# Table of Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topic</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acknowledgements</td>
<td></td>
</tr>
<tr>
<td>List of Tables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>List of Figures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td><strong>Infrastructure Development and Financing</strong></td>
<td>1 – 26</td>
</tr>
<tr>
<td>1.1</td>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2</td>
<td>Definitions of Infrastructure</td>
<td>1 – 2</td>
</tr>
<tr>
<td>1.3</td>
<td>Impact on Growth and Development</td>
<td>3 – 4</td>
</tr>
<tr>
<td>1.4</td>
<td>Historical Perspective</td>
<td>4 – 6</td>
</tr>
<tr>
<td>1.5</td>
<td>Commercialization of Infrastructure Services</td>
<td>6 – 11</td>
</tr>
<tr>
<td>1.6</td>
<td>Public Private Partnerships</td>
<td>11 – 16</td>
</tr>
<tr>
<td>1.7</td>
<td>Investments in Infrastructure sector</td>
<td>16 – 18</td>
</tr>
<tr>
<td>1.8</td>
<td>Investment by Commercial Banks in Infrastructure sector</td>
<td>19 – 24</td>
</tr>
<tr>
<td>1.9</td>
<td>Challenges Faced by Commercial Banks in Financing Infrastructure</td>
<td>24 – 25</td>
</tr>
<tr>
<td>1.10</td>
<td>Identification of Problem and Scope of research</td>
<td>25–26</td>
</tr>
<tr>
<td>2</td>
<td><strong>Infrastructure Project Finance: Concepts and Review of Literature</strong></td>
<td>27 – 62</td>
</tr>
<tr>
<td>2.1</td>
<td>Introduction</td>
<td>27–29</td>
</tr>
<tr>
<td>2.2</td>
<td>Definition of Indian Banks</td>
<td>29 – 30</td>
</tr>
<tr>
<td>2.3</td>
<td>From Corporate Finance to Project Finance</td>
<td>30 – 33</td>
</tr>
<tr>
<td>2.4</td>
<td>Traditional On balance sheet financing</td>
<td>33</td>
</tr>
<tr>
<td>2.5</td>
<td>Project Financing Structure</td>
<td>33 – 35</td>
</tr>
<tr>
<td>2.6</td>
<td>History of Infrastructure Finance</td>
<td>35 – 38</td>
</tr>
<tr>
<td>2.7</td>
<td>Infrastructure Finance through Project Finance in Asia and India</td>
<td>38 –39</td>
</tr>
<tr>
<td>2.8</td>
<td>Advantages of Project Finance</td>
<td>39 – 44</td>
</tr>
<tr>
<td>2.9</td>
<td>Disadvantages of project Finance</td>
<td>45 – 47</td>
</tr>
<tr>
<td>2.10</td>
<td>Infrastructure Finance by Commercial Banks</td>
<td>47 - 49</td>
</tr>
<tr>
<td>2.11</td>
<td>Reserve Bank of India’s norms for financing Infrastructure</td>
<td>49 - 55</td>
</tr>
<tr>
<td>2.12</td>
<td>Measurement of Risk</td>
<td>55 - 57</td>
</tr>
<tr>
<td>2.13</td>
<td>Assessment of Risk by Credit Rating Mechanism</td>
<td>57 - 61</td>
</tr>
<tr>
<td>2.14</td>
<td>Gaps in existing literature</td>
<td>61 - 62</td>
</tr>
<tr>
<td>3</td>
<td>Project Appraisal and Risk Measurement in Infrastructure Financing by Indian Banks</td>
<td>63 - 108</td>
</tr>
<tr>
<td>3.1</td>
<td>Introduction</td>
<td>63</td>
</tr>
<tr>
<td>3.2</td>
<td>Project Structure</td>
<td>63 - 66</td>
</tr>
<tr>
<td>3.3</td>
<td>Key Project Parties</td>
<td>66 - 69</td>
</tr>
<tr>
<td>3.4</td>
<td>Key Project Documents and contracts</td>
<td>69 - 72</td>
</tr>
<tr>
<td>3.5</td>
<td>Financing Documents</td>
<td>72 - 74</td>
</tr>
<tr>
<td>3.6</td>
<td>Project Appraisal Cycle: Stages in Infrastructure Finance</td>
<td>74 - 78</td>
</tr>
<tr>
<td>3.7</td>
<td>Detailed Appraisal by Banks</td>
<td>78 - 87</td>
</tr>
<tr>
<td>3.8</td>
<td>Measurement of Risk</td>
<td>88 - 98</td>
</tr>
<tr>
<td>3.9</td>
<td>Measuring Credit Risk</td>
<td>98 - 102</td>
</tr>
<tr>
<td>3.10</td>
<td>Assessment of Credit Risk – Credit Rating Mechanism</td>
<td>102 - 107</td>
</tr>
<tr>
<td>3.11</td>
<td>Conclusion</td>
<td>107 - 108</td>
</tr>
<tr>
<td>4</td>
<td>Research Methodology</td>
<td>109 - 123</td>
</tr>
<tr>
<td>4.1</td>
<td>Identification of Research Gap</td>
<td>109 - 110</td>
</tr>
<tr>
<td>4.2</td>
<td>Research Process</td>
<td>110</td>
</tr>
<tr>
<td>4.3</td>
<td>Objectives</td>
<td>110 - 111</td>
</tr>
<tr>
<td>4.4</td>
