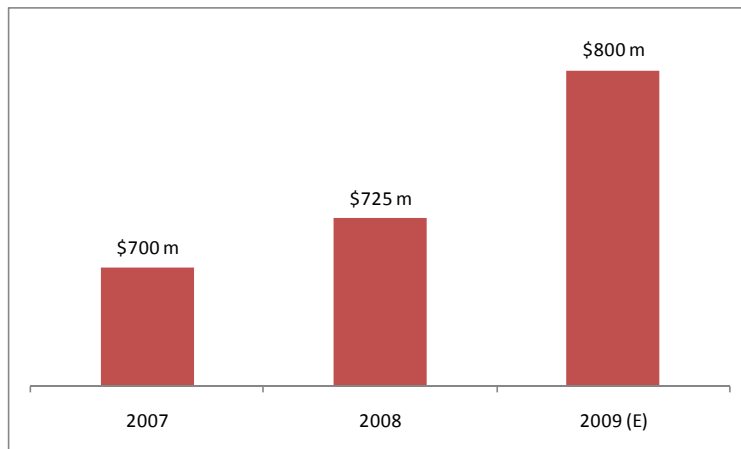


Indian Water and Wastewater Treatment Market
Opportunities for US Companies

With a market size of over \$4 billion, the Indian water and wastewater market is growing at a rate of 10-12 percent every year. Government related projects contribute over 50 percent of revenues in this market while the private sector contributes the rest. The water and wastewater treatment market segment is highly fragmented and unorganized. Imports constitute approximately \$110 million of the \$690 million market for municipal and industrial water treatment equipment.



Indian market for wastewater treatment (*source – www.export.gov)

The U.S. is India’s principal source of imports of water treatment equipment, with an estimated share of 40 percent. A growing population has increased the demand for drinking water and rapid urbanization has required increasing sewage treatment. Many industries have been forced to adopt water-recycling systems due to the scarcity of water. Growing public concern, media pressure and renewed legislation has left industries with no option but to install water treatment equipment.

Opportunities for US Companies to Export into India

U.S. companies will find opportunities in sanitation, urban water supply improvement and municipal wastewater treatment. Additional opportunities exist in providing consulting and design services to the Indian water industry. In the area of water treatment, U.S. companies can joint venture with Indian firms to offer integrated solutions in water treatment. These solutions could include performing feasibility studies, designing, technical consulting and providing operation and on-line maintenance services.

There is also a compulsory requirement of environmental clearances from pollution control boards at the federal and the state government levels. Many existing treatment plants would need to be replaced or upgraded to meet the more stringent standards. The bottled water segment has recently established itself as a significant area of growth with a market size of \$280 million and growing at 25-30 percent per year. India's National Water Policy allocates water use priorities in the following order: drinking, irrigation, hydroelectric power, ecology, agricultural and non-agricultural industries, navigation and other uses.

US \$ million	2007	2008	2009 (E)
Market Size	700	725	800
Local Production	613	620	680
Exports	25	24	25
Imports (Global)	112	129	145
Imports from US	45	51	58

The Indian Wastewater Treatment Market (source: www.export.gov)

The government of India is currently implementing a \$100 billion project to interlink all major river networks in India. This initiative would connect water-deficient areas to water-abundant ones by interlinking 37 Indian rivers. One of the largest projects anywhere in the world, it would transfer water through 30 links across 9,600 kilometers. It would connect 32 dams and use 56 million tons of cement and 2 million tons of steel. It would bring with it a huge requirement for water management, transmission and distribution. India's water transmission and distribution networks are outdated and poorly maintained. The government has recently viewed privatization of these networks as the only option. Water companies from all over the world have established a presence in India to pursue an estimated 70 projects worth several billion dollars in 20 Indian cities.

Indian companies have limited capabilities and technology for the design of water treatment plants. There is a distinct opportunity for U.S. companies to offer technical consulting through contractual and/or joint venture arrangements.

