Andhra Pradesh Urban Development Fund (‘APUDF’)

Investor Presentation

Fund Manager

ANDHRA PRADESH URBAN INFRASTRUCTURE ASSET MANAGEMENT LIMITED
(A Joint Venture of Govt. of A.P. and IL&FS Group)
1. The Background

2. The Fund

3. The Fund Manager

4. The Opportunities

5. Status Update and Next Steps
Background

- **Opportunity to invest in urban infrastructure in the fastest growing State of Andhra Pradesh (“AP”) in India**
  - 8th Largest State in India with a population of over 50 mn
  - GDP of over US$ 100 bn with double digit growth @11.6%
  - 1st Rank among Indian states in the DIPP-World Bank Ease of Doing Business Study in 2015-16
  - 1st Rank in Infrastructure Category by India Today, a leading Indian publication
  - 3 Industrial Corridors crisscrossing the State and is Gateway to the East with a coastline of 974 KMs and 6 existing ports
- **Urbanisation is projected to contribute to 70-75% of the GDP by 2020**
  - Urbanisation in AP at 29.6%, expected to go up to 50% by 2029
  - To continue with double digit economic growth requires structured urban growth and development
  - Investment in urban infrastructure is projected at US$ 30 bn
  - Government of Andhra Pradesh (“GoAP”) is focused on evolving a comprehensive framework for urban development
Andhra Pradesh Government partnership with IL&FS Group

Over the past two decades, IL&FS Group has been involved in various path breaking initiatives to develop infrastructure at the level of the States, Municipal Corporations and ULBs

- IL&FS is one of the very few financial institution having hands on experience of commercializing large scale complex infrastructure projects in multiple sectors i.e. roads, water supply, liquid and solid waste management, city development etc
- IL&FS has expertise across the spectrum in infrastructure development, i.e. as transaction advisor, as financial advisor, as fund manager, as funding agency, as developer / contractor and as provider of PMC services across multiple infrastructure sectors
- Some of the initiatives that have been attempted in the past are briefly enumerated below:
  - Project Development Corporation of Rajasthan Ltd (PDCOR): A JV with Govt. of Rajasthan has been focusing on project development across the state for the last 20 years
  - Pooled Municipal Debt Obligations (PMDO): IL&FS spearheaded a consortium of Banks and Financial Institutions to create a facility of approximately Rs 48 bn for undertaking financing transactions linked to urban local bodies
  - Tamil Nadu Urban Development Fund (TNUDF) - IL&FS Group was involved in the creation of the fund together with Government of Tamil Nadu, ICICI and HDFC which has spearheaded investments into urban infrastructure across the state of Tamil Nadu
- Given the above background, GoAP selected IL&FS Group to lead the initiative to set up a fund management company as a JV between GoAP and IL&FS named APUIAML and the establishment of a fund called APUDF
- The partnership was triggered with GoAP’s objective of having a professional and private sector focus to urban infrastructure development in the State, quick decision making, robust best practices to financing converging into fast paced development of the urban centres in AP
1. The Background
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The Fund

Andhra Pradesh Urban Development Fund ("APUDF") - an optimal vehicle for investors to invest in the urban infrastructure sector in the State

Fund architecture proposed as it leads to:

✧ Best option to leverage GoAP contributions in the Fund
✧ Identify and structure projects on arms length basis independent of Government agencies
✧ Convergence of strategic benefits for all stakeholders
✧ Better flexibility to raise capital through various structures including debt, equity and hybrid
✧ Have strong corporate governance framework and best in class internal controls
✧ **Lead to de-risking of portfolio through diversification across various sectors and geographies**
✧ Enhance returns with a focus on socio-economic development of the State
✧ Fund will operate in a regulated framework with strong SEBI (Securities Exchange Board of India) regulations already in place
The Fund Structure

Structure of APUDF:

- **Fund Name**: Andhra Pradesh Urban Development Fund (APUDF)
- **Fund Structure**: AIF Category II
- **Regulations**: SEBI (Alternative Investment Funds) Regulations, 2012
- **Sponsor**: Government of Andhra Pradesh
- **Fund Manager**: Andhra Pradesh Urban Infrastructure Asset Management Ltd (APUIAML)
- **Fund Size**: Rs. 50 bn (~US$750 mn)
- **Term**: 20 years with commitment period of 10 years
- **Investment**: Fund could issue multiple classes of units to raise funds
- **Components**: The investment into the fund will go into two components:
  - Investment Component - for investment into projects and SPVs
  - Technical Assistance Component - for meeting expenses to provide technical assistance to ULB/SPV