<td>Hypothesis</td>
<td>111 - 112</td>
</tr>
<tr>
<td>4.5</td>
<td>Research Design</td>
<td>112 - 118</td>
</tr>
<tr>
<td>4.6</td>
<td>Measurement and Scaling</td>
<td>118</td>
</tr>
<tr>
<td>4.7</td>
<td>Sampling Frame</td>
<td>119 - 120</td>
</tr>
<tr>
<td>4.8</td>
<td>Statistical techniques for hypothesis testing</td>
<td>120 - 123</td>
</tr>
<tr>
<td>4.9</td>
<td>Scheme of Chapterisation</td>
<td>123</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>5.1</td>
<td>Introduction</td>
<td>124</td>
</tr>
<tr>
<td>5.2</td>
<td>Power Sector – Generation</td>
<td>124 – 132</td>
</tr>
<tr>
<td>5.3</td>
<td>Project Appraisal – Generation of Power</td>
<td>132 – 137</td>
</tr>
<tr>
<td>5.4</td>
<td>Power Sector: Critical Risk Issues</td>
<td>137 – 138</td>
</tr>
<tr>
<td>5.5</td>
<td>Power Sector – Transmission</td>
<td>139</td>
</tr>
<tr>
<td>5.6</td>
<td>Project Appraisal – Transmission of Power</td>
<td>140 – 142</td>
</tr>
<tr>
<td>5.7</td>
<td>Power Sector – Distribution of Power</td>
<td>142</td>
</tr>
<tr>
<td>5.8</td>
<td>Project Appraisal – Distribution of Power</td>
<td>143</td>
</tr>
<tr>
<td>5.9</td>
<td>Introduction to Road Sector</td>
<td>143 – 147</td>
</tr>
<tr>
<td>5.10</td>
<td>Legal, Institutional and Policy Framework – Road Sector</td>
<td>147 – 148</td>
</tr>
<tr>
<td>5.11</td>
<td>Project Appraisal : Road Sector</td>
<td>149 – 152</td>
</tr>
<tr>
<td>5.12</td>
<td>Critical Risk Issues : Road Sector</td>
<td>152 – 153</td>
</tr>
<tr>
<td>5.13</td>
<td>Case Study on Power Sector Financing in India: Southern Energy Limited, Tamil Nadu</td>
<td>154 – 166</td>
</tr>
<tr>
<td>5.14</td>
<td>Case Study on Toll Road Project: Bharatpur Mahua Toll Road</td>
<td>166 – 180</td>
</tr>
<tr>
<td>5.15</td>
<td>Comparison of Road and Power sector- Inferences from case studies</td>
<td>180 – 183</td>
</tr>
<tr>
<td>6.</td>
<td>A Survey of credit officers in banks: Results and Interpretation</td>
<td>184 – 234</td>
</tr>
<tr>
<td>6.1</td>
<td>Introduction</td>
<td>184 -185</td>
</tr>
<tr>
<td>6.2</td>
<td>Testing of Hypothesis One : Project Appraisal</td>
<td>185 – 209</td>
</tr>
<tr>
<td>6.4</td>
<td>Testing of Hypothesis Two : Structural Issues</td>
<td>213 – 217</td>
</tr>
<tr>
<td>6.5</td>
<td>Summary and Interpretation of Results: Project Structure</td>
<td>217 – 220</td>
</tr>
<tr>
<td>6.6</td>
<td>Summary and Interpretation of Results: Project Appraisal and Risk Identification</td>
<td>224 – 229</td>
</tr>
<tr>
<td>6.7</td>
<td>Survey on Measurement of Risk Practices: Credit</td>
<td>230 – 231</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Pages</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>6.8</td>
<td>Analysis of Rating Data and Transition Matrix</td>
<td>231 – 233</td>
</tr>
<tr>
<td>6.9</td>
<td>Overall Conclusion</td>
<td>234</td>
</tr>
<tr>
<td>7.</td>
<td><strong>Recommendations and Suggestions</strong></td>
<td><strong>235 - 263</strong></td>
</tr>
<tr>
<td>7.1</td>
<td>Introduction</td>
<td>235</td>
</tr>
<tr>
<td>7.2</td>
<td>Rationale for proposed rating framework</td>
<td>235 - 237</td>
</tr>
<tr>
<td>7.3</td>
<td>Conceptual background for proposed rating framework</td>
<td>238 - 239</td>
</tr>
<tr>
<td>7.4</td>
<td>Suggested Rating Framework</td>
<td>239 - 245</td>
</tr>
<tr>
<td>7.5</td>
<td>Suggested Appraisal Format</td>
<td>246 - 249</td>
</tr>
<tr>
<td>7.6</td>
<td>Suggestions and Strategies to improve Bank finance to Infrastructure sector</td>
<td>249 - 260</td>
</tr>
<tr>
<td>7.7</td>
<td>Limitations of the Study</td>
<td>260 - 262</td>
</tr>
<tr>
<td>7.8</td>
<td>Directions for future research</td>
<td>262</td>
</tr>
<tr>
<td>7.9</td>
<td>Conclusions</td>
<td>263</td>
</tr>
<tr>
<td></td>
<td><strong>Bibliography</strong></td>
<td><strong>264 - 278</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Annexures</strong></td>
<td></td>
</tr>
</tbody>
</table>