



INFRASTRUCTURE
DEVELOPERS LTD.

EARNINGS PRESENTATION

Q1-FY17

- 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

- 3 Long Term (LT) and 11 Short Term (ST) Tolling projects under management pan India
- 23 Toll Plazas across 8 states

Operate Maintain Transfer (OMT)

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

Hybrid Annuity Model (HAM)

- Recently 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



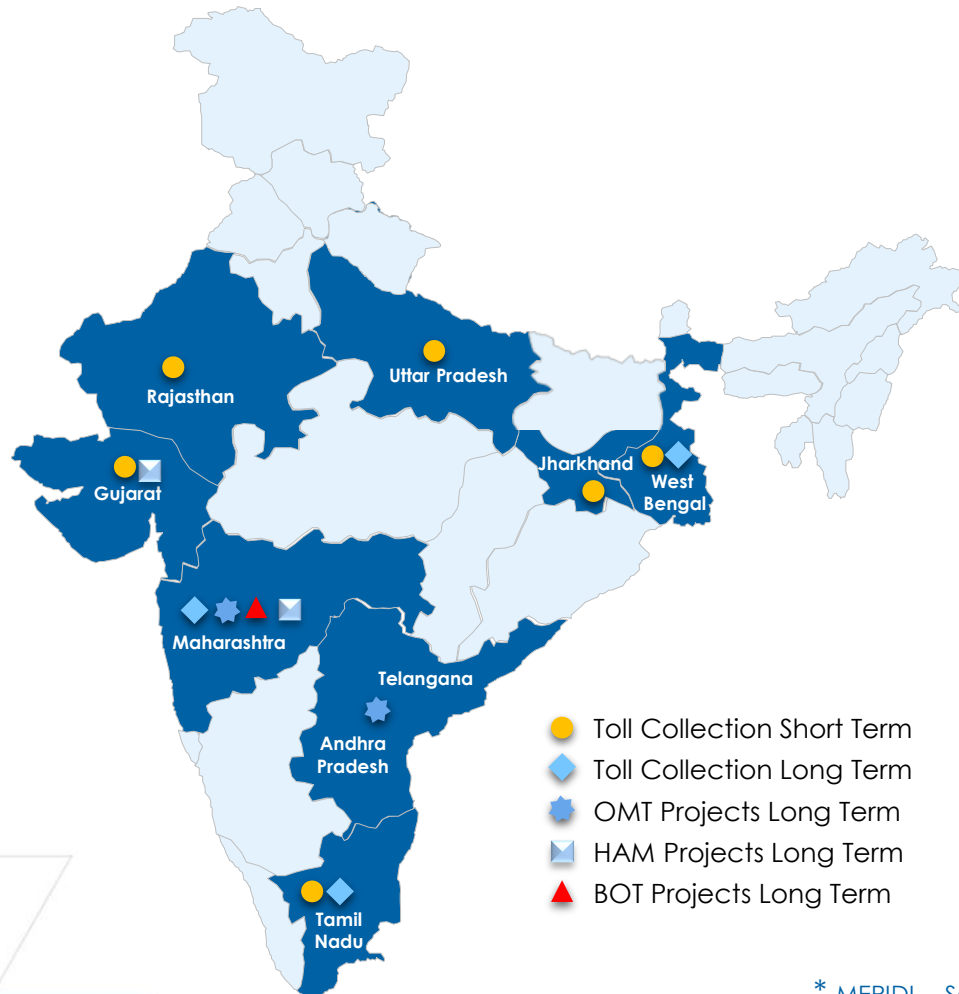
Financials



- **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;

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	-	-	2
Rajasthan	-	-	3	-	-	3
Gujarat	-	-	1	2	-	3
Uttar Pradesh	-	-	3	-	-	3
West Bengal	-	1	1	-	-	2
Andhra Pradesh	1	-	-	-	-	1
Jharkhand	-	-	2	-		2
Total	3	3	11	6*	1	24#

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 has recently won 6 HAM projects in Maharashtra & Gujarat. The projects are currently in process of achieving financial closure

This comprises of 18 operational projects and 6 recently won HAM projects, within our project portfolio

