



Fuente: Banobras



Ubharte sitaare Programme for sustainable enterprise and export development

Export-Import Bank of India, India

UBHARTE SITAARE PROGRAMME FOR SUSTAINABLE ENTERPRISE AND EXPORT DEVELOPMENT

EXPORT-IMPORT BANK OF INDIA, INDIA

ABSTRACT

India's manufacturing sector has been stagnating for over a decade and its participation in the country's total GDP is about 15%; in addition, the basket of India's export products lacks any significant articles of high-tech added value and continues to be concentrated in the segment of medium and low-tech exports. As a result, it is of key importance to identify Indian enterprises with good export potential and to provide specific support through a combination of financial assistance and advisory services to enhance their international competitiveness. It was for that purpose that the bank presented a new development initiative entitled the "Rising Stars" program.

The program aims to improve India's competitiveness in specific sectors by providing financing, identifying and nourishing the enterprises with differentiated technology, products, or processes, assisting units with an export potential that are unable to expand their operations due to a lack of funding, identify and mitigate the challenges facing enterprises that hamper their exports, and help existing exporters to enlarge their baskets of export products and to enter new markets. In March of 2022, India Exim Bank extended its support to 19 Indian enterprises that have demonstrated a potential for upgrading their exports of high-tech products.

RESUMO

O setor manufatureiro da Índia vem estagnando há mais de uma década e sua participação no PIB total do país está próxima de 15%; além disso, a cesta de produtos de exportação da Índia carece de artigos significativos de alta tecnologia de valor agregado e continua concentrada no segmento de exportação de média e baixa tecnologia. Como resultado, é de fundamental importância identificar as empresas indianas com bom potencial de exportação e fornecer apoio específico através de uma combinação de assistência financeira e serviços de consultoria para aumentar sua competitividade internacional. Foi com essa finalidade que o banco apresentou uma nova iniciativa de desenvolvimento intitulada "Rising Stars" (Estrelas em Ascensão).

O programa visa melhorar a competitividade da Índia em setores específicos, fornecendo financiamento, identificando e alimentando as empresas com tecnologia, produtos ou processos diferenciados, auxiliando unidades com potencial de exportação que não conseguem expandir suas operações devido à falta de financiamento, identificar e mitigar os desafios enfrentados pelas empresas que dificultam suas exportações, e ajudar os exportadores existentes a ampliar suas cestas de produtos de exportação e a entrar em novos mercados. Em março de 2022, o India Exim Bank estendeu seu apoio a 19 empresas indianas que demonstraram um potencial para melhorar suas exportações de produtos de alta tecnologia.

RESUMEN

El sector manufacturero indio lleva más de una década estancado y su participación en el PIB total del país ronda el 15%; además, la cesta de productos de exportación de la India carece de artículos significativos de valor añadido de alta tecnología y sigue concentrándose en el segmento de las exportaciones de media y baja tecnología. En consecuencia, es de vital importancia identificar a las empresas indias con buen potencial de exportación y proporcionarles un apoyo específico mediante una combinación de asistencia financiera y servicios de asesoramiento para mejorar su competitividad internacional. Con este fin, el banco ha presentado una nueva iniciativa de desarrollo denominada programa "Rising Stars".

El programa pretende mejorar la competitividad de la India en sectores específicos proporcionando financiación, identificando y nutriendo a las empresas con tecnología, productos o procesos diferenciados, ayudando a las unidades con potencial de exportación que no pueden ampliar sus operaciones por falta de financiación, identificando y mitigando los retos a los que se enfrentan las empresas que dificultan sus exportaciones, y ayudando a los exportadores existentes a ampliar sus cestas de productos de exportación y a entrar en nuevos mercados. En marzo de 2022, el India Exim Bank amplió su apoyo a 19 empresas indias que han demostrado tener potencial para mejorar sus exportaciones de productos de alta tecnología.

1.

ABOUT INDIA EXIM BANK

1.1 Overview

Export-Import Bank of India (India Exim Bank), a statutory apex financial institution, was set up in 1982 under an Act of Parliament to finance, facilitate and promote India's international trade. It is the principal financial institution in the country for co-ordinating the working of institutions engaged in financing exports and imports. The current vision of India Exim Bank is to develop commercially viable relationships with a targeted set of externally oriented companies by offering them a comprehensive range of products and services aimed at helping Indian companies to globalise.

