

**ABSTRACT**

**I. IL&FS Role in Infrastructure Development**

- (1) IL&FS commenced operations in 1988, with the twin mandate of developing infrastructure on a commercial format, and the provision of an array of financial services. The development and financing of infrastructure, being a new field, necessitated IL&FS to spawn a range of innovations to deliver its mandate
- (2) The business model pursued by IL&FS focuses on project development in order to adequately define the risks and rewards applicable to all stakeholders – Government, Contractors, Project Sponsors, Equity Investors, Debt Providers and the local community. The project development exercise mitigates risks and assigns a specific category of risk to the individual stakeholder most equipped to deal with specific risk e.g. force majeure risk would devolve typically on Government, while commercial risk would vest best with debt and equity investors
- (3) Unlike traditional models, the IL&FS project development cycle uniquely encompasses wide ranging consultations with the local community, and also entails the assessment of all environment and social issues on a comprehensive basis, leading to a programme that tackles environmental and social issues within the project design and implementation cycle. IL&FS has a unique organizational structure which blends technical and sectoral expertise with skill sets in financial engineering
- (4) Over the years, IL&FS has successfully delivered replicable, scalable, infrastructure prototypes on a self sustaining basis, and has created the necessary template to execute projects across an array of sectors. IL&FS has pioneered innovative project development process, evolved innovative mechanisms and products to facilitate financing and benchmarked private sector role and commitment to infrastructure development in India
- (5) Since its inception, IL&FS has pioneered infrastructure development across sectors including transport, water supply & sanitation, industrial infrastructure, e-Governance, tourism, environment & social, information technology, health & education and finance
- (6) In the process, IL&FS has been continuously evolving itself as a leader in implementing projects within PPP frameworks. With each project, IL&FS has been innovative in putting together transparent, accountable and convergent processes

- (7) IL&FS is committed to generate greater outputs through leveraging limited resources of the Government for infrastructure development. Greater outputs being realized in the form of:
  - (a) maximising investment potential
  - (b) generating employment, sustainable livelihoods
  - (c) poverty alleviation
  - (d) evolving best practices and improving quality of services
  - (e) integration of environmental and social issues in project design
  - (f) establishing standards of transparency and integrity
  
- (8) IL&FS contributes towards growth of Indian economy through development of infrastructure. On an aggregate basis, through its multifarious role play across sectors, IL&FS has catalysed investments of about USD 35000 Million by leveraging budgetary resources of USD 140 Million, generated employment about 2 Million
  
- (9) IL&FS been working across the country and has on-going relationships with the Government of India (Department of Commerce, Department of Industrial Policy & Promotion, Department of Company Affairs & National Institute of Smart Governance, Department of Urban Development & Poverty Alleviation, Department of Personnel & Training, Ministry of Environment of Forests) for facilitating infrastructure development, capacity development and creating awareness about PPPs in infrastructure
  
- (10) IL&FS also has strategic relations with State Governments for infrastructure development and is presently working across seventeen states
  
- (11) Over the years, IL&FS has pioneered infrastructure development on PPP basis across sectors through innovative processes. Some of key initiatives which highlight IL&FS Innovations are listed in Table 1 and are summarized as Innovation Reports/Case Studies

Table 1: Some Key Projects and Innovations of IL&FS

<b>Name of the Initiative</b>	<b>Innovation</b>	<b>Category</b>
Delhi Noida Bridge	First Toll Road & Bridge built to 21st century design standards using PPP frameworks	Physical Infrastructure Development
East Coast Road	First High Mobility High Safety Road using PPP frameworks	Physical Infrastructure Development
Tirupur Water Supply	First integrated water supply, sewerage/effluent treatment project using PPP frameworks	Physical Infrastructure Development, Environment, Social Infrastructure & Institution Building
Vishakapatnam Industrial Water Supply	First canal rehabilitation and industrial/domestic water supply project using PPP frameworks	Physical Infrastructure Development
Jal Mahal Tourism Project	First restoration of toxic lake and heritage monument using PPP frameworks	Physical Infrastructure Development
Ahmedabad Municipal Bond	First issuance of a municipal bond to retail investors	Municipal Finance
AIG Indian Sectoral Equity Fund	First infrastructure private equity fund	Infrastructure Finance
Kottayam Kumarakom Ecocity Project	First comprehensive environmental management plan for a district	Environment
Environmental Information Centre	First information database to aid environmental impact assessment	Environment
K Yan Compact Media Centre	First patented convergent media center with software Applications to support transformation of primary and secondary education	Convergent Media Social Infrastructure & Institution Building