



# GVK Power & Infrastructure Ltd

Investor Presentation

February 2011

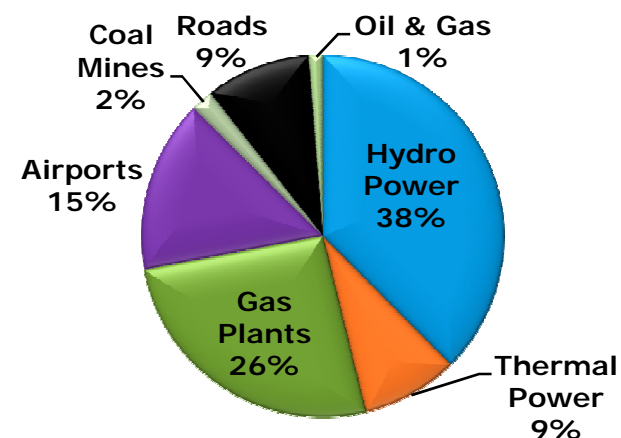


# Company Overview

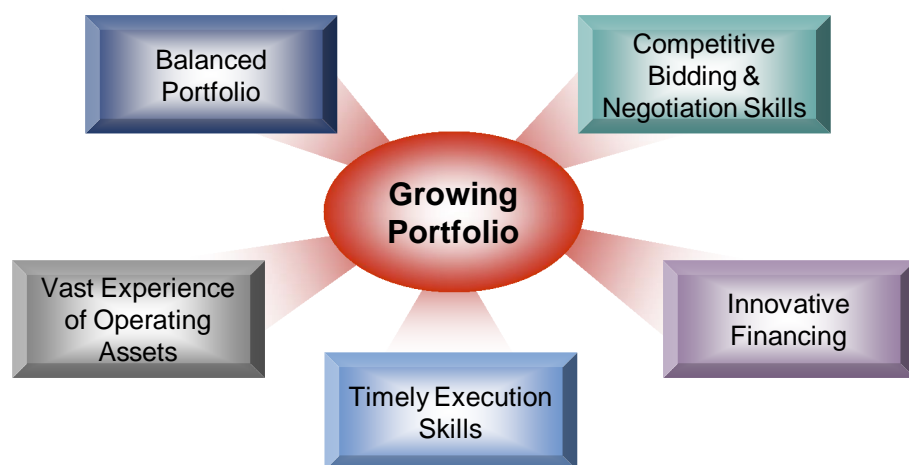
## KEY HIGHLIGHTS

- ❑ Listed on BSE/NSE since February 2006
- ❑ First QIP in May 2007 – ₹ 12,210 Mn raised
- ❑ Second QIP in July 2009 – ₹ 7,200 Mn raised
- ❑ Market Capitalisation of ₹ 51,949 Mn\*
- ❑ Diversified portfolio – airports, power plants, road, coal mines, oil & gas blocks and SEZ

## PORTFOLIO BY ASSET SIZE (PROJECT COST)



## COMPETITIVE ADVANTAGES



KEY RATIOS	FY 2010	FY 2009
EBITDA Margin	25.9%	34.3%
PAT Margin	8.4%	20.1%
Net Debt : Equity	1.29	1.27
DSCR	1.29	2.61
Current Ratio	2.14	3.24

\* As of 31<sup>st</sup> Jan 2011

# GVKPIL - Assets at a Glance

ENERGY	GVK Industries Ltd Phase 1 (217 MW)	AIRPORTS	Mumbai International Airport Ltd	TRANSPORTATION	GVK Jaipur Expressway Pvt Ltd (93 km - 6 Lane)
	GVK Industries Ltd Phase 2 (220 MW)		Bangalore International Airport Ltd		GVK Deoli Kota Expressway Pvt Ltd ( 83 km – 4 Lane)
	Gautami Power Ltd Phase 1 (464 MW)				
	Alaknanda Hydro Power Ltd (330 MW)				
	GVK Power Goindwal Sahib Ltd (540 MW)				
	Goriganga Hydro Power Pvt Ltd (370 MW)				
	GVK Coal (Tokisud) Company Pvt. Ltd (52 Mil Tonnes)				
	Seregarha Mines Ltd (67 Mil Tonnes)				
	GVK Industries Ltd Phase 3 (800 MW)				
	Gautami Power Ltd Phase 2 (800 MW)				
	GVK Ratle Hydro Electric Project Pvt Ltd (690 MW)				
	GVK Oil & Gas Ltd (7 Deepwater Blocks)				



