

GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.3664
TO BE ANSWERED ON 17.03.2021

LINE OF CREDIT

3664. SHRI KRUPAL BALAJI TUMANE:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) the details of countries to which Line of Credit (LoC) will be committed from 2021 to 2024, year wise and country-wise;
- (b) the details of the amount to be released, project-wise and country-wise.
- (c) whether the Government is facing problems in executing LoCs due to lack of interest in the contractors to work in the LoC committed countries;
- (d) if so, the details thereof, country-wise and contractor-wise;
- (e) the steps taken by the Government to encourage contractors to participate in LoC tenders; and
- (f) whether the Government of India (GOI) is thinking to give work to PSUs on nomination basis to encourage work of LOC committed countries; and
- (g) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[SHRI V. MURALEEDHARAN]

(a) & (b) The Lines of Credit during the period 2021 to 2024 will be offered depending on the requests received from the prospective borrowing countries. Extension of Lines of Credit on concessional terms is an important component of India's development partnership model and has been very useful in building long term partnerships with other developing countries. The projects taken up under these Lines of Credit are aimed at socio-economic development and capacity building in the partner countries, and promote local opportunities and interests. Government of India's Lines of Credit are demand driven and are based on the national priorities of the partner countries. Hence, the Lines of Credit will be offered when the request is received from the prospective borrowing governments.

(c) No. As per the guidelines under the Indian Development and Economic Assistance Scheme (IDEAS) of 2015, the lending bank carries

out the Pre-Qualification process for selection of Indian implementing agencies (consultants/contractors) eligible for the project. Interested Indian companies participate in this process. The list of pre-qualified companies is shared with the borrowing government which then carries out the tendering process. The contract is awarded to the successful bidder by the borrowing government. The projects are then executed as per the contractual obligations and project milestones.

(d) Not applicable.

(e) As mandated by the guidelines under the Indian Development and Economic Assistance Scheme (IDEAS) of 2015, the information related to projects under Lines of Credit is displayed on website of the lending bank and also disseminated by it to various industry associations to ensure wide publicity. The borrowing governments are also encouraged to do the same. Accordingly, project under Lines of Credit are widely advertised through leading newspaper, website as well as industry associations by the Exim Bank of India to encourage wide participation. In addition to these, Industry Outreach Programmes have been held in coordination with Exim Bank of India and Industry Association like Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

(f) & (g) The selection of Indian Implementing Agencies for projects under Lines of Credit is done in accordance with the Cabinet-approved IDEAS guidelines issued by Ministry of Finance on 07 December 2015. As per the above scheme, fair and transparent selection process through pre-qualification and tendering is to be ensured. Accordingly, all Indian PSUs can participate in such pre-qualification and tendering exercise for projects under Lines of Credit. Large number of contracts have already been won by Indian PSUs like- Bharat Earth Movers Limited (BEML), Hindustan Aeronautics Limited (HAL), Indian Railways Construction Company Limited (IRCON), Rail India Technical and Economic Service Limited (RITES), Bharat Electronics Limited (BEL), Water and Power Consultancy Services Limited (WAPCOS), Goa Shipyard Limited (GSL), Garden Reach Shipbuilders & Engineers Limited (GRSEL), Bharat Heavy Electricals Limited (BHEL), Power Grid Corporation of India Limited (PGCIL) etc.
