik Highway (NH-3) at Bhiwandi
SPV	RTBPL	NA
Authority	HRBC	MSRDC
Stake	100.00%	NA ⁽¹⁾
State	West Bengal	Maharashtra
Concession Commencement	September 1, 2013	December 23, 2016
Tenure	5 years	156 weeks
No. of Toll plazas	One	Two
Amount paid to Authority	INR 2,610 mn to be paid in five equal annual instalments consisting of upfront payment of INR 522 mn and payment of remaining amount in four equal instalments in advance	INR 616.50 mn, to be paid in upfront monthly instalments

⁽¹⁾ MEPIDL is the concession operator for the project and we are paid by the authorities for providing manpower services.

Operate-Maintain-Toll(OMT) Projects

OMT projects do not require any initial capex but have a maintenance responsibility. The concessionaire is not required to provide Upfront payment to Authority(NHAI). Payment to Authority is an operational expense and needs to be paid from toll cash flows on a monthly instalment basis. Performance securities (non-funded) need to be provided .

Particulars	Hyderabad - Bangalore	Rajiv Gandhi Sea link	Mumbai Entry Points
Description	Four lane carriage way located on NH-7, passes through industrial districts such as Kurnool and Anantapur in Andhra Pradesh	Links Bandra in the Western Suburbs of Mumbai with Worli in South Mumbai	Five entry points located on <ul style="list-style-type: none"> ▪ Sion–Panvel Highway, ▪ Western Express Highway ▪ Eastern Express Highway, ▪ LBS Marg and ▪ Airoli Bridge corridor in Mumbai
SPV	MEP HB	MEP RGSL	MIPL
Authority	NHAI	MSRDC	MSRDC
Company's stake	100.00%	100.00%	99.99%
State	Andhra Pradesh	Maharashtra	Maharashtra
Concession Commencement	May 16, 2013	February 6, 2014	November 20, 2010
Tenure	9 years	156 weeks	16 years
No. of Toll plazas	Three	One	Five
Amount Paid to Authority	INR 1,059.3 mn for the first year of the concession period with 10% escalation every year to be paid in 12 equal monthly instalments	INR 690 mn for first year of concession period along with an additional one time payment of INR 5 mn. The annual payment is subject to 10% escalation for second year & 20% for third year, to be paid in 12 equal monthly instalments	Upfront Payment of INR 21,000 mn

Hybrid Annuity Model (HAM)

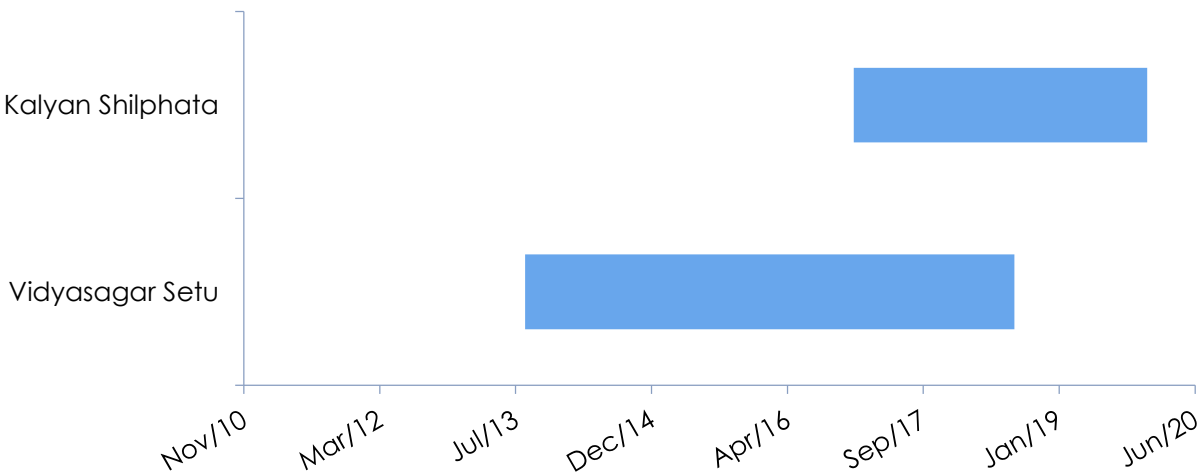
- HAM projects require initial capex wherein 60% of project cost is financed by the developer and is to be recovered as bi-annual payments from the authorities over 15 years. Out of total project cost, the balance 40% is invested by the government during the construction period in equal instalments linked to milestones. The developer also gets biannual O&M payments over 15 years against the initial investment of 60% made by him.
- The Toll collection responsibility on the stretches developed under HAM lies with the authority. The Authority pays the developer annuity payments over 15 years along with interest thereon as 30 bi-annual annuity payments. The developer will also receive bi-annual O&M payments. All project payments are inflation indexed.

Project Asset	Arawali Kante	Kante Wakad	Nagpur Package I	Nagpur Package II	Talaja Mahuva	Mahuva Kagavadar
Scope of Project	Four-lane of NH66 (km 241.3 – 281.3) under NHDP Phase-IV	Four-lane of NH66 (km 281- 332) under NHDP Phase IV	Four-lane standalone Ring Road / Bypass (km 0.5- 34.0) for Nagpur city package	Four-lane standalone Ring Road / Bypass (km 34.5- 62.035) for Nagpur city package	Four-lane of Talaja Mahuva section of NH 8E (km 53.5 - 100.1) & design chainage (km 54.9- 100.45)	Four lane of Mahuva to Kagavadar of NH 8E(km 100.1-139.92) under NHDP Phase IV
Lane kms	156.9	203.6	134.0	112.1	181.8	160.1
Authority	MoRTH	MoRTH	NHAI	NHAI	NHAI	NHAI
State	Maharashtra	Maharashtra	Maharashtra	Maharashtra	Gujarat	Gujarat
Bidder	MEPIDL – Sanjose India JV	MEPIDL-San Jose India JV	MEPIDL – Sanjose India JV	MEPIDL – Sanjose India JV	MEPIDL – Sanjose India JV	MEPIDL – Sanjose India JV
MEPIDL's Stake	74%	74%	74%	74%	60%	60%
Bid Project Cost (BPC)	INR 5,929.8 million	INR 8,262.8 million	INR 5,310.0 million	INR 6,390.0 million	INR 6,430.0 million	INR 6,045.0 million
Project NPV	INR 5,565.6 million	INR 8,055.9 million	INR 4,938.9 million	INR 5,878.2 million	INR 6,242.4 million	INR 5,869.0 million
Construction Period	2 Years	2 Years	2.5 Years	2.5 Years	2.5 years	2.5 years
Concession Period	15 Years	15 Years	15 Years	15 Years	15 years	15 years