Fund Status: Approvals Received from SEBI
APUDF and APUIAML have been formed vide GoAP orders as follows:

- G.O. No. 132 - for formation of APUIAML, to assist in project development, structuring, procurement and implementation
- G.O. No. 133 for initial approval for formation of APUDF with the objective to finance ULBs in developing Urban Infrastructure Projects on commercial or PPP principles
- G.O. No. 319 approving formation of APUDF and providing initial seed capital and clarifying the governance structure for the fund

- Government of Andhra Pradesh (“GoAP”) will be the Anchor Investor in APUDF
- Strong involvement from GoAP, senior government functionaries on the Board of APUIAML and Governing Body of APUDF
- Projects and activities are regularly reviewed directly by the Chief Minister and senior government officials

Note: G.O. is Government Order passed by GoAP
Effective Support from IL&FS Group Entities

IL&FS is the Holding Company and would be responsible for the successful operation of the initiative with GoAP

IL&FS Investment Managers Ltd (“IIML”), the private equity arm of IL&FS Group is one of the largest home grown Fund Managers in India, manages US$ 3.5 bn in assets

IIML were pioneers in Indian infrastructure investing space, played a key role in bringing private capital to emerging infrastructure sectors

IIML would be the entity that would invest in the capital of this initiative and would manage the funds raised from external private and public sources

IL&FS Financial Services Ltd (“IFIN”), a 100% subsidiary of IL&FS Ltd is one of the largest private sector debt syndication desks in the country with relationships across all major Banks & FIs

Own Asset Book of US$ 1.85 bn deployed in infrastructure, hospitality, manufacturing and real estate sectors and debt Syndication of ~ US$ 2 bn every year in the Infrastructure Space

IFIN would be responsible for raising resources for a fee for the various ULBs to fund their contribution to the cost of the project being undertaken.

IIDC Limited is one of India’s pioneering infrastructure development company extending services from Project conceptualization to Project commissioning

IIDC will be deputing personnel with requisite expertise to support the team in project development and carry the initiative through to successful implementation and management of the projects
Effective Governance Structure

### Governing Body
- **Chairman**
  - Chief Secretary to GoAP
- **Members**
  - Special Chief Secretary to GoAP/PFS
  - Principal Secretary to GoAP, MA&UD
- **Member Convener**
  - Chief Executive Officer, APUIAML

Highest approval and decision making authority of APUDF

### Investment Committee
- **Chairman**
  - Special Chief Secretary to GoAP/PFS
- **Members**
  - Principal Secretary to GoAP, MA&UD
  - Executive Director, IL&FS Investment Managers Ltd.
  - Jt. Managing Director, IL&FS Financial Services Ltd.

The Committee studies and analyses Project reports / proposals submitted by the Appraisal Committee and places them before the Governing Body along with its recommendations.

### Appraisal Committee
- **Chairman**
  - Principal Secretary MA&UD, GoAP
- **Member**
  - Director, APUIAML
- **Member Convener**
  - CEO, APUIAML

Reviews project reports/ proposals shortlisted and submitted by APUIAML, the Fund Manager.
Strong and Committed Investment Criteria

**Investment Criteria**

- **Financial and Credit Standing of Project Sponsors:** Appraisal will include detailed analysis of the project sponsors like ULB’s including their credit standing and rating and the support they can provide to the financing.

- **Commercially Viable (Bankable) Projects:** Projects will be reviewed and selected on the basis of:
  - Sustainable project cash-flows - Projects with good and recurring cash flows and control over the cashflows.
  - Credible Security structure - preferably escrow of cashflows, charge over project assets preferred, credit enhancements if needed, etc.
  - Projects that clear the techno-economic feasibility studies.
  - Concession or similar framework and SPV or similar ring-fencing structure.

- **Improving Systemic Efficiencies:** Projects and project sponsors focused on enhancing revenue base, rationalising costs and adopting innovative financing & implementation frameworks.

- **Socio Economic Impact:** Projects based on developmental priorities of the State, that make long term sustainable impact on economy, environment and communities.

