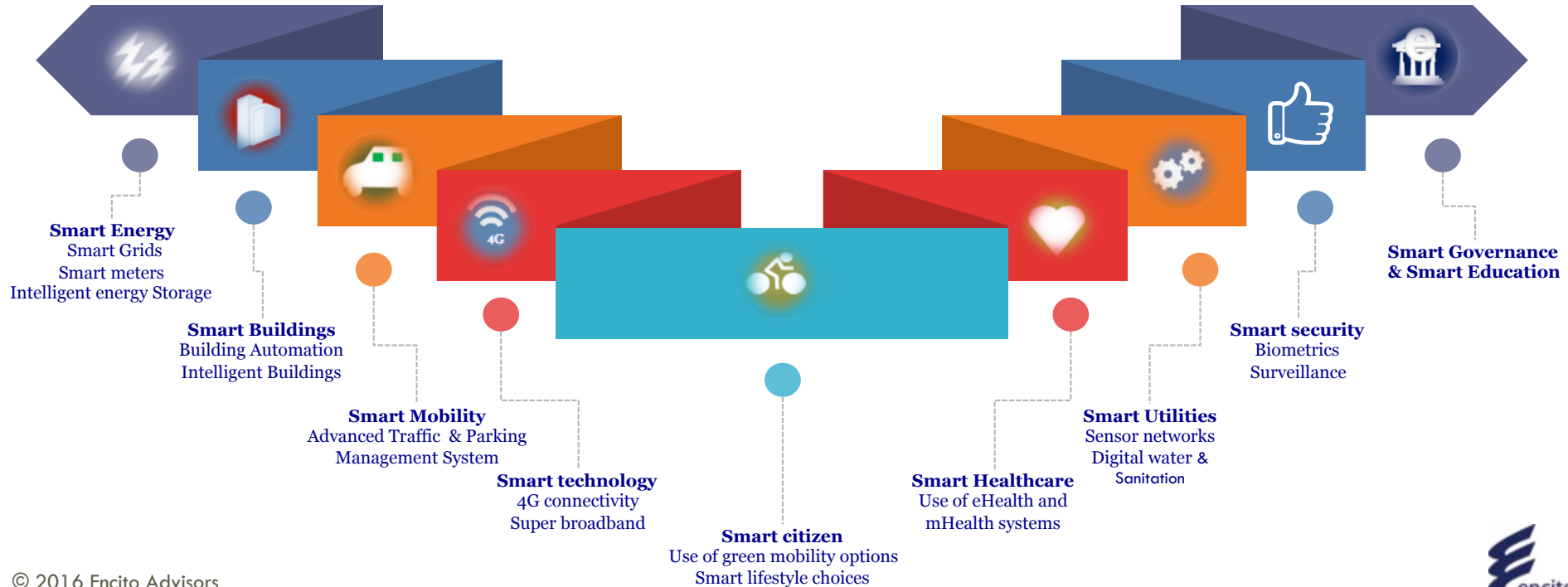


DEBT AND EQUITY FINANCING FOR INDIAN SMART CITIES

2ND SMART CITIES INDIA 2016 CONFERENCE
NEW DELHI

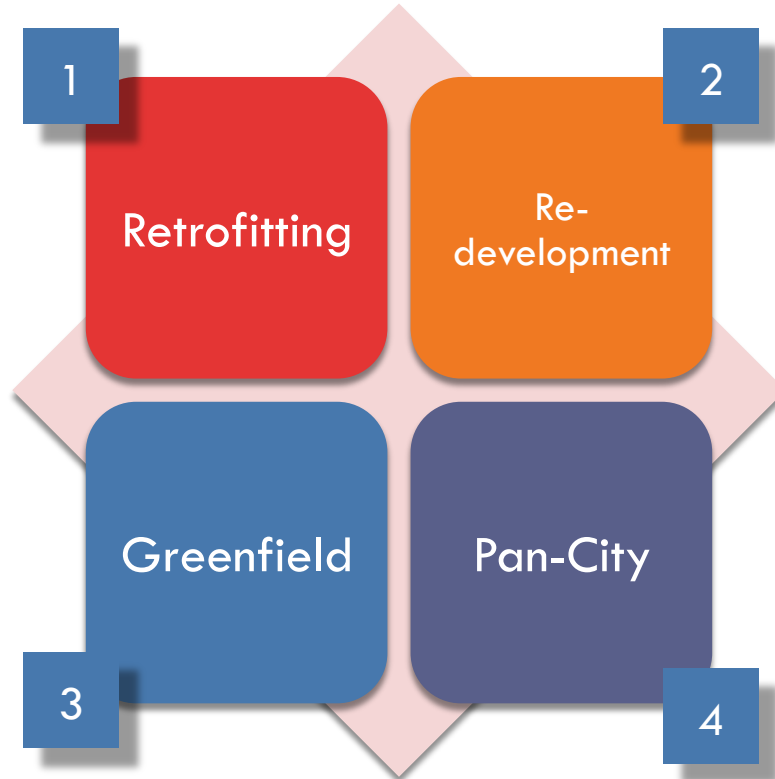
Smart City Constituents

2



Indian Smart City Development Strategies

3

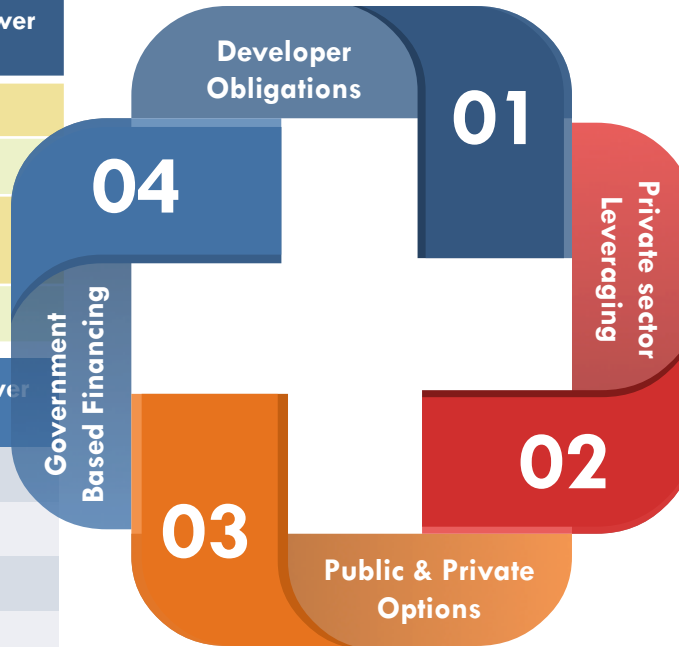


Global Financing Tools for Smart Cities

4

Fin. Tool	Ease of Fin.	Investor Risk	Borrower Risk
Dedication	3	3	1
Tap fees	3	3	1
Linkage Fees	3	3	2
Impact Fees	2	3	2

Fin. Tool (Bonds)	Ease of Fin.	Investor Risk	Borrower Risk