Recent Project – Additions/Completion

Project Additions

Sr. No	Name of Project	State	Name of Authority	Type	Commencement of operations	Tenor	Payment to Authority (INR Mn)
1	Lalsat Kota	Rajasthan	NHAI	Short Term Toll Collection	1 st April 2016	1 year	301.3
2	Alwar Sikandara	Rajasthan	NHAI	Short Term Toll Collection	1 st April 2016	1 year	190.8
3	Paduna	Rajasthan	NHAI	Short Term Toll Collection	17 th May 2016	1 year	1280.7
4	Ghangari	Jharkand	NHAI	Short Term Toll Collection	1 st September 2016	1 Year	792.0
5	Sau Kala	Jharkand	NHAI	Short Term Toll Collection	14 th September, 2016	1 Year	873.0
Sr. No	Name of Project	State	Name of Authority	Type	LoA	Tenor	Bid Project Cost (INR Mn)
1	Kante Wakad	Maharashtra	NHAI	Hybrid Annuity Model	12 th April 2016	15 years *	8,262.8
2	Talaja Mahuva	Gujarat	NHAI	Hybrid Annuity Model	26 th May, 2016	15 Years *	6,430.5
3	Mahuva Kagavadar	Gujarat	NHAI	Hybrid Annuity Model	25 th June, 2016	15 Years *	6,045.0

* Post initial construction period of 2 – 2.5 years

Project Completion

Sr. No	Name of Project	State	Name of Authority	Type	Closure of operations	Tenor	Payment to Authority (INR Mn)
1	Dastan	Maharashtra	NHAI	Short Term Toll Collection	30 th April 2016	1 year	216
2	Paduna	Rajasthan	NHAI	Short Term Toll Collection	17 th May 2016	1 year	1000.8
3	Garau	Uttar Pradesh	NHAI	Short Term Toll Collection	31 st July, 2016	1 Year	594.0
1	Kini Tasawade	Maharashtra	MSRDC	Long Term Toll Collection	22 nd August 2016	104 Weeks	2,270.7
2	IRDP Solapur	Maharashtra	MSRDC	Long Term Toll Collection	31 st August 2016	156 weeks	208
1	Chennai Bypass	Tamil Nadu	NHAI	Operate Maintain Transfer	9 th April 2016	9 years	1,530**
2	Madurai Kanyakumari	Tamil Nadu	NHAI	Operate Maintain Transfer	25 th August 2016	9 years	1,108.7**

** Payment to authority for first year with 10% escalation every year

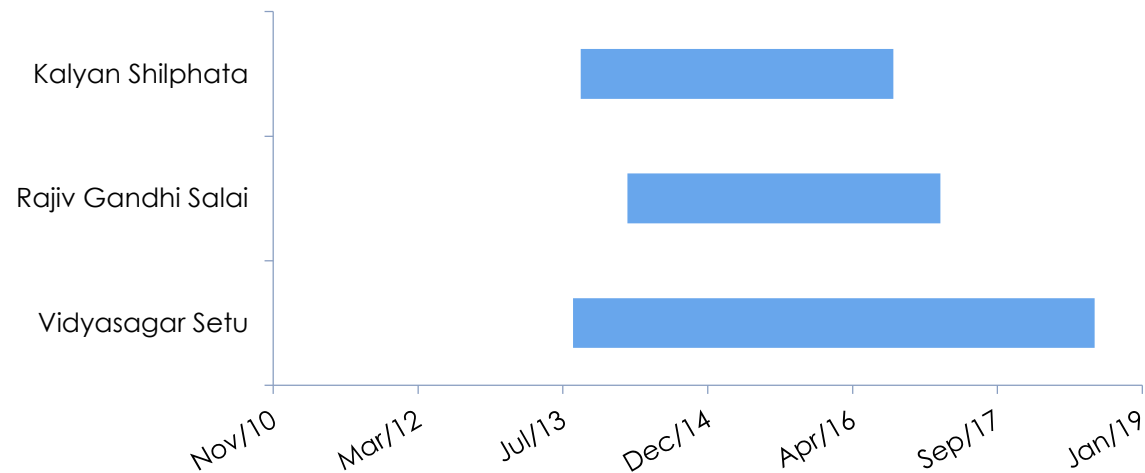
Hybrid Annuity Model - MEPIDL's Recent Project Wins