Operational



Under Construction/Development

*Figures in brackets show capacity*



# ENERGY

- ❑ **901 MW** – OPERATIONAL ASSETS
- ❑ **870 MW** – ASSETS UNDER CONSTRUCTION
- ❑ **2,660 MW** – ASSETS UNDER DEVELOPMENT

# GVK Industries Ltd (Phase 1 & 2)

## PROJECT OVERVIEW

	PHASE 1	PHASE 2
Capacity	217 MW Mixed Fuel Plant	220 MW Dual Fuel Plant
Commissioning Date	20 <sup>th</sup> June 1997	14 <sup>th</sup> April 2009
Project Cost	₹ 10,252 Mn	₹ 8,931 Mn
PPA Agreement	18 Years with APDISCOM	15 Years with APDISCOM for 80% of installed capacity
Tariff Structure	2 part tariff with post tax ROE of 16% pa	Capacity Charges (Bid Variable) + Fuel Charges
Merchant Sale	NA	20% Installed Capacity - Expected

## HIGHLIGHTS

### • Phase 1:

- PLF for Q3 FY 2011 - 80% as compared to 90% in Q3 FY 2010
- 373 Mn units sold in Q3 FY 2011 as compared to 432 Mn units in Q3 FY 2010

### • Phase 2:

- PLF for Q3 FY 2011 - 80% as against 97% in Q3 FY2010
- 379 Mn units sold in Q3 FY 2011 as compared to 458 Mn units in Q3 FY 2010

PHASE 1	Q3 FY 2011	Q3 FY 2010
Income from Operations	<b>901.0</b>	861.5
Cost of Fuel	<b>679.9</b>	546.2
EBITDA	<b>2.7</b>	152.5
PAT	<b>(78.5)</b>	18.2

PHASE 2	Q3 FY 2011	Q3 FY 2010
Income from Operations	<b>1,026.9</b>	1,181.8
Cost of Fuel	<b>673.6</b>	794.5
EBITDA	<b>289.4</b>	303.3
PAT	<b>28.7</b>	43.3

Figures in ₹ Mn



# Gautami Power Ltd (Phase 1)

PROJECT OVERVIEW	
Capacity	464 MW Dual Fuel Plant
Commissioning Date	5 <sup>th</sup> June 2009
Project Cost	₹ 17,980 Mn
PPA Agreement	15 Years with APDISCOM for 80% of installed capacity
Tariff Structure	Capacity Charges (Bid Variable) + Fuel Charges
Merchant Sale	20% Installed Capacity - Expected

	Q3 FY 2011	Q3 FY 2010
Income from Operations	<b>2,149.6</b>	2,218.9
Cost of Fuel	<b>1,356.0</b>	1,398.8
EBITDA	<b>644.4</b>	640.2
PAT	<b>181.6</b>	103.2



HIGHLIGHTS
<ul style="list-style-type: none"> <li>• PLF for Q3 FY 2011 -79% as compared to 81% in Q3 FY 2010</li> <li>• 780 Mn units sold in Q3 FY 2011 as compared to 807 Mn units in Q3 FY 2010</li> </ul>

Figures in ₹ Mn

# Alaknanda Hydro Power Ltd

## PROJECT OVERVIEW

Capacity	330 MW
Commissioning Date	FY 2012 (Expected)
Project Cost	₹ 26,977 Mn (Approved by UPERC)
Type of Project	Run of the River Hydro Project
PPA Agreement	30 + 20 Years with UPPCL
Tariff Structure	2 part tariff with assured post tax ROE of 14% + incentives