GO & Rev.	3	2	2
Green	5	5	4
Social Impact	5	5	5
Public benefit	2	2	2
Energy Eff	3	3	2
User Fees	1	2	1



Legend

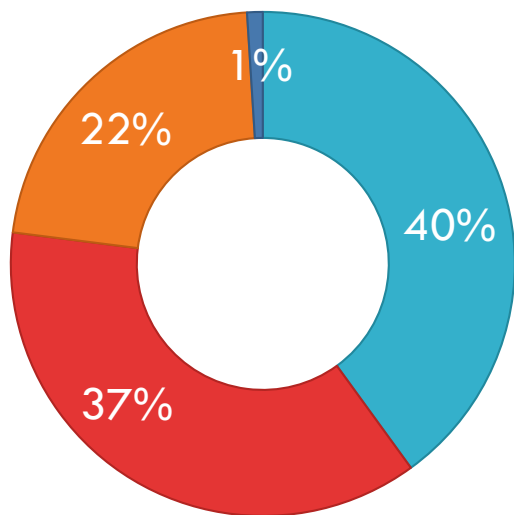
5 Very Difficult / High 1 Not Diff/Low

Fin Tool.	Ease of Fin.	Investor Risk	Borrower Risk
Loan Loss Res.	2	2	3
Debt service Res.	2	2	3
Loan Guarantees	2	3	3
On-Bill Financing	1	2	2
Pooled bond	2	2	2
Value Capital	4	3	3
Tax Increment	1	3	2

Fin. Tool	Ease of Fin.	Investor Risk	Borrower Risk
PPP	5	Varies	Varies
Pay for Perform.	2	3	2
Securitization and Structured finance	5	4	4