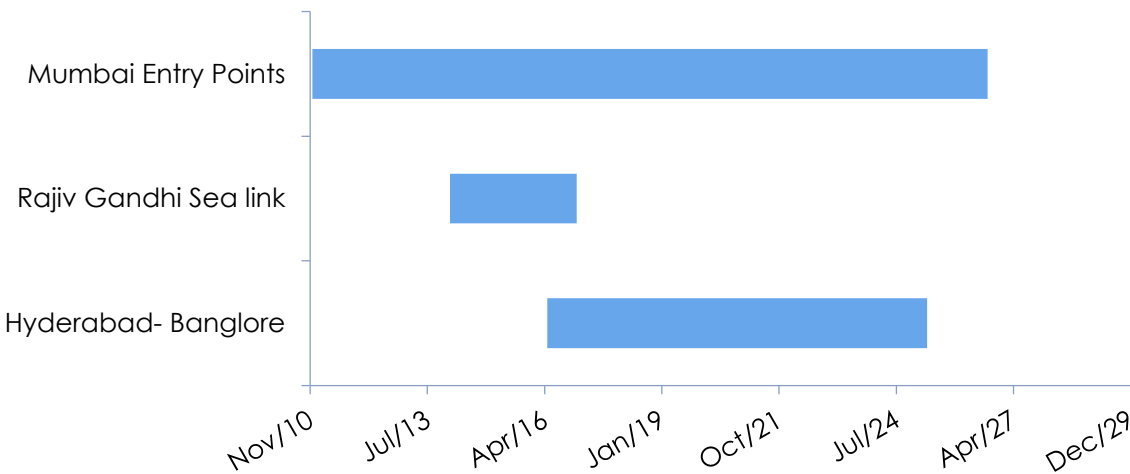
* MEPIDL – Sanjose India JV won 6 projects in Hybrid Annuity mode. All have achieved financial closure.

