

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3110
ANSWERED ON:10.08.2001
PUBLIC FINANCIAL INSTITUTIONS
SULTAN SALAHUDDIN OWASI

Will the Minister of FINANCE be pleased to state:

- (a) whether there are, two different types of public financial institutions i.e. one under Companies Act, 1956 and the other under Public Financial Institutions (Fidelity and Secrecy) Act, 1983;
- (b) if so, the details thereof;
- (c) whether there is a need to have an uniformity in the definition of Public Financial Institutions;
- (d) if so, whether the Government are considering to amend both the Acts to have uniformity in the definition of PFIs;
- (e) if so, the details thereof; and
- (f) the time by which these amendments are likely to be made?

Answer

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

(a) Yes, Sir.

(b) The Public Financial Institutions (PFIs) (Obligation as to Fidelity and Secrecy) Act, 1983 provide for obligations of PFIs as to fidelity and secrecy and it prohibits PFI from divulging any information relating to, or to the affairs of, its constituents. The definition of PFIs under the said Act does not include all the institutions names as such under the Companies Act, 1956.

(c) to (f) Ordinarily, a definition in the Act is relevant in the context of the objectives to be achieved. There is no proposal before the Government at present to amend these Acts from the above point of view.