



Webinar for Council of Leather
Exports members on
“India Exim Bank’s Financing
Programmes”

T. D. Sivakumar.
General Manager

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The Bank's Line of Business

FY 2021 : Customer Asset Portfolio: ₹ 118,080 crore

Export Finance

Lines of Credit (LOC) / CFS

Buyer's Credit – NEIA

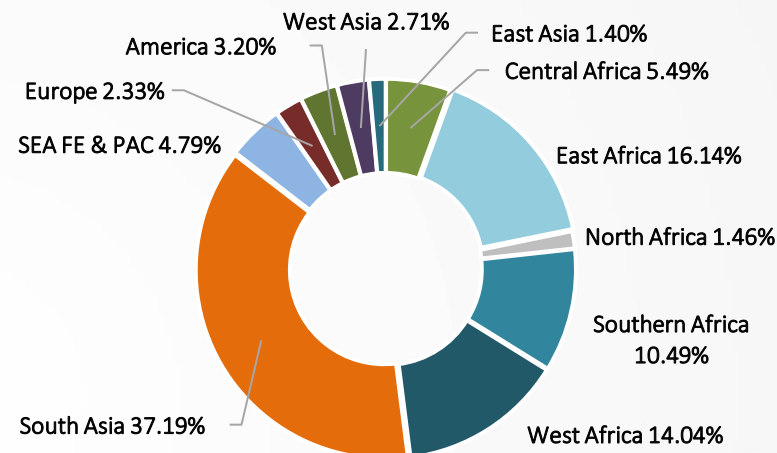
Pre-shipment Credit

Post-shipment Credit

Guarantees and L/Cs

- Set up under an Act of Parliament in 1981
- Medium to Long term credit to support international trade and investment
- 80% of lending operations in Foreign Currency
- Proxy to the India Sovereign in international debt markets
- Policy Bank for India's Economic Diplomacy
- Direct Finance : 89% and Refinance : 11%

Region-wise Exposure (1)(2)(3)



Export Capability Creation

Term Loans

Working Capital

Export Product Development

Export Facilitation

Overseas Investment Finance

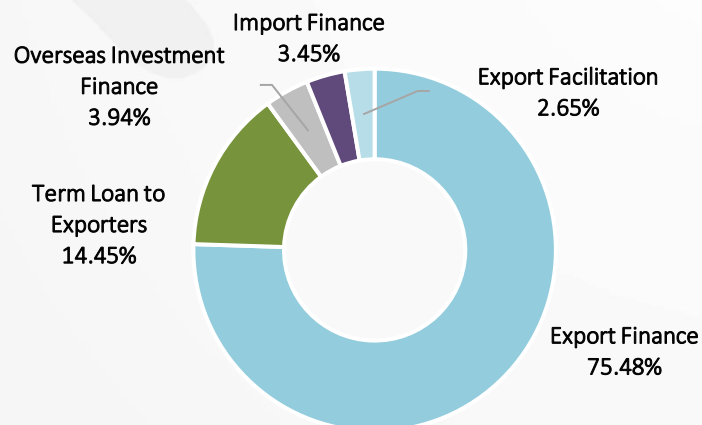
Import Finance

R&D

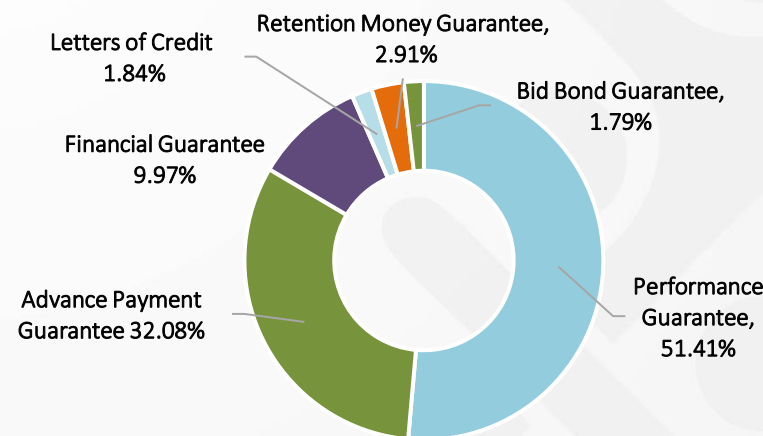
USP

BGs & LCs

Loan Portfolio (1)



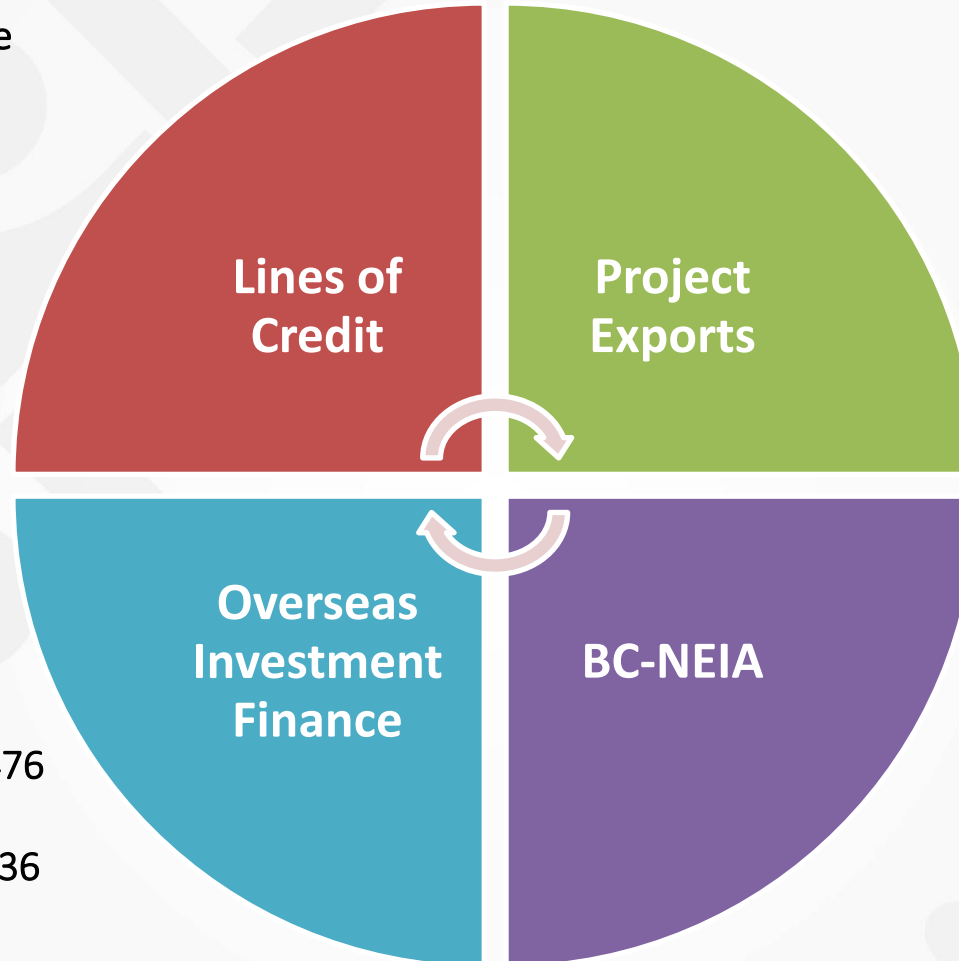
Non-Funded Portfolio (1)



