

Dr. L.B. Singhal
(Ph.D., MBA, LLB, B.Sc.)
Secretary General, AEPC

AEPC/HO/SG/R&PA/2022
3rd January, 2022

Dear Members,

India Exim Bank is a specialized financial institution wholly owned by the Government of India and set up for the purpose of financing, facilitating and promoting India's international trade. Its aim is to help exporters to evaluate international risks and tap opportunities with the right insight.

2. We are pleased to inform that India Exim Bank approached AEPC and requested for circulation to its members the following existing / proposed initiatives of India Exim Bank towards supporting SMEs and boosting exports from India to meet export finance needs of Indian Exporters and trade facilitation. Letter of Exim Bank is enclosed along with for information please.

3. In this regard, AEPC would like to share the initiatives of India Exim Bank viz. (i) Ubharte Sitaare Programme (ii) Factoring and (iii) Trade Assistance Programme:-

- i) Ubharte Sitaare Programme (USP) :** India Exim Bank has launched the USP to identify and support small and mid-sized Indian companies/enterprises with good export potential. The identified Indian companies which can be supported under the Programme are the ones who exhibit a latent advantage by way of differentiated technology, product or process; but currently under-performing or are unable to tap their potential to grow bigger. USP diagnoses the hurdles and constraints of identified companies and assist/support them in their growth and export strategies both financial and advisory services by way of following:
- a) *Investments in equity like instruments*
 - b) *Debt (funded and non-funded facilities) at competitive rates and elongated tenors*
- and
- c) *Technical assistance (including advisory services, grants and soft loans)*
 - d) *India Exim Bank and SIDBI have co-sponsored the Ubharte Sitaare Fund, a SEBI registered Category-II Alternative Investment Fund, to identify and invest in mid-sized ventures.*

ii) Factoring: Factoring is the dominant form of asset-based finance and an important source of external financing for large corporations and small & medium-size enterprises (SMEs).

It is imperative that exporters are adequately supported for their working capital needs to accomplish the export target. The Government of India had brought an amendment to Factoring Act 2021, to boost factoring in India.

Since, being aligned with Govt. of India's Foreign Trade Policy; India Exim Bank is in the process of re-enter the Factoring business, either directly or through setting up a

subsidiary. The bonafide exporters with good long standing track record can avail factoring services from the proposed Factoring entity of India Exim Bank.

iii) Trade Assistance Programme (TAP):- To export in traditional markets and also in non-traditional markets; exporters are required support of trade facilitation, which can help to reduce the risks association with global trade.

While starting a new relation, Indian exporter / overseas buyer (specifically from developing world) expects risk free trade environment. There can be hesitancy to work on open credit terms by Indian exporters and to offer 100% advance by the overseas buyers. A Letter of Credit would be desirable to conclude the transaction. Leveraging its position as an ECA, India Exim Bank may act as a bridge between the Indian and Overseas Banks providing requisite comfort to go-ahead with the underlying trade transaction.

4. Members may like to avail of these services. For more detailed information, please contact Shri N. Ramesh, Deputy Managing Director, India Exim Bank (e-mail ID n.ramesh@eximbankindia.in and Phone No. : 91-022-2215 2116/2217 2506).

5. The Exim Bank also desires to take your feedback on its services, with an aim to make the services better suited to the needs of the exporters.

In this regard, you are requested to fill your feedback in the link given below:-

<https://forms.office.com/Pages/ResponsePage.aspx?id=hs7z9rr0vkCX1Mt2mimHODEiUSXTWrJPnRcohqphLNhUOVVBN1kzQVlwWIZKS1g5VTFNUEdaRFdaRS4u>

Wish you all a very happy and prosperous New Year – 2022

With warm regards,

Yours sincerely,

Dr. L. B. Singhal,
Secretary General,
AEPC