

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3292

ANSWERED ON:11.08.2000

EXIM BANK

GAJENDRA SINGH RAJUKHEDI; UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether the EXIM Bank has sought a cut in Government stake with the objective of reducing Government equity to below 51 per cent;
- (b) if so, the details thereof; the bank's management has expressed certain objections/reservations in this regard;
- (c) if so, the details thereof;
- (e) whether reduction of equity is likely to create problems for small scale exporters in the country; and
- (f) if so, the steps taken by the Government to protect the small exporters?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR):

(a) to (d) Exim Bank has submitted a proposal to the Government for restructuring its equity capital. The proposal includes restructuring of equity without requiring budgetary support from Government and reduction of Government equity below 51%. The matter is under consideration of the Government. The proposal has been submitted to the Government after its approval by the Board of Exim Bank.

(e) and (f) No, Sir. The proposed capital restructuring is not expected to affect the flow of credit to small scale