



## MEP INFRASTRUCTURE DEVELOPERS LIMITED

### Corporate Presentation

February 2016

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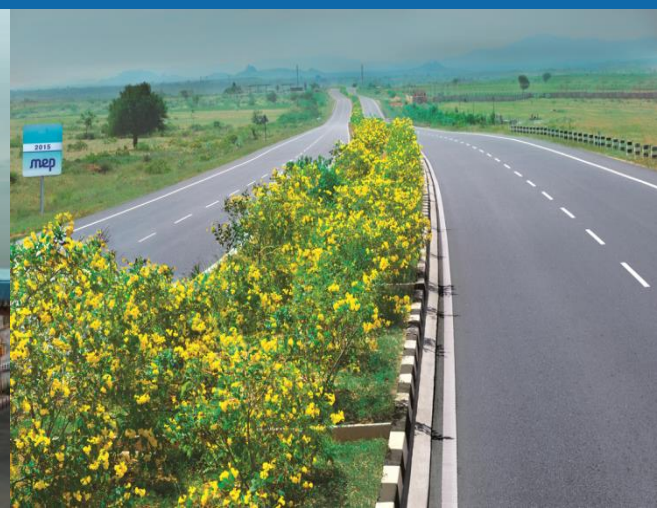
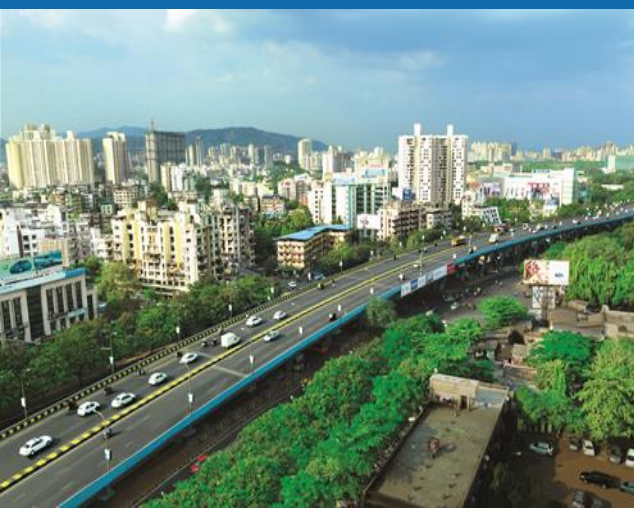
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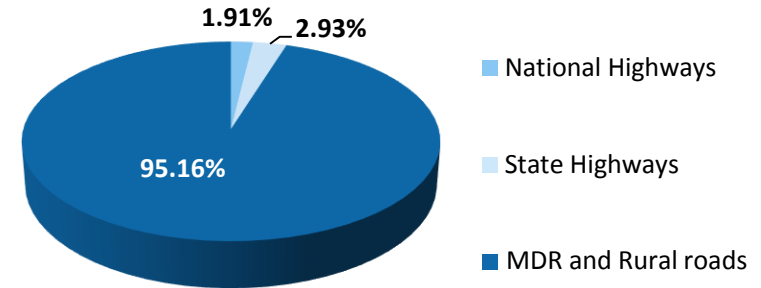
## Industry Overview

# Industry Overview:

## India Road Network – Size And Growth

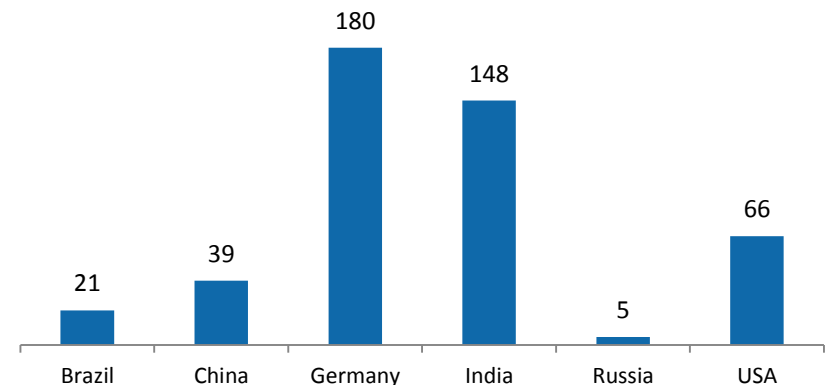
- At 4.86 million km, India has the third largest road network in the world after the US and China.
- National highways account for ~ 1.91% of the network. State highways account for ~ 2.93%, and Major District Roads (MDRs) and other roads together account for the remaining 95%.
- About 65% of freight and 80% passenger traffic is supported by the roads network. National Highways constitute only ~ 1.91% of the road network but carry about 40% of the total road traffic.
- Further, India's road density is higher than the US and China. Road density stands at 148 km per 100 sq. km as compared to 66 km per 100 sq. km in the US and 39 km per 100 sq. km in China.
- Number of vehicles in India has been growing at an average pace of 10.16% per annum over the last five years.

India Road Network Share %



Road Network	Total Length (km)	July 2015 Total Length (km)	CAGR %
National Highways	68,534 (2009)	97,135	7.22
State Highways	130,000 (2007)	1,46,100	1.68
District & Rural Roads	NA	46,29,462	-

Road Density – km / 100 sq km



# Industry Overview:

## Policy And Regulatory Framework – Central Level



- Development of roads falls under the concurrent list with legislative powers at both the Central and State Government levels. This has resulted in a highly-fragmented administrative structure. The Ministry of Road Transport and Highways (MoRTH) is the overall body responsible for the sector.
- The Central Government has streamlined and standardized the policy framework for PPP projects under the NHDP in the last one decade. In addition, investment norms have been liberalized and fiscal incentives extended to the private sector.
- Since private interest has faded in the last two years, the Government has introduced the modified EPC model to award NHDP projects. The EPC projects are planned to be executed on a turnkey basis instead of the item-rate contract basis.

### Policies For Different Stages Of PPP Project Development

#### Bidding Stage

- Standard bidding documents – RFQ and RFP – used to bid for projects under NHDP.
- Since 2011, the annual pre-qualification criteria are used to shortlist developers to directly enter the RFP stage for their respective cost category and speed up the pace of awards.
- Technical and financial capability of the bidders for pre-qualification is evaluated at the RFQ stage, and the RFP document gives the standard format for submission of financial bids by pre-qualified players (shortlisted after the RFQ stage).

#### Award Stage

- Model Concession Agreement's (MCA) used to award projects on a PPP basis.

#### Investment Norms

- 100 % Foreign Direct Investment in the construction and maintenance of roads, highways, tunnels, etc. through the Automatic Route.
- NHAI and Government to provide capital grant (Viability Gap Funding) up to 40% of project cost to enhance viability on a case to case basis.

#### Fiscal Policies

- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years after completion of construction, provided the project involves the addition of new lane.
- Duty free import of specified modern high capacity equipment for highway construction.

#### Operations & Maintenance

- MCA for operation, maintenance and transfer mode, used to award projects.

#### Tolling

- Tolling is based on the National Highways Fee (Determination of Rates and Collection) Rules, 2008. These rules have been further amended in subsequent years.



# Industry Overview:

## Policy And Regulatory Framework – State Level



- State road development is undertaken by respective Public Works Department or other dedicated agencies like road development authorities, highways corporation, etc.
- Most of the Indian states have formulated road development policies.
- There also exist legal and institutional frameworks to encourage private sector participation in the development of State road network. Some of these include amendments of enabling acts, introduction of bills and policies and setting up of PPP cells to mobilise private investment.

### Acts, Policies And Agencies At The State Level

#### Acts

- **Gujarat Infrastructure Development Act, 1999:** Facilitates flow of funds from the private sector into infrastructure sectors and ensures coordination amongst various agencies.
- **Andhra Pradesh Infrastructure Development Enabling Act, 2001:** Enables private developers to secure much-needed administrative approvals, arbitrations and fiscal regulations.
- **Punjab Infrastructure Act, 2002:** Stipulates the setting up of a dedicated agency responsible for the entire procedure of planning, development and implementation of infrastructure projects; and stipulates creation of the Punjab Infrastructure Development Fund and the Infrastructure Initiative Fund.
- **Bihar State Infrastructure Development Enabling Act, 2006:** Provides for the development of infrastructure and guidelines for attracting private sector participation (PSP) in the design, financing, construction and operation and maintenance of infrastructure projects.

#### Policies And Legislations

- **Gujarat** (Road Policy, 1996); **Andhra Pradesh** (Road Policy Draft, 2005-15); **Karnataka** (Road Policy, 1998-2012); **Madhya Pradesh** (Road Policy, 2001); **Rajasthan** (Road Development Act, 2002 and State Highways Act, 2014); **Tamil Nadu** (Highway Act, 2001); and **Kerala** (Road Development Policy, 2009-21).

#### PPP Cells

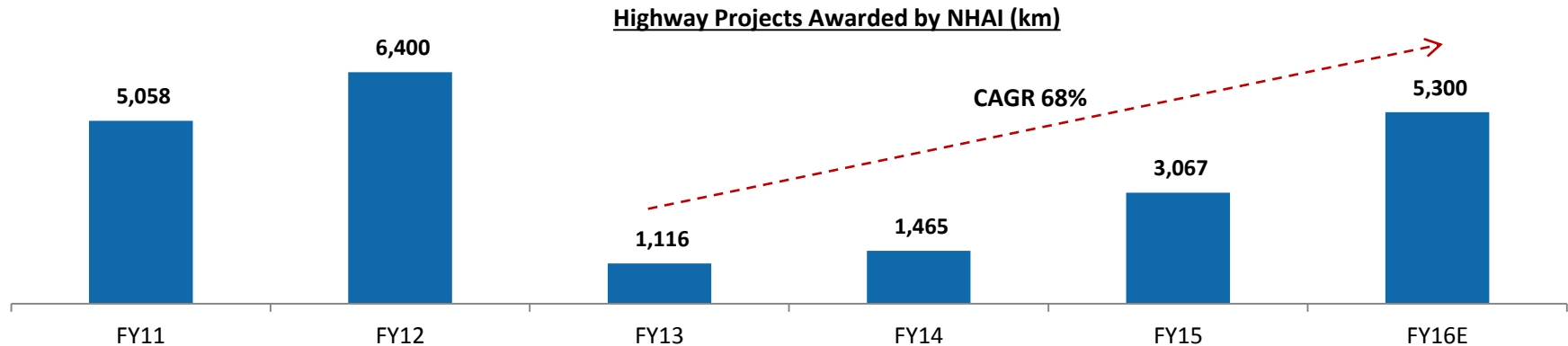
- More than 15 states have setup PPP Cells for mainstreaming private investments in infrastructure projects, including road projects, with technical assistance from the Asian Development Bank (ADB). The states are Andhra Pradesh\*, Arunachal Pradesh, Assam\*, Bihar, Chhattisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Odisha\*, Punjab, Rajasthan, Tamil Nadu, Uttarakhand\* and Uttar Pradesh.

# Industry Overview:

## Indian Road Sector On Revival Path – Key Growth Drivers



### Significant Pickup In New Projects



- Projects of ~ 3,067 km were awarded by NHAI during FY15 (~ 700 km under BOT model and remaining under EPC model). This was more than double the size of projects awarded in FY14, which was ~ 1,465 km.
- NHAI plans to award projects worth ~ Rs 3 trillion during FY16, through the PPP, Hybrid Annuity or EPC model.
- NHAI along with MoRTH plans to award ~ 15,000 km of road projects over FY16 and FY17.
- Significant opportunity exists in the State highway segment. States like Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Uttar Pradesh, Bihar, West Bengal and Rajasthan have planned several projects both on EPC and PPP basis.
- The Government has set a target to achieve 2.0% of the GDP from Transport and Port sector.

NHAI – National Highways Authority of India, PPP – Public Private Partnership, EPC – Engineering, Procurement, Construction, MoRTH – Ministry of Road Transport & Highways

Source: India Infrastructure Research 2015



# Industry Overview:

## Indian Road Sector On Revival Path – Key Growth Drivers



### Government's Thrust on Fast-tracking Road Projects

- Ordinance to amend the New Land Acquisition Act.
- Committee on easing environmental clearance norms and introduction of an online portal for environment and forest clearance.
- Central Government introduces new bidding strategy for national highway projects.
- Faster dispute resolution, including setting up of the Society for Affordable Redressal of Disputes by NHAI.
- Fast-tracking road projects in border areas and bringing BRO under the Ministry of Defence.
- Signing of memorandum of understanding (MoU) between the MoRTH and the Ministry of Railways.
- Rescheduling of premium payment for 11 national highway projects.

