

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

UNSTARRED QUESTION NO:5948
ANSWERED ON:02.05.2003
REVIVAL OF STATE FINANCIAL CORPORATIONS
ANANTA NAYAK;ASHOK NAMDEORAO MOHOL

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

- (a) whether the Government have a proposal to revive the State Financial Corporations which are running in losses;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government so far to revive them, particularly the Orissa State Financial Corporation?

Answer

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

(a) to (c) The G.P. Gupta Committee has made recommendations for restructuring of State Financial Corporations (SFCs). The report was sent to various SFCs for taking immediate action on recommendations that do not involve any financial support, such as operational and organizational restructuring. SFCs, being State entities, the State Governments are the principal stakeholders. They are thus expected to consider steps for improving the performance and recapitalisation of SFCs. State Governments including the Government of Orissa have been requested to take steps for improving the performance of SFCs.