



Virtual Business Opportunities Seminar for Pipeline Projects with ADB

India Exim Bank's Financing Programmes for
Indian Project Exporters

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March 04, 2022

The Bank's Line of Business

FY 2021 : Customer Asset Portfolio: ₹ 118,080 crore

Export Finance

Lines of Credit
(LOC) / CFS

Buyer's Credit –
NEIA

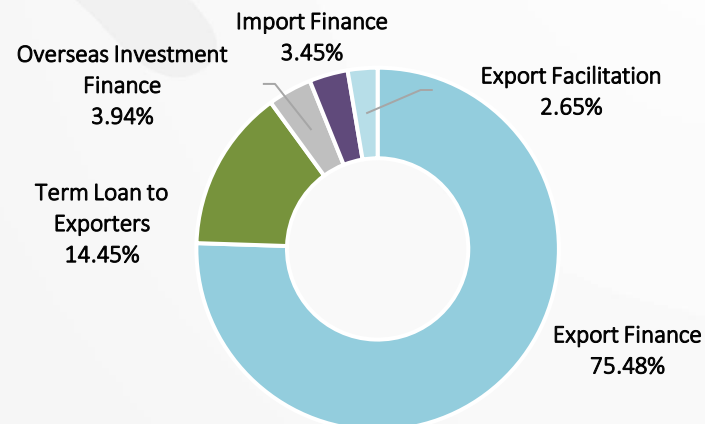
Pre-shipment
Credit

Post-shipment
Credit

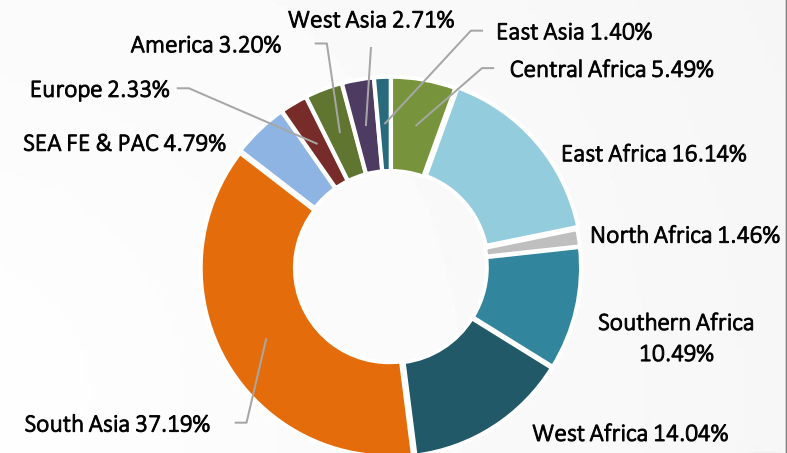
Guarantees and
L/Cs

- Set up under an Act of Parliament in 1981
- Medium to Long term credit to support international trade and investment
- 80% of lending operations in Foreign Currency
- Proxy to the India Sovereign in international debt markets
- Policy Bank for India's Economic Diplomacy
- Direct Finance : 89% and Refinance : 11%

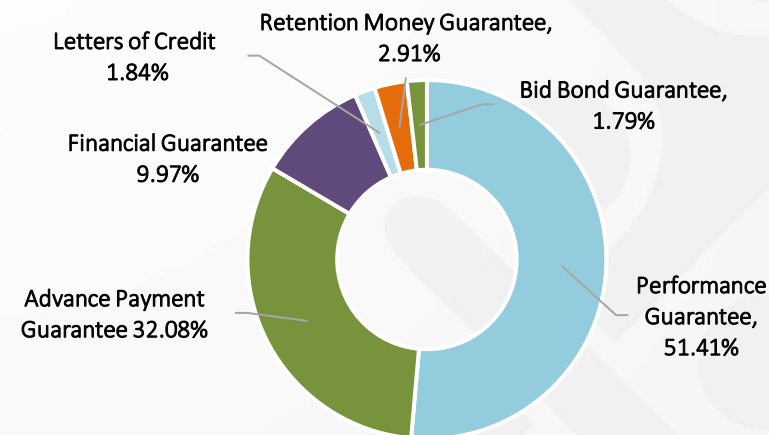
Loan Portfolio ⁽¹⁾



Region-wise Exposure ⁽¹⁾⁽²⁾⁽³⁾



Non-Funded Portfolio ⁽¹⁾



Export Capability Creation

Term Loans

Working Capital

Export Product Development

Export Facilitation

Overseas Investment Finance

Import Finance

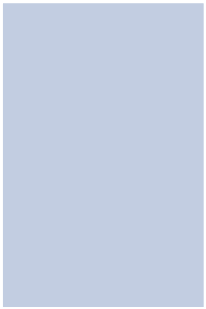
R&D

USP

BGs & LCs

(1) as on March 31, 2021; (2) Excluding 39% Indian exposure; (3) Exposures value of less than 1% are excluded.

Facilitating Trade through Linkages Overseas



The Bank has issued 315 LOCs, covering 64 countries with credit commitments of over US\$ 31.72 bn.



The Bank has supported 38 ongoing Project Export contracts under Project Exports, valued at US\$ 3.6 bn, supported, 29 countries and 25 Indian companies during FY 2021.



BC-NEIA Programme: 32 projects, US\$ 2.88 bn financed for US\$ 3.15 bn project cost.



Overseas Investment Finance: 637 ventures so far in 78 countries and aggregate assistance: ₹ 62,036 crore.