Our Project Timelines

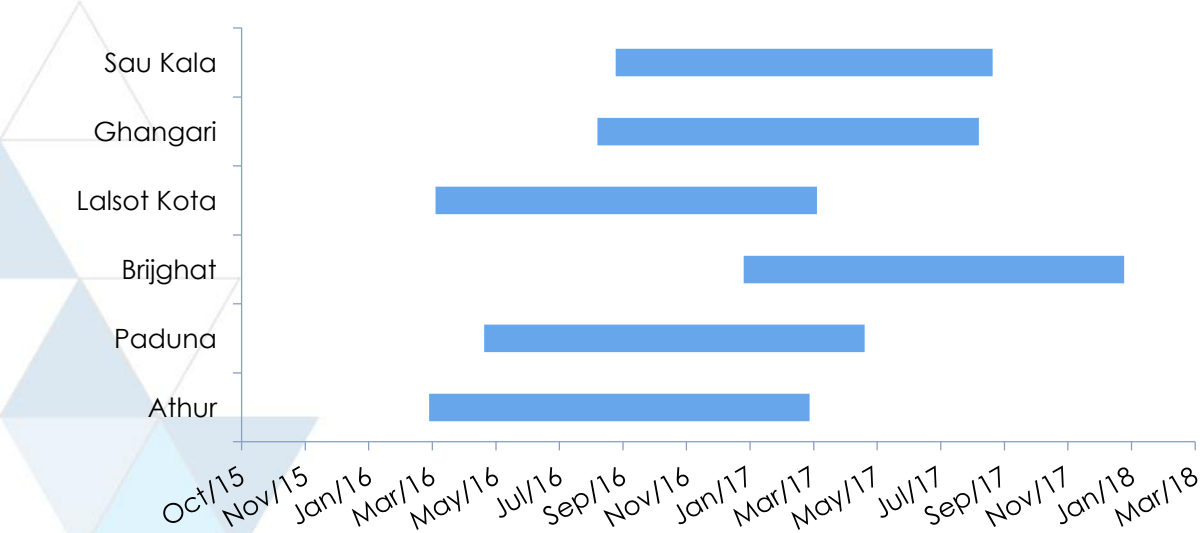
Long Term Toll



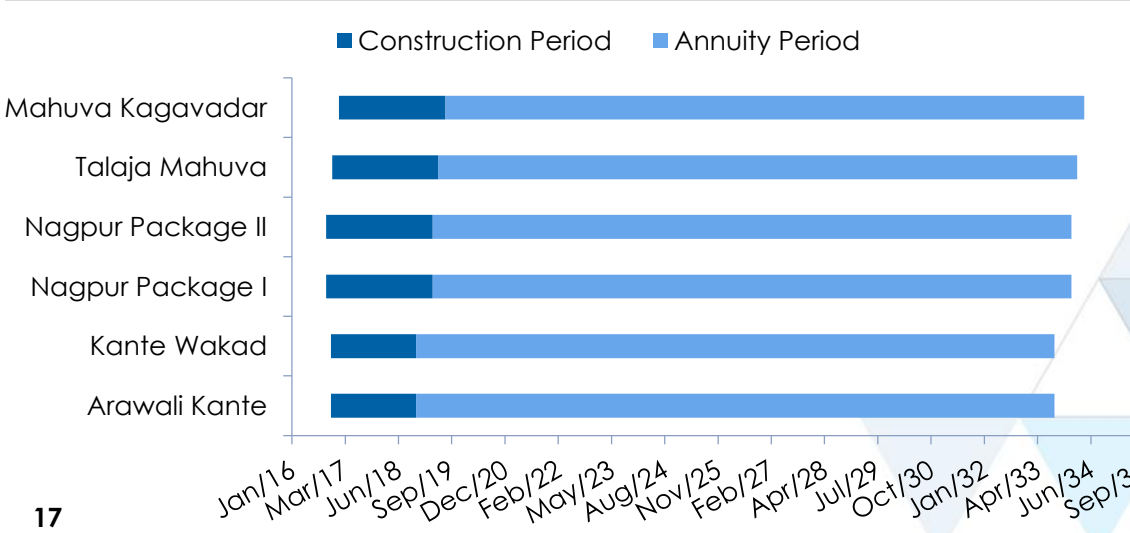
Operate Maintain Toll



Short Term Toll



Hybrid Annuity Model

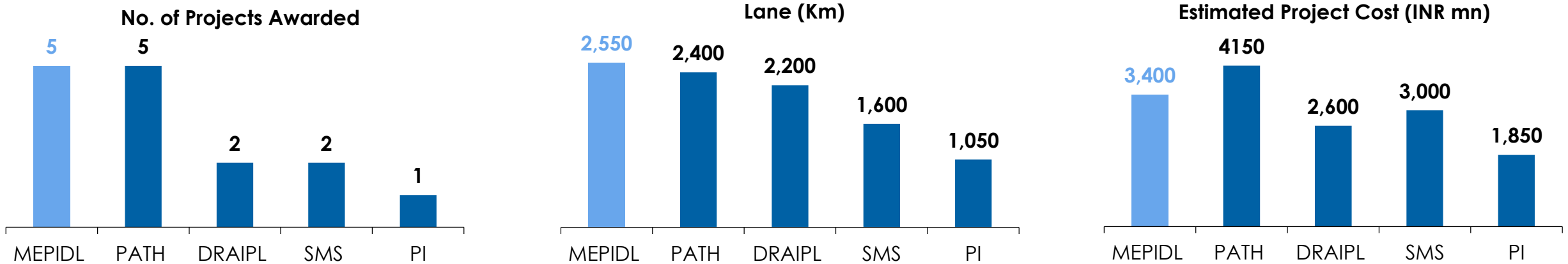




COMPETITIVE ADVANTAGE

Leadership Position In OMT And Toll Collection In India

Leading Player In The OMT



PATH – Prakash Asphaltting & Toll Highways (India) Limited; DRAIPL – Dinesh Chandra Agarwal Infracon Private Limited; SMS – SMS Infrastructure; PI – Patel Infrastructure

Leading Player In Toll Collection Over FY12-FY15

During FY12 to FY15, financial bids were opened / awarded for 324 NHAI toll projects, out of which MEPIDL bid for 59% of the projects.

	MEPIDL	Konark	Skylark	Eagle Infra	Sangam India	Sahakar Global	Shiva Corporation	SMS Infra
Total Projects (Bids / Executed)	59%	20%	21%	40%	3%	29%	7%	3%
H1 / Total Bids	45%	41%	25%	34%	45%	45%	25%	33%

Source: Assessment of Operate-Maintain-Transfer (OMT) and Toll Collection Market for Road Projects in India" dated April 2016 by CRISIL Limited

Tendering

- In-house business development team prepares tendering documents for all the bids.
- Company's ability to tender appropriately depends significantly on the assessment of the future traffic patterns and the amount of toll to be collected.

Traffic Survey and Revenue Forecasting

- The in-house traffic study and revenue forecasting capacity and expertise strengthens the Company's ability to evaluate new projects and tender effectively for toll collection and OMT contracts.
- Forecasting is enhanced through using various traffic estimation techniques, maintaining a historical data bank and refreshing the data periodically.
- The final revenue model created is discussed and finalized by the senior management for bidding purpose.
- Dual responsibility of conducting pre-bidding traffic surveys as well as monitoring loss in revenue on account of non-paying vehicles for ongoing projects.

Civil Construction and Maintenance

- In-house experts with significant experience for supporting and managing all EPC and maintenance related activities.
- In-house equipment and resources availability for implementing routine and major maintenance works.
- State of the art equipment such as concrete batching plant, crusher plant, slipform paver etc. for execution of road construction projects.

Financial Closure

- The finance and operations team coordinates activities relating to achieving financial closure by obtaining fund and non-fund based loan facilities from banks / financial institutions.

Tolling Operations

- As of 31st March 2017, ~ 2,446 employees in tolling and maintenance activities.
- ~ 908 contract workforce at various toll plazas.

Integrated structure facilitates efficient bidding process and completion of projects on a profitable basis

Use of Advanced Technology for Toll Collection leads to improved Operational Efficiency And Transparency

ETC System:

- Electronic Toll Collection (ETC) systems are based on prepaid mode of toll collection either through smart cards or RFID technology based tags.
- ETC systems reduce cash management resulting in revenue enhancement as well as improved transparency in toll collection.
- ETC systems also help in reducing the clearing time for vehicles at the toll stations thereby improving operational efficiency.
 - RFID based ETC system is currently installed at RGSL toll plaza in Mumbai, the Vidyasagar Setu Project, and Mumbai Entry Points Project.
 - Smart card based ETC system is currently installed at the Mumbai Entry Points Project, Chennai Bypass Project, Hyderabad-Bangalore Project, Madurai-Kanyakumari Project, RGSL Project, the Dankuni toll plaza in West Bengal and the Kalyan-Shilphata Project.
- Semi-automated or fully-automated toll collection systems collect and store traffic and payment data, thereby reducing the manual intervention.
- A semi-automated system consists of revenue collection software desktop, barrier gate, smart cards and monitoring cameras.
- Additionally, a fully-automated system also consists of vehicle counting classifier, vehicle audit system, communication channels and traffic control equipment.
- More than 1,25,881 ETC tag users as of March 31, 2017. Further, ETC tag users can recharge online through our tie-up with Citrus.



