

## “PROGRAMME ON EXIM BANK & INDIAN BANKING SYSTEM”

Bangalore: September 12, 2006

### BACKGROUND

The programme was conducted by Eximius Centre at Bangalore for international participants of the National Institute of Small Industry Extension Training (NISIET)'s training programme on SME sector. 29 participants from 15 developing countries such as Bhutan, Uzbekistan, Myanmar, Ghana, Philippines, Sudan, Tanzania and Sri Lanka from diverse sectors such as Banking, Government, Agriculture and Human Resources attended the programme. The participants were given an overview of the Indian Banking sector, and the Role and Functions of Exim Bank.

The NISIET training programme on SME sector is held annually over a eight-week duration at Hyderabad. The sessions are divided into classroom sessions, study tours and in-plant study. The objective is to enable the participants from developing countries to understand different functional areas of management, evolve an integrated approach to problem solving and develop consultancy skills in small enterprise management.

The participants were drawn from five of NISIET's training programmes i.e. SME Promotion in Developing Economies, SME Financing-Approaches and Strategies, SME Management Consultancy, Trainers' Training in Entrepreneurship Development and Logistics & Supply Chain Management.

NISIET, set up under the aegis of the Ministry of Small Scale Industries, Government of India, is mandated to promote the role of SME's through training, research, consultancy, information, education and extension covering enterprises and financial institutions in India and other developing countries. Details are available on the website [www.nisiet.gov.in](http://www.nisiet.gov.in)

### The Indian Banking Sector

The Reserve Bank of India (RBI) is the Central Bank of India. The broad structure of Indian banking sector covers:

- i) Commercial Banks in Public & Private sector;
- ii) Development Banks such as IFCI, IDBI, ICICI (now converted in to commercial banks), SFCs, SIDCs; and
- iii) Specialised Institutions such as Exim Bank, NABARD, SIDBI and IDFC.

Apart from Indian public and private sector banks, there is a significant presence of foreign commercial banks in India. Regional Rural Banks and Cooperative Banks also have a wide network covering the semi-urban and rural areas. As at end March 2006, there were 84 Scheduled Commercial Banks, with over 69,000 branches, of which 66% were in semi-urban and rural areas.

The Indian banking sector has undergone reforms since the liberalisation of the economy in the early 1990s. The reforms are based on five fundamentals:

1. Strengthening of Prudential Norms and Market Discipline;
2. Adoption of International Benchmarks;
3. Management of Organisational Change and Consolidation;
4. Technological Upgradation; and
5. Human Resource Development.

The Securities & Exchange Board of India (SEBI) is the regulator for the Indian capital market, and is vested with the role of regulation with focus on investor protection. There are 23 stock exchanges in the country, of which the Bombay Stock Exchange and National Stock Exchange are the major ones. The Insurance Regulatory & Development Authority regulates the public and private sector insurance companies in India.

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