(1) as on March 31, 2021; (2) Excluding 39% Indian exposure; (3) Exposures value of less than 1% are excluded.

Facilitating trade through linkages overseas

- Exim Bank has now in place 276 Lines of Credit, covering 61 countries in Africa, Asia, Latin America and the CIS, with credit commitments of around USD 27.84 billion

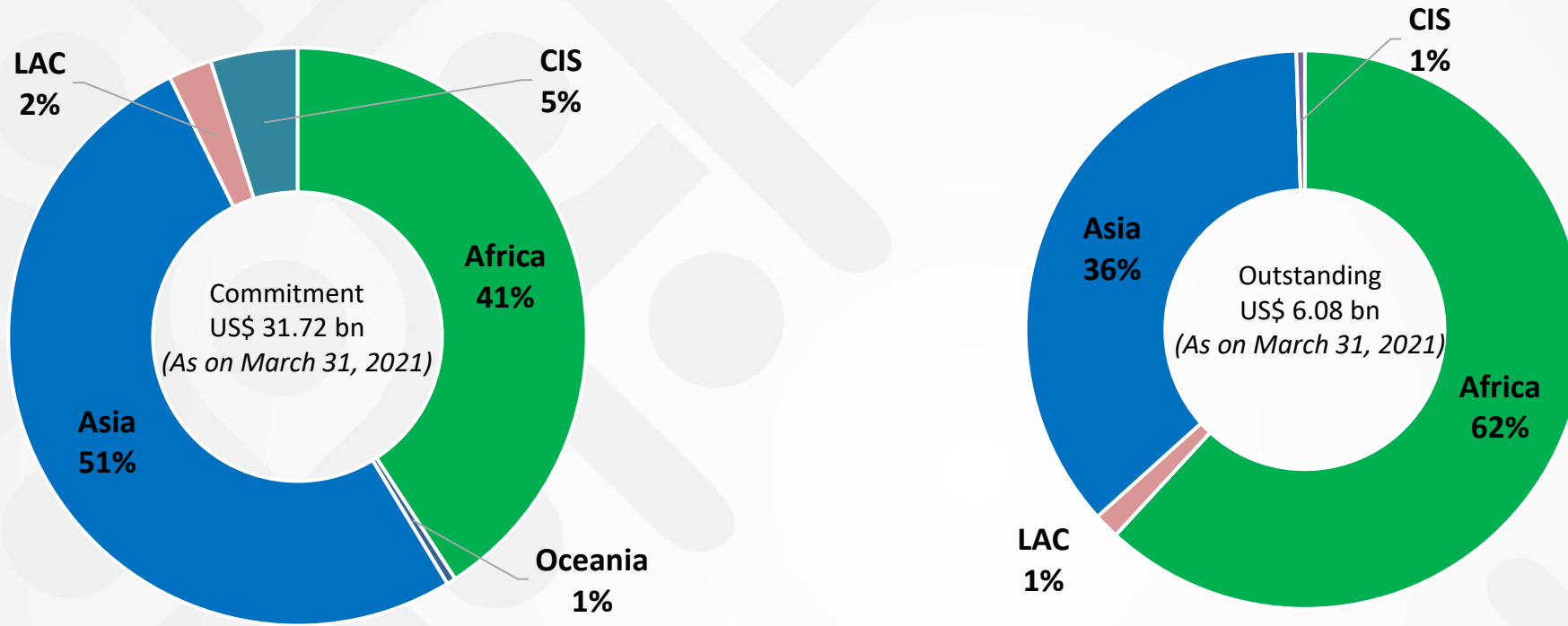


- Under OIF, Bank has, so far, supported 637 ventures of 476 companies in 78 countries.
- Aggregate assistance: ₹ 62,036 crore

- During FY21, 38 project export contracts valued US\$ 3.6 bn supported, in 29 countries by over 25 Indian companies

- Under the BC-NEIA Programme, the Bank has sanctioned an aggregate amount of USD 2.88 bn for 32 projects, valued at USD 3.15 bn, upto March 31, 2021

Lines of Credit (1/2)



- The Bank has issued 315 LOCs, covering 64 countries with credit commitments of over US\$ 31.72 bn.
- The total outstanding under the LOCs as on March 31, 2021, aggregates US\$ 6,088.97 mn (₹ 44,516.49 crore), representing a CAGR of 15.55% over the last 10 years, and constitutes 40% of the total loan portfolio of the Bank.
- During FY 2021, 17 LOCs aggregating US\$ 2.01 bn were sanctioned by GOI, to the Governments of Angola, Guinea, Kenya, Eswatini (Swaziland), Maldives, Nicaragua, Nigeria, Sri Lanka, Syria, Suriname, Uzbekistan, Vietnam.

Lines of Credit (2/2)



Virtual foundation stone laying ceremony of five Nuclear Power Evacuation contracts by India and **Bangladesh** for Infrastructure Development for Power Evacuation Facilities of **Rooppur Nuclear Power Plant** financed under GOI-supported Exim Bank's LOC worth **US\$ 4.5 billion**. This infrastructure is crucial for integration and safe operation of the first nuclear power plant in Bangladesh.