### Finance Related Measures

- RBI's permission to NBFCs to restructure project loans.
- RBI's permission to banks to refinance project loans through full or partial takeout financing.
- 5/25 scheme for easing financial pressure on the developers of new infrastructure projects with long gestation projects. The scheme allows banks to extend long-term loans of 20-25 years to match the cash flows of projects, while refinancing them every five or seven years.
- Further, lenders can refinance existing exposures and change repayment schedule without classifying exposure as "Restructured".
- RBI's classification of lending exposure to toll road projects as "Secured" to the extent assured by the project authority, leading to easing of provisioning norms & lower pricing of debt.
- Issuance of long-term bonds by commercial banks, which would be excluded from CRR/SLR requirements.
- Issuance of Maharaja Bonds by IFC to raise funds for the infrastructure sector.
- Issuance of bonds by multilateral financial institutions eligible for repo in corporate debt securities.
- The Central Government is also in the process of finalising a mechanism that will allow private equity firms and sovereign wealth funds to invest in highway projects.

### Initiatives to Revive the Road Sector

- Shift towards cash contracts.
- Regulatory clearances to ~ 80 stuck projects and railway clearances for 85 projects with railway over-bridges.
- Golden handshake with developers for 34 projects worth ~ USD 5.5 billion.
- Rule of three – no bidder can bid for more than three projects pending financial closure.
- CCEA has approved a comprehensive Exit Policy Framework that now permits concessionaires /developers to divest 100% equity, two years after completion of construction. This will help revive private participation.
- In order to revive projects stuck due to lack of funds, NHAI has been authorized to provide funds to such projects from its overall budget/corpus as loans at a pre-determined rate of return.
- Plans to allow international arbitration for dispute resolution.

# Industry Overview:

## Indian Road Sector On Revival Path – Key Policy Measures



### Key Policy Measures By New Government

#### Ordinance on new Land Acquisition Act

Easing of the land acquisition process particularly for PPP projects. However, the developers would be required to pay a higher amount for acquiring land.

- NHA will not award any road project unless it possesses 80% of land for the BOT projects and 90% of land for the EPC projects.
- MoRTH (including NHA) plans to award ~ 9,000 km in FY16 and ~ 6,000 km in FY17. This would require ~ 15,000 hectares as per NHA estimates.
- NHA has already acquired ~ 60% of land required for ~ 9,000 km of road projects which MoRTH (including NHA) plans to award in FY16.
- Additionally, ~ 40% of the overall projects to be awarded over FY16 and FY17 are two-lane road projects where the ROW (right of way) is already with NHA and land requirement is largely for additional alignment.

#### Easing of Environmental Clearance Norms, Online portal for Environment and Forest Clearance

De-linking of forest from environmental clearances. Easing of project execution process. During May-December 2014, the MoEF has given environment clearances to ~ 190 projects worth Rs 6.3 trillion. This includes 48 infrastructure projects, including highway projects worth Rs 950 billion.

# Industry Overview:

## Indian Road Sector On Revival Path – Key Policy Measures



### Key Policy Measures By New Government

#### RFID-based Toll Collection System

The implementation of ETC (Electronic Toll Collection) method of tolling to enable faster transit at toll plazas and seamless travel across tolled roads.

#### Rescheduling of Premium Payments

Provide relief to the project developers by rescheduling of premium payments. During FY15 ~ 11 projects have been cleared by the NHAI.

#### Constitution of SAROD by the NHAI

Speedier redressal of disputes at reasonable arbitration fee and miscellaneous expenditure. As of December 2014, ~ 60% of the NHAI-awarded contracts worth Rs 272.1 billion were involved in disputes.

#### Bringing BRO under the Ministry of Defence

Expedite road construction work in the border areas due to reduced procedural and inter-ministerial delays.

#### Setting up of NHIDCL

Upgradation of road infrastructure in the north-eastern region and other strategic areas of the Country on a priority basis. This will lead to a significant EPC opportunity.

# Industry Overview:

## Key Features Of Existing PPP And EPC Contracts



- As per the MCA, roles of the implementing agencies, concessionaires and contractors have been clearly defined.
- The concession period varies with the kind of contracts and toll rates are fixed as per the Tolling Policy – NHAI or State Highway notified rules.

### BOT (Toll)

- Implementing agency: Road alignment, location of structures, land acquisition and environment clearance.
- Concessionaire: Structural design, finance, construction and O&M.
- Tolling by concessionaire on the basis of government-notified tolling policy.
- Concession period: Depending on road capacity, subject to maximum of 30 years.

### BOT (Annuity)

- Implementing agency: Road alignment, location of structures, land acquisition and environment clearance.
- Concessionaire: Structural design, finance, construction and O&M.
- Tolling is done by the Authority separately, concessionaire is paid fixed semi-annual annuity .
- Concession period : Generally 20-25 years.

### Hybrid (Annuity)

- Implementing agency: Site specifications , Road alignment, location of structures, land acquisition and environment clearance, Project Facilities to be constructed
- Concessionaire: Structural design, Project facilities , finance, construction and O&M.
- Tolling is done by the Authority separately, concessionaire is paid fixed semi-annual annuity .
- Concession period : Generally 15 years.

### OMT

- Implementing agency: Site specifications, Project Facilities to be constructed, both major and routine maintenance work required .
- Concessionaire: Project facilities, design, finance, construction and O&M.
- Tolling by Concessionaire on basis of Government's notified tolling policy.
- Concession period: Generally 6-9 years.

### EPC (Turnkey Contracts)

- Implementing agency: Items and output specification.
- Contractors : Design engineering and quantity estimation.
- Contractors quote lump-sum amount, payment to contractors based on quantum of work and tolling, if any, is done by the Authority.

### EPC (Item Rate Contracts)

- Implementing agency: Items and output specification including the design, engineering and quantity estimation.
- Contractors need to quote rates against each item.
- Payment to contractors is based on quantum of work and tolling, if any, is done by the Authority.

# Industry Overview:

## PPP Models In The Road Sector



### Private Public Partnership (PPP) Framework

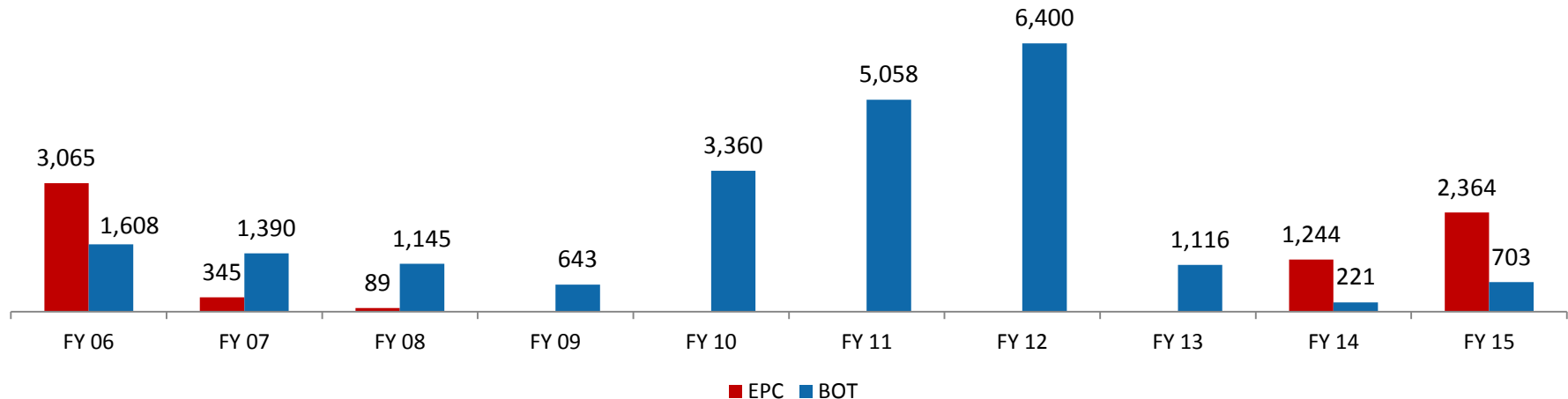
Government has recognized the need to engage with the private sector to achieve the following objectives:

- Harness private sector efficiencies in asset creation, maintenance and service delivery
- Provide focus on life cycle approach for development of a project, involving asset creation and maintenance over its life cycle
- Create opportunities to bring in innovation and technological improvements
- Enable affordable and improved services to the users in a responsible and sustained manner

Types	Description	Revenue Stream	Development Risk	Financing Risk	Traffic Risk	Concession Period (NHAI)	Award Criteria
<b>BOT (Toll)</b>	Private party builds roads, undertakes O&M & collects toll	Toll	Concessionaire	Concessionaire	Concessionaire	~20-25 years	Highest revenue sharing bid
<b>BOT (Annuity)</b>	Private party builds roads, undertakes O&M & collects annuity	Annuity Payment	Concessionaire	Concessionaire	Authority	~20-25 years	Lowest Annuity
<b>Hybrid (Annuity)</b>	Private party builds roads, undertakes O&M & collects annuity , Construction Support 40% from Authority	Annuity Payment	Concessionaire	Concessionaire (60%) Authority (40%)	Authority	15 years	Lowest Bid Project Cost & O&M Cost
<b>EPC</b>	Private party builds roads (money spent by government)	Contract Amount	Concessionaire	Authority	Authority	Not required	Lowest tariff requested
<b>OMT</b>	Private party collects toll & undertakes O&M	Toll	No development	Concessionaire	Concessionaire	~9 years	Highest % of toll revenues or highest premium per year
<b>Tolling</b>	Private party collects toll during the concession period and pays the estimated toll to the authority	Toll	No development	Concessionaire	Concessionaire	~1 years	Highest revenue sharing bid

## Industry Overview: Trend In Project Awarding - EPC Vs BOT Model

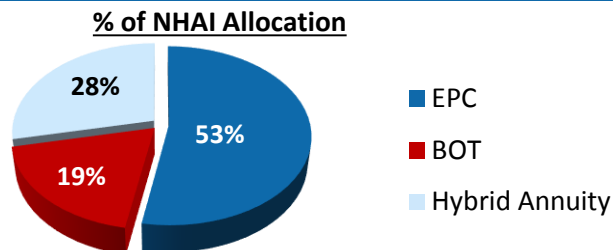
Length Awarded On EPC And BOT Formats Under The NHDP During 2005-15 (In Km)



- 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.
- Reportedly, the Central Government has terminated 36 PPP projects in the last two years. In October 2014 alone, NHAI invited tenders for 14 projects to be developed on an EPC basis which were earlier planned on a PPP mode.
- At the state level too, there has been difficulty in awarding projects on a PPP basis in the last two-three years. Major projects like the Agra-Lucknow Expressway in Uttar Pradesh and the Ganga Path Expressway in Bihar have been awarded on an EPC basis. These were earlier envisaged on a BOT basis.



## New Hybrid Annuity Model To Be Introduced To Improve Private Participation



NHAI planned to award road projects of ~ 5,300 km during FY16 through 3 execution models :

- 2,800 km under EPC model.
- 1,000 km under BOT model.
- 1,500 km under Hybrid Annuity model.

Higher allocation of new road projects under EPC and Hybrid Annuity model will result in an increased opportunity for OMT players.

- **Hybrid Annuity Model (HAM) –**
  - Under this new model, the developer will have to contribute 60% of the total project cost while the balance 40% will be invested by the Government during construction period in five equal instalments linked to project milestones. Going forward, with focus on assured execution of the projects, EPC and HAM models would be the preferred routes for awarding the road projects.
  - The Government / NHAI will collect the toll under HAM model and pay the developer annuity payments over 15 years along with interest thereon at bank rate + 3%. The developer will also receive O&M payments bi-annually along with annuity payments.
  - All project payments are inflation indexed.
  - Compared to EPC model, HAM model would help in easing the cash flow pressures on NHAI. Therefore, NHAI's own upfront funding requirement will be lower in case of HAM model compared with EPC model. Further, the traffic risk is not passed on the BOT operator, thus enhancing participation from private players.
  - As per latest developments , the NHAI has started awarding projects under HAM model from November 2015 .4 projects have been announced till date while it is expected that 12 road projects having length of ~576km and entailing an investment of ~Rs.159 billion across Delhi ,Uttar Pradesh , Himachal Pradesh , Jharkhand and Maharashtra would be announced in FY2015-16. For FY 2016-17 , the NHAI has identified additional 15 road projects having length of ~1105 km and entailing an investment of ~Rs.121.85 billion. Projects announced/awarded till date are:
    - Solan Kaithalighat (NH-22 & new NH-5)– Project Length 22.9 Km
    - Delhi-Meerut Expressway (PKG-I) (NH-24)-Project Length 8.7 Km
    - Delhi-Meerut Expressway (PKG-II) (NH-24)-Project Length 19.3 Km
    - Delhi-Meerut Expressway (PKG-III) (NH-24)-Project Length 22.3Km

# Industry Overview:

## Toll-Operate-Transfer Model

### New Toll-Operate-Transfer (TOT) Model To Be Introduced For Efficient Monetization Of Existing Toll Roads

#### TOT Model

- To award existing toll roads to a private entity for efficient operations and maintenance over a fixed long-term period.
- One time concession fee payable upfront (lump sum) in the operations and tolling phase.

