

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

UNSTARRED QUESTION NO:3532
ANSWERED ON:04.08.2014
SETTING UP OF TFC
Puttaraju Shri C.S.

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

- (a) whether the Government proposes to set up a Telecom Finance Corporation (TFC) in the country to function as a non-banking and non-deposit infrastructure finance company under the administrative control of the Department of Telecom;
- (b) if so, the details thereof;
- (c) whether TFC is likely to approach banks for creation of funds;
- (d) if so, the details thereof; and
- (e) the time by which it is likely to be set up?

Answer

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

(a) & (b) Yes, Madam. It would be registered as Non-Banking Finance Company and Non-Deposit Infrastructure Finance Company (NBFC-ND-IFC). The Telecom Finance Corporation would be a Public Sector Unit under the administrative control of Department of Telecom.

(c) & (d) The main sources of funds for TFC shall be through issue of taxable and tax-free bonds. The other sources of funds will inter alia include;

Term loans from banks/financial institutions

Off-shore borrowings and borrowings from multilateral agencies such as Asian Development Bank (ADB), International Monetary Fund (IMF), World Bank and other sovereign funds.

(e) Time frame to set up proposed TFC is upto 31.03.2017 i.e. within 12th Five Year Plan.