

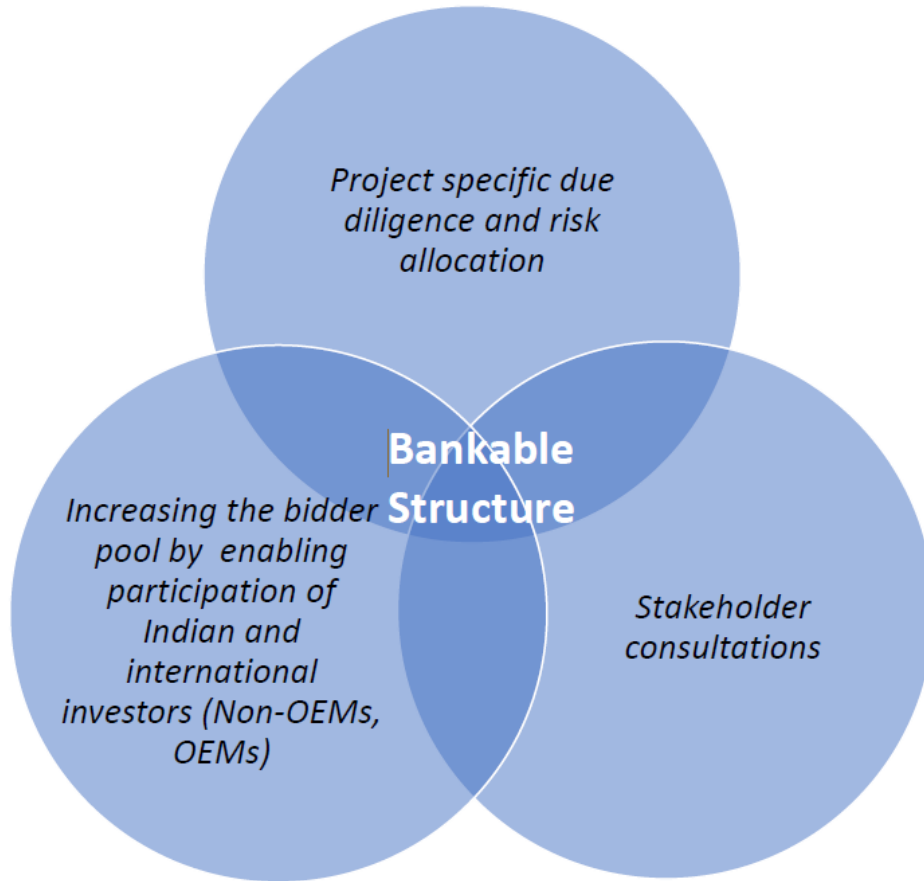


SCALING UP E-BUS DEPLOYMENT IN INDIA

A LENDER'S PERSPECTIVE

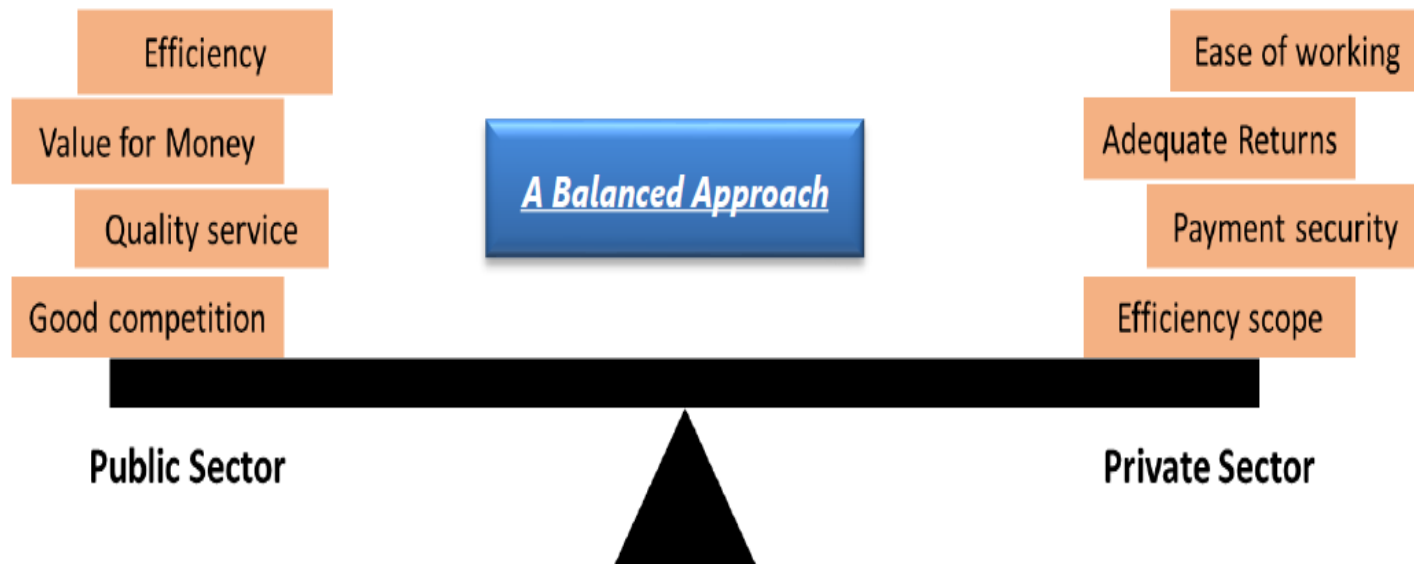


Key factors for a successful GCC model bid



All stakeholders have been working closely and in good faith with each other; high degree of transparency about what