The Bank has extended a GOI-supported LOC of **US\$ 100 million** to the Government of **Nepal** for **Road projects, rural electrification projects, power transmission projects and hydro power projects**.

Concessional Financing Scheme (CFS) - (1/2)

The CFS initiated in 2015 by the GOI for Indian companies to bid for strategically important infrastructure projects abroad, wherein the Bank has extended a term loan of US\$ 1.60 billion to the Bangladesh-India Friendship Power Company Pvt. Ltd. (a 50:50 joint venture between the Bangladesh Power Development Board, Bangladesh and NTPC Ltd., India) for financing the strategic 1320 MW (2x660 MW) ultra super-critical Maitree Super Thermal Power Project on turnkey basis at Rampal, Bangladesh.

The CFS scheme could be expanded in the context of Aatmanirbhar Bharat and to support Indian manufacturers under the PLI schemes in strategic industries making them produce for the domestic market while making them export ready.

Upon expansion of CFS, the Bank will provide financing in USD/INR for setting up of manufacturing facilities in strategic industries by an identified company on concessional terms.

Concessional Financing Scheme (CFS) - (2/2)

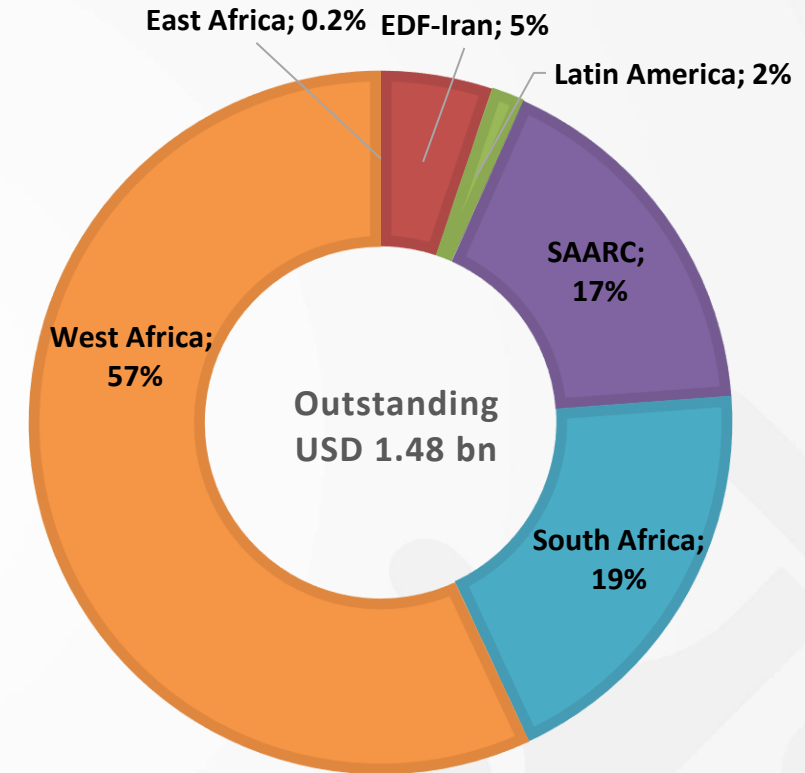
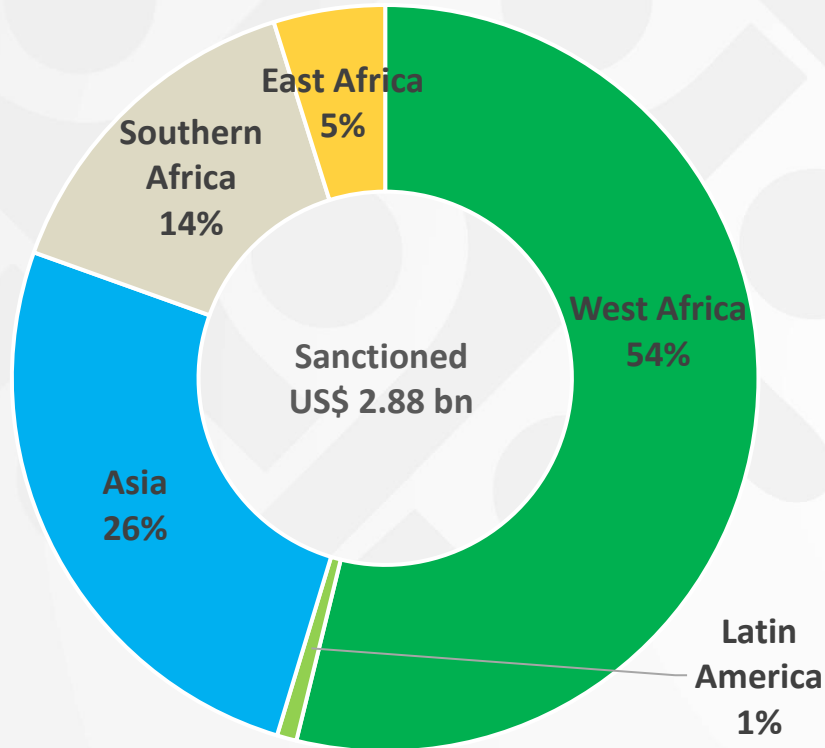


The Bank has sanctioned **US\$ 1.60 billion** for **Maitree Super Thermal Power Project** at **Rampal, Bangladesh**.

CLMV – Project Development Fund (PDF)

- ❖ The primary objective of PDF is to facilitate Indian Investments and broaden the manufacturing base of Indian companies in Cambodia, Laos, Myanmar and Vietnam (CLMV) countries. The Bank is the implementing agency.
- ❖ So far, four projects have been identified as under :
 - (i) Multi-Speciality Hospital and/or Medical College in Cambodia. [SPV is under process]
 - (ii) Multi-Speciality Hospital and/or Medical College in Myanmar. [Govt. of Myanmar's Policy is awaited]
 - (iii) Educational Institute in Myanmar. [Govt. of Myanmar's Higher Education Policy Framework is awaited]
 - (iv) Pharmaceutical Manufacturing Unit in Vietnam [SPV is under process]
- ❖ Currently, two projects - One in Cambodia and Vietnam each are being pursued.
- ❖ Arrangements for establishing a Special Purpose Vehicle (SPV) are being made.
- ❖ The SPV would take the projects to a bankable option, which will further be offloaded to an interested Indian Company.

