

LOK SABHA

**UNSTARRED QUESTION No. 1689
TO BE ANSWERED ON FRIDAY, JULY 27, 2018/SHRAVANA 5, 1940 (SAKA)**

LAUNCH OF CREDIT ENHANCEMENT FUND

1689. SHRI M.I. SHANAVAS:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government is likely to launch credit enhancement fund and if so, the details thereof;
- b) if not, the reasons for delay of the launch since the financial budget of fiscal year 2016-17;
- c) the initial corpus of the fund to be sponsored by India Infrastructure Finance Company in the above said fund;
- d) whether the Government is intending to raise money through corporate bonds; and
- e) if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI P. RADHAKRISHNAN)**

(a) to (c): Yes, Madam. Setting up of the credit enhancement fund announced in the Union Budget 2016-17 is at an advanced stage. The credit enhancement fund is to be set up as a Non-Banking Financial Company (NBFC). India Infrastructure Finance Company Limited (IIFCL) has been identified as the lead sponsor and Life Insurance Corporation of India (LIC), other Central Public Sector Enterprises (CPSEs), Public Sector Banks (PSBs) and Public Sector Insurance Companies as co-investors. As on date, IIFCL has given commitment for subscribing to 22.5% (i.e. Rs 112.5 crore) of the Credit Enhancement Company's envisaged initial equity share capital of Rs 500 crore.

(d) & (e): No, Madam.
