

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5938
ANSWERED ON:02.05.2003
REVAMPING IDBI AND IFCI
RAJO SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government are considering to revamp IDBI and IFCI in order to strengthen them and make them more effective in protecting the interest of small investors; and

(b) if so, the outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b): The Industrial Development Bank of India (Transfer of Undertaking and Repeal) Bill, 2002 has been introduced in Lok Sabha. The Bill contains provisions to give effect to the proposal to corporatize the IDBI and to vest the emerging corporate entity with banking licence. The Bill has been referred to the Standing Committee on Finance. Government are awaiting the recommendations of the Standing Committee before a course of action can be decided.

In addition, the Government of India, in consultation with Public Sector Banks and Financial Institutions, have agreed to restructure liabilities of IDBI and IFCI. As part of the package, Government of India have extended financial support to IFCI by way of long term loan of Rs. 523 crore released on 29.3.2003.