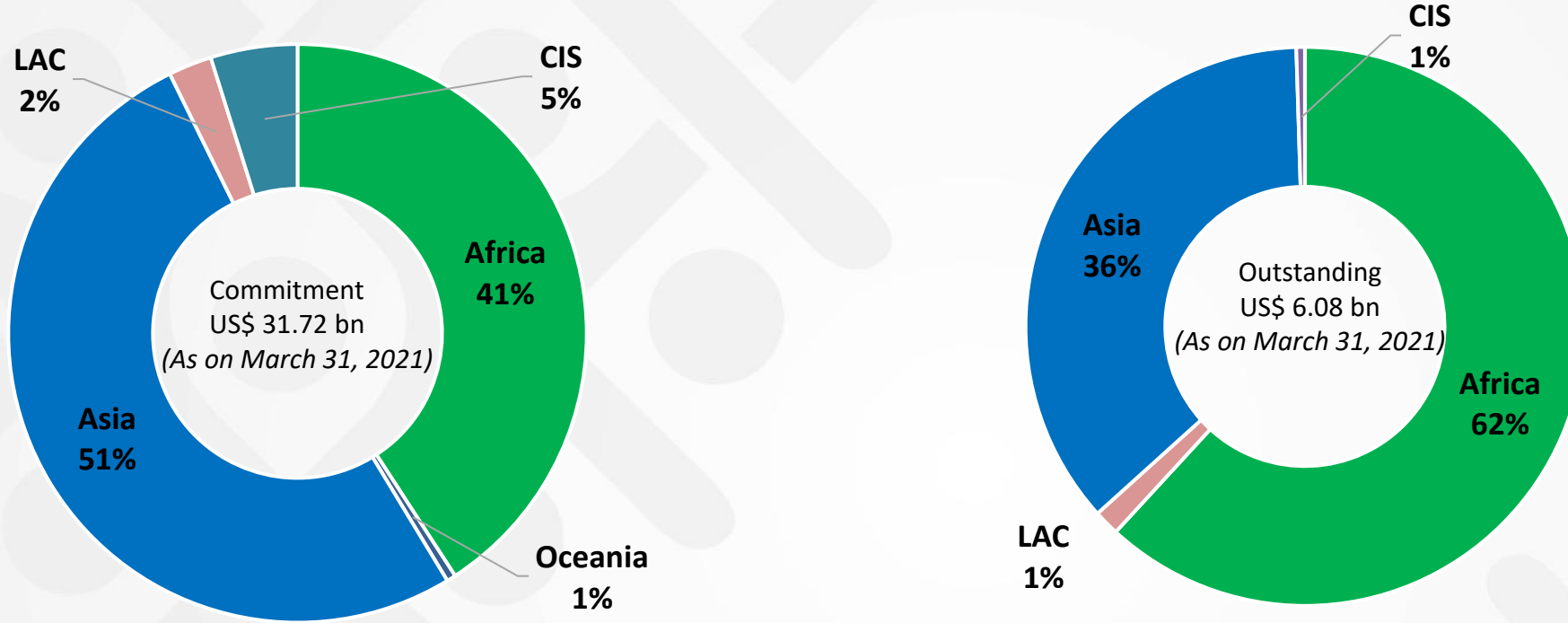


Co-financing with Regional and Multilateral Development Banks, Credit Lines to Overseas Banks and Institutions and Refinance.



Credit Enhancement

Lines of Credit (1/2)

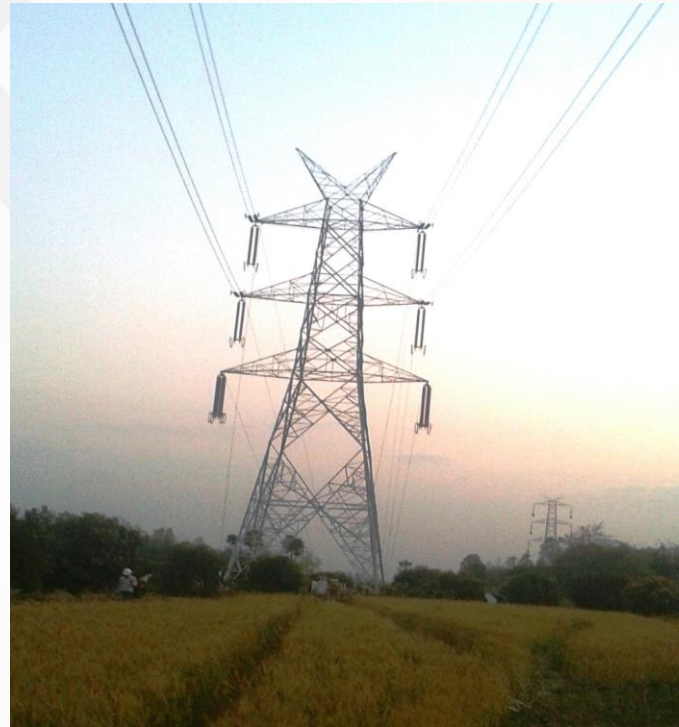


- The Bank has issued 315 LOCs, covering 64 countries with credit commitments of over US\$ 31.72 bn.
- The total outstanding under the LOCs as on March 31, 2021, aggregates US\$ 6,088.97 mn (₹ 44,516.49 crore), representing a CAGR of 15.55% over the last 10 years, and constitutes 40% of the total loan portfolio of the Bank.
- During FY 2021, 17 LOCs aggregating US\$ 2.01 bn were sanctioned by GOI, to the Governments of Angola, Guinea, Kenya, Eswatini (Swaziland), Maldives, Nicaragua, Nigeria, Sri Lanka, Syria, Suriname, Uzbekistan, Vietnam.

Lines of Credit (2/2)



Virtual foundation stone laying ceremony of five Nuclear Power Evacuation contracts by India and **Bangladesh** for Infrastructure Development for Power Evacuation Facilities of **Rooppur Nuclear Power Plant** financed under GOI-supported Exim Bank's LOC worth **US\$ 4.5 billion**. This infrastructure is crucial for integration and safe operation of the first nuclear power plant in Bangladesh.



The Bank has extended a GOI-supported LOC of **US\$ 100 million** to the Government of **Nepal** for **Road projects, rural electrification projects, power transmission projects and hydro power projects**.



The Double Decker, Single Decker AC and Articulated buses are being operated in Dhaka as well as inter district routes in Bangladesh which was financed under **GOILOC of USD 862 mn**. The buses have supported public transportation system of Bangladesh.