Buyers Credit under National Export Insurance Account (1/2)



- As on March 31, 2021, the Bank has sanctioned an aggregate amount of US\$ 2.88 bn for 32 projects, valued at US\$ 3.15 bn.
- The outstanding BC-NEIA portfolio stood at US\$ 1.48 bn as on March 31, 2021.

Buyers Credit under National Export Insurance Account (2/2)



For a **City Decongestion project**, the Bank has sanctioned **US\$ 245.74 million** to the Government of Republic of **Zambia**. The project is being executed by **Afcons Infrastructure Ltd.**



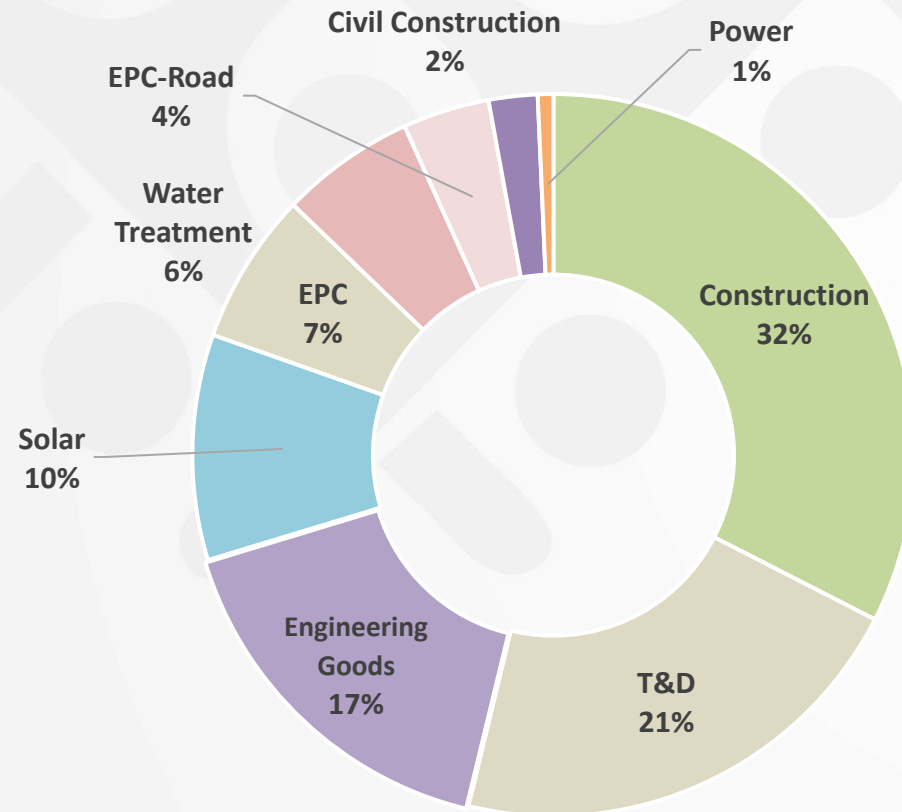
The Bank has sanctioned **US\$ 447.17 million** to the **Government of Republic of Ghana** for **Design and Construction of a railway line between Tema and Mpakadan** and Design and Construction of Railway Heads. The project is being executed by **Afcons Infrastructure Ltd.**



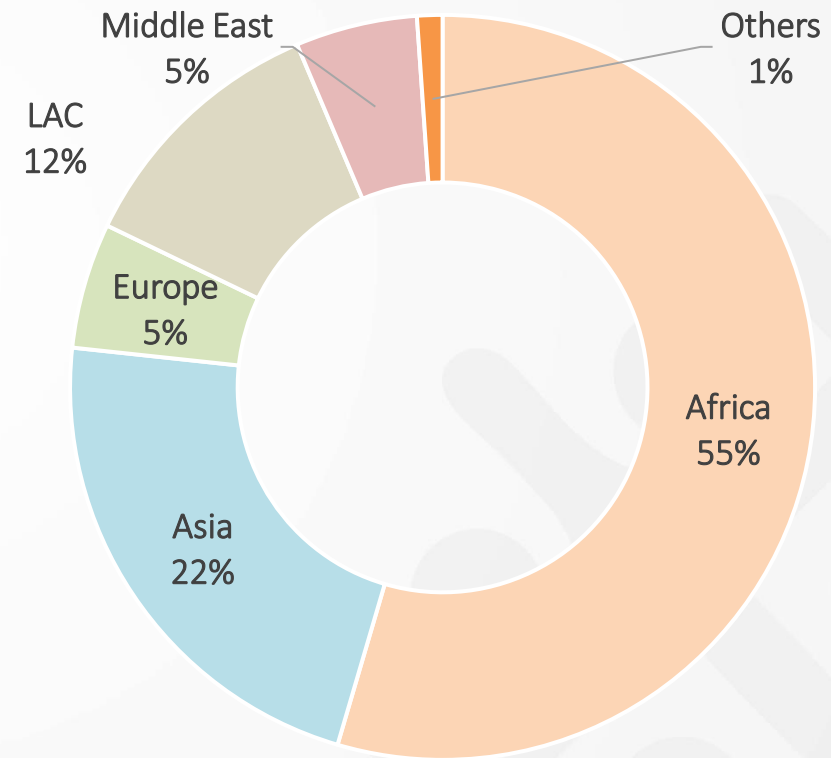
Under the BC-NEIA facility, the Bank has sanctioned **US\$ 91.80 million** to the National Water Supply & Drainage Board, a Government of **Sri Lanka** undertaking for plant & design works of **Polgahawela, Pothuhera and Alawwa integrated water supply project**. The project is being executed by **VA Tech Wabag Ltd.**

Project Exports – Commercial (1/3)

Sectors



Regions



During FY 2021, around 38 project export contracts valued at approximately ₹ 27,142 crore (approx. US\$ 3.6 bn) were supported by the Bank, were under execution, in 29 countries across Asia, Africa, and CIS by more than 25 Indian companies.

