

**Industrial Finance Corporation**

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- { Shri Kappen;  
Shri P. R. Chakraverti;  
Shri P. C. Borooah;  
\*532. { Shri Heda;  
Shri Anjanappa;  
Shri Bibhuti Mishra;  
Shri M. G. Thengondar;

Will the Minister of Finance be pleased to state:

(a) whether Government propose to change the Industrial Finance Corporation into a Development Bank; and

(b) if so, the reasons therefor?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) and (b). No, Sir. Government's intentions regarding the establishment of a Development Bank and its relationship with the Industrial Finance Corporation will be placed before the House in the shape of a Bill.

**Shri Kappen:** May I know what will be the capital structure, the share capital and all that of this Bank?

**Shri T. T. Krishnamachari:** I would like to suggest to the hon. Member, if I may, that all this will find a place in the Bill and he could wait for it.

**Shri Warrior:** May I know whether the foreign exchange granted to the Industrial Finance Corporation has been less than the foreign exchange granted to the private sector as a result of which the work of the Industrial Finance Corporation in the development programme has been hampered?

**Shri T. T. Krishnamachari:** I do not quite understand the import of the question. Does the hon. Member mean the foreign exchange granted by Government or foreign exchange loans given by organisations abroad?

**Shri Warrior:** The foreign exchange which the Government got for the

Industrial Finance Corporation by either direct negotiation or by guaranteeing had been less than what they had sought and hence their work is hampered.

**Shri T. T. Krishnamachari:** The question of obtaining foreign exchange for the Industrial Finance Corporation is a matter in which Government is not the sole party. The Industrial Finance Corporation has to put out its programme and the people who give loans have to approve of it. It is not the Government alone which can get more money for the Industrial Finance Corporation in the shape of foreign exchange. I can assure the hon. Member that we have done our best, but certain things are not entirely in the hands of the Government.

**Shri Kashi Ram Gupta:** May I know when such a Bill is going to come before the House?

**Shri T. T. Krishnamachari:** I am trying very hard to introduce the Bill before the House rises. I do not know whether I will be successful.

**Shri Ramanathan Chettiar:** May I know whether the proposed Bill which you want to introduce, probably in the next session, will also take over the work of the N.I.D.C. along with the work taken over from the I.F.C.?

**Shri T. T. Krishnamachari:** I am very grateful to the hon. Member for the suggestion. I think I will examine it.

**Shri Kappen:** What are the special advantages of this Bank?

**Shri T. T. Krishnamachari:** They will all be in the hands of the Members themselves when they see the Bill.

**Shri P. C. Borooah:** What would be the contemplated structure of this Bank?

**Mr. Speaker:** Let it come before the House.