Concessional Financing Scheme (CFS) - (1/2)

The CFS initiated in 2015 by the GOI for Indian companies to bid for strategically important infrastructure projects abroad, wherein the Bank has extended a term loan of US\$ 1.60 billion to the Bangladesh-India Friendship Power Company Pvt. Ltd. (a 50:50 joint venture between the Bangladesh Power Development Board, Bangladesh and NTPC Ltd., India) for financing the strategic 1320 MW (2x660 MW) ultra super-critical Maitree Super Thermal Power Project on turnkey basis at Rampal, Bangladesh.

The CFS scheme could be expanded in the context of Aatmanirbhar Bharat and to support Indian manufacturers under the PLI schemes in strategic industries making them produce for the domestic market while making them export ready.

Upon expansion of CFS, the Bank will provide financing in USD/INR for setting up of manufacturing facilities in strategic industries by an identified company on concessional terms.

Concessional Financing Scheme (CFS) - (2/2)

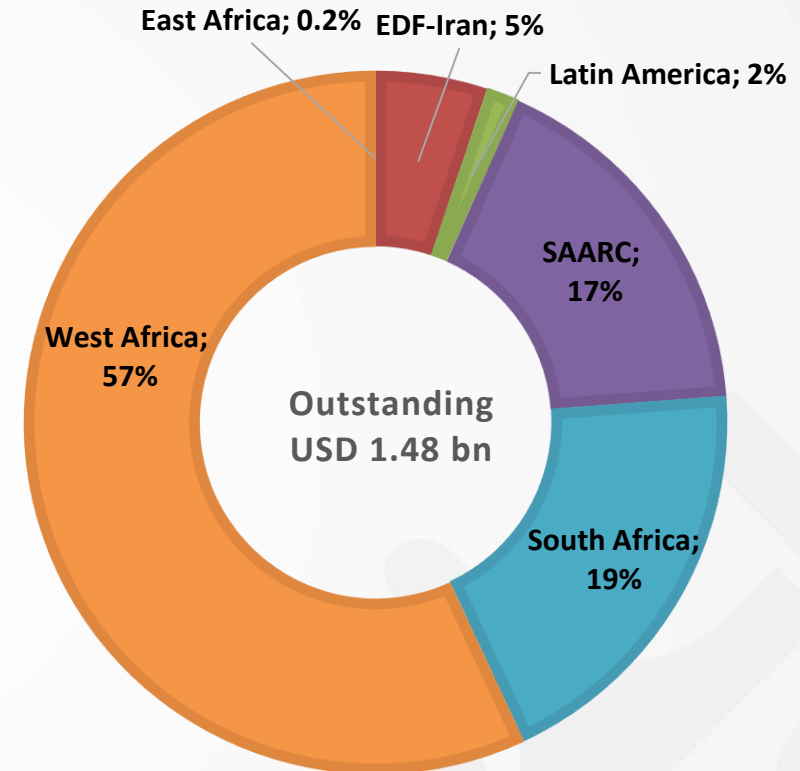
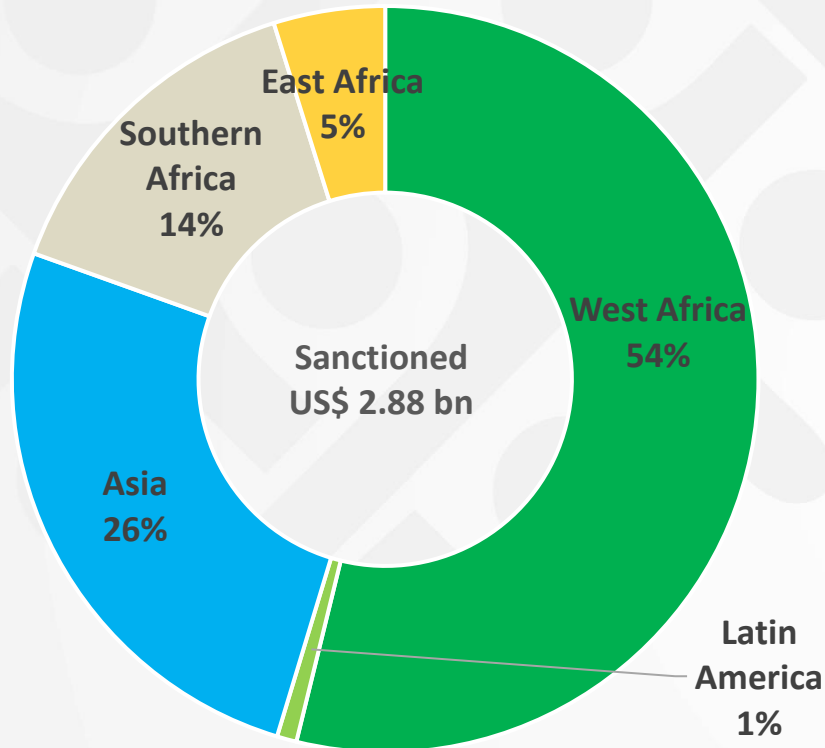


The Bank has sanctioned **US\$ 1.60 billion** for **Maitree Super Thermal Power Project** at **Rampal, Bangladesh**.

CLMV – Project Development Fund (PDF)

- ❖ The primary objective of PDF is to facilitate Indian Investments and broaden the manufacturing base of Indian companies in Cambodia, Laos, Myanmar and Vietnam (CLMV) countries. The Bank is the implementing agency.
- ❖ So far, four projects have been identified as under :
 - (i) Multi-Speciality Hospital and/or Medical College in Cambodia.[SPV is under process]
 - (ii) Multi-Speciality Hospital and/or Medical College in Myanmar. [Govt. of Myanmar's Policy is awaited]
 - (iii) Educational Institute in Myanmar. [Govt. of Myanmar's Higher Education Policy Framework is awaited]
 - (iv) Pharmaceutical Manufacturing Unit in Vietnam [SPV is under process]
- ❖ Currently, two projects - One in Cambodia and Vietnam each are being pursued.
- ❖ Arrangements for establishing a Special Purpose Vehicle (SPV) are being made.
- ❖ The SPV would take the projects to a bankable option, which will further be offloaded to an interested Indian Company.

