



INFRASTRUCTURE
DEVELOPERS LTD.

EARNINGS PRESENTATION

Q1-FY18



- 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 forayed into road development / construction by participating in Hybrid Annuity Model road projects.

Company Overview



Business Mix



Tolling Projects

- 3 Long Term (LT) and 2 Short Term (ST) Tolling projects under management pan India
- 7 Toll Plazas across 4 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

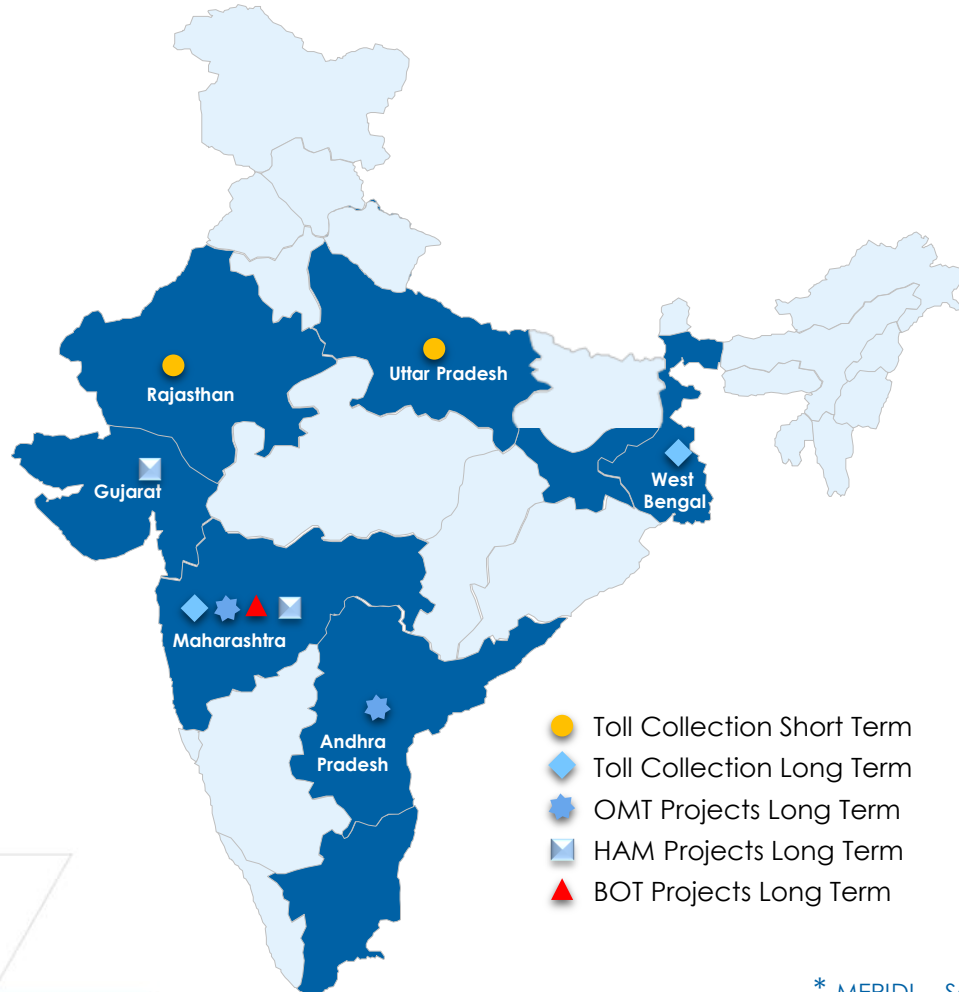


- **Total Revenue from Operations*** grown from INR 11,979 Mn in FY14 to INR 17,291 Mn in FY17;
- **Net Profit*** grown from INR (1,292) Mn in FY14 to INR 1,089 Mn in FY17;
- **Cash Profit*** grown from INR (256) Mn in FY14 to INR 2,062 Mn in FY17;

* Prior to FY16 Financials are based on iGAAP and after FY16 financials are presented under Ind-AS

Diversified Project Portfolio With Pan-India Presence

Current Portfolio Across Six States In India



Current Project Mix

Location	OMT	Long Term Toll	Short Term Toll	HAM	BOT	Total
Maharashtra	2	2	-	4	1	9
Rajasthan	-	-	1	-	-	1
Gujarat	-	-	-	2	-	2
Uttar Pradesh	-	-	1	-	-	1
West Bengal	-	1	-	-	-	1
Andhra Pradesh	1	-	-	-	-	1
Total	3	3	2	6*	1	15

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 all of them.

