

Financial Institutions and Markets
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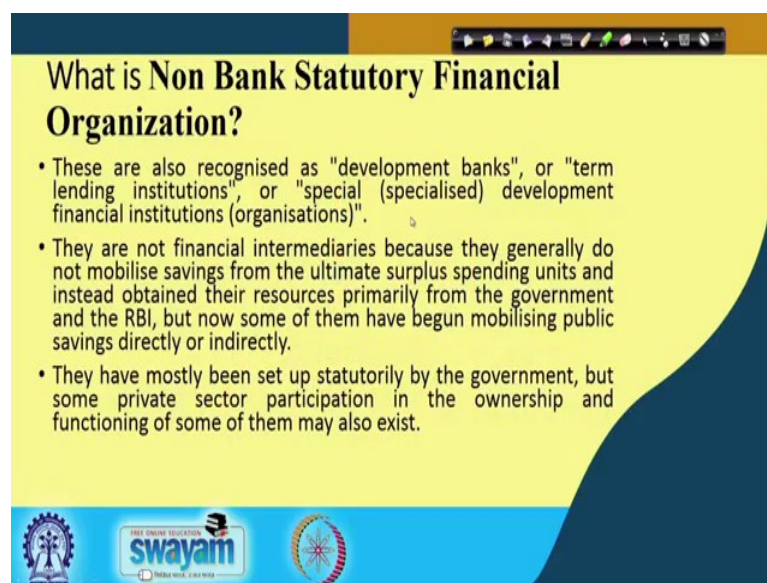
Lecture – 35
Non – Banking Statutory Financial Organization

So, after now we have discussed about the different kind of non-banking financial companies, we discussed about the how the non-banking financial companies are NBFC's are contributing the economic growth process and how they are different than the commercial banks and the other financial intermediaries which are existing in the system.

Then there are some specific financial organizations we discussed about the venture capital sponsor banks, credit rating agencies etcetera. And in the Indian financial system we have one specific group of the financial organization what we call them the non-bank statutory financial organization and those organizations exist there to provides certain kind of specialized services for some specific regions.

So, these are the statutory body which provide the kind of services for a particular cause, it is not for a common cause they provide the benefits, they provide the services for a particular cause and those kind of organizations are many. There are many organizations which exist, but we will be discussing certain specific organizations which are really contributing to the development of the financial system and overall as well as the overall economic growth of the particular country.

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What is Non Bank Statutory Financial Organization?

- These are also recognised as "development banks", or "term lending institutions", or "special (specialised) development financial institutions (organisations)".
- They are not financial intermediaries because they generally do not mobilise savings from the ultimate surplus spending units and instead obtained their resources primarily from the government and the RBI, but now some of them have begun mobilising public savings directly or indirectly.
- They have mostly been set up statutorily by the government, but some private sector participation in the ownership and functioning of some of them may also exist.

So, let us see that what do you mean by this non banking statutory financial organization. So, that whenever we talk about these statutory financial organizations they are mostly always recognized historically, they are always mostly recognized as the development banks or the term lending institutions or specialized or development financial institutions or the organizations. They are not the financial intermediaries because, they generally do not mobilize the savings from the ultimate surplus spending units and instead obtained the resources primarily from the government and the RBI.

But, now some of them have started mobilizing the public savings directly or indirectly, but mostly the basic objective of this thing is not to mobilize the savings; the establishment of the statutory financial organizations are not to mobilize the savings that basically to provide the assistance for betterment of a particular unit or particular sector. So, mostly they have been made by or set up by the government, but there are some private participation also we can always see whenever we talk about the NBSFOs or Non Bank Statutory Financial Organizations.

So, these are; that means, overall this non-bank statutory financial organizations are existing to provide certain specialized benefits to particular sectors or for some specific regions.

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Major NBSFOs Operating in India

- All India Financial Institutions (AIFIs)
 - Export Import Bank of India (EXIM Bank)
 - National Bank for Agriculture and Rural Development (NABARD)
 - National Housing Bank (NHB)
 - Small Industries Development Bank of India (SIDBI)
- Other Major NBSFOs
 - Industrial Financial Corporation of India (IFCI)
 - Industrial Reconstruction Bank of India (IRBI)
 - Infrastructure Leasing and Financial Services Ltd. (IL&FS)
 - State Finance Corporations (SFCs)
 - Warehousing Corporations (WCs)
 - Tourism Finance Corporation of India (TFCI)

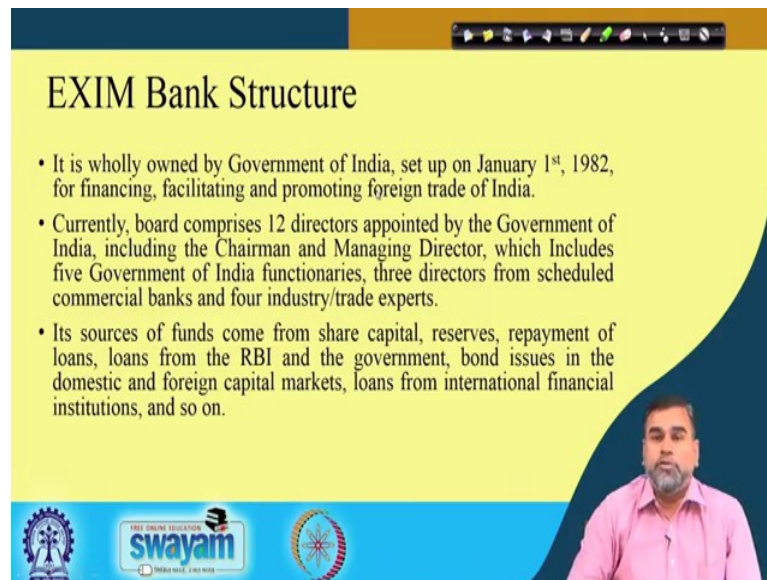
swamyam

RESERVE BANK OF INDIA

Then what are those major NBSFOs which are operating in India, if you see the major NBSFOs which are operating in India their categorized into 2 parts. There are 4 prominent institutions or organizations which are registered with RBI or controlled by RBI and there contributing a lot what we call them the all India financial institutions AIFIs. And there are many other NBSFOs or non banking statutory financial organizations, but here we are going to discuss some specific.

