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Class: B.A. Economics (Part-2nd)
Paper: 03
Topic: Function of IDBI
Date: 09-02-2024

Functions of IDBI:

The main functions of IDBI are discussed below:

- (i) To provide financial assistance to industrial enterprises.
- (ii) To promote institutions engaged in industrial development.
- (iii) To provide technical and administrative assistance for promotion management or expansion of industry.
- (iv) To undertake market and investment research and surveys in connection with development of industry.

IDBI Assistance:

The IDBI provides financial assistance either directly or through some specified financial institutions:

(i) Direct Assistance:

The IDBI grants loans and advances to industrial concerns. There is no restriction on the upper or lower limits for assistance to any concern itself. The bank guarantees loans raised by industrial concerns in the open market from the State Co-operative Banks, the Scheduled Banks,

the Industrial Finance Corporation of India (IFCI) and other 'notified' financial institutions.

(ii) Indirect Assistance:

The IDBI can refinance term loans to industrial concerns repayable within 3 to 25 years given by the IFCI, the State Financial Corporation and some other financial institutions and to SIDCs (State Industrial Development Corporations), Commercial banks and Co-operative banks which extend term loans not exceeding 10 years to industrial concerns. IDBI subscribes to the shares and bonds of the financial institutions and thereby provide supplementary resources.

Developmental Activities of IDBI:

(1) Promotional Activities:

In fulfillment of its developmental role, the bank continues to perform a wide range of promotional activities relating to developmental programmes for new entrepreneurs, consultancy services for small and medium enterprises and programmes designed for accredited voluntary agencies for the economic upliftment of the underprivileged.

These include entrepreneurship development, self-employment and wage employment in the industrial sector for the weaker sections of society through voluntary agencies, support to Science and Technology Entrepreneurs' Parks, Energy Conservation, Common Quality Testing Centers for small industries.

(2) Technical Consultancy Organisations:

With a view to making available at a reasonable cost, consultancy and advisory services to entrepreneurs, particularly to new and small entrepreneurs, IDBI, in collaboration with other All-India Financial

Institutions, has set up a network of Technical Consultancy Organisations (TCOs) covering the entire country. TCOs offer diversified services to small and medium enterprises in the selection, formulation and appraisal of projects, their implementation and review.

(3) Entrepreneurship Development Institute:

Realising that entrepreneurship development is the key to industrial development; IDBI played a prime role in setting up of the Entrepreneurship Development Institute of India for fostering entrepreneurship in the country. It has also established similar institutes in Bihar, Orissa, Madhya Pradesh and Uttar Pradesh. IDBI also extends financial support to various organisations in conducting studies or surveys of relevance to industrial development.

Conclusion

In short, the IDBI can be explained as the leader who contributes to industrial financing through its innovation and Coordination. The authorised capital of IDBI was raised to Rs. 1000 crore under the amendment act of 1986. The role of IDBI has also been significant in consultation, merchant activities, and trusteeship engagements. Direct industrial assistance in project loans was provided through modernisation schemes, equipment finance schemes, and technical development schemes. Recent years have witnessed the support of IDBI towards the backward areas and small-scale industries. The entire system of the fund and fee-based services fulfils the demand for finance and advisory needs. The Industrial Development Bank of India is the tenth-largest development bank globally.