Project Exports - Commercial (2/3)



The Bank has supported **Larsen & Toubro Ltd.** in executing a framework contract for construction of **Cryostat and related parts** for developing a 500 MW Nuclear Power Plant, based on fusion reaction, at Cadarache, **France**, awarded by ITER-India, Institute for Plasma Research.



The Bank has supported **Sterling and Wilson Solar Pvt Ltd.** by way of Bank Guarantees aggregating **US\$ 11.83 million** for executing the design, engineering, procurement and construction contract of a **50 MW (ac) photovoltaic solar electricity generating project** at Benban, **Egypt** valued US\$ 48.75 mn.



The Bank supported **KEC International Ltd.** by way of non-fund based facility aggregating **US\$ 4.84 mn** for supply and construction of 500 kV **Thai/Laos border-Ubon Ratchathani** with a distance of approximately 96 km, project valued ₹ 1.72 bn.

New Initiative - Ubharte Sitaare Programme (1/3)



Objective

Identify and nurture firms with differentiated product, technology, or processes

Create international champions in India



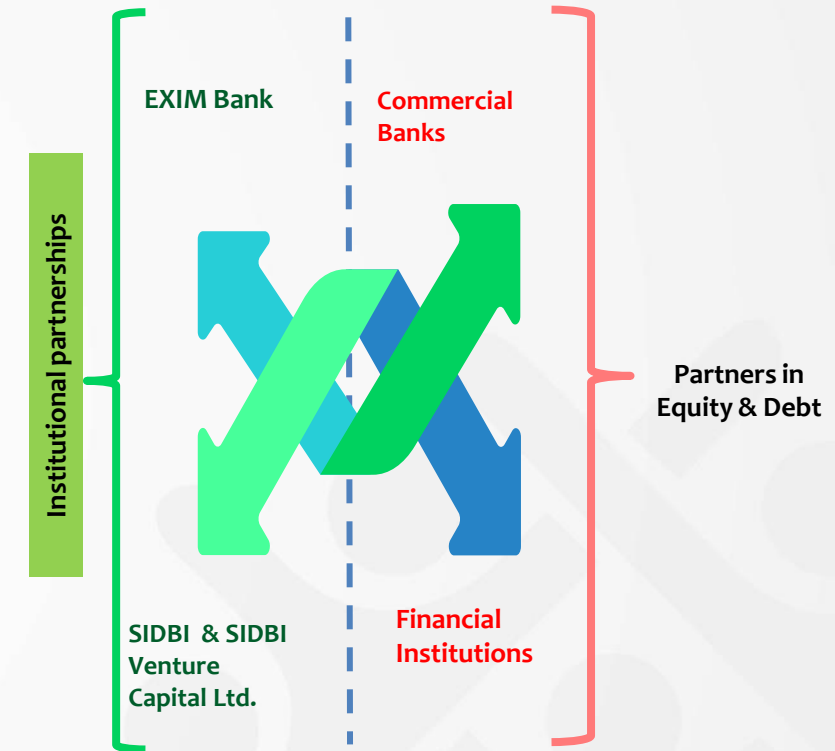
Provide finance and extensive handholding support

Exports, Economic Growth & Employment

Collaborating and Engaging



Value proposition



Equity : Investment in the corpus of the Ubharte Sitaare Fund of ₹ 250 crore with Green-shoe option of ₹ 250 crore

Co-financing : Debt funding by way of extending loans at competitive rates

Collaboration and ongoing engagements with industry and academia, including various incubation centers in the country

Handholding select companies through USP ... (2/3)

Offering HDPE Recycled Granules & Pellets



Manufacturer of 'near virgin quality' recycled plastic granules for consumer product packaging.

Unmanned Aerial Vehicles



One of the largest manufacturer of Unmanned Aerial Vehicles (UAV, also referred as drone) for security, surveillance & industrial applications.

Key ingredients for Covid vaccines



Engaged in R&D and production of a wide range of polar lipids, with technology of phospholipids for lipidic drug delivery, Novel Drug Delivery System and nanomedicine

Harnessing solar energy to store agricultural produce



Promotes sustainable agriculture and storage solutions through using solar energy-based products that are energy efficient and cost effective

Handholding select companies through USP ... (3/3)



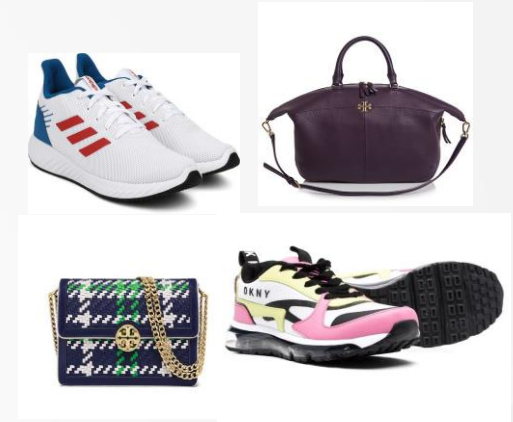
Company is a digital first consumer durable brand with deep expertise in motor technology and industrial design and currently the only player in India manufacturing fans with the BLDC motor technology.



Firm is engaged into manufacturing of Alfin Rings, centrifugal castings, sand casting, forging, machining shop, and agricultural implements. Company has set up a manufacturing line for Steel Piston pins.

