

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:3624  
ANSWERED ON:18.03.2015  
TELECOM FINANCE CORPORATION  
Chudasama Shri Rajeshbhai Naranbhai

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Government has proposed to set up a Telecom Finance Corporation;
- (b) if so, the details thereof along with its aims and objectives; and
- (c) the progress made in this regard so far?

**Answer**

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) Yes, Madam.

(b) 12th Five Plan (2012-17) has recommended that Telecom Finance Corporation may be created as a vehicle to access funds at competitive rates to facilitate the funding needs to the Telecom Sector, in case of requirement.

The aims and objectives of proposed TFC are as under:

- (i) To make available schemes of funding such as line of credit, bridge loans, corporate loans, debt refinancing, venture capital financing and other related financial/funding solutions for borrowers in telecom sector.
  - (ii) To mobilize various sources from domestic & international sources at competitive rates.
  - (iii) To support manufactures of telecom equipment especially in small & medium scale sectors by providing financing at competitive rates.
  - (iv) To provide non-fund based service like-Guarantees, Letter of Credit, Letter of Comfort, Indemnification, Financial advisory and consultancy services and other relates activities.
  - (v) To work as a catalyst to streamline the functions of its borrowers in financial, technical and managerial areas to ensure optimum utilization of available resources.
  - (vi) Financing of all such activities that contribute towards overall development of Information & Communications Technology (ICT) in the country.
  - (vii) To expand into other financial services like Merchant Banking etc. to provide a complete bouquet of financial services to prospective clients.
  - (viii) To participate by way of equity contribution in other infrastructure related funds.
  - (ix) To adopt best practices in financing infrastructure and develop core competencies in facilitating infrastructure development.
  - (x) To provide inputs for policy framework and regulation from the financial angle.
  - (xi) To promote development of green and energy efficient equipment taking into account economic viability
- (c) The process for setting up of Telecom Finance Corporation (TFC) has commenced and appointment of Consultant for the preparation of Detailed Project Report (DPR) is under process.