

Webinar on India Road Infrastructure Technologies and Traffic Solutions

31 July 2018



Australian Government
Australian Trade and Investment Commission



SPEAKERS



Mr Munish Sharma
Trade Commissioner
Austrade

SPEAKERS



Dr Sreejith Narayanan, Vice President



IL&FS Transportation Networks Limited



IL&FS Transportation Networks Limited

July 2018|



Road Sector: Emerging Opportunities for Australian Companies



Business Overview

- Incorporated in 1987, Infrastructure Leasing & Financial Services Limited (“IL&FS”) is one of India's leading infrastructure development and finance companies
- Track record of promoting and financing infrastructure projects in India for over 25 years

Service Offerings

- Offers a full range of financial, project development and management services including investment banking, project financing, project development, management and implementation, asset management, corporate advisory through its group companies

IL&FS Transportation Networks Limited (“ITNL”): Overview

- ITNL is a successful surface transportation infrastructure company and with a sizable road assets portfolio
- Pan India presence with diverse projects across several states in India
- Established in 2000 and promoted by IL&FS
- Approximately 13,699 lane km under road assets portfolio comprising a mix of toll and annuity based projects
- Relationships with Government authorities such as National Highway Authority of India Limited (“NHAI”)
- Presence in other non-road segments viz. mass rapid transport system, urban transportation infra system, multi-level car parking and border check posts
- International operations primarily in the road segment and spread across Spain, Portugal, Mexico, Colombia, UAE and China, etc.

IL&FS Group Presence: Key Infrastructure Verticals



Government Improving Ailing Road Infrastructure

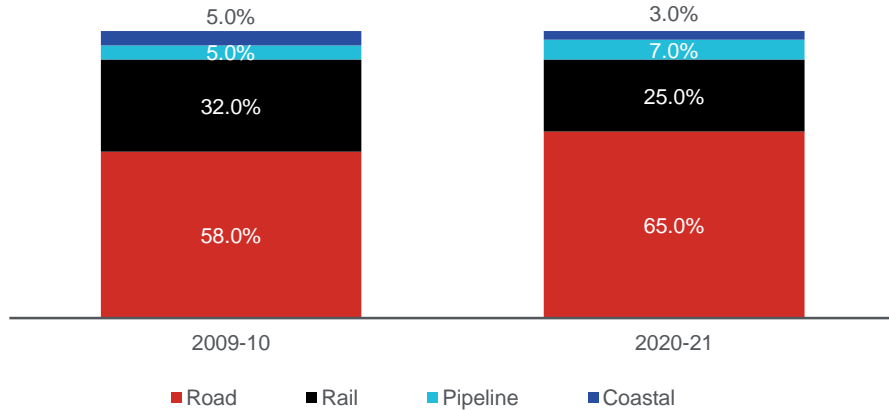


- World's second-biggest road network, which sprawls 5.4 million km
- \$108bn plan to drastically improve the country's inadequate road infrastructure
- Govt. plans to build more than 83,667km of roads
- Bharatmala Pariyojana alone is expected to cost some \$82.9bn
- \$24.3bn will be spent on constructing another 48,877km of roadways.
- Models used for Road Development
 - Engineering, Procurement and Construction
 - Public Private Partnership
 - Hybrid Annuity Model
 - BOT – Toll/ Annuity Model

Why Road Sector?

Roads Expected to have High Share of Freight Movement...

Share of Freight Movement (%)

