

Exim Bank seeks additional Rs. 800 crore from Centre

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Growth this fiscal may be muted due to equity constraints: CMD

Yaduvendra Mathur, CMD, Exim Bank

Kolkata, June 22:

The Export-Import Bank of India (Exim Bank) has sought additional equity infusion from the Centre this fiscal. The specialised lending institution has so far received about Rs. 500 crore and is seeking an additional Rs. 800 crore.

According to Yaduvendra Mathur, CMD, Exim Bank, growth in FY17 may be “muted” due to equity constraints and also because of the new India Development Economic Assistance Scheme (IDEAS) guidelines. The norms were released in 2015.

Last fiscal, Exim Bank disbursed about Rs. 50,000 crore, clocking a growth of around 18 per cent; it secured around Rs. 1,300 crore in fresh equity from the Centre.

“Disbursals could be the same as last year. There will be challenges this year. We are requesting the government to inject more equity. We got only Rs. 500 crore and we have requested the Finance Ministry to enhance it to Rs. 1,300 crore,” he told newspapermen on the sidelines of the Banking Conclave organised by the Federation of Indian Chamber of Commerce and Industry (FICCI).

On fund raising, the CMD said the bank was planning to raise “a similar amount as last year.” Last fiscal, Exim Bank raised around \$2 billion through dollar bonds, including \$500 million through Green Bonds. “Every year we look to raise \$2-3 billion,” he added.

Exim Bank is working on a \$10-billion line of credit to Africa, Mathur said. Last year, the bank had financed around 26 overseas ventures worth around Rs. 5,264 crore.

He further pointed out that ‘Make in India’ was being seen as an initiative where Indian companies could go out and acquire global brands. The global slippages in many countries should be seen as opportunities.

Exim Bank is also exploring funding mechanisms for ships (vessels) for overseas trade. It was planning to collaborate with the Shipping Corporation of India in this regard.

Rampal power plant

On the viability of the Rampal coal power plant in Bangladesh, Mathur said the institution was taking a “reputation risk”. Exim Bank was backed by a sovereign guarantee of Bangladesh and counter-guarantee from the Indian government. As a result, the risk on its balance sheet was substantially reduced.

The Rampal power plant has faced opposition related to ecological issues and economic viability. Exim Bank has an exposure of about \$1.5 billion in the project.

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