NHAI or a Concessionaire has already financed the construction of the project

NHAI securitizes the toll receivables / Concession fee collected upfront

Private entity operates and tolls the project stretch for the concession period

#### Key Benefits

- Efficient operations and maintenance.
- Reduction in toll pilferage.
- Capital inflow to the Government which can re-invested in new road projects.
- Opportunity for the private sector to invest in low risk assets.

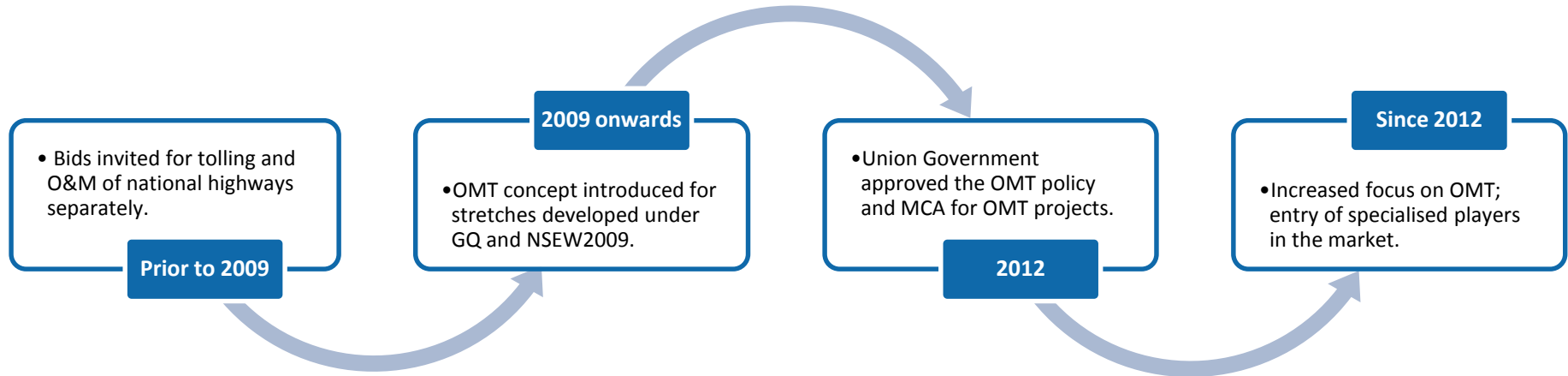
~ 104 existing toll roads across India funded by Government

~ 40% of existing toll roads are generating toll revenues which are more than 10% of the project completion cost

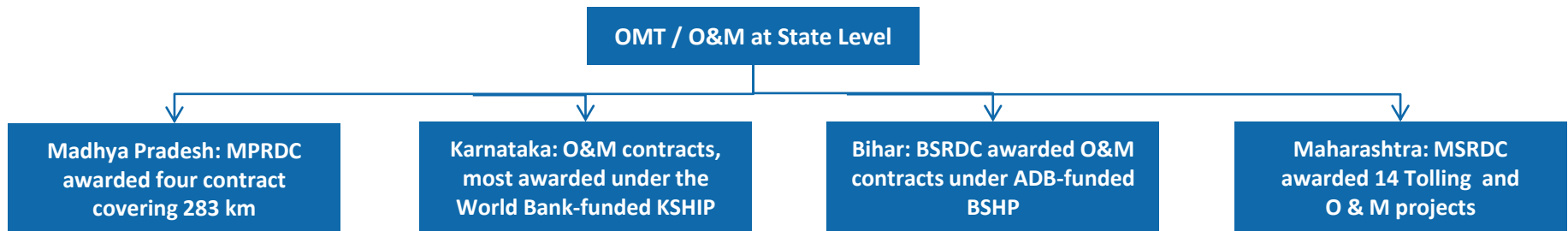
#### TOT Model has been successfully implemented and tested globally

Toll Asset	Country	Investors	Investment Size	Concession Period
Chicago Skyway	USA	Consortium <ul style="list-style-type: none"><li>▪ Macquarie, Cintra</li></ul>	USD 1.83 billion	99 years
Puerto Rico Highway PR-22	USA	Consortium <ul style="list-style-type: none"><li>▪ Goldman Sachs, Abertis</li></ul>	USD 1.43 billion	40 years
Penang bridge	Malaysia	United Engineers Malaysia Berhad	USD 204 million	25 years extended to 45 years
Indiana Toll Road	USA	Consortium <ul style="list-style-type: none"><li>▪ Macquarie, Cintra</li></ul>	USD 3.8 billion	75 years

## Evolution Of The OMT Concept

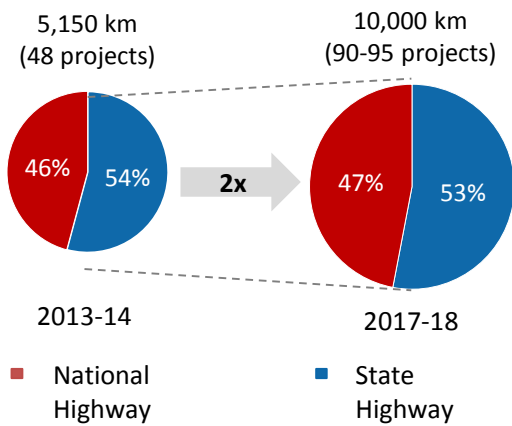


- A number of OMT projects have been identified and awarded both at the national and state level. Till date, projects covering over 2,760 km have been awarded by the NHAI.
- The maximum length was awarded during FY10 and FY11 following which the segment witnessed a lull with no projects awarded during FY12. Around 80 agencies responded to a combined RFQ for 20 projects issued by the NHAI during FY13, and 54 agencies responded to a combined RFQ for eight projects during FY14.
- Apart from NHAI, a few states like Madhya Pradesh, Karnataka, Maharashtra and Bihar have outsourced the operation and maintenance (O&M) and tolling activities to private players.

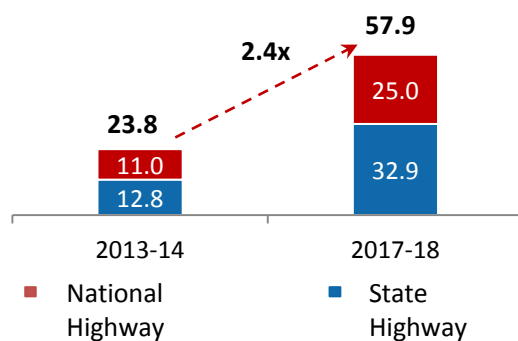


## Outlook For The OMT Model

### Market Size (Km) on bids invited basis



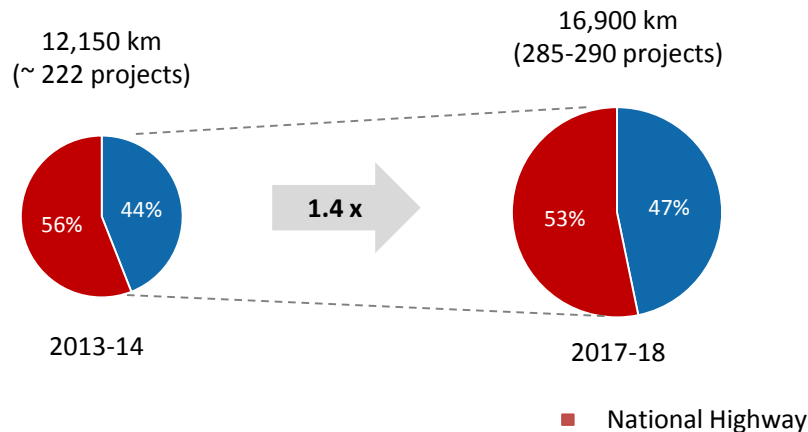
### Market Opportunity (Rs bn)



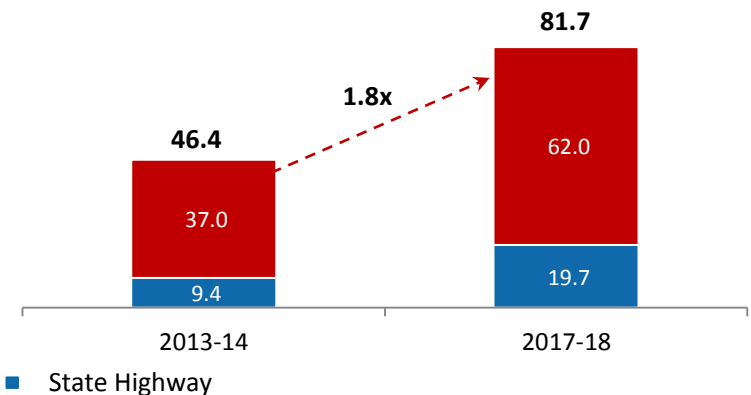
- As per CRISIL, a total of ~15,150 km of OMT opportunity is expected to come up. Of this, about 5,150 km will come from contracts already awarded under the NHDP, while 10,000 km is expected to come from future contracts.
- The OMT market will be primarily driven by:
  - Increasing number of BOT players exiting their current projects, creating opportunity to contract these projects on an OMT basis.
  - Rising penetration of OMT stretches in state highways, especially in Karnataka, Bihar and Madhya Pradesh.
    - Karnataka – The KRDCL has identified 8 OMT contracts worth Rs 6 billion to cover 840 km.
    - Bihar – The BSRDC has identified OMT contracts to cover 1,800 km of state highways, 4,000 km of major district roads and 675 km of state roads under Bihar State Highways Project.
    - Madhya Pradesh – The MPRDC has identified 12 projects worth Rs 450 million to be undertaken on an OMT basis.
- The number of projects bid out by NHAI and State Highway authorities on an OMT basis is expected to increase from the 14 and 34 projects respectively in 2013-14 to 30-32 and 55-60 projects respectively in 2017-18.

## Outlook For The Toll Collection Model

### Market Size (Km) on bids invited basis



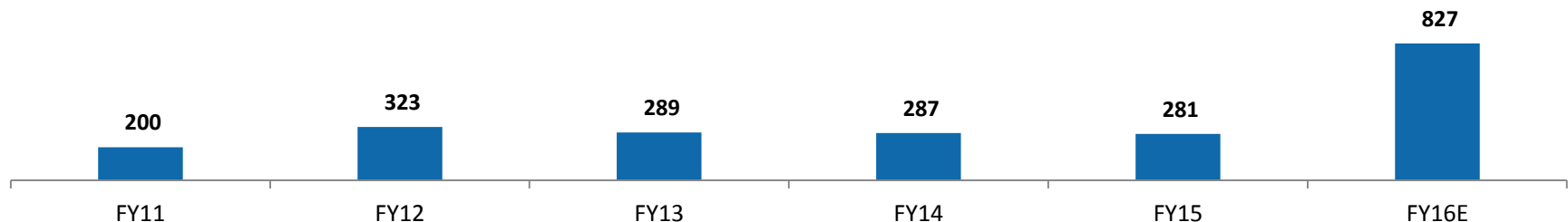
### Market Opportunity (Rs bn)



- Tolling market is expected to increase 1.4 times from the current ~ 12,150 km to ~ 16,900 km by 2017-18 primarily driven by:
  - Rising penetration of tolling stretches in state highways, especially in Karnataka, Rajasthan and Haryana.
  - Increasing number of stretches being awarded by NHAI on tolling basis.
- Number of projects bid out by NHAI and State Highway authorities on tolling basis are expected to increase from the 120 and 102 projects respectively in 2013-14 to 145-150 and 140-145 projects respectively in 2017-18.