And NBSFOs like IFCI, IRBI, IL and FS, SFCs State Finance Corporations, warehousing corporations, tourism finance corporation of India, you might have heard about all these things, but there are other many kind of NBSFOs which work in the Indian financial system. There are permanent which are what we called the all India financial institutions which are directly controlled by the Reserve Bank of India and Reserve Bank of India has strong role for the development of this all India financial institutions which exist in the Indian financial system.

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EXIM Bank Structure

- It is wholly owned by Government of India, set up on January 1st, 1982, for financing, facilitating and promoting foreign trade of India.
- Currently, board comprises 12 directors appointed by the Government of India, including the Chairman and Managing Director, which Includes five Government of India functionaries, three directors from scheduled commercial banks and four industry/trade experts.
- Its sources of funds come from share capital, reserves, repayment of loans, loans from the RBI and the government, bond issues in the domestic and foreign capital markets, loans from international financial institutions, and so on.

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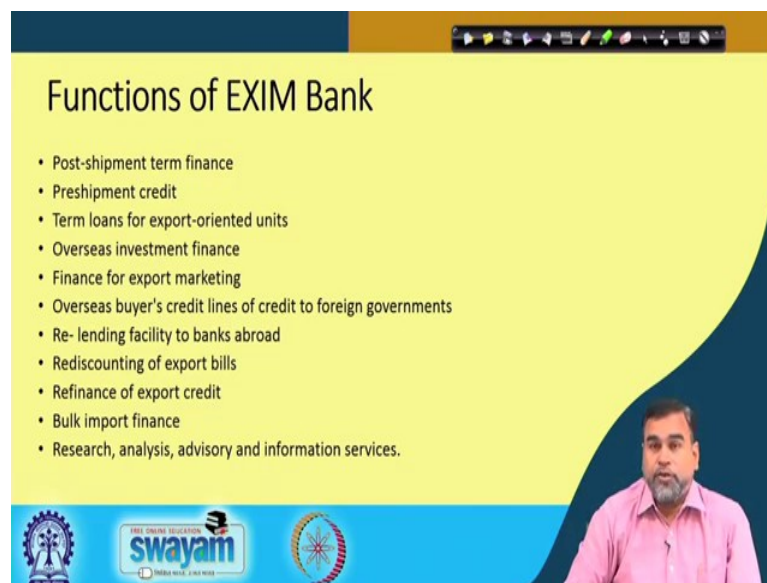
Then you see one by one if you see one is your EXIM bank you might have heard about this that is export import bank. It was it is fully owned by government of India bank which was set up on January first 1982. And what were the objective of having this? The objective of having this EXIM bank is for financing, facilitating and promoting the foreign trade, to increase the foreign trade to provide certain benefits for the export and import business they have established or this particular bank was setup in 1982 by the government of India.

Currently this board has a 12 members or 12 directors which are appointed by the government of India, including the chairman and managing director, which also include the 5 nominees which are from the government of India functionaries, 3 directors from the scheduled commercial banks and 4 industry or the trade experts. So, this is the way basically the board always for the EXIM bank. And, where the EXIM bank gets the money because they are not raising the money from the public, it is not like a commercial bank who takes the deposits and gives the loan. And already I told you that all kind of all India financial institutions are contributing in terms of the development a particular sector.

So, here the EXIM bank is contributing in terms of development of the trade. So, because of that the major sources of fund what they get they get it in terms of equity, in terms of the loans from RBI and the bonds and also there is the money from the

government, bond the only they can issue in the domestic and foreign capital markets and also sometimes they get the loan from the international financial institution institutions like IMF world bank etcetera Asian development bank and so on. So, these are basically the major funding agencies to EXIM bank and EXIM bank gets money from them and try to utilize that money for the development of the trade in the system. So, that is what always the basic job of the EXIM bank or basic role of the EXIM bank in the financial system.

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Functions of EXIM Bank

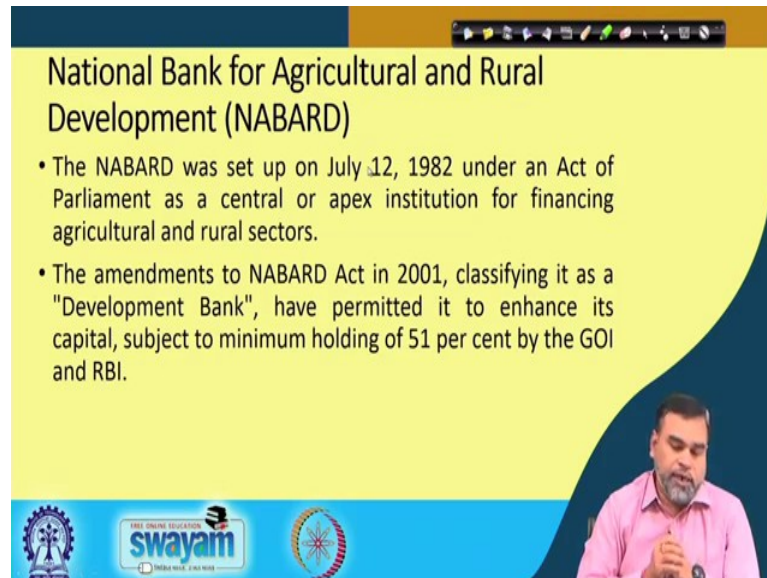
- Post-shipment term finance
- Preshipment credit
- Term loans for export-oriented units
- Overseas investment finance
- Finance for export marketing
- Overseas buyer's credit lines of credit to foreign governments
- Re-lending facility to banks abroad
- Rediscounting of export bills
- Refinance of export credit
- Bulk import finance
- Research, analysis, advisory and information services.