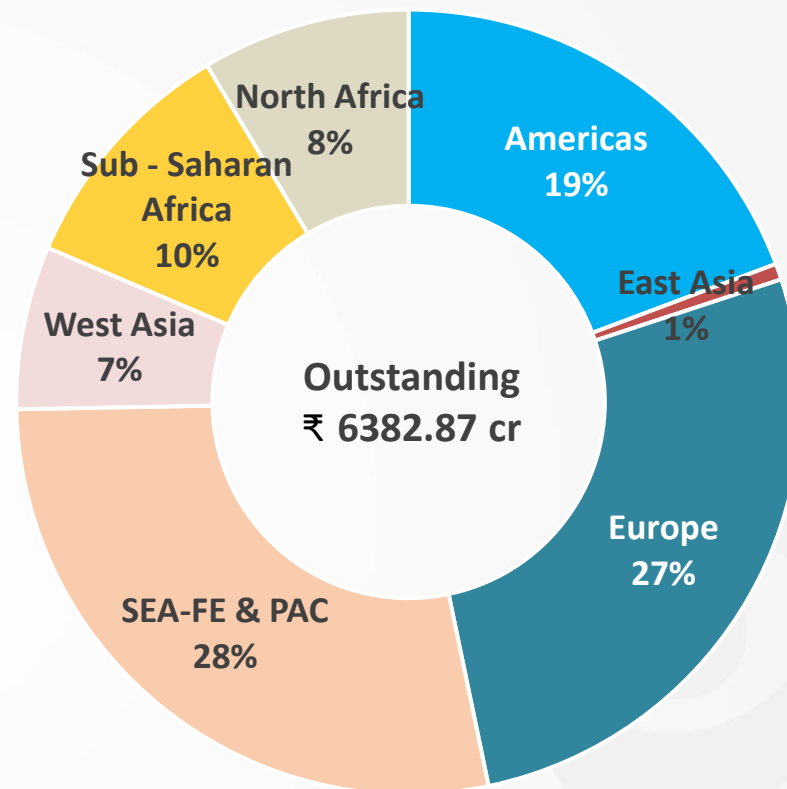
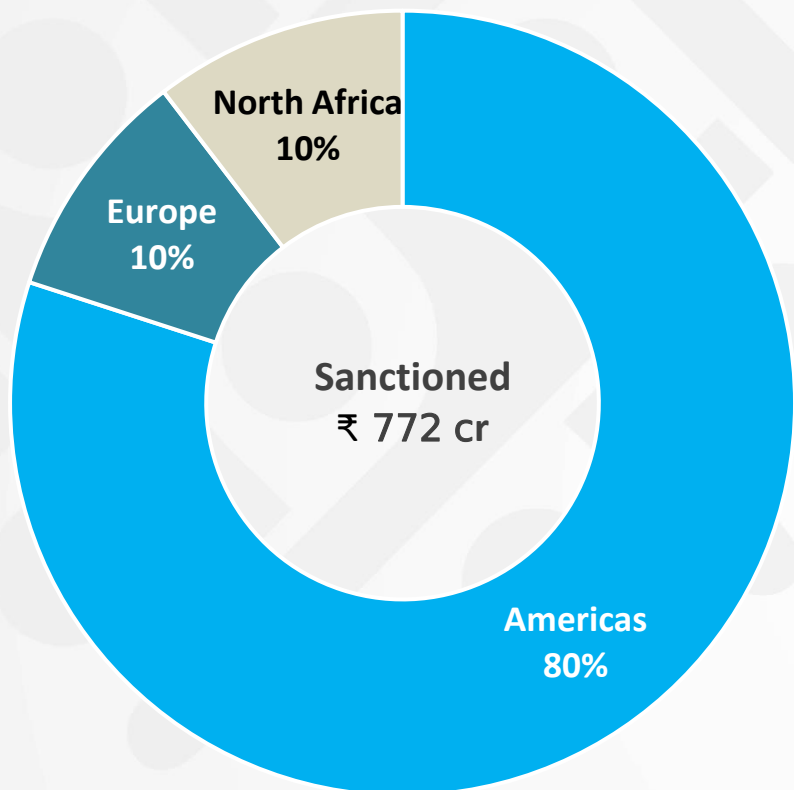


Company has successfully commercialized a patented technology. Company is the exclusive licensee on a global basis of the said technology to manufacture innovative Copper Titanium alloy.



The Company offers handbags, gloves, belts, and other small leather goods. The Company's products are produced in consonance with what is in vogue are also developed in synchrony with up-to-the minute fashion.

Overseas Investment Finance (1/3)



- As on March 31, 2021 Bank has so far provided finance to 637 ventures set up by over 476 companies in 78 countries. Aggregate assistance for overseas investment : ₹62,035.68 crore.
- During the year ended March 31, 2021, total disbursements aggregated ₹ 327.53 crore (including those made under approvals granted in the previous years), and the net loan outstanding under the OIF Portfolio as on March 31, 2021 was ₹ 4,088 crore (constituting 10% and 4% of the net commercial loan portfolio and overall net loan portfolio respectively).

Overseas Investment Finance (2/3)

I M Gears Pvt Ltd.



The Bank has sanctioned an OIF Term Loan to I M Gears Pvt. Ltd. for setting up a Green Field Manufacturing facility for the production of automotive components in Morocco.

TCL Specialties LLC.



The Bank has sanctioned a Loan TCL Specialties LLC., USA for setting up an integrated green field manufacturing facility for production of food acids in USA.

Aequs Aerospace B.V.



The Bank has supported Aequs Aerospace B.V. (AABV), Netherlands, for on-lending to its wholly owned subsidiary i.e. Aequs Holdings France SAS (AHFS), France, to part finance the cost of acquisition of SIRA Group under the Bank's Overseas Investment Finance (OIF) Programme.

Cayman Islands



The Bank has funded Narayana Hrudayalaya Ltd. for its acquisition of Health City Cayman Islands (HCCI) under OIF programme.

Export Oriented Units (EOUs) (1/2)

- Financing is extended to Export Oriented Units (EOUs).
- Financing is extended not only to the companies in the manufacturing sector but also in services sector having foreign exchange earnings.
- Purpose of financing includes expansion, modernization, upgradation or diversification programmes of existing export-oriented units and for setting up an export-oriented unit.
- Loan can be extended in Indian Rupees / US Dollars / other International currencies available with India Exim Bank.
- Repayment and Tenor can be suitably structured with appropriate moratorium, but generally do not exceed 10 years.
- A minimum promoter's margin of 20% is generally stipulated.



Export Oriented Units (2/2)

Bharat Aluminum Co. Ltd



The Bank has sanctioned finance to Tata International Ltd. to meet its general short term financing requirements.

Tamil Nadu Newsprint & Paper Ltd.



The Bank has supported Tamil Nadu Newsprint & Paper Ltd. with a Term Loan of Rs 200 crore to part-finance its cost of mill expansion for its Unit 3 in Tamil Nadu.