- **Budgetary support and CRF:** Budgetary support to MoRTH has registered a CAGR of 13.4% between 2007-08 and 2014-15. The Central Government had allocated Rs352.38 billion(Central Plan Outlay) to the MoRTH under the Union Budget FY15. The allocations from CRF increased at a CAGR of about 7% during FY09 to FY14.
- **Market borrowings by NHAI:** In FY12,NHAI raised Rs 125 billion through market borrowings. During FY13, the central government mandated the NHAI to utilise the unused funds before floating a new bond issue. For FY14,NHAI was entitled for a bond issue of Rs 50 billion. In January 2014, the authority floated tax-free bonds worth Rs 37 billion. For FY15, NHAI issued a bond series worth Rs 40 billion in April 2014.
- **Multilateral funding:** As of December 31, 2014, the World Bank had loaned out to 28 contracts entailing an awarded cost of Rs 81.3 billion and being implemented under NHDP. Further, as of January 2015, the Bank had been involved in 28 state road projects with a total loan amount of nearly \$7.9 billion (projects related to additional financing and subsequent phases of already financed projects have been treated as separate projects).
- As of December 31, 2014, ADB had loaned out to 41 national highway projects entailing an awarded cost of Rs 94.3 billion under NHDP. Further, the ADB has funded several state highway and rural road projects with a total loan amount of about \$6.5 billion in Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Uttarakhand, Karnataka and Rajasthan.
- Partial funding to road sector through increase in cess on petrol and diesel from Rs 2 per litre (Rs 250 billion annually) to Rs 6 per litre (Rs 750 billion annually).
- The Ministry of Finance (MoF) is targeting issue of tax free bonds of Rs 450 billion in FY16, of which Rs 250 - 300 billion would be for NHAI and the remaining will be for Indian Railway Finance Corporation (IRFC).

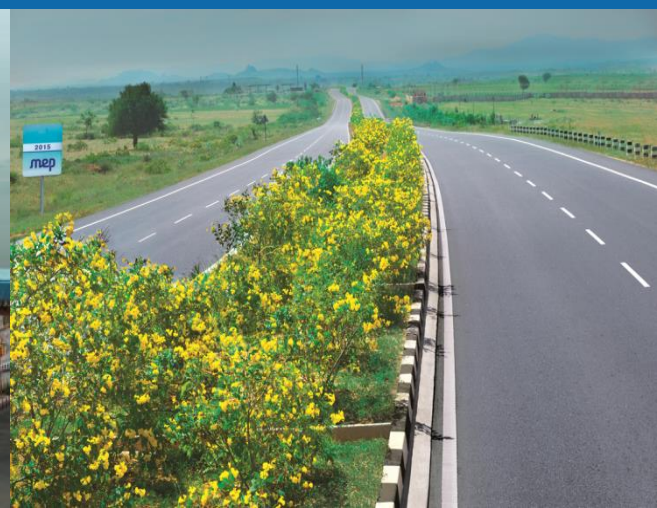
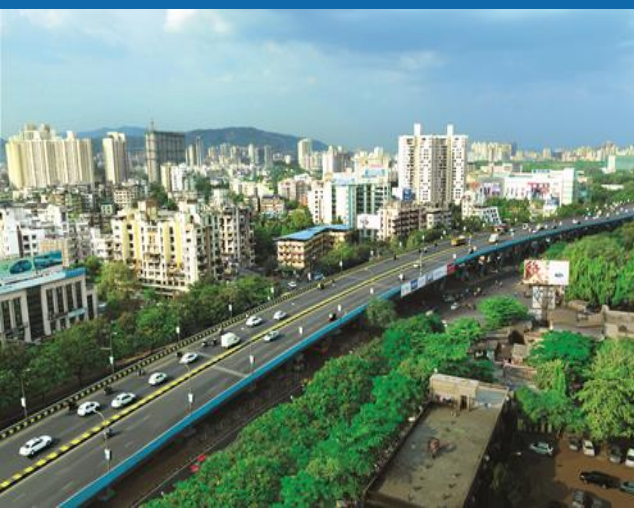
**Central Plan Outlay to MoRTH (In Rs billion)**



Source: India Infrastructure Research 2015

NHAI – National Highways Authority of India, PPP – Public Private Partnership, EPC – Engineering, Procurement, Construction, MoRTH – Ministry of Road Transport & Highways





## Company Overview

## Leading Player In Toll Collection & OMT Projects

- MEPIDL is the leading player in OMT and Toll Collection in India <sup>(1)</sup>.
- Commenced operations in 2002 - toll collection at the five Mumbai Entry Points for 8 years.
- Progressed into winning one of the largest OMT contracts at the Mumbai Entry Points – toll collection at the five Mumbai Entry Points and maintenance of 27 flyovers and certain allied structures in Mumbai for a period of 16 years until 2026.

### Strong Execution Experience

- Successful operational experience of over 13 years.
- Pan India presence across 8 states.
- Executed more than 100 projects.
- Completed 87 projects including 149 toll plazas and 963 lanes.
- 23 operational projects as on 31st January 2016 –
  - 16 long term and short term toll collection projects (29 toll plazas) in 8 states.
  - 1 long term toll collection project of Delhi Entry Points with 124 toll plazas (Company operating 22 plazas).
  - 5 long term OMT projects (covering 2,530 lane kms and 15 toll plazas).
  - 1 long term BOT project (covering 42 lane kms and 5 toll plazas).

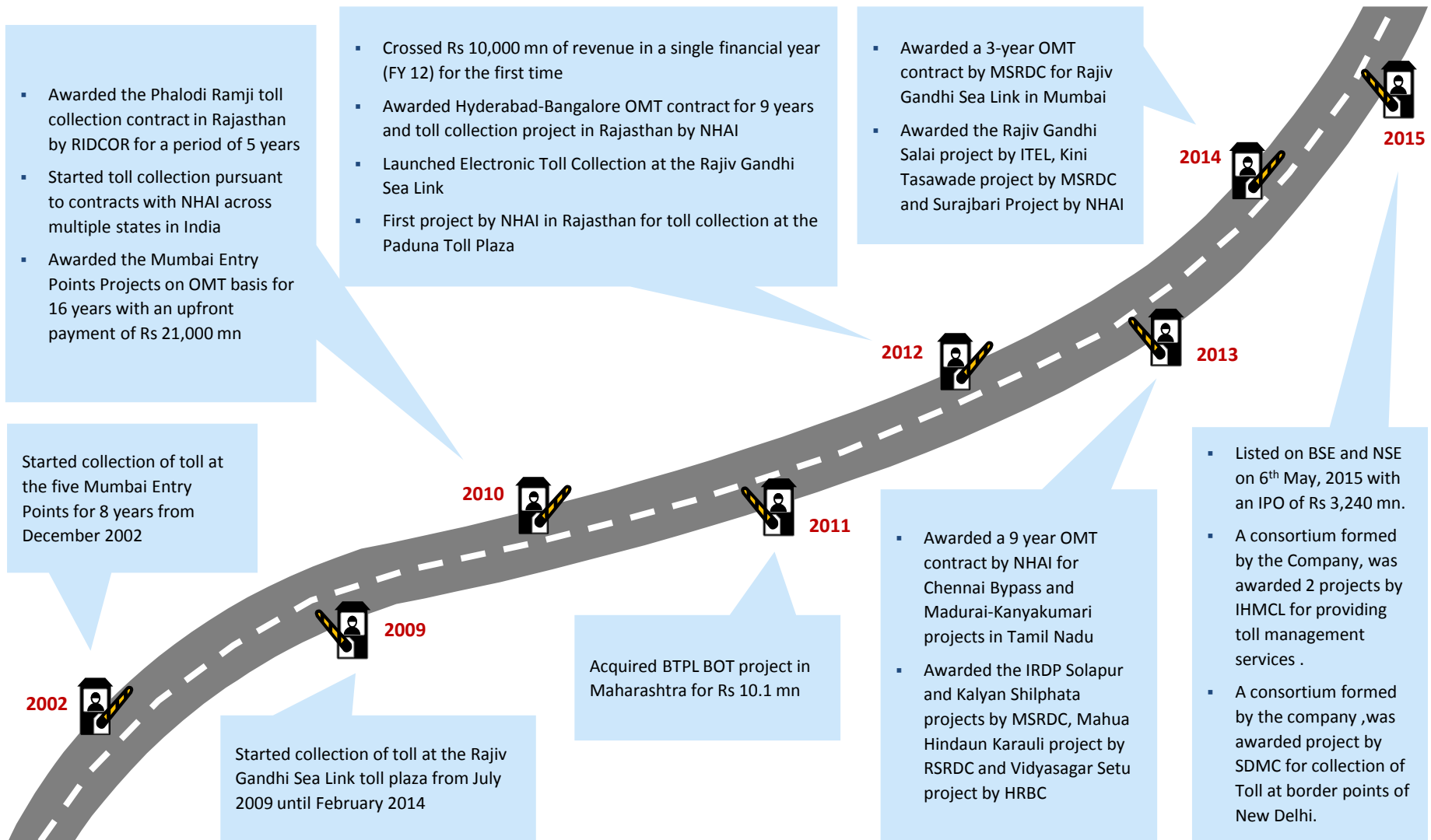


### Strong Qualifications & Capabilities

- Pre-qualified by NHAI and various statutory corporations and government companies for Bidding in Tolling and OMT space .
- Strong relationships with various statutory and government companies, primarily NHAI, MSRDC, RSRDC, RIDCOR, MJPRCL and HRBC.
- Strong promoter and management team capabilities.
- Strong workforce as on 31<sup>st</sup> January 2016 –
  - ~ 3,316 employees in Tolling and maintenance activities.
  - ~ 1,015 contract workforce at various toll plazas.

(1) Source: Assessment of Operate-Maintain-Transfer (OMT) and Toll Collection Market for Road Projects in India" dated June 2014, by CRISIL Limited.

# Company Overview: Key Milestones

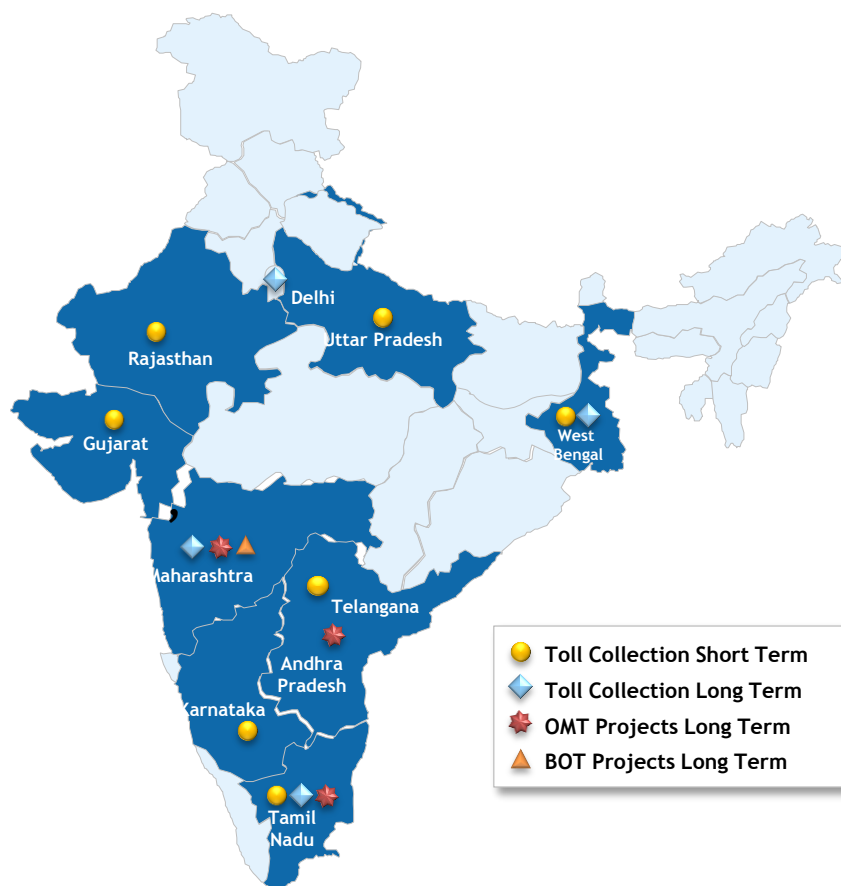


# Company Overview:

## 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	BOT	Total
Maharashtra	2	3	1	1	7
Tamil Nadu	2	1	1	-	4
Rajasthan	-	-	2*	-	2
Gujarat	-	-	1	-	1
Uttar Pradesh	-	-	4	-	4
West Bengal	-	1	2	-	3
Andhra Pradesh	1	-	-	-	1
Delhi	-	1	-	-	1
<b>Total</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>1</b>	<b>23</b>

