

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2164  
ANSWERED ON:04.08.2000  
RESTRUCTURING OF STATE FINANCE CORPORATIONS  
ANNA SAHEB M.K. PATIL

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government have asked the State Governments to restructure the State Finance Corporations;
- (b) if so, the details thereof;
- (c) whether financial provisions are being made for restructuring process;
- (d) if so, the details thereof;
- (e) whether any Committee has been set up for this purpose; and
- (f) if so, the main recommendations of the Committee?

**Answer**

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

- (a) No, Sir.
- (b) to (d) Does not arise.
- (e) Government of India had constituted a Committee under Chairmanship of Shri S.HKhan the then Chairman & Managing Director of Industrial Development Bank of India (IDBI). The committee has since submitted its report.
- (f) The Committee inter-alia suggested wide ranging amendments in the State Financial Corporations Act, 1951 in areas such as size of share capital, shareholding pattern, borrowings, acceptance of deposits, investments, limit of accommodation, financing of additional/new activities, composition of Board of Directors and appointment of Chief Executives of SFCs. The State Financial Corporations (Amendment) Bill, 2000 has been introduced on 31.7.2000 in the Lok Sabha to give effect to the above amendments.