

**Need to reform and revitalize State Finance Corporations (SFCs) - laid**

**SHRI BHARTRUHARI MAHTAB (CUTTACK):** Banks are raising high incidence of NPA under Prime Minister Employment Generation Programme (PMEGP) in various forum. One of the reasons for such high NPA may be scaling down the project cost & not making full disbursement. In order to find out the reason of such high incidence, it is suggested that a study on NPA accounts may be undertaken through a 3<sup>rd</sup> party to arrive at the reason of such high incidence of NPA. Central Government is providing budgetary support to commercial Banks against their NPAs. I would like to know regarding any Plan of the Central Government to give any budgetary grant to SFCs against their NPAs. As the MSME sector in Odisha is totally affected due to continuous natural calamities and more particularly due to recent pandemic of COVID-19, NPA percentage is almost 100%. Union Government should come out with a plan to fund Odisha State Financial Cooperation (OSFC). Necessary steps need to be taken by the Union Government to revive and revitalize the State Finance Cooperation (SFCs), many of which are sick today incapacitating them to carry on their mandated role. Will the Central Government fund jointly with the State Government for revival/restructuring of SFCs? How can the SFCs run effectively unless and until low-cost fund on soft term in shape of refinance support is made available to the SFCs? Is there any plan and programme of the Central Government to provide low-cost fund to SFCs for rendering financial assistance to MSME Sector for growth and development of MSMEs in Odisha, there is any urgent need that the Union Government should come out with a plan to reform and revitalize SFCs like Banking Sector Reform.