

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2493
ANSWERED ON:10.03.2000
UPLIFTMENT OF IFCI
KRISHNA BOSE

Will the Minister of FINANCE be pleased to state:

- (a) whether the IFCI chief has ruled out its merger with IDBI;
- (b) if so, the reasons therefor;
- (c) the hurdles being faced by IFCI in its upliftment; and
- (d) the steps proposed in this direction?

Answer

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

- (a) and (b) There is no proposal to merge IFCI Ltd. with Industrial Development Bank of India (IDBI).
- (c) IFCI has reported that major problems being faced by them in upliftment of their operations are high cost of borrowings, high level of non-performing assets (NPAs) and low capital adequacy ratio.
- (d) IFCI has reported that in order to overcome the problems, several steps are being taken which inter-alia include aggressive restructuring of NPAs, improvement of liquidity, increasing the share of fee based income, greater focus on short term products in the form of Bill Discounting and working capital etc.