**Investment Portfolio Strategy**

<table>
<thead>
<tr>
<th>Size of Investment</th>
<th>US$ 10 - 50 Million (~Rs. 700 - 3500 mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Stage</td>
<td>Mostly greenfield projects with a mix of some potential brownfield projects</td>
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<tr>
<td></td>
<td>Projects diversified across sectors and end users</td>
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</tbody>
</table>
### Key Terms (1/2)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Andhra Pradesh Urban Development Fund (“APUDF”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Status</td>
<td>Will be a contributory determinate trust established under the Indian Trusts Act, 1882</td>
</tr>
<tr>
<td>Applicable Regulation</td>
<td>Currently in the process of seeking approval from Securities and Exchange Board of India (“SEBI”) as a Category II Alternative Investment Fund (“Category II AIF”) under the AIF Regulations issued by SEBI</td>
</tr>
<tr>
<td>Investment Manager</td>
<td>Andhra Pradesh Urban Infrastructure Asset Management Limited (“APUIAML”)</td>
</tr>
<tr>
<td>Sponsor</td>
<td>The Sponsor shall be Government of Andhra Pradesh who will also be anchor investor in the Fund</td>
</tr>
<tr>
<td>Investment Objective</td>
<td>Investment across urban infrastructure assets and projects in Andhra Pradesh</td>
</tr>
</tbody>
</table>
| Classes of Units | **Class A Units:** Will be issued to Government of Andhra Pradesh against their contributions in the form of Grant  
**Class B Units:** Will be issued to multilateral and bilateral agencies like World Bank, ADB, AIIB and others  
**Class C Units:** Will be issued to Banks and Domestic Financial Institutions  
**Class D Units:** Will be issued to all other categories of domestic and international investors |
<p>| Target Region | State of Andhra Pradesh |</p>
<table>
<thead>
<tr>
<th>Key Terms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corpus</td>
<td>Rs. 50 bn (~US$ 750 mn)</td>
</tr>
<tr>
<td>Sponsor Contribution</td>
<td>Rs 10 bn (~US$ 150 mn)</td>
</tr>
<tr>
<td>Investment period</td>
<td>10 years from the date of Final Closing (extendable at the discretion of the Manager by upto 1 year)</td>
</tr>
<tr>
<td>Term</td>
<td>20 years from the date of Final Closing (extendable at the discretion of the Manager by upto 2 years)</td>
</tr>
<tr>
<td>Management Fees</td>
<td>1% p.a. payable quarterly (excluding taxes) on the basis of average outstanding investments during the quarter</td>
</tr>
<tr>
<td>Project IRR</td>
<td>12-14% in INR Terms</td>
</tr>
<tr>
<td>Target Equity IRR</td>
<td>14-16% in INR Terms</td>
</tr>
<tr>
<td>Sector Caps</td>
<td>Exposure to any particular project within urban infra should not exceed 25% of aggregate Fund corpus</td>
</tr>
</tbody>
</table>
1. The Background
2. The Fund
3. The Fund Manager
4. The Opportunities
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The Fund Manager

Andhra Pradesh Urban Infrastructure Asset Management Limited (‘APUIAML’) has been established as a Fund Manager for APUDF

APUIAML is a joint venture between Government of Andhra Pradesh and IL&FS Group

GoAP holds 49% stake in the venture and IL&FS Investment Managers Ltd (‘IIML’), a 100% subsidiary of IL&FS Group holds 51% stake

APUIAML will perform the roles of project development, fund management and project management as well as capacity building of the project companies, an end to end proposition to deliver value for both the State and the Investors

The value creation is being targeted using following channels:

- For each Investment, a comprehensive asset management program will be put in place
- Introduce at SPV/ ULB level - operational efficiencies, strengthened internal controls, bring in best practices, optimise financing
- Structure projects to be bankable, reduce operating losses and contribution by Government/ ULB and leverage Government Grants
- Manage projects on an arms length basis with strong conflict management processes
Strong Senior Management Team

**Board of Directors**

**Senior Andhra Pradesh Government Representatives**
- Chief Secretary, GoAP
- Special Chief Secretary Finance, GoAP
- Principal Secretary, MA&UD, GoAP

**IL&FS Senior Management Representatives**
- Mr. Ravi Parthasarathy, Chairman, IL&FS Limited
- Mr. Hari Sankaran, Vice Chairman & MD, IL&FS Limited
- Mr. Ramesh Bawa, MD, IL&FS Financial Services Limited
- Mr. Paritosh Gupta, MD, IIDC Limited