Buyers Credit under National Export Insurance Account (1/2)



- As on March 31, 2021, the Bank has sanctioned an aggregate amount of US\$ 2.88 bn for 32 projects, valued at US\$ 3.15 bn.
- The outstanding BC-NEIA portfolio stood at US\$ 1.48 bn as on March 31, 2021.

Buyers Credit under National Export Insurance Account (2/2)



The Bank has sanctioned **USD 124.03 mn** under **BC-NEIA** to the **Ministry of Finance & Planning, Government of Sri Lanka**, for supply of two nos. **Advanced Offshore Patrol Vessels (OPVs)** to **Sri Lankan Navy**, valued at **USD 145.90 mn**. The export was undertaken by **Goa Shipyard Ltd.**



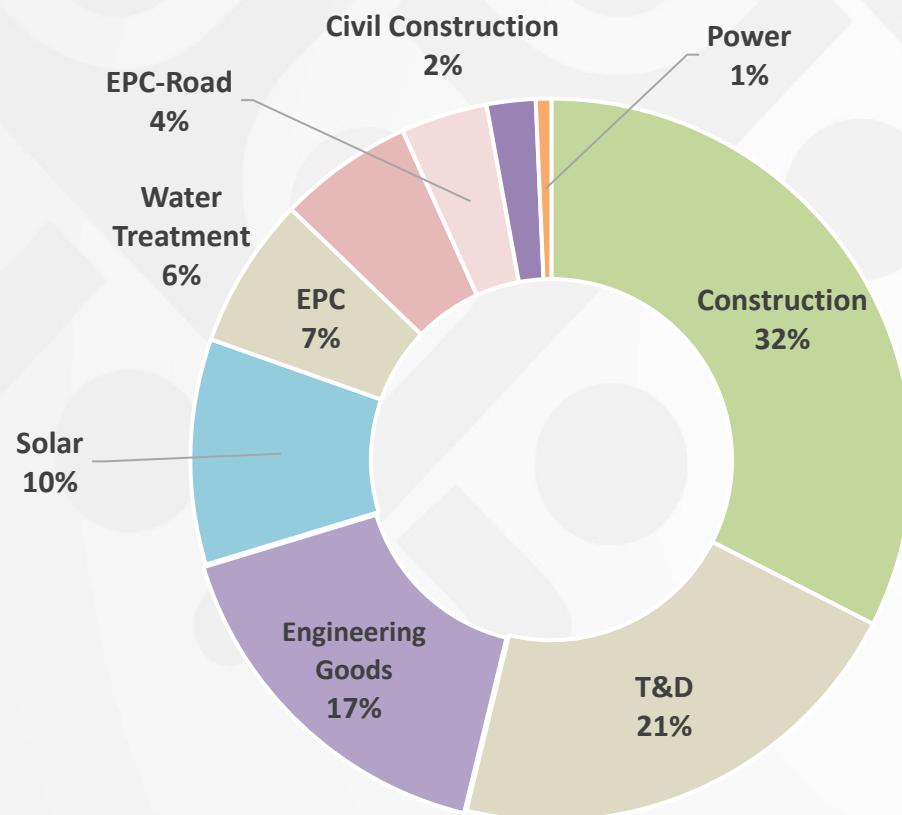
The Bank has sanctioned **USD 34.33 mn** under **BC-NEIA** to the **Housing Development Corporation Ltd., Maldives**, for development of **Road network for Hulhumalé Phase II, Stage I - 2015**, valued **USD 40.39 mn** to be executed by a consortium of **Mohan Mutha Exports (P) Ltd., India**, and **Ashoka Buildcon Ltd., India**, through the **Special Purpose Vehicle viz. Mohan Mutha- Ashoka Buildcon LLP.**



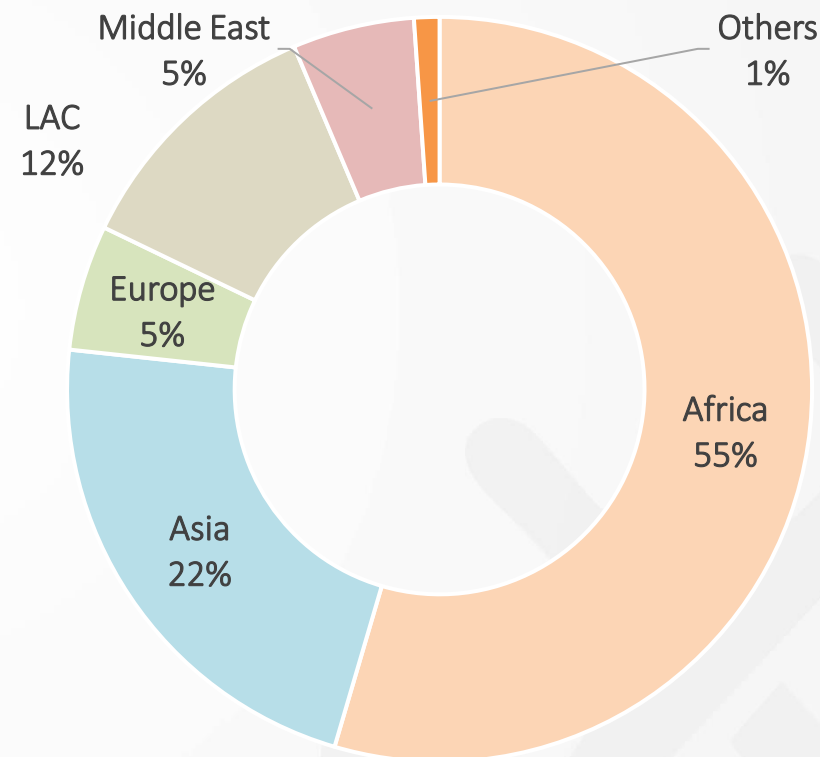
Under the **BC-NEIA** facility, the Bank has sanctioned **US\$ 91.80 million** to the **National Water Supply & Drainage Board**, a **Government of Sri Lanka** undertaking for plant & design works of **Polgahawela, Pothuhera and Alawwa integrated water supply project**. The project is being executed by **VA Tech Wabag Ltd.**

Project Exports – Commercial (1/2)

Sectors



Regions



During FY 2021, around 38 project export contracts valued at approximately ₹ 27,142 crore (approx. US\$ 3.6 bn) were supported by the Bank, were under execution, in 29 countries across Asia, Africa, and CIS by more than 25 Indian companies.

