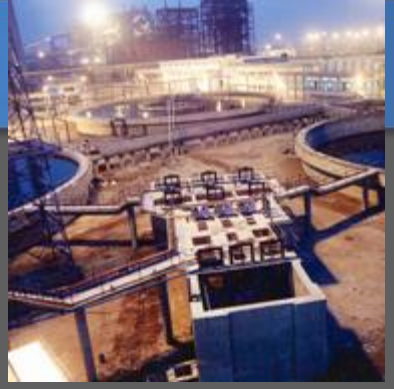
SPML

Engineering Life

March 2011

Business Overview



Creating, *with passion and innovation*, world class infrastructure to make human life comfortable.

SPML Infra – Sector Opportunities & Company Overview

Focused Business Model in key Infra Sectors

Key Investment Highlights

Annexure: Financial Statements

SPML Infra – Sector Opportunities & Company Overview

- Sector Opportunities & Outlook - India
- Company Snapshot
- Corporate Structure
- Pan Indian presence through completed and ongoing projects

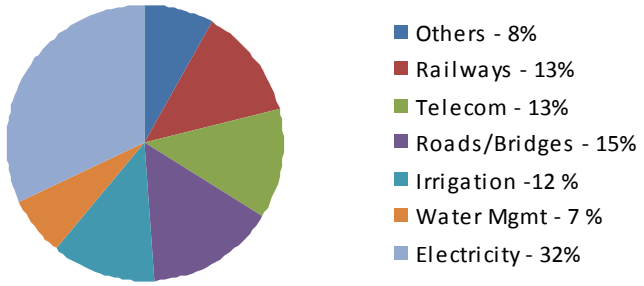
Focused Business Model in key Infra Sectors

Key Investment Highlights

Annexure: Financial Statements

Sector Opportunities & Outlook - India

Infra Spend Total:Rs.20,562 Bn



Infrastructure Spending As per the 11th Five Year Plan

- PPP model to continue to increase for infra projects
- Acceleration in Award of projects in Water and Environment
- Model concession agreements
- Viability gap funding, 100% FDI under automatic route, increase in ECB limit to INR 23,000 Mn
- 100% IT exemption for 10 years for select projects
- ***Projected Investment in Infrastructure during the Twelfth Five Year Plan to be USD 1 Tn***

Water Management

- Renewed focus on Urban water and sanitation infra – addressing the investment backlog
- Total investment during the 11th plan at INR 1,437 Bn
- Development of 16 mha major & minor works in irrigation
- Projects propagated by JNNURM through Urban Local Bodies

Environment

- MSW (Management & Handling) Rules enacted in 2000
- JNNURM – 40 projects for Solid Waste Management (SWM) covering 63 towns
- Projects costing ~INR 21,900 Mn sanctioned with funds amounting to ~INR 3,600 Mn released till Sept 2009
- UIDSSMT - 40 projects for SWM, costing INR 28 Bn have been approved, for which ~INR 1,200 Mn was released till July 2009

Other Infra

- Planned outlay for Power doubled in the plan to INR 667 Bn
- Capacity additions ~ 100 GW generation and 60,000 km transmission lines
- 6 laning of 6,500 kms – Golden Quadrilateral
- New capacity: 485 mmt in major ports; 345 mmt in minor ports
- Modernization of 35 non-metro airports

Source: Research Reports, Ministry of Finance, GOI

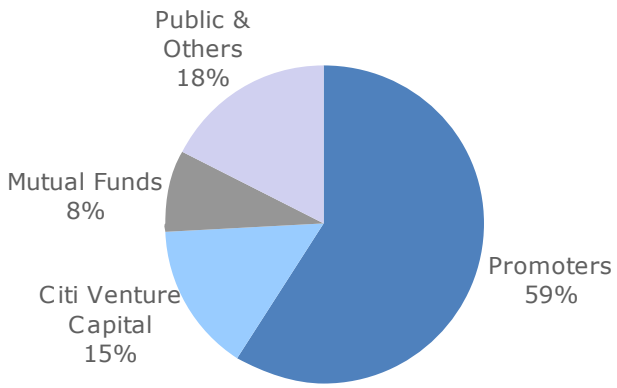
Note: INR/$ exchange rate assumed per Oanda as follows: FY11- 46.00

SPML Infrastructure Ltd.

Corporate Profile

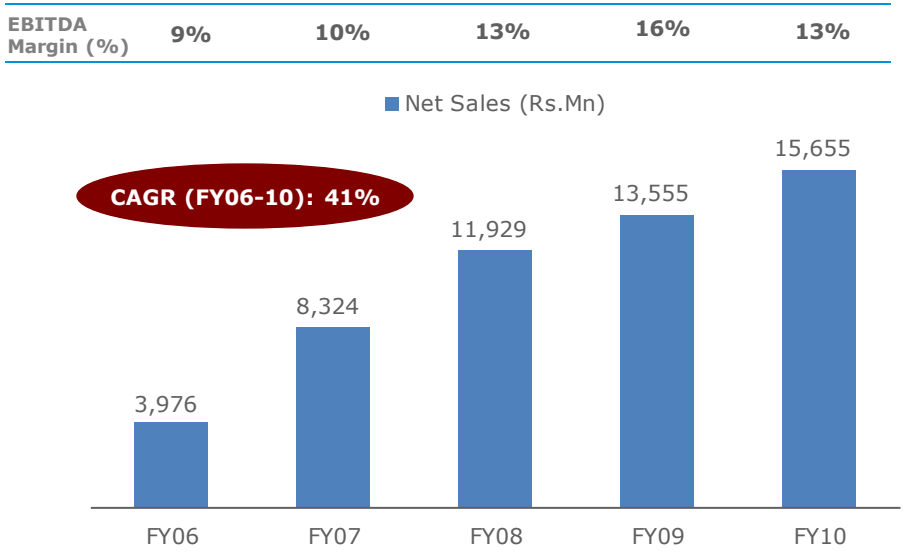
- SPML Infra Ltd. ("SPML") is a leading **Indian infrastructure development company based out of New Delhi**
  - Vast experience in key infrastructure segments – **32 years in water, 16 years in power and 10 years in civil infrastructure**
  - One of the **prominent players in the domestic environment (solid waste management) industry** for the last 6 years
- Solution provider for engineering & infrastructure services from **conceptualization to long term operation and maintenance (O&M)**
- Company launched an **IPO** and became **publicly listed in 1984**
- **Current EPC order book of over INR 37,100 Mn** as of December 31, 2010 and a host of signature BOOT projects in the urban infrastructure development sector
- SPML has executed 400+ projects in 27 states with strong central-level, state-level and urban local body-level relationships in India's key growth states (including Maharashtra, Gujarat, Delhi, Rajasthan & Karnataka along other)

Shareholding Pattern (As on 31st Dec 10)



