



IVRCL Infrastructures & Projects Limited

Corporate Presentation

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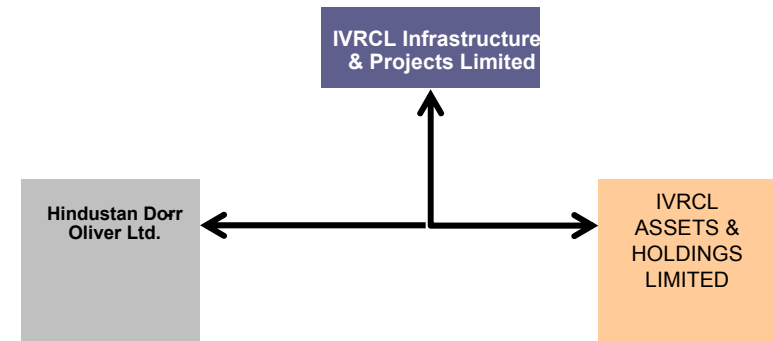
Company Snapshot

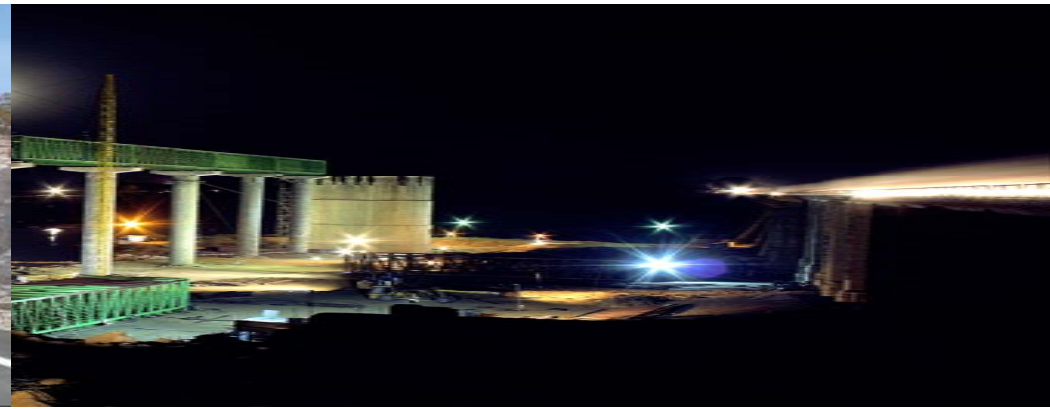
Company Snapshot

Brief Overview

- Started in 1990, IVRCL has become a leading player in EPC and LSTK contract implementation in India
- Strong presence in Water, Transportation, Building & Industrial Structures and Power sector
- Current order book of Rs. 233,750 mn (US\$4.9 bn) with revenue of Rs.55,100 mn (US\$ 1,148mn) for the year 2009-10
- Proven Project Execution Skills and presence across 21 states in India
- Undertaking BOT/ BOOT / DBOOT Type Public Private Partnership (PPP) projects
- Highly qualified and well trained human resource base
- Listed in 1995, proven dividend paying track record
- Company has grown at 43% CAGR in terms of revenues over the last three years

Corporate Structure





Industry Perspective

IVRCL has strong presence in the key high growth Infrastructure sub-segments

Water Infrastructure

- Significant growth opportunity in both Public - Water Supply & Sanitation (WSS) and Irrigation as well as Private sector
- c. US\$ 27bn spend in Urban WSS and over \$48bn in Irrigation (XIIth plan)
- Potential of water infrastructure upgradation likely to be c.Rs. 900bn (US\$ 18.75bn) over the next five years, driven by irrigation infrastructure up gradation
- Increasing use of EPC contractors

Transportation

- New government in place is showing strong signals and focus on Roads segment
- Rs. 1,056bn (US\$ 22bn) investment opportunity for private sector
- Success of PPP model; 100% foreign investment and tax exceptions are expected to drive private investments into the sector

Power Transmission

- Transmission capacity to grow from 16,550 MW to 37,150 MW by 2012
- capacity expansion is required to evacuate power from surplus regions to the deficit regions
- Government is promoting investment through JV with PGCIL using competitive bidding route

Buildings and industrial structures

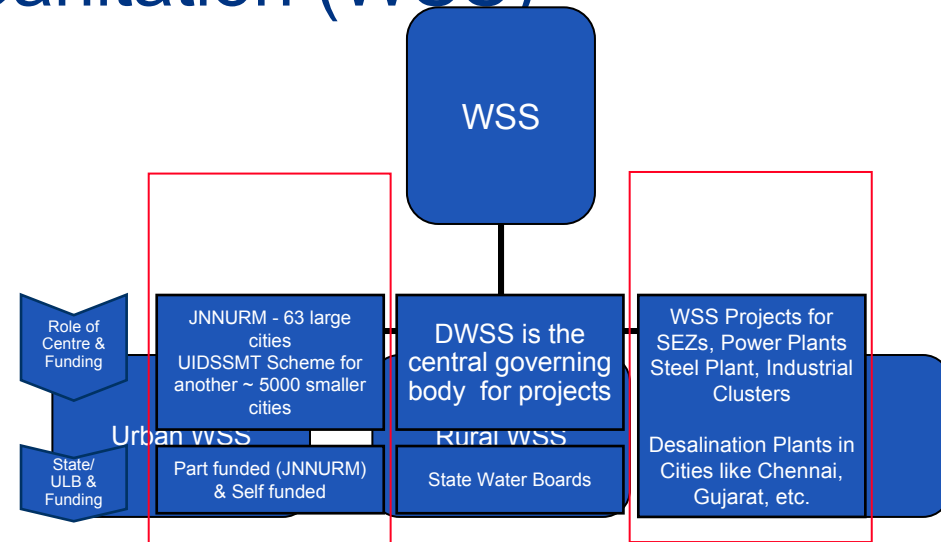
- Govt. initiatives to boost housing demand through lower interest rates and expected incentives for low cost housing is expected to create demand for housing projects in the medium term
- With current capex plans of the corporate India, the demand for creation of commercial and industrial structures is inevitable



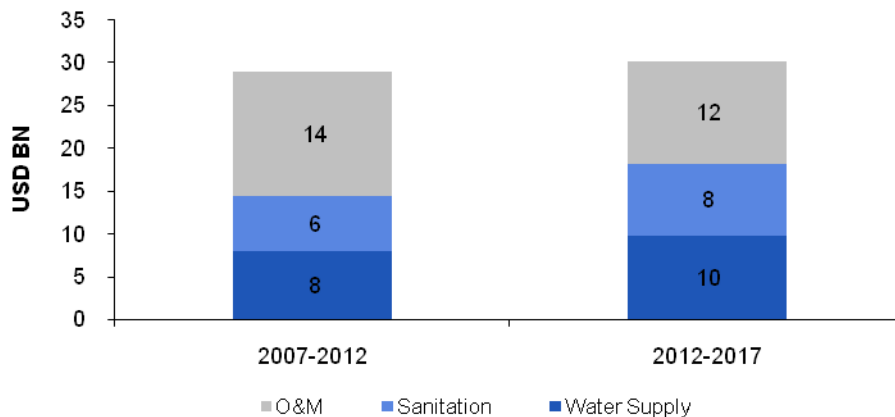
Water Infra: Water Supply & Sanitation (WSS)

WSS Overview

- Investment in Urban Development/ WSS of c. US\$ 27bn in the XIth Plan
- Assessment of the size of the Urban WSS Market is c. US\$ 14.6bn upto the XIth plan at a CAGR of c.28% from the Xth plan
- For JNNURM projects, funding is split approximately in a 50:50 between the center and the state and historically, 70% of funds released under JNNURM have actually been utilized
- Private Sector, market for WSS in power plants and Industrial Segment is expected to be Rs 124 bn (US\$ 2.59bn)

