



Export Factoring

Financial instrument for export growth
with liquidity & risk management

India Factoring & Finance Solutions Pvt Ltd

in association with

Council for Leather Exports





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Cashflow & Risk management with Export Factoring product

Advantages to you - Leather Industry!

About India Factoring



Company Profile

- India Factoring and Finance Solutions Pvt. Ltd. is –
 - ***A specialised Non-Banking Finance Company in India***
 - ***Regulated by the Reserve Bank of India under the NBFC-Factor category***
 - ***Licensed by RBI to offer only Factoring Products in India***
 - ***Licensed by RBI as a Category III Authorised Dealer***
- Key Shareholders
 - ***FIMBank, Malta (Member of the European Union) – majority shareholder, controller and product expert***
 - ***Banca IFIS, Italy (Member of the European Union) – strategic shareholder and product expert***
- Key Management – Expert in Factoring product
- Strong promoter commitment and control
- Offers a complete range of Factoring products to Indian SME's
 - ***Domestic Factoring Recourse***
 - ***Export Factoring Non-Recourse***
 - ***Export Factoring Recourse***

A factoring specialist at your service

Primary Shareholders & Position



- FIM Bank Group
 - *Specialized Factoring, Forfaiting and Trade Finance Bank based in Malta (European Union)*
 - *Regulated by the Malta Financial Services Authority (MFSA) who is regulated by European Commercial Bank (ECB)*
 - *Major Shareholders – United Gulf bank and Burgan bank*



- Ultimate Beneficial Owners – KIPCO Group



- Banca IFIS – specialized Factoring and Trade Finance bank based in Italy

India Factoring Ranking				
IFFSPL volume wise position in	2018	2019	2020	2021
South Asia	2nd	1st	1st	1st
Whole Asia	11th	4th	4th	4th
World	28th	11th	11th	11th

FIMBank - a global force in trade finance

Factoring Products..





Factoring Product

Factoring-What we do?

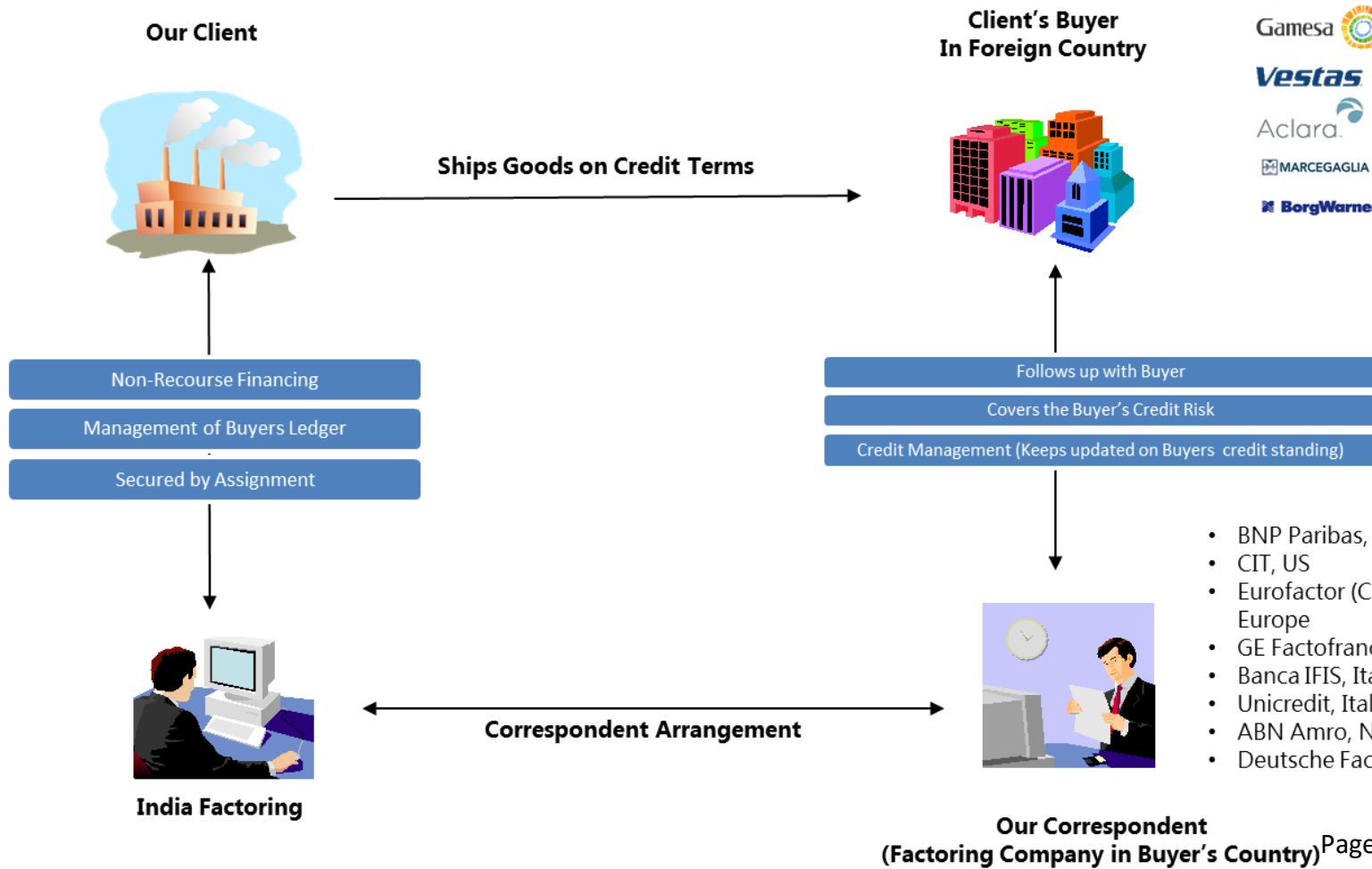
- *Purchase Open Account Receivables up to 180 days Tenor*
- *Prepay up to 80% in domestic factoring and 90% in export factoring of invoice value immediately*
- *Follow up and collect debts from our Client's Buyers*
- *Professional Collection services in India and more than 30 countries*
- *Credit cover or insure Client's export Buyer's Credit Risk up to 100% of Invoice Value*
- *Offer a Projected Sales Linked Facility*

