

UBHARTE SITAARE PROGRAMME (USP)

Background

1. In order to improve the overall economic performance of the Indian economy, there is a need to boost measures for increasing exports for higher economic activity and employment generation. Over time, a nation's exports would be 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 remained stagnant for over a decade now, with its share in the total GDP of the country hovering at around 15%. Further, India's export basket lacks any significant high-technology value-added items, and it remains concentrated in the mid to low technology export segment. India's exports have largely concentrated on products, which account for a relatively small share of global imports. Clearly Indian exporters are absent from a major part of the global market.
2. A sustainable way to increase exports from India is by enhancing the capabilities of Indian companies and developing their international competitiveness. Long-term competitiveness in an open global environment needs huge investments in research and development. This approach, however, has several impediments including the absence of adequate and timely finance, limited technology adoption and modernization, low production capacity, and ineffective marketing strategy. Exim Bank has accordingly developed a new programme to support Indian companies for increasing India's exports on a sustained basis.
3. The Ubharate 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 equity support, debt and technical assistance.

Objectives

4. The objectives of the Programme are as under:
 - a) To enhance India's competitiveness in select sectors through finance and extensive handholding support;
 - b) To identify and nurture companies having differentiated technology, products or processes, to enhance their export business;
 - c) To assist units with export potential, which are unable to scale up their operations for want of finance;
 - d) To identify and mitigate challenges faced by successful companies which hinder their exports;
 - e) To assist existing exporters to widen their basket of products and target new markets through a strategic and structured export market development initiative.

Eligibility Criteria

5. Broad eligibility criteria are as under:

- a) Companies with unique value proposition in respect of technology, products or processes that are matching with global requirements;
- b) Fundamentally strong companies with acceptable financials, and outward orientation;
- c) Small and mid-sized companies with ability to penetrate global markets, with an annual turnover of up to approx. ₹ 500 crore;
- d) Companies with a good business model, strong management capabilities, and focus on product quality.
- e) Indicative Sectors: Automobiles and Auto components, Aerospace, Capital Goods, Chemicals, Defence, Food Processing, IT & ITeS, Machinery, Pharmaceuticals, Precision engineering, Textiles and allied sectors

Nature of assistance

6. The nature of support would cover both financial and advisory services through:

- a) Support by way of equity / equity-like instruments.
- b) 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 by investment in activities such as:
 - machinery and equipment;
 - tools, jigs and fixtures;
 - testing / quality control equipment;
 - land and building.
- c) Technical Assistance (TA) 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, TEV, etc.

Security

7. Appropriate charge on the fixed assets of the company / project plus other acceptable security including charge / assignment on the IPR, personal guarantee, etc.

For further details, interested companies may write to seed@eximbankindia.in

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