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

Note – Refer annexure for project specific details

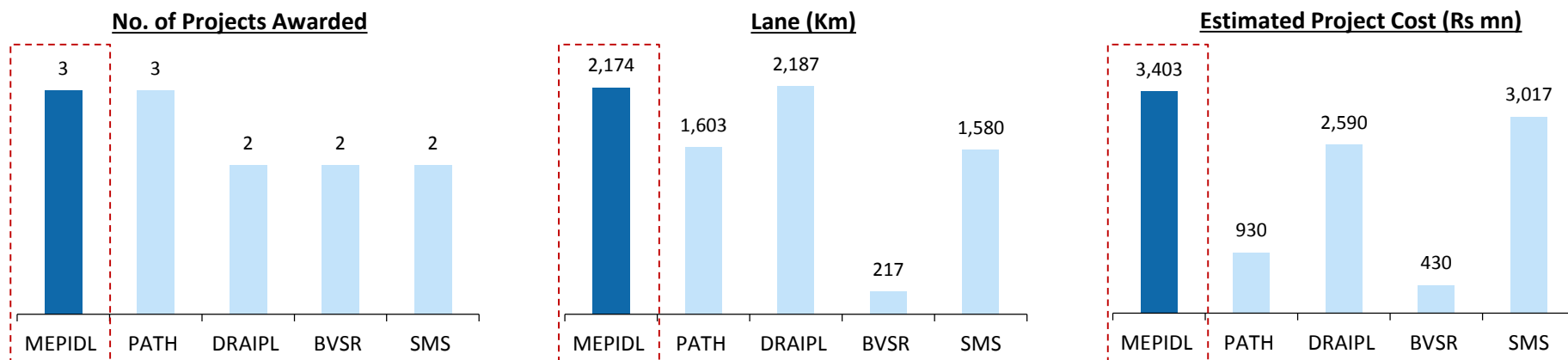
\* Phalodi Ramji Project , previously a long term project was re-awarded as short term toll collection project on 17<sup>th</sup> September 2015

# Company Overview:

## Leadership Position In OMT And Toll Collection In India



### Leading Player In The OMT



PATH – Prakash Asphalting & Toll Highways (India) Limited; DRAIPL – Dinesh Chandra Agarwal Infracon Private Limited; BVS – B.V Subba Reddy Constructions; SMS – SMS Infrastructure

### Leading Player In Toll Collection Over FY12-FY14

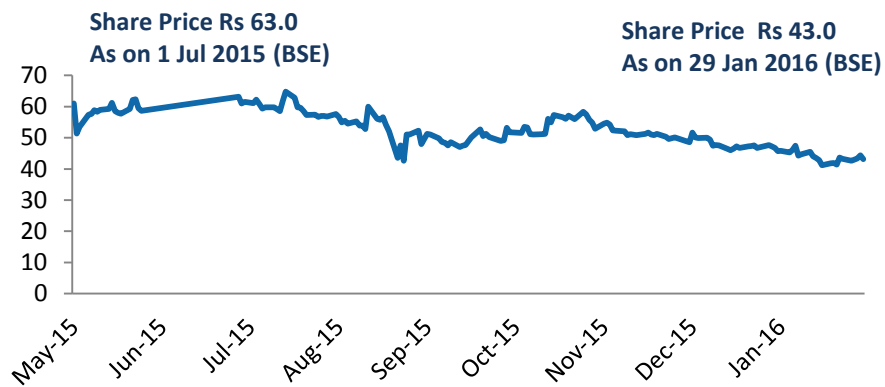
During FY12 to FY14, financial bids were opened / awarded for 241 NHAI toll projects, out of which MEPIDL bid for 50-55% of the projects.

	MEPIDL	Konark	Skylark	Eagle Infra	Sangam India	Sahakar Global	Shiva Corporation	SMS Infra
Total Projects (Bids / Executed)	50 - 55%	15 - 20%	~ 15%	20 – 25%	~ 5%	~ 20%	5 – 10%	0 – 5%
Total Projects (Bids / Executed) More than Rs 200 mn	55 - 60%	25 – 30 %	5 – 10%	25- 30%	5 – 10%	15 – 20%	5-10%	~ 5%

# Company Overview: Shareholding Structure



## Share Price Performance



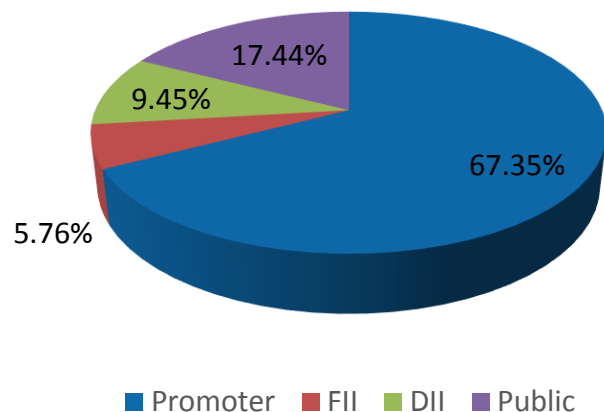
## Market Data

As on 29.01.2016 (BSE)

Market Capitalization (Rs Mn)	6,990
No. of shares outstanding (Mn)	162.6
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	36.0 – 67.0

Source – BSE

## % Shareholding – 31.12.2015



Source – BSE

## Key Institutional Investors – 31.12.2015

## % Holding

HDFC Trustee company Ltd	8.86%
EM Resurgent Fund	4.60%
Orange Mauritius Investments	1.16%
Reliance Small Cap Fund	0.58%
Sunidhi Capital Ltd	0.37%









Source – BSE



# Company Overview:

## Experienced Promoters And Management Team – Board Of Directors



Name & Designation	Experience
 <p><b>Dattatray P. Mhaiskar</b> <i>Chairman, Non Independent and Non Executive Director</i></p>	<ul style="list-style-type: none"> <li>Founding Director and Promoter of the Company</li> <li>Holds a Diploma in Civil Engineering from Sir Cursow Wadia Institute of Electrical Technology, Pune</li> <li>48 years of experience in Construction and Infrastructure industry</li> </ul>
 <p><b>Jayant D. Mhaiskar</b> <i>Vice Chairman &amp; Managing Director</i></p>	<ul style="list-style-type: none"> <li>Founding Director and Promoter of the Company</li> <li>18 years of experience in the Tolling and Infrastructure industry</li> </ul>
 <p><b>Anuya J. Mhaiskar</b> <i>Non Independent and Non Executive Director</i></p>	<ul style="list-style-type: none"> <li>Bachelor's degree in Arts with major in Philosophy from Ramnarain Ruia College, University of Mumbai</li> <li>16 years of experience in the field of Administration</li> </ul>
 <p><b>Murzash Manekshana</b> <i>Executive Director</i></p>	<ul style="list-style-type: none"> <li>Qualified Chartered Accountant with a Bachelor's degree in Commerce from University of Mumbai</li> <li>22 years of work experience in areas of finance &amp; risk management, fund raising, investment banking, strategic planning and business development</li> </ul>
 <p><b>Deepak Chitnis</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>Bachelor's degree in Science and Master's degree in Law from Mumbai University</li> <li>31 years of experience in the field of Law</li> </ul>
 <p><b>Khimji Pandav</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>Fellow Chartered Accountant with a Bachelor's degree in Commerce from University of Mumbai</li> <li>Held key posts in the field of Finance and Accounts and also was a Financial Advisor to CIDCO and MSRDC</li> </ul>
 <p><b>Vijay Agarwal</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>Fellow Chartered Accountant with a Bachelor's degree in Commerce from Jodhpur University</li> <li>32 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</li> </ul>
 <p><b>Preeti Trivedi</b> <i>Independent Director</i></p>	<ul style="list-style-type: none"> <li>Fellow Chartered Accountant with a Bachelor's degree in Commerce from University of Mumbai</li> <li>31 years of experience in management consulting, corporate finance, corporate restructuring, mergers and amalgamation and advisory services</li> </ul>

## Company Overview: Experienced Promoters And Management Team – Key Management



Name & Designation	Experience
<b>Uttam Pawar</b> <i>Chief Tolling Officer</i>	<ul style="list-style-type: none"> <li>Bachelor's degree in Commerce from Shivaji University, Kolhapur with over 25 years of experience in tolling business</li> <li>Previously associated with Ideal Road Builders Private Limited</li> </ul>
<b>Subodh Garud</b> <i>Chief Operating Officer</i>	<ul style="list-style-type: none"> <li>Bachelor's degree in Commerce from University of Mumbai with 19 years of experience in toll operations and automization of toll projects</li> <li>Previously associated with A. J. Tolls Private Limited, Ideal Road Builders Private Limited and Dhruv Consultancy</li> </ul>
<b>Sameer Apte</b> <i>Chief Operating Officer (Corporate)</i>	<ul style="list-style-type: none"> <li>Bachelor's degree in Commerce from University of Mumbai with 15 years of experience in tolling operations</li> <li>Previously associated with Ideal Toll &amp; Infrastructure Private Limited and Ideal Road Builders Private Limited</li> </ul>
<b>Vilas Pradhan</b> <i>President – Human Resources</i>	<ul style="list-style-type: none"> <li>48 years of work experience, with over 13 years of experience in human resource development</li> <li>Previously associated with Ideal Road Builders Private Limited, Ideal Toll &amp; Infrastructure Private Limited and Rhone Poulenc (India) Private Limited</li> </ul>
<b>M. Sankaranarayanan</b> <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> <li>Qualified Chartered Accountant, Company Secretary and a fellow member of the ICAI</li> <li>Over 16 years of experience in the field of finance, accounting, audit and taxation</li> <li>Previously associated with SKS Ispat and Power Limited, Hotel Leelaventure Limited and was a partner of M. Srinivasan &amp; Associates, Chartered Accountants, Chennai</li> </ul>
<b>Sainath Gurav</b> <i>Chief Information Officer</i>	<ul style="list-style-type: none"> <li>Master's degree in Business Administration from Institute for Technology and Management, and Advance Diploma in Network Center Computing from NIIT with over 14 years of experience</li> <li>Previously associated with RSM Astute Consulting Private Limited and Ideal Toll &amp; Infrastructure Private Limited</li> </ul>
<b>Shridhar Phadke</b> <i>Company Secretary &amp; Compliance Officer</i>	<ul style="list-style-type: none"> <li>Qualified Company Secretary with 15 years of total work experience</li> <li>Master's degree in Commerce from University of Pune</li> <li>Previously associated with J. H. Ranade &amp; Associates and Kshitij Investment Advisory Company Limited and Ideal Energy Projects Limited</li> </ul>
<b>Dinesh Padalkar</b> <i>Assistant Vice President, Toll Audit</i>	<ul style="list-style-type: none"> <li>Bachelor's degree in Commerce from University of Mumbai with over 15 years of experience in audit</li> <li>Previously associated with IRB Infrastructure Developers Limited, Yash Jewels and JAN Transport</li> </ul>
<b>Arvind Vinze</b> <i>Head of Business Development &amp; Corporate Communications</i>	<ul style="list-style-type: none"> <li>Masters degree in Journalism (Communication) from Dr. Harisingh Gaur Vishvaavidyalaya</li> <li>26 years of experience, Previously associated with Ideal Toll &amp; Infrastructure Private Limited, Mumbai Metro One Private Limited, Mumbai Doordarshan and Pradeep Metal Treatment Chemicals Private Limited</li> </ul>



Sustainable Competitive Advantages

# Sustainable Competitive Advantage: Strong Execution Capabilities With Proven Track Record



## Expertise And Experience In Project Management

- One of the first few companies focusing to operate on pure toll collection business model.
- Successful operational experience of over 13 years with a pan India presence across 8 states.
- Completed 87 projects including 149 toll plazas and 963 lanes.
- 23 projects operational projects– 16 toll collection projects (29 toll plazas) in 8 states, 1 toll collection project of Delhi Entry Points with 124 toll plazas (Company operating 22 plazas), 5 OMT projects (covering 2,530 lane kms and 15 toll plazas) and 1 BOT project (covering 42 lane km and 5 toll plazas).
- Strong track record of being re-awarded projects which were previously operated by the Company.
  - Project for collection of toll at Chirle and Karanjade in Maharashtra.
  - Project for collection of toll at the toll plazas on Ahmedabad – Vadodara Expressway in Gujarat.
  - Project for collection of toll at Surajbari, Dasna, Dastan and Ramji Phalodi in Gujarat, UP, Maharashtra & Rajasthan respectively.
  - Awarded the Mumbai Entry Points Project in 2010 on an OMT basis for 16 years after having previously undertaken collection of toll from Dec-2002 until Nov-2010.
  - Awarded RGSL Project in 2014 on an OMT basis after having undertaken collection of toll at the RGSL since its opening in 2009.

