**Export-Import Bank of India – Role, Functions and Facilities**

1.1.1 Export-Import Bank of India (Exim Bank) was set up by an Act of the Parliament “THE EXPORT-IMPORT BANK OF INDIA ACT, 1981” for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country’s international trade and for matters connected therewith or incidental thereto.

1.1.2 Exim Bank has two broad business streams: one, the traditional export finance typical of export credit agencies around the world and two, financing of export oriented units (export capability creation), which are non-traditional for export credit agencies. Since inception, Exim Bank has been the principal financial institution in the country for financing project exports and exports on deferred credit terms. As per Memorandum PEM (MEMORANDUM OF INSTRUCTIONS ON PROJECT EXPORTS AND SERVICE EXPORTS) of Reserve Bank of India, the following constitute project exports:

1. Supply of goods / equipment on deferred payment terms
2. Civil construction contracts
3. Industrial turnkey projects
4. Consultancy / services contracts

Exim Bank extends funded and non-funded facilities for overseas turnkey projects, civil construction contracts, technical and consultancy service contracts as well as supplies.

* Turnkey Projects are those which involve supply of equipment along with related services, like design, detailed engineering, civil construction, erection and commissioning of plants and power transmission & distribution
* Construction Projects involve civil works, steel structural works, as well as associated supply of construction material and equipment for various infrastructure projects.
* Technical and Consultancy Service contracts, involving provision of know-how, skills, personnel and training are categorised as consultancy projects. Typical examples of services contracts are: project implementation services, management contracts, supervision of erection of plants, CAD/ CAM solutions in software exports, finance and accounting systems.
* Supplies: Supply contracts involve primarily export of capital goods and industrial manufactures. Typical examples of supply contracts are: supply of stainless steel slabs and ferro-chrome manufacturing equipments, diesel generators, pumps and compressors.

1.1.3 Exim Bank, under powers delegated vide the PEM, provides post-award clearance for project export contracts valued upto USD 100 million. Project export contracts valued above USD 100 million need to be provided post-award clearance by the inter-institutional Working Group. The Working Group is a single-window clearance mechanism, comprising Exim Bank as the convenor and nodal agency, RBI – Foreign Exchange Department and Export Credit Guarantee Corporation of India Ltd. [ECGC]. In the case of very large value projects, officials of Ministry of Finance, Ministry of Commerce and Industry and Ministry of External Affairs, Government of India, are invited to participate in the Working Group Meetings. In order to obtain immediate clarifications for speedy clearance of proposals by the Working Group, the exporters concerned and their bankers are also associated with the meetings. With the same objective, participation of the main sub-suppliers, sub-contractors or other associates and their bankers in such meetings is also encouraged, particularly in respect of proposals for high value contracts. Exim Bank also plays the role of a financier and provides funded and non-funded support for project export contracts of Indian Entities.

1.1.4 In addition to project exports, Exim Bank also extends fund-based and non-fund-based facilities to deemed export contracts as defined in Foreign Trade Policy of GOI, e.g.,

* secured under funding from Multilateral Funding Agencies like the World Bank, Asian Development Bank, etc.;
* contracts secured under International Competitive Bidding;
* contracts under which payments are received in foreign currency.

1.2.1 Exim Bank offers the following Export Credit facilities, which can be availed of by Indian companies, commercial banks and overseas entities.

**1.2.2 For Indian Companies executing contracts overseas**

**Pre-shipment credit**

Exim Bank's Pre-shipment Credit facility, in Indian Rupees and foreign currency, provides access to finance at the manufacturing stage - enabling exporters to purchase raw materials and other inputs.

Pre-shipment credits are usually extended by exporters’ commercial banks for period upto 180 days. Exim Bank extends pre-shipment / post-shipment credit either directly or in participation with commercial banks. In order to offer one-stop banking products to export clients, the Bank has also been offering short-term pre / post shipment credit either directly or through exporter’s bankers. Exim Bank may consider extending pre-shipment credit and post-shipment credit for periods exceeding 180 days, on case-to-case basis and subject to the merits of the case.