## HIGHLIGHTS

- 12% of output to be given free to Uttarakhand State
- Project being evaluated for carbon credits
- 99% of excavation in forebay area completed & 99% of concreting in forebay completed
- Excavation on right & left flanks of dam completed
- 99% of excavation in desilting basin completed
- 48% of concreting in power channel area completed
- Lining of tunnel has commenced

# GVK Power Goindwal Sahib Ltd

## PROJECT OVERVIEW

Capacity	540 MW Coal Fired Thermal Plant
Commissioning Date	FY 2013 (Expected)
Project Cost	₹ 29,638.1 Mn (Approved by PSERC)
Financial Closure	Achieved on 1 <sup>st</sup> Feb 2010
PPA Agreement	25 Years with PSEB
Tariff Structure	As per CERC norms



## HIGHLIGHTS

- 1,075 acres of land acquired at a cost of ₹ 1,677.5 Mn
- Compound wall construction, site grading work and approach roads work completed
- Work in progress at Boiler area, ESP area, Power House Building, TG Foundation and Coal Handling Area
- BTG contract awarded to BHEL and BOP contract awarded to Punj Lloyd
- Coal to be sourced from captive mines (Tokisud & Seregarha) in Jharkhand
- Coal Transportation Agreement signed with Indian Railways



# GVK Coal (Tokisud) & Seregarha Mines

## TOKISUD PROJECT OVERVIEW

Mineable Reserves	52 Mn Tonnes
Project Cost	₹ 2948 Mn
Location	Hazaribagh, Jharkhand
Coal Supply	2 million tonnes per annum to Goindwal Sahib thermal power plant
Coal Pricing Structure	Coal India Ltd rates minus grade discount

## TOKISUD HIGHLIGHTS

- Financial Closure achieved on 27<sup>th</sup> April 2010
- Environmental Clearance granted by MoEF
- Forest Clearance granted by MoEF
- Mining Lease executed with Govt. of Jharkhand on 5<sup>th</sup> Aug 2010
- Entire 926 acres acquired for compensatory afforestation
- 658 acres of non forest land acquired for mine site
- District Collector has approved R&R proposal

## SEREGARHA PROJECT OVERVIEW

Estimated Geological Reserves	66.7 Mn Tonnes - GVKPIL's share
Project Cost	₹ 2,914 Mn (Estimated) - GVKPIL's share
Location	Latehar, Jharkhand
Coal Supply	1 million tonnes per annum to Goindwal Sahib thermal power plant
Coal Pricing Structure	To be finalized

## SEREGARHA HIGHLIGHTS

- Jointly allocated with Arcelor-Mittal; GVKPIL's share is 45%
- Prospecting License has been applied for
- ₹ 5 Mn paid to Central Coalfields Ltd towards compensation for transfer of Mineral Rights

# Goriganga Hydro Power Ltd

## PROJECT OVERVIEW

Capacity	146 MW - Bogudiyar-Sirkari Bhyol 225 MW - Mapang-Bogudiyar
Commissioning Date	FY 2015 (Expected)
Type of Project	Run of the River Hydro Project
Power Off-Take	Part Merchant Power / Part PPA (Expected)
Status of DPR	Submitted to Uttarakhand Government for approval



## HIGHLIGHTS

- 12% of output to be given free to State of Uttarakhand
- Letter of Award issued to EQMS for preparation of EIA
- DPR for Bogudiyar-Sirkari Bhyol project completed by WAPCOS and submitted to Govt. of Uttarakhand and CEA
- TOR Clearance obtained from Ministry of Environment & Forests for both phases
- Project to be constructed at approximately 8,200 to 9,600 feet above Mean Sea Level
- Approach road being built with Border Roads Organization

