

## Industrial Finance Corporation of India

Industrial Finance Corporation of India (IFCI) is actually the first financial institute the [government](#) established after independence. The main aim of the incorporation of IFCI was to provide long-term finance to the manufacturing and industrial sector of the country. Let us study more about IFCI.

Initially established in 1948, the Industrial Finance Corporation of [India](#) was converted into a public company on 1 July 1993 and is now known as Industrial Finance Corporation of India Ltd. The main aim of setting up this development [bank](#) was to provide assistance to the industrial sector to meet their medium and long-term financial needs.

The corporation is authorised to issue bonds and debentures in the open market, to borrow foreign currency from the World Bank and other organisations, accept deposits from the public and also borrow from the Reserve Bank.

The authorised share capital of the IFCI was INR 10 crore at the initial stage, According to the Industrial Finance Corporation (Amendment) Act, 1986, the authorised capital of the corporation has been raised from INR 100 crore to INR 250 crore (the authorised capital may be fixed by the government of India by notification from time to time).

### Functions of IFCI :

- (i) The corporation grants loans and advances to industrial concerns.
- (ii) Granting of loans both in rupees and foreign currencies.
- (iii) The corporation underwrites the issue of stocks, bonds, shares etc.
- (iv) The corporation can grant loans only to public limited companies and co-operatives but not to private limited companies or partnership firms.