



**Sector**  
Water & Environment

**Investment Date**  
February 2001

**Exit Date**  
March 2005

**Equity Investment**  
\$1.8 million

**Gross IRR**  
20.8%

**Cash Multiple**  
1.5x

## Company Description

- Established for rehabilitation of existing 153 kilometer Canal
  - Canal rehabilitation to reduce water seepage losses
  - Capacity increase from 182 million liters per day ("MLD") to 260 MLD
- Water supply to adjoining industrial customers
  - Visakhapatnam Steel Plant, the largest consumer
  - Robust industrial growth near Industrial Development Area ("IDA") at Parvada

## Investment Rationale

- Sourced off-market via IL&FS network
  - Visakhapatnam city is strategically located on the east coast of India and is rapidly emerging as an industrial port town
  - Significant demand for water from industrial users located in and around the city
  - Partnership with Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC"), government entity responsible for providing infrastructure facilities to Industrial Development Area

## Value-Added Activity

- Played integral role in implementation of project structure
  - Prepared detailed financial and investment banking report, environmental and social assessment report and contractual framework
  - Selected contractor / operator through an international competitive bidding process
- Worked closely with APIIC and the company to successfully achieve technical and financial close