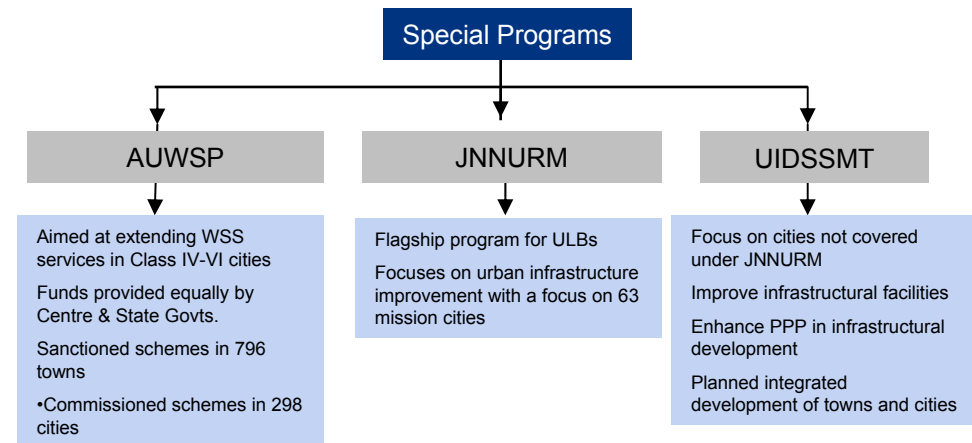


Investment/ Expenditure required to meet Millennium Development Goals in Urban WSS



Source: World Bank Background Paper on WSS (January 2006)

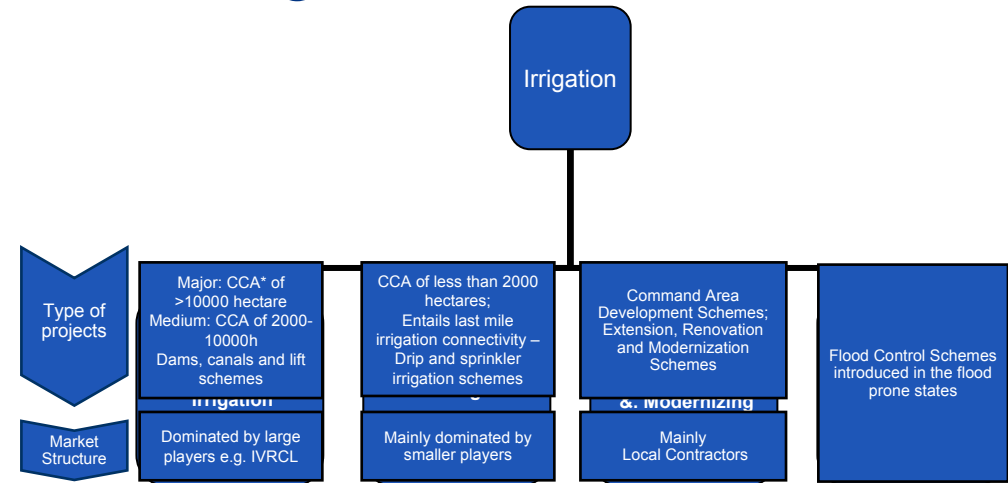
Special Programs in WSS



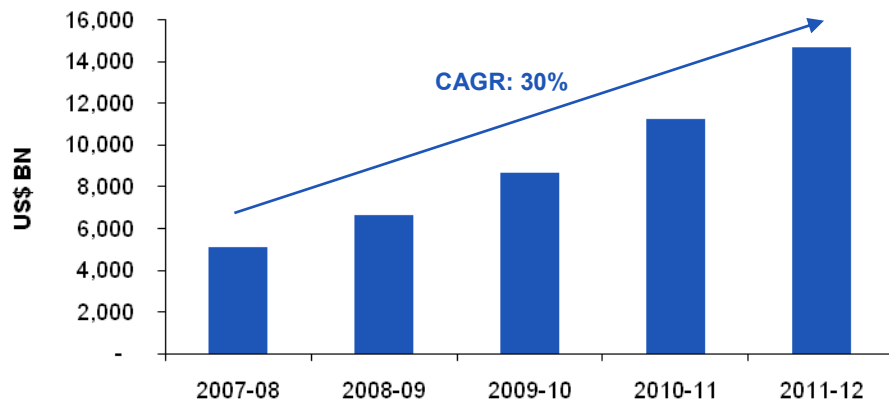
Irrigation: Core Water Infrastructure growth area

Irrigation Overview

- The XIth Plan envisages an investment of c.US\$ 48bn in Irrigation given that Irrigated area comprise only 38% of net sown area in the country
- Macro irrigation (dams and canals) is the dominant form of irrigation in India
- Irrigation in India is a state subject
- Projects are increasingly getting executed under the EPC route

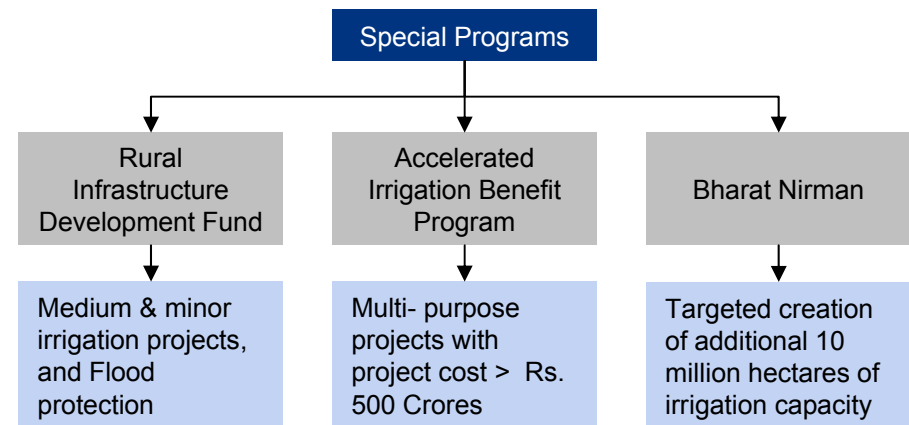


Funds Outlays



Source: planning commission consultation report

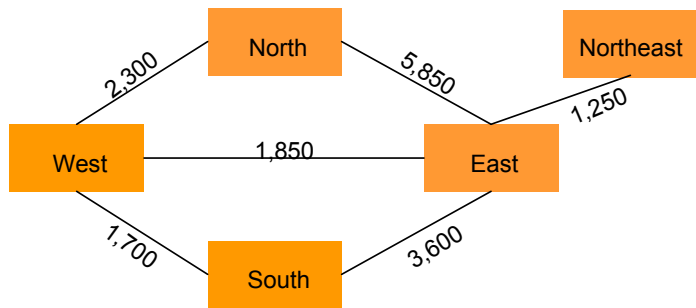
Special Govt. Programs in Irrigation



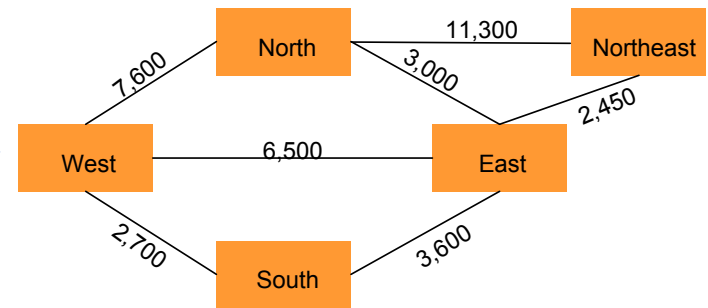
Power transmission provides huge growth opportunity

IVRCL has 12,000 tons of transmission tower manufacturing capacity

Current transmission capacity (16,550MW)



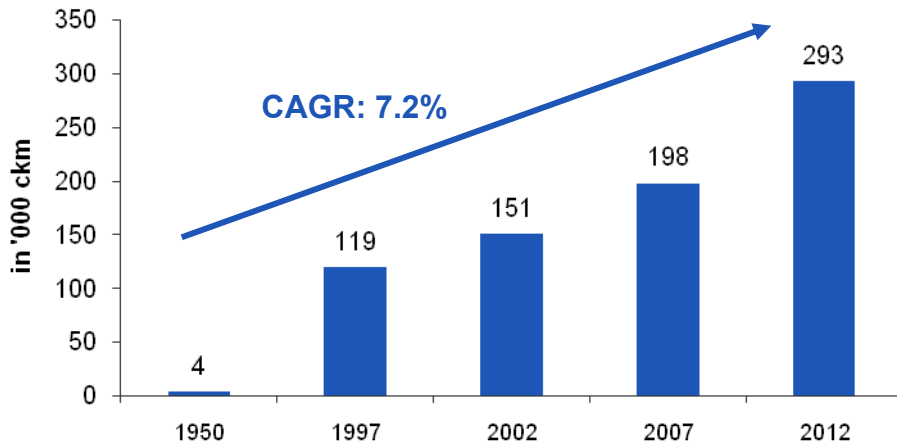
Projected capacity 2012 (37,150MW)