**Independent Directors**
- Mr. C Kutumba Rao, Vice-Chairman, Planning Board, GoAP
- Dr. S Narayan, IAS (Retd.), Former Economic Advisor to Hon’ble PM, GoI
- Mr. R S Reddy, Former Chairman & MD, Andhra Bank

**Investment Committee**
- Dr. Archana Hingorani, CEO & ED
- Mr. Milind Patel, Joint MD

**Andhra Pradesh Urban Development Fund ("APUD")**
- The Fund

**IL&FS Investment Managers Ltd. ("IIML")**
**IL&FS Financial Services Ltd. ("IFIN")**

**Member Convenor of Governing Body and Appraisal Committee**
- Mr. Prakash Gaur, Chief Executive Officer APUIAM

**Additional Support available from**
- Departments / Agencies of Government of Andhra Pradesh
- IL&FS Group Companies
- IL&FS Sector Experts
- APUIAM Core on the Ground Team

**Note:** Experienced Team comprising of senior most Government and Private Sector professionals – PPP of expertise, relationships and knowledge
APUIAML is in a unique position to leverage on its strong position with GoAP and IL&FS relationships and experience to deliver effective fund management services to APUDF. APUIAML’s role could be categorised under three broad Activities as follows:

### Program Management Activity

- **Project Identification & Development** - to assist GoAP and ULBs in identification, development, planning and structuring of Projects through a rigorous project development framework
- **Project Appraisal** - including financial analysis, financing strategy and project appraisal
- **Project Structuring** - in a manner that makes projects commercially viable
- **Procurement and implementation** - of identified projects in accordance with approved strategy
- **Project Management Services** - to ULBs/SPVs to ensure efficient delivery of projects
- **Funding assistance** - to the Entity in achieving financial closure through various funding sources including available grants, funding from APUDF and other sources
- **Operational Manual** - preparation of a detailed manual in line with investment strategy of Fund

### Fund Establishment & Management Activity

- **APUDF Fund** - to set up and manage an urban infrastructure fund with an objective to lend finance to the ULB’s/SPVs in the state of AP for developing urban infrastructure projects on commercial or PPP principles
- **Fund Management** - across the lifecycle of the Fund.
- **Investment** - proposals shortlisted for financial assistance will be put up through approval process and projects meeting the investment guidelines will be selected for investment
- **Investment Management** - of various assets and investments made by the Fund
- **Fund Activities** – managing the fund activities including reporting, reviewing, value creation, managing and reviewing investments
- **Generating Returns and Managing Exits** - for the Investors in APUDF

### Institutional Development and Capacity Building

- **Assisting State Government** - in institutional development and capacity building of ULBs and other institutions involved in urban planning, development and service delivery & management.
1. The Background
2. The Fund
3. The Fund Manager
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Opportunities Landscape - Diligent Process to Identify Strong and Bankable Projects

Target Sectors
- Smart Cities
- Water Supply
- Sewerage / Drainage / Sanitation
- Solid Waste Management
- Urban Housing / Economic Cities
- Urban / Land Developments
- Urban Transport
- Tourism, City Beautification
- Urban Renewable Energy
- Other Urban Projects

Focused Opportunities / Immediate Priorities
- Projects that are part of missions of GoI and/or GoAP for urban development
- Projects and sectors that are ready for Investment
- Projects that will spearhead the development of an urban ecosystem
- Projects that have the potential to be commercially viable
- Projects expected to make high and visible socio-economic impact
- Projects with strong integration of infrastructure and support for urban finance
- Some of the Projects have the potential to be landmark projects. For example, Vijayawada 24x7 water supply

Note: APUIAML has conducted a high level Analysis of all major ULB’s in Andhra Pradesh and have coordinated a ULB credit rating process.
## Opportunities Landscape – A Strong and Credible Project Pipeline, ready for Investment

**Superior Quality Project Pipeline** expected to make sustainable socio-economic impact across AP while delivering sustainable returns to investors