## Strong Relationship With Statutory And Government Companies



MUMBAI - JNPT PORT  
ROAD COMPANY  
LIMITED



Leading toll operator in India with an overall experience of over 13 years

# Sustainable Competitive Advantage: Integrated Structure With In-house Capabilities



## 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 .
- 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.

## 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 31<sup>st</sup> January, 2016, ~ 3,316 employees in Tolling and maintenance activities.
- ~ 1,015 contract workforce at various toll plazas.

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



# Sustainable Competitive Advantage: Use Of Advanced Technology For Toll Collection



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

### ETC System:

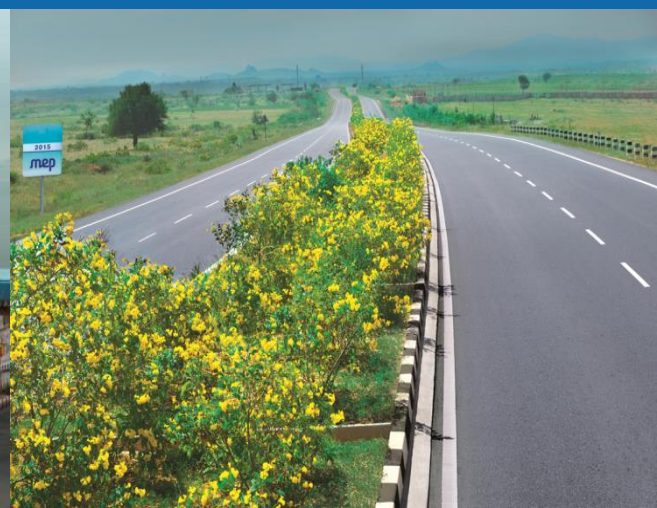
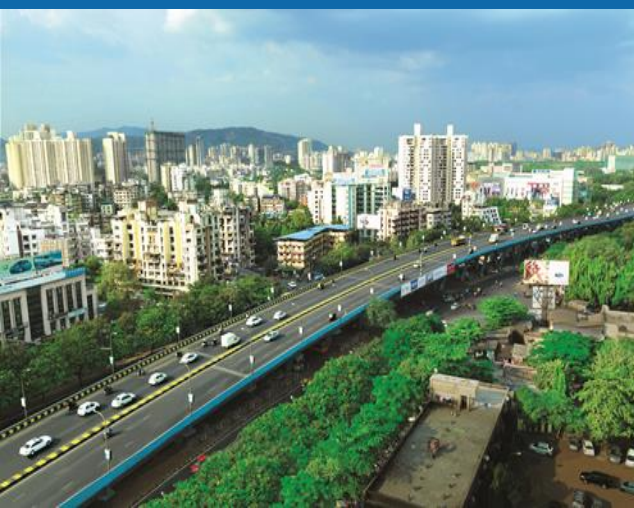
- Electronic Toll Collection (ETC) systems are based on prepaid mode of toll collection either through smart cards or RFID technology based tags.
- ETC systems reduce cash management resulting in revenue enhancement as well as improved transparency in toll collection.
- ETC systems also help in reducing 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.



### 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 850 cameras at Multiple Locations, 24 X 7, 365 days with experienced team.**



Understanding Our Business Model

# Understanding Our Business Model: Asset Light Business Model



## Asset Light Business Model Focussing On Pure Toll Collection And OMT Projects

Business Model	Capital Employed	Development / Construction Risk	Traffic Risk	Financing Risk	Concession Period	Maintenance Responsibility	Political Risk	Revenues
OMT	Minimal	No	Yes	Yes	~ 9+ years (Long-term)	Yes	Yes	<b>Toll Revenues</b> Traffic Growth - 5-8% YoY Toll Rate hike – Fixed Rate + % of WPI growth YoY MIPL – ~ 18% hike every 3 years
Toll Collection	Minimal	No	Yes	Yes	~ 1 year (Short-term) ~ 1-5 years (Long-term)	No maintenance, Only toll collection	Yes	<b>Toll Revenues</b> Traffic Growth - 5-8% YoY Toll Rate hike – Fixed Rate + % of WPI growth YoY

Business Model	Capital Intensity
Toll Collection – Short Term	<ul style="list-style-type: none"> <li>Equity Free portion of the Business.</li> <li>No Initial Capex.</li> <li>No Upfront Payment to Authority required.</li> <li>Performance Security (funded / non-funded) needs to be provided. (Normally funded via working capital)</li> </ul>
Toll Collection – Long Term	<ul style="list-style-type: none"> <li>No Initial Capex.</li> <li>Upfront Payment to Authority (mainly non-NHAI).</li> <li>Performance Security (funded / non-funded) needs to be provided.</li> </ul>
OMT – Long Term	<ul style="list-style-type: none"> <li>No Upfront Payment to Authority required for any OMT project under NHAI.</li> <li>Upfront payment to authority required for certain State OMT projects.</li> <li>Performance Security (non-funded) needs to be provided .</li> <li>Payment to Authorities becomes an operational expense and needs to be paid from toll cash flows on a monthly instalment basis.</li> </ul>



# Understanding Our Business Model: Balanced Mix Of OMT And Toll Collection Projects



Well-balanced Mix Of Short Term & Long Term Projects Is Essential For Long Term Sustenance

## Lifecycle of Toll Collection Projects

### Short Term Projects

- Pure toll collection project is awarded initially on a short term basis when the newly constructed project is covered under the defect liability period.
- During the defect liability period, the project contractor is responsible for the maintenance of the project.

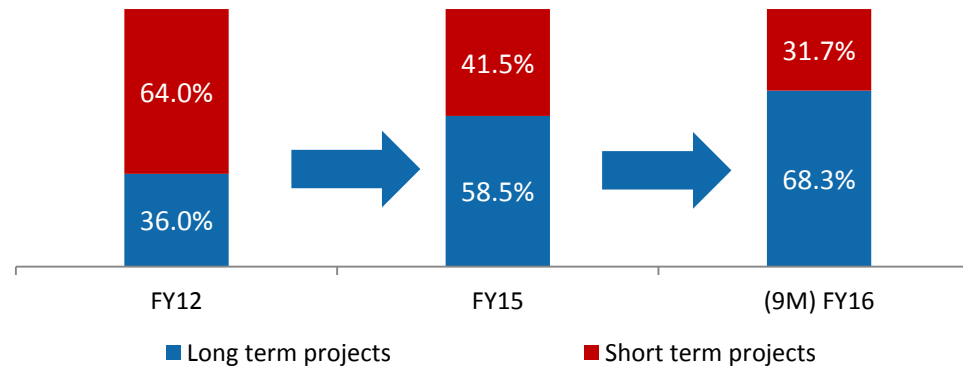


### Long Term Projects

- Post the completion of the initial defect liability period of 2-3 years, the toll project is bidded for OMT Project on a long term basis.

Short term projects provide the visibility for future pipeline of long term OMT projects

## Focus On Increasing Revenue Contribution From Long Term Projects





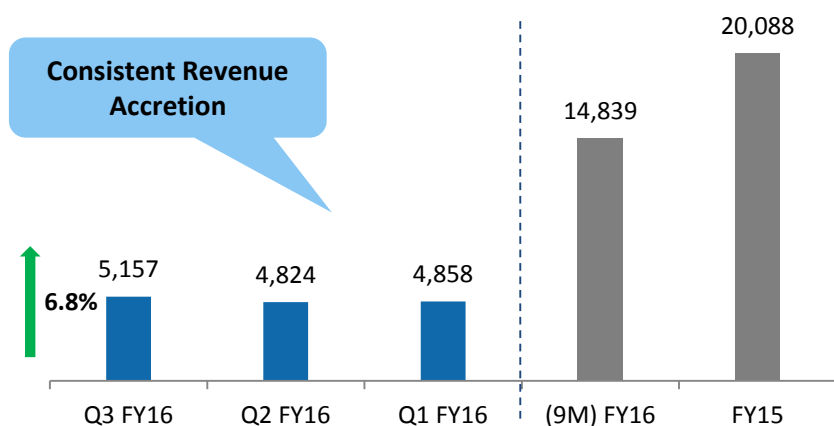
## Consolidated Financials

# Q3 & 9M FY16 Results Highlights

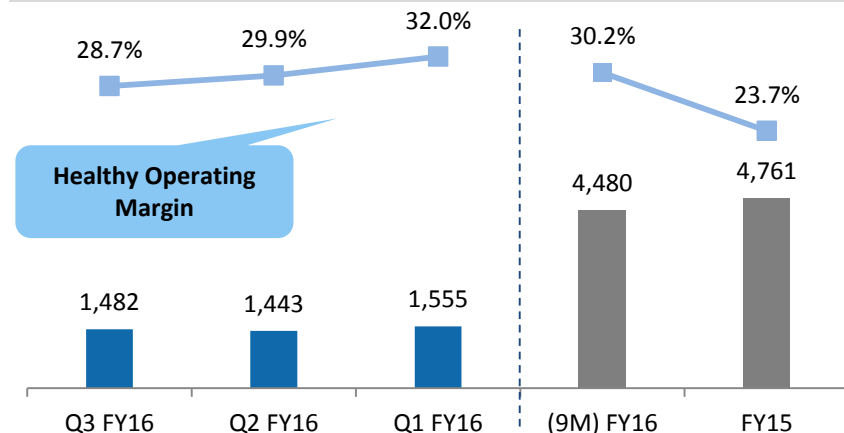


In Rs Mn

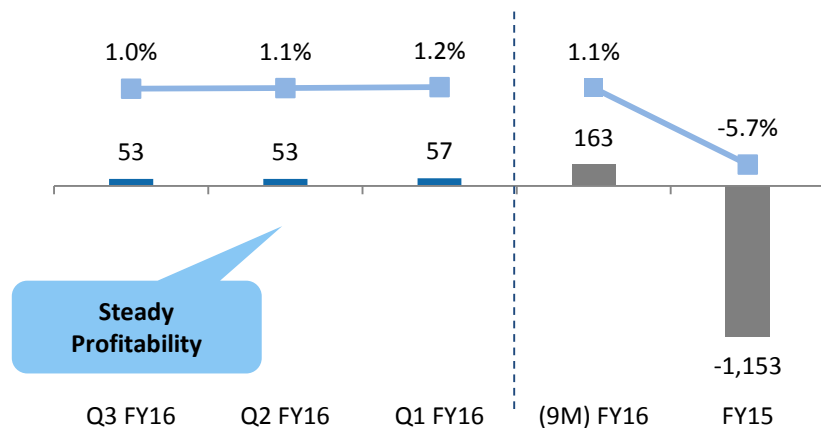
## REVENUE FROM OPERATIONS



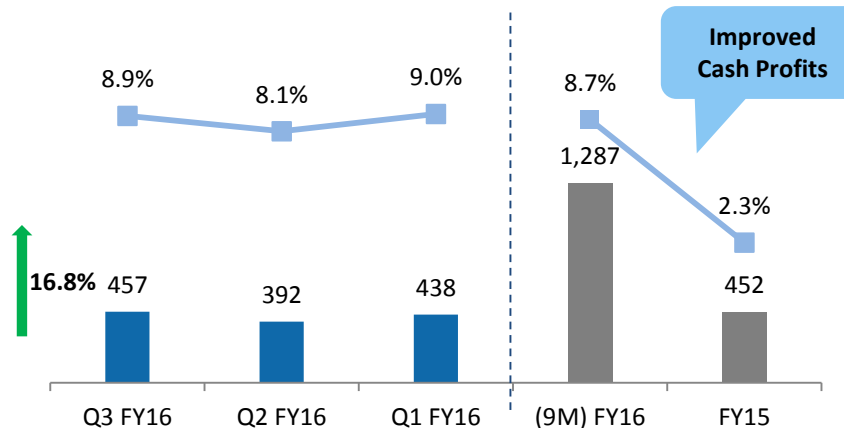
## EBITDA & EBITDA MARGIN



## PAT & PAT MARGIN

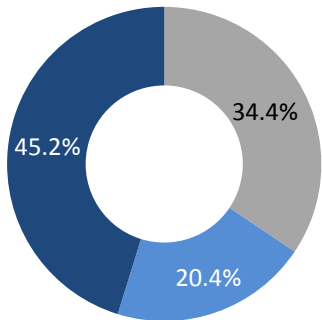


## CASH PROFIT & CASH PROFIT MARGIN

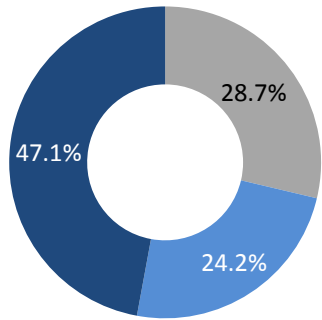


REVENUE BREAKUP

Q3 FY16

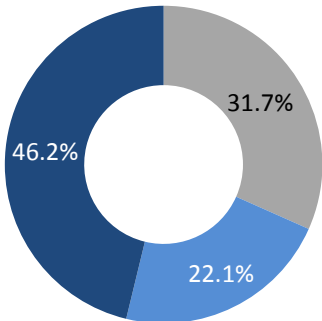


Q2 FY16

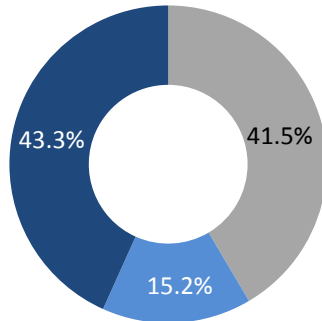


■ Long Term - OMT      ■ Short Term – Toll Collection      ■ Long Term – Toll Collection

