

Ubharte Sitaare' Alternative Investment Fund

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In news- The Union Finance Minister launched the Ubharte Sitaare Fund recently.

About Ubharte Sitaare Fund-

- The fund has been **set up by Exim Bank and SIDBI.**
- The Ubharte Sitaare Programme (USP) identifies Indian companies that are future champions with good export potential.
- An identified company should have potential advantages by way of technology, product or process.
- It can be supported even if it is currently underperforming or may be unable to tap its latent potential to grow.
- The Programme diagnoses such challenges and provides support through a mix of structured support covering equity, debt and technical assistance.
- This alternative investment fund is **aimed at providing debt and equity funding to export-oriented MSMEs as well as providing them with the required technological support** to make their businesses more competitive.
- It has a **corpus of Rs 250 crore.**
- The fund **is a mix of structured support**, both financial and advisory services through investments in equity or equity like instruments, debt (funded and non-funded) and technical assistance (advisory services, grants and soft loans) to the Indian companies.

Objectives of the Ubharte Sitaare Programme-

- To enhance India's competitiveness in select sectors through finance and extensive handholding support.
- To identify and nurture companies having differentiated

technology, products or processes, and enhance their export business.

- To assist units with export potential, which are unable to scale up their operations for want of finance.
- To identify and mitigate challenges faced by successful companies which hinder their exports.
- To assist existing exporters in widening their basket of products and target new markets through a strategic and structured export market development initiative.

Export-Import Bank of India (EXIM Bank)-

- The Export-Import Bank of India (Exim Bank) is a public sector financial institution created by an Act of Parliament, the Export-import Bank of India Act, 1981.
- Finally set up in 1982.
- The business of Exim Bank is to finance Indian exports that lead to continuity of foreign exchange for India.
- The Exim Bank extends term loans for foreign trade.
- The operations of the Bank are governed by a Board of Directors, consisting of a chairman, a managing director, two deputy managing directors; one director each nominated by the Reserve Bank of India; IDBI Bank Ltd. and ECGC Ltd.
- Not more than 12 directors nominated by the Central Government of, whom 5 directors are Central Government officials; not more than 3 directors are from commercial banks; and up to 4 directors are professionals with experience in export / import or financing.

Small Industries Development Bank of India (SIDBI)-

- SIDBI was set up under an Act of Parliament in 1990.
- Though it was a wholly owned subsidiary of Industrial Development Bank of India, presently the ownership is held by 33 Government of India owned / controlled institutions.
- It is headquartered in Lucknow.

Functions:

- To initiate steps for technological up gradation and modernization of existing units.
- To expand the channels for marketing the products of SSI sector in domestic and international markets.
- To promote employment oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of people to urban areas.