MEPIDL recently won 6 road projects under Hybrid Annuity Model

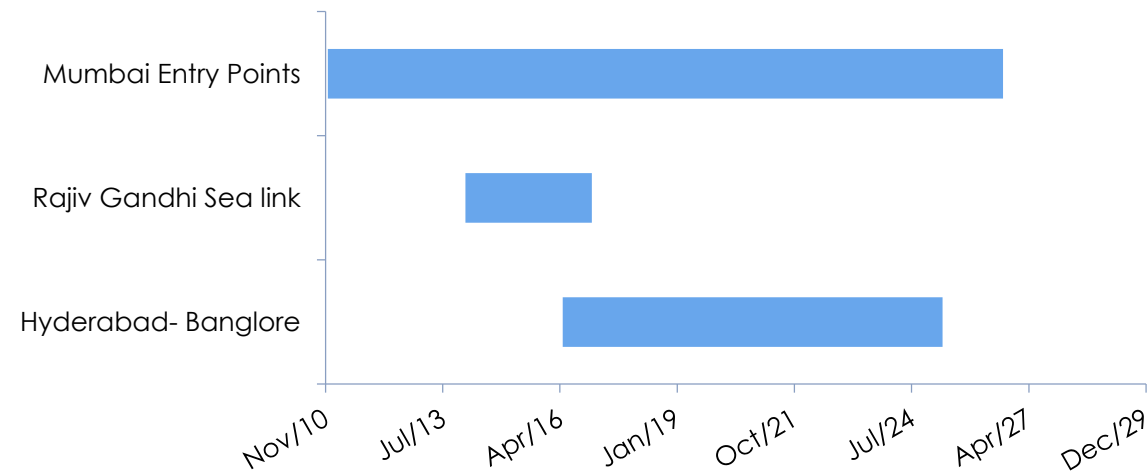
Project Asset	Arawali Kante	Kante Wakad	Nagpur Package I	Nagpur Package II	Talaja Mahuva	Mahuva Kagavadar
Scope of Project	Four-laning of NH66 (km 241.3 – 281.3) under NHDP Phase-IV	Four-laning of NH66 (km 281- 332) under NHDP Phase IV	Four-laning standalone Ring Road / Bypass (km 0.5- 34.0) for Nagpur city package	Four-laning standalone Ring Road / Bypass (km 34.5- 62.035) for Nagpur city package	Four-laning of Talaja Mahuva section of NH 8E (km 53.5 - 100.1) & design chainage (km 54.9- 100.45)	Four Laning 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 million	INR 6,045 million
O&M Bid	INR 56.7 million	INR 116 million	INR 63 million	INR 67.5 million	INR 90 million	INR 84.6 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 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