Source: Company Information

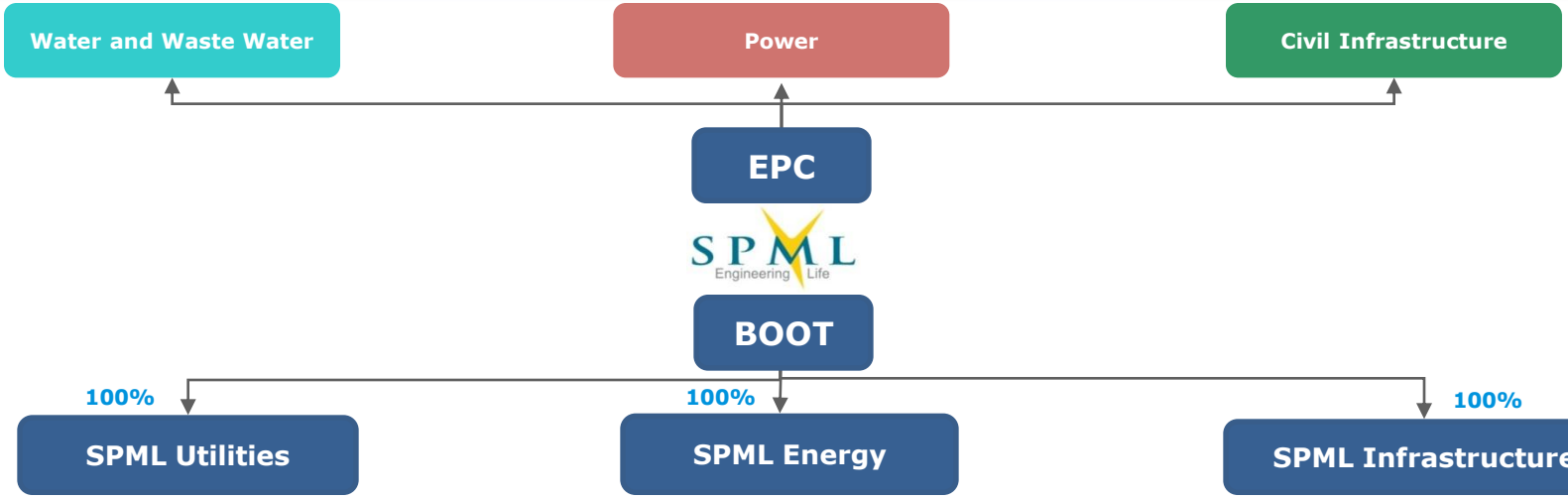
Strong Revenue Growth; EBITDA Margins



Water Power Infrastructure Environment

SPML Engineering Life

Corporate Structure



Water and Waste Water

- Latur Water Supply
- Bhiwandi Water Supply Infra
- Bhiwandi Water Supply Management

Environment

- Delhi Waste Management
- Allahabad Waste Management
- Mathura Waste Management
- Dehradun Waste Management
- Madurai Waste Management
- SPML Urban Enviro (Airport Waste Management)

Hydroelectric Energy Generation

- Subhash Kabini Power Corporation (SKPCL)
- Awa Power Company Private Limited
- Binwa Power Company Private Limited
- Iqu Power Company Private Limited
- Luni Power Company Private Limited
- Neogal Power Company Private Limited

Coal Mines

- PT.Bina Insan Sukses Mandiri, Indonesia

- Jaora-Nayagaon Toll Road Co
- Jaipur Bhilwara Road Project
- Pondicherry Port Limited
- Pondicherry SEZ Co

International alliances/ventures/ partnerships

hydro-comp Enterprises

Insituform India

Insituform SPML Joint Venture

FARRANS

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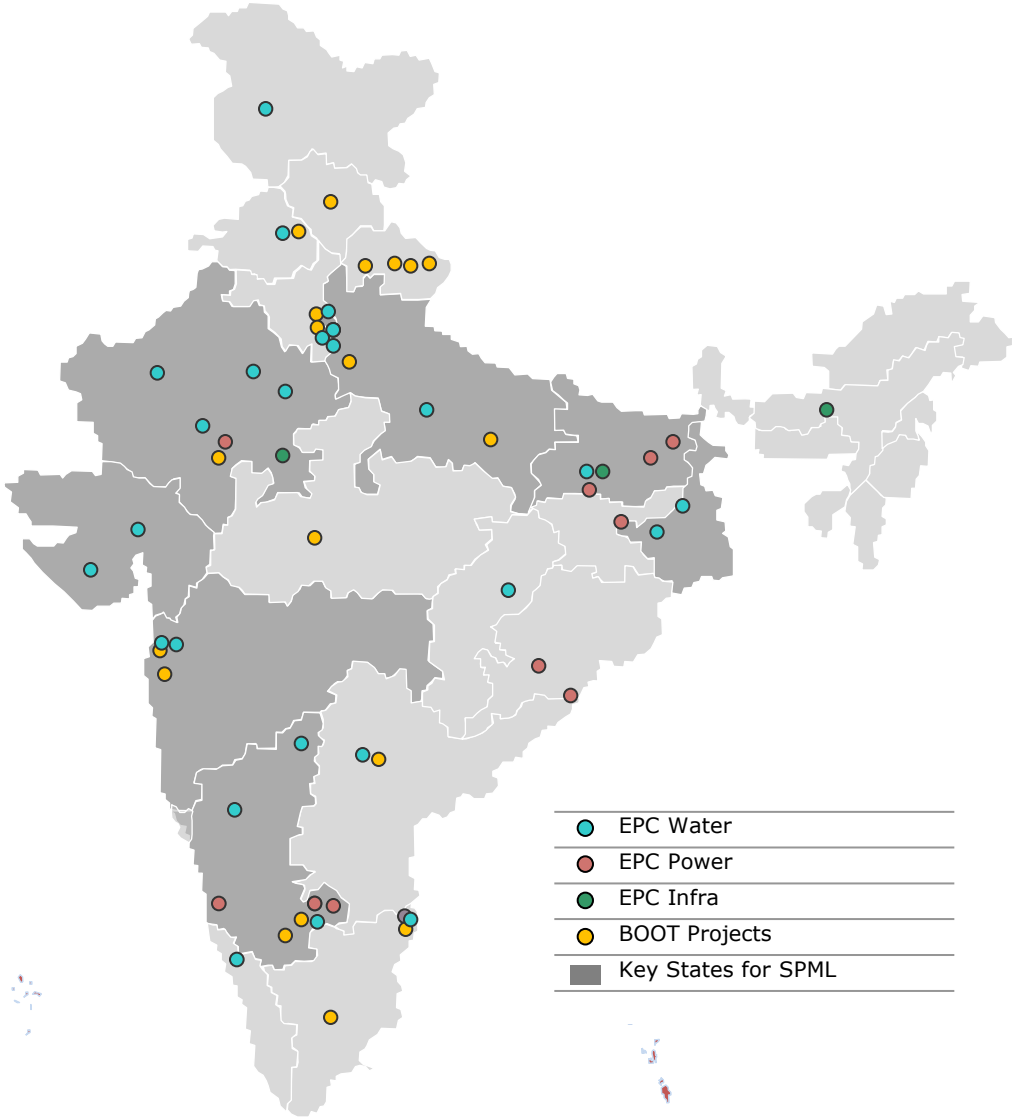
Source: Company Information

Pan India Presence through ongoing and completed *prestigious* projects



Source: Company Information

Maharashtra
- Bhiwandi Integrated bulk water supply & water management BOOT
- Latur BOOT water supply scheme
- Sewerage system, treatment plants & pumping stations for Mira Bhayander

Uttar Pradesh
- Integrated solid waste management facilities for Allahabad and Mathura
- Sewerage network & treatment plant for Kanpur
- Rural electrification projects in Firozabad and Manipuri Districts

Bihar
- Development of State Highways for Jamui, Saharsa, Supaul & Madhepura
- Rural electrification works at Supaul district of Bihar for BSEB, Patna

West Bengal
- Clean Water supply scheme in New Town Kolkata
- Raw water make up system from Pandhetdam Reservoir to Santaldih TPS

Gujarat
- Saurashtra Transmission Main Project; Construction of Sewage Treatment
- 240 MLD capacity STP in Ahmedabad (one of the largest in Asia)

Karnataka
- Subhash Kabini 20 MW hydro electric power plant
- Civil and electromechanical works for pumping stations and reservoirs at TK Halli, Harohalli & Tataguni (BWSSB 3)

Rajasthan
- Kalisindh Gravity Dam Project
- Pokaran Falsund Balotra Siwana Lift Project
- Chambal Sawaimadhopur Nadauti Water Supply Project
- BOP package of 160 MW at Ramgarh District, Jaisalmer for RRVUNL

Delhi
- Rithala – Effluent Pumping Station; 73 MLD Okhla sewerage treatment plant
- Delhi Waste Management - collection, transportation and storage (1,500 TPD)