Project Additions

Sr. No	Name of Project	State	Name of Authority	Type	Commencement of operations	Tenor	Payment to Authority (INR Mn)
1	Rajiv Gandhi Sea Link	Maharashtra	MSRDC	Operate Maintain Transfer	Currently on extension. The new contract to commence shortly	3 years	3,250.8 upfront basis
2	Paduna	Rajasthan	NHAI	Short Term Toll Collection	Currently on extension. The new contract to commence shortly To commence	3 months	361.3 payable on a daily basis
3	Arjunali & Ghoti	Maharashtra	MNEL	Long Term Toll Collection	1 st June 2017	3 years	***4.67% of toll collection

Project Completion

Sr. No	Name of Project	State	Name of Authority	Type	Closure of operations	Tenor	Payment to Authority (INR Mn)
1	Rajiv Gandhi Sea Link	Maharashtra	MSRDC	Operate Maintain Transfer	N.A.	3 years	2284.6 *
2	Paduna	Rajasthan	NHAI	Short Term Toll Collection	N.A.	1 year	1518.8 **

- Payment to authority upto August 2017 (Monthly basis)
- ** Payment to authority upto 17th August 2017 (Weekly basis)
- *** This is the amount received by MEP from MNEL

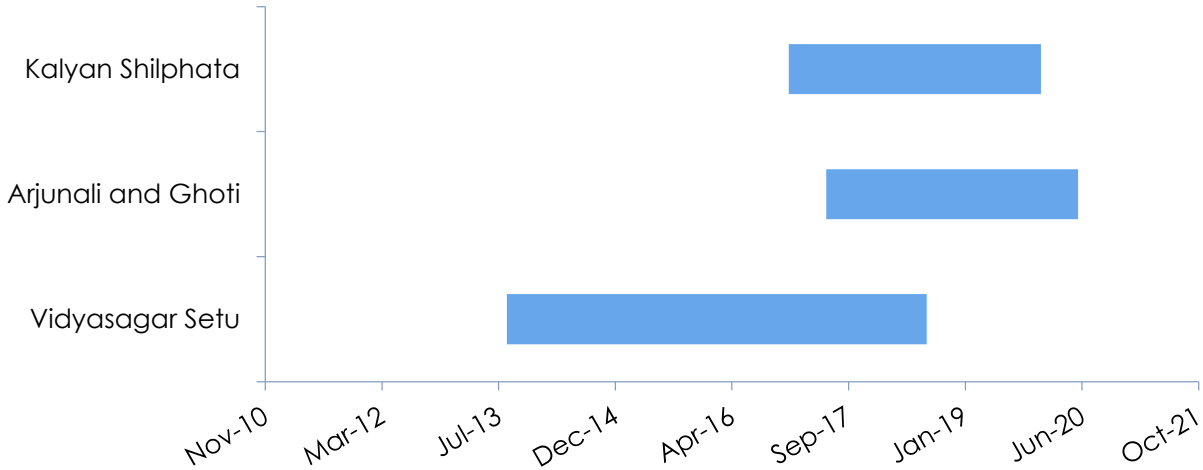
Hybrid Annuity Model (HAM)

- 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.