Our Project Timelines

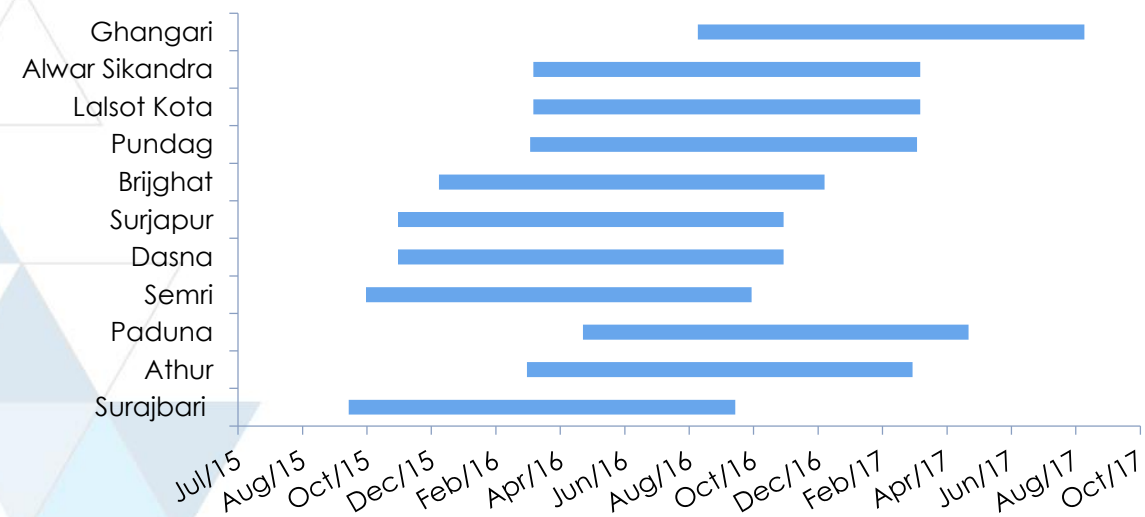
Long Term Toll



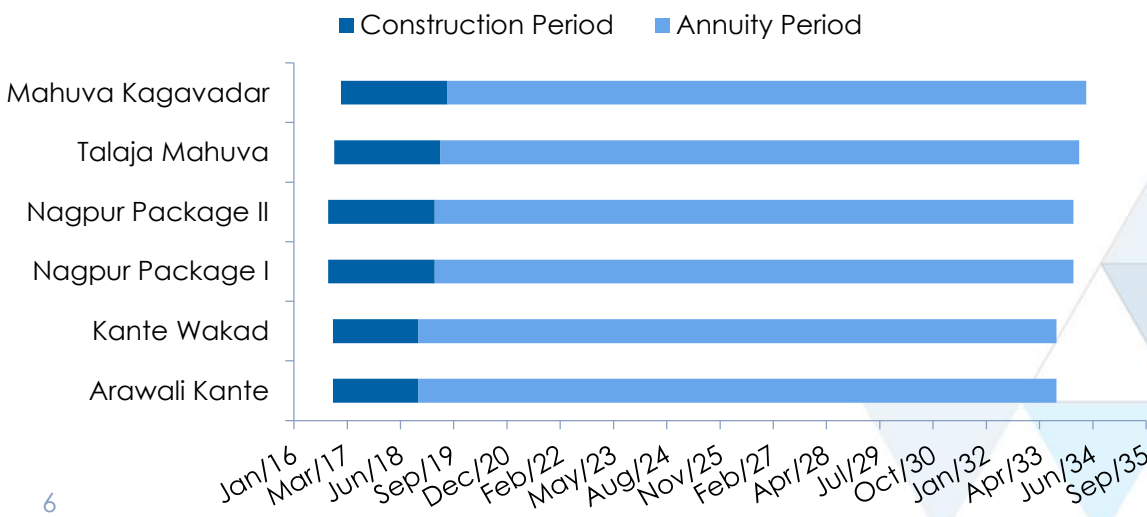
Operate Maintain Toll



Short Term Toll



Hybrid Annuity Model



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.
- 25 projects worth INR 201.8 billion, have been awarded till date entailing a length of ~ 4,245 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

InvIT:

- In 2014, SEBI allowed the launch of REITs and InvITs to get easier access to funds. However, until the release of norms in 2016, no company had launched an InvIT yet.

- MEP continues to maintain a well-balanced portfolio of short and long term tolling projects which ensures cash flow visibility and sustenance.
- MEP continues to be a technological pioneer in tolling operations integrating advanced infrared predictive analysis tools, automatic vehicle tracking systems and RFID based ETC systems. MEP has advanced into making a merchant application of this technology as well.
- The company has evolved into a full fledged infrastructure player.
- Order book of INR 38,369.9 mn over 6 projects to ensure revenue visibility over next 2.5 years and cash flows over 18 years.
- MEP is operating one of the largest projects in the country similar to the TOT model, and the company looks to participate in upcoming TOT bidding, too.
- Invit would help MEP reduce it's debt and consequently ease it's cost of financing.

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

Short Term Toll Collection Projects

Sr. No	Name of Authority	Annual Potential Toll Collection (INR Mn)	Tenor	Number of Projects Currently Available
1	NHAI	2,359.7	<= 1 year	8
2	WBHDCL	103.1	<= 1 year	1
	Total	2,462.8		9

OMT Projects/ Hybrid Annuity Projects

Sr. No	Name of Authority	Estimated Project Cost (INR Mn)	EPC Period / Operations Period	Number of Projects Currently Available
1	NHAI	2,790.1	9 Years	2
2	NHAI	36,477.1	2 – 2.5 years / 15 years	3
3	MoRTH	10,236.8	2 years / 15 years	2
	Total	49,504.0		7