**Supplier's Credit**

This facility enables Indian exporters to extend term credit to importers (overseas) of eligible goods at the post-shipment stage.

Post-shipment Supplier’s Credit can be extended to Indian exporters upto the extent of the deferred credit portion of the export contract, either in Rupees or in Foreign currency. The period of deferred credit and moratorium will generally depend on the nature of goods [List A and List B of Memorandum PEM] or nature of projects, as per guidelines contained in the Memorandum PEM of RBI.

**1.2.3 For Project Exporters**

**Export Project Cash-Flow Deficit Financing Programme [EPCDF]**

Indian project exporters (including those under Deemed Exports category) incur expenditure in rupee or foreign currency while executing contracts i.e. costs of mobilisation/acquisition of materials, personnel and equipment etc. Exim Bank's facility helps them meet these expenses for -

1. Project Export Contracts;
2. contracts in India categorized as Deemed Exports in the Foreign Trade Policy of India.

**Capital Equipment Finance Programme (CEFP)**

Capital Equipment Finance Programme [CEFP] has been conceived to cater to capital expenditure for procurement of capital equipment to be utilized across multiple contracts. CEFP provides direct access to Exim Bank’s finance for eligible Indian companies for procurement of indigenous and imported capital equipment for executing overseas projects / deemed export projects.

**1.2.4 For Exporters of Consultancy and Technological Services**

Exim Bank offers a special credit facility to Indian exporters of consultancy and technology services, so that they can, in turn, extend term credit to overseas importers.

**1.2.5 Guarantee Facilities**

Indian companies can avail of guarantee facilities of different types to furnish requisite guarantees to facilitate execution of export contracts (including deemed export contracts) and import transactions.

**Advance Payment Guarantee (APG)**: Issued to project exporters to secure a project mobilization advance as a percentage (10-20%) of the contract value, which is generally recovered on a pro-rata basis from the progress payment during project execution.

**Performance Guarantee (PG)**: PG for up to 5-10% of contract value is issued valid until completion of maintenance period and/or grant of Final Acceptance Certificate (FAC) by the overseas employer/client.

**Retention Money Guarantee (RMG)**: This enables the exporter to obtain the release of retained payments from the client prior to issuance of Project Acceptance Certificate (PAC)/ Final Acceptance Certificate (FAC).

**Other Guarantees**: e.g. in lieu of customs duty or security deposit for expatriate labour, equipment etc.

**Eligibility**: Indian project exporters securing overseas or deemed export contracts.

**1.2.6 For Overseas Entities**

**Buyer's Credit**

Overseas buyers can avail of Buyer's Credit from Exim Bank, for import of eligible goods from India on deferred payment terms. As per Memorandum PEM guidelines, RBI has authorised Exim Bank to extend overseas buyer’s credits upto USD 20 mn for project exports without seeking approval of RBI.

The facility enables exporters/contractors to expand abroad and into non-traditional markets. It also enables exporters/contractors to be competitive when bidding or negotiating for overseas jobs.

Benefits to Foreign Customers

* Enables overseas buyers to obtain medium-and long-term financing
* Competitive interest rate against host country's high cost of borrowing.

**Eligibility:**

Buyer's Credit is extended to a foreign project company that intends to award the project execution to an Indian project exporter. The financing will be available to all kinds of projects and service exports from India. Facility is available for development, upgrading or expansion of infrastructure facilities; financing of public or private projects such as plants and buildings; professional services such as surveyors, architecture, consultations, etc.

**Buyer’s Credit under NEIA**

Buyer’s Credit – NEIA is a unique financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters and serves as an effective market entry tool to traditional as well as new markets in developing countries, which need deferred credit on medium or long-term basis.

