



# INDIA FACTORING BULLETIN

One stop solution for your Global Aspirations



## Ease of business with India Factoring

India Factoring provides a smooth and convenient onboarding process to its customers. On approaching our company for a Factoring facility, customers are allocated dedicated Relationship Managers (RM), to be a one-point contact and to assist in a seamless process of documentation. The documentation includes execution of Factoring Agreement, Sanction Letters, ancillary legal documents and submission of KYC documents.

Our RMs are always ready help our esteemed customers and are in constant touch with them for any kind of assistance. Thus, our customers are always delighted in being associated with our company and also to explore the abundant growth opportunities with us. Even after completion of the onboarding process, our RMs are available to offer any service-related assistance. India Factoring remains proud to be associated with its valuable customers and are happy to be part of their growth story.

## Benefits of Factoring Services to SMEs and MSMEs

Factoring Services can support to Small and Medium Enterprises (SMEs) for increasing their cash flow, especially when the enterprises are in need of funds to grow their business or to keep up with increasing order numbers, while working capital is low.

### Some of the key Benefits of Factoring for SMEs are:

- Improved Cash Flow - Factors pay up to 80% of the invoices sold to them, this being the main benefit of factoring, especially with long credit terms. If the business cannot wait 30-90 days for cash to be paid, factoring helps to eliminate cash flow lags.
- Avoidance of Debt – Since Factoring is not technically a loan, it will not add to a company's debt or tie-up collateral that may be required to secure Bank Financing.
- Outsourcing of Credit collection - A Factor that buys receivables will effectively take over the debt collection process to receive the money that is owed to them, often including credit check on the business customers, and taking over all collection efforts.

In India there are about 50 million MSMEs which contribute to almost 40% of India's GDP and provide employment opportunities to around 120 million people in India. MSMEs find it difficult to avail working capital limits from Bank and Financial Institutions as the Financial Institutions offer the working capital limits to MSMEs against the collateral or other securities.

### Some of the key Benefit of Factoring for MSMEs are:

- Factoring is usually an unsecured facility thus it does not require a security from MSMEs.
- Receivables are not hypothecated and provides an easy and fast access to working capital.
- Risk mitigation under open account payment terms.

## WORRIED about going Global? Partner "INDIA FACTORING" for SOLUTIONS:

WORRIED ABOUT:	SOLUTIONS by INDIA FACTORING
Credit worthiness of customers	Non-recourse factoring services that provide credit protection to our customers
Monitoring of collections from customers	World class invoice tracking mechanism with advance technology that help invoice monitoring with accuracy
Foreign currency fluctuations may eat up bottom line	Currency solutions will protect your bottom line from currency fluctuations
Working capital requirements	Off balance sheet working capital funding without impacting your balance sheet strength

## GOVERNMENT INITIATIVES



The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country. The Indian government recognises chemical industry as a key growth element and there are forecasts to show increase in share of the chemical industry to ~25% of the GDP in the manufacturing sector by 2025.

In July 2021, the government announced discovery of indigenous deposits of Phosphatic rocks. This will help expand fertiliser production domestically and boost the country's self-reliance in fertiliser production. The Production-linked Incentive (PLI) plan for the National Programme on Advanced Chemistry Cell Battery Storage has been approved by the Union Cabinet as of May 2021. Under the Union Budget 2021-22, the government allocated Rs. 233.14 crore (US\$ 32.2 million) to the Department of Chemicals and Petrochemicals.

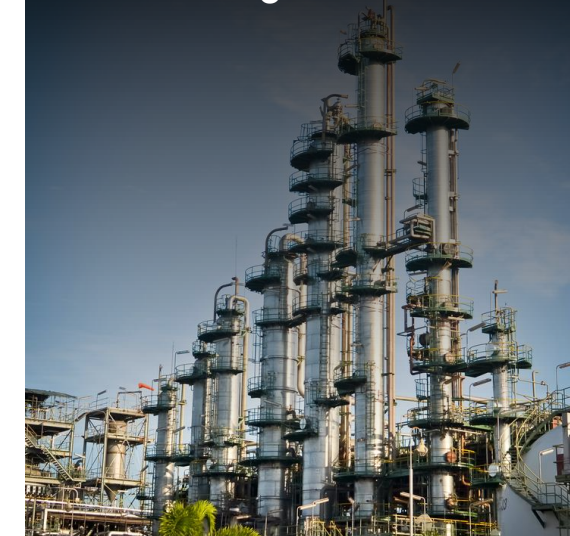
The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports. A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement Production-Linked Incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports at global level (excluding pharmaceuticals).

### Market Size

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

## Indian Chemicals Industry set for global mark



### UPCOMING EVENTS

1. Labelexpo India: 16<sup>th</sup> – 19<sup>th</sup> November 2021
2. LED Expo 2021: 18<sup>th</sup> – 20<sup>th</sup> November 2021 (10:00 AM to 18:00 PM)
3. CPHI & P-MEC India 2021: 24<sup>th</sup> – 26<sup>th</sup> November 2021 (10:00 AM to 18:00 PM)
4. HGH India 2021/ 30<sup>th</sup> November -3<sup>rd</sup> December 2021 (09:00 AM – 18:30 PM)
5. India ITME Exhibition 2021: 08<sup>th</sup> – 13<sup>th</sup> December 2021
6. PackMach Asia Expo: 20<sup>th</sup> – 22<sup>nd</sup> October 2021 – Bombay Exhibition Centre, Mumbai(Venue)
7. Global Industrial Expo: 22<sup>nd</sup> to 24<sup>th</sup> October 2021 – Auto Cluster Exhibition Centre, Pune(Venue)
8. Asia Pharmacon Expo: 20<sup>th</sup> – 21<sup>st</sup> November 2021 – Bengaluru(Venue)
9. Pacprocess India: 09<sup>th</sup> to 11<sup>th</sup> December 2021 – Mumbai(Venue)