Q1-FY17 Highlights

- MEP's financials have been prepared in accordance with accounting principles generally accepted in India ('Indian GAAP') until last financial year . However now it is required to mandatorily adopt Indian Accounting Standards (Ind AS) from 1 April 2016, along with comparative information for 2015-16. The date of transition to Ind-AS is 1 April 2015 ('transition date') since the net worth of the Company is more than INR 5 bn
- As per Ind-AS, all toll collection rights post 1st April 2015 are required to be accounted as "Intangibles" (Ind-AS 38) as against "Concession Fee". Revenue based amortisation will continue for the existing toll assets as we have chosen the deemed cost exemption. In case of new toll collection projects, toll collection rights are to be amortised under SLM and the liability will be recorded upfront.
- Another major impact is the recognition of provision for Major Maintenance obligation. For the OMT projects, the Major maintenance obligation needs to be provided equally from the date of Commercial Operation Date ("COD") till the date of actual expenditure. The provision required to be made prior to the transition date is adjusted against the retained earnings.
- Any fees paid for the purpose of loan processing/arrangement would be required to be amortized over the tenure of the loan as against charging off the same in the current financial year in which it was incurred.
- Any Loans provided/ received by the Company with a ballooning rate of interest need to be recorded at the effective interest rate.

Q1-FY17 Financial Performance:

- 1QFY17 revenues remained stable at INR 4611 mn vis-à-vis INR 4671mn in 1QFY16 driven by
 - a. MIPL, RGSL, HRBC and HB Projects contributed more towards revenue for Q1 FY'17 as compared to Q1 FY'16.
 - b. Completion of RIDCOR project(31st March 2016) and hand over of Chennai Project (8th April 2016) leading to negligible contribution from these two projects in the quarter
- PAT stood higher at INR357.3 mn in 1QFY17 vis-à-vis INR 22.1mn in 1QFY16, consequent to the adoption of Ind AS. The profitability of the Company under I-GAP however remained flat.
- Finance cost during the quarter reduced by 410 bps
- The MK Project has been handed over to the Authority on 25 August 2016 as a part of amicable settlement process. Consequently, the provisions relating to major road maintenance amounting to INR356.7 mn (net of deferred tax) recognised upon transition to Ind-AS for the previous financial years are reversed during this quarter ended 30 June 2016 and have been disclosed as an 'Exceptional item' in the financial Statements reported.
- As a result of the company adopting Ind-AS, the significant maintenance obligation under the OMT projects have to be provided equally in all the financial years from COD. Hence, a provision for major maintenance for HB, BTPL and Mumbai Entry point projects totaling to INR 49.5mn has been recognized for the current quarter.
- MIPL project yielded better results vis-a-vis Q1FY16 as a result of efficient management of costs. IIFCL, has disbursed Rs. 2699 mn to MIPL, under a further takeout finance scheme, thus reducing the rate of interest to 10.1% (on Rs.2699 Crore) along with a ease in repayment obligation.
- The Company has recognized claims of Rs.37.9 mn during Q1 FY'17 (TNSTC- 30.9 mn and BTPL Project of Rs. 7mn relating to exemption of Cars at toll plazas).



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MEP. With you all the way.