1.2 Organisation

India Exim Bank is managed by a Board of Directors with representation from the Government, financial institutions, commercial banks, and private trade and industry. The Bank currently employs 372 professionals drawn from commercial banking, development banking, merchant banking, business management, engineering, economics, accountancy, and marketing disciplines. It also employs IT

specialists and lawyers. Multidisciplinary task groups contribute to the operations of the Bank. The Bank encourages continuous upgradation of professional skills.

The Bank's Head Office is in Mumbai, India. It has 10 regional offices based across major cities in India viz. Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, New Delhi, and Pune, and 9 offices overseas in Abidjan (Cote d'Ivoire), Addis Ababa (Ethiopia), Dhaka (Bangladesh), Dubai (UAE), Johannesburg (South Africa), London (UK), Singapore, Washington D.C. (USA), and Yangon (Myanmar).

1.3 Operations

India Exim Bank provides competitive finance at various stages of the export business cycle covering import of technology, export product development, export production, export marketing and export credit at pre-shipment and post-shipment stages, and investments overseas. It operates a wide range of financing and promotional programmes. Finance is provided in Indian Rupees and foreign currencies.

The Bank finances exports of Indian machinery, manufactured goods, and consultancy and technology services on deferred payment terms. It also seeks to co-finance projects with global and regional development agencies to assist Indian exporters in their efforts to participate in such overseas projects. The Bank promotes two-way technology transfer through the outward flow of investment in Indian joint ventures overseas and foreign direct investment flows into India.

1.4 A Variety of Lending Programmes

India Exim Bank's range of finance programmes include Production Equipment Finance programme to finance non-project related capital equipment needs of export companies; Export Vendor Development programme to finance export houses and large exporting companies to develop a chain of quality vendor network; Research & Development Financing programme to finance research and development

activities aimed at product upgradation / adaptation for export markets; and Term Loans for Export Oriented Units to finance acquisition of production assets like building, plant, machinery and equipment to set up manufacturing facilities.

India Exim Bank's Line of Credit (LOC) is a financing mechanism through which the Bank extends support for export of projects, equipment, goods, and services from India. Exim Bank extends LOCs on its own and also at the behest and with the support of Government of India to overseas financial institutions, regional development banks, sovereign governments and other entities overseas. Under Export Marketing Finance programme, India Exim Bank supported strategic export development plans of more than 500 companies by providing medium term loans towards supply side upgradation and financial support for export marketing activities. Many of the assisted companies moved up the value chain and availed of finance under various other programmes of the Bank. Some of these companies set up overseas ventures by availing loans from India Exim Bank under its Overseas Investment Programme.

The Bank has close links with the commercial banking sector in India through refinancing of short- and medium-term loans for export-oriented units and at pre- and post-shipment stages. India Exim Bank has also launched an initiative by way of Marketing Advisory Services for Indian Companies. This service of the Bank has been put in place to cater to the growing needs for exploring overseas markets for the products of well reputed and quality conscious companies, particularly in the MSME sector.

Buyer's Credit under GOI's National Export Insurance Account (BC-NEIA) is a unique mechanism for promoting India's project exports to traditional as well as new markets in developing countries, which need deferred credit on medium- or long-term basis. Under this facility, India Exim Bank facilitates project exports from India by way of extending credit to overseas sovereign governments and government owned entities for import of Indian goods and services from India on deferred credit terms.

India Exim Bank has also poised to begin a new product named Trade Assistance Programme (TAP). Herein it would facilitate exports by way of various trade instruments to various partnering banks in India engaged in international trade, by offering transaction-specific partial or full guarantees to cover payment risks on banks in least developed/developing countries. Given that there remains significant potential to enhance exports from India to developing and less-developed countries across Asia, Africa, and Latin America, it is felt that TAP will be an answer to minimise this gap. A few pilot transactions have also been undertaken during the first few months of this calendar year 2022.

1.5 A Range of Support Services

In addition to finance, India Exim Bank provides a range of analytical information and export related services necessary for globalisation of Indian companies. The Bank, through its wide network of alliances with financial institutions, trade promotion agencies, information providers across the globe, assists externally oriented Indian companies in their quest for excellence and globalisation. Services include search for overseas partners, identification of technology suppliers, negotiating an alliance and consummating a joint venture.

1.6 Portfolio, Employees, Branches

India Exim Bank's financial year period is from April to March of the following year, and the results are announced generally by June every year. As on year end December 2021, the Bank has provided overseas finance to 637 ventures set up by over 482 companies in 78 countries across the globe. Under the Lines Credit (LOC), at the behest of the Government of India, the Bank has extended 275 LOCs, covering 64 countries with credit commitments of over US\$ 27.34 bn as on year end December 2021.