Under this facility, Exim Bank facilitates project exports from India by way of extending credit to overseas sovereign governments and government owned entities for import of Indian goods and services from India on deferred credit terms. Exim Bank will obtain credit insurance cover under NEIA through ECGC. NEIA is a trust set up by the Ministry of Commerce and administered by Export Credit & Guarantee Corporation of India (ECGC).Facility is available for project exports requiring medium or long term deferred credit.

**Eligibility:**

Exim Bank extends the credit directly to overseas buyer of projects from India without recourse to Indian exporter. Borrower should be overseas sovereign governments or government owned entities. Amount of Loan should generally not be more than 85% of the contract value. Sovereign guarantee is needed where the borrower is other than the foreign government. Any other security may be stipulated on a case-to-case basis.

1.2.7 The Project Finance menu of funded and non-funded facilities to Indian exporters, commercial banks in India and overseas entities is given below:

|  |  |
| --- | --- |
| For Indian Exporters | For Commercial Banks in India |
| * Post-shipment Supplier’s Credit * Export Project Cash flow Deficit Financing Program * Pre-shipment Credit in Rupee and Foreign Currency * Finance for Export of Consultancy and Technology Services * Finance for Deemed Export contracts * Capital Equipment Finance * Financing Deemed Export contracts secured via structures including but not restricted to BOT / BOO / BOOT / BOLT * Letters of Credit / Guarantees | * Risk participation in funded / non-funded facilities extended to Indian exporters. * Refinance of Export Credit |
| For Overseas Entities |
| * Buyer’s Credit * Buyer’s Credit under NEIA |

1.2.8 RBI’s Memorandum PEM has to be referred for Project and Service Exports.

1.3.1 Export Capability Creation loans extended by the Bank may be classified into three broad categories viz. finance for overseas investment, finance for export oriented units and finance for financial intermediaries. Besides loans, the Bank also extends non-fund based assistance by way of guarantees and Letters of Credit (L/Cs). The three categories are discussed as under:

|  |  |
| --- | --- |
| 1. Overseas Investment | * Term Financing – to overseas Joint Ventures/ Wholly Owned Subsidiaries as well as to Indian companies towards part financing their equity investment in overseas JV/ WOS. * Equity Investment – Participation in equity of overseas ventures of Indian companies. * Working Capital Loans to JVs/WOSs * Guarantees to JVs/WOSs |
| 1. Export- Oriented Units | * Asset Creation   + Equipment Finance   + Project Finance * Working Capital   + Medium Term (LTWC, WCTL)   + Short Term Finance * Special Products   + Export Marketing Finance   + Export Product Development Finance   + Export Vendor Development Finance   + Research & Development (R&D) Finance   + Finance for Indian Educational Institutions and setting up institutions abroad   + Finance for Software Technology Parks   + Finance for Development of Minor Ports / Jetties   + Creative Industry Financing   + Project-related non-fund based guarantees   + Guarantees and stand-by LCs (SBLCs)   + Letters of Credit (LCs) |
| 1. Financial Intermediaries (banks) | * Refinance to Commercial Banks * Export Bills Rediscounting for commercial banks. |

1.3.2 The primary objective of providing Export Capability Creation loans is to facilitate export production and international competitiveness of borrower companies. Exim Bank provides a comprehensive range of products and services covering financial needs of the borrower companies at all stages of their business cycle. The Bank’s vision is to develop commercially viable relationships with a target set of externally oriented companies by offering them a comprehensive range of products and services aimed at enhancing their internationalisation efforts.

**1.3.3 Overseas Investment Finance Programme**

Exim Bank encourages Indian companies to invest abroad for, inter alia, setting up manufacturing units and for acquiring overseas companies to get access to the foreign market, technology, raw materal, brand, IPR etc. For financing such overseas investments, Exim Bank provides:

a) Term loans to Indian companies upto 80% of their equity investment in overseas JV/ WOS.

b) Term loans to Indian companies towards upto 80% of loan extended by them to the overseas JV/ WOS.

c) Term loans to overseas JV/ WOS towards part financing

(i) capital expenditure towards acquisition of assets,  
(ii) working capital,  
(iii) equity investment in another company,  
(iv) acquisition of brands/ patents/ rights/ other IPR,  
(v) acquisition of another company,  
(vi) any other activity that would otherwise be eligible for finance from Exim Bank had it been an Indian entity.

d) Guarantee facility to the overseas JV/ WOS for raising term loan/ working capital.