What kind of jobs and what kind of functions the EXIM bank do what kind of services we can always get from the EXIM bank if you see. Already we have discuss that the existence or the set up of the EXIM bank is to promote the trade to develop the trade sector. So, then how basically they do that. So, if you see they provide the post shipment term finance, term finance mean long term finance they provide for the post and pre shipment or the pre shipment credit also they provide. They give the loan for the export oriented units anybody who are trying to do the export business the EXIM bank can give them the loans to start the business or do the business.

They also provide the finance for the overseas investment, they also finance for the export marketing, then re-lending facility to banks abroad, export they also rediscount the export bills any finance the export credit and all sometimes also they provide a bulk amount of finance for the import they provide the loan or the finance for the import. And

also, apart from this they also provide the research, analysis, advisory and information services to the different kind of units or different kind of customers on the basis of their requirements. So, mostly they provide the term lending. It is a term lending institutions or a lending institutions we provides the financing or provide the necessary finance for the development of the trade in the economy.

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The slide features a yellow background with a dark blue header and footer. The title 'National Bank for Agricultural and Rural Development (NABARD)' is in bold black text. Below it, two bullet points provide details about its establishment and amendments. In the bottom right corner, a man in a pink shirt is visible, likely the presenter. The footer contains logos for the Ministry of Agriculture, the 'swayam' portal, and the Reserve Bank of India.

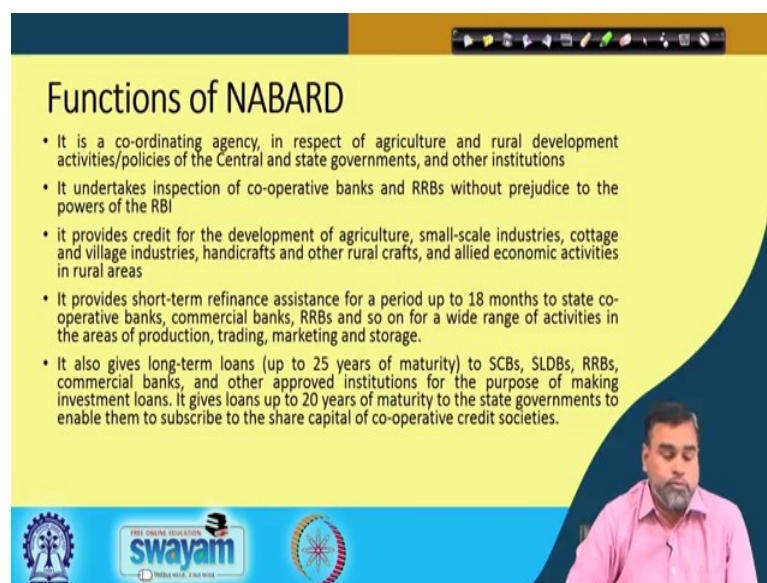
National Bank for Agricultural and Rural Development (NABARD)

- The NABARD was set up on July 12, 1982 under an Act of Parliament as a central or apex institution for financing agricultural and rural sectors.
- The amendments to NABARD Act in 2001, classifying it as a "Development Bank", have permitted it to enhance its capital, subject to minimum holding of 51 per cent by the GOI and RBI.

Then we have another all India financial institutions we have always heard; however, about this word that is called NABARD National Bank for Agriculture and Rural Development is a popular name. This was also set up in 1982 July 12 under the act of parliament as a central or apex institution for financing the agriculture and rural sectors. This particular organization was set up for the development of agriculture and rural sectors with a special focus on the agricultural sectors or the rural sectors.

And again there was amendment in 2001 that NABARD act which basically classifying it as a “Development Bank” and permitted in to enhance its capital subject to the minimum holding of 51 percent of the Government of India and the Reserve bank of India. Because, it was set up by government then more than 50 percent of the share the government always enjoys with a NABARD and mostly this particular holding is either direct from the government and the Reserve bank of India.

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Functions of NABARD

- It is a co-ordinating agency, in respect of agriculture and rural development activities/policies of the Central and state governments, and other institutions
- It undertakes inspection of co-operative banks and RRBs without prejudice to the powers of the RBI
- It provides credit for the development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts, and allied economic activities in rural areas
- It provides short-term refinance assistance for a period up to 18 months to state co-operative banks, commercial banks, RRBs and so on for a wide range of activities in the areas of production, trading, marketing and storage.
- It also gives long-term loans (up to 25 years of maturity) to SCBs, SLDBs, RRBs, commercial banks, and other approved institutions for the purpose of making investment loans. It gives loans up to 20 years of maturity to the state governments to enable them to subscribe to the share capital of co-operative credit societies.

Logos for UGC, Swamyam, and NABARD are visible at the bottom of the slide.

And what the NABARDs do, what the NABARD basically do, if you see the functions whenever we ask this questions what NABARD does in what kind of functions the NABARD has. Then always from the beginning overall what we have seen, we have seen NABARD provides a finance for the betterment of the agricultural and rural sector.

So, it is a coordinating agency in respect of agriculture and rural deployment activities which coordinates between central and state governments and the other institutions in terms of investment and the financing activities. Also, it is always undertakes responsibility of the inspection of the cooperative bank and regional rural banks without the prejudice to the powers of RBI. Although RBI is the apex body, but still they always look at whether the cooperative bank because this sometimes also they finance to the cooperative banks and the regional rural banks.