During the same financial year, the Policy Business done on behalf of, and at the behest of the Government of India comprised 61% of the loan portfolio, while the Commercial Business stood at 39%. However, by December 31, 2021, the



Fuente: Sk Hasan Ali/Shutterstock

composition changed to 60%-40%. The non-funded portfolio has grown even faster than the loan portfolio, reflecting project export contracts secured by Indian exporters, for which guarantees have been provided by the Bank. The Bank maintained its enviable track record in the international debt capital markets, raising US\$ 1 billion in 10-year bonds in January 2020, at the lowest coupon for any Indian 10-year issuer ever. The Bank has also tapped the highly credit conscious Samurai Bond market in Japan and explored new ground with a small offering of Socially Responsible Bonds, a promising new area. Over the last five years since January 2015, the Bank has been the largest issuer of foreign currency paper out of India.

During FY 2020-21, the Bank raised FC resources aggregating US\$ 2.03 billion equivalent, through a variety of instruments. The Bank, in January 2021, raised US\$ 1 billion for a 10- year tenor at a coupon of 2.25 per cent p.a. in the 144A/Reg-S format. The transaction marked the lowest coupon from any Indian issuer for a 10-year US Dollar issuance (Source: Annual Report 2020-21).

India Exim Bank is fortunate to have a dedicated, highly skilled, and a compact staff of 354 officers who habitually punch well above their weight. The diligence and indomitable attitude of our officers has led to significant recovery of bad loans as well as strong growth in business, research studies, outreach efforts, and so on. The productivity of the Bank's staff as measured in business per employee is exemplary. Following the nation-wide lockdown regulations due to COVID-19, the Bank has effectively leveraged its IT infrastructure and its skilled staff to effectively function under the Work-From-Home mode, proving the robustness of its Business Continuity Plans. The Bank strives to be a good corporate citizen of India and the world.

2.

INTRODUCTION

Over time, a nation's exports are expected to embody higher levels of technology and manufactured goods as the country moves up the value chain. However, the manufacturing sector in India has been found to remain stagnant for over a decade, with its share in the total GDP of the country hovering at around 15%. It is also pertinent to mention that India's export basket lacks any significant high-technology value-added items and remains concentrated in the mid to low technology export segment.

In fact, micro and small medium enterprises in Indian context have a very significant role to play and is the backbone of Indian economy. It has been contributed 34% of India's manufacturing and around 48% to India's exports. Their contribution if channelised suitably can make possibly make India one of the largest manufacturing hubs in the world. Amidst this backdrop, India recognises the huge potential available amongst companies in India. Many of these companies have capability to become future export champions given their latent potential. However, limited technology adoption and modernisation, low production capacity, ineffective marketing strategy and absence of adequate and timely finance have remained challenges.

It is thus imperative to identify Indian companies that are future champions with good export potential and provide targeted support through a mix of finance and advisory services support to enhance their international competitiveness. In accordance with the above, the Bank submitted a concept note to the Government of India which led to the announcement by the Hon'ble Finance Minister of India in the Budget Speech in February 2020, towards supporting companies which exhibits the potential to do well in the export market. The Bank soon thereafter launched a new development initiative named 'Ubharte Sitaare Programme' (US)

– a name in Hindi which means ‘Rising Stars’. A new Group called the Sustainable Enterprise and Export Development (SEED) Group was set up to manage the USP.

3. OBJECTIVE OF THE PROGRAM

The Ubharte Sitaare Programme (USP) identifies Indian companies that are future champions with good export potential. The identified Indian company should have potential advantages by way of technology, product or process, but are currently under-performing or are not able to tap their latent potential to emerge bigger. The Programme diagnoses the hurdles and remedies and provides support through a mix of structured support covering debt, equity, and technical assistance. The initiative was announced by the Hon’ble Finance Minister in the Budget Speech on February 01, 2020.

The objectives of the Programme are as under:

- To enhance India’s competitiveness in select sectors through finance and extensive handholding support.
- To identify and nurture companies having differentiated technology, products or processes, to enhance their export business.
- To assist units with export potential, which are unable to scale up their operations for want of finance.
- To identify and mitigate challenges faced by successful companies which hinder their exports.
- To assist existing exporters to widen their basket of products and target new markets through a strategic and structured export market development initiative.