(9M) FY16



FY15



■ Long Term - OMT      ■ Short Term – Toll Collection      ■ Long Term – Toll Collection

# Consolidated P&L Statement



Particulars in Rs. Mn	FY12	FY13	FY14	FY15	(9M) FY16
<b>Revenue from Operations</b>	<b>10,801</b>	<b>12,800</b>	<b>11,979</b>	<b>20,088</b>	<b>14,839</b>
Other Income	565	220	433	325	282
Operating and Maintaining Expenses	6,679	8,332	8,015	14,570	9,820
Employee Expenses	413	525	499	761	575
Other Expenses	219	294	360	321	246
<b>EBITDA</b>	<b>4,055</b>	<b>3,869</b>	<b>3,538</b>	<b>4,761</b>	<b>4,480</b>
<b>EBITDA Margin (%)</b>	<b>37.5%</b>	<b>30.2%</b>	<b>29.5%</b>	<b>23.7%</b>	<b>30.2%</b>
Depreciation	947	990	1,303	1,799	1,292
Finance Costs	3,766	3,765	3,797	4,036	2,868
<b>PBT</b>	<b>-658</b>	<b>-886</b>	<b>-1,562</b>	<b>-1,075</b>	<b>319</b>
Taxes	-127	45	-236	79	157
<b>PAT before Minority Interest</b>	<b>-531</b>	<b>-931</b>	<b>-1,326</b>	<b>-1,153</b>	<b>163</b>
Minority Interest	54	0	-9	0	0
Pre-acquisition profit/loss adjustment	0	0	43	0	0
<b>PAT</b>	<b>-477</b>	<b>-931</b>	<b>-1,292</b>	<b>-1,153</b>	<b>163</b>
<b>PAT Margin (%)</b>	<b>-4.4%</b>	<b>-7.3%</b>	<b>-10.8%</b>	<b>-5.7%</b>	<b>1.1%</b>

# Consolidated Balance Sheet



Particulars in Rs. Mn	FY12	FY13	FY14	FY15	(H1) FY16
<b>Equities &amp; Liabilities</b>					
<b>Shareholder's Funds</b>					
Share Capital	1,000	1,000	1,000	1,115	1,626
Reserves & Surplus	-379	-1,308	-1,878	-3,379	-727
<b>Total Shareholder's Funds</b>	<b>621</b>	<b>-308</b>	<b>-878</b>	<b>-2,264</b>	<b>899</b>
Share Application Money	453	453	-	-	-
Minority Interest	0	0	9	-	-
<b>Non-Current Liabilities</b>					
Long-term Borrowings	29,864	29,128	28,663	29,568	27,478
Other Long-term Liabilities	-	2	15	23	1,044
Long-term Provisions	9	12	1,566	1,044	27
<b>Current Liabilities</b>					
Short-term Borrowings	449	388	1,387	2,072	1,960
Trade Payables	241	222	1,464	2,663	2,850
Other Current Liabilities	1,675	2,842	3,115	3,247	2,502
Short-term Provisions	2	3	3	5	5
<b>Total Equity &amp; Liabilities</b>	<b>33,314</b>	<b>32,742</b>	<b>35,343</b>	<b>36,356</b>	<b>36,764</b>
<b>Assets</b>					
<b>Non-Current Assets</b>					
Fixed Assets	22,074	21,513	23,695	21,722	20,964
Non-Current Investments	0	30	6	216	216
Deferred Tax Assets (net)	287	350	756	942	1,069
Long-term Loans & Advances	2,660	7,027	7,519	8,934	9,781
Other Non-Current Assets	753	263	219	387	412
<b>Current Assets</b>					
Current Investments	28	0	0	106	-
Trade Receivables	45	384	287	258	215
Cash & Bank Balance	824	1,539	1,623	1,348	1,392
Short-term Loans & Advances	6,519	1,579	915	1,812	1,962
Other Current Assets	124	57	322	630	752
<b>Total Assets</b>	<b>33,314</b>	<b>32,742</b>	<b>35,343</b>	<b>36,356</b>	<b>36,764</b>

# Annexure

# Company Overview: Corporate Structure



## MEP Infrastructure Developers Limited

### OMT Projects

**MIPL** - MEP Infrastructure Private Limited (99.99%) (Mumbai Entry Points Project)

**MEP RGSL** - MEP RGSL Toll Bridge Private Limited (100.00%) (Rajiv Gandhi Sea Link Project)

**MEP HB** - MEP Hyderabad Bangalore Toll Road Private Limited (100.00%) (Hyderabad-Bangalore Project)

**MEP CB** - MEP Chennai Bypass Toll Road Private Limited (100.00%) (Chennai Bypass Project)

**RTRPL** - Raima Toll Road Private Limited (100 %) (Madurai-Kanyakumari Project)

### Long Term Toll Collection Projects

**MEP Solapur** - MEP IRDP Solapur Toll Road Private Limited ( 100 %) (IRDP Solapur Project)

**RTBPL** - Rideema Toll Bridge Private Limited (100 %) (Vidyasagar Setu Project)

**RTIPL** - Raima Toll & Infrastructure Private Limited (100 %) (Kini Tasawade Project)

**# SMYR –SMYR Consortium LLP ( 25% )** (Delhi Border Entry Points Toll Collection project )

### BOT Projects

**RTPL** - Rideema Toll Private Limited (100 %)



**BTPL** - Baramati Tollways Private Limited (99.99%) (BOT Project) (Baramati Project)

### Other Subsidiaries / Associate

**MEP HS** - MEP Highway Solutions Private Limited ( 100 %)

**# KVM** - KVM Technology Solutions Private Limited ( 33% ) ( Toll Management systems , Plaza Surveillance ,Weight enforcement system for Public Funded Projects )

**MTPL** - MEP Tormato Private Limited (100 %)

**MICPL** - MEP Infra Constructions Private Limited (100%)

**MEP Infraprojects** - MEP Infraprojects Private Limited (100 %)

**MEP Nagzari** - MEP Nagzari Toll Road Private Limited (100 %)

**MEP RBPL** – MEP Roads & Bridges Private Limited (100 %)

**MTIPL** - MEP Toll & Infrastructure Private Limited (100 %)

**MTRPL** - Mhaiskar Toll Road Private Limited (100 %)

# Represents Associate \* Phalodi Ramji Project under RVPL was re-awarded as short term toll collection project on 17<sup>th</sup> September 2015.



# Mix Of OMT And Toll Collection Projects – OMT Projects



	Madurai – Kanyakumari	Hyderabad - Bangalore	Chennai Bypass	Rajiv Gandhi Sea link	Mumbai Entry Points
<b>Description</b>	Four lane carriage way located on NH-7, which is a major highway running through U.P, M.P, Maharashtra, Andhra Pradesh, Karnataka & Tamil Nadu	Four lane carriage way located on NH-7, passes through industrial districts such as Kurnool and Anantapur in Andhra Pradesh	Six lane carriageway that links NH-45, NH-4, NH-205, NH-5 & provides connectivity to the two ports of Chennai i.e. Chennai port & Ennore port	Links Bandra in the Western Suburbs of Mumbai with Worli in South Mumbai	Five entry points located on <ul style="list-style-type: none"> <li>▪ Sion–Panvel Highway,</li> <li>▪ Western Express Highway</li> <li>▪ Eastern Express Highway,</li> <li>▪ LBS Marg and</li> <li>▪ Airoli Bridge corridor in Mumbai</li> </ul>
<b>SPV</b>	RTRPL	MEP HB	MEP CB	MEP RGSL	MIPL
<b>Authority</b>	NHAI	NHAI	NHAI	MSRDC	MSRDC
<b>Company's stake</b>	100.00%	100.00%	100.00%	100.00%	99.99%
<b>State</b>	Tamil Nadu	Andhra Pradesh	Tamil Nadu	Maharashtra	Maharashtra
<b>Concession Commencement</b>	September 22, 2013	May 16, 2013	May 14, 2013	February 6, 2014	November 20, 2010
<b>Tenure</b>	9 years	9 years	9 years	156 weeks	16 years
<b>No. of Toll plazas</b>	Four	Three	Two	One	Five
<b>Amount Paid to Authority</b>	Rs 1,108.7 mn for the first year of the concession period with 10% escalation every year to be paid in 12 equal monthly instalments	Rs 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	Rs 1,530 mn for the first year of the concession period with 10% escalation every year to be paid in 12 equal monthly instalments	Rs 690 mn for first year of concession period along with an additional one time payment of Rs 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 Rs 21,000 mn

Projects are located in major cities or on the road connecting major metropolitan cities of India

# Mix Of OMT And Toll Collection Projects – Long Term Toll Collection



	IRDP Solapur	Vidyasagar Setu	Kini Tasawade	Rajiv Gandhi Salai <sup>(1)</sup>	Kalyan Shilphata <sup>(1)</sup>	Delhi Entry Points
<b>Description</b>	Located in Solapur district	18 lane toll plaza at Vidyasagar Setu, links Howrah to Kolkata	Located on Satara – Kolhapur section of NH-4	Previously known as the IT corridor	Connecting Mumbai Pune Highway (NH-4) at Shilphata & Mumbai - Nashik Highway (NH-3) at Bhiwandi	124 Entry Points of Delhi
<b>SPV</b>	MEP Solapur	RTBPL	RTIPL	NA	NA	SMYR Consortium
<b>Authority</b>	MSRDC	HRBC	MSRDC	ITEL	MSRDC	SDMC
<b>Stake</b>	100.0%	100.0%	100.0%	NA <sup>(1)</sup>	NA <sup>(1)</sup>	25.0%
<b>State</b>	Maharashtra	West Bengal	Maharashtra	Tamil Nadu	Maharashtra	New Delhi
<b>COD</b>	2 <sup>nd</sup> January 2013	1 <sup>st</sup> September 2013	29 <sup>th</sup> May 2014	8 <sup>th</sup> March 2014	27 <sup>th</sup> September 2013	16 <sup>th</sup> May 2015
<b>Tenor</b>	3 years	5 years	2 years	3 years	3 years	3 years
<b>No. of Toll plazas</b>	Four	One	Two	Five	Two	124 Entry Points
<b>Amount paid to Authority</b>	Rs 208 mn, to be paid in three equal annual instalments	Rs 2,610 mn to be paid in five equal annual instalments consisting of upfront payment of Rs 522 mn and payment of remaining amount in four equal instalments in advance	Rs 2,270.7 mn, to be paid in upfront monthly instalments	Rs 14.62 mn for the first year with escalation of 5% per annum during each subsequent year for a period of two years	Rs 633.6 mn, to be paid in upfront monthly instalments	Rs.105.99 mn , to be paid on weekly Basis

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

## Mix Of OMT And Toll Collection Projects – Short Term Toll Collection



Sr. No	Toll Plaza	State	Client	Term	Payment to Authority
1	Surajbari	Gujarat	NHAI	September 30, 2015 to September 29, 2016	Rs 740.7 mn to be paid in Weekly Instalment of Rs. 14.20 mn
2	Bankapur	Karnataka	NHAI	January 3, 2015 to January 2, 2016	Rs 441.00 mn to be paid in weekly instalments of Rs 8.46 mn
3	Manohrabad	Telangana	NHAI	February 17, 2015 to February 16, 2016	Rs 491.40 mn to be paid in weekly instalments of Rs 9.42 mn
4	Athur	Tamil Nadu	NHAI	March 26,2015 to March 25,2016	Rs 628.00 mn to be paid in weekly instalments of Rs 12.01 mn
5	Palsit	West Bengal	NHAI	March 26,2015 to March 25,2016	Rs 950.40 mn to be paid in weekly instalments of Rs 18.17 mn
6	Paduna	Rajasthan	NHAI	May 12,2015 to May 11,2016	Rs . 1,000.8mn to be paid in weekly instalments of Rs 19.14 mn
7	Garau	Uttar Pradesh	NHAI	July 22,2015 to July 22,2016	Rs 628.00 mn to be paid in weekly instalments of Rs 12.01 mn
8	Phalodi Ramji*	Rajasthan	RIDCOR	September 17, 2015 to March 31, 2016	Rs 950.40 mn to be paid in weekly instalments of Rs 18.17 mn
9	Semri	Uttar Pradesh	NHAI	October 28, 2015 to October 27, 2016	Rs . 400.5 mn to be paid in weekly instalments of Rs 7.66 mn
10	Dasna	Uttar Pradesh	NHAI	November 27, 2015 to November 27,2016	Rs 280.8 mn to be paid in weekly instalments of Rs 5.37 mn
11	Surjapur	West Bengal	NHAI	November 27, 2015 to November 27,2016	Rs 420.3 mn to be paid in weekly instalments of Rs 8.04 mn
12	Dastan	Maharashtra	JNPT	December 1, 2015 to December 1, 2016	Rs. 215.9mn to be paid in weekly installments of Rs 4.13mn

\* Phalodi Ramji Project was re-awarded as short term toll collection project on 17th September 2015.

