Statement 6: Operating Environment : Pre-reform and Current Status

Organisation	Resources*		Deployments*		Remarks
	Pre-reform	Current Status	Pre-reform	Current Status	
Banks	Deposits	Deposits	Cash & bank balance	Cash and bank balance	There is significant change in the resources being raised by banks and deployment avenues.
	Borrowings – Internal & External	Borrowings – Internal & External	Inter-bank lending	Inter-bank lendings – multi-currency	
	Capital and reserves	Capital and reserves	Investments	Investments – multi-currency	
	Other liabilities and provisions	Other liabilities and provisions	Loans and advances	Loans and advances – multi-currency	
			Fixed assets	Fixed assets	
			Other assets	Other assets	
Development Financial Institutions					
IDBI, ICICI, IFCI, IIBI (IRBI) and EXIM Bank	Access to LTO Funds of RBI and SLR Bonds#	Access to LTO Funds withdrawn. Now borrowings are being placed at market related interest rates.	Medium and long-term loans in rupee and foreign currency (except IIBI).	Medium and long-term loans in rupee and foreign currency (except IIBI).	While DFIs' access to assured sources of funds has been withdrawn, the avenues for deployment of funds have widened.
			Investments	Short-term loans/working capital finance	
				Investments	
TFCI	Market borrowings, borrowing from IDBI	Market borrowings	Long-term finance to tourism related activities	Long-term finance to tourism related activities	
Refinancing Institutions					

NABARD, SIDBI and NHB	Borrowings from LTO Funds of RBI, SLR bonds, borrowings from government and IDBI (by SIDBI)	Access to LTO Fund withdrawn ## . Borrowings at market related interest rate, borrowings from other banks and FIs, SLR bonds (to a small extent)	Refinancing of medium and long-term loans	Some of the refinancing institutions have started extending direct finance even though refinancing continues to be their main business.	Refinancing institutions continue to have some access to concessional finance, though in a different form. Thus, refinancing institutions are relatively less affected as compared with DFIs.

Statement 6: Operating Environment : Pre-reform and Current Status (concld.)

Organisation	Resources*		Deployments*		Remarks
	Pre-reform	Current Status	Pre-reform	Current Status	
Investment Institutions					
UTI, LIC and GIC and its subsidiaries	From Investors/ policy holders	From Investors/ policy holders	Government securities, shares/stocks, bonds/ debentures of companies, and term loans	Government securities, shares/stocks, bonds/ debentures of companies, and term loans	i) Until April 1, 1995, GIC and its subsidiaries were required to invest 70 per cent of fresh accretion to their funds in government securities and socio-oriented sector and remaining 30 per cent in the market. From April 1, 1995, these proportions were changed to 45 per cent and 55 per cent. ii) From November 1997, LIC has been given freedom to deploy 25 per cent of accretion to the Controlled Fund (after setting aside 75 per cent in government securities and socio-oriented sector). Earlier LIC was required to deploy 25 per cent of accretion to the Controlled Fund in specific proportions in private corporate sector, loans to policy holders, real estate, etc.

* Represent major resources and deployment of funds.
# LTO fund facility was not available to ICICI and IFCI.
Only a token contribution of Rs.1 crore is being made to each of the two LTO Funds being maintained by NABARD. SIDBI gets small allocation out of repayments being made by IDBI to the LTO Fund.