

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3639
TO BE ANSWERED ON 10.08.2023

LOW COST FUND TO SFCs

3639. SHRI ACHYUTANANDA SAMANTA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Union Government has any plan and programme to revitalise the State Finance Corporations (SFCs), many of which are sick, incapacitating them to perform the mandated role;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Union Government fund jointly with the State Government for their revival and if so, the details thereof; and
- (d) whether the Union Government would provide low cost fund to SFCs for rendering financial assistance to MSME Sector and go for a reform of MSME sector and if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): The Department of Financial Services informed that as per section 7 of the State Financial Corporations Act, 1951, the State Finance Corporations (SFCs) are allowed to borrow money from Reserve Bank of India (RBI), State Government, any financial institution, scheduled bank, insurance company or any other person approved by their Board.