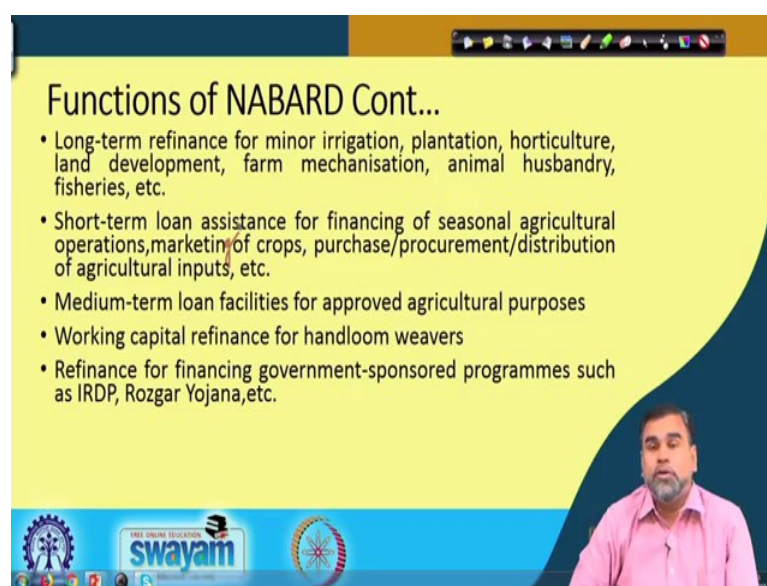
So, because of that it is also the responsibility of the NABARD to see whether this particular cooperative banks and regional rural banks are performing better or not. It provides credit for the development of agriculture, small scale industries cottage and village industries, handicraft and other rural crafts and allied economic activities in rural areas. Any kind of small activities whether it is agriculture, whether it is small scale industry, whether it is handicraft or any other thing which are basically happening in the rural sector. There is some employment generation can be created, some income can be generated through that particular kind of industry and particular kind of business

NABARD is always responsible to provide the finance for that. NABARD there is a provision to finance those kinds of activities by NABARD.

It also provide the short term finance, refinance assistance for a period up to 18 months to state cooperative banks, commercial banks and regional rural banks for a wide range of activities in the areas of production, trading, marketing and storage. Trading, marketing, storage also if it is done by any kind of cooperative banks and regional rural banks, at that particular point of time also NABARD helps them providing this necessary finance for this kind of services.

It also provide the long term loans up to 25 years maturity to different kind of cooperative banks, state cooperative banks SCBs, regional rural banks RRBs, then state lending development banks these are basically the different kind of commercial banks also and some other approved institutions for the purpose of making investment loans. It also gives loan to state governments up to 20 years maturity to enable them to subscribe to the share capital of cooperative credit societies to take the ownership of the state cooperative credit societies, it can also provide the loan to the state governments whose maturity period is up to 20 years. So; that means, overall it tries to finance those activities which are related to agriculture or any kind of activities related to rural development. So, in that context if you see NABARD specific role is for the development of the rural sector and the agriculture in the economic system.

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Functions of NABARD Cont...

- Long-term refinance for minor irrigation, plantation, horticulture, land development, farm mechanisation, animal husbandry, fisheries, etc.
- Short-term loan assistance for financing of seasonal agricultural operations, marketing of crops, purchase/procurement/distribution of agricultural inputs, etc.
- Medium-term loan facilities for approved agricultural purposes
- Working capital refinance for handloom weavers
- Refinance for financing government-sponsored programmes such as IRDP, Rozgar Yojana, etc.

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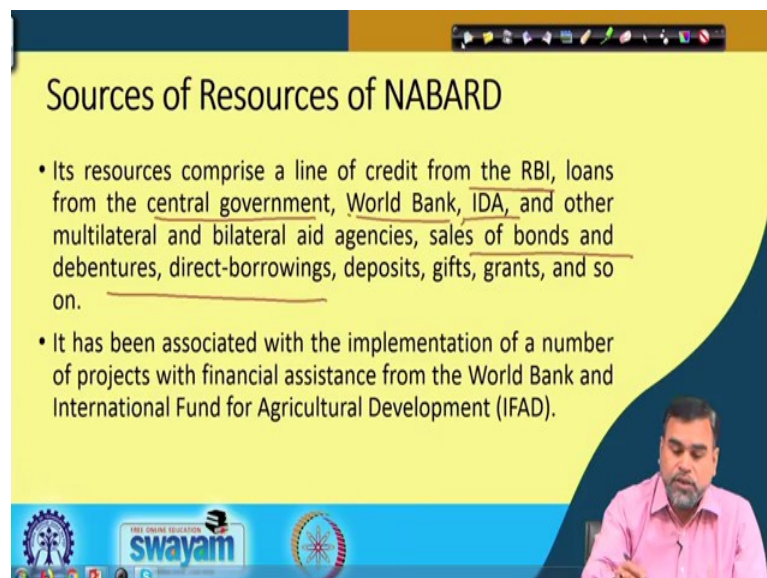
NABARD

Then they also provide the refinance measures for irrigation, plantation, horticulture, land development, farm mechanization, animal husbandry, fisheries, for all kind of activities, because all the activities are also link to agriculture and the we can say that development with respect to rural sector so, they are also refinance to these activities. They also finance for the seasonal agricultural operations, marketing of the crops, purchase procurement distribution of agriculture inputs all these things.

Medium term loan facilities for the approved agricultural purposes and also working capital refinance for the handloom weavers. Also one thing here you remember that this is basically marketing of crops, purchase and procurement distribution of agricultural input. They also provide the working capital, for the working capital handloom weavers and refinance for the financing government sponsored programs as IRDP, Rozgar Yojana all these things they provide also finance for this kind of thing.

So, these are the major functions major job of NABARD and overall already I told you that the basic if you see all these functions mostly they provide the finance for the development of the agriculture and all those issues related to agriculture and the rural sector development.

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Sources of Resources of NABARD

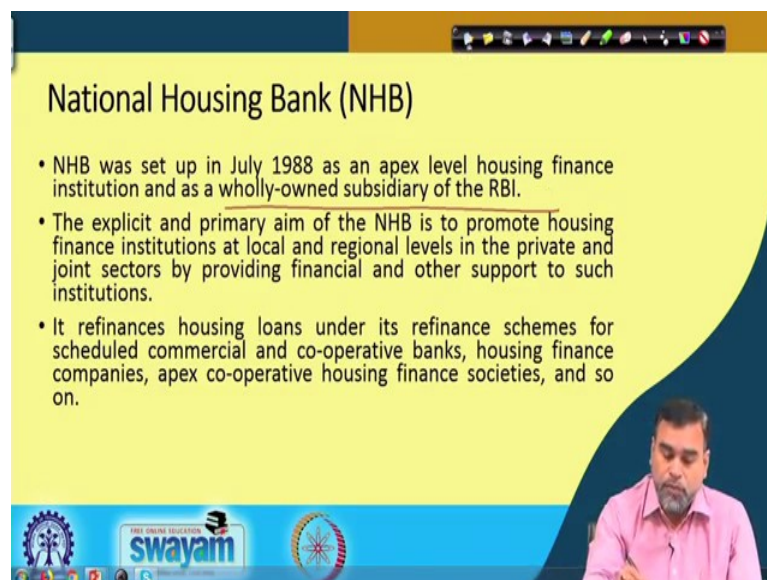
- Its resources comprise a line of credit from the RBI, loans from the central government, World Bank, IDA, and other multilateral and bilateral aid agencies, sales of bonds and debentures, direct-borrowings, deposits, gifts, grants, and so on.
- It has been associated with the implementation of a number of projects with financial assistance from the World Bank and International Fund for Agricultural Development (IFAD).