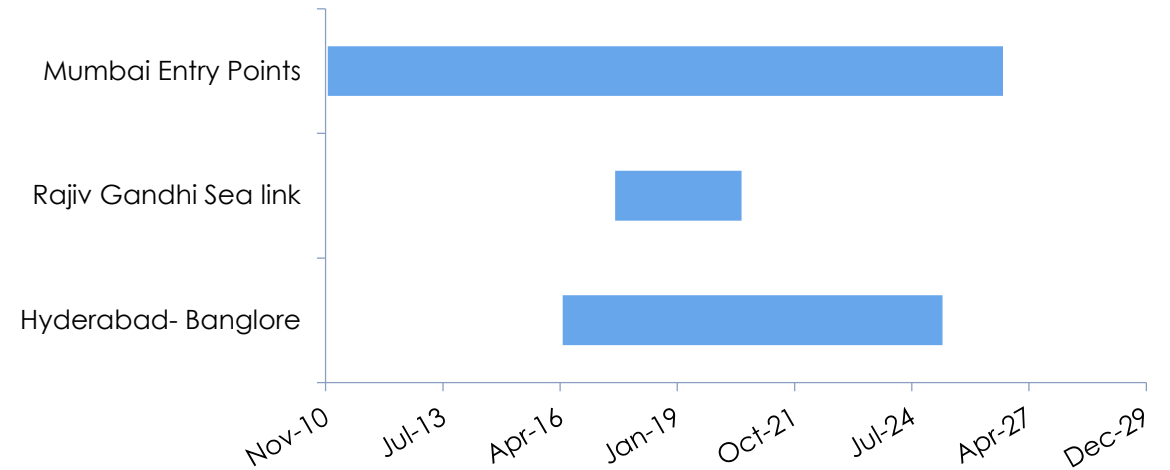
Project Asset	Nagpur Package I	Nagpur Package II	Talaja Mahuva	Mahuva Kagavadar	Arawali Kante	Kante Wakad
Scope of Project	Four-lane standalone Ring Road / Bypass (km 0.5- 34.0) for Nagpur city package	Four-lane standalone Ring Road / Bypass (km 34.5- 62.035) for Nagpur city package	Four-lane of Talaja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