Weigh-in-motion Technology:

- Use of weigh-in-motion technology for projects where weight based toll collection is mandated. These weight based tolling systems are integrated with the fully automatic toll collection system for enhanced revenue controls.

Centralized control room at Mumbai which Monitors with 603 cameras at Multiple Locations, 24 X 7, 365 days with experienced team.

Collaboration with Sanjose India



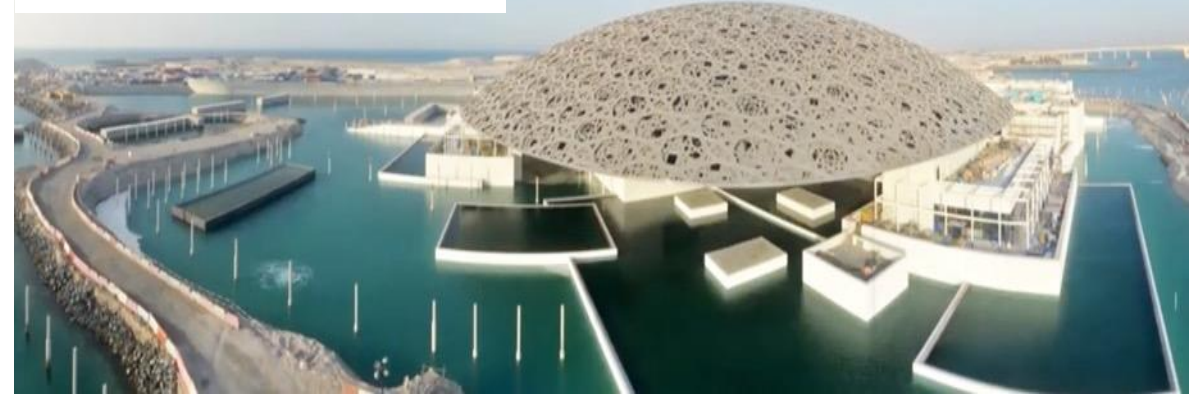
- SANJOSE is a diversified global company present in over twenty countries around Europe, America, Asia and Africa. Its main business lines are: Construction, Energy and Environment, Concessions and Services and GSJ Solutions (Consulting Services and Project Management). The company has completed marquee projects such as Louvre Abu Dhabi and Kathmandu International Airport.
- Its arm in India, Sanjose India Infrastructure & Construction Pvt. Ltd., was responsible for the construction of the metro stations of the Metro Line 1 from Mumbai to Navi Mumbai in India.

KVM Technology Solutions Private Limited

- In 2015, MEP invested in game changing technology which has revolutionized toll collection activities in India. The company has also begun providing this technology to the NHAI through Indian Highway Management Company Ltd. We are currently providing the service to over 50 toll plazas out of the 100 public funded projects in India. We expect this project to generate over INR 150 crore in revenues over the next 5 years.

Marquee Projects by Sanjose

LOUVRE ABU DHABI MUSEUM



NAVI MUMBAI METRO LINE 1



DUNAS BEACH RESORT





INDUSTRY OVERVIEW

The total length of the National highways is expected to cross ~200,000 km in next 5 years.

a) This expansion will include ~ 25,000 km under Bharat Mala Project and declaration of ~75,000 km of State highways as National highways.

b) NHAI along with MoRTH plans to award ~ 12,000 km of road projects in FY17.

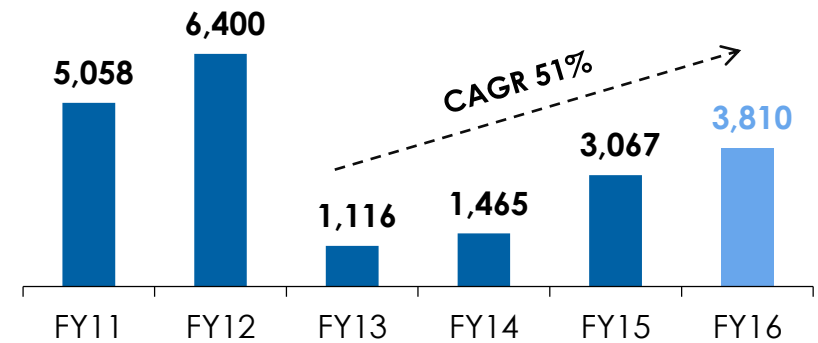
- Significant opportunity exists in the State highway segment. States like Bihar, Gujarat, Madhya Pradesh, Maharashtra, Karnataka, Rajasthan, Uttar Pradesh and West Bengal have planned several projects both on EPC and PPP basis.
- The Government has set a medium-term target to achieve 2.0% of the GDP from Transport and Port sector.

The total investment in roads during FY17 is expected to be INR 970 billion which will be funded through the below sources.

- **Budgetary Support:** The Government increased the financial support to NHAI to INR 426.9 billion for 2015-16 as against INR 171.9 billion in 2014-15. The Government has allocated INR 550 billion under the Union Budget 2016-17 for road sector.
- **Market borrowings by NHAI:** In 2015, bonds worth INR 39 billion were issues by NHAI. Further, an issue worth INR 10-100 billion was floated for subscription in December 2015. This issue was subscribed by over two times with INR 210 billion being raised. In the Union Budget 2015-16, NHAI has been allowed to issue tax-free bonds amounting to INR 240 billion and capital gains bonds of INR 40 billion, respectively.
- **Multilateral funding:** The World Bank and ADB's total commitment to state roads currently stands at \$4.5 billion involving 14 projects and \$3.5 billion involving 15 projects respectively. As on date, multilateral organisations have been involved in financing 76 national highway projects with total award cost of INR 182 billion.
- Partial funding to road sector through increase in cess on petrol and diesel from INR 2 per litre (INR 250 billion annually) to INR 6 per litre (INR 850 billion annually).