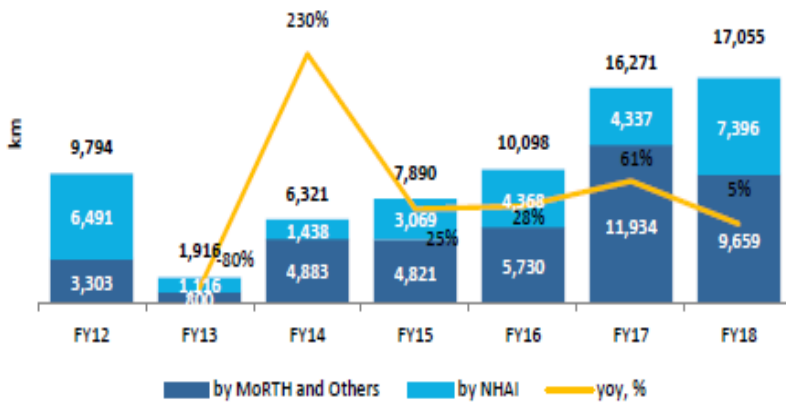


... Which is Expected to Increase on Back of Following Indicators

Key Parameters	2018-19P Growth	Key Growth Drivers
Industrial GDP	7.6%	Increasing Rural demand, private consumption demand and improvement in mining activity
Agriculture GDP	4.0%	Normal monsoon expectations
Infrastructure Construction	9 – 11%	Central government's focus on implementation of roads, railways urban infrastructure, and irrigation projects
Industrial Construction	9 – 11%	Automobiles and oil and gas to drive growth in FY17

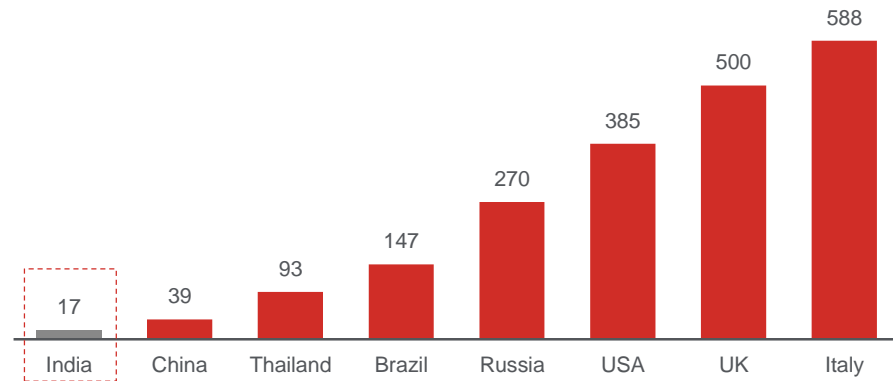
Highway Project Awards

National Highway Projects Awarded (km)



... High Growth Opportunity from Low Penetration

(number of passenger vehicles per 1,000 population)



Consultancy & Engineering Services

- Advisory Services: Govt., Private Investors, Developers
- Feasibility Studies, Socio Environmental Impact Assessments
- Facility Managements Services
- Advanced Design structures (Tunnels, Viaducts etc.)
- Cognitive Studies: Road Safety and Reduction in Road Accidents – Design Interventions

Mid Size Contractors

- Australian Giants like Macquarie etc. presence in India : O&M, Construction
- JV with Indian mid size construction companies
- Experience Sharing

Technology Providers

- Toll Systems
- Intelligent Traffic Management Systems
- Blockchain technology in trucking industry
- Integrated Tunnel Controlling System
- RFID & ETC Lanes
- Road Safety Apps

Advantage India

- Fastest growing Economy in the World, to double to \$ 5bn by 2025
- High growth in Infrastructure spending & Strong PPP framework
- Opportunities : USD 4.5 trillion worth of Infra investments are required by India till 2040



