

MINISTRY OF FINANCE**DEMAND NO. 34****Payments to Financial Institutions**

A. The Budget allocations, net of recoveries, are given below:

		<i>(In crores of Rupees)</i>								
Major Head	Budget 2003-2004			Revised 2003-2004			Budget 2004-2005			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	46.00	3301.28	3347.28	23.08	5672.88	5695.96	24.00	3283.41	3307.41	
Capital	...	2477.80	2477.80	...	54.79	54.79	...	209.13	209.13	
Total	46.00	5779.08	5825.08	23.08	5727.67	5750.75	24.00	3492.54	3516.54	
Industrial Financial Institutions										
1. Industrial Development Bank of India	2885	...	...	...	747.27	747.27	...	574.10	574.10
	4885	...	772.98	772.98	...	...	...	...	...
	<i>Total</i>	...	772.98	772.98	...	747.27	747.27	...	574.10	574.10
2. Asset Management Trust for SASF	6885	...	...	...	...	...	...	9000.00	9000.00
Securities issued	8012	...	...	...	...	...	...	-9000.00	-9000.00
<i>Net</i>	...	...	...	...	...	...	...	...	...
3. Industrial Finance Corporation of India	2885	...	...	...	1573.00	1573.00	...	226.00	226.00
	6885	...	1573.00	1573.00	...	...	...	...	...
	<i>Total</i>	...	1573.00	1573.00	...	1573.00	1573.00	...	226.00	226.00
4. ICICI Bank	2885	...	...	...	29.45	29.45	...	...	...
5. Export-Import Bank of India	2885	...	...	...	2.53	2.53	...	14.53	14.53
	4885	...	...	...	...	...	...	200.00	200.00
	<i>Total</i>	...	...	...	2.53	2.53	...	214.53	214.53
6. Industrial Investment Bank of India	2885	...	...	...	...	...	...	143.00	143.00
7. Small Industries Development Bank of India	2885	46.00	...	46.00	23.08	...	23.08	24.00	...	24.00
Total-Industrial Financial Institutions	46.00	2345.98	2391.98	23.08	2352.25	2375.33	24.00	1157.63	1181.63	
Agricultural Financial Institutions										
8. National Bank for Agriculture and Rural Development	2416	...	...	...	9.23	9.23	...	5.30	5.30
	6416	...	...	...	1.08	1.08	...	...	...
	<i>Total</i>	...	...	...	10.31	10.31	...	5.30	5.30
9. Grants through National Bank for Agriculture and Rural Development for Strengthening Cooperative Credit Structure	2416	...	...	...	2.00	2.00	...	800.00	800.00
Total-Agricultural Financial Institutions	...	...	...	...	12.31	12.31	...	805.30	805.30
General Financial and Trading Institutions										
10. Return of Capital by Nationalised Banks	5465	...	-50.00	-50.00	...	-50.00	-50.00
Securities discharged	8012	...	50.00	50.00	...	50.00	50.00
<i>Net</i>	...	...	...	...	...	...	...	...	...
11. Assistance to Unit Trust of India	3465	...	6500.00	6500.00	...	6500.00	6500.00	...	1200.00	1200.00
Securities issued	8012	...	-3500.00	-3500.00	...	-3500.00	-3500.00
<i>Net</i>	3000.00	3000.00	...	3000.00	3000.00	...	1200.00	1200.00
International Financial Institutions										
12. International Monetary Fund	5466	...	714.06	714.06	...	1265.49	1265.49
	6001	...	-714.06	-714.06	...	-1265.49	-1265.49
<i>Net</i>	...	...	...	...	...	...	...	...	...
13. Service Charges Payable to I.M.F	2047	...	0.01	0.01	...	0.01	0.01	...	0.01	0.01
14. International Bank for Recon. & Development	5466	...	116.20	116.20	0.01	0.01
15. International Development Association	5466	...	0.01	0.01	...	3.93	3.93	...	0.01	0.01
16. Asian Development Bank	5466	...	6.51	6.51	...	40.68	40.68	...	0.01	0.01
17. African Development Fund/Bank	5466	...	9.08	9.08	...	9.08	9.08	...	9.08	9.08