Where the NABARD gets the money to provide this kind of finance? NABARD gets the money from RBI major loans from the central government, world bank they can get, then they can get some money from the other international agencies Asian Development Bank

or they can also sale the bonds and debentures direct borrowings they can do like that. So, this is the way mostly they get the funding from the RBI and the central government and also in certain cases they try to raise the money from the different funding agencies which are globally available like World Bank and other kind of organizations.

It has been associated with implementation of a number of projects with financial assistance from the World Bank and International Fund for Agricultural Development. Number of projects NABARD does on behalf of them and the country for the development of the agriculture betterment of the agriculture and as well as the betterment of the rural sector development. So, that is what the basic way of raising the money by NABARD from the different sources.

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National Housing Bank (NHB)

- NHB was set up in July 1988 as an apex level housing finance institution and as a wholly-owned subsidiary of the RBI.
- The explicit and primary aim of the NHB is to promote housing finance institutions at local and regional levels in the private and joint sectors by providing financial and other support to such institutions.
- It refinance housing loans under its refinance schemes for scheduled commercial and co-operative banks, housing finance companies, apex co-operative housing finance societies, and so on.

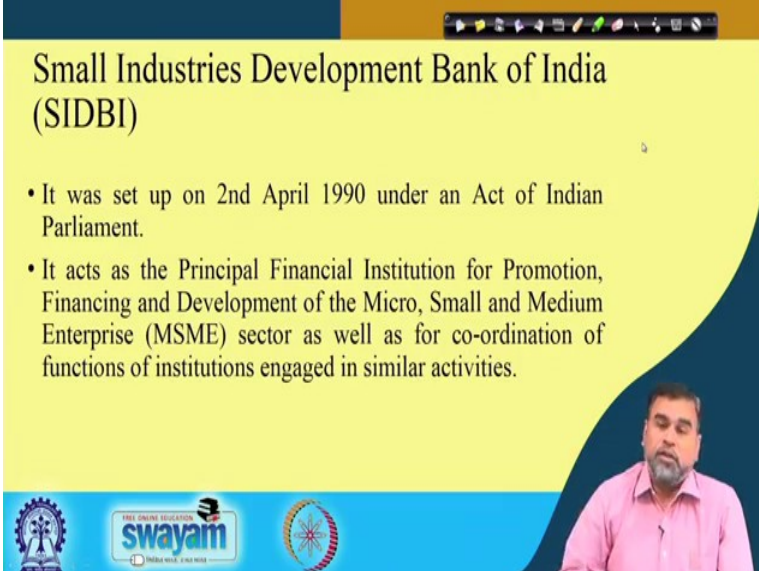
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Then we have another organization which are also all India financial institutions that is NHB, it was a establish 1988 for the housing finance and it is a wholly owned wholly owned subsidiary of the Reserve bank of India. So, the basic motto or basic objective of having this NHB was to finance this housing loans housing activities. And the explicit and primary aim of the NHB is to promote housing finance institutions at local and regional levels in the private and joint sectors by providing financial and other support to such institutions.

It also refinance housing loans under it is refinance schemes for scheduled banks and the cooperative banks, housing finance, companies and cooperative housing finance

societies. So, that also refines the housing loans to different other entities which exist in this particular system. So, therefore, in overall this particular organization always ready or always the basic job of this particular organization is to provide this finance for the development of the housing in the economy so, that is called the NHB.

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Small Industries Development Bank of India (SIDBI)

- It was set up on 2nd April 1990 under an Act of Indian Parliament.
- It acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities.

Logos at the bottom: Swayam, Ministry of Micro, Small & Medium Enterprises, and a video feed of a man in a pink shirt.

And we have another organization we have that is SIDBI which is very popular name and the basic job of the SIDBI was to develop the micro small and medium enterprises in the economy. So, this was set up on second April 1990 under an act of Indian parliament and it acts as the principal financial institution for promotion, financing and development of the micro, small and medium enterprises as well as for coordination of functions of institutions engaged in similar activities. Any kind of organization which linked to this kind of small or medium or micro enterprises for all those kind of thing they should be is ready to finance them.

So, the basic job of the SIDBI is, to promote or develop this particular MSME sector and MSME companies which can largely contribute to the development of the rural sector and as well as the economic growth as a whole. So, that is why the contribution or the significance of the SEBI India in the Indian financial system is quite larger quite robust. And therefore, always we should look at that what is the functions of SIDBI is doing the function of the SIDBI is basically the development of the small sectors in the economic system.

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Objectives of SIDBI

- To promote marketing of products of small scale sector.
- To upgrade technology and also undertaking modernization of small scale units.
- To provide more financial assistance to small scale ancillary and tiny sector.
- To encourage employment oriented industries.
- To coordinate all the other institutions involved in the promotion of small scale industries.

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That is why keeping those things in the mind what if you see formally what are those objectives of SIDBI, the objective of SIDBI is to promote the marketing of the products of small scale sector, to upgrade the technology and also undertaking modernization of the small scale units for everything the finance them they might not have the technical knowledge, but the basic part of the financing is always done through SIDBI. And they also provide the more financial assistance for the small scale ancillary and tiny sectors by small sectors.

