

ORIX CORPORATION

INFRASTRUCTURE LEASING
& FINANCIAL SERVICES LIMITED
(IL&FS)



Company Background

ORIX Corporation is a leasing company that was established in 1964 in Japan through collaborations between three trading companies and five banks. The company employs over 15,000 people worldwide and reported revenues of US\$ 8,400 million during FY2005-06. ORIX has operations in 23 countries and regions, and has about 1095 offices in Japan and 240 offices outside Japan. The company comprises of 185 consolidated subsidiaries and 84 affiliates.

ORIX is a provider of products and services in areas such as leasing, life insurance, real estate-related finance and development, and corporate finance to corporate as well as retail customers.

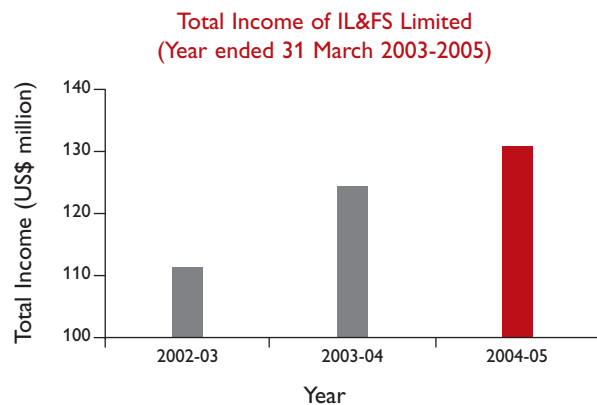
ORIX in India

ORIX operates in India through its holding in Infrastructure Leasing & Financial Services Limited (IL&FS). IL&FS was established as a joint venture between the Unit Trust of India, Housing Development Finance Corporation Limited and the Central Bank of India in 1987. ORIX entered the Indian market in 1993 by acquiring a 20 per cent stake in IL&FS. Its current holding in the company is 21.32 per cent.

IL&FS has focussed on the commercialisation and development of infrastructure projects and creation of value added financial services. From concept to execution, IL&FS houses the expertise to provide the complete array of services necessary for

successful project completion: visioning, documentation, development, finance, management, technology and execution.

The graph below gives the total income figures of IL&FS for three successive years, 2002-2004:



Source: IL&FS Website

Factors of Success

Wide services portfolio and expertise across various sectors

IL&FS provides a wide range of infrastructure and financial services from project development and construction management to financing, equity fund management, and finance lease for automobiles. It covers sectors such as transportation, education and technology, power, tourism, environment, water supply, and auto through its services.

It provides these services through its various group companies, each having a specific focus. This has helped it tap opportunities across these sectors. This has also ensured good growth for IL&FS as the company has benefited from the high

Group Companies of IL&FS Limited

Group Company	Areas of Operation
IL&FS Infrastructure Development Corporation Limited	The company provides services such as project conceptualisation, structuring and implementation, management of bid process, and financing of infrastructure projects.
IL&FS Transportation Networks Limited	The company focuses on projects in the area of surface transport. Its services include financing of projects, project development, construction management, and advisory services.
IL&FS Ecosmart Limited	The company provides environmental consulting services such as Design and Implementation of Environmental Management Systems, Implementation of resettlement and rehabilitation plans. It also provides data for Environmental Impact Assessments, projects and environmental planning, site selection, screening and scoping, and post-project monitoring.
IL&FS Education and Technology Services	The company is focussed on projects in the education sector such as creating customised training modules.
New Tirupur Area Development Corporation Limited (NTADCL)	It focuses on implementing the Tirupur Area Development Programme (TADP) under which NTADCL is to develop, operate and maintain a water supply project with the capacity of 185 million lpd. It also involves providing low-cost sanitation facilities for slum areas.
Noida Toll Bridge Company Ltd.	The company was floated as an SPV by the New Okhla Industrial Development Authority (NOIDA) along with IL&FS in 1996. Since its incorporation, it is focused at developing, constructing, operating and maintaining the DND Flyway that connects Delhi with Noida/Greater Noida, on a Build Own Operate Transfer (BOOT) basis.
IL&FS Investment Managers Limited (IIML)	It is an equity fund management company. The company has experience in raising funds, making and planning investments as well as their restructuring.
IL&FS Investsmart Limited (IIL)	The company was established in 1997 and provides financial services through its divisions – Retail Business, Merchant Banking, Institutional Equity Business, Debt Brokerage, and Project Syndication.
IL&FS Trust Company Limited (ITCL)	It is a provider of trusteeship and allied services for debt issuances and loans, securitised papers, mutual funds, private equity, and venture capital funds.
ORIX Auto and Business Solutions Limited (OABS)	Formed as a joint venture between IL&FS and ORIX Corporation in 1995, it provides services such as finance lease for automobiles, and rent-a-car, as well as maintenance, and hire-purchase services.
IL&FS Education and Technology Services	The company provides infrastructure and management services to educational institutions through public-private partnerships and inducting technology into education to enhance the delivery of quality education.

economic growth of India in the last few years with various sectors growing at a high rate and with many infrastructure projects starting during this period.

Partnership with central and state governments and private sector
IL&FS develops partnerships with various governments in the country (central as well

Category	Project
Physical Infrastructure	<p>IL&FS is a co-developer in the Dighi Port Project. The project is being promoted by Balaji Infra Projects Limited (BIPL).</p> <p>IL&FS provided advisory services to the Nuclear Power Corporation of India Limited. It included providing assistance in executing a tripartite agreement (Wheeling and Banking Agreements) with buyer, seller wheeling agency, and negotiation and execution of Power Purchase Agreement and liaison with respective electricity boards.</p>
Social Infrastructure	<p>IL&FS Education and Technology Services was selected for implementing a training programme, which involved imparting training to 4800 teachers of Ahmedabad Municipal Corporation in the use of technology-aided teaching.</p> <p>IL&FS Ecosmart Limited will provide consultancy services to the Rehabilitation & Resettlement Programme for Mumbai Urban Transport Project. This will include providing assistance to Mumbai Metropolitan Region Development Authority (MMRDA) in implementing the action plan, developing a relational database management system that will help in tracking the delivery of entitlements to the project affected households (PAHs), and developing a Resettlement Action Plan implementation manual from which similar resettlement projects can be benefited in the future.</p>

as state), financing agencies, and private sector partners to finance and execute various infrastructure projects. These partnerships help IL&FS in coming up with innovative ways to finance projects and reduce life cycle cost. The company also focuses on developing transparent and accountable processes by utilising experience gained on each project. This aspect has helped it establish itself throughout India on various projects. IL&FS is currently working on projects worth US\$ 10 billion.

Future Plans

IL&FS has pitched to be a co-promoter of the Mangalore Special Economic Zone (SEZ) project. It has recently signed a Memorandum of Understanding (MoU) with the Kanara Chamber of Commerce and Industry (KCCI) in this regard whereby it has sought its inclusion in the proposed special purpose vehicle (SPV). The other promoters for the project apart from KCCI are Karnataka Industrial Areas Development Board (KIADB) and Oil and Natural Gas Corporation (ONGC).