SPML Infra – Company Overview & Sector opportunities

Focused Business Model in key Infra Sectors

- Timeline Of Entry Into Key Business Lines
- Order Book / Projects Executed

Key Investment Highlights

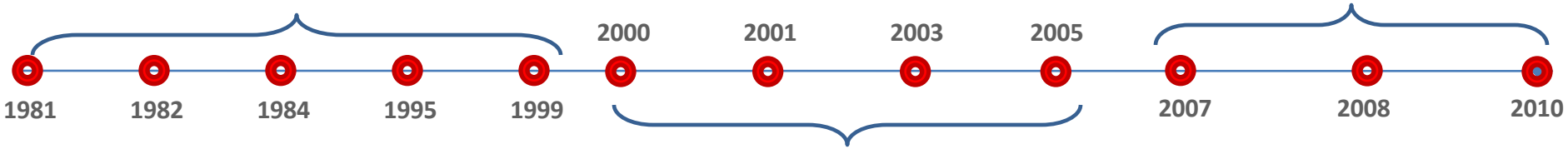
Annexure: Financial Statements

Evolution of SPML Infra

Prominent Milestones

- **1981** – Incorporation
- **1982** – Ventured into Water EPC and management projects
- **1984** – Initial Public Offering on nation's premier exchanges
- **1995** – Ventured into Hydro Power development
- **1995** – Rights issue
- **1999** – Completed 1st Industrial Water Supply Project - Bakreswar Thermal Power station (INR 1,400 Mn)

- **2000** - EPC comprising all Civil & Electro-mechanical works for Saurashtra Water Pipeline Project (completed in record time)
- **2001** - Ventured into First Civil Infra Project (Delhi-Noida Highway)
- **2003** - First Hydro Power Project commences operation
- **2003** - Ventured into Power T & D projects
- **2003** – Constructed and operated 72 MLD Sewage Treatment Plant for DJB
- **2003** – Constructed and operated 10 MLD Tertiary Treatment Plant for BWSSB
- **2005** - Ventured into Solid Waste Management in Delhi (DWM)
- **2005** – Construction of Integrated water, waste water and road network project for DSIDC
- **2005** - Regional Rural Water Supply Scheme for Shirbhavi and other 81 villages in Maharashtra
- **2005** - Completed the first DBO project on single point responsibility for Rajiv Gandhi Lift Canal Water Supply in Jodhpur (INR 1,372 Mn)



- **2007 -** 1st PPP project in Water Management (Latur)
- **2007** – SPML receives private equity investment from Citigroup (CVCI)
- **2008** - Turnover Crosses INR 10,000 Mn
- **2008** - Acquired Coal Mines in Indonesia
- **2008** - Solid Waste Management (Madurai)
- **2008** - Ventured – PPP Road (Jaora Nayagaon Toll Road)
- **2010** – Expanding Solid Waste Management (Allahabad, Mathura, Dehradun)
- **2010** – Signed Bhiwandi Water Supply Concession (INR 6,897 Mn)
- **2010** – Centralization of pan-India operations in SPML's Gurgaon Headquarters
- **2010** - Order Book at INR 37,100 Mn

Water
Power
Infrastructure
Environment

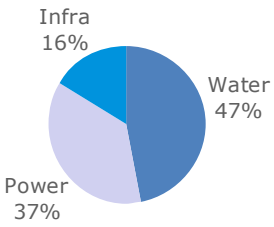
Source: Company Information

Strong Order Book

The present order book of the company stands at INR 37,100 Mn which is 2.6x its FY2010 revenue

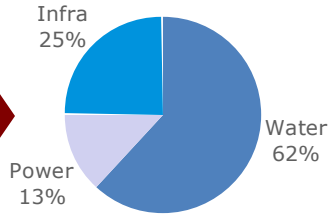
Order Book Progression (2009-10)

2009 (INR 35,000 Mn)



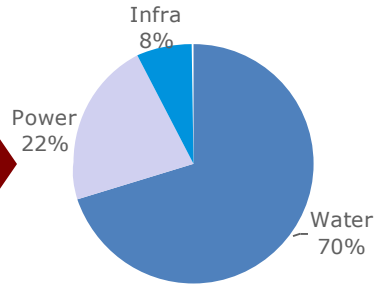
EPC 100%

2010 (INR 29,100 Mn)



EPC 100%

Current Order book* (INR 37,100 Mn)

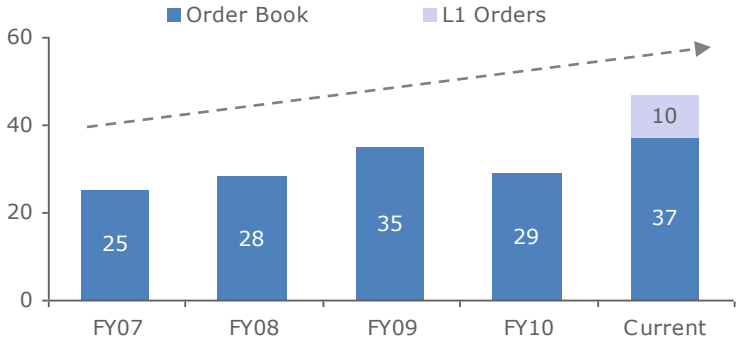


EPC 94%, BOOT 6%

Source: Company Information

Order book growth

Order book has grown at a CAGR: 17%



Source: Company Information

Top Water Projects

No.	Name	Client	Amt.
1	Mira Bhayander	MBMC	4,919
2	Kalisindh Dam	Rajasthan WRD	4,572
3	Pokaran	PFBS	3,180
4	Sawaimadhopur	PHED, Rajasthan	2,993
5	TK Halli, Harohalli & Tataguni	BWSSB	2,245

Top Power Projects

No.	Name	Client	Amt.
1	Ramgarh	RRVUNL	2,090
2	Barh	NTPC	1,600
3	Supaul	BSEB	1,083
4	Simhadri	NTPC	1,049
5	Goathen Feeder Separation Schm	MSEDCL	912

Top Infra Projects

No.	Name	Client	Amt.
1	Jaipur – Bhilwara	RSRDC	2,200
2	Saharsa, Supaul & Madhepura	CPWD	1137
3	Jamui	CPWD	1083

Source: Company Information
** As on 31st Dec, 2010*

SPML Infra – Company Overview & Sector opportunities

Focused Business Model in key Infra Sectors

Key Investment Highlights

- Qualified and Experienced Management
- Focused on Water, Environment & Power
- Proven Financial Track Record

Annexure: Financial Statements

Awards and recognition

Key Awards received over the years…

- **Outstanding Entrepreneur Award -** Asia Pacific, 2009
- **Rank 1 – Fastest growing company of the year Large Category -** Construction World & NICMAR, 2007 and 2009
- **Rank 104 - Best Performing 500 Mid-Sized Companies in India, 2009**
- **Rank 189 in the Top Business Companies List –** Business India, 2009
- **Rank 272 amongst India's 1000 corporate giants based on Net Sales -** Business Standard – Year 2008 -09
- **Rank 308 in the FE500 – top 500 companies in India based on composite ranking -** Financial Express - Year 2008-09
- **Rank 335, amongst the Top 500 Indian Companies –** Economic Times 500 Survey, 2009

Other Recognitions

- ✓ Awarded Rank - 2 for highest capacity installation in small hydro power projects during the period 1996-2004
- ✓ Kabini Mini-Hydel (20 MW) plant accorded Enertia Award - Excellence in Project Management in Hydro Power, 2009

Source: Company Information

Visionary Management Team…

Key Management

Mr. Srinivas Kishore – President, Water

- 36 years of rich professional experience in Indian water sector (25 year veteran and ex - addl. CEO, Degremont India)

Mr. Dinesh Saksena - President, Power

- 35 years experience in power sector from conceptualizing to commissioning in thermal, gas, hydro, wind and solar segments

Mr. Bishwanath Choudhary – President, Legal & Secretarial

- Associate member of the Institute of cost & works accountants and company secretaries

Mr. Sanjay Verma - President, Human Resources & Corporate Services

- 25 years of business HR experience with reputed organizations like Suzlon, CH2M Hill and Larsen & Toubro

Mr. Aamir Jariwala – Head, Corporate Strategy & Investor Relations

- 6 years of investment banking and private equity experience across US, UK and Japan; BS, Industrial Engineering & Economics from Northwestern University (Evanston, IL, USA) ; Ford motor company dean's scholar

