

An Analysis on Contribution of All India Refinancing Institutions in SME, Housing and Agricultural and Rural Development: Case of India

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ABSTRACT

This research work examines assistance sanctioned and disbursed by the All India Refinancing Institutions contributed to development finance from 1984 to 2023. The financial assistance sanctioned and disbursed for development finance is the base information that is retrieved from different annual reports of RBI, NABARD, SIDBI and NHB. A simple descriptive technique is used to obtain the results, address the gap and satisfy the defined objectives. The output revealed that AIRFI has been maintaining its growth trends i.e. average growth rate of sanction and disbursement is sixteen and fifteen per cent respectively. The average unused fund is also at eight per cent which is at benchmark and under control. The thirty-nine years annual average sanction and disbursement growth rate at 0.41 and 0.39 per cent p.a. respectively, and the annual unused fund percentage growth rate at 0.22 per cent p.a. which is also at the benchmark. At the firm level, the continuous better contribution of NABARD in the last thirty-nine years for agriculture and rural sector growth is outstanding. The contribution of SIDBI and NHB is also very good for MSME and housing sector growth. Although the ratio of unused funds to the sanctioned amount of SIDBI is high during this period, it should be addressed by the government. If the union government want more growth from these sectors additional financial facilities are required to strengthen NABARD, SIDBI and NHB for further growth. Other financial institutions must understand the working mechanism of AIRFI to compete in the competitive world.

Keywords-- All India Refinancing Institutions, NABARD, SIDBI, NHB, MSME, ARI

Development Bank), All India Specialised Financial Institutions (AISFI), All India Investment Institutions (AII) and All India Term Lending Institutions (AITLI). After the economic reform of 1991, AIRFI emerged as the most powerful financial institution group among all and NABARD is the most powerful financial institution among all financial institutions. After the collapse of AIDB in early 2000, AIRFI became the most powerful financial institutions group followed by AII and AITLI. The objectives of AIRFI are to support financial institutions working as an intermediary for the public. The RFI is giving financial support to local institutions for agricultural and rural development and MSME growth. The institutions are Regional Rural Banks (RRB), Scheduled Cooperative Banks, Scheduled Commercial Banks, Rural Cooperative Development Banks, non-bank finance institutions and Self-Help Group.

NABARD provides financial facilities for agriculture activities, allied agricultural activities, and agriculture business activities situated in rural and semi-rural areas. The agriculture activities include all types of farming, agriculture input-based activities of rural areas namely animal husbandry, cattle rearing, piggery, poultry, goat rearing, fishery, bee farming, horticulture, food processing & packaging, fruits processing & packaging, cold storage, and other business based on the raw materials of the agriculture sector. NABARD also refines to micro-size manufacturing and services sector units having business set-up in rural and semi-urban areas which may come under Agricultural and Rural Industries (ARI- KVIC & Coir Board) or rural SSI of MSME. After the launch of the National Mission of Financial Inclusion (NMFI), the refinancing activities of NABARD expanded to the beneficiary of rural areas for extended financial inclusion schemes known as Social Security Scheme namely PM Jeevan Jyoti Bima Yojana, PM Suraksha Bima Yojana, Atal Pension Yojana, and PM-Fasal Bima Yojana. NABARD is working as a government nodal agency on behalf of RBI and the Ministry of Finance for Direct Benefit Transfer to the public through refinance to local financial institutions. Another big giant among all development financial institutions is SIDBI. An eligible

I. INTRODUCTION

The All India Refinancing Institution (RFI) is a group of financial institutions working as an intermediary for other financial institutions. The first AIRFI is known as the National Bank for Agriculture and Rural Development (NABARD). Later on, the addition of the Small Industry Development Bank of India (SIDBI) and National Housing Bank (NHB) to the list of AIRFI made the most powerful financial institution groups. There are four All India level financial institutions groups namely AIDB (All India

unit belonging to MSME (ARI and SSI) is entitled to get financial benefits directly from SIDBI in the form of term loans and indirectly through financial institutions like State Finance Corporations, Scheduled Commercial Banks, Scheduled Cooperative Banks, NBFC-MFI in the form of term loan and working capital loan. The main beneficiaries are the business entity of MSME (Agricultural and Rural Industries belonging to KVIC and Coir Board, and Small-Scale Industries), and the micro-enterprises under PM-Mudra Yojna, PM Vishwakarma Yojna, PM-SVNidhi, and PM-SUI Yojana are linked with NMFI. The NHB is another AIRFI engaged in the development of the housing sector especially affordable housing facilities (PM-Awas Yojna) for urban and rural areas through refinancing facilities to government-run financial institutions and private-sector financial institutions. The NHB works as a nodal agency of the government for DBT through Commercial banks to the eligible beneficiaries of PMAY.