**Eligibility to avail finance or services:**

Exim Bank's funded/ non-funded assistance is generally with recourse to the Indian promoter Company. Exim Bank financing is available in Indian Rupees (to the Indian borrower) and in foreign currency [as per extant RBI guidelines]. The tenor range is usually 5-7 years with a suitable moratorium, and repayments in suitable monthly/ quarterly installments. Promoter margin is minimum 20% and security will include inter alia appropriate charge on the assets of the overseas entity, Corporate Guarantee of the Indian promoter backed by appropriate charge on its assets, Political and/ or commercial risk cover, Pledge of shares held by the Indian promoter in the overseas venture etc.

**1.3.4 Export- Oriented Units, Corporate Banking**

The Bank offers a number of financing programmes for Export Oriented Units (EOUs), importers and for companies making overseas investments. The financing programmes cater to the term loan requirements of Indian exporters for financing their new project, expansion, modernization, purchase of equipment, R&D, overseas investments and also the working capital requirements.

[**Finance for Corporates**](http://www.eximbankindia.in/corporate-banking)

**Research & Development Finance for Export Oriented Units:**

Exim Bank encourages Indian exporters to invest more in their R&D spending in order to develop new products/processes/ IPRs for enhancing export capabilities. Considering the need to bridge the funding gap of Indian exporters in R&D space, the Bank has a dedicated R&D Financing Programme. Under the said Programme, financing for R&D can be extended to any export oriented company/ SPV promoted by companies, irrespective of the nature of industry. The financing covers both capital and revenue expenditure including inter alia:

* Land and building, civil works for housing eligible R&D activities;
* Equipments, tools, computer hardware/ software, miscellaneous fixed assets used in eligible R&D activities;
* Acquisition of technology from India or overseas at the “proof of concept” or design stage, which will be used to develop new product/ process.
* Salaries of R&D personnel, support staff during the R&D project phase including training costs;
* Cost of regulatory approvals, filing and maintenance of patent registration;
* Product documentation and allied costs during the R&D project phase.
* Costs of materials, surveys, technology demonstration studies and field trial
* Any other costs to enhance R&D capability.

**Eligibility:**

* Export oriented firms with exports (actual/projected) of at least **`**5 crores or 10% of annual turnover.
* R&D finance is generally extended upto 7 years. However, longer tenors with suitable interest resets would be permissible. Structured repayment can be considered to match the cash flow.
* Upto 80% of the total project cost can be funded.
* Security to include, inter alia, appropriate charge on the assets, Corporate Guarantee, charge/ assignment on the regulatory approval/ IPR, personal guarantee etc.

**Pre-shipment/Post-shipment Credit Programme:**

Exim Bank extends export credit to Indian exporters to meet a wide range of trade financing requirements for execution of an export transaction. The Bank provides working capital finance by way pre-shipment credit and post-shipment credit. Bank also extends as part of export credit assistance, non-fund based limits inter alia including issuance of Letters of Credit (both Foreign & inland) and Bank Guarantees (both Foreign & inland) for its clients. The credit limits are generally extended as part of Borrower’s consortium limit and are operated as a running account facility. The limits may be renewed for further period subject to satisfactory review of account and depending on the Borrower’s export credit requirement. The facilities can be drawn in either Indian Rupee or Foreign Currency.

**Eligibility:**

* Indian exporters with a track record.
* The limit should be within the MPBF of Borrower’s assessed bank finance.
* Margin of 15-20% under pre-shipment and 0-10% under post-shipment.
* Adequate security to be provided. Typical security includes appropriate charge on the current assets including export receivables, ECGC cover etc.