Project Exports - Commercial (2/2)



The Bank supported **KEC International Ltd.** for setting up of a **400 KV overhead line and substations** for **Dubai Electricity & Water Authority**.

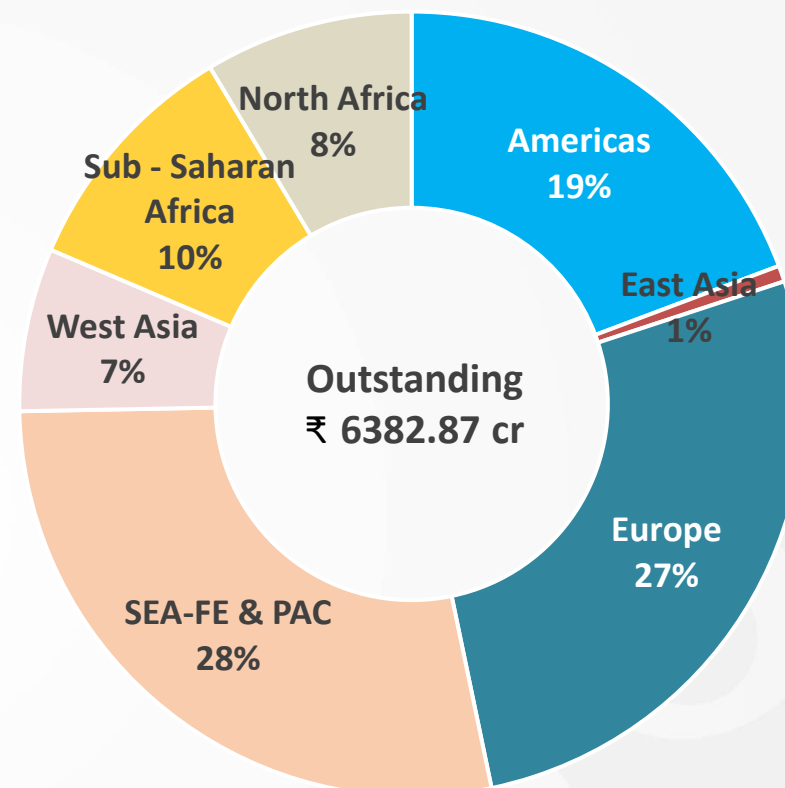
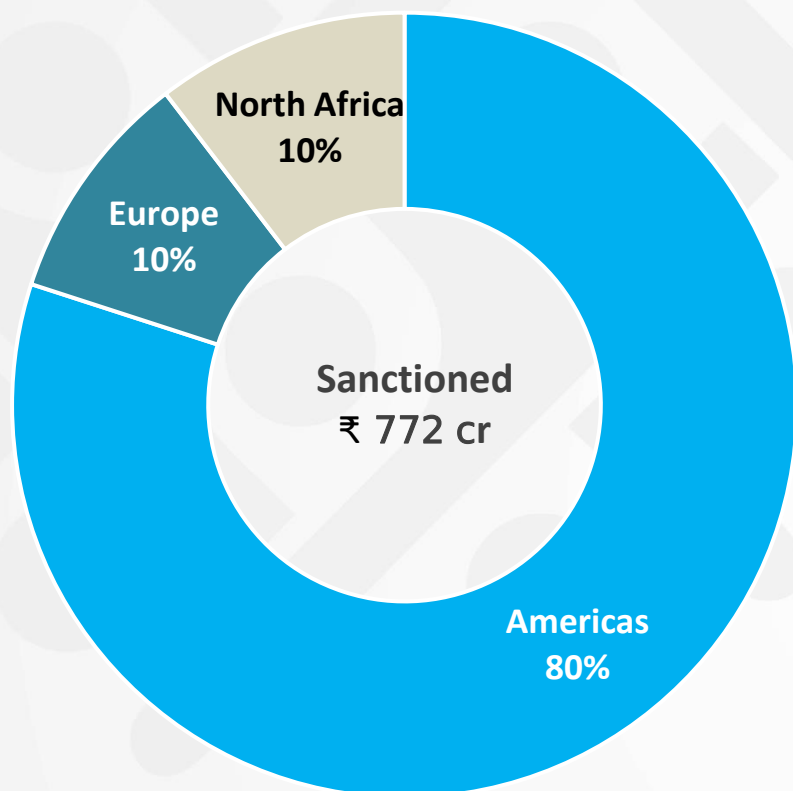


The Bank has supported **Sterling and Wilson Solar Pvt Ltd.** by way of Bank Guarantees aggregating **US\$ 11.83 million** for executing the design, engineering, procurement and construction contract of a **50 MW (ac) photovoltaic solar electricity generating project** at Benban, **Egypt** valued **US\$ 48.75 mn.**



The Bank supported **KEC International Ltd.** by way of non-fund based facility aggregating **US\$ 4.84 mn** for supply and construction of **500 kV Thai/Laos border-Ubon Ratchathani** with a distance of approximately 96 km, project valued **₹ 1.72 bn.**

Overseas Investment Finance (1/3)



- As on March 31, 2021 Bank has so far provided finance to 637 ventures set up by over 476 companies in 78 countries. Aggregate assistance for overseas investment : ₹62,035.68 crore.
- During the year ended March 31, 2021, total disbursements aggregated ₹ 327.53 crore (including those made under approvals granted in the previous years), and the net loan outstanding under the OIF Portfolio as on March 31, 2021 was ₹ 4,088 crore (constituting 10% and 4% of the net commercial loan portfolio and overall net loan portfolio respectively).