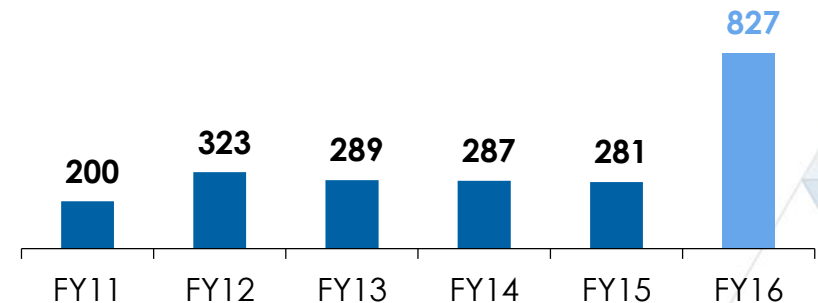
Significant Pickup In New Projects

Highway Projects Awarded by NHAI (km)



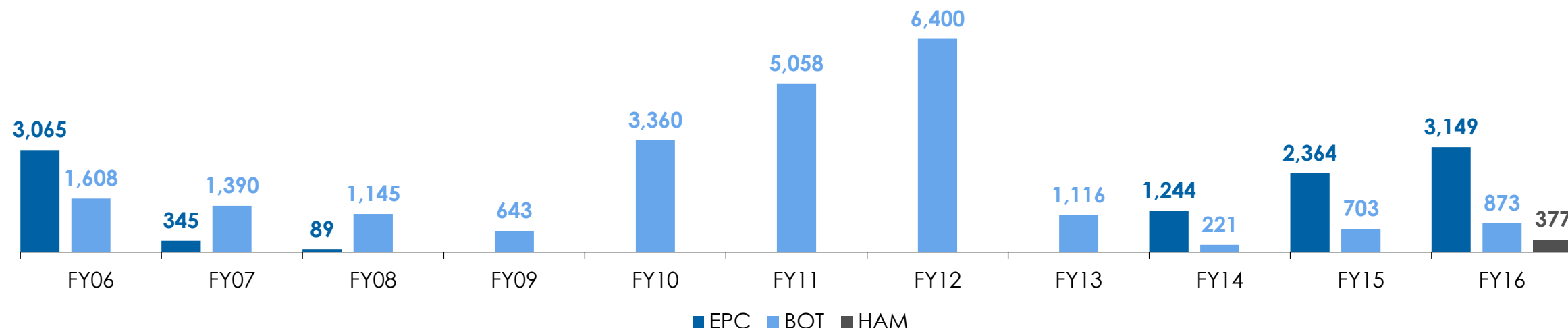
Significant Increase in Spending on Projects

Central Plan Outlay to MoRTH (In INR billion)



Evolving Trend in Project Awards - EPC vs BOT vs HAM

Length Awarded On EPC, BOT and Hybrid - Annuity Formats During 2005-06 to 2015-16 (In Km)



- The trend towards private participation increased after 2005, as several National Highway projects were awarded under the NHDP on a BOT basis.
- However, post 2012-13, reasons like the overall macroeconomic environment, aggressive bidding by the developers and lenders turning cautious made the PPP format unviable and unattractive.
- During FY16, NHAI awarded 79 projects through a mix of EPC, BOT and HAM (Hybrid Annuity Model) formats -
 - 62 EPC projects with length of 2,559.6 km worth Rs 401.4 billion as on 31st March 2016
 - 7 BOT projects with length of 872.9 km worth Rs 119.3 billion as on 31st March 2016
 - 10 HAM projects with length of 377.1 km worth Rs 74.5 billion as on 31st March 2016

OMT

- According to CRISIL estimates, the total stretch under OMT model for NHAI and key states (combined) is expected to double from ~ 5,600 km in 2014 -15 to ~ 11,600 km by 2018-19.
- The total number of OMT projects is expected to increase from ~49-50 in 2014-15 to 95-105 in 2018-19.
- The market opportunity is slated to increase 2X from ~ INR. 26 bn in 2014-15 to INR. 51 bn in 2018-19.

Toll Projects:

- Tolling market is expected to increase 1.5 times from ~ 15,190 km in 2014-15 to ~ 22,200 km by 2018-19 primarily driven by: Number of projects bid out by NHAI and State Highway Authorities on tolling basis are expected to increase from 102-104 and 146 projects respectively in 2014-15 to 128-132 and 230-240 projects respectively in 2018-19.

HAM Projects:

- Going forward, over 80% of the road projects are proposed to be awarded under EPC and Hybrid Annuity Model (HAM) routes.
- For FY17, MoRTH and NHAI have lined up 40% of total road projects to be awarded on HAM requiring an investment of ~ INR 600 billion.
- 42 projects worth INR 387.14 billion, have been awarded till date entailing a length of ~ 9207.5 lane kms.

