



India Infrastructure Facility

Basic Overview of Structural Components

1. On April 16, 2008, Ex-Im Bank approved a two-year, \$2.2 billion special financing facility of varying amounts to eight Indian financial institutions (FIs) which meet the credit standards of Ex-Im Bank.
2. The authorizations are referred to as the India Infrastructure Facility (the Facility) whereby Ex-Im Bank will offer direct dollar loans or provide access to guaranteed dollar loans from international commercial banks (Guaranteed Lenders) to the customers of pre-approved Indian FIs.
3. These loans may be used for infrastructure development projects (either greenfield or expansionary projects) where the FIs will ultimately guarantee repayment obligations, in the event of an Ex-Im Bank claim payment to the Guaranteed Lender.
4. Per Ex-Im Bank's mandate, the loan values will be tied directly to the purchase of U.S. goods and services. Ex-Im Bank is able to finance the lesser of 85 percent of the eligible goods and services in the U.S. supply contract, or 100 percent of the eligible U.S. content in the U.S. supply contract. An additional 30 percent of the total value of the U.S. exports may be used to support local costs, provided that the local costs relate to the U.S. purchase contract.
5. In the event of a payment default under these authorizations, Ex-Im Bank would pay the claim of the Guaranteed Lender and would then seek recovery of its exposure from the FI.
6. For loan values up to \$10 million, Ex-Im Bank approval will be granted on an expedited basis (generally 10-business days) without further due diligence from the Ex-Im Bank. These transactions would require submission of the following:
 - Completed Medium-Term Insurance and Guarantee Application
 - Credit report on exporter and U.S. suppliers
 - Completed Annex A to the Medium-Term Application
 - Credit report or informational profile on the end-user of the U.S. good and services
 - Sales contract, invoice or purchase order
 - Transaction summary
 - Formal Commitment Letter from the FI
 - Legal documentation as required
7. For loan values in excess of \$10 million, Ex-Im Bank's approval will also be on an expedited basis (generally 6-weeks). Ex-Im Bank Board approval will require submission of the following:
 - Complete Long-Term Loan or Guarantee Application and supporting documentation
 - Sales contract, invoice or purchase order
 - Formal Commitment Letter from the FI
 - Transaction summary and technical information as required
 - Credit report or informational profile on the end-user of the U.S. goods and services
 - Financial documentation will under Ex-Im Banks standard Long-Term Credit Agreement, which may include structuring elements for certain transactions
 - For credit amounts greater than \$20 million and/or repayment tenors greater than seven years, Ex-Im Bank requires the Maritime Administration (MARAD) shipping compliance (U.S. flag vessel policy requirements)
 - Bills of lading and shipping documentation at the time of the disbursement request
 - Additional follow-on information as requested by Ex-Im Bank

8. For large project sizes, long-term repayment tenors, or for deals greater than \$10 million, Ex-Im Bank will conduct a review of the information pertaining to the environmental permit obtained in India. Ex-Im Bank will verify that the environmental aspects of the project meet the World Bank and Ex-Im Bank Environmental Procedures and Guidelines. Additional environment information may be requested, as required.

9. Generally, Ex-Im Bank financing may be used to extend tenors of up to ten-years on balance sheet transactions, 12-years for power project financing, 14-years for greenfield project finance opportunities and 15-years for environmentally beneficial projects including drinking water, waste treatments and renewable energy projects under Ex-Im Bank's Environmental Exports Program.

10. All use under the Facility must comply with the Organization for Economic Cooperation and Development (OECD) Guidelines and Ex-Im Bank policy.

11. For guaranteed loans, Ex-Im Bank will guarantee the interest rate and margin negotiated between the Guaranteed Lender, the FI and the end purchaser. On direct loans, the Commercial Interest Reference Rate (CIRR) will be used.

12. Ex-Im Bank charges a one-time exposure fee based on the amount of financing that it guarantees. The fee is determined by using the Exposure Fee Calculator at http://www.exim.gov/tools/fee_calc.cfm.

13. Ex-Im Bank will also charge a commitment fee on the remaining undisbursed funds. The fee (1/8-1/2 of one percent depending on the transaction) begins accruing 60 days from Ex-Im Bank's final approval date.

14. Principal and interest payments begin six months after the end of the shipment period or after construction completion, and must generally be made in equal and regular installments not less frequently than every six months. Principal and interest repayments to be made on terms other than this frequency must comply with the following:

- No single repayment or series of repayments within a six month period shall exceed 25 percent of the principal sum repayable during the repayment term.
- Ex-Im Bank must notify the OECD community if repayments are to be made on any term other than the standard equal and regular installment basis.

15. Interest may be capitalized during the construction period, for limited recourse, project finance applications and environmental exports.

Participating Indian Financial Institutions (as of April 14, 2008)

ICICI Bank, Ltd.

India Infrastructure Finance Company, Ltd. (IIFCL)

Indian Renewable Energy Development Agency (IREDA)

Industrial Development Bank of India (IDBI)

Infrastructure Development Finance Company (IDFC)

Infrastructure Leasing & Financial Services, LTD (IL& FS)

Power Finance Corporation (PFC)

Punjab National Bank (PNB)

State Bank of India (SBI)

For more information, please contact the Strategic Initiatives Division at 202.565.3713, the Structured Finance Division at 202.565.3690, or Talaat Rahman at 202.565.3911, or visit the India section on Ex-Im Bank's web site at www.exim.gov.

Export-Import Bank of the United States
811 Vermont Avenue NW
Washington, DC 20571