224% growth planned

Source: MoP, PGCIL, CEA

Transmission network growth



Key incentives from the Government

- ◆ Demand –supply mismatch: requires 275-300 GW of installed capacity over next 10 years
- ◆ Favourable policy framework to boost private investments
- ◆ Total investment of Rs. 1,400 bn (US\$ 29bn) is needed for capacity addition in generation segment
- ◆ In distribution segment, the focus is on reduction of AT&C losses and bring in efficiencies

Transportation

IVRCL has a multiple roads projects underway and is one of the few players that has developed capability to execute large projects

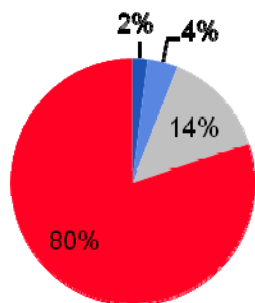
Key trends

- Proven success of PPP model is expected to encourage more private investment
- Golden Quadrilateral is 98% complete
- North-South-East-West corridor is 39% complete
- Focus is more on national and state highways and rural roads
- Estimated Rs. 360bn (US\$ 7.5 bn) equity market and Rs. 840bn (US\$ 17.5bn) debt market opportunity

US\$ 22 bn investment opportunity for private players

Investment US\$ bn	XI plan					Total
	FY 08	FY 09	FY 10	FY 11	FY 12	
Center/State	7.5	7.8	8.2	9.0	10.6	43.2
Private	3.3	3.6	4.1	5.2	6.0	22.3
Total	10.8	11.4	12.3	14.3	16.7	65.5

Composition of Highways



- National Highways
- State Highways
- Major district roads
- Rural & other roads

Key incentives from the Government

- 1 100% tax exemption for 10 consecutive years
- 2 Foreign Direct Investment ("FDI") of upto 100%
- 3 Duty free import of high capacity and modern road construction equipment



Business Overview

Our business lines

Water

- Water Supply Projects
 - Transmission mains
 - Distribution
 - Systems
 - Pumping & re-circulating systems
 - Storage systems
 - Operations & Maintenance
- Environmental Projects
 - Sewage systems
 - Water/sewage treatment plants
 - Solid waste recycling Plants
- Irrigation Projects
- Oil & Gas Projects
 - Oil and gas pipelines
- Canal Works
- Desalination Projects

Transportation

- Roads
 - National highways/ expressways
 - State highways
- Bridges
 - Major/minor with well/ pile/open foundation, pre-stressed concrete
 - Girders, rail over bridges and road under bridges.
- Railways/Tunnels

Buildings

- Residential/ Commercial
 - Integrated Townships
- Others
 - Storm water drains
 - Underground drains
 - Layout formation
 - Overburden removal

Power Transmission and Distribution Lines

- Transmission line project
- High voltage distribution
- Sub-stations

New Thrust areas

Power Generation

- Mundra coal Handling for power plant
- Belangana Hydro Power
- NTECL – BOP
- Adani Power – Substation thru Siemens

Oil & Gas

- ONGC Dahej ground improvement
- IOCL Gauhati
- Oil Tankages
- Bhatinda Refinery – Mittal energy

Industrial Infra

- Telcon – west Bengal
- Tata Cumins – Pune
- BHEL – Megea
- Jindal Steel – Patratu
- Ramsarup Steel plant
- Tata DOCOMO

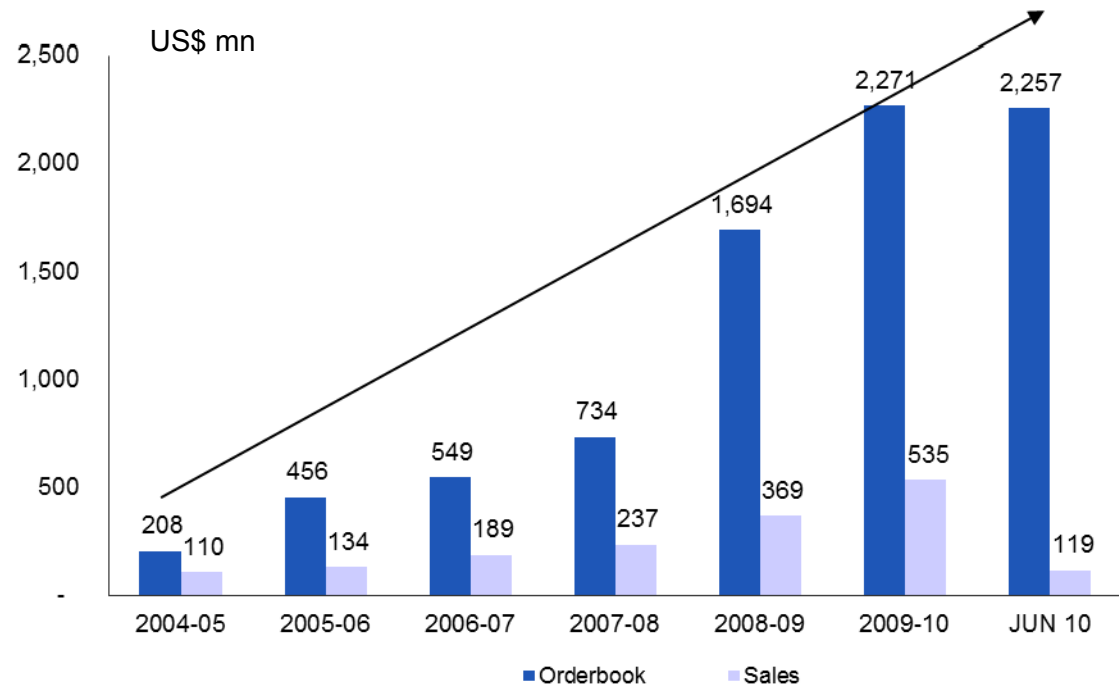
Metro & Railway

- Bangalore Metro

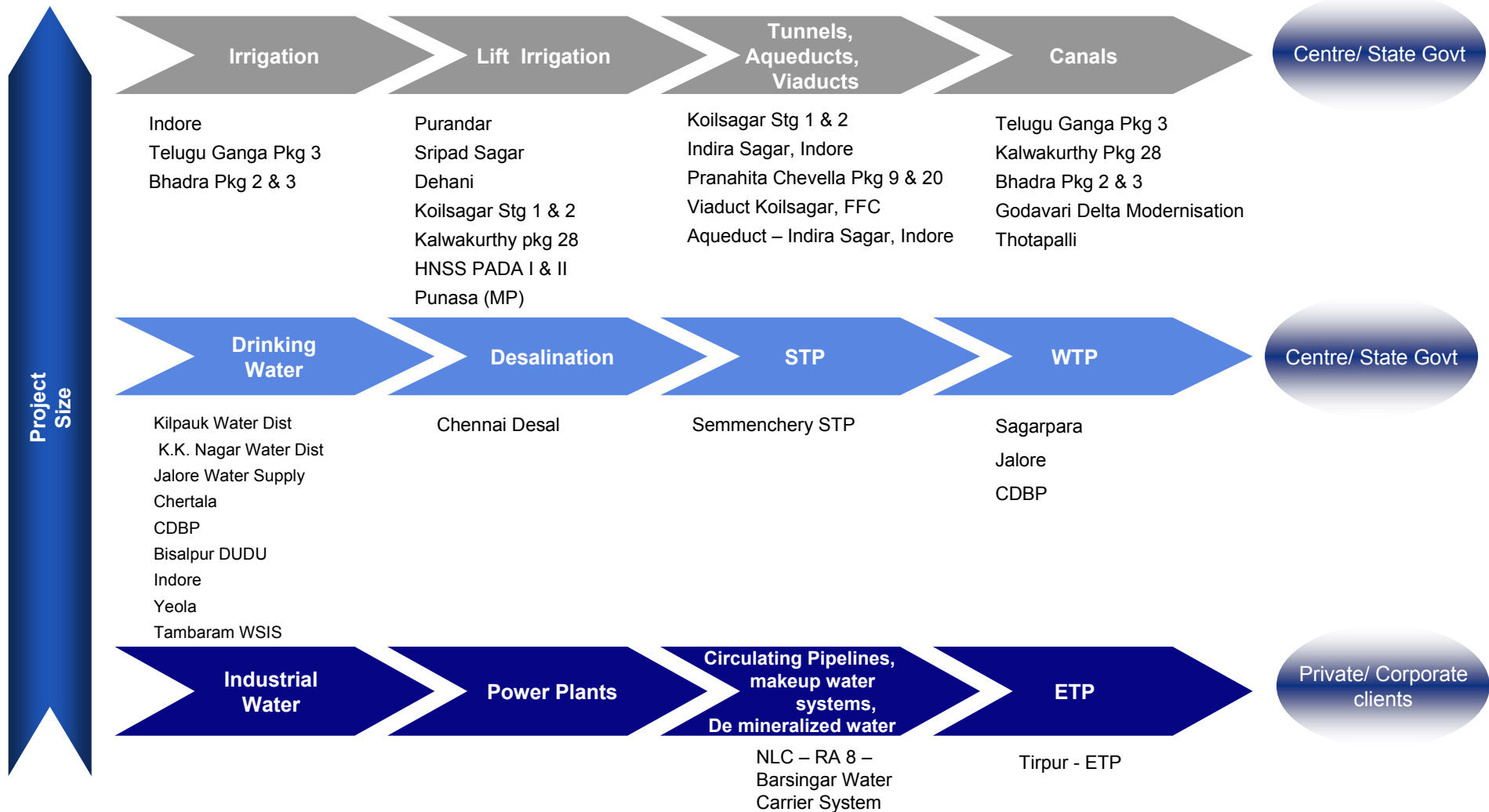
Water Infrastructure: Core Business Focus