has gone well and where there is scope for further work

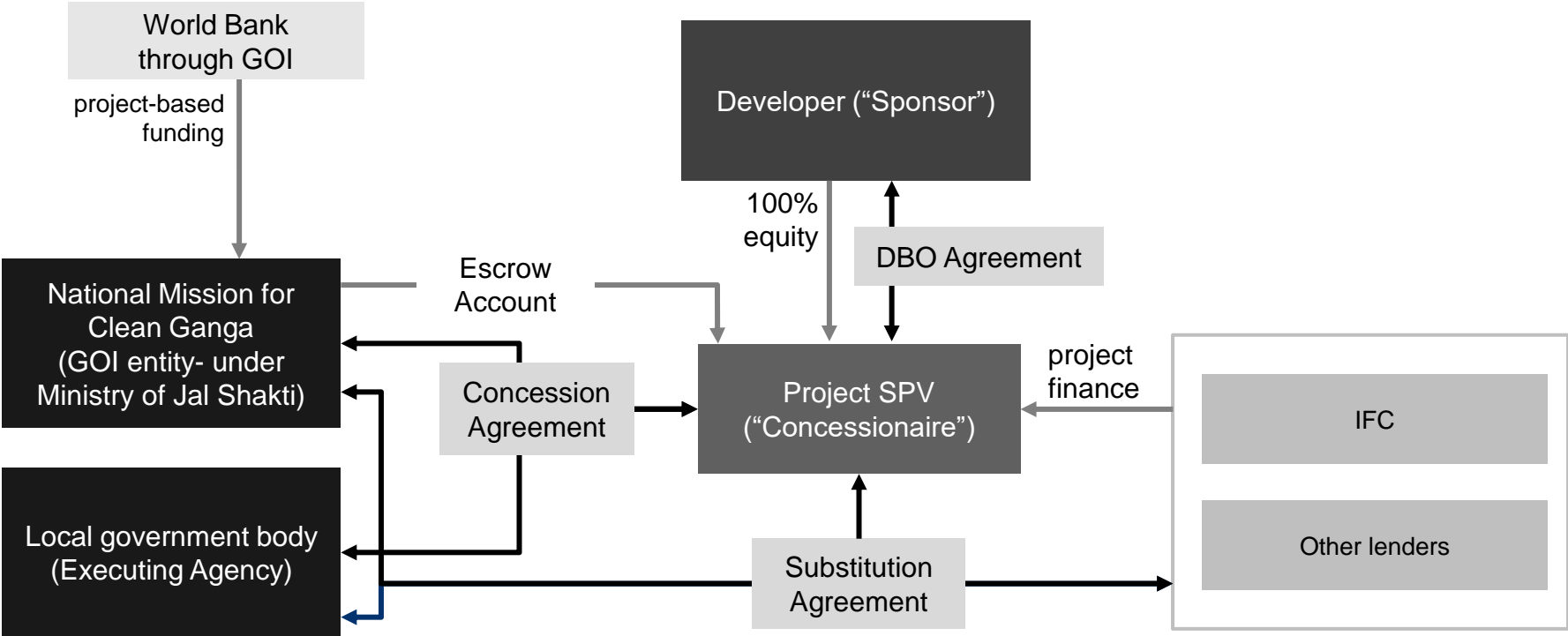
As lenders, we would like to see a balanced allocation of risks



Operator and STU cannot do without each other – very limited scope to divert assets/substitute operator. Hence, liquidity support and PSM are critical