Production Equipment Finance / Import Finance (1/2)

- Financing is extended to acquisition of equipment for projects under the 'Production Equipment Finance Programme' or under the 'Import Finance Programme'.
- Purpose of financing includes Debottlenecking (PEFP) and Import of Plant and Machineries (IF).
- Loan can be extended in Indian Rupees / US Dollars / other International currencies available with India Exim Bank.
- Repayment and Tenor can be suitably structured with appropriate moratorium, but generally do not exceed 7 years.
- A minimum promoter's margin of 10% is generally stipulated.



Production Equipment Finance Programme (2/2)

Hikal Ltd.



The Bank has sanctioned a Term Loan to Hikal Ltd. for part financing capital expenditure at its existing manufacturing facility.

Emcure Pharmaceuticals Ltd.



The Bank has sanctioned a Term Loan to Emcure Pharmaceuticals Ltd. to part finance its capital expenditure for modernisation, balancing and debottlenecking of existing manufacturing facilities.

Research & Development (1/2)

- India Exim Bank encourages Indian exporters to invest in their R&D spending in order to develop new products/ processes/ IPRs for enhancing export capabilities.
- Research foundations/ Institutes/ SPVs promoted by companies are eligible for financing.
- Both capital and revenue expenditure are covered.
- Loan can be extended in Indian Rupees / US Dollars / other International currencies available with India Exim Bank.
- Repayment and Tenor can be suitably structured with appropriate moratorium.
- Export orientation of more than 20% is generally stipulated.



Research & Development (2/2)

Genova Biopharmaceuticals Ltd.



The Bank has supported GBL by way of a R&D facility, to meet its cash-flow requirement, during the clinical trial stage of development of mRNA vaccine for COVID-19.

Ion Exchange India Ltd.



The Bank has sanctioned term loan to Ion Exchange India to part finance its R&D and technology centre.

Trade Assistance Programme (TAP)

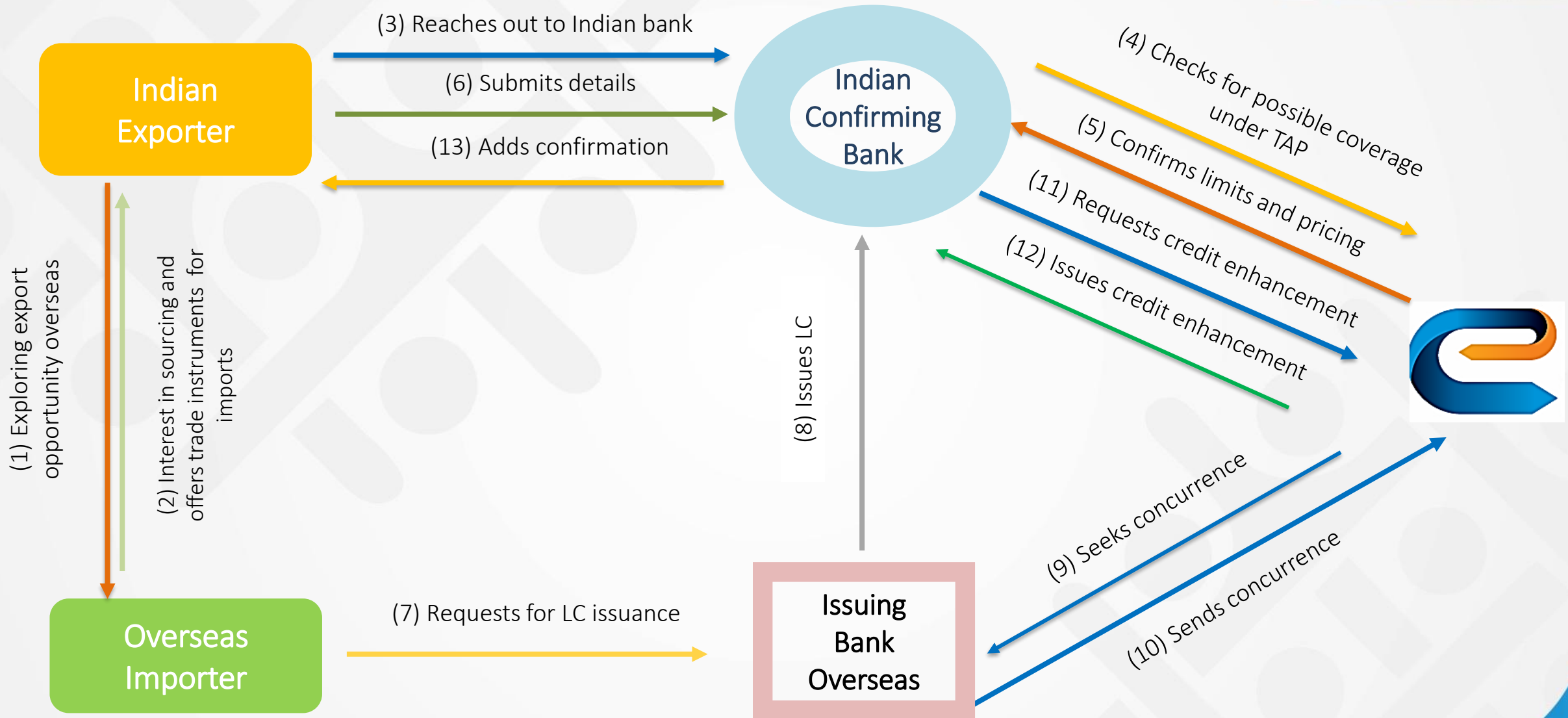
Features

- Build network of partnerships of commercial banks in India and identified overseas banks.
- TAP will offer participating commercial banks in India partial or full guarantees to cover payment risk on banks in the emerging markets.
- These guarantees would be transaction-specific covering:
 - (a) letters of credit
 - (b) trade-related promissory notes and bills of exchange
 - (c) bid and performance bonds
 - (d) advance payment guarantees
 - (e) supplier credits for the import of capital goods

Objectives and Benefits

- Boost India's exports by providing credit enhancement to trade instruments;
- Extend and complement capacity of commercial banks to deliver trade finance by providing risk mitigation where trade lines may be constrained;
- Increase the confidence of counterparties in settlement of trade transactions;
- Market entry mechanism and enhanced geographical coverage for exports, including MSMEs;
- Risk coverage for challenging trade transactions;
- Making available longer tenors needed for the import of capital goods

