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INTRODUCTION

Industrial Development Bank of India (IDBI) established under Industrial Development Bank of India Act, 1964, is the principal financial institution for providing credit and other facilities for developing industries and assisting development institutions.

Till 1976, IDBI was a subsidiary bank of RBI. In 1976 it was separated from RBI and the ownership was transferred to Government of India. IDBI is the tenth largest bank in the world in terms of development. The National Stock Exchange (NSE), the National Securities Depository Services Ltd. (NSDL), Stock Holding Corporation of India (SHCIL) are some of the Institutions which has been built by IDBI.

HISTORY OF IDBI

The history of development banking can be traced back to the Great Depression in 1930 and Second World War. The damage caused by the destruction created a demand for reconstruction, which led to the establishment of national institutions.

Specialised Financial Institutions such as IDBI, NABARD, NHB, and SIDBI were formed to meet the financial requirements in the industrial and agricultural sectors. IDBI was a wholly-owned subsidiary of RBI in 1964, but its charge was taken over by the Union Government of India in 1976. And with this, IDBI became the principal institution for coordinating financial activities for the development of the industrial sector.

Organisation and Management:

IDBI consist of a Board of Directors, consisting of a chairman and Managing Director appointed by the Government of India, a Deputy Governor of the RBI nominated by that bank and 20 other Directors are nominated by the Central Government.

The board had constituted an Executive Committee consisting of 10 Directors, including the Chairman and Managing Director. The executive committee is empowered to sanction financial assistance.

The Head office of IDBI is located in Mumbai. The bank has five regional offices, one each in Kolkata, Guwahati, New Delhi, Chennai and Mumbai. Besides the bank have 21 branch offices.

Objective

The objective of the IDBI includes:

- Coordinating, supervising, and controlling the activities of Financial Institutions like ICICI, LIC, etc

- The Collection of resources for other financial institutions and providing financial assistance
- Planning and promoting key industries to enhance industrial growth
- To build a system that adheres to national priorities