About Virtus Global Partners

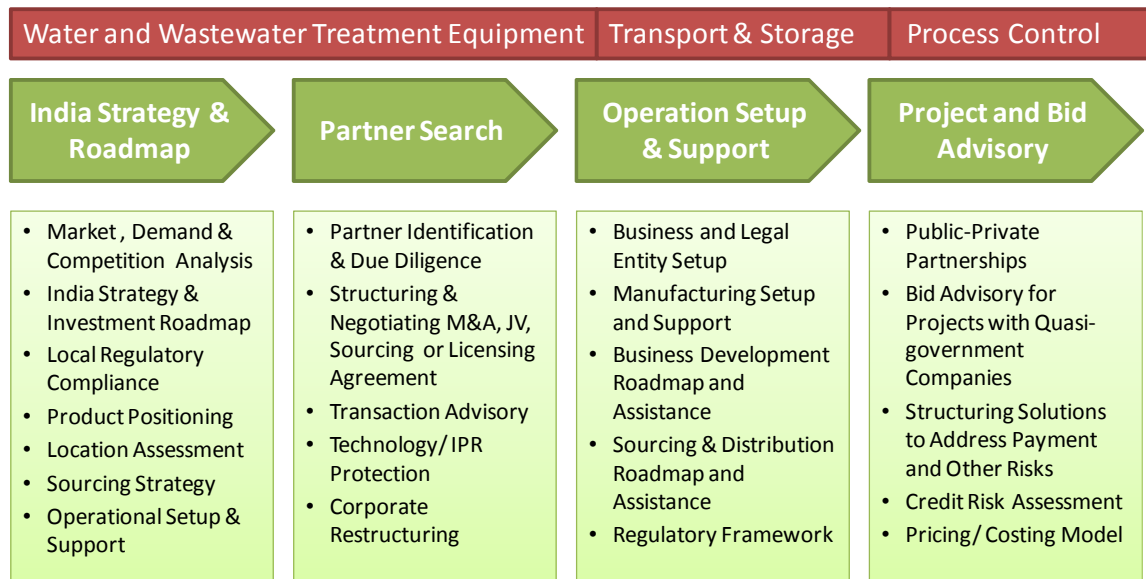
Virtus Global Partners, Inc. in association with ICRA Management Consulting, India offers advisory services to North American companies seeking India related growth and sourcing opportunities. Our mission is to enable our clients to transform their business by adding India as a key part of their global footprint.

We advise our clients on India growth and sourcing strategy, partner search, strategic alliances, operational setup, project and bid advisory. We also undertake strategic assessment studies to help our clients identify the best opportunities for investments in India.

Our team possesses a deep understanding of the business environment both in the US and India and is well connected with companies, financial institutions, governmental agencies, and private equity firms in both markets. We have an established track record providing advisory services to a diversified client base across energy, manufacturing, and infrastructure. We also work with government agencies, financial institutions, and regulators.

We are headquartered in New York with eight offices in India, including Mumbai, New Delhi, Bangalore, and Chennai.

Our Services



Our Representative Experience

Below is a partial list of our water related engagements in India, for our North American, European and Indian clientele:

- ✚ Conversion of intermittent water to continuous (24x7) water and increased access to clean water for urban poor in Pune, India for Environment Cooperation of Asia (ECO-ASIA)
- ✚ State Water and Sanitation Mission support for UNICEF to ensure that the State Communication and Capacity Development Unit and State Water and Sanitation Mission have the requisite systems and capacity for effective planning, implementation, and monitoring of hygiene behavior change communications activities
- ✚ Institutional reforms and capacity building for Central Public Works Department with a focus on creating and maintaining public assets, project management, and maintenance management
- ✚ Process improvement study for Delhi Development Authority with a focus on project planning, project execution, costing/ pricing, marketing & sales, after sales, and enforcement
- ✚ Mid-term evaluation of the \$220 million Kolkata Environmental Improvement Project (KEIP) funded by the Asian Development Bank based on the CBP strategy and the KEIP-CBP LogFrame
- ✚ Study of urban investment climate issues for Government of West Bengal with an analysis of incentives offered to industries, land market issues, and labor market issues
- ✚ Private sector assessment and strategy study in India for Asian Development Bank to identify sectors and areas where ADB Private Sector Operations could evaluate options for direct interventions
- ✚ Assessment and configuration of the national level cold chain infrastructure for exporting agricultural and processed food products for Ministry of Commerce & Industry.

Our Offices

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