

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3973
ANSWERED ON:09.08.2002
RESTRUCTURING OF STATE FINANCIAL CORPORATION
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government of Maharashtra have requested the Union Government for capital restructuring of State Financial Corporations as per Gupta Committee Report;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE):

- (a) and (b) Yes, Sir. The Government of Maharashtra has requested the Union Government to accept the recommendations of Gupta Committee on recapitalization and restructuring of State Finance Corporations (SFCs). The Gupta Committee had estimated that Rs. 3,600 crores would be required for recapitalization of SFCs and recommended that the cost of re-capitalization be shared by Central Government, RBI, IOBI, SIOBI and State Governments.
- (c) Gupta Committee had made suggestions! recommendations for financial, operational and organizational restructuring of SFCs. The State Government being the main stakeholder in SFCs, the Government of Maharashtra has been requested to take steps for improving the performance of the SFC and for its recapitalization.