**Lending Programme for Export Oriented Units:**

Exim Bank provides term loans to export oriented Indian companies to finance various capital expenditures including certain soft expenditures in order to improve their export capability and to enhance their international competitiveness. Loans/Guarantees are extended for the following purposes: Expansion, modernization, upgradation or diversification projects including acquisition of equipment, technology etc.; export marketing; export product development; setting up of Software Technology Parks;

**Eligibility:**

Manufacturing/trading/services companies with a minimum export orientation (actual/projected) of 10% of their annual turnover, or exports of `5 crore p.a., whichever is lower [inclusive of exports through Export/Trading Houses], are eligible to avail finance from Exim Bank. Exim Bank financing is available in Indian Rupees and in foreign currency [as per extant RBI guidelines]. The tenor range is usually 7-10 years with a suitable moratorium, and repayments in suitable monthly/ quarterly installments. Promoter margin is minimum 20% and appropriate charge on the fixed assets of the company/project plus any other acceptable security including personal guarantees may be stipulated.

**1.3.5** [**Finance for MSMEs**](http://www.eximbankindia.in/corporate-banking)

Apart from the Corporate Banking facilities, there are additional services that Exim Bank offers to support Small and Medium Enterprises.

**SME-ADB Line:**

Exim Bank has arranged for a credit line from the Asian Development Bank (ADB) for providing foreign currency term loans to the MSME borrowers in certain specific lagging states of India, viz. Assam, Madhya Pradesh, Orissa, Uttar Pradesh, Chhattisgarh, Jharkhand, Rajasthan and Uttarakhand. These foreign currency term loans can also finance domestic capital expenditure of the borrowers in Indian Rupees, besides meeting their foreign currency capital expenditure requirements. The assistance to these MSMEs will help in increasing competitiveness in the relatively backward states and help in integrating them into the mainstream economy.

**Eligibility:**

Export oriented MSMEs (as defined in MSMED Act, 2006) incorporated in the above mentioned lagging states

**Purpose:** To meet long term foreign currency loan requirements of Indian exporting entities in the MSME sector for financing their eligible capital expenditure. pertaining to inter alia setting up of new facilities, expansion/modernization of existing facilities, acquisition of equipment and plant & machinery, setting up of testing/R&D facilities, setting up of captive power plants/co-generation plant, setting up of infrastructure facilities like effluent treatment plants, storages/warehouses, etc. The Tenor of the loan will be upto 7 years including suitable moratorium.

**For cluster of Indian MSME EOUs**

Exim Bank, besides providing financial assistance to individual MSME EOUs, also provides financial assistance to Special Purpose Vehicles (SPVs) of a cluster of MSMEs. Term loans are provided to such clusters of MSME units for the following activities:

* Development of new geographically contiguous cluster/industrial park, involving creation & maintenance of common infrastructure and common facilities, including inter alia construction of buildings and civil works, acquisition of assets/technology, for the benefit of industrial units within the cluster/industrial park.
* Development of an industrial estate, by industrial users, industry associations and/or Government bodies.
* Up-gradation of an existing industrial cluster or industrial estate.
* Development of specific infrastructure, including common effluent treatment plant, captive power plant, transportation linkages, hazardous waste disposal.
* Development of Common Facilities Centers like testing centers, cold storages, for industrial clusters, industrial estates, or a group of industries with common interests.

**Technology & Innovation Enhancement and Infrastructure Development Fund (TIEID):**

With a view to facilitate credit flow to the MSME sector at competitive rates, Exim Bank has set up a Technology and Innovation Enhancement and Infrastructure Development (TIEID) fund of USD 500 mn exclusively for MSMEs, to augment their export competitiveness and internationalisation efforts, by partnering with banks / FIs. TIEID seeks to meet long term foreign currency loan requirements of Indian exporting entities in the MSME sector for meeting capital expenditure, through refinancing of Banks / FIs against their eligible SME financing portfolio.

**Eligibility:**

Scheduled Commercial Banks / Financial institutions in India having acceptable credit risk for on-lending to MSME units.