Overseas Investment Finance (2/3)

I M Gears Pvt Ltd., Morocco



*The Bank has sanctioned an OIF Term Loan to **I M Gears Pvt. Ltd.** for setting up a **Green Field Manufacturing facility** for the **production of automotive components in Morocco.***

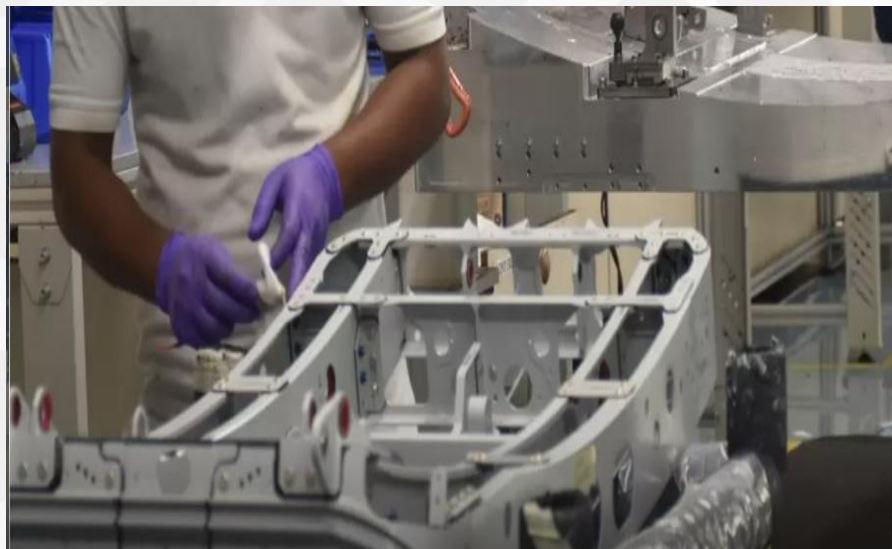
TCL Specialties LLC., USA



*The Bank has sanctioned a Loan to **TCL Specialties LLC., USA** for setting up an **integrated green field manufacturing facility** for **production of food acids in USA.***

Overseas Investment Finance (3/3)

Aequs Aerospace B.V., Netherlands



*The Bank has supported **Aequs Aerospace B.V. (AABV), Netherlands**, for on-lending to its wholly owned subsidiary i.e. **Aequs Holdings France SAS (AHFS), France**, to part finance the cost of **acquisition of SIRA Group** under the Bank's Overseas Investment Finance (OIF) Programme.*

Cayman Islands



*The Bank has funded **Narayana Hrudayalaya Ltd.** for its **acquisition of Health City Cayman Islands (HCCI)** under OIF programme.*

New Initiative - Ubharte Sitaare Programme (1/3)

Objective

Identify and nurture firms with differentiated product, technology, or processes

Create international champions in India



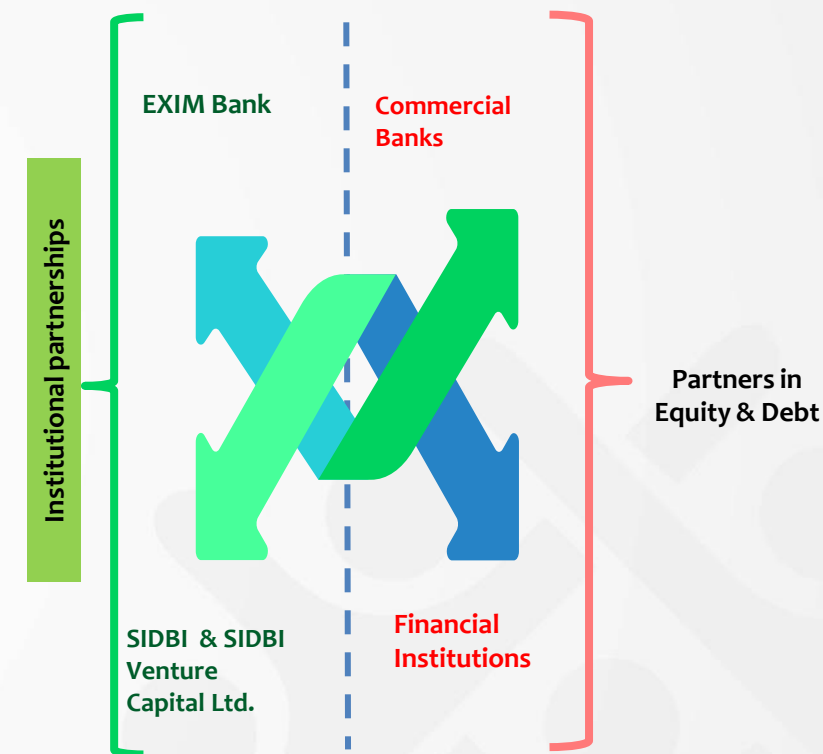
Exports, Economic Growth & Employment

Provide finance and extensive handholding support

Collaborating and Engaging



Value proposition



Equity : Investment in the corpus of the Ubharte Sitaare Fund of ₹ 250 crore with Green-shoe option of ₹ 250 crore

Co-financing : Debt funding by way of extending loans at competitive rates

Collaboration and ongoing engagements with industry and academia, including various incubation centers in the country

Handholding select companies through USP ... (2/3)

Offering HDPE Recycled Granules & Pellets



Manufacturer of 'near virgin quality' recycled plastic granules for consumer product packaging.

Unmanned Aerial Vehicles



One of the largest manufacturer of **Unmanned Aerial Vehicles (UAV, also referred as drone)** for security, surveillance & industrial applications.

Key ingredients for Covid vaccines



Engaged in **R&D** and production of a **wide range of polar lipids**, with technology of phospholipids for lipidic drug delivery, **Novel Drug Delivery System** and **nanomedicine**.

Harnessing solar energy to store agricultural produce



Promotes **sustainable agriculture** and **storage solutions** through using **solar energy-based products** that are **energy efficient** and **cost effective**.