Mr. SK Mujoo – Vice President, Water

- 28 years of experience in design, estimation and execution of water, waste water, sewage and effluent treatment projects

Mr. Amitava Basu – EVP Projects, Power

- 23 years of experience in power T&D, has been an employee of SPML in excess of 15 years providing superior expertise and knowledge

Mr. Pravin Thakur – VP, Plant & Machinery

- Previously associated with Punj Lloyd and DS Construction
- B Tech from Indian School of Mines (IIT affiliate)

Mr. Malaykanti Chakraborti – VP, Contract Procurement & Commercial

- 22 years of experience in the fields of project management and procurement with batliboi, Anbrewyule and VTS

Mr. Atul Chandra Goyal - EVP, Engineering

- 43 years of design experience in water, power, infra & environmental segments ; BS, IIT Roorkee

Promoters

Anil Sethi – Chairman

- ✓ Responsible for the growth of the infrastructure business enabling the Group to foray into several projects in the Public Private Partnership realm
- ✓ Resides and operates from Bangalore

Subhash Sethi – Vice Chairman

- ✓ Responsible for the growth of the energy business enabling the Group to foray into several BOOT projects in the hydropower and coal mining areas
- ✓ Resides and operates from Kolkata

Sushil Sethi – Managing Director

- ✓ Responsible for the growth of the water and environment business enabling the Group to foray into several BOOT projects in the water, waste water, and waste management areas
- ✓ Resides and operates from Delhi

Deepak Sethi – Director

- ✓ Instrumental in execution of large power projects
- ✓ MBA from Deakin University, Australia and now residing in Bangalore

Rishabh Sethi – Executive Director

- ✓ Leads the execution of the corporate functions and handles water & environment projects of SPML from Delhi
- ✓ BS, Industrial Engineering and Economics (Evanston, IL, USA) from Northwestern University

…backed by an eminent & experienced Board of Directors

Non- Executive Board of Directors

Sarthak Behuria	✓ Former Chairman of Indian Oil Corporation Ltd (IOCL) and Bharat Petroleum Corporation Ltd (BPCL) ✓ Recipient of the SCOPE Award for Excellence & Outstanding Contribution to Public Sector Management (2007-08) from the Honorable Prime Minister of India ✓ BA, Economics (Hon) from St. Stephens College, Delhi and MBA from IIM-Ahmedabad	
Surinder Singh Kohli	✓ Former Chairman & Managing Director of GOI backed India Infrastructure Finance Company Ltd (IIFCL), Punjab National Bank and Punjab and Sind Bank ✓ Recipient of several awards including the Wharton-Infosys Ltd "Enterprise Transformation Award for Technology" ✓ B.E.(Mech.), CAIIB and Diploma in Industrial Finance from Indian Institute of Bankers	
T.S. Siva Shankar	✓ Director with Citigroup Venture Capital International Limited ✓ Vast experience in transaction advisory, private equity financing and portfolio company operations ✓ Engineering graduate from Indian Institute of Technology (IIT-Chennai) and a management graduate from Indian Institute of Management (IIM-Lucknow)	
Amit Kanodia	✓ Managing Partner of Lincoln Ventures, President of Lincoln Properties Group and a Trustee of the Kanodia Family Foundation, USA ✓ Member of US President Barack Obama's New England Finance & Steering Committee since its inception in 2007 ✓ Triple Bachelors (BSBA with honors) and MBA (Honors) from the University of Massachusetts, USA	
R.L. Gaggar	✓ Rich experience in legal proceedings and arbitration at the High court and Supreme court levels ✓ Holds directorial positions in many renowned organizations across the country and is a practicing lawyer from the High Court in Kolkata	

Source: Company Information

Water and Waste Water

Infrastructure

SPML Engineering Life

Power

Environment

Indian Water Market - an USD 6.8 Bn[1] opportunity

Growth Drivers

- Huge gap in safe water supply & sanitation infrastructure availability in the country
- Large budgetary allocation from the Government in water supply & sanitation
- Increased funding from multilateral agencies like World Bank, ADB, etc. with emphasis on private participation
- Stricter disposal norms for industrial waste water
- Increasing trend to outsource O&M services
- BOT/BOOT concession projects which are cash intensive

Verticals

- **Demand Rationalization**
  - Municipal Water Treatment
  - Instrumentation efficiency
- **Supply**
  - Water sourcing and recycling
  - Desalination
- **Civil Works**
  - Transmission & Distribution
- **Utilities**
  - Metering
  - Billing & Collection
- **Sanitation**
  - Municipal sewerage & sewage treatment
  - Municipal drainage maintenance
- **Industrial Water & waste water**
  - Industrial water treatment
  - Industrial Waste water treatment

Participants

- Central Govt./State Govt.
- Urban local bodies like municipal corporations
- Water intensive industries

Operating Models

- Pure Equipment supply
- Engineering, Procurement, Construction (EPC)
- Design-Build Operate (DBO)
- Build-Own-Operate-Transfer (BOOT)
- Transfer-Own-Transfer (TOT)
- PPP (Public Private Partnership)

SPML's has a strong presence across *virtually all segments* of the water spectrum

Source: Industry Reports
1 – USD 6.8 bn is 2016 estimate from Global Water Markets 2008

India Water Management market

Huge deficiency in safe water supply and sanitation facilities

- India with 16% of the world population has only 4% of the available fresh water
- In India, per capita availability of fresh water has dropped from 4,000 m3/year in 1962 to 1,647 m3/year in 2007
- Water demand in India is expected to rise from 552 BCM in 2000 to 1093 BCM by 2025
- Only, 21% of Indian population has access to piped drinking water and only 28% to improved sanitation facilities
- Waste water treatment is a massive opportunity… only 27% of the waste water gets treated before disposal which is increasingly causing severe pollution
- Further waste water treatment can be used to replenish potable water supply

Large Govt. funds allocated to water and sanitation

- Govt. has been increasingly focused on water and sanitation evidenced by the larger allocation of funds to this segment under the current five year plan as compared to the previous plan
- Govt. is targeting 100% water supply and sanitation to the urban population by the end of the Eleventh Plan. This would entail a cash outlay of INR 1,292 Bn
- Under JNNURM, 463 projects requiring a total investment of ~ INR 500 Bn were sanctioned. Approx. 76% of these projects aim at improving urban water supply and sanitation
- Govt. has allowed 100% FDI into the infrastructure sector , including water treatment systems. This is a strong incentive for global players to participate in large Indian water projects

Proportion of waste water treated at all levels is alarmingly low

Particulars	Class I cities	Class II towns	Total
Population (Mn)	187	38	225
Water Supply (MLD)	29,872	3,035	32,817
Water Supply (LPCD)	160	81	146
Wastewater Generated (LPCD)	127	65	116
Wastewater Treated %	29%	4%	27%
Wastewater Untreated %	71%	96%	73%

Source: The Eleventh 5 Year plan documents

Huge fund allocations for Urban water and sanitation infrastructure

Funds requirement – Urban basic services		Proposed flow of funds	
Sub-sector	**INR Bn**	**Source of funding**	**Total**
Urban water supply	537	Central Sector Outlay	700
Urban sewage & Treatment	532	State Sector Outlay	350
Urban drainage	202	Institutional Funding	100
Solid Waste Management	22	External Agencies	100
Others	0.18	FDI and Private Sector	42
Total	**1,292**		**1,292**

Source: Ministry of Urban Development, water report

~USD 50 Bn of investment is expected between 2007-12 in the Urban water and sanitation sectors

SPML - Water Segment

Overview

- High individual capability in executing large scale water projects
- One of the largest outsourced water engineering services companies for municipal corporations and ULBs
- SPML provides turnkey water management solutions from head works to distribution systems on EPC and BOOT basis in segments such as water supply, waste water treatment, pipeline distribution/rehabilitation, irrigation networks and canals
- Over 2,500 kms. of pipeline laid across cities and towns of India
- Water supply/irrigation to thousands of hectares of land in various states