**Eligible Beneficiary:**

Ultimate Beneficiary of the Foreign Currency funds provided to eligible Banks/FIs shall be MSME units in India having a minimum export orientation of 10% of annual turnover or exports of ` 5 crores p.a in absolute terms, whichever is lower. The loan should be used to meet long term foreign currency loan requirements of Indian exporting entities in the MSME sector for meeting eligible capital expenditure. Eligible capital expenditure include technology upgradation, capacity creation, common infrastructure development like captive power plant, common effluent treatment plant, hazardous waste disposal facility, testing facilities etc.

**Lending Programme for Financing Creative Economy:**

The Creative Industries are those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and Job creation through the generation and exploitation of intellectual property viz., Advertising, Architecture, Art and Antiques Market, Crafts, Design, Designer Fashion, Film and Video, Interactive Leisure Software, Music, Performing Arts, Publishing, Software and Computer Services, Television and Radio etc. In view of the large untapped potential for increasing exports by the creative industries and in order to provide a strategic focus to this sector and enhance Exim Bank’s presence in the creative economy space, and as a corollary, in the MSME segment, Exim Bank has introduced a Programme specifically for financing the Creative Economy.

**Eligibility:**

The illustrative list of industry sectors include Heritage {Traditional Cultural Expressions (Art & Crafts, Festivals, Celebrations etc), Cultural Sites (Historical Monuments, Museums, Libraries, Archives etc)}; Arts {Visual Arts (Painting, Sculpture, Antique, Photography etc), Performing Arts (Live Music, Theatre, Dance, Opera, Puppetry etc)}; Media { Publishing & Printed Media (Books, Newspapers, Press & other Publications), Audio Visuals (Film, TV & Radio, Broadcasting etc), New Media (Digitised Content, Software, Video Games, Animations etc); Functional Creations { Design (Interior, Graphic, Fashion, Jewellery, Toys etc), Creative Services (Architecture, Advertising, Creative R & D, Cultural Services, Digital Services etc)}

**1.3.6** [**Finance for Grassroots Enterprises**](http://www.eximbankindia.in/corporate-banking)

The Bank supports globalisation of enterprises based out of rural areas of the country through its GRID programme. Through this initiative, the Bank extends financial support to promote grassroots initiatives/technologies, particularly those having export potential. The objective of the programme is to help artisans/producer groups/clusters/small enterprises across the country realize remunerative return on their produce essentially through facilitating exports from these units. The group handles credit proposals from such organizations working at the rural /grassroots level and offers tailor-made financial products to cater to their needs. The group is mandated to work towards developing a robust, vibrant and holistic approach in its intervention by providing assistance at various stages of product development / business cycle including capacity building, export capability creation, expansion/diversification and finally exports. The broad areas of support extended by the Bank through its grassroots initiatives inter alia, include capacity building, development of common facility centres, construction of raw material bank, technology upgradation and creation of export capability.

**ELIGIBILITY:**

The organisations eligible for support should meet various criteria including, but not limited to the following:

* Should be a legal entity registered under respective State/Central Govt. Act as a Society, Trust, Co-operative, Private Limited Company, Producer Company, or NGO etc;
* Should be working with communities at grassroots level for promoting income generating activities (IGAs) based on the traditional skills using indigenous or locally available materials in the areas of product development & design, capacity building, market development etc.;
* Should have proven track record of creating /adopting sustainable livelihood model which could be upscaled and replicated across the geographies sharing similar characteristics (demographic, cultural, socio-economic similarities, etc
* Should be exporting, directly or indirectly

1.4.1 A **Line of Credit (LOC)** is a financing mechanism through which Exim Bank extends support for export of projects, equipment, goods and services from India. Exim Bank extends LOCs on its own and also at the behest and with the support of Government of India. Exim Bank extends Lines of Credit to:

a)  Foreign Governments or their nominated agencies such as central banks, state owned commercial banks and para-statal organizations;

b) National or regional development banks;

c) Overseas financial institutions;

d) Commercial banks abroad;

e) Other suitable overseas entities.