# GVK Ratle Hydro Electric Project

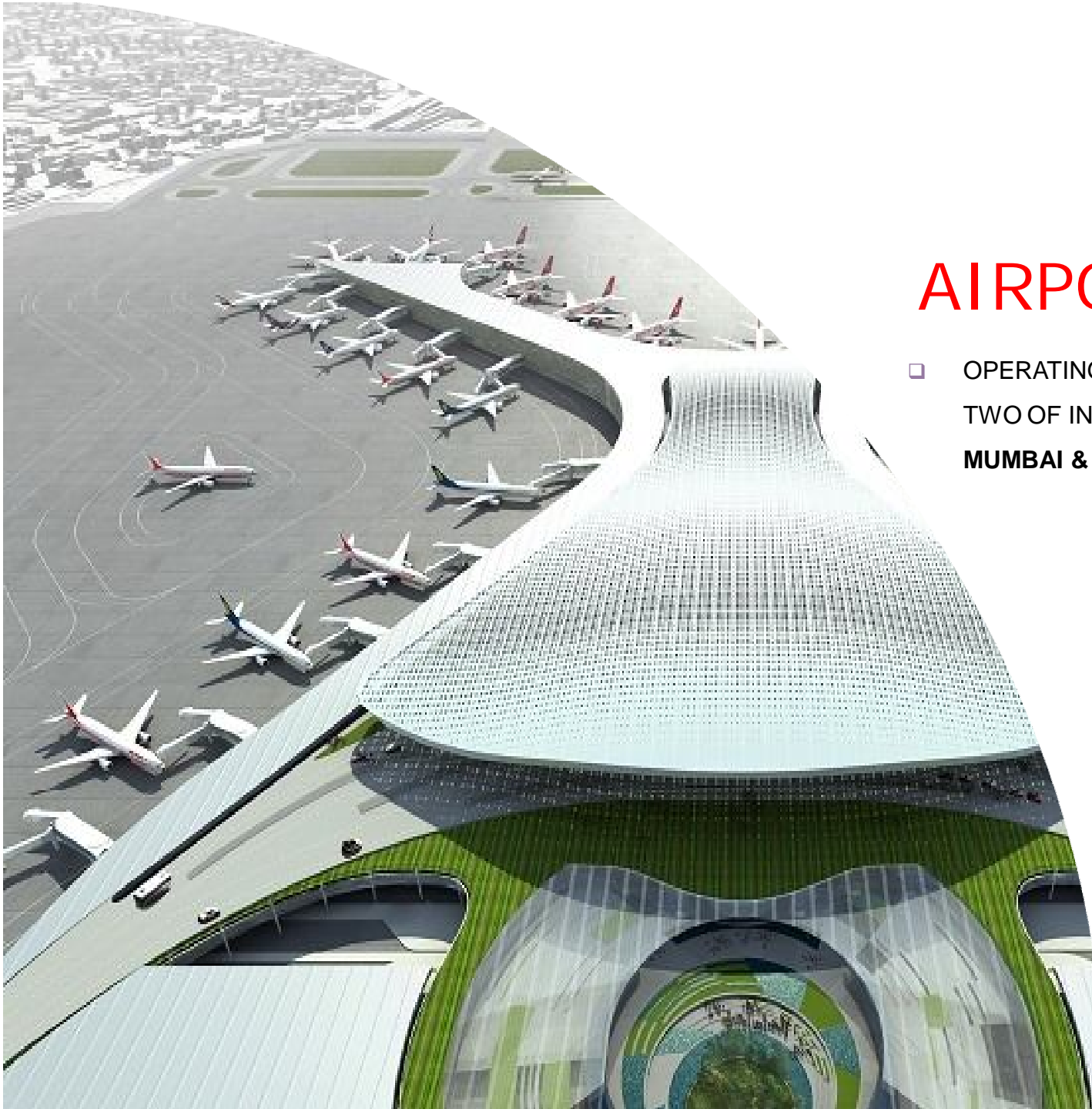
## PROJECT OVERVIEW

Capacity	690 MW
Commissioning Date	FY 2017 (Expected)
Type of Project	Run of the River Hydro Project
Concession Agreement	35 Years
Power Off-Take	Part Merchant Power / Part PPA
Status of DPR	Prepared by NHPC in 2007



## HIGHLIGHTS

- Dam located on Chenab River in Jammu & Kashmir
- 16% of output to be given free to State of Jammu & Kashmir
- ` 5 Lacs per MW to be paid as upfront premium
- Approach road is NH 1B
- Geological investigation of power house has been done by NHPC
- GoJ&K will ensure that entire power is evacuated via 400 kV transmission lines