- Public Health Engineering Department, Rajasthan
- Karnataka Neeravari Nigam Limited
- Delhi Jal Board
- Maharashtra Jeevan Pradhikaran
- Bangalore Water Supply & Sewerage Board
- Chennai Metropolitan Water Supply & Sewerage Board
- Karnataka Urban Water Supply & Drainage Board

Source: Company Information

Signature Projects executed (INR Mn)	
Underground Sewerage – Mira Bhayandar	4,919
Kalisindh Gravity Dam Project	4,572
Bangalore Water Supply & Sewerage Project	4,552
Pokaran-Falsund-Balotra-Siwana Lift Project	3,180
Chambal Sawaimadhopur Nadauti Project	2,993
Jawai Pali Water Supply Project	2,373
Mini Water Supply Scheme in Bihar	2,200

Source: Company Information

Key EPC Water and Waster Water Projects

EPC Projects - Water

Project	Client	Contract Value (INR Mn)	Commercial Status
Kalisindh Gravity Dam Project	Rajasthan Water Resources Dept.	4,572	In Progress
Pokaran-Falsund-Balotra-Siwana (PFBS) Lift Project	Rajasthan Public Health Engineering Dept.	3,180	In Progress
Chambal Sawaimadhopur Nadauti Water Supply Project	Rajasthan Public Health Engineering Dept.	2,993	In Progress
Jawai Pali Water Supply Project	Rajasthan Public Health Engineering Dept.	2,373	Completed
Mini Water Supply Scheme in Bihar	Rajasthan Public Health Engineering Dept.	2,200	In Progress
Treated Water Transmission Mains Project Meenad & Pattuvam	Kerala Water Authority	1,691	Completed

EPC Projects – Waste Water

Project	Client	Contract Value (INR Mn)	Commercial Status
Underground Sewerage System for Mira Bhayandar	Mira Bhayandar Municipal Corp.	4,919	In Progress
Kanpur Sewerage System and Treatment Plant	U.P. Jal Nigam	2,120	In Progress
240 MLD Sewerage Treatment Plant – Ahmedabad	Ahmedabad Urban Development Authority	840	In Progress
Rithala – Effluent Pumping Station Project	Delhi Jal Board	689	Completed
35 MLD Combined Effluent Treatment Plant – Delhi	Delhi State Development Corporation	537	Completed
Yelahanka Primary/Tertiary Sewage Treatment Plant	Bangalore Water Supply & Sewerage Board	220	Completed

Source: Company Information

Key BOOT/PPP Water Projects

BOOT/PPP Projects - Water

Project	Client	Contract Value (INR Mn)	Commercial Status
SPML Bhiwandi Water Supply Infra	Bhiwandi Nizampur Municipal Corporation	6,536	Under Financial Closure
SPML Bhiwandi Water Supply Management	Bhiwandi Nizampur Municipal Corporation	351	Under Financial Closure
Latur Water Supply Management	Maharashtra Jeevan Pradhikaran, Latur	601	Operational since June 2010
Aurangabad Water Supply Management	Aurangabad Municipal Corporation	10,000	L1*

** L1: Identified as lowest bidder*

Source: Company Information

Water and Waste Water

Infrastructure

Power

Environment

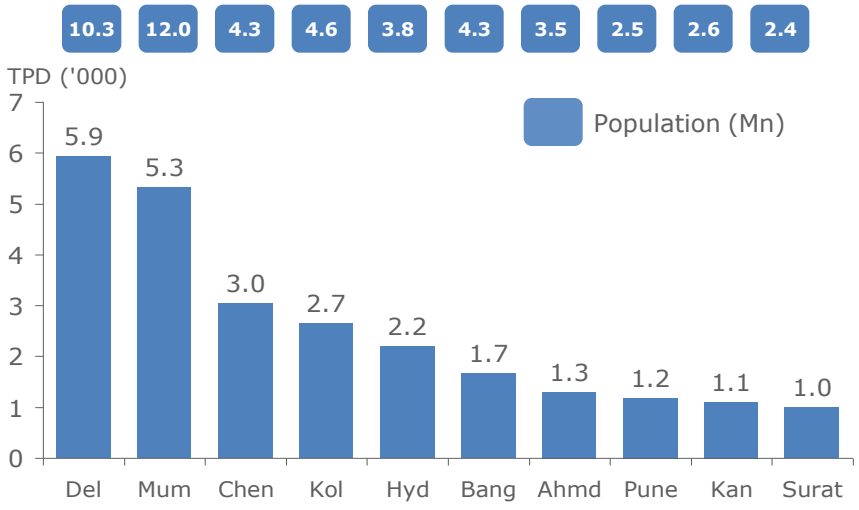
Environment – Industry Overview

- Estimated that in 2006, 2020 Mn tons of waste was generated globally
- Estimated waste generation increased at a CAGR of 8% between 2007 to 2011
- World Bank estimates that developing countries spend 20 - 50% of their budget on Municipal Solid Waste Management
- High income countries spend less than 10% of their budget on collection while low income countries spend close to 80 - 90% on collection
- Urban waste generation in India is rapidly increasing and has been further compounded due to uncontrolled dumping of waste in disorganized and unhygienic landfill sites at the outskirts of towns/cities
- These dynamics present a large opportunity for Municipal SWM in India

Significant opportunity for PPP model

- ✓ MSW Rules 2000 & monitoring by the Supreme Court Committee has put pressure on Municipal bodies
- ✓ Inefficient management by municipal authorities
- ✓ Urban infrastructure development schemes coupled with subsidies
- ✓ Financial upside from waste-to-energy projects and composting
- ✓ Increasing urbanization, improving standard of living and growing environmental awareness

Top 10 Cities in terms of Waste Generated



PPP – Benefits

Technology: Foreign JVs and Technical Collaborations to get the necessary technology for waste processing and disposal

Funds: Private operator has more funding options at disposal such as PE, structured / project debt, etc.

Cost savings: ULBs spend anywhere between ~INR 500 - 1,400 pt on collection, storage & transportation and disposal of MSW; Private participation has proven substantial savings in costs

Efficient Processes: Concession agreements contain stringent provisions that are required to be fulfilled by the concessionaire including penalties for non-compliance