And also they encourage the particular sector which employment oriented the primary sector particularly whether it is small scale industries or handicrafts or it is any kind of thing where relatively the employment opportunities higher, the SIDBI is always trying to finance them. Even SIDBI is finance also what we call them the microfinance companies they also give the loan to the microfinance companies for providing the loan for the self help group and other bodies that what we have already discussed.

Then the basic another job of the SIDBI is to coordinate all the institutions involved in the promotion of small scale industries. It is not only finance it also coordinate in the different activities what these other organizations are doing for the promotion or the development of the small scale industries in India. So therefore, the importance of SEBI because India is a rural best economy and the importance of the SIDBI is quite large in

the sense it creates the nexus between the financial sector and the real sector at a time, that is why the role of SIDBI is quite significant in this context.

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Functions of SIDBI

- Refinance to SSI
- Discounting the bills of SSIs
- SIDBI offers assistance to exports
- Seed capital and also soft loan Assistance
- Non finance services
 - Factoring, Leasing and HP finance
 - Assistance to other financial institutions
 - Automatic finance scheme
 - Venture capital

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So, what are those functions, they do the refinance to the small scale industries small scale sector existing in the country. Discount the bills for them, they sometimes also offer the assistant for the export in this particular sector. If any kind of product what the small scale industries are making and those products are qualities exportable, the exportable product for them also SIDBI can offer then the assistance. They provide the seed capital and soft loan assistance to the different entities who always deal with this development of the agriculture and rural development.

Apart from all kind of financing activities they also do some non financing activities like they provide the service in terms of the factoring, in terms of the leasing and also they have purchase finance. SIDBI also provide these kind of services that already we have discussed the what do mean by the leasing, what do mean by the factoring, what do mean by this higher purchase, that part already we have discussed. But, those are the basically the financial services and those services also are given by the SIDBI whenever somebody does the business in this rural or the agricultural sector.

Then also they provide the assistance to other financial institutions if they can have the surplus funds they can always help to the other financial institutions, automatic finance scheme and the venture capital. They also sometimes act as in venture capital through

which they want to motivate they want to sponsor certain kind of businesses in this sector which are really doing well or they are going to while in the future or there is a better scope for those kind of industry or those kind of projects for making this finance agricultural or rural sector more efficient and as well as they can contribute more for the growth rate of this particular economy. So, these are the non finance services what the SIDBI always provide for this is the way the SIDBI basically functions.

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Industrial Financial Corporation of India (IFCI)

- This is the first term-financing institution and was set up in July 1948 by the Government of India under the IFCI Act, 1948 with the objective of providing medium and long-term loans to large industrial concerns in the private sector.
- The constitution of IFCI was changed in 1993 from a statutory corporation to a company under the Companies Act to ensure greater flexibility to respond to the needs of rapidly changing financial system and to have an access to the capital market.
- With effect from October 1999, its name has been changed to IFCI Limited.
- From August 2007 onwards, it is being regulated as a non-banking financial company.
- IFCI became a Government controlled company subsequent to enhancement of equity shareholding to 55.53% by Government of India on December 21, 2012.

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Then we have some other financial institutions that already told you one of them is your Industrial Finance and Corporation of India. So, what is this industrial financial corporation of India, it was set up in 1948 very long very old organization if you think about Indian prospective by the government of India act IFCI act 1948 and what was the basic objective of this, the basic objective of this is to provide the medium and long term loans to the large industrial concerns in the private sector.

The constitution of IFCI was changed the 1993 from a statutory corporation to a company under the companies act to ensure the greater flexibility with effect from October 1999 the name has been changed to IFCI limited. And, from August 2007 onwards it being regulated as a non banking financial company and IFCI become a government controlled company subsequent to enhancement of equity shareholding off to 55.53 percent by the government of India in December 21 2012. So, this is the history about the development of IFCI.

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Industrial Financial Corporation of India (IFCI)
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- The primary business of IFCI is to provide medium to long term financial assistance to the manufacturing, services and infrastructure sectors.
- Through its subsidiaries and associate organizations, IFCI has diversified into a range of other businesses including broking, venture capital, financial advisory, depository services, factoring etc.
- It provides direct rupee and foreign currency loans for setting up new industrial projects and for expansion, diversification, renovation, and modernisation of existing units.
- It also underwrites and directly subscribes to industrial securities, provides financial guarantees, merchant banking services, and lease finance. As a development financial institution, a major portion of the financial assistance of IFCI was being made to Greenfield projects and to the projects in underdeveloped states.
- Its resources are in the form of (a) loans from the RBI, (b) share capital, (c) retained earnings, (d) repayment of loans, (e) issue of bonds, (f) loans from the government, (g) lines of credit from foreign lending agencies, and (h) commercial borrowings in international capital markets.

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And here if you see what are the primary business what they IFCI does it provide the medium to long term financial assistance to the manufacturing, services and the infrastructure sector. IFCI also diversified into different range of other business like they provide broking service, venture capital service, advisory service, depository service, factoring service all these things. Also then provide the loan both direct rupee and foreign currency loan for setting of the new industrial projects and for expansion diversification renovation and modernization of the existing units.

It also underwrites and directly subscribes to industrial securities provides financial guarantees, they also provide merchant banking services, lease financing services also as a development financial institutions, a major portion of the financial assistance of IFCI was being made to Greenfield projects in India and to the projects in underdeveloped states.

Major funding where they get the resources of money what basically they will raise that basically loans from RBI, they can also increase to equity capital, they can raise equity earnings or retained earnings, repayment of the loans, issue of the bonds, loan from the government, then they can also get the line of credit from foreign lending agencies, also the commercial borrowings in international capital markets. So, there are many sources of financing of IFCI and this is the way the IFCI works in the system.