The nature of support covers both financial and advisory services through:

- Debt (funded / non-funded): The identified enterprises may be supported by way of term loans for modernisation, technology / capacity upgradation, R&D and balancing of production facilities, others at competitive rates and elongated tenors.
- Support by way of equity / equity-like instruments directly by Exim Bank and also through an Alternative Investment Fund (co-sponsored along with the Small Industries Development Bank of India). The Alternative Investment Fund christened the Ubharte Sitaare Fund has been registered with the Securities and Exchange Board of India (SEBI) in July 2021.
- Technical Assistance (TA) (including advisory services, grants and soft loans) would include part support towards product adaptation and improvement, cost of certifications, training expenses, market development activities including overseas travel for product/market development, studies relating to sectors, markets, regulations, techno-economic viability, etc.

Amidst the unprecedented situation being faced due to the global pandemic that followed immediately after the launch of the Programme, Exim Bank through the newly formed cross- functional team under the SEED Group, has undertaken the following initiatives:

The Bank laid significant focus on undertaking extensive desk research to scout for potential and eligible companies under the USP. For this purpose, the Bank referred to various industry and company databases. This desk-research was extremely crucial to give critical leads to engage with potential companies, which have been successful in making some headway in their own small way by establishing a differentiated product or service and remain eager to do well. The Bank has held focussed virtual meetings in collaboration with trade / industry associations, banks/financial institutions, export promotion councils, trade advisors and representatives from various ministries.

During the nation-wide lockdown in India, it was also observed that attempts to engage with industry through webinars was unable to create the kind of impact needed to yield desired results. Thus, in addition to the desk research and outreach with industry associations, there was a need for a third track. Globally, academia-industry linkages have proven to be a key enabler in promoting innovation ecosystem. Such partnerships produce far-reaching and lasting socio-economic impact that cannot be achieved by working in silos. While close to 60% of India's exports are being facilitated by large corporates, there is a felt need to handhold smaller and newer players that have the potential to contribute to the economy, through financial support and technical assistance. While the potential of the academia- industry linkage in India has not been harnessed to its potential, Exim Bank recognises that these academic institutions have been at the forefront in successfully promoting entrepreneurship and capability creation through their in-house incubators, which foster entrepreneurship and nurture start-ups across a range of sectors. The Bank thus commenced engaging with leading and well-established academic institutions and councils to develop a collaborative approach.

The Bank has also set up an Advisory Committee, which includes internal and external experts from renowned technology institutes and banks to provide guidance on (i) activities under the USP, including sectoral and market guidance for selection of eligible enterprises under the programme, direction on achieving the desired programme objectives; (ii) differentiated technology, product, process and make recommendations.

Based on the aforementioned endeavours, the Bank has developed a strong pipeline of over 100 potential cases (across various sectors such as pharma, auto components, engineering solutions, agriculture, software, etc.) for possible support under the programme. The Bank has, as on March 31, 2022, approved support by way of 19 sanctions of funded / non- funded credit facilities aggregating INR. 387.50 crores. The Bank has also made an effort towards developing a separate brand identity of "Ubharte Sitaare" and is in the process of registering

the Trademark. The concept used in the brand identity of USP is the imagery of a Humanoid aspiring to reach and be a Star.

4. PROGRAM ALIGNED WITH THE BANK'S MANDATE

India Exim Bank proactively seeks to enhance the competitive edge of Indian companies in their internationalisation efforts by providing a range of financing, advisory and support services at all stages of the export cycle. The Bank, over the years, has evolved a menu of support programmes, policies, and approaches to create export capability in Indian industry, with special focus on micro, small and medium enterprises, and companies engaged in technology orientation and facilitating import substitution making India self-reliant.

The programmes introduced for export capability creation include funded, non-funded and advisory/support services. Notable funding programmes include Financing of Technology Upgradation and R&D. Notable support programmes instituted include Export Marketing Services, Information and Advisory Services, Research Activities/Publications, Grassroots Initiatives and Development (GRID) Programme, Award for Business Excellence for best management practices adopted by an Indian company, and an Award for International Economic Development Research. India Exim Bank a few years back also institutionalised a BRICS Economic Research Award, with a view to encourage and stimulate advanced economic research in international economics, trade, development, and related financing at universities and academic institutions in India and abroad. These initiatives represent the Bank's ongoing efforts at promoting economic research and analysis, thereby contributing to policy formulation.