- Water Projects
 - Transmission Mains, Distribution Systems, Pumping & Re-circulation Systems, O&M, Irrigation Works and Canal Works
- Environmental Projects
 - Sewage systems, Water/Sewage treatment plants, Solid waste recycling plant
- **Key Ongoing Projects:**
 - Indira Sagar Project Rs. 4,780mn (US\$ 100mn)
 - MCGM Tansa Pipeline Project Rs. 3,581mn(US\$ 17.77 mn)
 - Construction of Tunnel from Gundovli to Bhandup Rs.5,729mn(US\$ 119.35 mn)
 - Punasa Lift Irrigation Rs.4,185 mn (US\$ 87.18 mn)
- **BOOT Project**
 - Chennai Water Desalination Plant Rs. 4,901mn (US\$ 102.10mn)

Order book and Sales growth



IVRCL is present across the Water Infrastructure Value Chain

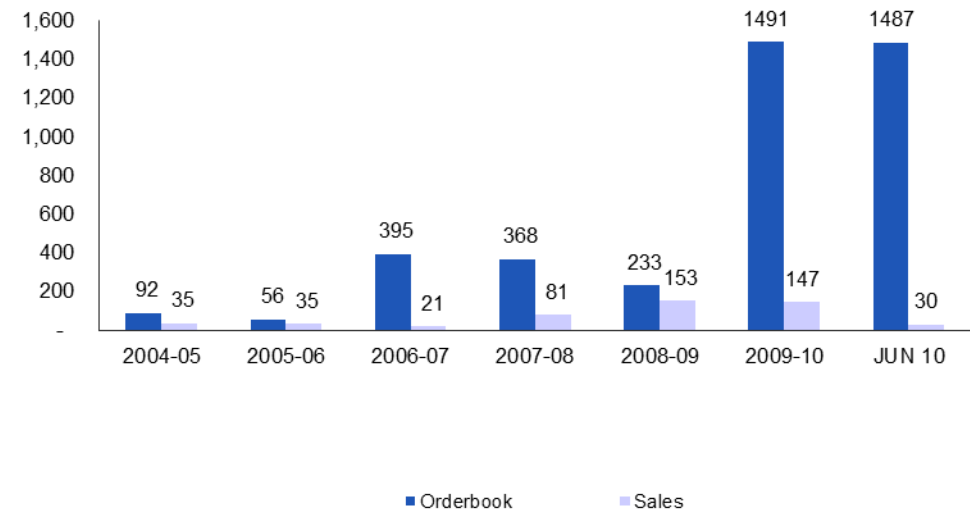


Transportation (Roads, Railways etc.)

- Road Projects include National Highways/Expressways, State Highways, Internal Roads and rural roads, Airport Runway, Integrated Toll Collection
- Other projects include Bridges, Railways and tunnels
- **Key Ongoing Projects:**
 - Bhogpur to Mukerian (NH – 1A) Rs. 3,600mn (US\$ 75mn)
 - Vivekananda Flyover Rs.1,646mn (US\$ 34.29mn)
- **BOT Projects**
 - Indore – Jabua – Gujarat Rs. 12,970mn (US\$270.21 mn)
 - Bharamati – Phaltan Rs. 3,280mn (US\$ 68.33 mn)
 - Chengampally – Walayar 8,520mn (US\$ 177.50 mn)

Orderbook and Sales growth

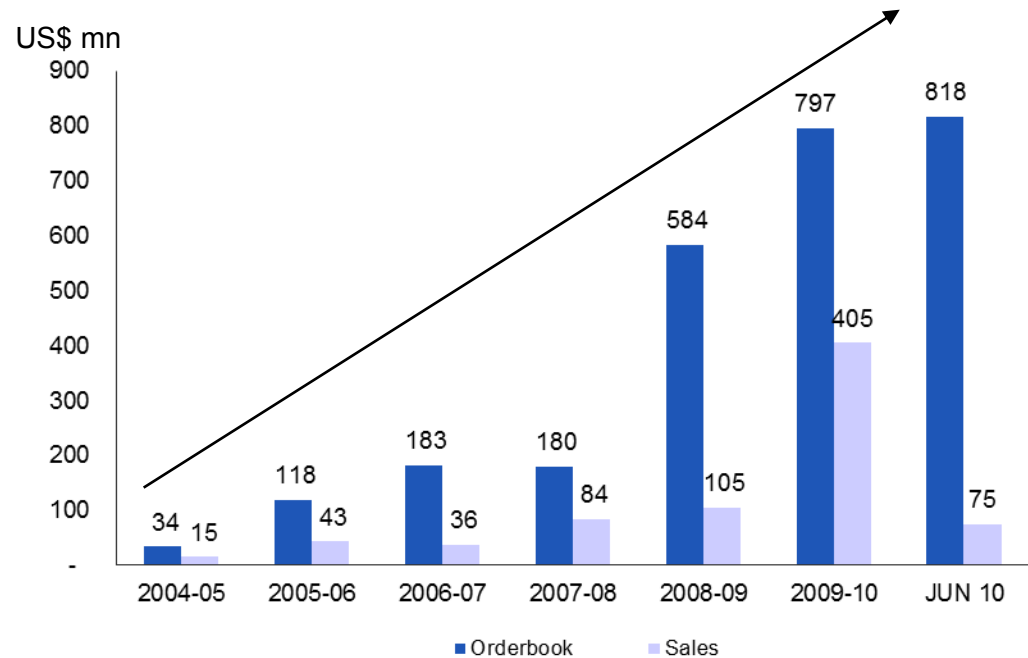
US\$ mn



Buildings and Industrial Structures

- Building Projects including Residential, Commercial and Industrial construction
- Other Infrastructure projects include Storm water drains, underground drains, layout formation and overburden removal
- **Key Ongoing Projects:**
 - Dahej Petro Commercial Project – Rs. 8,376 mn (US\$ 174.50 mn)
 - IOTL Tankages – Rs. 6,000 mn (US\$ 125mn)
 - Bangalore Metro Railway Stations – Rs. 2,390 mn (US\$ 49.79 mn)
 - Gurugobind Singh Refinery Project - Rs.1,783 mn (US\$ 37.15mn)

