

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4106
ANSWERED ON:23.03.2001
INDUSTRIAL FINANCIAL CORPORATION OF INDIA
GOWDAR MALLIKARJUNAPPA;Y.S. VIVEKANANDA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether the expert Committee under the Chairmanship of former Chairman of SBI has finalised its report on Industrial Financial Corporation of India;
- (b) if so, the main points of the report; and
- (c) by what time Government are likely to take final decision on the report?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): The Expert Committee under the chairmanship of Shri D. Basu, former Chairman, State Bank of India set up by the Board of IFCI on the restructuring of IFCI submitted its report on 4th December, 2000. The Committee inter-alia suggested that :

1. IFCI should be transformed into a fully licensed Term Credit Bank over a period of time.
2. Reduce the proportion of project finance and diversify into post project and short-term financing business as well as term fee-based services.
3. IFCI should set out an appropriate loan and exposure policy by developing new products and services.
4. IFCI should have a Corporate Recovery Plan to reduce current NPAs by at least Rs.500 crore per year.

(c) The suggestions would be received due consideration of the IFCI and the Government at the time of taking a decision on restructuring of IFCI.