The Bank's 'Award for Business Excellence' was instituted in 1994 in association with the Confederation of Indian Industry (CII). The intent of the Award was to encourage Indian companies to buttress their internationalisation efforts by means of organisational commitment to quality of product and process, thus achieving a value positioning in the minds of the overseas buyers. It also served to address the rise of non-tariff barriers in the form of quality and related industry certifications being specified by overseas buyers. The Award is a prestigious and befitting industry recognition given to a company after being assessed through a transparent and rigorous methodology based on the European

Foundation for Quality Management (EFQM) Model. In the past, the Bank had introduced several other support programmes sustaining the firm-level activities in achieving quality, overseas market entry, among others. The Bank has also instituted an Annual Award for research in international economics, trade & development, and related financing. The objective of this Award is to promote research in international economics, trade & development, and related financing by Indian nationals at universities and academic institutions in India and abroad.

From the aforesaid, it is evident that Exim Bank's Vision has evolved from a product-centric approach with Export Credits and Export Capability Creation, to a more customer-centric approach by offering a comprehensive range of products and services to empower businesses at all stages of export business cycle of firms. Today, the Bank develops commercially viable relationships with a target set of externally oriented companies through a comprehensive range of products and services, aimed at enhancing their internationalisation efforts. The Bank, exactly in a similar vein as India's premier export credit agency, and to fulfil its mandate, had developed the concept of the Ubharte Sitaare Programme to support Indian companies with latent potential in their expeditions abroad, which soon received their blessings. India Exim Bank, soon after the announcement by the Hon'ble Finance Minister of India in the Budget Speech in February 2020, set up the SEED Group to initiate the USP. The Bank is confident that in the evolving scenario this is the need of the hour and will provide rich dividends to its mandate facilitating globalisation of Indian Business.

5. DEVELOPED AN INNOVATIVE PROGRAM

A country as vast as India has often been found having limited academia-industry linkages, as is prevalent in the developed economies globally. Globally academia-industry linkages have been proven to be a key enabler in promoting innovation ecosystem. Such partnerships produce far reaching and lasting socio-economic impact that cannot be achieved by working in silos. While close to 60% of India's exports are being facilitated by large corporates, there is a felt need to explore the bottom-of-the-pyramid by infusing financial and technical assistance. It may be observed that R&D expenditure as a percentage of GDP in India is amongst the lowest and in fact have deteriorated during 2000 and 2018, when compared to other geographies. A sustainable way is by enhancing the capabilities of Indian companies and developing their international competitiveness by engaging with established institutes and councils to begin with.

Figure N°1

India Exim Bank's 'Ubharte Sitaare Programme' Engaging with Academic Institutions and Incubators



The USP realises that these academic institutions in the country have been at the forefront in successfully promoting entrepreneurship through their in-house incubators which fosters entrepreneurship and nurtures start-ups across genres. These incubators provide the required infrastructure and ecosystem to the incubates, including office spaces, prototyping labs, funding, grants, and mentoring support. These incubators in these Universities would identify unmet needs for specific technologies, do prototypes through student projects, and once a concept is demonstrated, it brings it in social organizations and manufacturers to make a market-ready product. In a way they must essentially go through the rigor and guidance of the incubators.

The Ubharte Sitaare Programme is cognisant of the fact that apart from financing, there are other imputed costs and demands of enterprises, e.g. aligning with global standards which they seek to attain, and hence requires continuous engagements, grooming, and partnering, to take them to the next level. The Ubharte Sitaare Programme envisions to extend both financial and technical support to such identified enterprises furthering their internationalization efforts and facilitating the realisation of their covert ability in the years to come.

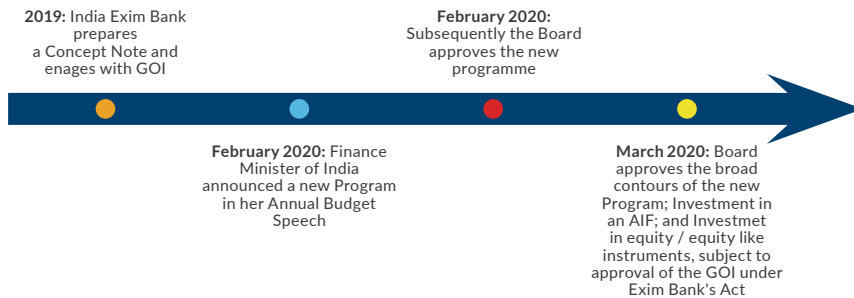
6. ORIGIN, NATURE, CHARACTERISTICS, OPERATIONS

To improve the overall economic performance of the Indian economy, there was a felt need to boost measures for increasing exports for higher economic activity and employment generation. A sustainable way to do so is by enhancing the capabilities of Indian companies and developing their international competitiveness. This approach, however, experiences several impediments including the absence of adequate and timely finance, limited technology adoption and modernisation,

low production capacity, and ineffective marketing strategy. For addressing such challenges, it was imperative to identify Indian companies that are future champions with a good export potential and provide targeted support through a mix of finance and advisory services support to enhance their international competitiveness. This is felt crucial for revitalizing economic growth, exports, and employment generation.

