

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

UNSTARRED QUESTION NO:3943
ANSWERED ON:13.12.2002
STATE FINANCE CORPORATION
ARUN KUMAR

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

- (a) whether the Government have any plan to allow the Board of State Finance Corporations (SFCs) to fix up the accountability/responsibility along with delegation of power against Chief Executive and other functionaries in the field of sanction, disbursement, legal documentation, Technical valuation of assets etc. to check the bad finance and corruption to the greater extent;
- (b) if so, whether the Government have taken necessary steps for a detailed inquiry of the scam of NPA in SFCs to the tune of Rs. 60,000/- crores; and
- (c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (c) The State Financial Corporations Act, 1951 was amended in the year 2000. It, inter alia, provides for functional autonomy and operational flexibility to the Boards of State Financial Corporations in regard to credit borrowings and acceptance of deposits and investment of surplus funds. Government of India is not a shareholder in SFCs. SFCs being State entities, State Governments and the Boards of respective SFCs are taking several steps for improving their performance including recovery of NPAs as per the provisions of State Financial Corporations Act, 1951.