		(In crores of Rupees)									
Major Head	Budget 2003-2004			Revised 2003-2004			Budget 2004-2005				
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total		
18. Multilateral Investment											
Guarantee Agency(MIGA)	5466	...	0.01	0.01	...	0.01	0.01	...	0.01	0.01	
19. International Fund for Agricultural											
Development	2416	...	20.00	20.00	...	18.40	18.40	...	23.00	23.00	
20. Contribution to Development											
Gateway Foundation	3466	...	8.03	8.03	...	7.64	7.64	...	7.68	7.68	
21. Afganistan Reconstruction Trust Fund	3466	...	1.00	1.00	...	0.94	0.94	...	0.95	0.95	
22. Contribution to Multi-donor											
Technical Assistance Sub A/c for Iraq	3466	...	...	...	...	0.55	0.55	...	0.55	0.55
Total-International Financial Institutions											
			160.85	160.85		81.24	81.24		41.31	41.31	
23. Interest Subsidy											
23.01 Goan Banks	2885	...	0.11	0.11	...	0.09	0.09	...	0.09	0.09	
Shipping											
24. Subsidy towards interest differential											
on acquisition of ships	3052	...	0.01	0.01	...	0.01	0.01	...	0.01	0.01	
Other General Economic Services											
25. Compensation for exchange loss											
25.01 Industrial Development Bank											
of India	3475	...	...	...	...	31.85	31.85	...	0.01	0.01
25.02 ICICI Bank	3475	...	35.64	35.64	...	36.39	36.39	...	0.01	0.01	
25.03 National Housing Bank	3475	...	10.00	10.00	...	8.26	8.26	...	7.70	7.70	
25.04 Housing Development											
Finance Corporation	3475	...	1.00	1.00	...	32.79	32.79	...	...	...
	<i>Total</i>	...	<i>46.64</i>	<i>46.64</i>	...	<i>109.29</i>	<i>109.29</i>	...	<i>7.72</i>	<i>7.72</i>	
26. Contribution for MOV A/c											
towards exchange loss											
arising out of Resurgent India Bonds	3475	...	288.57	288.57	...	...	...	...	...	...
	6001	...	-288.57	-288.57	...	...	...	...	...	...
	<i>net</i>	...	...	...	...	...	...	...	...	...
27. Contribution towards Exchange											
Loss on India Millennium Deposits	3475	...	423.90	423.90	...	...	...	...	208.00	208.00
	6001	...	-423.90	-423.90	...	...	...	...	-208.00	-208.00
	<i>net</i>	...	...	...	...	...	...	...	...	...
28. Other Expenditure											
	3466	...	0.48	0.48	...	0.47	0.47	...	0.47	0.47	
	4885	...	0.01	0.01	...	0.01	0.01	...	0.01	0.01	
	<i>Total</i>	...	<i>0.49</i>	<i>0.49</i>	...	<i>0.48</i>	<i>0.48</i>	...	<i>0.48</i>	<i>0.48</i>	
Social Security and Welfare											
29. Subsidy to LIC for Community											
based universal	2235	...	70.00	70.00	...	...	...	...	...	...
Health Insurance Scheme											
30. Subsidy to public sector general											
insurance companies for Community	2235	...	...	...	...	2.00	2.00	...	5.00	5.00
based universal Health Insurance											
Scheme											
31. Interest Subsidy to LIC for Pension											
Plan for senior citizens	2235	...	30.00	30.00	...	45.00	45.00	...	150.00	150.00	
Miscellaneous General Services											
32. Transfer to Guarantee Redemption											
Fund	2075	...	125.00	125.00	...	125.00	125.00	...	125.00	125.00	
Grand Total			46.00	5779.08	5825.08	23.08	5727.67	5750.75	24.00	3492.54	3516.54
C. Plan Outlay	Head of Dev.	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	
1. Industrial Financial Institutions	12885	46.00	...	46.00	23.08	...	23.08	24.00	...	24.00	