Figure N°2

Evolution of 'Ubharte Sitaare Programme for SEED'



Accordingly, the Bank submitted a concept note to the Department of Financial Services, Government of India, which led to the announcement by the Hon'ble Finance Minister during the Budget Speech in February 2020 towards formation of a Programme by India Exim Bank towards extending handholding support for technology upgradations, R&D, etc. for Indian entrepreneurs who exhibit the potential to engage in value added, differentiated production lines in India and abroad. The Bank laid significant focus on undertaking extensive desk research to scout for potential and eligible companies under the USP. For this purpose, the Bank referred to various industry and company databases. The Bank has also subscribed to the Venture Intelligence database, which is a leading source of information and analysis on private company financials, transactions (private

equity, venture capital and M&A) and their valuations in India. This desk-research was extremely crucial to give critical leads to engage with potential companies, which have been successful in making some headway in their own small way by establishing a differentiated product or service and remain eager to do well.

Based on the desk research and dialogue with industry associations, Exim Bank conducted its first webinar for potential companies in June 2020, and thereafter with FICCI in August 2020, targeting its members in Southern India. The Bank has subsequently held focussed virtual meetings with several industry associations such as Engineering Exports Promotion Council (EEPC), Pharmaceuticals Exports Promotion Council of India (PHARMEXCIL), Ministry of Ayush, Society of Indian Automobile Manufacturers (SIAM), The Automotive Component Manufacturers Association (ACMA), Mahratta Chamber of Commerce, Industries and Agriculture, North Eastern Development Finance Corporation Ltd. (NEDFI), amongst others. Exim Bank will continue to engage with more industry associations. Bank also organised Stakeholder Consultations with Indian / Foreign banks, industry associations across the country, local Chambers of Commerce etc. during FY 2021 and FY 2022. Due to the COVID- 19 pandemic virtual webinars were organized for outreach in. Discussions with industry Associations and Academia were pursued for developing a collaborative approach for identification of eligible companies and guidance for technical advisory services under the Programme. The SEED Group continues its outreach for identification of suitable companies under USP, through its network of domestic offices on an ongoing basis.

Based on the above efforts, a pipeline of 100+ potential companies have been developed across various sectors and efforts undertaken to identify select credit proposals for support under USP.

Bank has sanctioned Credit Facilities aggregating Rs. 387.50 crore up to March 2022 and focused meetings are being held with prospective companies. Bank has extended support across various sectors such as UAV (Drones), Defense & Aerospace, Engineering Goods, Pharmaceuticals, Sustainable Waste Management,

Auto Components, GNSS Semiconductor Chips and System, Metal (Non-ferrous), Consumer Goods, Industrial and Warehousing automation, Leather Goods, Banking, Financial Services and Insurance, Clean Energy, Robotics etc.

7. ROLE OF STRATEGIC PARTNERS

Exim Bank's 'Ubharte Sitaare Programme' will be working closely with the Small Industries Development Bank of India (SIDBI). SIDBI was set up in 1990 by the Government of India, which acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise sector as well as for co-ordination of functions of institutions engaged in similar activities. SIDBI already operates a ₹ 10,000 crore Fund of Fund for start-ups as the nodal agency for the GOI. The complementarity in mandate and operations of both the institutions are expected to bring synergy to the initiative.

India Exim Bank and SIDBI are co-sponsoring an Alternative Investment Fund (AIF) to be managed by SIDBI Venture Capital Limited (SVCL). The fund christened "Ubharte Sitaare Fund" (USF) has been registered with the Securities and Exchange Board of India (SEBI). The fund will provide equity support to identified companies. [has been registered] SVCL incorporated in 1999, is an investment management company and a wholly owned subsidiary of SIDBI. Over the last two decades, SVCL has managed funds focussed on different themes including start-ups / early-stage technology businesses, manufacturing SMEs, service entities, agribusinesses, financial inclusion companies, etc.

8. DIRECT & INDIRECT BENEFICIARIES

The newly launched 'Ubharte Sitaare Programme' is making conscious efforts towards identifying Indian companies through in-depth assistance by way of tailored finance to enable them to strengthen their export footprint in terms of not just quantum of exports but also moving up the value chain and achieving a broader geographical footprint to cover high value markets.

