

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2394
ANSWERED ON:10.03.2000
ALLIANCE BETWEEN IDBI AND IFCI
KRISHNA BOSE

Will the Minister of FINANCE be pleased to state:

- (a) whether IDBI wants to undertake an independent study for restructuring of IFCIs reported in The Pioneer` dated February 23, 2000;
- (b) if so, the facts of the matter reported therein;
- (c) whether IDBI proposes to an alliance with IFCI;
- (d) if so, the reasons therefor;
- (e) whether IDBI itself is in the process of restructuring;
- (f) if so, the reasons therefor; and
- (g) the manner in which it proposes to an alliance with IFCI ?

Answer

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

- (a) and (b) No, Sir. With reference to the news report in The Pioneer` of 23rd February,2000 referred to in part (a) of the question. Chairman, IDBI has reportedly stated that in view of the declining profitability, relatively high rate of Non-Performing Assets (NPAs) and low capital adequacy of IFCI, there is need for an independent committee of experts to examine and suggest viable ways for restructuring IFCI.
- (c), (d) and (g) There is no proposal of any alliance between Industrial Development Bank of India and IFCI Ltd.
- (e) and (f) IDBI is working on restructuring proposal relating to its capital.