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Thank You

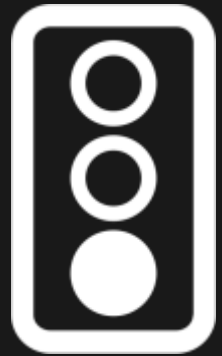
SPEAKERS



Mr Ravin Mirchandani, Chairman



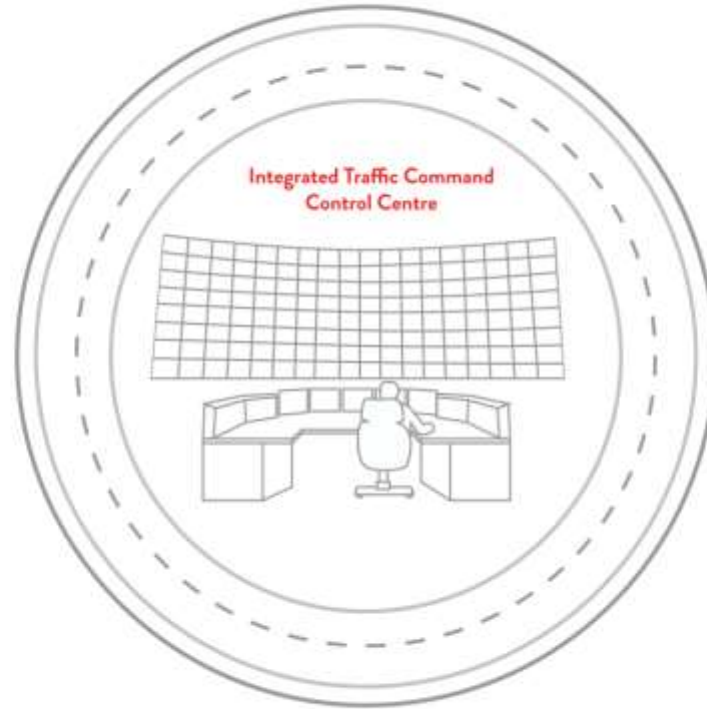
peace of mind™



Indian Road Infrastructure Technologies & Traffic Solutions

Presentation by Ravin MIRCHANDANI
July 2018

4 Ways Ador helps save lives on the road



The Challenge:

- Road and Highway infrastructure is still in its infancy, but traffic volumes are similar to developed economies
- Enforcement capability (laws, systems and assets) are weak
- Sovereign risk for road concessions is high
- Regulatory understanding of how to specific the most optimal solutions for the specific local challenge are weak

The Opportunities:

- Significant government commitment in funding for development of road and highway infrastructure nationwide
- Both large and small opportunities available in all avenues from consulting, design, construction, raw material supplies project management, enforcement and tolling technology of the next 6 years.
- Ability to leverage learnings from Australia to India which authorities are very keep to explore

Areas of possibility:

Smart Cities India: Over 100 projects in various parts of India running concurrently including major investments in automated traffic management, smart city poles, enforcement and traffic communications.

Indian metro rail projects: Over 32 projects to implement mass rapid transit rail systems in various cities that have resulted in roadworks, traffic congestion and bottlenecks which require unique customised solutions to be addressed

Highway and Expressway Investment: Numerous highway and expressway projects across the country to expand accessibility, which include new tollways, expanding existing highways, additional concessions, new smart infrastructure and automated tolling

Safety Corridors: World bank funded corridors to increase commuter safety and comfort in particularly challenging sub sectors – managed locally

Avenues to success:

Technology: Work with Austrade to have your technology specified into various government tenders, ensuring Systems Integrators to deal with you.

Products: Have the appropriate distributors in India to work with Systems Integrators to ensure that your offerings are part of a tender response at every stage. For larger volumes, consider assembly or manufacture in India either directly, under contract or through a JV.

Services: Chose the government agencies where you are likely to find most success and concentrate only on these, so as not to waste time in regions where you are likely to find minimal success.

Intricate local knowledge: India plays cricket and speak English, but the similarities end there. Take your time to understand the opacity and develop an appreciation for how decisions are made here. Its not like any other geography.

Where Australian companies struggle in India:

Assuming an Australian solution is optimal: India chooses the lowest cost without a consideration for whole of life costs. Decision making maturity has yet to kick in. Solutions need to be frugal and low cost as an entry level option.

Regulatory decision making: Decision making capability is not at the levels of Australia where regulators have over 30 years of experience on these subjects. Time invested patiently in educating regulators will eventually pay off. Be prepared to loose at first.

Local Partners: Chose the right local partner if that is what you need to find success. Take your time. Do your due diligence. Nice guy does not mean most capable guy.

Intricate local knowledge: India is the horse for the long race. Don't expect salvation in the first 12 months. Be prepared to invest more than 5 years to find real sustainable success.

7TH EDITION OF TRAFFIC AND PARKING INFRA TECH EXPO



 25 - 27 October 2018

 Bombay Exhibition Center
Mumbai, India

Concurrent Expo



- Asia's largest show on Smart and Safe mobility
- Who's who of road infrastructure and traffic industry in attendance
- In tune with Indian Government's vision
- Demand for international technologies
- Australia as a country partner
- Technology roundtable, Australia session with speaking slot opportunities, one-to-one meetings
- Limited slots available
- EOI will be floated by Austrade in mid-august
- Contact – Kamran.Khan@Austrade.gov.au