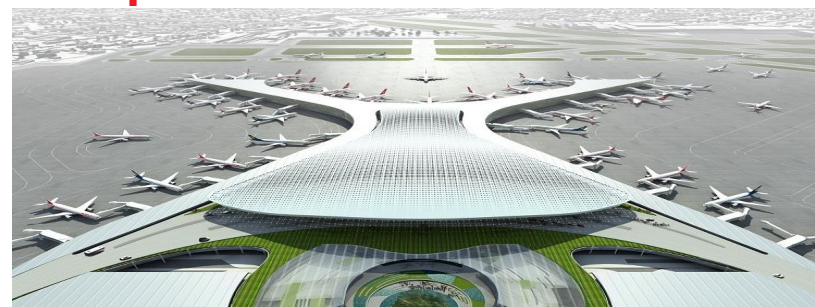
# AIRPORTS

- OPERATING, MANAGING & DEVELOPING TWO OF INDIA'S LARGEST AIRPORTS – **MUMBAI & BENGALURU**

# Mumbai International Airport Ltd

## MIAL OVERVIEW

Concession Award Date	Apr 2006
Target Completion Date	May 2013
Estimated Project Cost ( ` Mn)	98,000
Current Traffic (Mn. Pax) in FY 2010	25.61
Target Capacity ( Mn. Pax)	40
Current Cargo Tonnage (mtpa) in FY 2010	0.58
Future Cargo Tonnage (mtpa) in 2013	1.0
Concession Period	30+30 Years
Revenue Share with AAI (%)	38.7%
Total Acreage	1,976
Land Available to MIAL for Commercial Real Estate Development (acres)	197.6



## KEY DEVELOPMENTS

- ❑ Domestic Terminals 1-A & 1-B refurbished
- ❑ Terminal 1-C commissioned in April 2010
- ❑ Mandatory Projects proceeding as per plan
- ❑ To receive ADF of ` 15,430 Mn over next 3 years
- ❑ Real estate strategy finalized - awaiting MMRDA approval

MAJOR RETAIL LICENSES	Q3 FY 2011	Q3 FY 2010
Oil Throughput	203.3	184.9
Duty Free	119.0	158.5
Advertisements	140.2	86.5
Ground Handling	101.7	64.7
Foreign Exchange	62.8	58.0
Food & Beverages	68.8	57.4
Flight Kitchen	41.0	30.5

Figures in ` Mn



# MIAL – Project Highlights



## TARGETS

- 1 integrated terminal
- 40 Mn passengers
- 1 Mn tonnes cargo
- 20 Mn sq ft of commercial real estate



## CAPACITY AUGMENTATION ON TRACK

- ❑ EPC Contract – Awarded to L&T in Nov 2007 for integrated passenger terminal (400,000 sq.m.) & airside works. To be completed by Dec 2012
- ❑ Slum Rehabilitation Contract – Awarded to HDIL in Oct 2007; to clear 276 acres of slum area; No cash outflow for MIAL; To be completed by Oct 2011
- ❑ Taxiway & runway systems upgraded, Terminals 1-A & 1-B refurbished, New Terminal 1-C commissioned, ATC systems improved, integrated terminal construction underway

## FINANCING ARRANGEMENTS IN PLACE

- ❑ Debt – ` 42,310 Mn debt tied up
- ❑ ADF<sup>1</sup> – Up to ` 15,430 Mn approved by Government; to be collected by March 2013
- ❑ Equity – Commitment of ` 12,000 Mn by MIAL shareholders, ` 8,000 Mn already infused

## DIVERSE REVENUE STREAMS

- ❑ Duty Free Shopping – Awarded to DFS Singapore for 24,541 sq. ft. for 3 years
- ❑ Advertising Rights – Awarded to Times Innovative Media Limited for a period of 3 years
- ❑ Other Contracts – Retail, Car parking, Food & Beverage and other non-aero contracts awarded

## UNLOCKING REAL ESTATE POTENTIAL

- ❑ Senior & highly experienced management / project teams in place
- ❑ Physical Master Plan prepared; estimated to unlock 1.04 mn sq ft of commercial space initially
- ❑ Cushman Wakefield Market study, HOK Master Plan Completed, HVS appointed for Hospitality Market study