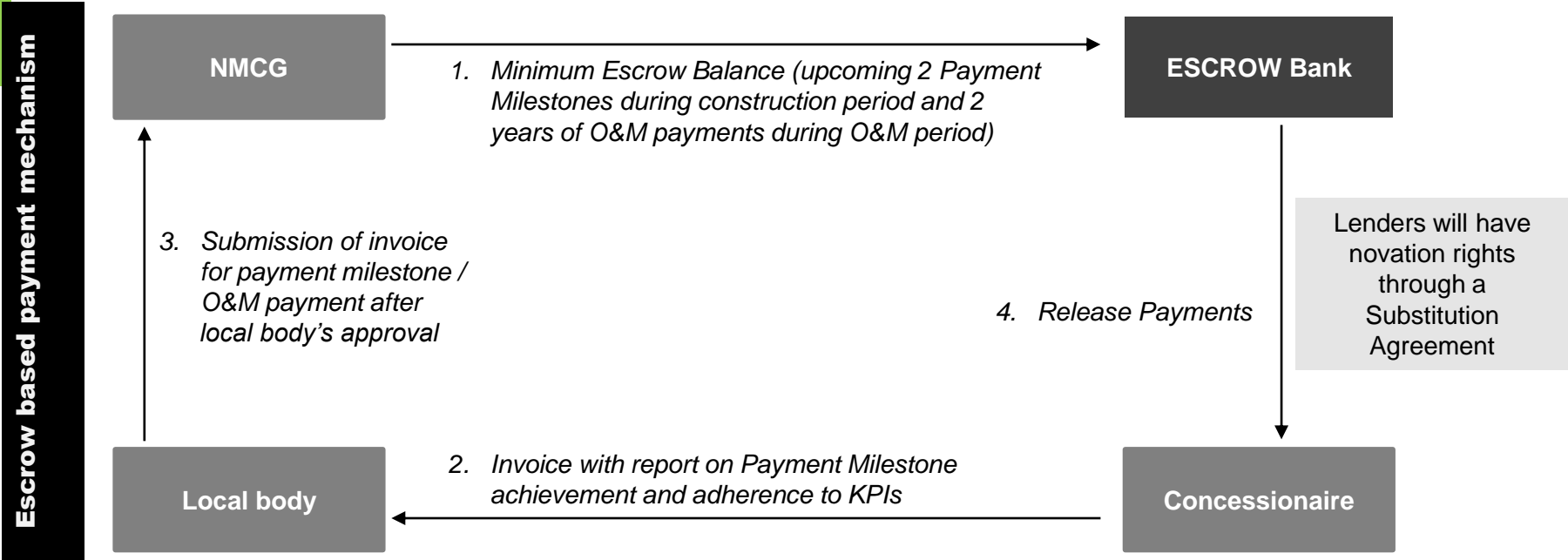
PSM Example 1: NMCG model with central body as the payments counterparty