Our Project Timelines

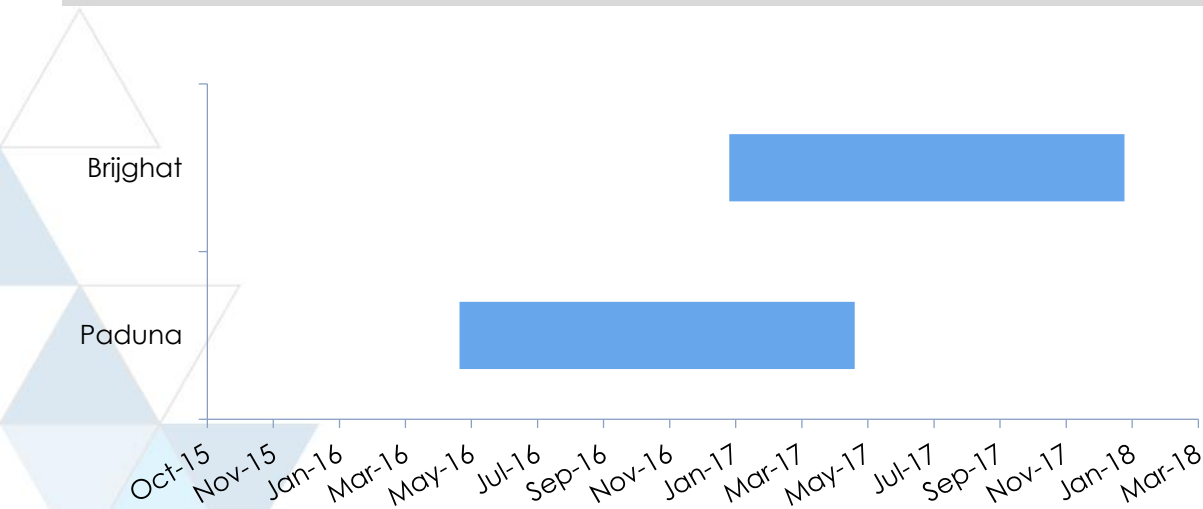
Long Term Toll



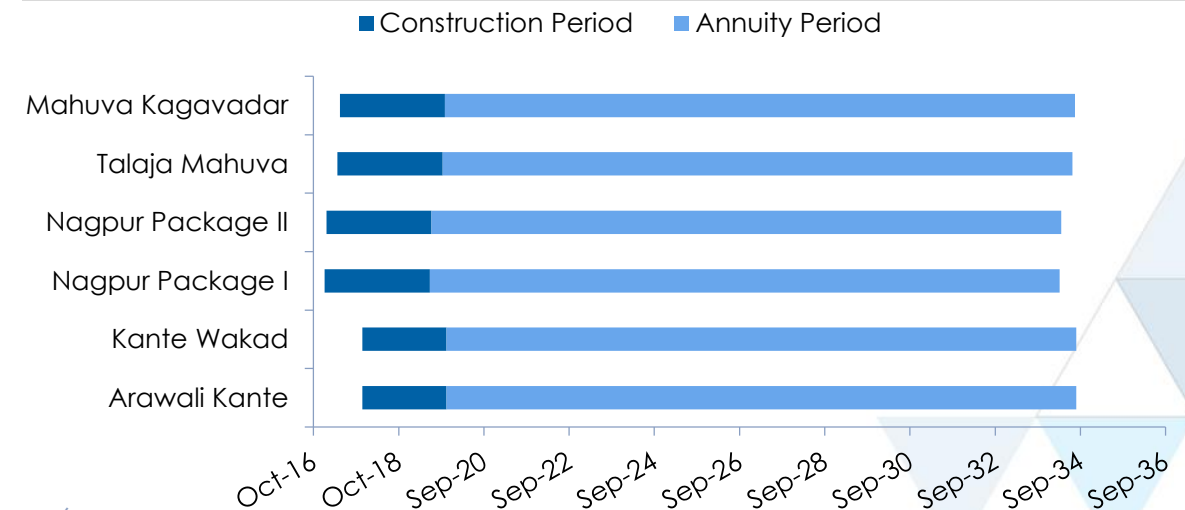
Operate Maintain Toll



Short Term Toll



Hybrid Annuity Model



Infrastructure Investment Trust (InvIT):

- The option of an InvIT has emerged as an alternate source of funding to address the infrastructure financing gap in India.
- Several companies have initiated, or are in the process of, obtaining approval from SEBI. They include IL&FS Transportation Networks, Ltd, Reliance Infrastructure Ltd and MEP Infrastructure Developers Ltd, among others. IRB Infrastructure Developers Ltd and Sterlite Power Transmission Ltd have successfully launched their InvIT.
- SEBI has been continuously revising the InvIT regulations to make it investor friendly. In September 2016, SEBI decided to relax certain InvIT norms by reducing mandatory sponsor holding in InvITs to 15%, removing the limit on the number of sponsors and rationalising the requirements for private placement of InvITs. Later in November, SEBI put in place few more disclosure requirements from InvITs in order to make these instruments more attractive for raising capital. It included utilisation of the funds raised, justification for the fees paid to investment and project managers and methodology for its computation, disclosures about half-yearly and annual financial information having an impact on economic decisions as well as unit holding pattern. Permission has also been given by SEBI to mutual fund schemes and RBI to banks to invest in InvITs.
- The company believes these are positive moves by the SEBI for a successful InvIT and is currently in advanced stages of filing its DRHP.

HAM Projects:

- Going forward, it is expected that majority of the road projects are to be awarded under EPC and Hybrid Annuity Model (HAM) routes.
- 54 projects worth INR 549.9 billion, have been awarded till date entailing a length of ~ 12,795 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 very soon.
- The company continues to maintain its leadership position in the tolling market and will participate in TOT when it is announced.

Increased Budget Allocation:

- In Union Budget 2017-18, the government has increased road allocation from INR 57,000 crore to INR 64,000 crore.

Short Term/long term Toll Collection Projects

Sr. No	Name of Authority	Annual Potential Toll Collection (INR Mn)	Tenor	Number of Projects Currently Available
1	NHAI	5,676.7	<= 1 year	11
2	RIDCOR	7,71.7	212 days	1
3	SDMC	190.8	3 years	1
	Total	6,639.2		13

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	1,27,596.4	2 – 2.5 years / 15 years	7
	Total	1,27,596.4		7