Most Commonly Used Financing Structures for Smart Cities

5



- Special development funds
- Public-private partnerships
- Self-financing (Majority)
- Private investment

Funding Mechanism	Explanation
Special Development Funds	Specific funds set up for implementing and scaling urban development or smart city initiatives (e.g., European Commission 'JESSICA')
Public-private Partnerships	Funded and operated through a partnership of government and one or more private sector companies (e.g., Cisco Songdo Partnership)
Self-financing (majority)	Self-financing of smart city projects from public budgets in collaboration with central governments or state governments (e.g., Seoul Smart City)
Private Investment	Financed through commercial stakeholders, service providers, private investors, and venture capitalists (e.g., Amsterdam Smart City Platform)

Financing Indian Smart Cities

6

PMDO Facility

The corpus has been enhanced from INR 5K Cr. to INR 50K Cr.

PPP Models & User Fees

Capital from Private Sector, BOOT models with healthy IRR's

Multilateral & Bilateral Agencies

Agencies such as ADB, World Bank and others

360°
perspective
On financing
Smart Cities

Viability Gap Funding

~90% in hilly regions
& ~40% in plains

~10% via Muni Bonds
IDF's can invest in Muni Bonds

NIIF from PSU Dividends & Central Govt.
48k Cr from Central Govt.

Municipal Bonds & Infra Debt Funds

Government Financing

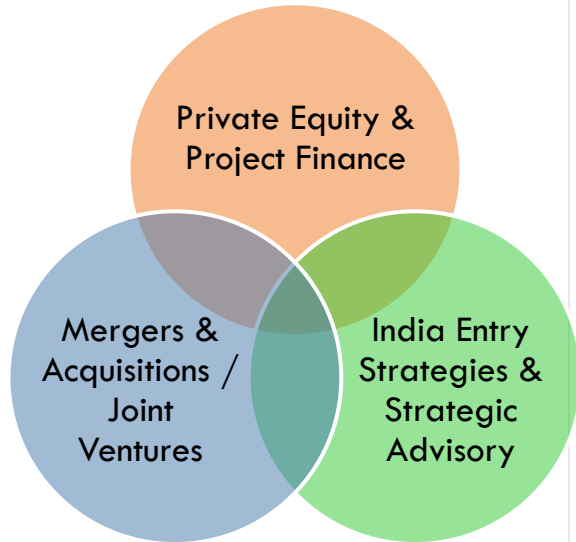


Encito Advisors

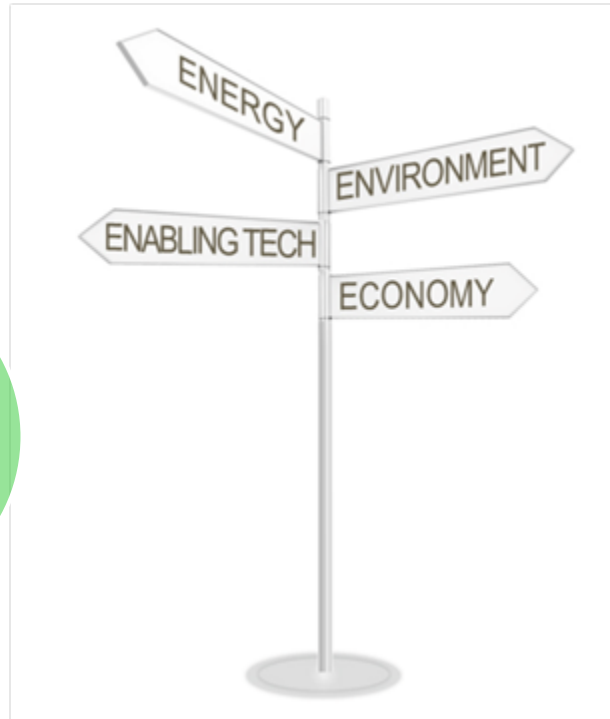
Strategic & Financial Advisory Services

7

Services



Focus



Expertise



Cross Border Deals



Water



Waste



Solar



Wind



Hydro



Biomass / Biofuels



Oil & Gas



Energy Efficiency

Thank you ...



Address 201 Triton, Greenfield Estates | A. B. Nair Road, Juhu | Mumbai 400049
Email info@encitoadvisors.com | Phone +91 99872 63480