NMCG HAM – Project Structure

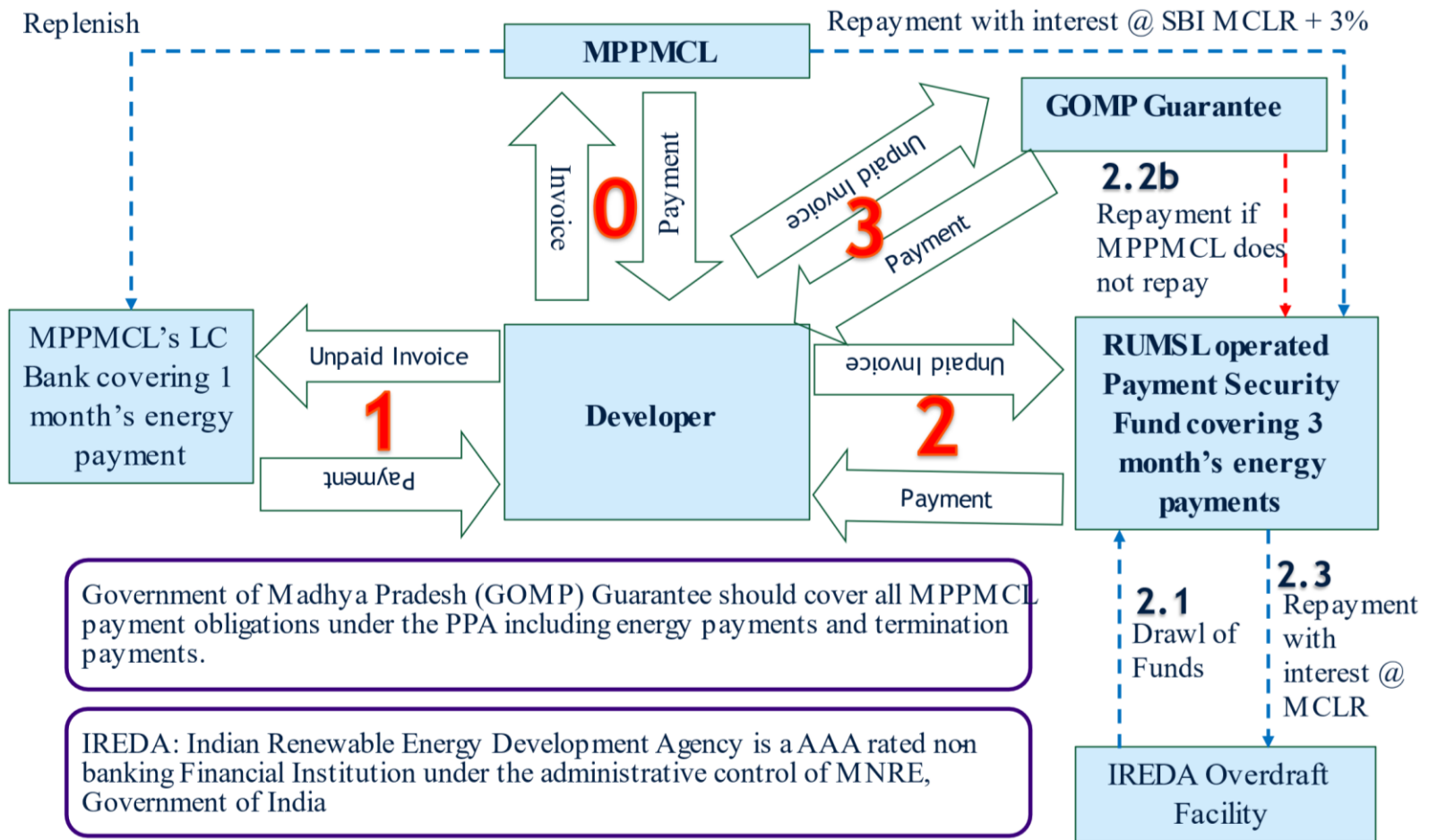


PSM Example 1: NMCG model with central body as the payments counterparty (contd.)

Robust payment security mechanism with limited dependence on local body



Example 2: MP solar power model - state entities as counterparties, but multi-layered protections built in



Government of Madhya Pradesh (GOMP) Guarantee should cover all MPPMCL payment obligations under the PPA including energy payments and termination payments.

IREDA: Indian Renewable Energy Development Agency is a AAA rated non banking Financial Institution under the administrative control of MNRE, Government of India

Thoughts on the current PSM proposal

Lender's asks:

- Clear visibility on what funds are being set aside for liquidity support – **should not be merged into one large Escrow account with multiple ongoing debits and credits**
- 75-90 days cycle taken as standard- can this be reduced? **Can CESL monitor payment cycles and rate STUs on this basis? STU track record is a powerful argument and one of the first questions asked**
- 2-3 months' payment to be set aside as reserve – can be a combination of government and operator. **Needs to be implemented in practice and form part of lender security- mixed track record on the ground**
- For the government-funded portion, **timing of drawdown and top-up mechanism is key**- should not be a one-time exercise available only to some projects
- Some considerations:
 - State government guarantee as a fall-back
 - Direct debit can be a powerful tool- but only if it can speedily be implemented. Concerns about committee mechanism and prolonged/unclear timelines for decision-making

IFC is looking at opportunities across the ecosystem

Market Segment	Investment Need	Key credit question
Vehicle OEMs	<ul style="list-style-type: none"> • Growth capital for expanding manufacturing capacity 	<ul style="list-style-type: none"> • Operating track record and market size
Charging Infrastructure providers	<ul style="list-style-type: none"> • Financing for Build-Own-Operate Projects 	<ul style="list-style-type: none"> • Business model and operational reliability; project size
Financial institutions	<ul style="list-style-type: none"> • Credit lines to finance fleet operators 	<ul style="list-style-type: none"> • Bankability of underlying contracts
Fleet operators	<ul style="list-style-type: none"> • Project finance for GCC contracts 	<ul style="list-style-type: none"> • Liquidity support and robust PSM with minimum subjectivity • Operating track record
Municipal governments	<ul style="list-style-type: none"> • Loans to municipal bodies to fund greater EV adoption 	<ul style="list-style-type: none"> • Creditworthiness and long-term vision

THANK YOU