

THE STATE FINANCIAL CORPORATIONS ACT, 1951¹

(63 of 1951)

[31st October, 1951]

An Act to provide for the establishment of State Financial Corporations.

BE it enacted by Parliament as follows:—

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the State Financial Corporations Act, 1951.

(2) It extends to the whole of India ²[* * *].

(3) It shall come into force in any State on such date³ as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) “Board” means the Board of directors of the Financial Corporation;

⁴[(aa) “Development Bank” means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (18 of 1964);]

⁵[(b) “Financial Corporation” means a Financial Corporation established under section 3 and includes a Joint Financial Corporation established under section 3A;]

⁶[(c) “industrial concern” means any concern engaged or to be engaged in—

(i) the manufacture, preservation or processing of goods;

⁷[(ii) mining or development of mines;]

(iii) the hotel industry;

(iv) the transport of passengers or goods by road or by water or by air ⁸[or by ropeway or by lift];

(v) the generation or distribution of electricity or any other form of power;

(vi) the maintenance, repair, testing or servicing of machinery of any description or vehicles or vessels or motor boats or trailers or tractors;

(vii) assembling, repairing or packing any article with the aid of machinery or power;

¹[(viii) the setting up or development of an industrial area or industrial estate;]

(ix) fishing or providing shore facilities for fishing or maintenance thereof; ²[* * *].

³[(x) providing weight bridge facilities;

⁴[(xi) providing engineering, technical, financial, management, marketing or other services or facilities for industry;

(xii) providing medical, health or other allied, services;

(xiii) providing software or hardware services relating to information technology, telecommunications or electronics including satellite linkage and audio or visual cable communication;]

³[(xiv) setting up or development of tourism related facilities including amusement parks, convention centres, restaurants, travel and transport (including those at airports), tourist service agencies and guidance and counselling services to the tourists;

(xv) construction;

(xvi) development, maintenance and construction of roads;

(xvii) providing commercial complex facilities and community centres including conference halls;

(xviii) floriculture;

(xix) tissue culture, fish culture, poultry farming, breeding and hatcheries;

(xx) service industry, such as altering, ornamenting, polishing, finishing, oiling, washing, cleaning or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal;

(xxi) research and development of any concept, technology, design, process or product, whether in relation to any of the matters aforesaid, including any activities approved by the Small Industries Bank; or

(xxii) such other activity as may be approved by the Small Industries Bank;]

⁵[*Explanation 1.*—The expression “processing of goods” includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation.]

1. Subs. by Act 43 of 1985, sec. 2, for sub-clause (viii) (w.e.f. 21-8-1985).

2. The word “or” omitted by Act 43 of 1985, sec. 2 (w.e.f. 21-8-1985).

3. Subs. by Act 39 of 2000, sec. 2, for clauses (x) to (xiii) (w.e.f. 5-9-2000).

4. Clauses (xi) to (xiii) ins. by Act 43 of 1985, sec. 2 (w.e.f. 21-8-1985) and subs. by Act 39 of 2000, sec. 2 (w.e.f. 5-9-2000).

5. *Explanation* renumbered as *Explanation 1* by Act 43 of 1985, sec. 2 (w.e.f. 21-8-1985).

1. This Act has been extended to Dadra and Nagar Haveli by Reg. 6 of 1963, sec. 2 and Sch. I; to Pondicherry by Reg. 7 of 1963, sec. 3 and Sch. I; to Goa, Daman and Diu by Reg. 11 of 1963, sec. 3 and Sch. and to the State of Sikkim on 24-10-1975, vide Notification No. S.O. 615(E), dated 23rd October, 1975.

2. The words “except the State of Jammu and Kashmir” omitted by Act 62 of 1956, sec. 2 and Sch. (w.e.f. 1-11-1956).

3. Came into force on 1-8-1952 (in the whole of India except the State of Jammu and Kashmir) see Notification No. S.R.O. 1317, dated the 28th July, 1952, Gazette of India, 1952, Pt. II, Sec. 3, p.1163.

4. Ins. by Act 77 of 1972, sec. 2 (w.e.f. 30-12-1972).

5. Subs. by Act 56 of 1956, sec. 2, for clause (b) (w.e.f. 1-10-1956).

6. Subs. by Act 77 of 1972, sec. 2, for clause (c) (w.e.f. 30-12-1972).

7. Subs. by Act 43 of 1985, sec. 2, for sub-clause (ii) (w.e.f. 21-8-1985).

8. Ins. by Act 43 of 1985, sec. 2 (w.e.f. 21-8-1985).