Q1-FY18 Highlights



- Revenues in Q1FY18 stood at INR 3,801 Mn vis-à-vis INR 4,611 Mn in Q1FY17, owed to completion/handover of long term and OMT projects namely Kini Tasawade, Madurai Kanyakumari Projects to the authority.
- The Concession fee paid to authority on tolling projects are classified as Intangible assets and are to be amortised over the tenure of the contract, consequent to adoption of Ind-AS. In Q1FY18, Depreciation and amortization comprised of INR 871.7 Mn (vis-à-vis INR 2,426.3 Mn) towards amortization of intangible assets.
- EBIT margins increased sharply by 780bps in Q1FY18 led by higher contribution from EPC projects.
- PAT in Q1FY17 included an exceptional amount of INR 545 Mn on account of reversal of significant maintenance on Madurai Kanyakumari project. Excluding the effect of same, Q1FY17 actual loss stood at INR 22 Mn. Thereby, the actual Q1FY18 PAT margins have increased by 387bps to 3.4%.
- Finance costs have reduced to INR 1,159 Mn in Q1FY18 from INR 1,246 Mn in Q1FY17. This includes INR 894.5 Mn (Previous Period: INR 988.9 Mn) paid as interest on borrowings and INR 264.4 Mn (Previous Period: INR 260.3 Mn) on account of accretion of Trade payables and provisions due to resurfacing.