The above mentioned recipients of LOCs act as intermediaries and on lend to overseas buyers for import of Indian equipment, goods and services. LOC is a financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters to enter new export markets or expand business in existing export markets without any payment risk from the overseas importers.

**1.4.2 BROAD GUIDELINES AND PROCEDURE FOR GOVERNMENT OF INDIA SUPPORTED LINES OF CREDIT**

The Government of India (GOI), in 2003-04, formulated the Indian Development Initiative (IDI), now known as Indian Development and Economic Assistance Scheme [IDEAS] – with the objective of sharing India’s development experience through

(a) capacity building and skills transfer,  
(b) trade, and  
(c) infrastructure development,

by extending concessional Lines of Credit (LOCs) routed through Exim Bank, to developing partner countries, towards creating socio-economic benefits in the partner country. Recently, the Ministry of External Affairs (MEA) has set up the Development Partnership Administration (DPA) Division to deal with India’s development assistance programmes abroad, including LOCs routed through Exim Bank. These LOCs are now increasingly being extended to partner countries for large-scale and complex projects (project exports from India).

Bilateral or multilateral assistance, through lines of credit, typically follows a sequence of standard procedures, viz.

a) project identification and preparation,  
b) review and approval of the project proposal,  
c) offer of the loan, acceptance and execution of loan agreement,  
d) project implementation, monitoring and supervision, and  
e) socio-economic impact assessment after project completion.

The lessons learned from the impact assessment / evaluation act as a feedback to the preparation, review and implementation of future projects. This process forms the 'project cycle.'

**1.4.3 BROAD GUIDELINES AND PROCEDURE EXIM BANK’S OWN COMMERCIAL LINES OF CREDIT.**

Exim Bank, since its inception, has been extending LOCs to various countries to promote export of Indian projects, products and services. Under the LOCs extended by Exim Bank to overseas financial institutions, foreign governments, regional and national development banks and commercial banks, Exim Bank finances all items eligible for being exported under the 'Foreign Trade Policy' of Government of India. The credit periods for these LOCs are generally upto 7 years and the LOCs typically carry LIBOR-linked interest rates.

## 1.5.1 Research & Analysis

Exim Bank’s Research & Analysis Group (RAG) offers a vast range of research products. The Bank’s team of experienced economists and strategists provide insights on aspects of international economics, trade and investment through qualitative and quantitative research techniques. RAG monitors the global trends in the world and domestic economies and the impact of these trends, especially on India and other developing economies. RAG caters to the constituents within the Bank, as well as to those external to the Bank such as Government, RBI, exporters/importers, trade & industry associations, external credit agencies, academic institutions and researchers.

1.5.2 The research work carried out in the Group under the broad classification of regional, sectoral and policy related studies, are published in the form of Occasional Papers, Working Papers, Books, etc. These research studies primarily envisage identifying avenues for enhancing India's international engagement.

1.5.3 The group also undertakes country profiles, which assess the economic, political, currency and credit risks involved, along with the export opportunities in the country concerned. Further the profiles provide short-to-medium term economic outlook of a country, indicating the economic risk involved in doing business with country.

1.5.4 As a part of the support services and with an objective to provide contemporary information to Indian traders and investors, the group disseminates information on export opportunities and highlights developments that have a bearing on Indian exports, through its quarterly bulletin, Eximius: Export Advantage. The newsletter comprises of regional and industry outlooks, Bank’s activities, opportunities in multilateral funded projects and contract awards, review on select traded currencies and countries, and a section on the happenings during the quarter. The newsletter is a free publication, effectively distributed to a wide network of scholars, economists, institutions, Government of India offices, and export promoting organisations.