NABARD has a journey of more than forty years, in the last forty years, NABARD observed different types of changes in the economy especially the nationalization impact of public sector commercial banks after 1980, economic and financial sector reforms of 1991, World Trade Organisation impact, the crisis of all India development banks, Global Financial Crisis (GFC) of 2007-08 and change after the introduction of NMFI programmes of 2014. Similarly, SIDBI has a business history of more than twenty years, in its journey, it faced many challenges like the effect of economic and financial sector reforms, Industrial Policy 1991, collapse of AIDB,

global financial crisis of 2007-08 and many more during these years. NABARD and SIDBI smartly faced all challenges including challenges of large-size private sector firms and foreign financial institutions. And in the case of NHB, they face challenges at a very low level from public sector commercial banks, private sector banks and foreign banks. After global financial crisis which was mainly caused by the subprime crisis related to housing sector has impacted NHB also but NHB handled that situation very cautiously. During the period of GFC, the business style i.e. lending procedure and lending norms of NHB was very strict and followed the prudential norms of lending very rationally which kept away the NHB from the GFC. After the launch of government affordable housing schemes (PMAY) in 2014-15 the responsibility of NHB expanded widely with new opportunities.

The regulatory and supervisory control mechanism of RBI defines the NABARD, SIDBI and NHB as a refinancing institution (RBI AR 2004). The journey of AIRFI can be divided into five phases which are mainly based on (a) the inclusion of existing financial institutions under AIRFI (b) the entry of new AIRFI (c) the role of AIRFI after economic reform with a focus on financial, agricultural, and MSME sector reform, (d) redefinition of MSME and (v) expansion of refinancing activities after the launch of NMFI, extended financial inclusion schemes and affordable housing scheme. The phase-wise development of AIRFI along with the rationale of the division of phases of these institutions is exhibited in detail in Table 1.

Table -1: Phases of RFI in India

Ph.	Year	Name of AIRFI	Reason of Classification of RFI in Phases	Objectives RFI
1	1984-85 to 1989-90	NABARD	NABARD came into operation in 1982 after the nationalization of PSB (1980), establishment of RRB (1975). RBI defined NABARD as a primer AIRFI for supervisory and regulatory purposes.	For finance to RRB, commercial banks, Schedule Cooperative Banks; and strengthen the agriculture and rural sector.
2	1990-91 to 1997-98	NABARD and SIDBI	Establishment of SIDBI in 1990. For supervisory and regulatory purposes, the RBI defined SIDBI as an AIRFI.	Establishment of SIDBI for MSME finance and strengthen the contribution of MSME.
	1998-99 to 2006-07	NABARD, SIDBI and NHB	Establishment of NHB in 1998. For supervisory and regulatory purposes, the RBI defined NHB as an AIRFI. Collapse of AIDB in early 2000.	Establishment of NHB for housing sector development through refinance to eligible institutions, and refinance for affordable housing scheme.
4	2007-08 to 2013-14	NABARD, SIDBI, NHB	Global Financial Crisis. Redefinition of MSME (ARI and SSI) in 2006. Downsized housing sector demand.	NHB was affected to a certain extent. Zero effect on SIDBI and NABARD.
5	2014-15 to 2022-23	NABARD, SIDBI, NHB	The NMFI, extended financial inclusion schemes and PMAY.	All played important roles in NMFI, Extended Financial Inclusion and affordable housing scheme.

Source: Report on Development Banking in India, IDBI, 1999-2000, 2000-2001. RBI Annual Report, Various Issues from 1999-00 to 2021-02.

Note: For regulatory and supervisory purposes SIDBI is classified as AIRFI (RBI-2003-04 Report on Trend and Progress of Banking in India, 2003-04, pp. 126). Conceptualize, compile and design by the author based on data from different annual reports.

In the following sections, the review of literature, objectives and methodology, analysis & results, conclusions and implications are discussed.

II. LITERATURE REVIEW

The proposed paper is based on the database which covers thirty-nine years of NABARD, more than thirty-three years of SIDBI and more than twenty-five years of NHB. A large number of works are available on NABARD, SIDBI, NHB, agriculture and rural development, MSME and housing sector development, but none of them focused on the exact research gap. The bibliometric data of SCOPUS and Web of Science is also unable to provide relevant data. The keywords used to search the data are “an AND analysis AND on AND contribution AND of AND all AND india AND refinancing AND institutions AND for AND sme, AND agricultural AND rural AND development: AND case AND of AND india. And “contribution AND of AND all AND india AND refinancing AND institutions AND for AND sme, AND agricultural AND rural AND development”. I have reviewed some of the related scholarly articles from Google Scholar sources to find some important data that make the proposed work more qualitative, these are reviewed below.