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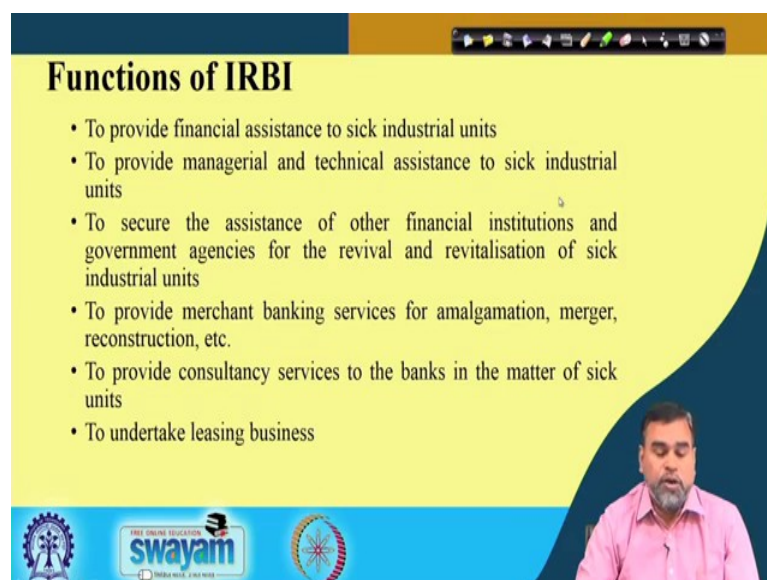
Industrial Reconstruction Bank of India (IRBI)

- To provide financial assistance as well as to revive and revitalise sick industrial units in public/private sectors, an institution called the Industrial Reconstruction Corporation of India (IRCI) was set up in 1971 with a share capital of Rs. 10 crores.
- In March 1985, it was converted into a statutory corporation called the Industrial Reconstruction Bank of India (IRBI), with an authorised capital of Rs. 200 crores and a paid-up capital of Rs. 50 crores.

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We have IRBI which is called the Industrial Reconstruction Bank of India it provides the financial assistant as well as to revive and revitalize the sick industrial units in public and private sector it was set up in 1971 with a share capital of 10 crore. It was converted into a statutory corporation called the Industrial Reconstruction Bank of India in March 1985 with an authorized capital of 200 crore rupees and paid up capital of the 50 crores.

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Functions of IRBI

- To provide financial assistance to sick industrial units
- To provide managerial and technical assistance to sick industrial units
- To secure the assistance of other financial institutions and government agencies for the revival and revitalisation of sick industrial units
- To provide merchant banking services for amalgamation, merger, reconstruction, etc.
- To provide consultancy services to the banks in the matter of sick units
- To undertake leasing business

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What the IRBI does, it provide financial assistance to the sick industrial units, provides managerial and technical assistant to the all those units which are not performing better.

It also provides assistance to other financial institutions and government agencies for reviving the sick units. It provides the merchant banking services for the merger reconstruction etcetera, consultancy services also it provides to the banks and the matter of the sick unit and also they do the leasing business. So, almost all type of business the IRBI does in the Indian financial system.

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The slide features a yellow background with a blue header and footer. The title 'Infrastructure Leasing and Financial Services Ltd. (IL&FS)' is in bold black text. Below it, two bullet points describe the company's history and services. The bottom of the slide contains logos for the Reserve Bank of India, Swayam, and the Ministry of Finance. A man in a pink shirt is visible in the bottom right corner, likely the speaker.

Infrastructure Leasing and Financial Services Ltd. (IL&FS)

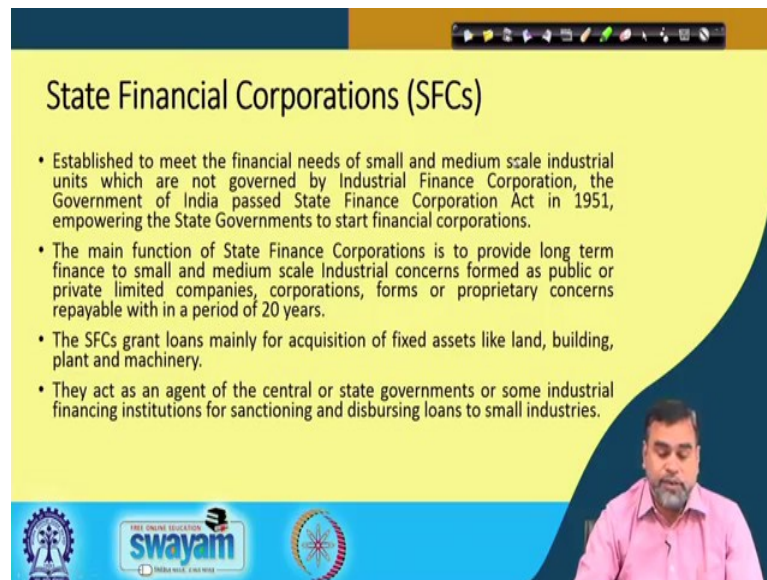
- The IL and FS was set up in May 1988 jointly by the Central Bank of India (CBI), UTI, HDFC, International Finance Corporation, ORIX Corporation from Japan, Credit Commercial de France, and SBI.
- The areas of its assistance are: (a) Financing of large infrastructure projects like highways, bridges, and power plants; (b) Equipments leasing for infrastructure development, pollution control, transportation, and communication; (c) Investment banking services including promotion of mutual funds and extension of venture capital; (d) Participation as a member of stock exchanges with a focus on the development of secondary markets.

Logos at the bottom: Reserve Bank of India, Swayam, Ministry of Finance.

Then we have another one IL and FS which is a device which was in the news for some days in might have hard all this thing about this. The ILFS was set up in 88 jointly by the central bank of India CBI, UTI, HDFC, international finance corporation, ORIX Corporation from Japan and credit commercial de France and state bank of India. And what are those basic objective what are those kind of assistance they provide, the finance the large infrastructure projects like highways, bridge, power plants, they provide the equipments for the leasing for the infrastructural development, for pollution control, transportation and communication.

They also provide investment banking services including the promotion of the mutual fund and the extension of the venture capital, they also act as a member of the stock exchanges with focus of the development of the secondary markets.

