

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1777
ANSWERED ON:01.08.2003
SCAM IN SFCS
BHAWANA GAWALI (PATIL)

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have any plan to allow the Board of SFCs (State FinanceCorporations) to fix up the accountability/responsibility alongwith 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/- crore; 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 (SFCs) (Amendment) Act, 2000 already mter-alia, empowers the Boards of SFCs to frame guidelines with regard to sanction, disbursement, legal documentation, technical valuation of assets as also, fixing of accountability/responsibility in such matters relating thereto;

delegate its powers and duties to the Managing Director or to any other Officer of SFC asit may deem necessary; give direction that any power exercisable by the Board under the Act shall also be exercisable, as may be specified by it, by Chairman, Managing Director or Whole Time Director. Also, the State Governments are empowered to give instructions to SFCson question of policy, in consultation with Small industries Development Bank of India.