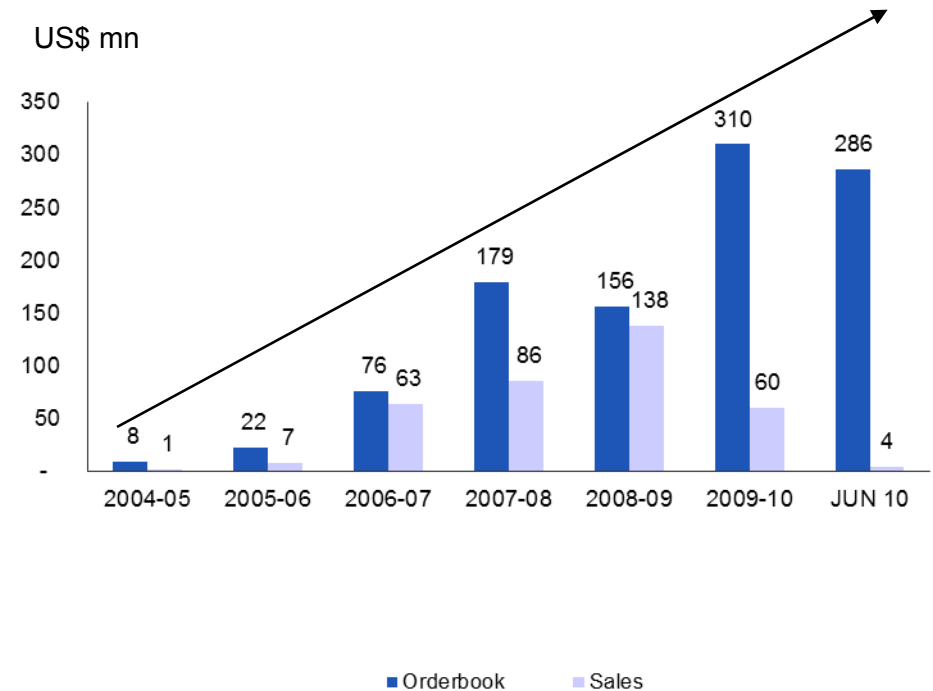
Order book and Sales growth



Power Transmission & Distribution

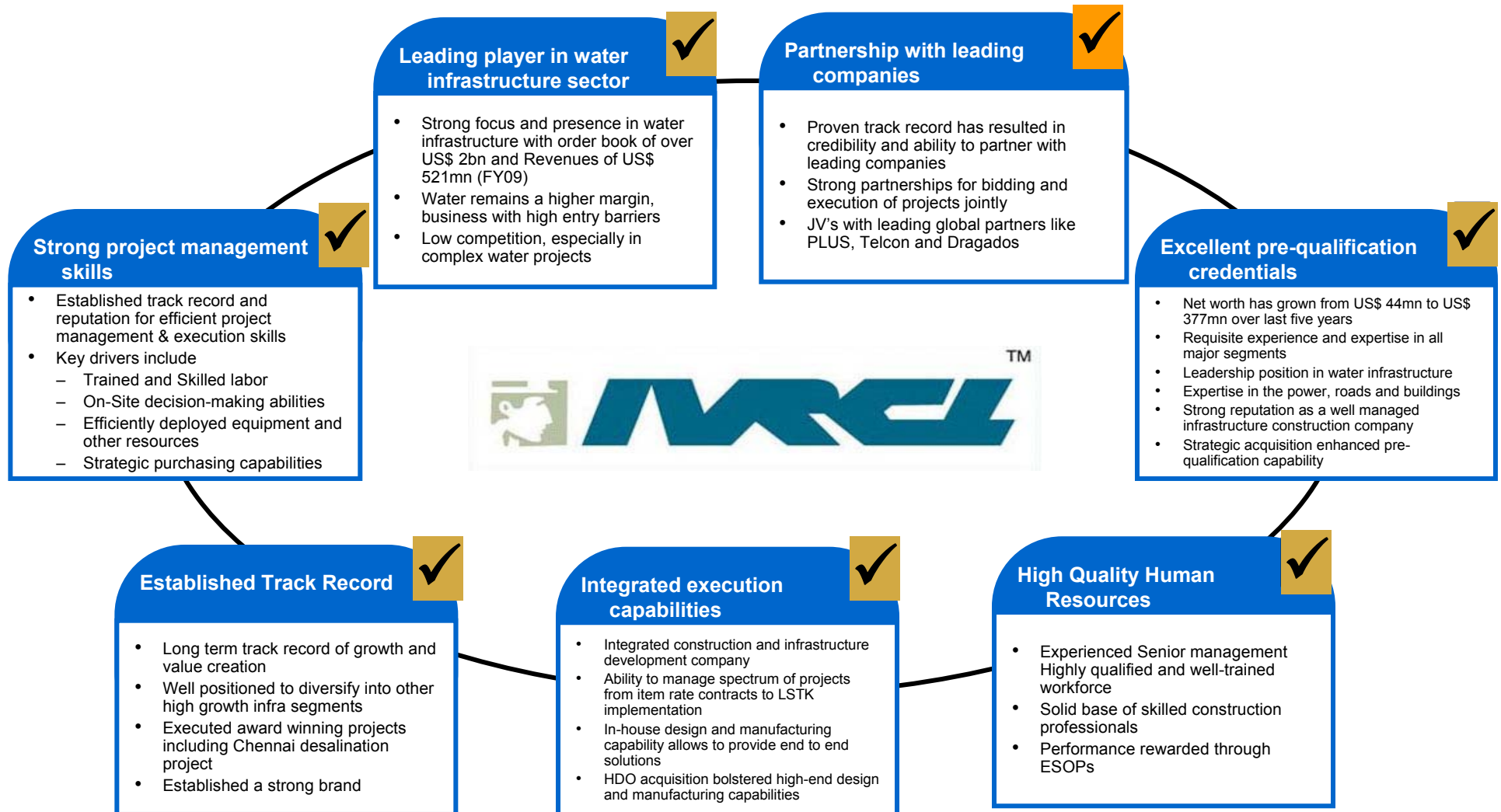
- Power Projects include Transmission Lines, High Voltage Direct Current, Distribution and Substations
- **Key Ongoing Projects:**
 - Rural Electrification Projects Rs. 3,823mn (US\$ 84.96 mn)
 - 220/120 KV Substation Projects Rs. 558 million (US\$ 12.4 mn)
 - 400 KV Transmission lines Rs. 221million (US\$ 4.91 mn)
 - 765 KV Substation at Sipat for Alstom Rs. 145.3 (US\$ 3.22 mn)