TOT Projects:

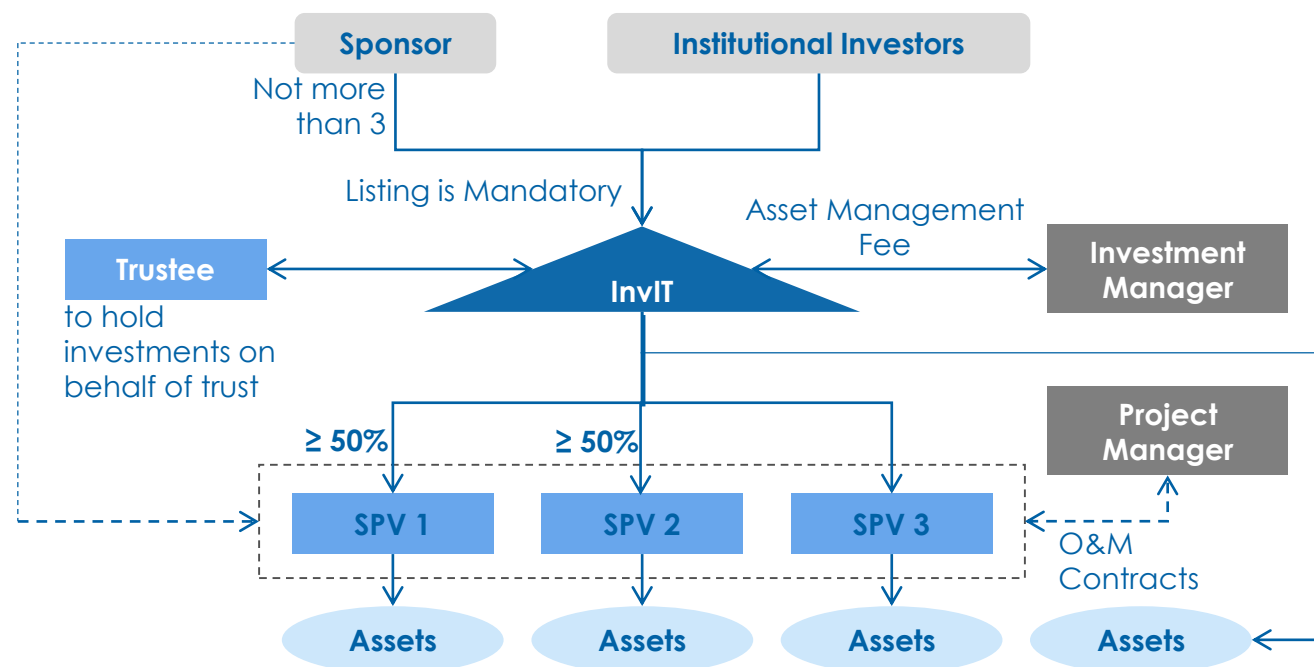
- New Toll-Operate-Transfer (TOT) Model To Be Introduced For Efficient Monetization Of Existing Toll Roads
- Around 75 operational projects have been identified; Projected TOT market of INR 80,000 crore to emerge. The first tranche of 10 projects are expected to open up for bidding by April 2017.

Key Highlights

- The Sponsor is required to hold a minimum of 25% stake in the InvIT. SEBI has proposed to relax the minimum Sponsor holding to 10%.
- Sponsor is required to have net worth of at least INR 1 bn and minimum experience of at least 5 years with at least two completed projects.
- The overall borrowings of the InvIT net of cash and cash equivalents shall never exceed 49% of the value of the InvIT assets.
- Revenue generating projects for a period of more than a year are eligible for forming an InvIT.
- 90% of distributable cash flow of InvIT / SPVs needs to be distributed in form of dividends to unit holders.
- The Union Budget 2016-17 has proposed to exempt the SPVs from the levy of dividend distribution tax.

Source: E&Y Report on InvITs

InvIT Framework



Advantages

- Enables financing / refinancing of infrastructure projects
- Un-locks tied up capital of developers
- Lowers domestic financial institutions' loan exposure
- Helps attract foreign capital



INFRASTRUCTURE
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FINANCIAL OVERVIEW

9 Months P&L Statement

In INR Mn

Particulars	9M FY17	9M FY16	YoY%
Total Revenues from Operations	12,975	13,973	(7.1)%
Other Income	568	558	1.8%
Operating and Maintaining Expenses	2,254	1,818	24.0%
Employee Expenses	554	548	1.1%
Other Expenses	295	247	19.4%
Depreciation & Amortization	6,722	7,437	(9.6)%
EBIT	3,718	4,481	(17.0)%
EBIT Margin (%)	28.7%	32.1%	(340) bps
Finance Costs	3,726	4,839	(23.0)%
Exceptional Items	1,579	0	NA
PBT	1,571	(358)	NA
Taxes	581	(80)	NA
PAT before Minority Interest	990	(278)	NA
Share of profit/(loss) from Associate/JV	(21)	(6)	NA
PAT	969	(284)	NA
PAT Margin (%)	7.5%	NA	NA
Other Comprehensive Income	(2)	(2)	NA
Net Profit (After Other Comprehensive Income)	967	(286)	NA

Consolidated P&L Statement

In INR Mn

Particulars	FY14	FY15	FY16
Revenue from Operations	11,979	20,088	20,068
Other Income	433	325	407
Operating and Maintaining Expenses	8,015	14,570	13,333
Employee Expenses	499	761	775
Other Expenses	360	321	411
EBITDA	3,538	4,761	5,955
EBITDA Margin (%)	29.5%	23.7%	29.7%
Depreciation	1,303	1,799	1,706
Finance Costs	3,797	4,036	3,832
PBT	-1,562	-1,075	417
Taxes	-236	79	154
PAT before Minority Interest	-1,326	-1,153	263
Minority Interest	-9	0	0
Pre-acquisition profit/loss adjustment	43	0	0
PAT	-1,292	-1,153	263
PAT Margin (%)	-10.8%	-5.7%	1.3%