# MIAL – Financial & Operational

OPERATIONAL HIGHLIGHTS	Q3 FY 2011	Q3 FY 2010
<b>INTERNATIONAL</b>		
Aircraft Movements per Day	192	185
Passenger Movements (Mn)	2.38	2.21
<b>DOMESTIC</b>		
Aircraft Movements per Day	475	454
Passenger Movements (Mn)	5.32	4.77
<b>TOTAL (INT+DOM)</b>		
Aircraft Movements per Day	667	639
Passenger Movements (Mn)	7.70	6.98
<b>CARGO</b>		
Cargo Handled (Metric Tonnes)	169,093	149,648

FINANCIAL HIGHLIGHTS	Q3 FY 2011	Q3 FY 2010
<b>Revenue</b>		
Aeronautical	1,020.0	1,065.3
Non Aeronautical	1,208.5	993.6
Cargo	761.9	544.3
Interest & Dividend	5.7	17.7
	2,996.0	2,620.8
<b>Expenditure</b>		
Annual Fee to AAI	1,159.0	1,014.2
Operating & Admin Expenses	643.9	676.4
<b>EBITDA</b>	1,193.1	930.2
Finance Charges	168.3	104.1
Depreciation	255.5	168.2
Upfront Fees Amortization & Retirement Compensation	37.0	12.5
<b>Profit Before Tax</b>	732.3	654.4
Taxes	234.8	228.8
<b>Profit After Tax</b>	497.6	416.6

Figures in ` Mn

# Bangalore International Airport Ltd

## PROJECT OVERVIEW

Commercial Operations Date	24 <sup>th</sup> May 2008
Incurred Project Cost (₹ Mn)	22,000
Current Traffic (Mn. Pax) in FY 2010	9.92
Current Cargo Tonnage (mtpa) in FY 2010	0.174
Concession Period	30+30 Years
Revenue Share with AAI (%)	4%
Total Acreage	4,000
Land Available for Commercial Real Estate Development (acres)	515

## HIGHLIGHTS

- State Government financial support - grant of interest free loan of ₹ 3,500 Mn, repayable after 11 years of operations
- No new airport allowed within 150 kms for 25 years
- EPC function handled by Siemens and L&T
- Major contracts - Indian Oil (Aviation Fuel), NACIL (Cargo), JCDcaux (Advertising), Globe Ground (Ground Handling), Oberoi Hotels (Business Hotel), HMS Host (F&B), etc

## PARTNERS

- GVKPIL - 29%
- Siemens - 40%
- KSIIDC - 13%
- AAI - 13%
- Unique Zurich - 5%



# BIAL – Financial & Operational

OPERATIONAL HIGHLIGHTS	Q3 FY 2011	Q3 FY 2010	FINANCIAL HIGHLIGHTS	Q3 FY 2011	Q3 FY 2010
<b>INTERNATIONAL</b>			<b>Revenue</b>		
Aircraft Movements per Day	48	39	Aeronautical	864.9	752.1
Passenger Movements (Mn)	0.6	0.5	Non Aeronautical	448.2	345.1
			Cargo	76.7	44.6
			Interest & Dividend	76.4	43.5
<b>DOMESTIC</b>				1466.2	1185.4
Aircraft Movements per Day	260	253	<b>Expenditure</b>		
Passenger Movements (Mn)	2.5	2.1	Annual Fee to AAI	57.9	47.2
			Operating & Admin Expenses	357.5	389.9
<b>TOTAL (INT+DOM)</b>			<b>EBITDA</b>	1050.8	748.2
Aircraft Movements per Day	308	291	Finance Charges	286.5	224.3
Passenger Movements (Mn)	3.1	2.6	Depreciation	324.3	338.8
<b>CARGO</b>			<b>Profit Before Tax</b>	440.0	185.2
Cargo Handled (Metric Tonnes)	56,496	45,318	Taxes	0.0	0.0
			<b>Profit After Tax</b>	440.0	185.2