**Identified project pipeline of projects worth more than 50% of the fund size**

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Current Pipeline of Projects engaged in</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply</td>
<td>Vijayawada 24x7 Water Supply</td>
<td>Area of 62 sq.km., population of 1.05 mn. Convert current 2 hours water supply to 24x7, phase 1 is 30000 homes and 200000 homes in total</td>
</tr>
<tr>
<td>Urban Sewerage</td>
<td>Visakhapatnam Sewerage</td>
<td>Area of 623 sq.km, population of 1,880,000. Project is focused on providing UGD and STP for Visakhapatnam.</td>
</tr>
<tr>
<td>Smart Cities</td>
<td></td>
<td>Area of 27 sq.km., Population of 370,000 Focus on Tourism, beautification, urban infra, green energy, integrated city collaboration platform</td>
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<td></td>
<td>Tirupati Smart City</td>
<td>Area of 11.5 sq.km., Population of 250,000 Focus on socio-economic development, smart grid, urban infra</td>
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<td>Eluru Smart City</td>
<td>Area of 150 sq.km., Population of 6,00,000. Focus on economy &amp; employment, smart governance, waterfront development, outer ring road development</td>
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<td></td>
<td>Nellore Smart City</td>
<td>Area of 134 sq.km., Population of `2,60,000. Focus on improving water supply, health services, economy &amp; employment, open/recreational areas and pedestrian safety infrastructure</td>
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<td>Ongole Smart City</td>
<td>Area of 69.51 sq.km., Population of 4,60,000. Focus on Solid waste management, public transportation, sewerage system, economy &amp; employment</td>
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<td></td>
<td>Kurnool Smart City</td>
<td>Area of 16.35 sq.km., Population of 2,61,000. Focus on Sewage, water Supply, Housing, Slum redevelopment, transport &amp; mobility</td>
</tr>
<tr>
<td></td>
<td>Anantapuramu Smart City</td>
<td>Area of 16.35 sq.km., Population of 1,35,000. Focus on economy &amp; employment, tourism, transport &amp; mobility</td>
</tr>
<tr>
<td>Economic Cities</td>
<td>Jakkampudi Economic City (Urban Housing)</td>
<td>Area 265 acres. Theme – Residential, Commercial and Institutional. Objective to provide affordable housing to economically weaker and low income groups. Execution through PPP mode</td>
</tr>
<tr>
<td>Urban Development</td>
<td>Vijayawada City Square</td>
<td>Public grounds located in centre of city - converted for beautification of Vijayawada City and to provide world class recreational facilities to its residents.</td>
</tr>
<tr>
<td>Urban Transport</td>
<td>Tirupati Bus Terminal</td>
<td>State of Art Bus Terminal Facility to be developed towards providing modern transport infrastructure on PPP Model. Commercial development would be carried comprising of facilities like retail, multiplex, food courts, commercial offices etc.</td>
</tr>
</tbody>
</table>
Vijayawada 24x7 Water Supply (1/2)

Presently the potable water is supplied for only two hours per day. Vijayawada Municipal Corporation (VMC) supplies 194 MLD treated water but 93% of connections are not metered; for the unmetered connections, water charges are collected not based on consumption. High Unaccounted for Water (UFW) and high NRW (not-revenue water) and operating losses for the VMC. The project is aimed at bringing in efficiencies, rationalize tariffs and improve revenues while supplying clean water 24X7.

City Profile - Vijayawada

Vijayawada is located towards East of Amaravati on banks of River Krishna in Andhra Pradesh. Vijayawada is second largest City in State and part of New Capital, Population of 1.05 Mn (2011 census). Business Capital of AP with GVA of Rs. 177.7 bn, Gains large socio-economic significance in the State having 1.6 times per capital of the State average. The economy is largely driven by Services with 77% share in the GVA, followed by industries (22%) in GVA. The services include Trade & Processing of Agriculture Products-Tobacco, cotton, turmeric and mangoes etc., and solvent extract plants, oil, dal and rice etc., tourism (Kanak Durga Temple with more than 5 mn visitors per annum), real estate. The proximity to Amaravati- State Capital also generates economic activities in the city. The city also has two large power plants (total capacity of 2500 MW) and industrial automobile SME hub with more than 1 lakh employees.

Project Benefits

24X7 water supply improves standards of living of citizens with quality water without any contamination etc leading to socio-economic benefits. Reduce Unaccounted Flow of water, ensuring judicious use of water and reduction of wastage.
Vijayawada 24x7 Water Supply (2/2)

**Project Features**
- Undertaking 24x7 water supply for the city (in phases) VMC area
- It is proposed to lay pipelines, installation of valves and bulk meters, house service connections along with water meters, water quality monitoring and leakage detection and control mechanisms

**Project Status**
- The detailed DPR for Phase I is completed
- Tender is under review and ready to be floated
- Tariff rationalisation is being undertaken

