



LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)

(भारत सरकार का उद्योग)

F.NO.IFCI:MOF:2016-17

March 14, 2017

Under Secretary to the Govt. of India
Department of Financial Services
Ministry of Finance
New Delhi – 110001.

Kind Attention : Mr. Soumyajit Ghosh, Under Secretary to GOI

Dear Sir,

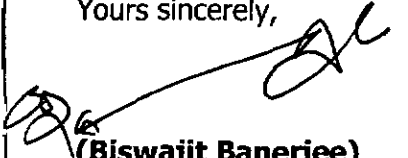
Re : Letter No. 7/02/2017-Parl. dated 2nd March, 2017 & Email dated 2nd March, 2017.

Subject : Department Related Parliamentary Standing Committee on Commerce – 130th Report – regarding.

This is with reference to your above mentioned letter and Email dated March 02, 2017 in connection with above mentioned subject wherein comments on the recommendations of 130th Report of Parliamentary Standing Committee on Commerce have been sought from IFCI on point 83, 91 & 92. In this regard point-wise comments are attached herewith at Annexure I for your ready reference please.

With regards,

Yours sincerely,


(Biswajit Banerjee)
Chief General Manager

Encl : as above

आई एफ सी आई लिमिटेड

पंजीकृत कार्यालय:

आई एफ सी आई टावर, 61 नेहरु प्लेस, नई दिल्ली - 110 019

दूरभाष: +91-11-4173 2000, 4179 2800

फैक्स: +91-11-2623 0201, 2648 8471

वेबसाइट: www.ifcilt.com

सीआईएन: L74899DL1993GOI053677

IFCI Limited

Regd. Office:

IFCI Tower, 61 Nehru Place, New Delhi - 110 019

Phone: +91-11-4173 2000, 4179 2800

Fax: +91-11-2623 0201, 2648 8471

Website: www.ifcilt.com

CIN: L74899DL1993GOI053677



Annexure I

Response/Comments by IFCI on Recommendations on 130th Report of Parliamentary Standing Committee on Commerce

Point #	Recommendation by Parliamentary Standing Committee on Commerce	IFCI's Response / Comment
83	<p>The Committee feels that the above reasons for failure is a good guide to carry out necessary correction for the infra projects coming up in the country as well as the projects desired in the Industrial Corridors so that banks can come up to facilitate infra finance in an effective manner. It is of the view that for a bank to finance infra project, it is necessary that all approvals be available in advance and the land availability is in place for the infra projects. Further, timely payments to banks must be ensured to enable banks play a robust role in infra finance. The Committee recommends that a mechanism to resolve the payment disputes within a limited time frame must be set up. This would help in creating an enabling environment for infrastructure growth. The Committee is also of the view that implementation of the infra projects must be targeted for completion before time rather than beyond time. Grants of incentives in form of certain concession in the interest rate or something similar may be explored for promoting completion of infra projects before the scheduled time. This would help the loan amount remain within bounds for repayment.</p>	<p>Though the recommendations are for the Banks, IFCI being an NBFC is in agreement with the recommendation except for Concessional Rate of Interest, as the cost of Finance is high for IFCI. It is suggested that concession in interest rate as subsidy may be provided by Government of India to Banks /NBFCs, who in turn may pass it on depending on efficiency in commissioning of such projects.</p>
91	<p>The Committee is of the considered opinion that in line with the facility extended to OMCs and Banks (for attracting FCNR B deposits), RBI may extend concessional hedging facility to such financial institutions which are raising long term foreign currency resources for deployment exclusively into infrastructure sector. This may not only benefit the infrastructure sector by making available reasonable cost of long-term foreign funds, but may also help in creation of a long term hedging market in the long run.</p>	<p>IFCI is in agreement with the recommendations.</p>

Point #	Recommendation by Parliamentary Standing Committee on Commerce	IFCI's Response / Comment
92	The Committee is further of the view that a Market-Making mechanism which may provide a daily buy-sell quote for private sector bonds may be developed to provide liquidity for bonds of infrastructure companies and attract more investments in this sector. In this regard, an institution may be specially created which can provide two way quotes for bonds of infrastructure companies. Alternatively, an existing institution may be given this responsibility.	IFCI is in agreement with the recommendations. IIFCL/IFCI Limited may be given this responsibility.