1. **Industrial Development Bank of India** is an apex institution to provide long term finance to industrial enterprises, both in the public and private sectors, and it coordinates and supplements the activities of other financial institutions by providing refinancing facilities and subscribing to their debenture issues.
2. The provision is for extending loan to a Special Purpose Vehicle (a Trust) for creation of a Stressed Assets Stabilization Fund (SASF) for IDBI. This provision would be invested in non-interest bearing special securities to be issued by Central Government.
3. **Industrial Finance Corporation of India** grants loans and advances to industrial concerns and subscribes to debentures floated by them; also guarantees loans raised by industrial concerns in the capital market and underwrites stocks, shares, bonds and debentures issued by them.
5. **Export-Import Bank of India** provides financial assistance to exporters and importers and functions as the principal financial institution for coordinating the working of institutions engaged in financing export and import of foods and services with a view to promoting country's institutional trade.
6. **Industrial Investment Bank of India** is the only Kolkata based development financial institution. The provision is towards interest subsidy.
7. **Small Industries Development Bank of India** has been set up as a principal financial institution for promoting, financing and development of industries in the small industry sector and for coordinating the functions of institutions engaged in similar activities. It commenced operations on 2nd April, 1990 as a subsidiary of IDBI. It channelises its activities through the existing credit delivery mechanism consisting of State Financial Corporations, State Industrial Development Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks.
8. **National Bank for Agriculture and Rural Development** promotes integrated rural development by providing credit for agriculture, small, cottage and village industries and allied activities in rural areas; refines loans granted for agricultural development by state cooperative banks, central land mortgage banks, scheduled commercial banks and regional rural banks; also provides direct financial assistance to certain types of institutions as approved by the Central Government.
9. The provision is for grants through NABARD for providing incentives to States and Cooperative Institutions to adopt reform measures for strengthening cooperative credit structure.
11. This represents provision for assistance to Specified Undertaking of the Unit Trust of India (SUUTI) to meet (i) the shortfall in the Assured Return Schemes (ARS) maturing in 2004-05; (ii) contingent liability on account of 6.75% US 64 Bonds; and (iii) contingent liability on account of 6.6% ARS Bonds proposed to be offered to the investors of the 7 ARS being foreclosed.
13. The provision is for service charges payable to the International Monetary Fund in respect of the drawals made under Stand-by Arrangement and Compensatory and Contingency Financing Facility. The charges are based on the prevailing exchange rate.
14. The provision is for subscription to the capital stock of IBRD and maintenance of value claims.
15. The provision is for investment in International Development Association.
16. The provision is for meeting maintenance of value (MOV) payments to ADB.
17. The provision is towards India's share of the capital replenishments of the African Development Fund and contributions towards the capital stock of the African Development Bank.
18. Provision has been kept for making payments to Multilateral Investment Guarantee Agency (MIGA).
19. The provision represents India's contribution to IFAD.
20. This represents India's contribution to Development Gateway Foundation.
- 21 & 22. This is India's contribution for the Afghanistan Reconstruction Trust Fund (ARTF) and for multi-donor Technical Assistance Sub- A/c for Iraq.
23. Provision is towards subsidy in lieu of concession in the rate of interest on loans to Goan Banks.
24. The shipping companies pay interest on bank loans at a lower rate than charged by the banks; the difference is met by Government by way of subsidy.
25. The provision is towards compensating Industrial Development Bank of India, ICICI Bank, National Housing Bank and Housing Development Finance Corporation towards compensation for the exchange loss involved in repayment of foreign lines of credit, by these organisations.
27. The provision is for Government contribution towards exchange loss on India Millennium Deposits. Matching investment in Government securities by RBI is being netted as per revised procedure.
28. This includes provision for assessment charges payable to International Monetary Fund in regard to administration of S.D.R. Account and amount payable under State Bank of Sikkim (Acquisition of Shares) and Miscellaneous Provision Act, 1982.
- 29, 30 & 31. This represents subsidy to Public Sector General Insurance companies for community based Universal Health Insurance Scheme and interest subsidy to LIC for Varishtha Pension Bima Yojana.
32. The contribution is for building up the corpus of the Guarantee Redemption Fund.