Orderbook and Sales growth



IVRCL – Competitive advantage

Company is among the leaders in its business segments



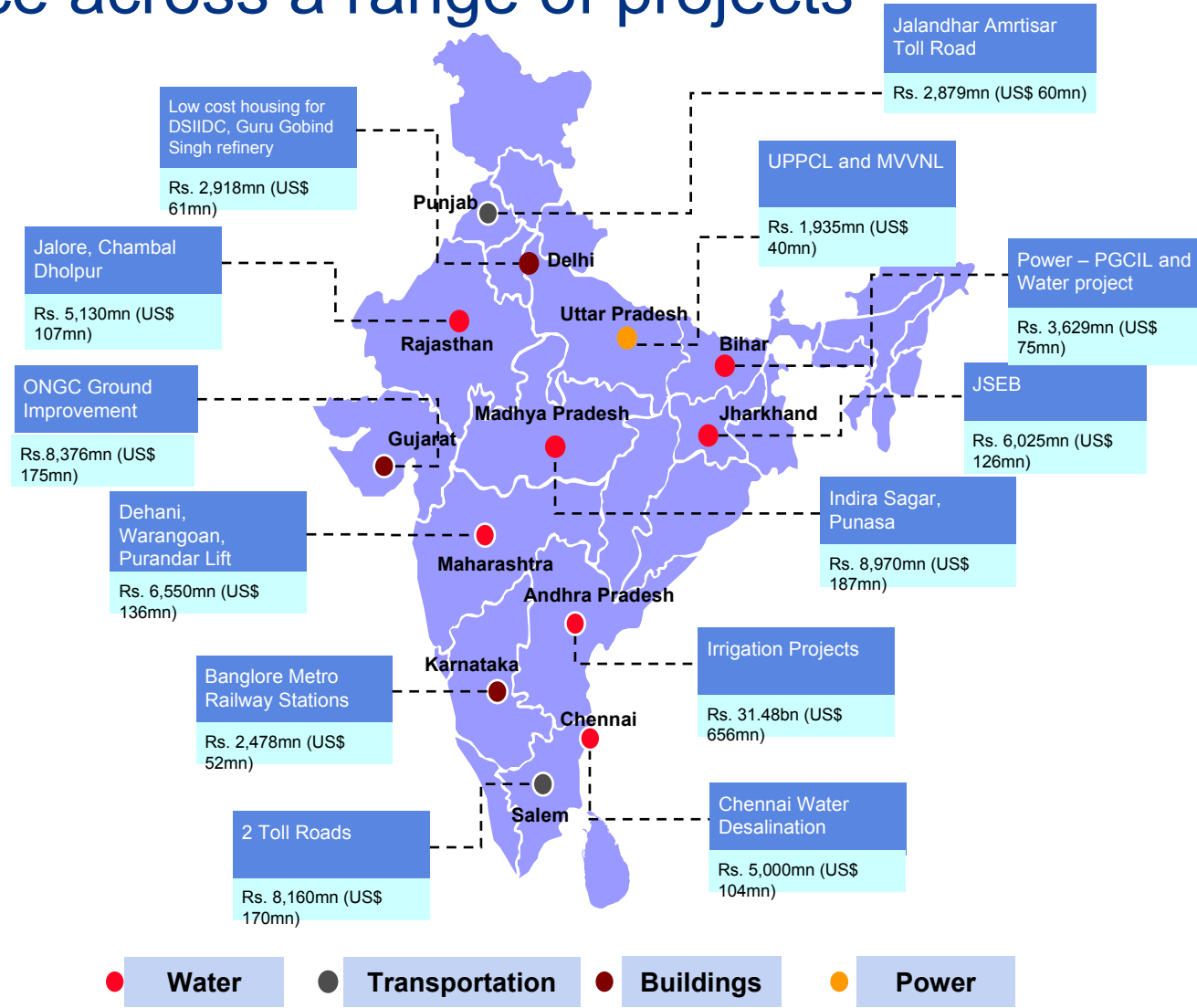
Source: Company estimates and data



Pan- India presence across a range of projects

Rs. In Millions

State	Order Book	% of Order Book
Andhra Pradesh	37,000	16%
Maharashtra	79,020	34%
Madhya Pradesh	24,160	10%
Tamilnadu	17,550	8%
Karnataka	10,060	4%
Bihar	10,280	4%
Uttarpradesh	5,030	2%
Jharkhand	9,170	4%
Gujarat	3,490	1%
Others	36,990	16%
Total	232,750	100%



Key strategies

1 Enhance and build on existing specializations in water infrastructure sector

2 Leverage existing specializations in water infrastructure sector to tap growth in other related areas

3 Engage in complex projects which allow for higher margins

4 Enhance existing execution capability

5 Prudent management of financial resources

6 Growth through inorganic means



Human Capital

Strong management and execution track record

Overview

- Professional and experienced management
- In-depth understanding and knowledge of the domain
- Proven track record of bidding, winning and executing large projects

Employees

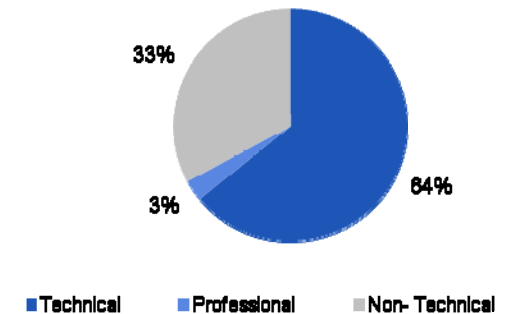
- 5,845 full time staff
- Over 15,000 temporary staff including skilled and unskilled manpower
- Negligible senior management turnover

Experienced and stable senior management team

Board of Directors

E. Sudhir Reddy	Chairman and Managing Director
E. Sunil Reddy	Director
R. Balarami Reddy	ED – Finance and Group CFO
K. Ashok Reddy	Executive Director
E. Ella Reddy	Director
T. N. Chaturvedi	Director
T.R.C. Bose	Director
P. R. Tripathi	Director
S. K. Gupta	Director

Employee mix



Key Management Team

D D Rao	Director – Technical
S. Ramachandran	Director – Business Development & Corporate Strategy