Figures in ` Mn



# TRANSPORTATION

- ❑ DEVELOPED & MANAGING INDIA'S FIRST SUCCESSFUL 6 LANE ROAD PROJECT – **JAIPUR KISHANGARH EXPRESSWAY**
- ❑ AWARDED A 4 LANE BOT – **DEOLI KOTA EXPRESSWAY**



# Jaipur-Kishangarh Expressway Ltd

## PROJECT OVERVIEW

Project Cost	₹ 6,231 Mn
Grant from NHAI	₹ 2,110 Mn
Commissioning Date	April 2005
Concession Period	20 Years (From 2003)
Length of Highway	90.385 kms
Revenue Sharing	40 % with NHAI on additional revenue earned beyond projection



## FINANCIAL RESULTS

	Q3 FY 2011	Q3 FY 2010
Gross Toll Revenue	<b>486.7</b>	441.7
NHAI Share	<b>46.1</b>	42.1
EBITDA	<b>353.8</b>	296.9
PAT	<b>214.6</b>	175.5

## HIGHLIGHTS

- Increase in Toll Revenue due to:
  - 10% increase in toll rates from 1<sup>st</sup> July 2010
- Increase in PAT due to:
  - Major Maintenance Expenditure 1<sup>st</sup> Periodic overlay ₹ 37.5 Mil during previous year
  - Lower Tax Expense

Figures in ₹ Mn

# Deoli-Kota Expressway Ltd

## PROJECT OVERVIEW

Project Cost	₹ 8,230 Mn
Concession Period	26 Years (Including 30 months for construction)
Length of Highway	83.04 kms
Revenue Sharing	₹ 486 Mn in first year of operations with 5% increase in each subsequent year

## HIGHLIGHTS

- Project consists of 4-laning the current 2 lane road
- Project is on NH-12 (Jaipur to Jabalpur) in the state of Rajasthan
- Current daily traffic is estimated to be approximately 22,000 PCUs
- Freight traffic currently accounts for 80% of traffic



## OTHER ASSETS

- ❑ **7 DEEPWATER OIL & GAS BLOCKS – NELP VII**
- ❑ **2,932 ACRE MULTI-PRODUCT SEZ IN TAMIL NADU**

# Oil & Gas

## PROJECT OVERVIEW

Blocks Awarded	7 Deepwater Blocks - Awarded Under NELP VII
JV Partner	BHP-Billiton
Estimated Capital Outlay	~ 2,200 Mn (Next 2 years)
Location	Off western coast of India
Area Awarded	34,000 sq km (Approx)

## WORK UNDERWAY

- Agreement with WesternGeco to collect seismic data
- Vessel has begun collecting 2D seismic data
- Identifying needed technical resources
- Bank guarantees re-submitted for all 7 blocks to DGH



## WORK PLANNED OVER NEXT 2 YEARS

- Obtained approvals from various Government & Defence agencies for acquiring 2D data
- Reprocessing existing 2D data & mapping of areas for new information
- Take decision for 3D data acquisition & for drilling of exploratory well

# GVK Perambalur (SEZ) Pvt Ltd

## PROJECT OVERVIEW

Planned Size of SEZ	2,604 Acres
Land Purchased	2,932 Acres - includes land acquired for DTA
Commissioning Date	FY 2013 (Expected)
Project Cost	~ 8,500 Mn (Estimated)
Location	Perambalur District, Tamil Nadu
Targeted Industries	Leather Tanneries, Chemicals, Textiles, Agro-Processing, small engineering. etc



## HIGHLIGHTS

- Formal Approval granted by SEZ Board of Approval
- EIA report submitted to MoEF for Environmental Clearance
- Government land alienation in progress
- Mahindra Consulting Engineers Ltd appointed Technical Consultants
- SENSES Consultants retained for environmental studies & obtaining clearance from Ministry of Environment & Forests
- 40 MLD water supply from Kollidam river & 3 MLD from river Vellar sanctioned by TWAD Board
- Contour & Topography studies completed by Apex Topomappers Pvt Ltd
- Soil Investigation Work completed by FS Engineers Pvt Ltd



# Thank You

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