Source: Frost and Sullivan, World Bank Institute

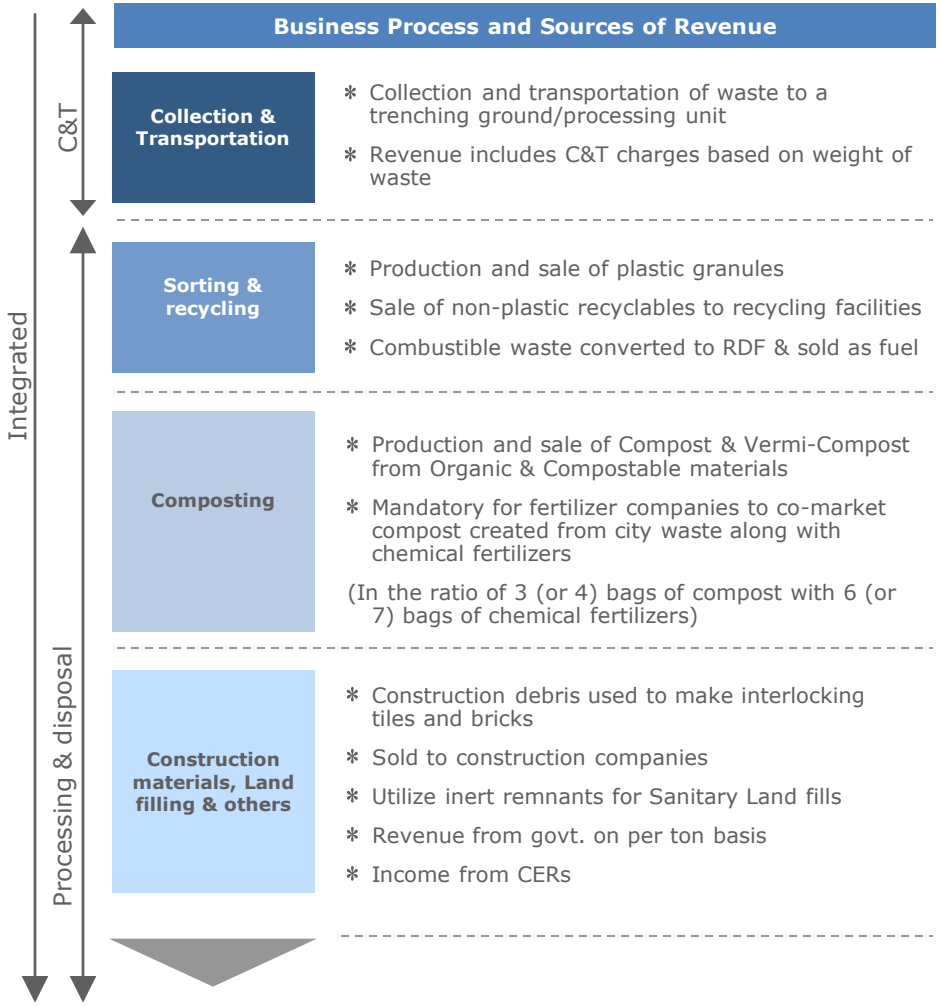
Segment Growth Drivers & Value Chain

Key growth drivers

Rising urbanization	▪ Currently urban areas contribute to 55% of India's GDP and this is expected to increase to 65% by 2011 ▪ Waste generation in major cities: 0.2 kg to 0.6 kg per person per day ▪ Collection efficiency: 70% to 90% in major metro cities; below 50% in smaller towns
Population growth	▪ As per 2001 census, India's population is 1,027 Mn of which 28% or 285 Mn lives in urban areas ▪ Urban population to total population is expected to cross 40% by 2021
Increasing prosperity	▪ Increasing level of development is directly proportional to waste generated ▪ Norway, USA and Australia generate ~700-750 MMT of waste per day ▪ India generates 100 MMT of MSW per day
Increased focus on the environment	▪ Jawaharlal Nehru National Urban Renewal Mission (JNNURM) launched in 2005 ▪ Aimed at investing INR 1,000 Bn over the next 7 years (beginning 05) towards Urban renewal

Source: Frost and Sullivan, World Bank Institute

Value Chain



Source: Company Information

Environment Value Chain… market opportunity worth INR 70 Bn

Door to Door Collection (Primary)

- Gross Revenue including revenue from tipping, recyclables and compost INR 1,100- 1,300 per tonne
- Variable Costs - INR 500 -600 per tonne
- Fixed Costs - INR 140 - 150 per tonne

Secondary Collection and Transportation

Primary Storage
Street sweeping & drain silt

Processing Facility

Segregation of waste

Recyclables – Metal, Glass, Paper, Plastic
Mixed Waste – Conversion to refuse derived fuel

1) Biodegradable transferred to compost plant

2) Non-Biodegradable transferred to landfill

Inert transferred to landfill as soil cover and compost is sold
Non-Biodegradable is directly transferred to landfill

SPML Infra is present across the entire value chain of waste management as an integrated environment company

Source: Company Information, Industry Reports

Key Environment Projects

BOOT/PPP Projects - SWM			
Project	**Client**	**TPA**	**Commercial Status**
Delhi Waste Management Project	Municipal Corporation of Delhi	540,000 TPA	Operational since Feb 2005
Allahabad Waste Management	Allahabad Municipal Corp.	219,000 TPA	Operational from May 2010
Madurai Waste Management	Madurai Municipal Corp.	128,000 TPA	COD by 15th March 2011
Dehradun Waste Management	Dehradun Municipal Corp.	110,000 TPA	SPV formation in progress
Mathura Waste Management	Mathura Nagar Palika, UP	67,525 TPA	Operational from June 2010
SPML Urban Enviro	Delhi Intl. Airport	30,000 TPA	Operational since Feb 2007
SPML Urban Enviro	Hyderabad Intl. Airport	5,000 TPA	Operational since March 2008

SPML has current contracts worth ~ 1.1 Mn TPA of Municipal Solid Waste across India

Source: Company Information

Water and Waste Water

Infrastructure

Environment

SPML Engineering Life

Power

SPML Power Segment

Overview

- ~200,000 rural households across the country benefited through SPML's Power Generation, Transmission and Distribution initiatives
- SPML provides Turnkey solutions:
  - ✓ T & D Power Project Capabilities
  - ✓ Up to 220 kV substation and transmission lines
  - ✓ 33 / 11 kV feeder development & re-conductoring works
  - ✓ Rural Load Management System (RLMS) works
  - ✓ HT UG cable works

SPML services both power generation and T&D sub segments of the power industry

Key Clients

WBPDCL, GESCOM, NTPC, HESCOM

Signature Projects executed (INR Mn)	
Transmission & Distribution works – Karnataka	6,413
Power projects – Power Grid Corp Ltd	3,115
BOP package of 160 MW power project	2,090
Rural electrification work, Jharkhand	1,100
Rural electrification – Supaul, Bihar	1,083
Maharashtra Goathen Feeder Separation Scheme - (MSEDCL)	912

Source: Company Information

Coal Mining Segment

- SPML Infra Ltd. through its subsidiaries holds an effective 26% stake in PT Bina Insan Sukses Mandiri
- Trial production commenced in December 2008
- Mining operations have commenced - followed by dispatch of coal
- Currently, only regional demand is being met through cash and carry sale of coal locally. Potential international sales contemplated by FY 2012

Estimated reserves of 107.5 Mn tonnes

Over an area of 5,000 hectares

Concession period : 20 years

A jetty loading capacity of 2.5 Mn MT

Mining & Port Area:
Area & Deposits: 5,000 Ha, Deposit +/- 105 Mn Ton

Production Capacity:
Production capacity 50,000 MT / month till 2010-11
Post which, production capacity would increase to 100,000 MT (post 2011-12)

Source: Company Information

Key Power Projects

EPC Projects - Power

Project	Client	Contract Value (INR Mn)	Commercial Status
Major works for KPTCL	Karnataka Power Transmission Corp.	3,470	Completed
33 kV & 11 kV Re-conducting work	Gulbarga Electricity Supply Co.	1,719	In Progress
Rural Electrification Works (under Rajiv Gandhi Grameen Vidyuthikarana Yojana)	Bangalore Electricity Supply Co.	1,372	Completed
Rural electrification work in Koderma	Damodhar Valley Corp.	1,301	In Progress
Gaothan Feeder Separation Scheme	Maharashtra State Electricity Distribution Co.	912	Completed
PESU Patna underground cabling	Power grid Corporation India	950	In Progress

BOOT/PPP Projects – Power

Project	Client	Contract Value (INR Mn)	Commercial Status
Kabini Dam Hydro-electric Project – 20MW	Govt of Karnataka	910	Operational since Jun 2003
Iqu Power Project – 4.5 MW	Himachal Pradesh Energy Dev. Agency	311	Operational by Mar-11
Neogal Power Project – 4.5 MW	Himachal Pradesh Energy Dev. Agency	311	Operational by Mar-11
Binwa Power Project – 4.5 MW	Himachal Pradesh Energy Dev. Agency	311	Operational by Mar-12
Luni Power Project – 4.5 MW	Himachal Pradesh Energy Dev. Agency	291	Operational by Mar-11
AWA Power Project – 4.5 MW	Himachal Pradesh Energy Dev. Agency	265	Operational by Mar-11

Source: Company Information

Key Hydro Power Projects

Karnataka – Total Capacity 20 MW

Subhash Kabini Power Corporation Ltd.