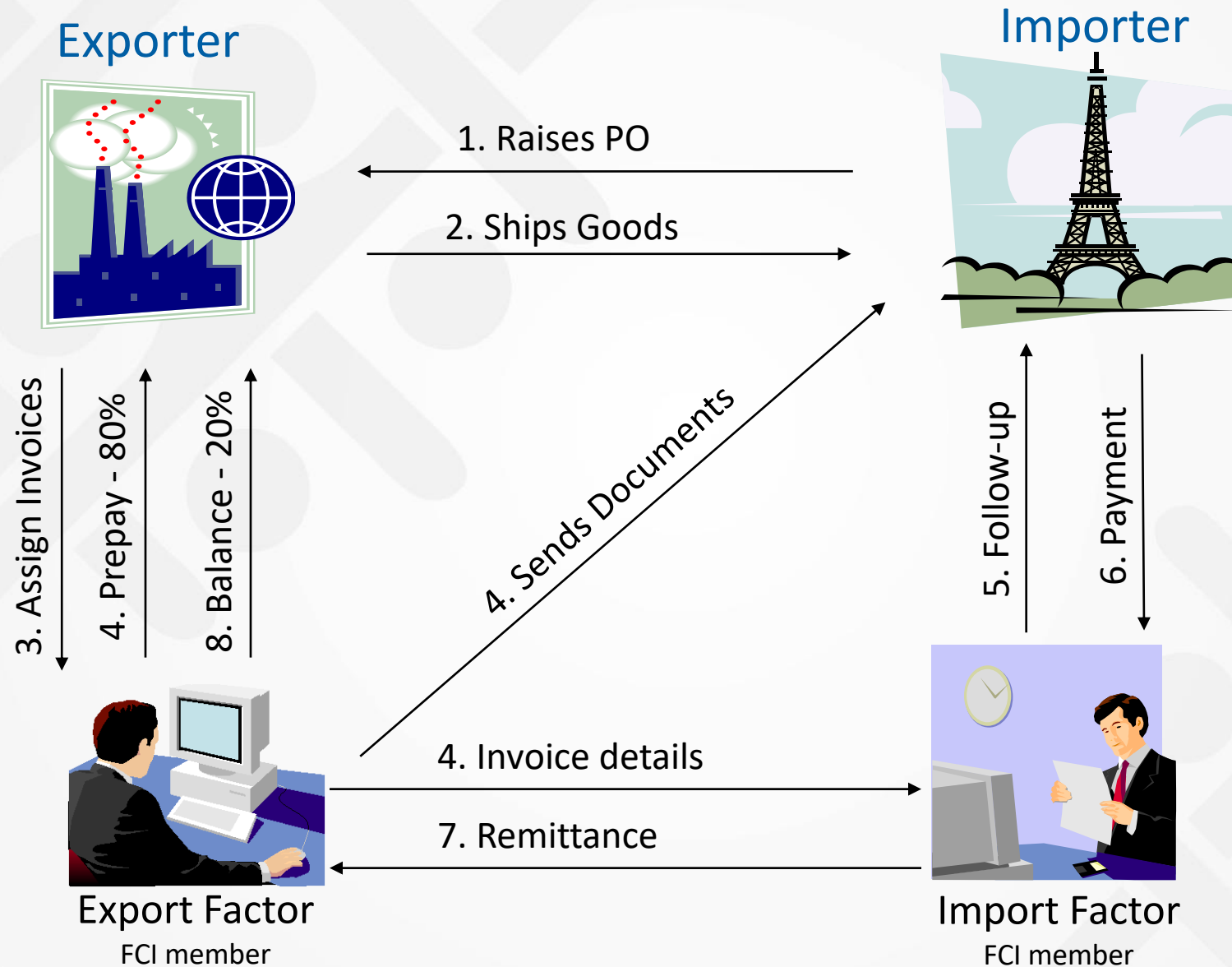
Illustration of the TAP Structure



Factoring of Receivables

- International factoring turnover of India in FY2020 was only US\$ 494 mn, as against US\$ 51,979 mn of China. India has only 11 factoring companies. Small economy like Vietnam has similar number of factoring companies [9] and similar size of export factoring business [US\$ 456 mn], reiterating immense potential for export factoring in India.
- Factoring as a solution, as against traditional bank loan, is preferred by the exporters, especially MSMEs, as it improves their liquidity and can be structured as non-recourse and off-balance sheet facility.
- Factoring Regulation (Amendment) Act, 2021, recently passed by both the houses, will give further push to the factoring in India.
- Factoring is not new to India Exim Bank, which had been successful in setting up the factoring business in the past.
- India Exim Bank is in the process of incorporating a factoring company.
- International Financial Services Centres Authority has invited bids for setting up and operating and International Trade Finance Services (ITFS) platform, similar to Trade Receivables Discounting System (TReDS). India Exim Bank is pursuing supporting trade through ITFS platform(s).

Export Factoring Transaction Flow



Countertrade

- Countertrade refers to the exchange of goods and services in whole or part, with other goods and services as payment, rather than with money.
- It is an important mode of international transactions for countries facing currency or payment challenges.
- It also facilitates trade where conventional means of payment is non-existent or complex for a variety of reasons including international sanctions.
- It can also hedge against currency risk - (a) purchasing financial instruments requires an upfront financial payment; and (b) the hedging instruments like futures/forwards for hedging currency risk (for the overseas countries) may not be available for longer tenors given the depth of financial markets in such HIPCs and LICs.
- Fallback measure: Recovery of dues on Sovereign-backed Loans and Sustainability of India's Developmental Assistance Program
- Tapping lesser explored geographies having potential to trade but facing challenges in foreign exchange availability
- India Exim Bank has prepared a Concept Note on Countertrade, which has been shared with GOI (MOF and MOCI).
- India Exim Bank is pursuing to do transactions under countertrade.

The Bank's Exposure across Geographies



The Bank's operations cover support to trade and investment in over 100 countries.



Thank You

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GROWTH.
GLOBALISING
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