1.5.5 The Bank also brings out a bi-monthly publication titled ‘Agri Export Advantage’ in English, Hindi and 10 regional languages (Assamese, Bengali, Gujarati, Kannada, Marathi, Malayalam, Oriya, Punjabi, Tamil, and Telugu). The newsletter provides stakeholders of Indian agribusiness with updates on global agri-environment and markets, research reports on agri-commodities, international issues related to agri-business, prospective areas of agribusiness, agricultural trade and trade policies, regulatory issues in international trade, WTO Government schemes and assistance, latest international news brief and Bank's activities to promote agri-export from India.

The Bank Brings out a bilingual ‘Indo-China Newsletter’ featuring areas of cooperation between India and China.

**1.6.1 Marketing Advisory Services**

Exim Bank plays a promotional role and seeks to create and enhance export capabilities and international competitiveness of Indian companies. Exim Bank through its Marketing Advisory Services helps Indian exporting firms in their globalisation efforts by proactively assisting in locating overseas distributor(s)/buyer(s)/ partner(s) for their products and services. The Bank assists in identification of opportunities overseas for setting up plants or projects or for acquisition of companies overseas. MAS Group leverages the Bank's high international standing, indepth knowledge and understanding of the international markets and well established institutional linkages, coupled with its physical presence, to support Indian companies in their overseas marketing initiatives on a success fee basis. Exim Bank has been able to successfully place a range of products in overseas as well as domestic markets.

**Eligibility :**

Any company/firm wanting to export its quality products/services is eligible to avail this benefit as long as it does not fall in the negative list of India's Foreign Trade Policy and International Conventions. Marketing Advisory Services are provided across all the sectors. Information required from the company is as under:-

* Company profile
* Product Brochures
* Printed material
* Prices
* Existing export markets & target markets
* Minimum order quantity
* Quality certifications
* Samples, as and when required

**1.7.1 EXPORT ADVISORY SERVICES GROUP (EAS)**

The Export Advisory Services Group [EAS] offers a diverse range of information, advisory and support services, which enable exporters to evaluate international risks, exploit export opportunities and improve competitiveness. Value added information and support services are provided to Indian projects exporters on the projects funded by multilateral agencies.

The Group undertakes customised research on behalf of interested companies in the areas such as establishing market potential, defining marketing arrangements, and specifying market distribution channels. Developing export market entry plans, facilitating accomplishment of international quality certification and display of products in trade fairs and exhibitions are other services provided.

The Bank provides a wide range of information, advisory and support services, which complement its financing programmes. These services are provided on a fee basis to Indian companies and overseas entities. The scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in India and abroad.

**1.7.2 Multilateral Funded Projects Overseas (MFPO)**

The Bank provides a package of information and support services to Indian companies to help improve their prospects for securing business in projects funded by the World Bank, Asian Development Bank, African Development Bank, and European Bank for Reconstruction and Development.

* + 1. **Exim Bank as a Consultant**

The Bank’s experience in evolving as an institution supporting international trade and investment, in addition to functioning as an export credit agency in a developing country context, is of particular relevance in other developing countries. The Bank has been sharing its experience and expertise by undertaking consultancy assignments. Exim Bank also shares its experience and expertise through provision of on-site exchange of personnel programmes aimed at providing a first-hands experience to the employees of its institutional partners.

* + 1. **Institutional Linkages**

The Bank has fostered a network of alliances and institutional linkages with multilateral agencies, export credit agencies, banks and financial institutions, trade promotion bodies, and investment promotion boards to help create an enabling environment for supporting trade and investment. The Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was set up in Geneva in March 2006 through the Bank’s initiative, under the auspices of UNCTAD. With the active support of a number of other Exim Banks and Development Finance Institutions from various developing countries, the network has endeavoured to foster enhanced South-South trade and investment cooperation. ‘Observer Status’ in UNCTAD underscores support for the Forum.

* + 1. **Award for Excellence**

The Bank, in association with CII, has instituted an Annual Award for Business Excellence for best Total Quality Management (TQM) practices adopted by an Indian company. The Award is based on the European Foundation for Quality Management (EFQM) model.