- Generation Capacity of 20MW
- Generated 36.2 Mn units of Electricity in FY09
- 48.5 Mn units in FY10

Himachal Pradesh– Total Capacity 22.5 MW

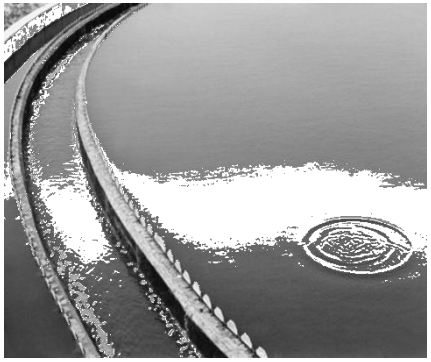
- 5 mini Hydel Power generating projects
- HP Energy Development Agency awarded the project for a concession period of 40 years; PPA
- **Status:**
  - Awa, Luni, Iqu & Neogal are under commissioning
  - Projects are ~90% completed
  - All 4 projects will achieve COD by mid-FY12
  - Binwa (4.5 MW) is under development, (5th Project in HP); Envisaged by May 2014

Uttarakhand – Total Capacity 40 MW

- 3 Small Hydel power generation projects - Rupin Tons, Tons Valley and Uttarkashi Tons (concession period 10 years)
- Projects are under development (Clearance & Approval for Project development awaited)
  - DPR prepared and submitted to the Government
  - Geological & Geo technical investigations to be conducted
  - Environmental & Forest Clearance Awaited
- **Status:**
  - Geological & Geo technical investigations to be conducted
  - Environmental & Forest Clearance Awaited

Source: Company Information

Water and Waste Water



Infrastructure

Environment

Power

SPML Infrastructure Segment

Overview

- Presence in infrastructure/civil projects
- Prequalified for large value projects in Roads & Highway construction
- Specialists in:
  - Roads, Flyover, Bridges, Terminals
  - Rail Over/Under Bridge
  - Industrial Infrastructure

Key Clients

Signature Projects executed (INR Mn)	
State Highways – Supaul, Saharsa	1,137
State Highways – Bihar	1,083

Puducherry Port

- SPV jointly promoted by SPML and Om Metal Infra projects Limited in which SPML has 50% stake for the development of the port
- Total project cost of the port is pegged at ~INR 29,478 Mn
- Signed 30-year Concession Agreement with the Govt. of Pondicherry
- Caters to 30 MNTPA cargo consisting of containers, liquid & general cargo

Multi Product SEZ Puducherry

- Planning to develop a Multi-Product SEZ (~850 acres), integrated township for sectors such as Fashion, Technology, Education, Medicine, Real Estate blocks , Entertainment etc.
- SPML has tied up with Om Metals Infra Projects Ltd & PIPDIC for construction of the SEZ
- Project cost ~INR 37,500 Mn

Jaora-Nayagaon Toll Road- MP

Scope and project component

- Developing four lane 127 Kms highway on BOOT basis
- Design, Construction, Finance, Operation and Maintenance on BOOT basis
- Four Laning, Strengthening, Widening and Maintenance of the Highway

Scope and project component

- Special Purpose Vehicle: Jaora-Nayagaon Toll Road Company
- SPML partnered with SREI Infrastructure Finance, VIVA Infrastructure and PNC Infra Ltd
- SPML has a 11.5% minority stake

Impact

- The Highway will help meet the economic and growth aspirations of the region

Source: Company Information

Key Infrastructure Projects

EPC Projects - Infrastructure

Project	Client	Contract Value (INR Mn)	Commercial Status
Development of State Highways, Bihar	Central Public Works Department, Bihar	1,137	In Progress
Development of State Highways, Bihar	Central Public Works Department, Bihar	1,083	In Progress
Rail Under Bridge & Rail Over Bridge, Chennai	Corporation of Chennai, Bridges department	600	Completed
Relocation of Industries Project, Udyog Vihar	Delhi State Industrial Development Corp.	513	Completed

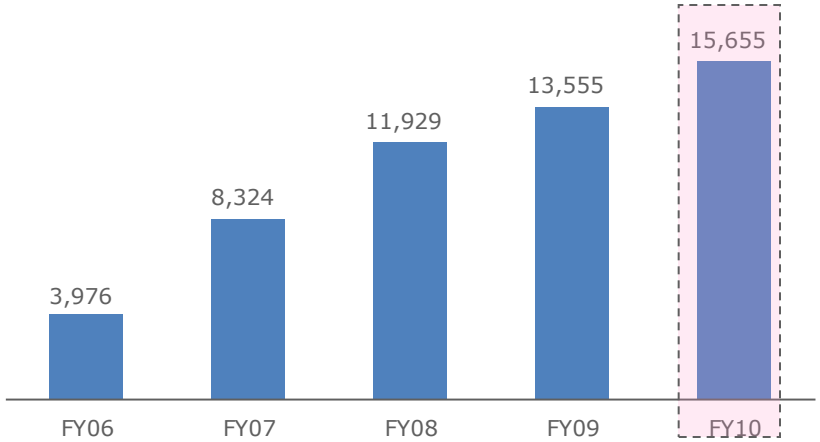
BOOT/PPP Projects - Infrastructure

Project	Client	Contract Value (INR Mn)	Commercial Status
Multi-product SEZ, Puducherry	Govt. of Puducherry (JV with PIPDIC)	37,500	Under development – MoU Construction in FY 2013
Deep Sea Port, Puducherry	Govt. of Puducherry	29,478	Under development – MoU Construction in FY 2013
Jaora-Nayagaon Toll Road	Madhya Pradesh Road Development Corp.	8,513	In Progress
Jaipur-Bhilwara Toll Road	Rajasthan Public Works Department	2,200	Financial closure achieved

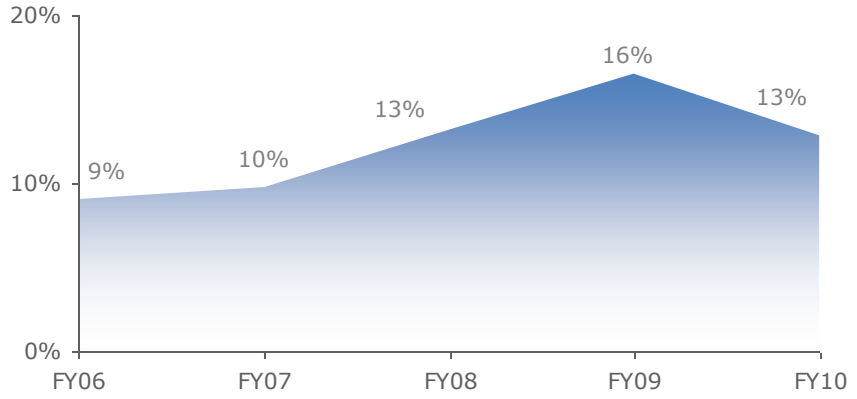
Source: Company Information

Consolidated Financial Overview

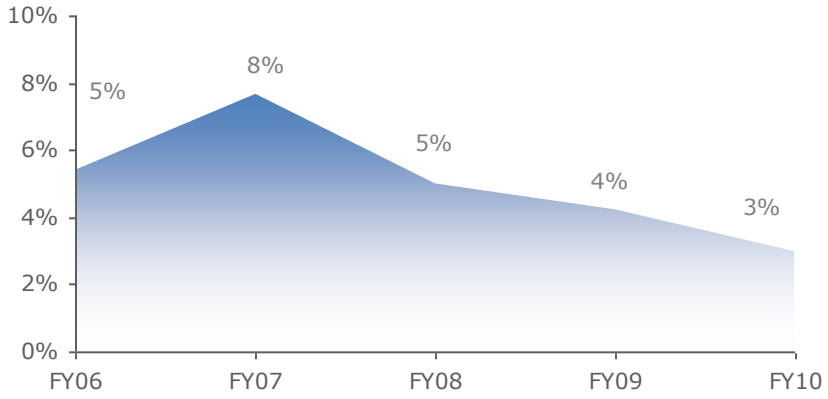
Net Sales (Rs. Mn)