FINANCIAL OVERVIEW

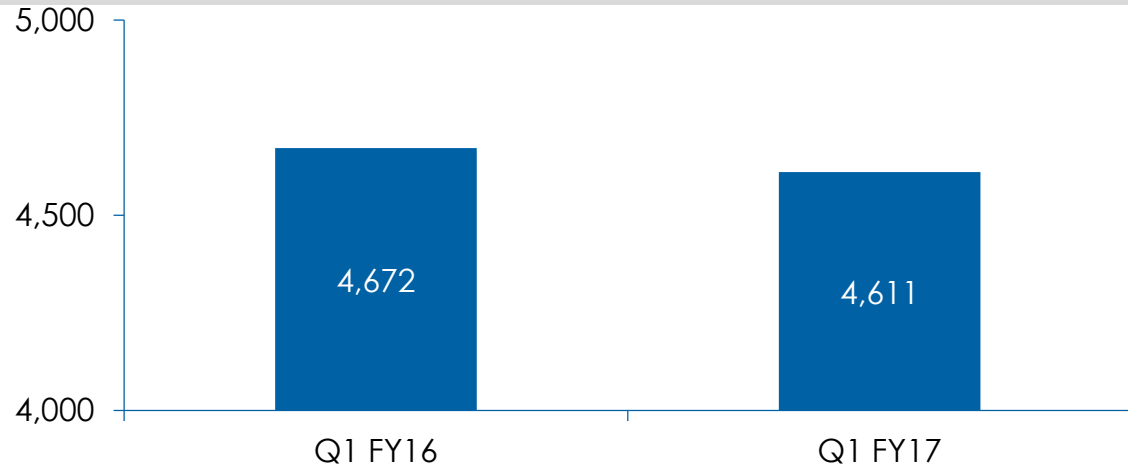
Quarterly P&L Statement

In INR Mn

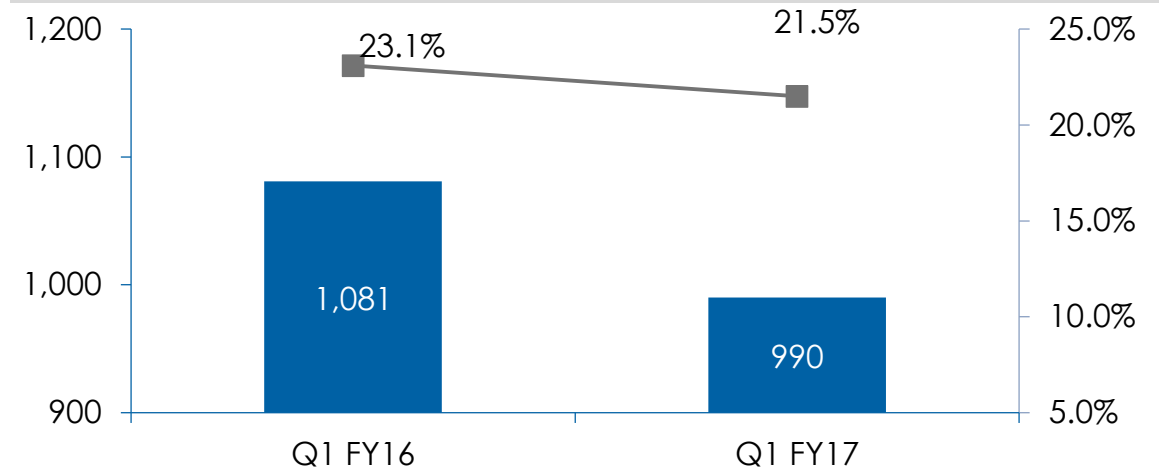
Particulars	Q1 FY17	Q1 FY16	YoY%
Total Revenues from Operations	4,611	4,672	(1.3)%
Other Income	197	181	8.8%
Operating and Maintaining Expenses	1,582	2,936	(46.1)%
Employee Expenses	195	173	12.7%
Other Expenses	92	83	10.8%
Depreciation & Amortization	1,949	580	236.0%
EBIT	990	1,081	(8.4)%
EBIT Margin (%)	21.5%	23.1%	(160) bps
Finance Costs	952	993	(4.1)%
Exceptional Items	546	0	NA
PBT	584	88	563.6%
Taxes	225	62	262.9%
PAT before Minority Interest	359	26	1,280.8%
Share of profit/(loss) from Associate/JV	(1)	(3)	(66.7)%
Minority Interest	0	0	NA
PAT	358	23	1,456.5%
PAT Margin (%)	7.8%	0.5%	730 bps
Other Comprehensive Income	(1)	(1)	0.0%
Net Profit (After Other Comprehensive Income)	357	22	1,522.7%

Quarterly Results Highlights

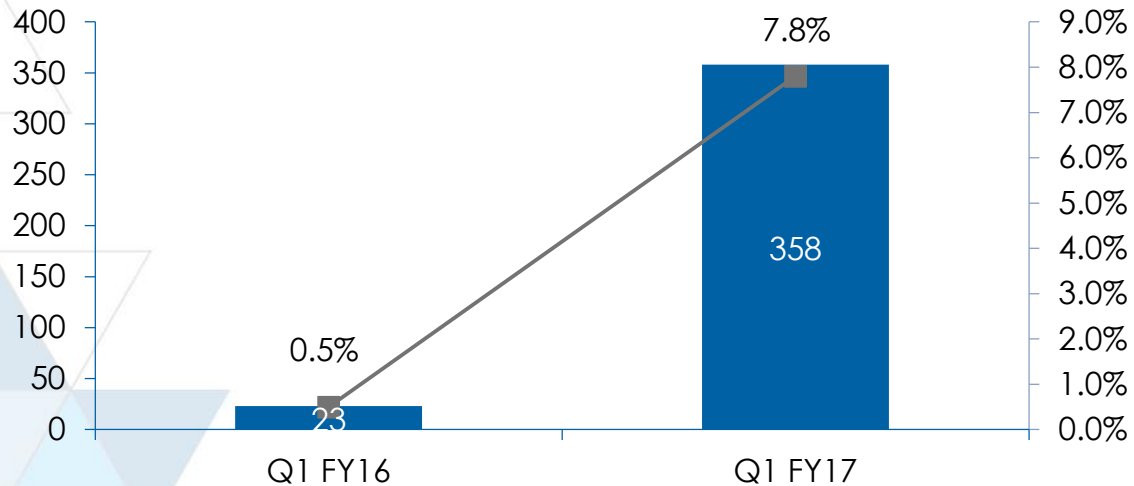
REVENUE FROM OPERATIONS (INR Mn)