The Ubharte Sitaare Programme identifies Indian companies that are future champions with good export potential and provides targeted support through a mix of finance and advisory services covering debt, equity, and technical assistance in order to enhance their international competitiveness. This will be crucial for revitalizing economic growth, exports, and employment generation.

9. EXPECTED IMPACT AND BENEFITS

Select companies with such differentiated technology which India Exim Bank has supported under the 'Ubharte Sitaare Programme' are given below:

- a) Company A has developed technology for phospholipids and its derivatives for nano-technology- based lipid drug delivery. This



Fuente: REUTERS/Dado Ruvic

company commercialized its cGMP (Current Good Manufacturing Practices) plant. The company has received approval from Central Drugs Standard Control Organisation, which makes it the first Indian manufacturer of EU GMP grade phospholipids for the pharma industry. The firm has also received approval from WHO-GMP. Under the USP, India Exim Bank has extended support to the Company for increasing the installed capacity of the existing production lines and setting up an application laboratory.

- b) Company B is into sustainable waste management and is a manufacturer of 'near virgin quality' recycled plastic granules for consumer product packaging. Bank has extended support to the Company for increasing its manufacturing capacities and procuring machineries which will expand the sourcing of raw material and enhance overall processes. It is currently a market leader in producing high quality virgin like HDPE Bottle grade recycled plastic. It converts the collected plastic waste (HDPE Bottles and Auto PP Bumpers) into better plastic recycled granules that consumer brands can use in their mainstream products and packaging.
- c) Company C is manufacturing Key Starting Molecules (KSMS), Active Pharmaceutical Ingredients (APIs), and Contract Research and Manufacturing Services (CRAMS). Its key personnel have significant experience in pharmaceuticals industry and hold 111 patents in total in their personal capacity as authors of the patents (commercial rights remain with respective employers), with 8 publications. Its products are being currently used in the manufacturing of pharmaceutical products such as tablets, capsules, injections etc. Considering India's increasing focus on indigenization of API industry and in view of the existing supply agreements, the concerned Company has started procurement of reactors for capacity expansion at its existing manufacturing facility to cater to the increased/committed offtake. Bank has extended support to the Company for increasing its manufacturing capacities and invest more into R&D activities by getting access to latest technologies and talent in process chemistry.

- d) Company D builds high performance, compact, flexible robotic material handling systems and has developed a proprietary technology i.e. Carte+ for high speed material handling. This technology is used for warehouse automation and handling of materials in end of line manufacturing. It's warehouse automation solutions handle needs for speed, flexibility and efficiency while reducing costs. Under the USP, India Exim Bank has part financed its assembly line automation. Within the USP, India Exim Bank has offered assistance to the Company by way of a cash flow deficit financing which will enable Company for timely execution of its export project.

10. RESULTS

With support under the Ubharte Sitaare Programme (USP), India Exim Bank would play a catalytic role in contributing to the growth of the identified Ubharte Sitaare (companies) and would also have downstream benefits such as growth and diversification of India's exports, impetus to brand India, and employment generation. As on end-March 2022, under Ubharte Sitaare Programme (USP), India Exim Bank has extended support to 19 Indian companies, through funded or non-funded exposures, which have exhibited their potential to enhance their exports. Select companies which have started phenomenal traction within a short-time after receiving support from India Exim Bank under the Ubharte Sitaare Programme (USP) are briefly highlighted herein:

- One such company manufactures smart and energy-efficient home appliances powered by BLDC motors. Presently the company manufactures ceiling fans, pedestal fans, exhaust fans and wall fans. These are IoT enabled and come with smart remote control. It also intends to launch other home appliances like mixer grinder (using the same BLDC motor technology) and instant water heater. This was one of the many unique and innovative products which the Bank has supported under its USP wherein it has extended part financing its



Fuente: Bloomberglinea

capex which will help the Company in meeting the growing demand in the domestic market while tapping the international market.