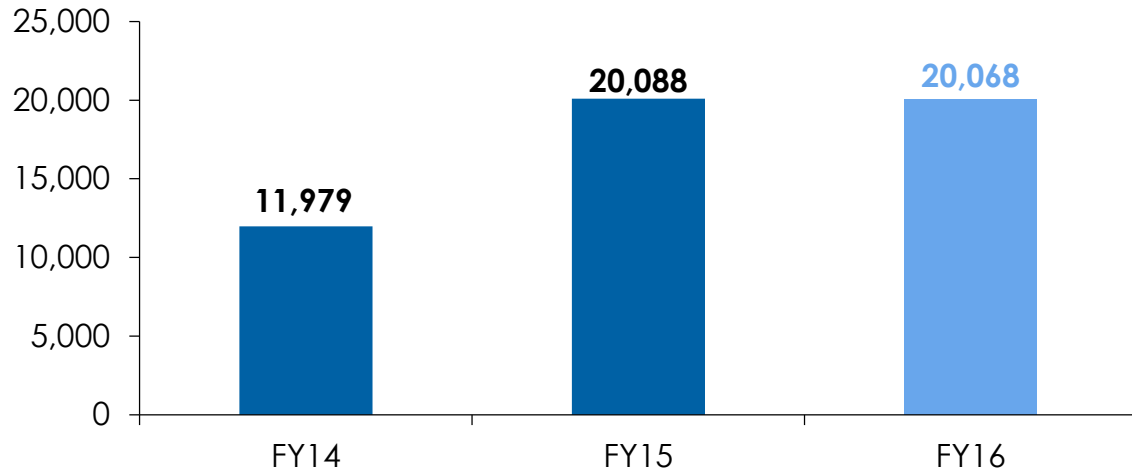
Consolidated Balance Sheet

In INR Mn

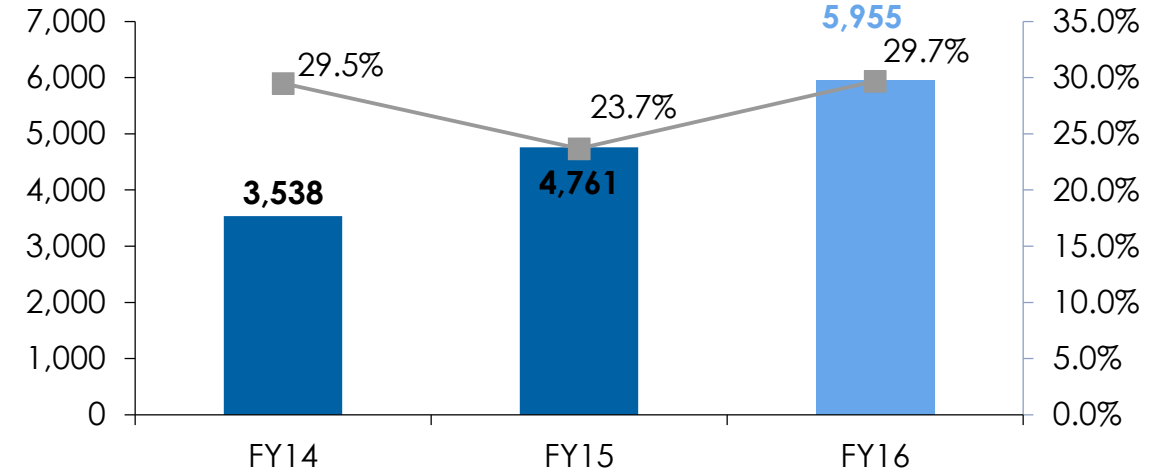
Particulars in INR Mn	FY14	FY15	FY16	Particulars in INR Mn	FY14	FY15	FY16
Equities & Liabilities				Assets			
Shareholder's Funds				Non-Current Assets			
Share Capital	1,000	1,115	1,626	Fixed Assets	23,695	21,722	20,360
Reserves & Surplus	-1,878	-3,379	-613	Non-Current Investments	7	216	217
Total Shareholder's Funds	-878	-2,264	1,013	Deferred Tax Assets (net)	756	942	1,069
Share Application Money	-	-	-	Long-term Loans & Advances	7,519	8,934	8,983
Minority Interest	9	-	-	Other Non-Current Assets	219	388	412
Non-Current Liabilities							
Long-term Borrowings	28,662	29,567	26,570				
Other Long-term Liabilities	1,566	1,044	522	Current Assets			
Long-term Provisions	15	22	31	Current Investments	0	106	-
Current Liabilities				Trade Receivables	287	258	2
Short-term Borrowings	1,387	2,072	2,506	Cash & Bank Balance	1,623	1,348	1,498
Trade Payables	1,464	2,663	3,344	Short-term Loans & Advances	915	1,812	3,280
Other Current Liabilities	3,115	3,247	2,855	Other Current Assets	322	630	1,046
Short-term Provisions	3	5	26				
Total Equity & Liabilities	35,343	36,356	36,867	Total Assets	35,343	36,356	36,867

FY16 Results Highlights

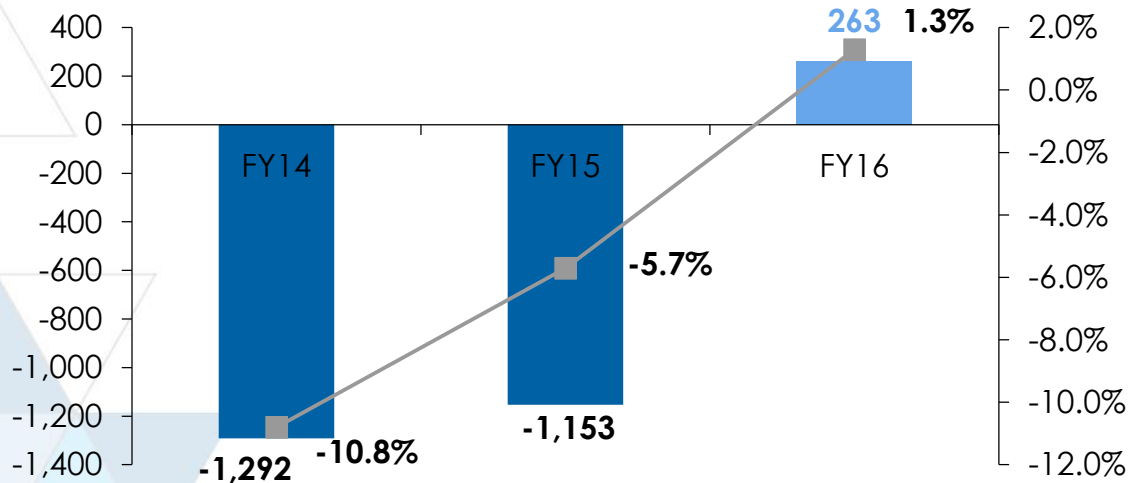
REVENUE FROM OPERATIONS (INR Mn)