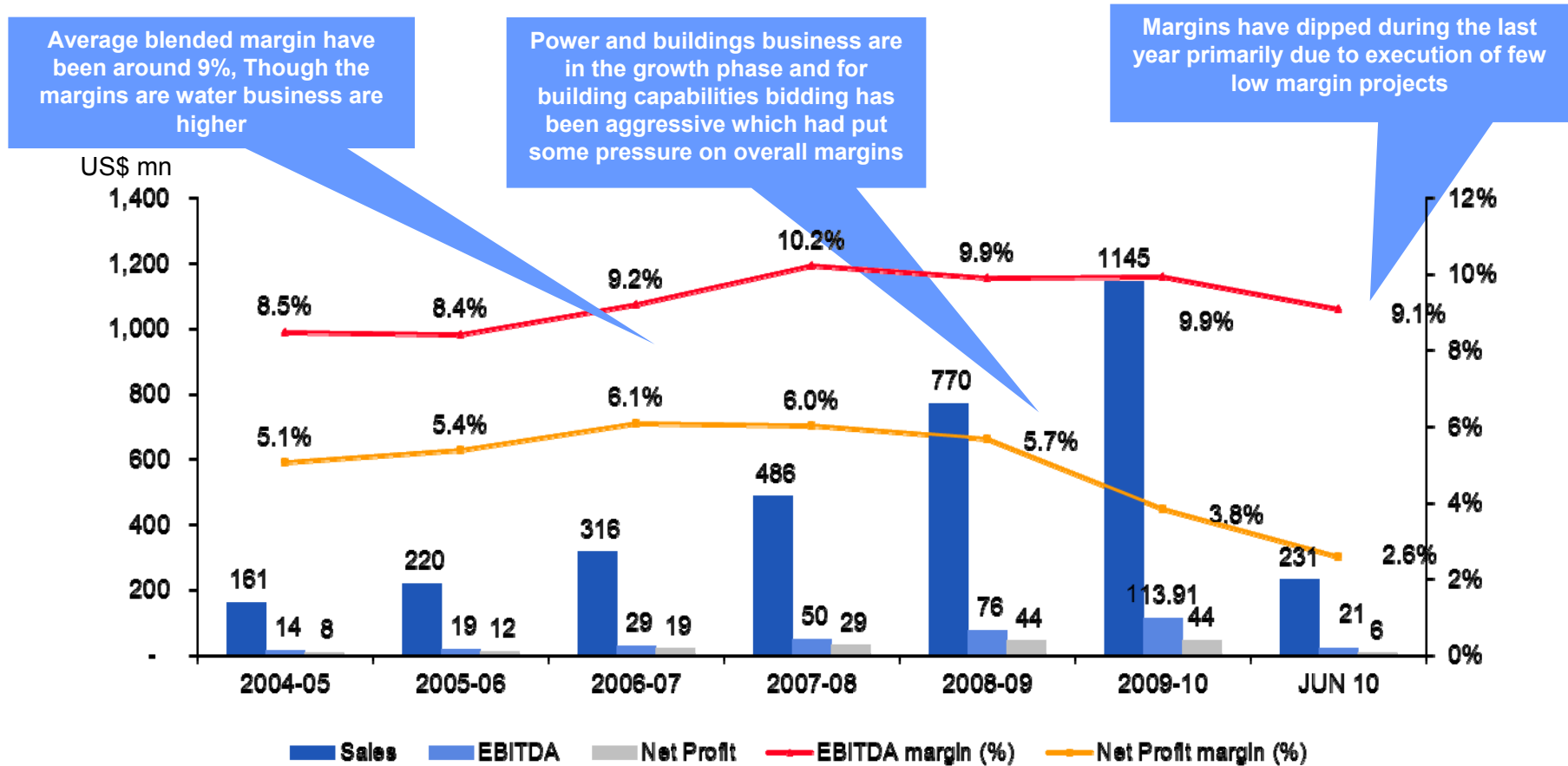


Financial Summary



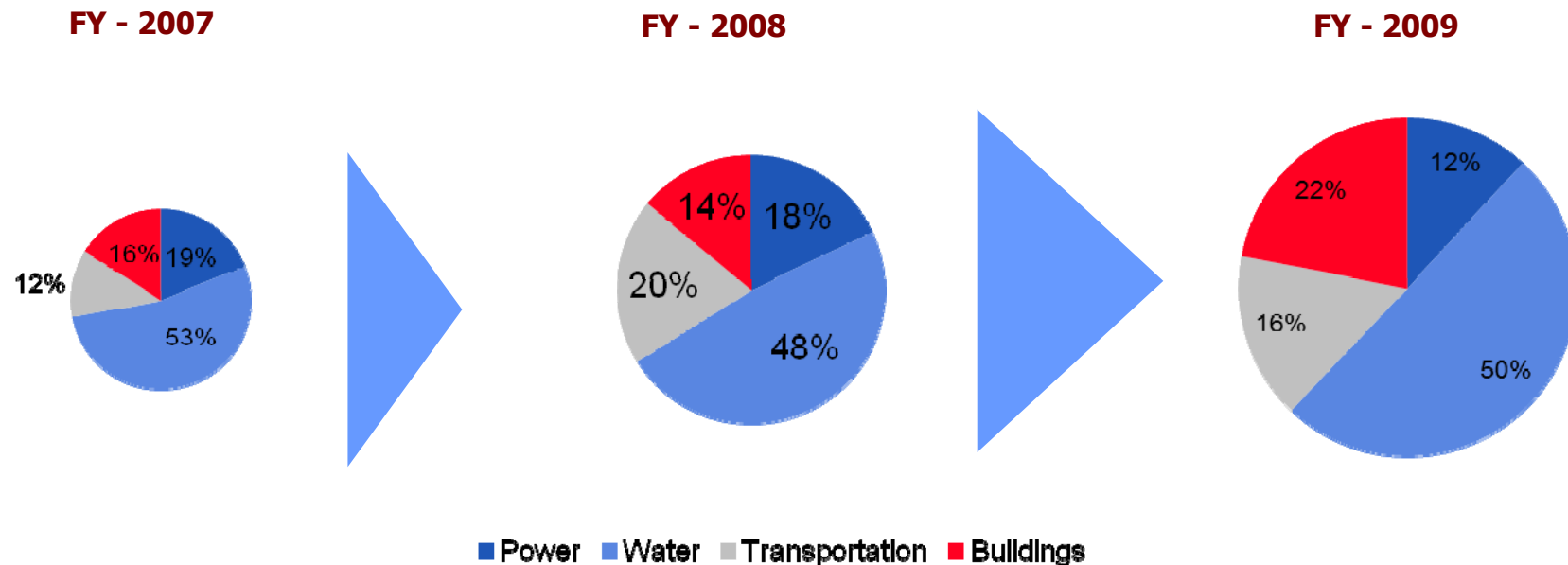
Standalone Financials

Sustained Robust Financial performance



Water Business driving growth momentum with new business adding diversification

- The company has been generating about 50% of the revenues from its water business and the trend is expected to continue given the size of orderbook
- Other water segments also has large amounts of orderbook position and helps diversify revenue streams and hence risk

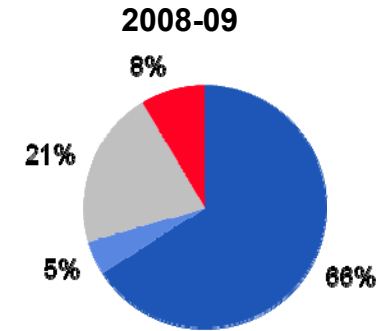
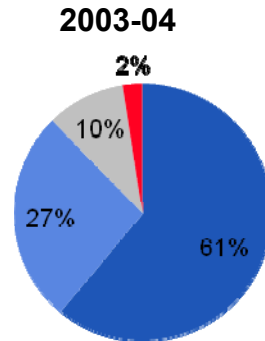


Significant Growth in order book over the last five years

Order book has grown with a healthy mix

Break down of Orderbook

Order book has grown at CAGR of 56% over the last five years

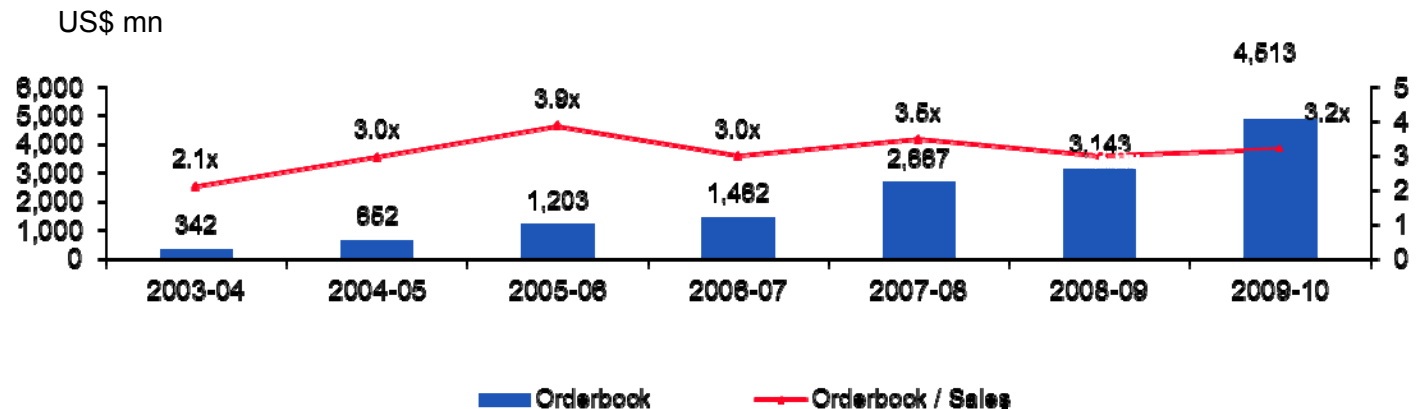


■ Water ■ Transportation ■ Buildings ■ Power

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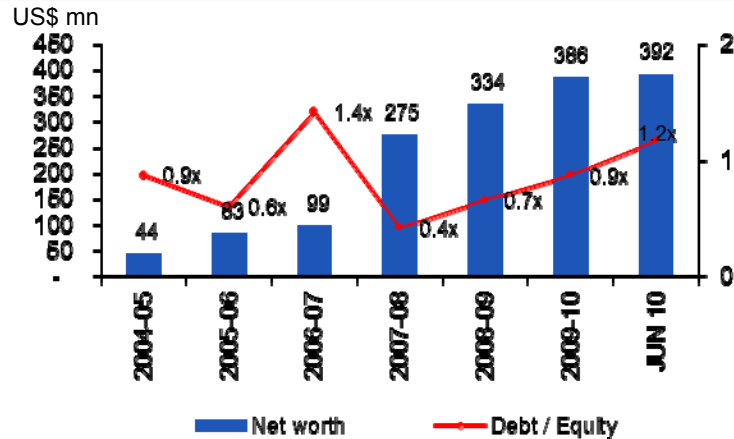
Orderbook growth

Order book /Sales maintained at a robust c.3x over the last 5 years driving high visibility

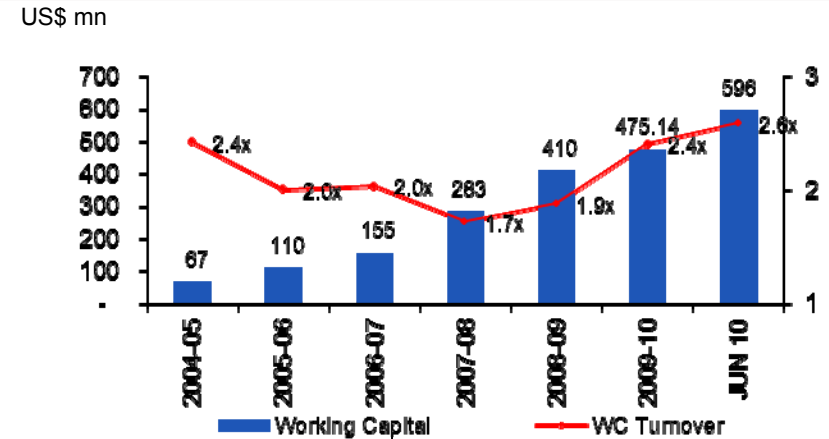


Financial Snapshot

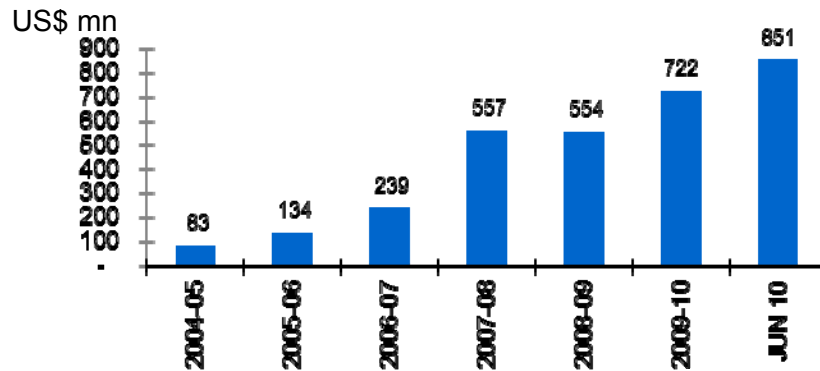
Networth and Leverage



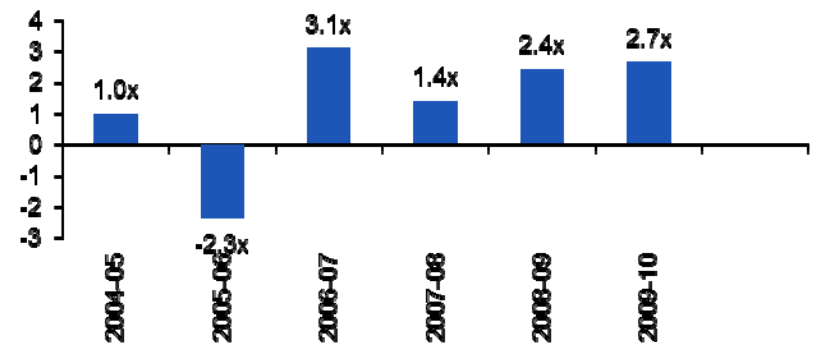
Working Capital Turnover



Capital Employed*



Net Debt / EBITDA



*Capital employed includes investments in core business, subsidiaries and BOT projects