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State Financial Corporations (SFCs)

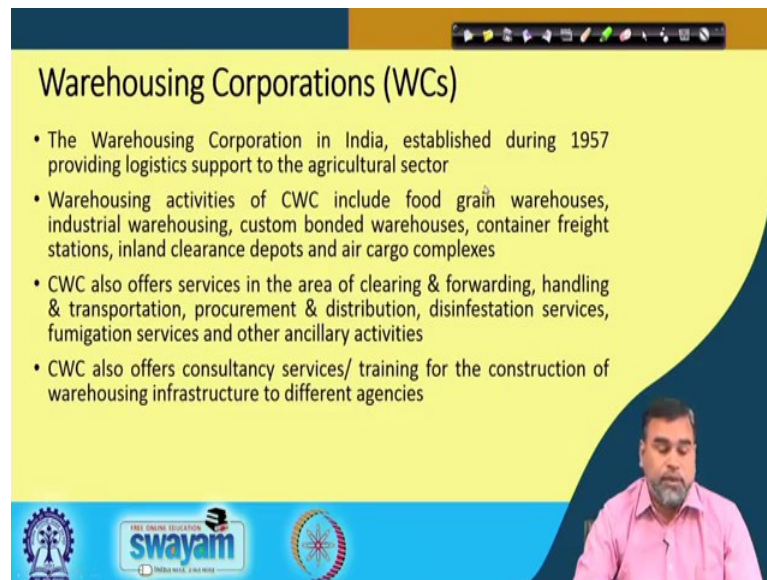
- Established to meet the financial needs of small and medium scale industrial units which are not governed by Industrial Finance Corporation, the Government of India passed State Finance Corporation Act in 1951, empowering the State Governments to start financial corporations.
- The main function of State Finance Corporations is to provide long term finance to small and medium scale Industrial concerns formed as public or private limited companies, corporations, firms or proprietary concerns repayable within a period of 20 years.
- The SFCs grant loans mainly for acquisition of fixed assets like land, building, plant and machinery.
- They act as an agent of the central or state governments or some industrial financing institutions for sanctioning and disbursing loans to small industries.

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So, many services are provided by IL and FS which was established in 1988 then we have state finance corporations. The main function of the state finance corporation is to provide long term finance to small and medium scale industries which concerns the public or private limited companies and with a maximum period of 20 years maturity. It also grants loan mostly for acquire this fixed assets like land, building, plant and machinery.

They act as an agent of the central and state governments or some industrial financing institutions for loans to the small scale industries. So, this is the way the state finance corporation works.

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The slide is titled "Warehousing Corporations (WCs)" and features a bulleted list of services. At the bottom, there is a video inset of a man in a pink shirt speaking. The slide also includes logos for the Ministry of Agriculture, Government of India, and the Swayam portal.

Warehousing Corporations (WCs)

- The Warehousing Corporation in India, established during 1957 providing logistics support to the agricultural sector
- Warehousing activities of CWC include food grain warehouses, industrial warehousing, custom bonded warehouses, container freight stations, inland clearance depots and air cargo complexes
- CWC also offers services in the area of clearing & forwarding, handling & transportation, procurement & distribution, disinfection services, fumigation services and other ancillary activities
- CWC also offers consultancy services/ training for the construction of warehousing infrastructure to different agencies

Logos at the bottom: Ministry of Agriculture, Government of India; Swayam (Free Online Education); and a circular logo with a gear and a sun.

There we have warehousing corporations, the warehousing corporations was very old 1957, they provide the logistic support to the agricultural sector. The activities include food grain warehouses, industrial warehousing, custom bonded warehousing, container freight station, inland clearance depots and air cargo complex.

And all these things, it also offer services in the area of clearing and forwarding, handling and transportation, procurement and distribution, this infestation services, then fumigation services and ancillary activities they provide. It also offers the consultant services training for the construction warehousing, infrastructure to the different agencies, the consulting services is one of the services the warehousing corporations also always provide.

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Tourism Finance Corporation of India (TFCI)

- Tourism Finance Corporation of India Ltd.(TFCI) has been set-up as an All India Financial Institution, pursuant to the recommendations of “National Committee on Tourism” set-up under the aegis of Planning Commission in 1988.
- The main object of setting-up the specialised financial institution was to expedite the growth of tourism infrastructure in the country by providing dedicated line of credit on long term basis to tourism related projects in the country.

The slide features a yellow background with a blue wave-like graphic on the right. At the bottom, there are logos for UGC, Swayam, and the Government of India, along with the text 'FREE ONLINE EDUCATION' and 'swayam'. A presenter in a pink shirt is visible in the bottom right corner.

Then Tourism Finance Corporation of India this is another body and it is a specialized financial institution for the growth of tourism infrastructure in the country and which provide the dedicated line of credit for the tourism related projects in the country.

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Tourism Finance Corporation of India (TFCI)

- Primary business is to provide medium to long term financial assistance to enterprises, for setting up and / or development of tourism related activities, facilities and services, which includes hotels, restaurants, holiday resorts, amusement parks and complexes for entertainment, education and sports, safari parks, rope- ways cultural centres, convention halls, all forms of transport industry, ropeways, travel and tour operating agencies, tourism emporia, sports facilities etc.
- Extends financial assistance to sectors, such as services sector and related activities, facilities & services which are further expected to augment the growth of tourism in the Country.
- TFCI also provides high quality Research & Consultancy services to facilitate identification, conceptualization, promotion / implementation of specific tourism - related projects & for taking policy level decisions with respect to investment and infrastructural augmentation etc.

This slide is similar to the previous one, with a yellow background and a blue wave-like graphic. It includes the same logos at the bottom and a presenter in a pink shirt in the bottom right corner.

So, this was there, they also offers other kind of services which are related to entertainment in tourism all kind of services we can always find from the TFCI.

(Refer Slide Time: 31:37)



References

- Bhole, L. M., and Mahakud, J. *Financial institutions and markets: structure, growth and innovations, 6e.* Tata McGraw-Hill Education, 2017.
- <https://www.rbi.org.in>

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So, all those details if want to study you can go through these references and this is all about the non banking financial companies or non banking financial organizations which operates in India.

Thank you.