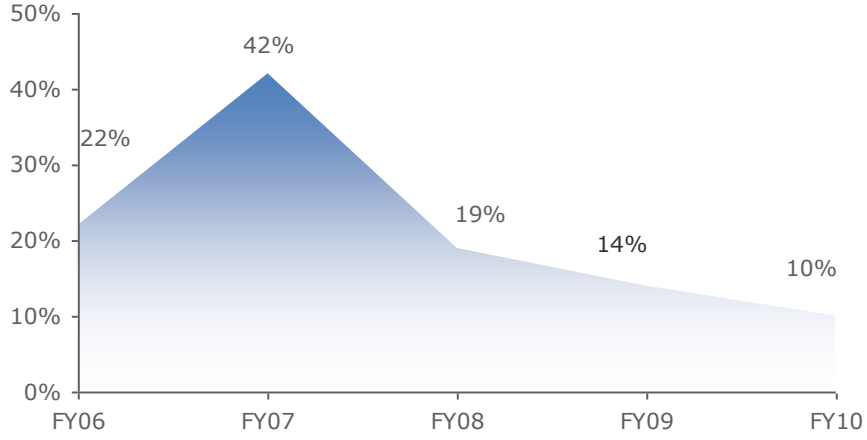
EBITDA Margins (%)



PAT Margins (%)



Return on Equity (%)



Source: Company Audited Annual Reports

Future Strategy: An unparalleled platform for sustainable growth

1	▪ Focus on the Company's 30-year core expertise in serving the water and waste water sector through industry leading EPC and BOOT projects ▪ Proactive marketing of developmental utility projects and further enhancement of strong municipal relations across the country
2	▪ Building on existing expertise and expansion of SPML's environment portfolio ▪ Focused execution of current BOOT Projects in the water & waste management sector
3	Reduced focus on power distribution and conventional civil infrastructure projects (projects bid will be highly selective)
4	Focus on EPC construction of larger projects in all categories (average project size of over INR 1,000 Mn)
5	Provide an unparalleled platform for growth by engaging in strategic M&A, enhancing products and services portfolio offerings and further scale assimilation

Source: Company Information

SPML Infra – Company Overview & Sector opportunities

Diversified business model in the Indian Infrastructure sector

Key Investment Highlights

Annexure

- Key Financials

Key Profit & Loss items

Consolidated Profit & Loss Account (INR Mn)				
	FY07	**FY08**	**FY09**	**FY10**
Income				
Sales & Services	8,312	11,861	13,252	15,518
Other Income	13	69	303	137
Total	**8,324**	**11,929**	**13,555**	**15,655**
Expenditure				
Purchase of Trading Goods	454	492	33	543
Materials consumed & direct expenses	6,385	8,963	10,034	11,553
(Increase) / Decrease in Stocks	70	(85)	(25)	143
Personnel Expenses	217	448	596	688
Administration, Selling & Other Expenses	387	533	686	701
Total	**7,513**	**10,352**	**11,324**	**13,628**
EBITDA	**812**	**1,577**	**2,232**	**2,027**
Interest & Finance Expenses	172	449	1,202	1,232
Depreciation / Amortization	135	192	206	247
Profit before prior period items and tax	-	-	824	548
Prior period items (Net)	-	-	24	23
Profit before Tax	**504**	**936**	**800**	**525**
Provision for Tax	68	197	150	57
Profit after Tax before share of associates & minority interest	436	739	651	468
Add: Share in Net Profit/(Loss) of Associates	203		0.5	(22)
Less: Minority Interest		84	87	(16)
Net Profit	**640**	**654**	**564**	**462**
Profit Brought forward from previous year	**455**	**938**	**1,391**	**1,754**
Profit available for Appropriation	**1,094**	**1,592**	**1,955**	**2,216**

Source: Company Audited Annual Reports

Key Balance sheet items

Consolidated Balance sheet Statement (INR Mn)				
	FY07	**FY08**	**FY09**	**FY10**
Sources of Funds				
Shareholders Funds				
Share Capital	71	122	82	82
Reserves & Surplus	1,466	3,378	3,960	4,366
	1,537	**3,500**	**4,042**	**4,448**
Minority interest	440	530	720	725
Secured Loans	1,376	2,428	3,746	5,083
Unsecured Loans	446	281	1,285	1,340
Deferred Tax liability	131	166	168	130
Total	**3,930**	**6,904**	**9,961**	**11,727**
Application of Funds				
Fixed Assets				
Gross Block	2,139	2,501	3,053	3,245
Net Block	1,468	1,664	2,014	2,095
Capital WIP	196	548	1,175	1,560
	1,664	**2,212**	**3,189**	**3,655**
Investments	23	187	151	351
Current Assets, Loans & Advances				
Inventories	1,120	2,599	1,590	1,160
Sundry debtors	3,716	5,041	5,610	5,180
Cash & Bank	1,168	951	875	918
Other Current Assets	210	679	2,575	3,483
Loans & Advances	664	1,954	2,741	2,988
	6,878	**11,224**	**13,391**	**13,728**
Less: Current Liabilities & Provision	4,635	6,719	6,770	6,007
Net Current Assets	**2,243**	**4,505**	**6,621**	**7,721**
Total	**3,930**	**6,904**	**9,961**	**11,727**

Source: Company Audited Annual Reports

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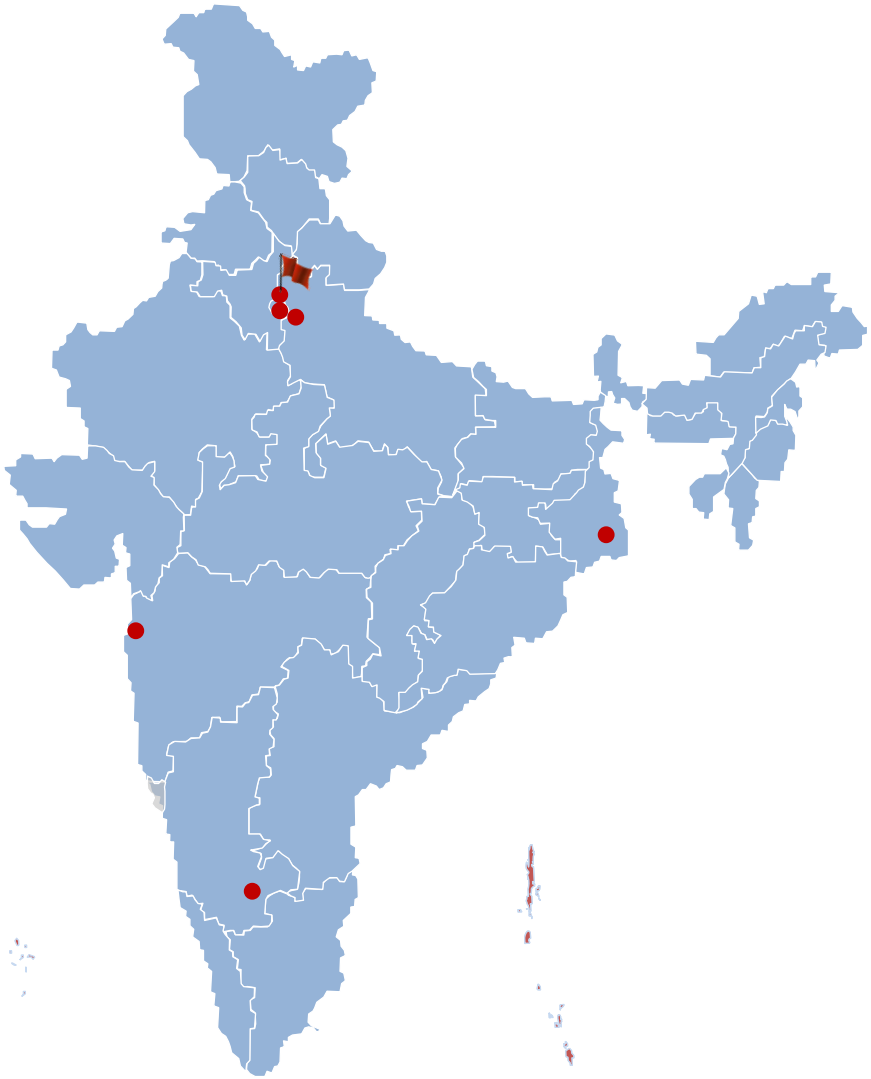

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