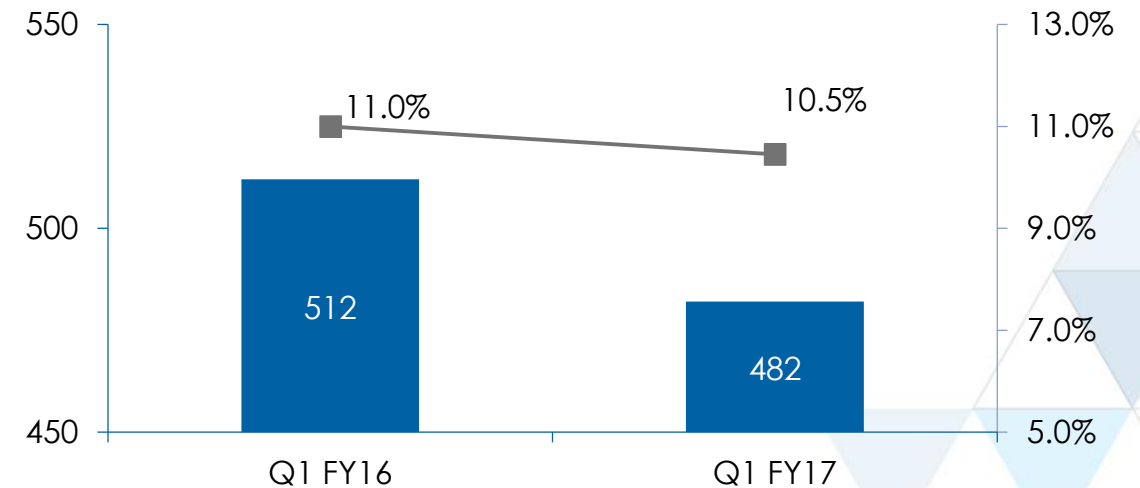
EBIT (INR Mn) & EBIT MARGIN

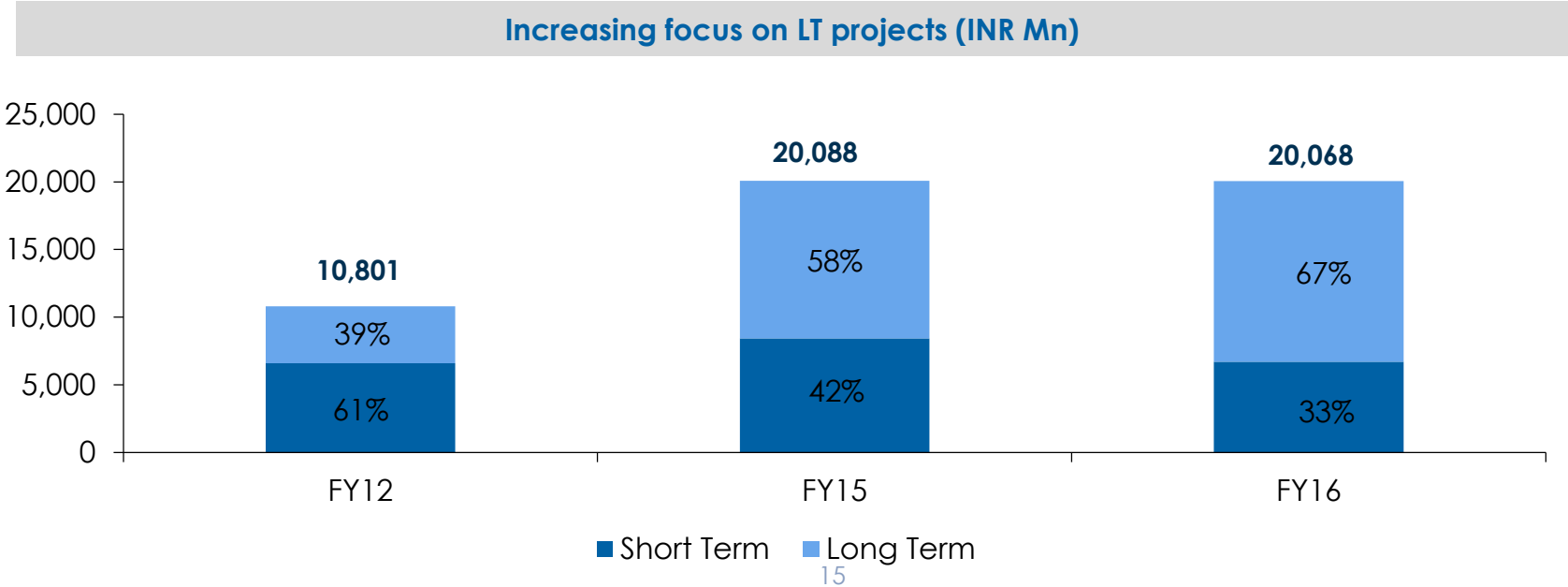
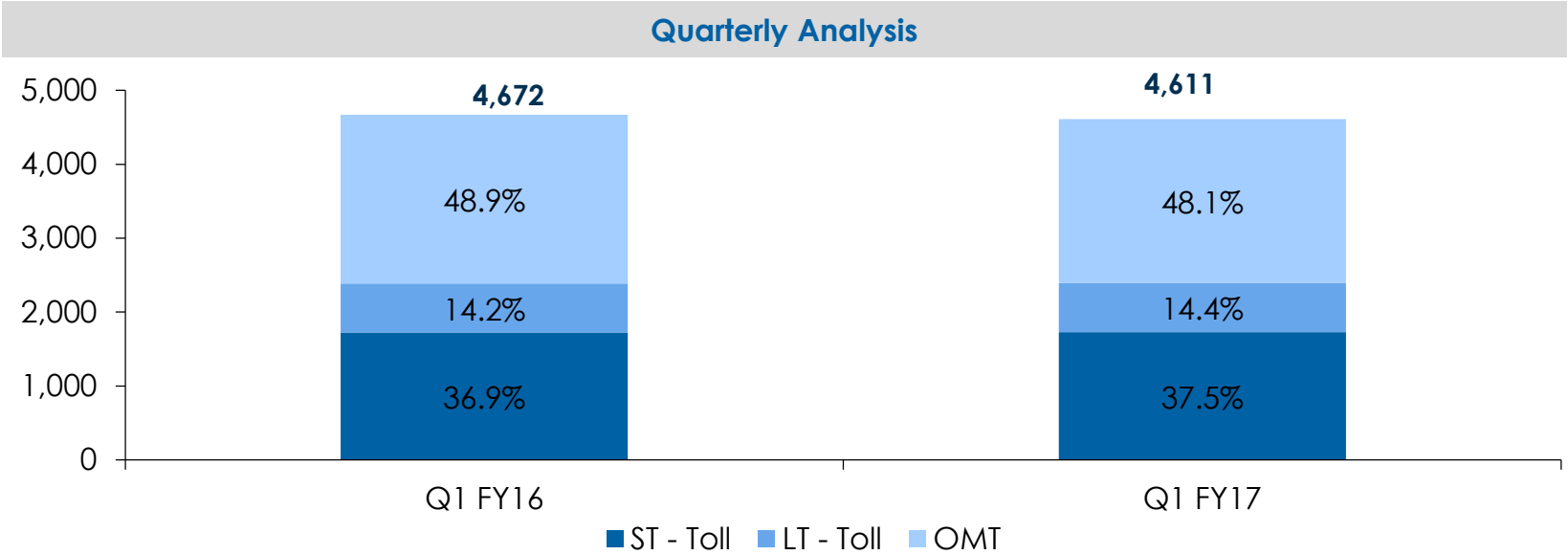


PAT (INR Mn) & PAT MARGIN



CASH PROFIT (INR Mn) & CASH PROFIT MARGIN





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