

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:278
ANSWERED ON:19.12.2003
EXIM BANK
YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE be pleased to state:

- (a) whether the Exim Bank is not able to finance large export proposals of the Indian companies at present;
- (b) if so, the reasons therefor;
- (c) whether the Government has decided to strengthen the Exim Bank; and
- (d) if so, the steps being taken in this direction?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

(a) to (d): A Statement is placed on the Table of the House

STATEMENT REFERRED IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 278 OF 19-12-2003 REGARDING 'EXIM BANK'.

(a) and (b): The EXIM Bank is not the only institution to finance large export proposals of Indian Companies. All banks and financial institutions can do so.

(c) and (d): The EXIM Bank of India is a profit making institution and, hence, there is no proposal for restructuring it. However, the Government have agreed to provide guarantees and interest rate equalization support at the rate of 2.5% per annum, on a case to case basis, for extending lines of credit.