**APUIAML Value Add**
- Implement and manage a 24X7 quality water supply across Vijayawada
- Rationalise Tariffs to make project affordable for poor by introducing usage based tariffs
- Bring in operating efficiencies and invest in technologies to reduce wastage and pilferage
- Structure projects to be bankable that may reduce further operating losses and contribution by the Government/ULB and leverage Government Grants

**Innovative Structure for Investors Comfort**
- **Corporate Structure**: A Special Purpose Vehicle under the Companies Act, 2013 will bring efficiency of the private sector
- **Control over project development and operations**: Supervision by APUIAML for better control of cost, timely delivery and smooth operations for the project
- **Allocation and mitigation of risks**: A Tripartite agreement between VMC, SPV and APUDF with sharing of risk, fall back options, etc. Escrow of project revenues, guarantee of municipal taxes, etc. Assurance of supply of bulk water at certain rates with pass through of rates to consumers
Project Genesis

- Greater Visakhapatnam Municipal Corporation (GVMC) is responsible for supply of clean water and treatment of wastewater for the city of Visakhapatnam. The existing sewerage system covers a part of the GVMC area. The sewerage infrastructure development is being taken up in phases in the city. The sewerage system in being planned for Gajuwaka, Malakapuram and Pendurthi (located in the southern part of the city). A Sewage Treatment Plant of about 108 MLD capacity has been substantially developed at Narava. It is proposed to develop Comprehensive Sewerage System for sewage collection, sewage treatment at Narava STP and establish required treatment facility for production of Recycled Water to be used by industries in the vicinity that are in constant need of water.

City Profile - Visakhapatnam

- Visakhapatnam, a port based industrial city is the largest City in Andhra Pradesh with population of about 1.88 Mn (2011 census). It is selected as a Smart City under the Smart Cities Mission of Government of India
- Visakhapatnam is also 8th largest city in the country in terms of Gross Domestic Product with city GDP estimated at US$48 billion. Per capita income of city is Rs. 150000 p.a. while the GVA is Rs. 324.22 bn per annum largely driven by Industries (49%) and Services (47%)
- Vizag Steel Plant, NTPC Simhadri, Hinduja National Power Corporation Limited, Hindustan Shipyard, HPCL, BHEL, Hindustan Zinc, Dredging Corporation of India, Coromandal Fertilizers, Brandix are some of the large scale industries in Visakhapatnam. The city also has some minerals based industries, IT industries and tourism based economy.

Project Benefits:

- Provision of adequate sewerage infrastructure for the city
- Conservation of water due to reuse of treated sewage. Usage of freshwater to meet requirements of city
- Aligned with Swacch Bharat Mission, Reduction in CO2 and Improvement of surface and ground water quality, reduction in health cost and reduction in mosquito hazards
Sewerage Project for Visakhapatnam (2/2)

**Project Features**
- Sewerage Connections: ~80,000
- Population: ~8 lakh
- UGD network Length: ~700 km (150 mm to 1200mm diameter)
- Tertiary Treatment Plant: ~80 MLD
- Conveyance Network to Industries
- Construction Period: 3 ½ years

**Project Status**
- The detailed DPR to be prepared by June 2017
- Likely commencement date: Sept 2017

**APUIAML Value Add**
- Re-configuration of the Project such that it leads to a techno-economic feasible solution
- Commercialisation of the project through sale of treated sewage water

**Innovative Structure for Investors Comfort**
- **Corporate Structure:** A Special Purpose Vehicle under the Companies Act, 2013 will bring efficiency of the private sector
- **Control over project development and operations:** Supervision by APUIAML for better control of cost, timely delivery and smooth operations for the project
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Opportunities in the Smart Cities space in Andhra Pradesh

APUIAML has been mandated to take up six smart city projects as per the G.O. Ms. No. 8 to 13, MA& UD (UBS) Department, dated 02\textsuperscript{nd} January 2017. The six smart cities are “Eluru, Nellore, Srikakulam, Ongole, Kurnool, Ananthapur”

Activities carried out by APUIAML till date
a) Baseline study for the cities  
b) Workshop for the six urban local bodies as directed by MA & UD Department  
c) Initiation of Citizens engagement  
d) Smart City Cell for each city  
e) Indicative projects identification  
f) Draft smart city plan
Smart Solutions being considered in Smart City plans

**E-Governance**
- Public Info & Grievance Redressal
- Electronic Service Delivery
- Video Crime Monitoring

**Smart Business Environment**
- All regulatory compliances on e-gov mode, new stds of transparency

**Economy: Light Manufacturing & Services**
- Technology driven

**Smart Connectivity & Mobility**
- Public transport + last mile connectivity
- Regional MRTS
- Common Ticket across modes
- Clean fuels