How does Factoring benefit the Client?

- *Improves his cash flow – immediate funding upon presentation of invoices*
- *Client need not spend time on chasing overdue debts – collections are done by us*
- *No Languages / time zone issues with foreign debtors – collections are done by our correspondents*
- *No losses due to Bad debts – We cover / insure export Buyer's Credit Risk*
- *Fully unsecured Facility*
- *Balance Sheet ratios improves – Factoring is Off Balance Sheet*
- *Improves Commercial competitiveness – higher credit terms does not affect the Client*

Export Factoring

- *Non Recourse Facility*
- *Balance sheet management*
- *Frees up working capital – cuts FX exposure*
- *Additional feature of credit protection – correspondent factor*
- *Credit Insurance can be done away*
- *Gradual movement from LC backed to open account structure – a growing global requirement*



Domestic Factoring

- *Financing – upto 80% of invoice value – improves cash flow*
- *Collections and Ledger management*
- *Unsecure facility – not a loan – receivables are assigned*
- *Balance sheet management – improve your ratios*
- *Frees up working capital*
- *Enables client to focus on core function*

Our Client



1. Ships Goods on Credit Terms

Client's Buyer



**"A" and above or
"BBB" with a mix of
"A"**

- BAYER
- DAIMLER
- EATON POWER
- EMERSON NETWORK
- FLIPKART INDIA
- GAMESA
- GLAXOSMITHKLINE
- HEWLETT PACKARD
- RENAULT NISSAN
- SIEMENS
- TATA CONSULTANCY SERVICES
- VESTAS
- WABCO INDIA

Recourse Financing

Management of Buyers Ledger

Secured by Assignment

Follows up with Buyer



India Factoring



Advantages for Leather Industry!

Advantages to You..



Improves cash flow – immediate funding upon presentation of invoices



Client need not spend time on chasing overdue debts – collections are done by our Correspondent



No Languages / time zone issues with foreign debtors – collections are done by our correspondents



No losses due to Bad debts – Correspondent cover / insure Buyer's Credit Risk



Fully unsecured Facility – Client free to pledge his securities to Bank



Balance Sheet ratios improves – Factoring is Off Balance Sheet for Client



Improves Commercial competitiveness – higher credit terms does not affect the Client



Self Liquidating Finance – Financing is recovered from payments made by the buyer



Client can concentrate on his core business

Factoring vs Bank Finance

Factoring

Receivables are Assigned / Purchased

Factoring Limit - Off Balance Sheet (Non-Recourse)

Unsecured

Receivables get converted into Cash

Factoring Limit is based on future Sales

Factoring is based on Client's performance of goods and Debtor's Creditworthiness

Collection Services

No Penalty on Overdues

Buyer Concentration approach

Bank Finance

Receivables are Hypothecated

Bank Limit reflects on Balance Sheet as Loan

Mostly Secured

Receivables remain as Debtors

Bank Limit is based on Balance Sheet

Banking Limit is based on Client's Creditworthiness

No Collection Services provided

Penal Interest on Overdues

Client Concentration approach

1. Unsecured financing facility – the suppliers can use the collateral for capex as appropriate
2. Turnover linked – hence future oriented supporting for growing business
3. Running account facility – Unlike a bill discounting facility which is transactional in nature, our facility is a running account facility with supplier routing whole turnover of buyer through us.
4. Interest is on outstanding amount and not the invoice amount. Supplier pays only for number of days utilized with monthly rests and not for the entire tenor upfront which is a norm in Bill Discounting facility
5. Product suite includes finance, sales ledger management service and collections services
6. Online service available for the supplier to view statements
7. The facility documentation is only with the supplier – only a letter is served by supplier to buyer
8. It's a post shipment facility – funding is immediately on shipment and not waiting for acceptance of buyer
9. Happy to support extended terms, once mutually agreed with your suppliers as per MSA

THANK YOU
CLE for giving us an Opportunity!!!



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