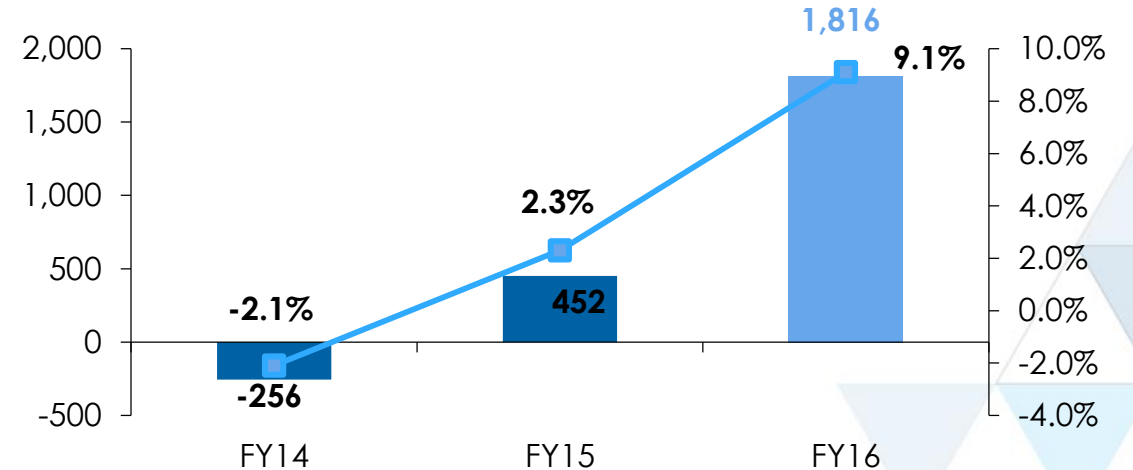
EBITDA (INR Mn) & EBITDA MARGIN



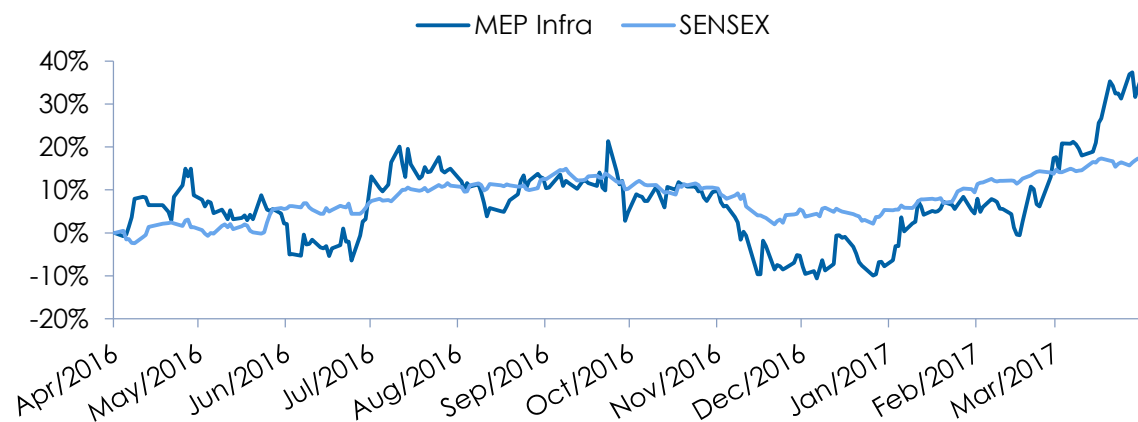
PAT (INR Mn) & PAT MARGIN



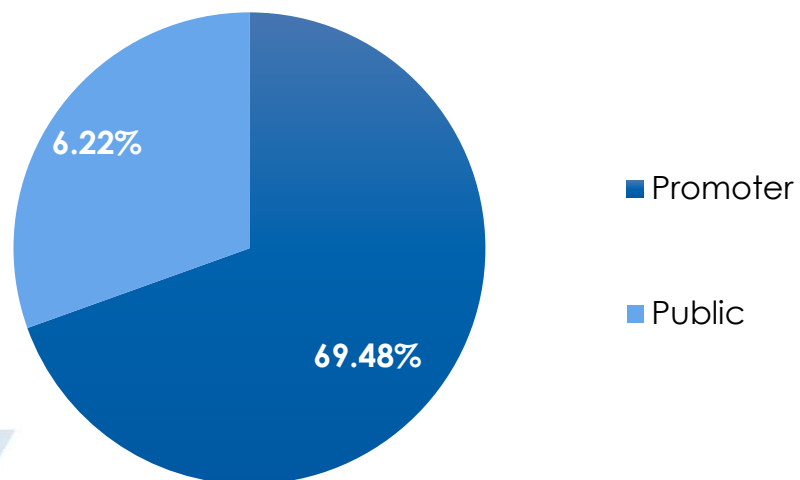
CASH PROFIT (INR Mn) & CASH PROFIT MARGIN



Share Price Performance



% Shareholding – 31.03.2017



Source – BSE

Market Data

As on 31.03.2017
(BSE)

Market Capitalization (INR Mn)	8,575.5
No. of shares outstanding (Mn)	162.6
Face Value (INR)	10.0
52 week High-Low (INR)	54.6 – 34.0
1 Year Daily Average Trading Volume ('000)	464.6
1 Year Daily Average Trading Turnover (INR Mn)	20.9

Source – BSE

Key Institutional Investors – 31.03.2017

% Holding

HDFC Trustee Company Ltd	8.86%
EM Resurgent Fund	4.35%

Source – BSE

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