- SP is also working towards making Indian companies capable for defense sector. Given that India is one of the largest importers of defense equipment, such support helps potential companies to produce similar products both for India and abroad. One such firm is into developing and manufactures unmanned aerial vehicles (UAVs). Since its engagement with India Exim-Bank it has not only bagged multiple contracts in India, but it has also won the largest single VTOL Mini UAV defense contract globally for its SWITCH UAV, while competing with global majors. The SWITCH UAV was the only system that emerged successful from the rigorous testing and field trials that the Indian Army is well known for, the company said in a press release. As a part of this contract, the Company has already delivered 200 systems to augment the Indian Army's surveillance capabilities. Bank has extended support to the Company by way of Fund and Non-Fund Based facilities for successful execution of domestic contract, to help it get the scale, credibility and experience to the market in India and abroad. The Company has since successfully completed the project and has also received new contracts from the MOD.
- Another Company is a materials technology company, specialized in manufacturing of new and advanced Copper alloys and its products for applications in Oil & Gas, Automotive, Welding, Heavy Engineering, Defense, Electrical and General Industry. The firm has introduced an innovative Copper Titanium alloy to

replace hazardous Copper Beryllium (CuBe) alloys, and it has exclusive licensee on a global basis. This Company approached the Bank for financial support towards procurement of machineries which will aid in product development and quality improvements, which was then extended under the USP.

11. LESSONS LEARNT

India Exim Bank's new initiative, Ubharte Sitaare Programme, is consciously engaging with companies that have a differentiated product, process or technology. Therefore, it becomes imperative to meet the promoters in person as well as visit the offices/ manufacturing facilities of these companies. However, considering the ongoing COVID-19 pandemic, conducting physical site visits at pre sanction level has been a challenge and the Bank has extensively been relying on virtual meetings for these interactions at the initial stages to learn about their various differentiated product lines which are under operations, to understand the firms, and their offerings, especially their export potential. While this approach has been found to be doable and have been a new learning under difficult circumstances, but in the last few months as Indian population has largely been inoculated physical site visits have started.

Based on the programme contours developed by the Bank, extensive interactions with leading academic institutions, industry associations, other stakeholders and the Bank's experience under the Ubharte Sitaare Programme over the last year, it is recognised that the requirements of identified companies such as handholding support, financing for R&D investment, capital investment for scaling up, financing studies (relating to sectors, markets, regulations), marketing expenses, product development, etc., are usually not met by existing banking arrangements, and thus it is essential to provide the right mix of structured support covering both financial and advisory services.

Lessons learnt through this entire process have been phenomenal, right from the engagement with companies which are using technology to think out-of-the-box and looking beyond the obvious in making a difference to the world around in new innovative ways. SEED's dialogue with globally acclaimed academic institutions based in India, also depicted their commitment to their incubators in supporting them in their various endeavours. Based on the lessons learnt, it is recognised that there is huge untapped potential which can be unearthed by continuing to deepen the ongoing engagement with identified firms and enterprises.

To conclude, one of the key lessons learnt under the Ubharte Sitaare Programme's journey since the launch over the last one year has been the unearthing of some of the tremendous potential that has the ability to make a difference to the daily lives of people – new product lines speak volumes about the opportunities that can be created in making the world a better place – and in the process also create employment. They need suitable support through the right mix of structured support covering both financial and advisory services, which can help them to grow, and hence understanding them in detail becomes crucial.

12. CONCLUSION

The Bank's support provided to companies with a differentiated technology, product or process product under the Ubharte Sitaare Programme would play a catalytic role in contributing to the growth of the identified Ubharte Sitaare and would also have downstream benefits such as growth and diversification of India's exports, impetus to brand India, and employment generation.

The Bank has over the years worked, promoted, facilitated and handheld many Indian firms in exploring overseas market, strengthen their capabilities and made them internationally competitive, while fulfilling the Bank's mandate. The support

under the Ubharte Sitaare Programme is comparable to a butterfly's life cycle – it has all the potential as it graduates to fly high.

India Exim Bank has been engaging and identifying with Indian companies and is proud to contribute to the internationalisation of identified companies through supporting their differentiated businesses which is the need of the hour for the country.

13. RECOMMENDATIONS FOR REPLICABILITY

A country with the size of India has a plethora of such opportunities available, which is untapped and possibly not explored or thought about. As India evolves to become one of the nerve centres globally with a large chunk of educated work force catering to a lot of global MNCs already, there remains immense scope for Indian financial institutions to create mechanisms to support differentiated approaches within the country which has the potential to make an indelible mark in India and abroad.

Given the nature of innovative companies, what is required is adoption of differentiated approach while exploring to support such businesses. Such an approach needs to be tailor made to suit a range of companies across a spectrum of industries.

It will be interesting to watch many more Indian companies to work in this space, while making India not only self-reliant, but also to produce for the world.

The Bank is hopeful that such an initiative taken by the Indian Exim Bank, can also be replicated globally, particularly in the developing country environment.