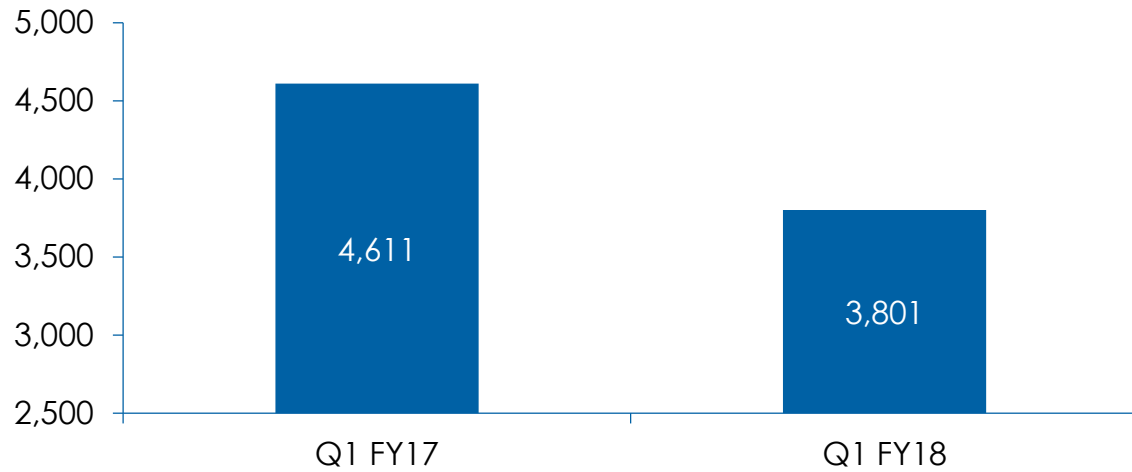
Quarterly P&L Statement

In INR Mn

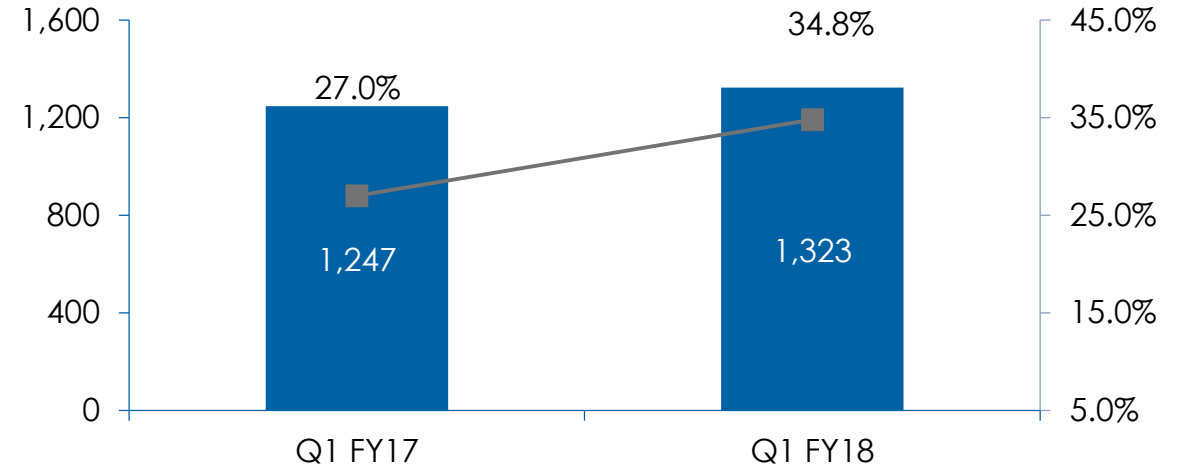
Particulars	Q1 FY18	Q1 FY17	YoY%
Total Revenues from Operations	3,801	4,611	(17.6)%
Other Income	417	197	110.9%
Operating and Maintaining Expenses	1,747	813	114.9%
Employee Expenses	155	195	(20.3)%
Other Expenses	85	92	(8.1)%
Depreciation & Amortization	908	2,461	(63.1)%
EBIT	1,323	1,247	6.0%
EBIT Margin (%)	34.8%	27.0%	780 Bps
Finance Costs	1,159	1,246	(7.0)%
Exceptional Items	0	546	NA
PBT	163	547	(70.1)%
Taxes	46	211	(78.4)%
PAT before Minority Interest	118	336	(65.0)%
Share of profit/(loss) from Associate/JV	12	(1)	NA
PAT	130	335	(61.3)%
PAT Margin (%)	3.4%	7.3%	(390) Bps
Other Comprehensive Income	(1)	(1)	NA
Net Profit (After Other Comprehensive Income)	128	335	(61.6)%

Quarterly Results Highlights

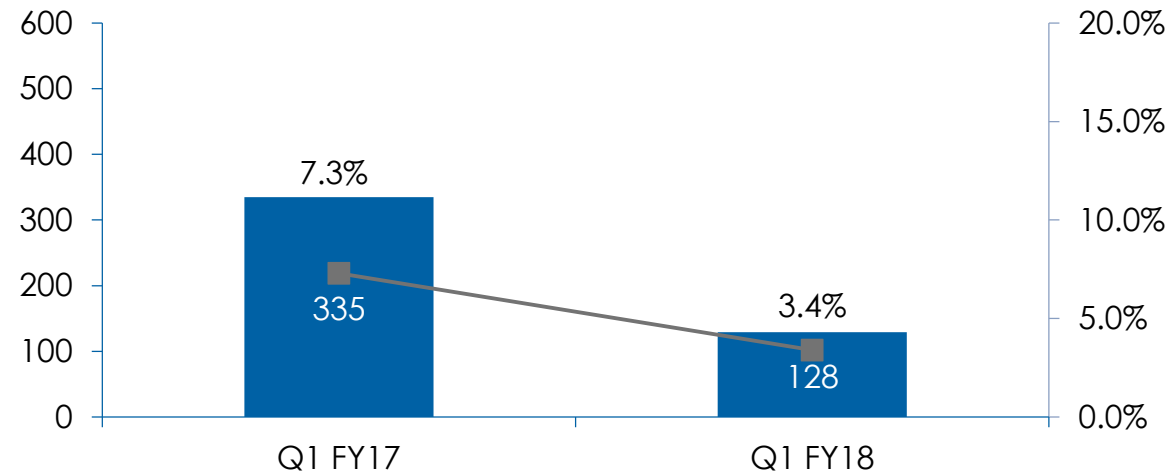
REVENUE FROM OPERATIONS (INR Mn)