Handholding select companies through USP ... (3/3)



Company is a **digital first consumer durable brand** with deep expertise in **motor technology** and **industrial design** and currently the only player in India **manufacturing fans** with the **BLDC motor technology**.



Firm is engaged into manufacturing of **Alfin Rings**, **centrifugal castings**, **sand casting**, **forging**, **machining shop**, and **agricultural implements**. Company has set up a manufacturing line for **Steel Piston pins**.

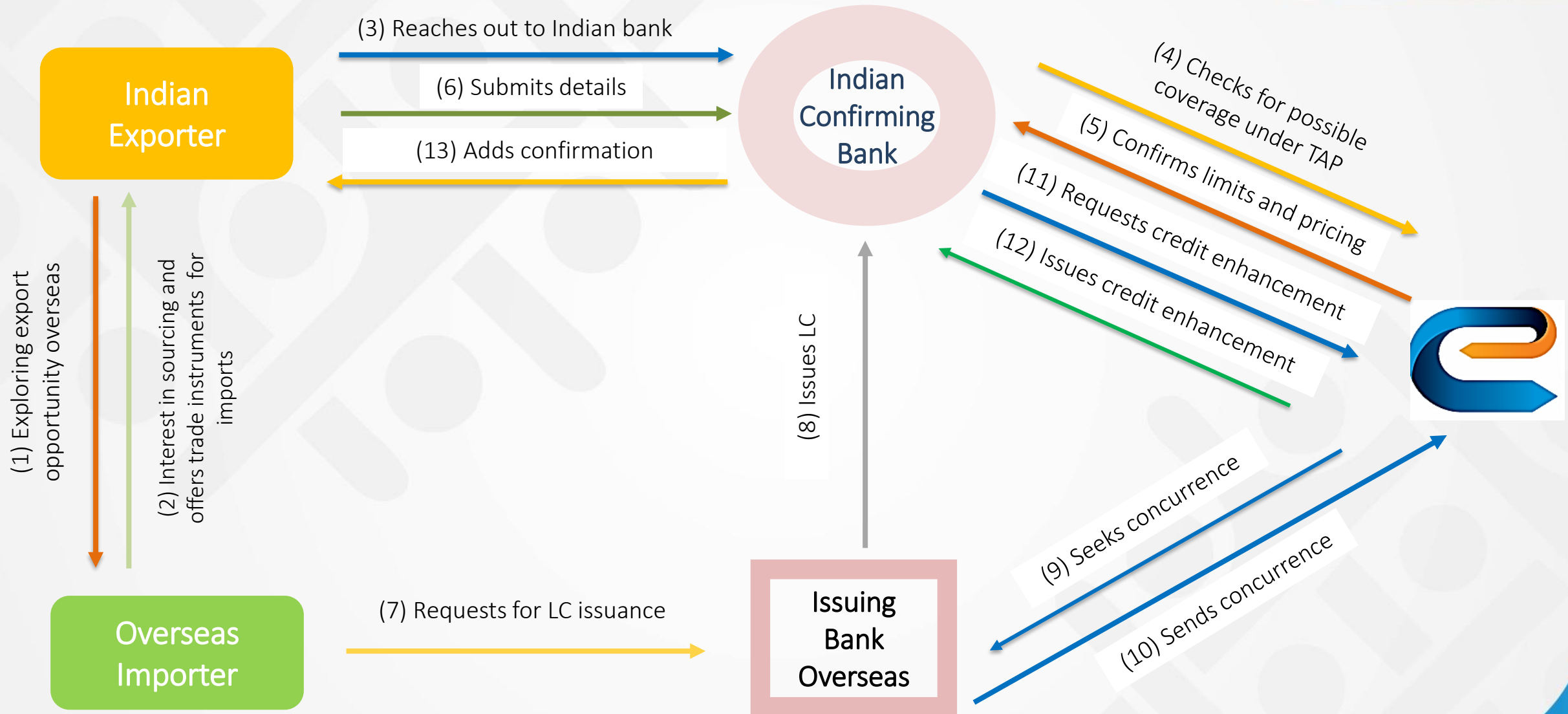


Company has successfully commercialized a **patented technology**. Company is the **exclusive licensee** on a **global basis** of the said technology to **manufacture innovative Copper Titanium alloy**.

Trade Assistance Programme (TAP)

- TAP, would aim to facilitate and enhance India's exports globally, and will remain region agnostic.
- Build network of partnerships of commercial banks in India and identified overseas banks.
- TAP will offer participating commercial banks in India partial or full guarantees to cover payment risk on banks in the emerging markets.
- Boost India's exports by providing credit enhancement to trade instruments;
- Extend and complement capacity of commercial banks to deliver trade finance by providing risk mitigation where trade lines may be constrained;
- Increase the confidence of counterparties in settlement of trade transactions;
- Risk coverage for challenging trade transactions;

