

A stylized illustration of a city skyline at night. The buildings are dark blue and black silhouettes with some windows lit up. In the foreground, a road with red and white lane markings curves into the distance. The overall color palette is dark blue and black.

# Integrated Development and Project Development approach

**IL&FS Infrastructure Development Corporation Ltd.  
(IIDC)**

# Structure of Presentation

- Background
- Potential for Integrated Development in India
- Factors influencing Market Growth
- Approach to Integrated Development
- Project Development process
- IIDC as a Project Developer
- Role of IIDC

# Background

- Integrated townships typically comprises of residential, commercial, recreational and other elements necessary to create a conducive environment for living.
- The demand for residential, commercial, office and corporate space is on rise
- Thus there is immense opportunity to develop integrated township projects
- Off Late, demand for Affordable Housing has also seen increase

# Potential for Integrated Development in India

- Demand for housing is estimated to the tune of 22 million homes (source: FICCI – Annual Summit, 2006)
- Scope exists for 400 township projects spread across 30-35 cities in the next 5 yrs.
- Off-shoring phenomenon has boosted the corporate space requirements. The CAGR in office property demand is expected to be 14.5% in future
- Organized retail market is also growing at 20-25% per annum.

# Factors influencing market growth

- Positive outlook of Indian Government
- Easier access to bank loans and higher earnings
- Presence of large number of reputed companies demanding office space
- Relaxed FDI guidelines for investment in Real Estate – the revised guidelines allow 100% FDI, ownership of land by foreigners and dropped the min. size of development from 100 to 25 acres
- Banks have also relaxed lending norms for hospital and office space developers

# Approach to Integrated Development



# Project Development process



# IIDC as Project Developer

- Dons many hats - Multiple Role play
- Overall Project manager coordinating the activities of the several experts
- Oversees project execution at all phases
- Provides Project advisory
- Syndicates Funds – Investment Banker/  
Merchant Banker
- Can co-invest in SPV, if formed and if desired

# Role of IIDC -1

- Establish initial feasibility and scope out the further studies required
- Prepare and finalize the TOR for various studies
- Appoint the Consultants through a competitive process
- Work closely with/assist the promoter to work out appropriate financing mechanism

# Role of IIDC -2

- Bundle/ unbundle projects as per their financial viability
- Validate bankability of discrete projects
- Formulate appropriate structuring mechanisms to optimize costs, tenors and risks
- Assess feasibility of alternate frameworks and assist the developer in finalizing one
- Prepare detailed term sheets so as to lead to timely financial closure

# Role of IIDC -3

- Act as a facilitator/ advisor for achieving financial closure:
  - Identification of potential investors/ lenders
  - Project presentation
  - Assistance in due diligence
  - Assistance in Approvals and documentation etc.

# Role of IIDC -4

- Facilitate commencement/ execution of construction by:
  - Procuring detailed engineering design
  - Getting detailed cost estimates done
  - Preparing bid-documents
  - Working on selection and appointment of contractors
  - Preparation and finalization of construction contracts

# Role of IIDC -5

- Monitor and oversee the
  - progress of work in compliance with the contract
  - Quality assurance
  - Completeness and compatibility of work
- Market the project for it's successful development, in liaison with promoter and specialized skills of realtors/ consultants

# Role of IIDC -6

- To induct strategic partners, as required, to share/ minimize project risks:
  - Devise a strategy to induct co-developers
  - Approach potential partners to participate
  - Negotiate the role-play and financial commitments of the partners/ co-developers

For more information, contact:

**UMESH SONI**

SVP & Head – Integrated Development

**IL&FS Infrastructure Development Corporation Ltd.**

**Eros Business Complex**

**Hotel Shangri-la, 19 Ashok Road**

**New Delhi - 110001**

Ph: 011- 43002355

Fax: 011- 43505802

E-mail: [Umesh.Soni@ilfsindia.com](mailto:Umesh.Soni@ilfsindia.com)

**YAMINI J. SINGH**

Manager

Phone: 011 - 433002198

E-mail: [yamini.singh@ilfsindia.com](mailto:yamini.singh@ilfsindia.com)