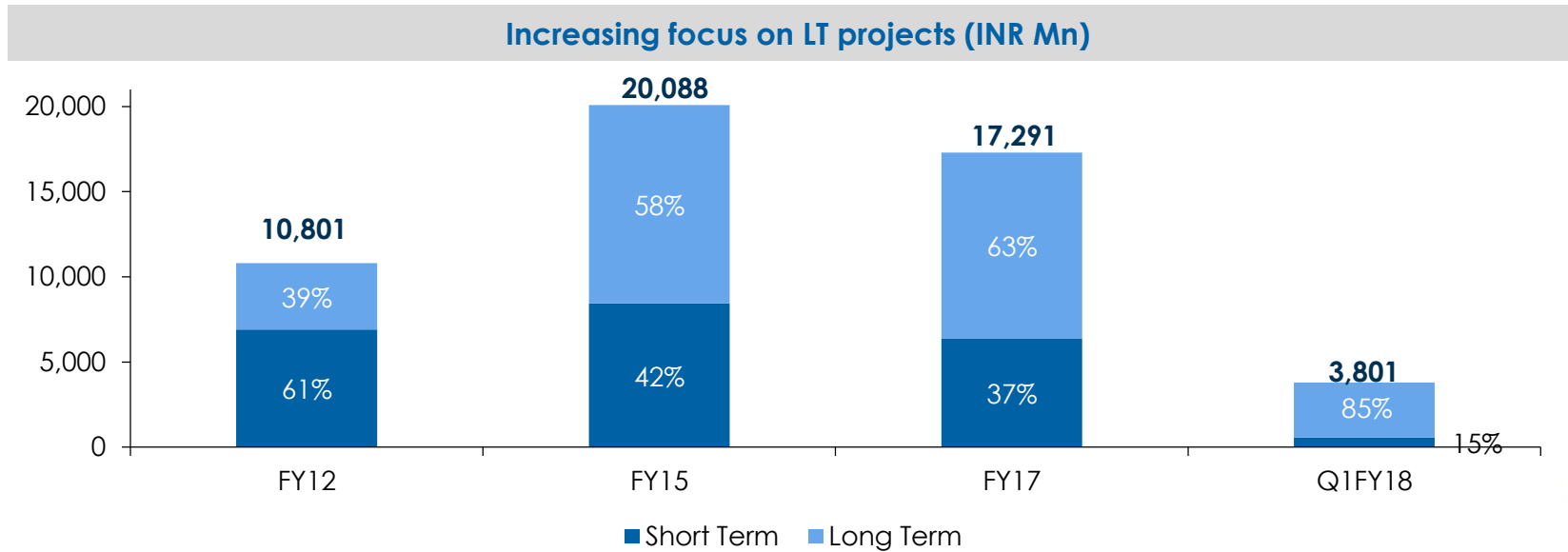
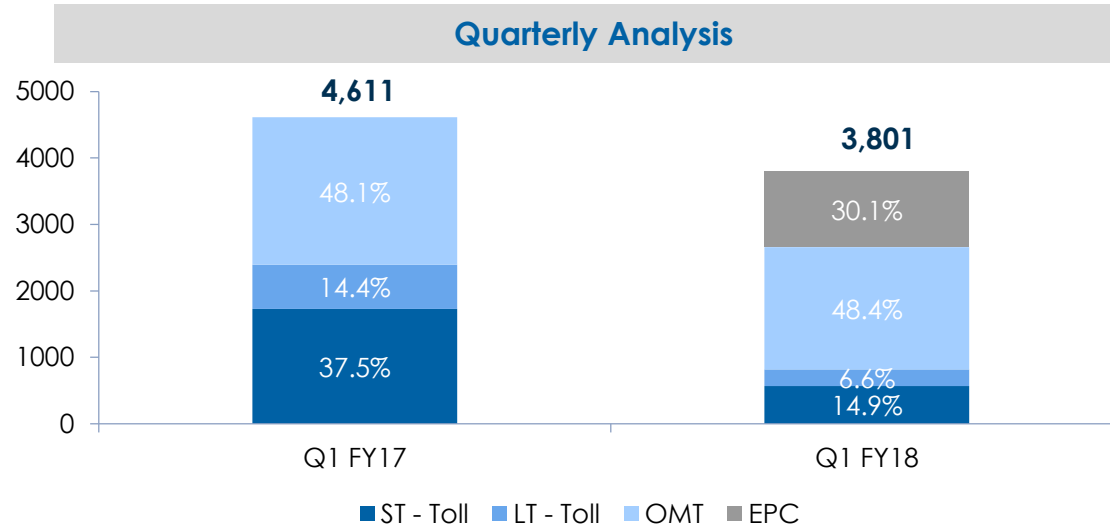


EBIT (INR Mn) & EBIT MARGIN



PAT (INR Mn) & PAT MARGIN





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