ILLUSTRATION OF THE STRUCTURE UNDER TAP



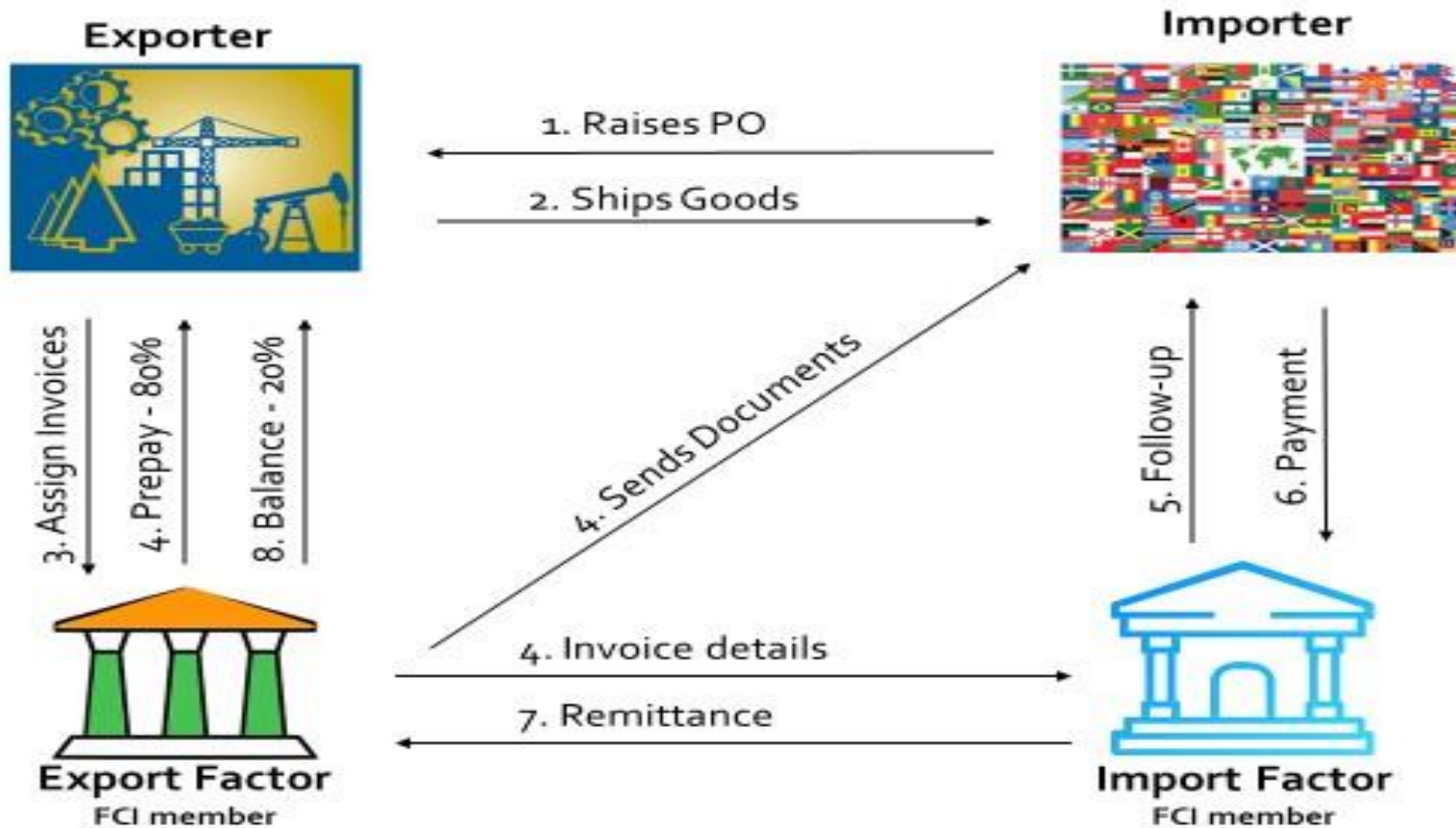
Factoring of Receivables

- International factoring turnover of India in FY2020 was only US\$ 494 mn, as against US\$ 51,979 mn of China. India has only 11 factoring companies. Small economy like Vietnam has similar number of factoring companies [9] and similar size of export factoring business [US\$ 456 mn], reiterating immense potential for export factoring in India.
- Factoring as a solution, as against traditional bank loan, is preferred by the exporters, especially MSMEs, as it improves their liquidity and can be structured as non-recourse and off-balance sheet facility.
- MSMEs account for 50% of India's total exports, however lack of access to trade finance is one of top three barriers to exports, specially for MSMEs.
- Factoring is not new to India Exim Bank, which had been successful in setting up the factoring business in the past.
- The Bank's Board has recently approved setting of a Factoring subsidiary in GIFT City to offer Export Factoring, with a focus on Micro, Small and Medium Enterprise (MSME) exporters. The subsidiary is expected to be setup by end of March 2022 and operations are expected to begin in Q2FY2022-23.
- The Factoring subsidiary will be in line with the Bank's Medium Term Business Strategy and also align with GOIs renewed focus on enhancing India's exports, while being self-reliant and producing goods for the world.

Exploring Avenues to widen the Scope of Exports – (2/3)

Factoring of Receivables – Flow Diagram

Export Factoring : 2 Factor Transaction Flow



Countertrade

- Countertrade refers to the exchange of goods and services in whole or part, with other goods and services as payment, rather than with money.
- It is an important mode of international transactions for countries facing currency or payment challenges.
- It also facilitates trade where conventional means of payment is non-existent or complex for a variety of reasons including international sanctions.
- It can also hedge against currency risk - (a) purchasing financial instruments requires an upfront financial payment; and (b) the hedging instruments like futures/forwards for hedging currency risk (for the overseas countries) may not be available for longer tenors given the depth of financial markets in such HIPCs and LICs.
- Fallback measure: Recovery of dues on Sovereign-backed Loans and Sustainability of India's Developmental Assistance Program
- Tapping lesser explored geographies having potential to trade but facing challenges in foreign exchange availability
- India Exim Bank has prepared a Concept Note on Countertrade, which has been shared with GOI (MOF and MOCI).
- India Exim Bank is pursuing to do transactions under countertrade.

ADB

- Facilitating increased participation by Indian Project Exporters (IPEs) in ADB funded projects
- Co-financing with ADB, for the Indian project exports
- Risk participation in ADB portfolio, with Indian connection
- Experience sharing between India Exim Bank (LOC, CFS and BC-NEIA) and ADB in the procurement process
- Potential business collaboration in select sectors (Healthcare, Renewables, etc.)

IPE

- Project specific / Fund based - Export Project Cash Flow Deficit Finance (EPCDF)
- Project specific / Non-Fund based – Bid Bond Guarantee (BBG), Advance Payment Guarantee (APG), Performance Bank Guarantee (PBG), Retention Money Guarantee (RMG) etc.
- Across projects / Term Loan – Capital Equipment Finance Programme
- General / Term Loan - Infrastructure
- USP - Debt / Equity / Technical Assistance (IPE's vendors)

The Bank's Exposure across Geographies



The Bank's operations cover support to trade and investment in over 100 countries.



Thank You

**PARTNERING
GROWTH.
GLOBALISING
INDIA.**