

## UNIT 4 - Exim Bank - All You Need to Know



With the increase in trade opportunities in the global market and to enhance the country's domestic competitiveness, a specialised institution for foreign trade was required. Exim bank was set up for this purpose. Export-Import Bank or Exim bank of India is the export finance institution of the country. It was established in the year 1982 under the Export-Import Bank of India Act 1981. It provides financial assistance to exporters and importers. It coordinates the institutions which provide finance to export and import of goods. The sole aim is to enhance exports from India as well as to promote country's international trade and investment.

### How does EXIM bank provide assistance

- It offers finance at all stages of the business cycle, starting from importing technology, product development, marketing, pre-shipment and post-shipment to overseas.
- Technology and Innovation Enhancement and Infrastructure Development (TIEID) – To meet the long-term foreign currency needs of Indian exporters from MSME sector, Exim bank has tied up with financial institutions under TIEID.
- Grassroots Initiatives & Development (GRID) program – to provide assistance to enterprises from rural areas of the country, Exim bank supports through GRID program. From this program, assistance is

extended to small enterprises, NGO's, artisans across the country helping and encouraging them to export.

- The credit facility is extended to overseas sovereign governments and government-owned entities for import of goods and services from India.
- Exim Bank provides assistance to Indian companies in locating overseas distributors /partners /buyers/ for their products/services.
- The Exim Bank introduced a program called the **Export Marketing Fund(EMF)**, in June 1986, under which finance is made available to Indian companies for undertaking export marketing activities. The program also covers activities like desk research, minor product adaptation, overseas operations and travel to India by buyers overseas.

## Functions of Exim Bank:

### 1. Corporate banking group:

Corporate banking group handles various financing programs for exporters, importers and overseas investment by Indian companies.

### 2. Project finance/trade finance :

Project finance group deals with the services related to export credit such as pre-shipment credit, suppliers credit. The projects related to the financing of export transactions of the agricultural sector are also handled by this group.

### 3. Export services group:

Export services group provides services such as value added information for promoting investments and advisory services.

#### 4. Export marketing group:

Export marketing group provides loans/assistance for exporters (example Indian company) to perform export operations to overseas markets.

#### 5. Support services group:

Support services group render services which include areas of planning, research, corporate finance, loan recovery, etc.

#### 6. Small and medium enterprises:

Various lending/ financial assistant programs are formed to handle credit proposals from small and medium enterprises (SME).

#### ***Board of members:***

The Exim bank constitutes of the board of directors with managing director and chairman. Currently, they are 13 members body. The board of member consists of:

- Representatives of government of India
- Reserve bank of India
- IDBI – Industrial Development Bank of India
- ECGC - Export Credit Guarantee Corporation of India
- Representatives of commercial banks
- Representatives of exports
- Chairman and managing director

Headquarter is located at Mumbai, Maharashtra.

EXIM MITRA – created by EXIM bank to promote digital India, a one step

solution for all export and import needs. It is an online platform to delivery trade related information and provides access to insurance for exporters and importers.

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