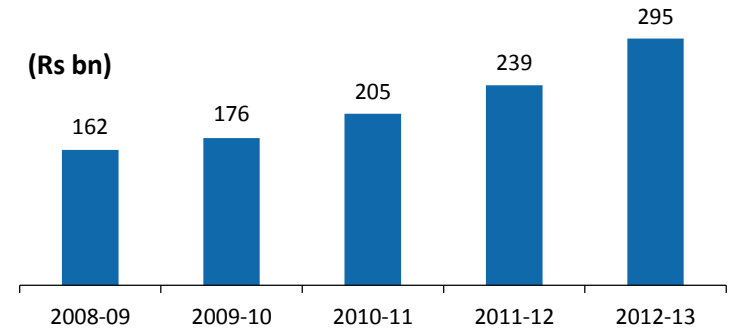
# Industry Overview: India Infrastructure Sector



## Road Sector In India

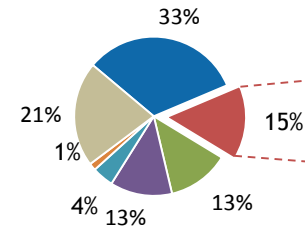
- At 4.86 million km, India has the third largest road network in the world after the US and China.
- National highways account for ~ 1.91% of the network. State highways account for ~ 2.93%, and Major District Roads (MDRs) and other roads together account for the remaining 95%.
- About 65% of freight and 80% passenger traffic is supported by the roads network. National Highways constitute only ~ 1.91% of the road network but carry about 40% of the total road traffic.
- Further, India's road density is higher than the US and China. Road density stands at 148 km per 100 sq. km as compared to 66 km per 100 sq. km in the US and 39 km per 100 sq. km in China.

## Investments in National Highways

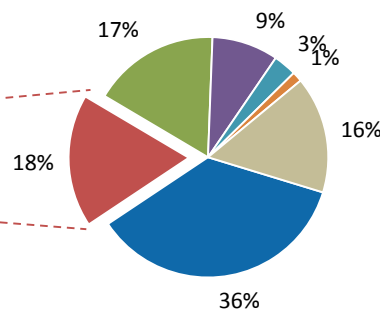


## Investment In The Indian Infrastructure Sector

**11<sup>th</sup> FYP: Rs 20.6 trillion**



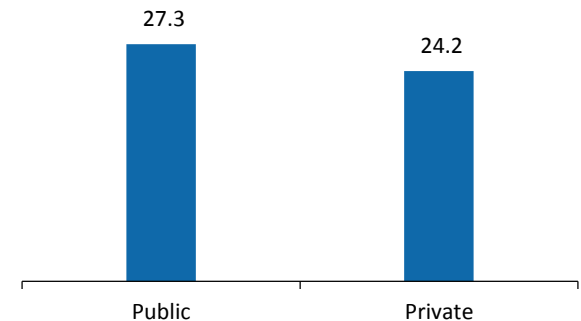
**12<sup>th</sup> FYP: Rs 51.5 trillion**



3x

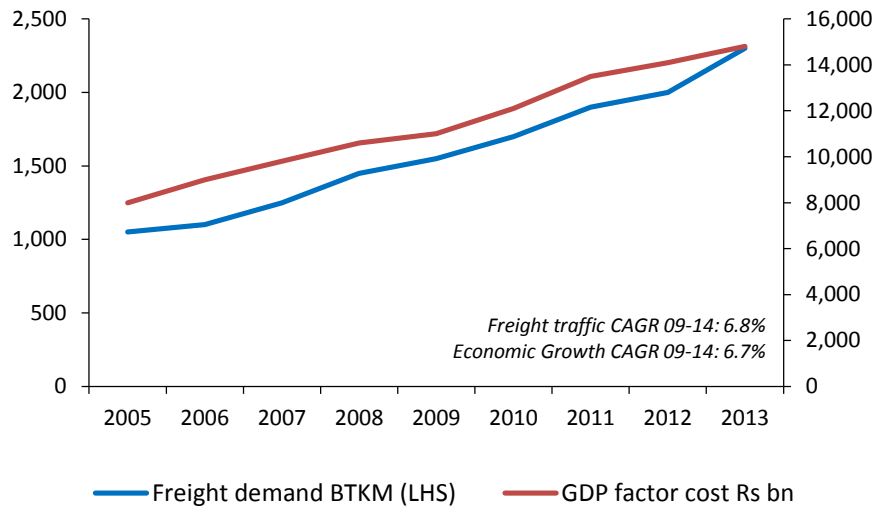
■ Electricity ■ Roads ■ Telecommunications ■ Railways ■ Ports ■ Airports ■ Other sectors

(Rs tn)



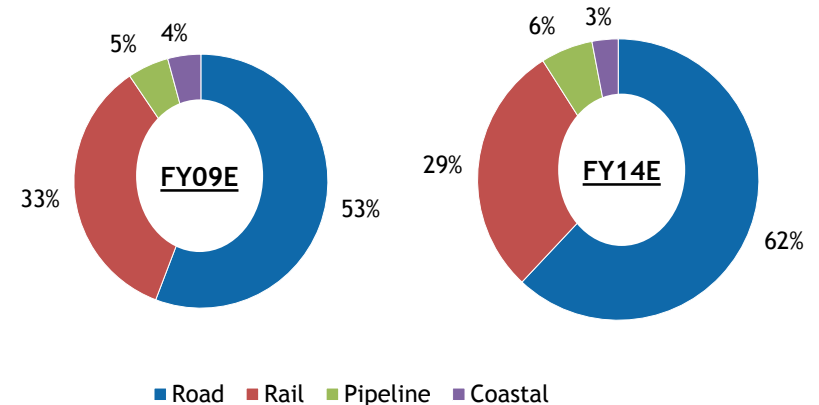
# Industry Overview: Growth Drivers For Investment In Roads And Highways

## Moderate Growth In GDP And Freight Demand

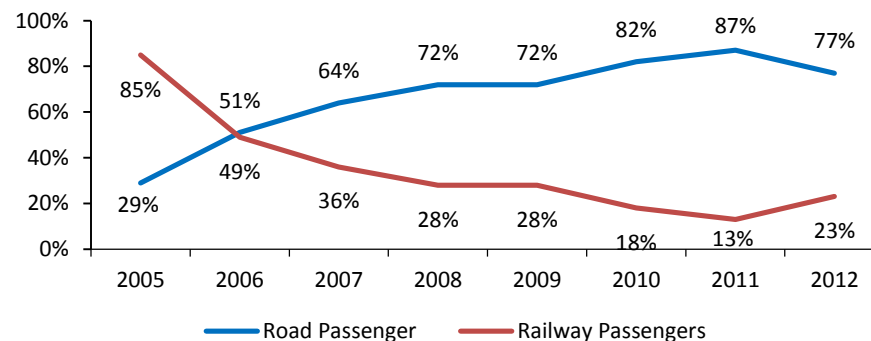


## Road Freight Traffic Gaining Preference

### Proportion of Freight Traffic Across Modes of Transport



## Increasing Vehicular And Passenger Traffic



# Industry Overview:

## OMT And Toll Collection Model



### OMT - Overview

- OMT model was introduced by NHAI in 2009 for select existing and near completion four-lane National Highways
- It provides consistent revenues to NHAI and Just-in-Time maintenance of the project
- Typically, the concession period for NHAI projects is 9 years after which the project stretch is transferred back to the government authority
- As of 2013-14, ~ 5,150 km of road projects have been provided under the OMT model by NHAI and State Authorities

### Risk Sharing Mechanism

Type of Risk	Allocation
Traffic	Entire traffic risk is to be borne by the concessionaire
Toll Collection	Entire toll collection risk is to be borne by the concessionaire
Financing	Entire financing risk is to be borne by the concessionaire
Political	All direct and indirect risks are allocated to the government authority

### Toll Collection - Overview

- In 2009, NHAI handed over the toll collection process to private specialist toll management companies.
- Contracts awarded are usually for a short period of time: 3-24 months in case of NHAI projects & in case of state authorities, ranges from 12-36 months.
- The user fee is pre-determined by the contracting authority and the right to collect the fee during the concession period lies with the private player.
- As of 2013-14, ~6,800 km of National Highways constructed on EPC and BOT Annuity basis are tolled under this model.
- Over 350 projects adding up to ~19,500 km with a cumulative potential collection of Rs 93.5 billion have been awarded by NHAI on tolling basis during FY11-FY14.

### OMT Project Activity

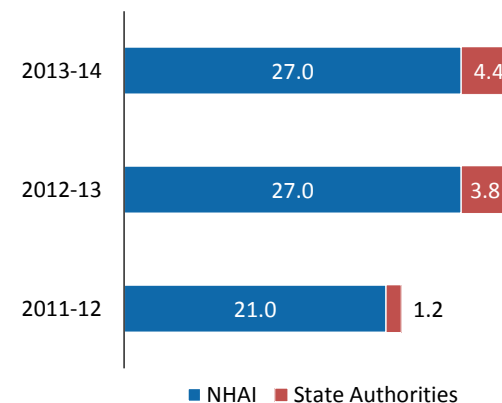
#### Under NHAI (2009-14)



#### Under State Authorities (2012-14)



### Annual Potential Collection (Rs Bn)



<b>BRO</b>	Borders Road Organisation
<b>CCEA</b>	Cabinet Committee on Economic Affairs
<b>EPC</b>	Engineering, Procurement, Construction
<b>ETC</b>	Electronic Toll Collection
<b>GQ</b>	Golden Quadrilateral
<b>HRBC</b>	Hooghly River Bridge Commissioners
<b>IFC</b>	International Finance Corporation
<b>LBS</b>	Lal Bahadur Shastri Marg
<b>LT</b>	Long term projects
<b>M.P</b>	Madhya Pradesh
<b>MCA</b>	Model Concession Agreement
<b>MJPRCL</b>	Mumbai – JNPT Port Road Company Limited
<b>MoEF</b>	Ministry of Environment and Forest
<b>MoRTH</b>	Ministry of Road Transport & Highways
<b>MSRDC</b>	Maharashtra State Road Development Corporation Limited
<b>NH</b>	National Highway
<b>NHAI</b>	National Highways Authority of India
<b>NHIDCL</b>	National Highways and Infrastructure Development Corporation
<b>NSEW</b>	North-South and East-West Corridor
<b>OMT</b>	Operate, Maintain, Transfer
<b>PPP</b>	Public Private Partnership
<b>RBI</b>	Reserve Bank of India
<b>RFID</b>	Radio frequency identification technology
<b>RIDCOR</b>	Road Infrastructure Development Company of Rajasthan Limited
<b>RSRDC</b>	Rajasthan State Road Development & Construction Corporation Limited
<b>SAROD</b>	Society for Affordable Redressal of Disputes
<b>SDMC</b>	South Delhi Municipal Corporation
<b>ST</b>	Short term projects
<b>U.P</b>	Uttar Pradesh

For Further Queries:



Thank You



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