**Sustainable Development**
- All blgs of GRIHA / LEED std
- Walk / Cycle to-work (Copenhagen model)

**Smart Technology**
- Completely Wired city,
- Smart Utility Management- Technology based Command & Control
- Water & Waste Recycling
- Energy Management - Smart Metering, LED

**Smart Infrastructure**
- Uninterrupted, stable power supply,
- Underground utilities
- Next generation water & waste management

**Social Infrastructure**
- Quality Health, Education, Recreation, Virtual Safety
- E-kiosks for convenience of citizens

**Smart Governance & Asset Management**
- Proactive Urban Governance
- Water & Waste Recycling
- Energy Management - Smart Metering, LED
**Economic Township Project at Jakkampudi, Vijayawada**

- First of 100 proposed economic cities integrating jobs, housing and social amenities with a “WALK TO WORK” Concept
- **Area**: 265 acre
- **Theme** – Residential, Commercial and Institutional. Objective to provide affordable housing to all economically weaker groups
- Execution through PPP mode.
- Jakkampudi Economic Township Development Corporation Limited SPV has been incorporated for development of the project

### PROJECT STATUS:
- SPV Formed & 1st Board meeting conducted.
- Land contour survey & Peg marking completed.
- Stakeholder consultations completed.
- Preliminary demand assessment studies completed for Economic & housing activities.
- Draft master plan submitted. SPR submitted

### TIME LINES:
- Demand Assessment study: 30 April 2017
- Master planning 30 April 2017
- DPR for Infrastructure & EWS: 31 May’17
- RFP for Economic & Social Amenities: 31 May’17
- Tender Documents for Infrastructure: 30 June’17
- Tender Documents for EWS housing: 30 June’17

### WAY FORWARD:
- Fencing of the project site.
- EOI for identified industry for space
- Removal of Over burden & usage by CRDA/ADC.
- Obtaining EC clearance.
- Application for GoI grants.
- Identification of Private partners.
City Square, Vijayawada

**Brief Summary**
- To develop state of the art city centre in the heart of Vijayawada
- Project comprises of Cultural Gallery, Public gathering space, Commercial Area, Greenery, Supporting service, etc
- Shifting / Vacating the existing occupants such as State Guest House, other Govt. Institutional buildings, Rythu Bazaar & Dismantling existing old buildings to be obtained
- Land ownership to be changed to I&I Dept. (OR) willingness of Irrigation Dept to be obtained for signing the concession/development agreement with selected developer
- Land use change for Parcel B - from Public & Semi Public to Commercial zone to be obtained
- Special permissions are required for Twin Towers with more than 10 floors (>30 m)
- As per G.O. Ms. 168, only parking is permitted in the underground – Special permission needs to be obtained for UNDERGROUND PARKING CUM COMMERCIAL SPACE
- RFQ TO BE ISSUED BASED ON THE CLARITY ON THE ABOVE

**Status**
- Reconnaissance Survey, land due diligence completed
- Preparation of bid documents initiated

**Next Steps**
- Topographical survey and market assessment to be initiated
- Project feasibility and structuring to be established
1. The Background
2. The Fund
3. The Fund Manager
4. The Opportunities
5. Status Update and Next Steps
Status Update and Next Steps

Status Update

- Approvals received from Securities and Exchange Board of India (SEBI) for the establishment of the Andhra Pradesh Urban Development Fund
- Vijayawada 24x7 water supply project DPR and Tender submitted, Financial Close achieved
- Visakhapatnam and Jakkampudi Economic City SPR submitted
- Smart City plans finalised and ready for investments
- Necessary SPV’s and governance structure for investments completed

Next Steps

- Confirmation of Interest by prospective investor
- Signing of MoU (if needed)
- Detailed information shared
- Discussions and Diligence by potential investors
- Finalisation of Terms and Signing of Documentation
Thank You

ANDHRA PRADESH: A SNAPSHOT

- Skill Base
- Green Field Capital
- Visionary Leadership
- Rich minerals & Natural Resources
- GDP 80 Billion USD
- Progressive Policies
- Population 49.4 million
  46.5% work force
- 38 SEZs
  258 Industrial Parks
- 1.5 Bn USD
  Investment in Industrial Corridors
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