Other key financials

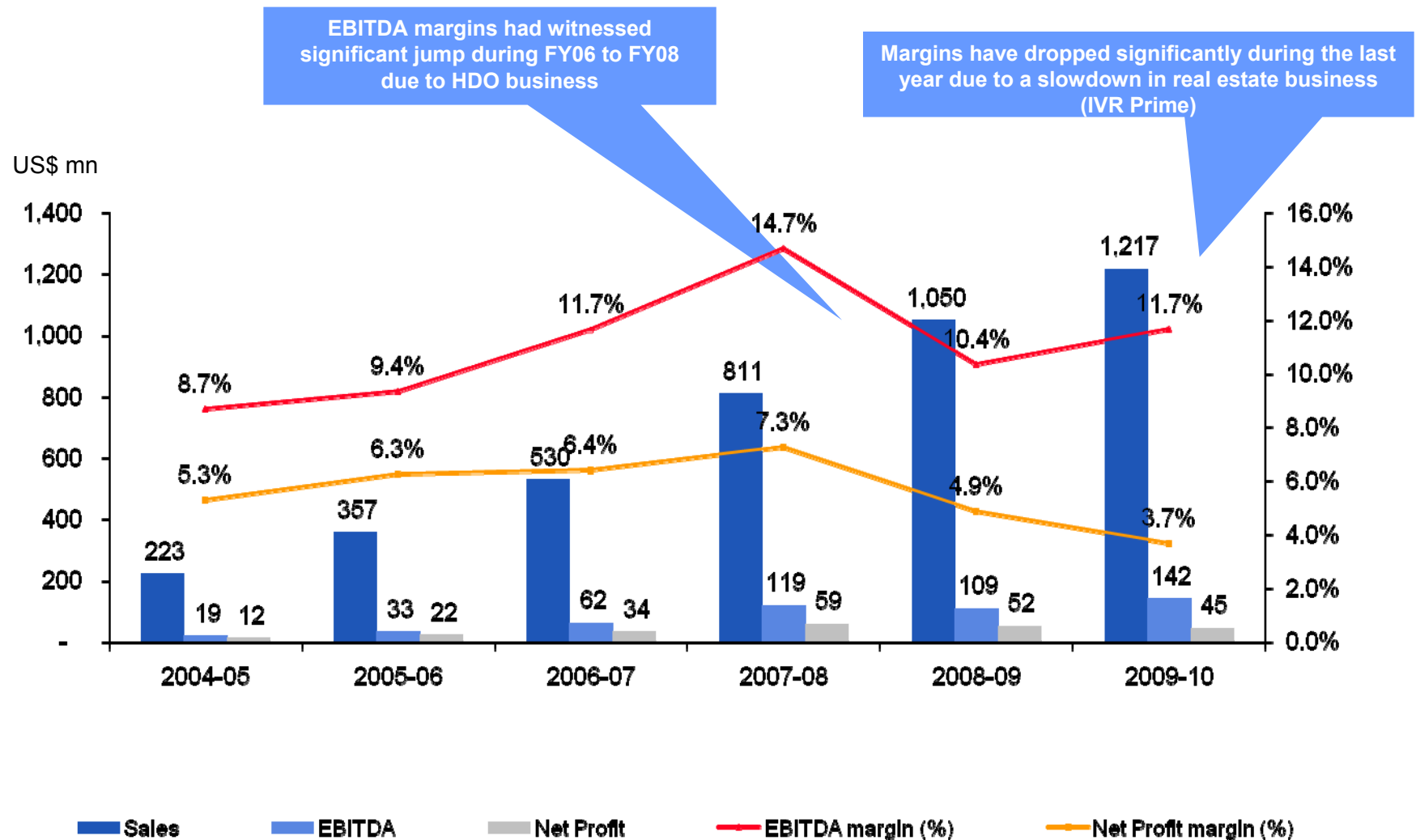
US\$mn	2005-06	2006-07	2007-08	2008-09	2009-10	JUN 10
Balance Sheet - Key figures						
Equity Paid Up	3.5	4.5	5.4	5.6	11.1	11.1
Networth	83.4	98.8	274.8	333.9	386.0	392.0
Net Debt	(42.8)	90.5	69.2	185.5	301.9	431.0
Current Assets	241.8	270.9	475.7	600.6	935.6	1057.5
Current Liabilities	132.3	115.5	193.0	190.2	460.4	461.1
Net Working Capital	109.6	155.4	282.7	410.4	475.2	596.4
Key Ratios						
Debt Equity Ratio	0.61x	1.42x	0.42x	0.66x	0.87x	1.17x
Debtor Days	106.0	114.0	99.0	65.0	115.0	179.0

Rs. / US\$ = 48



Consolidated Financials

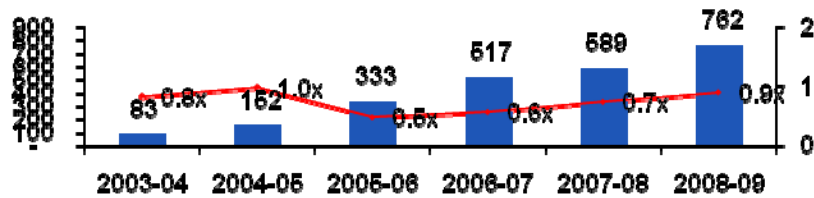
Sustained Robust Financial performance



Financial Snapshot

Networth and Leverage

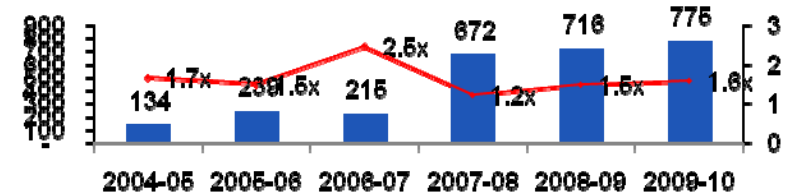
US\$ mn



■ Net worth — Debt/Equity

Working Capital Turnover

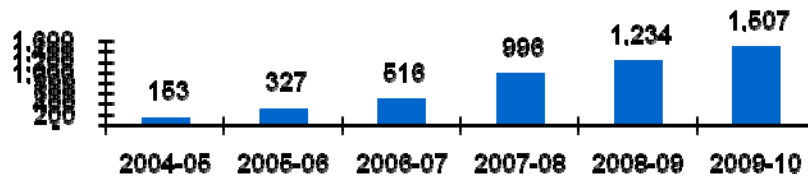
US\$ mn



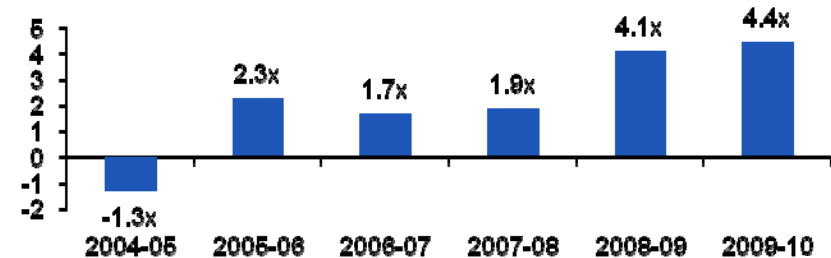
■ Working Capital — WC Turnover

Capital Employed

US\$ mn



Net Debt / EBITDA



Other key financials

US\$mn	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Balance Sheet - Key figures						
Equity Paid Up	3.5	4.5	5.4	5.6	5.6	11.1
Networth	83.2	152.3	332.9	516.7	589.0	762.2
Net Debt	(24.5)	75.4	102.5	222.0	449.9	631.3
Current Assets	273.6	369.5	499.2	997.2	1,209.8	1344.3
Current Liabilities	139.5	130.3	283.7	325.5	494.0	569.6
Net Working Capital	134.1	239.2	215.4	671.7	715.8	774.7

Rs. / US\$ = 48