Statement 7 : FIs' Ownership, Organisation and Functions

FI	Ownership Pattern: Pre-reform	Ownership Pattern: Current Status	Supervisory Functions	Refinance Function	Direct Finance	Others
1. IDBI	Wholly owned by the Government of India	In October 1994, the IDBI Act was amended giving way to private participation in the ownership subject to the government holding being retained at not less than 51 per cent. After the public issue in 1995 and sale of offer by the government, the share of government holding came down to 74.6 per cent from 100 per cent earlier.	IDBI, under the IDBI Act, is an apex institution for coordinating and supplementing the operations of other institutions providing term finance to industry. IDBI has been assigned with the responsibility of supervising the State Financial Corporations under the SFCs Act. It also supervises SIDCs in terms of the agreement entered into with them. IDBI besides prescribing policy guidelines, undertakes on-site inspection.	IDBI extends indirect financial assistance by way of (i) refinancing of term loans given by state-level institutions / banks to medium scale units and (ii) discounting/rediscounting bills of exchange and promissory notes arising out of sale/purchase of machinery and equipment.	It provides direct finance by way of term loans, both in rupee and foreign currencies, besides providing support by way of underwriting and direct subscription to shares/debentures and in the form of deferred payment guarantees. Recently, IDBI has also started extending short-term/working capital finance.	It also undertakes project consultancy services, leasing activities and venture capital finance. IDBI has been assigned some promotional role, such as, assistance to entrepreneurial development, voluntary developmental agency, institutional upgradation training and other activities.
2. NABARD	Owned by the Government and RBI	Owned by the Government and RBI	It supervises the Regional Rural Banks (RRBs) State and Central Cooperative banks (SCBs and CCBs). It prescribes the policy guidelines to RRBs. It conducts on-site inspection of these institutions. It also coordinates the lending to agriculture, rural sector and Small Scale Industries (SSIs).	It extends refinance assistance to commercial banks, state co-opertive banks and regional rural banks.	It extends direct finance to larger projects in the rural sector and agricultural related areas.	It provides technical consultancy services to projects in the agriculture and rural areas and conducts project studies.
3. NHB	Wholly owned by the Reserve Bank of India	Wholly owned by the Reserve Bank of India	It is the apex institution in the housing sector. It issues directions and provides guidance to housing finance institutions to ensure their promotion,	It grants loans and advances and renders other financial assistance to scheduled commercial banks. It can subscribe to stocks, shares,	Also extends direct project finance to a small extent.	-

Statement 7 : FIs' Ownership, Organisation and Functions (contd.)

FI	Ownership Pattern		Supervisory Functions	Refinance Function	Direct Finance	Others
	Pre-reform	Current Status				
4. SIDBI	Wholly owned by IDBI	Wholly owned by IDBI	Not applicable	Refinancing of term loans granted by SFCs, SIDCs, com-mercial banks and other eligible finan-cial institutions and direct discounting and rediscounting of bills arising out of sale of machinery/ capital equipment/ components by manufacturers in the small-scale sector.	Besides refinancing it also extends direct finance to SSI sector.	Technical consultancy, etc.
5. EXIM Bank	Wholly owned by the Gov-ernment	Wholly owned by the Government	Not applicable	It refinances com-mercial banks.	It extends direct fi-nance to Indian and overseas entities.	It extends guarantee cum refinance, L/C confirmation, business advisory and technical con-sultation ser-vices etc.

6. ICICI	Institutional agencies and public shareholdig	Institutional agencies and public shareholding	Not applicable	Not applicable	It provides assistance by way of rupee and foreign currency loans, underwriting and direct subscription to shares/ debentures and guarantees. Recently, it has also started extending short-term loans.	Project and technical consultancy services, debenture trusteeship, etc.
7. IFCI	Wholly owned by the Government controlled bodies	Converted into public limited company in 1993 giving way for private participation in the ownership. IFCI came out with Public issue of its shares in 1993.	Not applicable	Not applicable	It provides assistance by way of rupee and foreign currency loans, underwriting and direct subscription to shares/debentures and guarantees. Recently, it has also started extending short-term loans.	Project consultancy services, venture capital etc.

Statement 7 : FIs' Ownership, Organisation and Functions (concld.)

FI	Ownership Pattern		Supervisory Functions	Refinance Function	Direct Finance	Others
	Pre-reform	Current Status				
8. IIBI	Wholly owned by the Government	The entire equity continues to be held by the government.	Not applicable	Not applicable	It was converted into a public limited company in March 1997. Until conversion, its basic function was to act as the principal credit and reconstruction agency for aiding rehabilitation of sick and closed industrial units. However, after its conversion from a statutory body into a public limited company, it has been allowed to act as a full fledged all-purpose DFI.	Investment/ merchant banking, Project consultancy services etc.
9. TFCI	IFCI, other financial institutions and commercial banks	IFCI, other financial institutions and commercial banks	Not applicable	Not applicable	To cater to the needs of the tourism industry by providing term loans.	Also extends consultancy in the related areas.