Jain and Mathur (2012), Geetha, C.V. (2022), Mirza and Snehlata (2022), Vyas and Somani (2019), Mitra (2022), Muthu (2014), Saha (2014), and Goyal (2015) worked on NABARD with focus on contribution to microfinance, SHG, different forms of credits to Micro units, quantum of credits, issues and challenges of NABARD, etc. They examined policy for infrastructure development, the Rural Infrastructure Development Fund, different programmes of NABARD, and so forth. However, none of them discussed the trends of sanction and disbursement for the period 1984 to 2023. Bhat and Yadav (2016) covered assistance sanctioned and disbursed by NABARD and SIDBI for 2009-2014 only and discussed the role of MFI, finally, there is no coverage of the broader objective. SIDBI (Working Report, 2022) discussed the financial performance of SIDBI in detail with a focus on sources of funds and flow of funds for the period 2019-2022 only. Arif and Shukla (2021) discussed the role of SIDBI and its function irrespective of assistance. Nadeem and Guillermo (2022) examine the affordable housing finance scheme with special reference

to PMAY, housing finance companies from 2016 to 2020, and outstanding credit with housing finance companies and commercial banks. Krishnapriya et al. (2022) discussed on historical growth housing scheme. Chadha and Chawla (2012) discussed on corporate governance of housing finance companies.

From the above literature survey, it is concluded that none of the work covers the sanction and disbursement of funds by NABARD, SIDBI and NHB for the development of the agriculture and rural sector, MSME sector and housing sector for the period 1984 to 2023.

III. RESEARCH GAP AND RESEARCH OBJECTIVES

Research Gap: There is no exclusive research on the financial contribution of All India Refinancing Institutions for MSME development, Agricultural and Rural Development and housing sector development of India from 1984-85 to 2022-23.

Research Objectives: The objective of this study is to examine the financial contribution of AIRFI in the development of MSME, housing, agriculture and rural development by analysing the sanction, disbursement and growth rate, disbursement to sanction ratio and unused funds of loan of AIRFI.

IV. DATA STRUCTURE AND RESEARCH METHODOLOGY

To obtain the defined objective by analyzing the secondary data of NABARD, SIDBI, NHB, IDBI, RBI and very few closely related scholarly articles. Basic statistical tools are used to calculate and examine the trend of financial assistance sanctioned and disbursed, the growth rate of loans sanctioned and unused funds, and the disbursement to sanctions ratio. The base data consists of assistance sanctioned and disbursed by AIRFI for the period 1984-85 to 2022-23. The basic data structure of this study is shown in Table 2. The variables used in the analysis of data are the amount sanctioned and disbursed, the average growth rate of sanction and disbursement, the ratio of assistance disbursed to assistance sanctioned, and the percentage value of unused funds of the total sanctioned amount of AIRFI. The basic data structure of this study is displayed in Table 2.

Table 2: Sanctioned and Disbursement of AIRFI

Year	RFI-S	RFI-D	RFI % -San	RFI % - Dis	Dis % of San	Year	RFI-S	RFI-D	RFI % -San	RFI % - Dis	Dis % of San
1984-85	3,163	3,357	-	-	106.13	2004-05	49,933	41,380	38.08	39.58	82.87
1985-86	3,554	3,634	12.36	8.25	102.25	2005-06	50,320	45,765	0.78	10.60	90.95
1986-87	3,821	4,188	7.51	15.24	109.60	2006-07	56,573	49,393	12.43	7.93	87.31
1987-88	5,290	5,454	38.45	30.23	103.10	2007-08	69,620	62,922	23.06	27.39	90.38
1988-89	5,067	6,256	-4.22	14.70	123.47	2008-09	92,326	89,784	32.61	42.69	97.25
1989-90	6,217	6,469	22.70	3.40	104.05	2009-10	1,05,410	89,234	14.17	-0.61	84.65
1990-91	8,954	9,096	44.02	40.61	101.59	2010-11	1,27,387	1,11,092	20.85	24.50	87.21
1991-92	9,501	9,339	6.11	2.67	98.29	2011-12	1,55,171	1,36,964	21.81	23.29	88.27
1992-93	7,371	9,204	-22.42	-1.45	124.87	2012-13	1,79,489	1,64,178	15.67	19.87	91.47
1993-94	7,373	6,649	0.03	-27.76	90.18	2013-14	2,11,053	1,96,926	17.59	19.95	93.31
1994-95	14,054	10,136	90.61	52.44	72.12	2014-15	2,49,955	2,27,145	18.43	15.35	90.87
1995-96	16,494	14,118	17.36	39.29	85.59	2015-16	2,53,854	2,35,796	1.56	3.81	92.89
1996-97	19,204	15,449	16.43	9.43	80.45	2016-17	3,12,805	2,59,945	23.22	10.24	83.10
1997-98	20,515	17,069	6.83	10.49	83.20	2017-18	3,13,568	3,11,753	0.24	19.93	99.42
1998-99	24,387	19,398	18.87	13.64	79.54	2018-19	4,07,631	3,83,106	30.00	22.89	93.98
1999-00	27,186	21,984	11.48	13.33	80.87	2019-20	4,25,303	4,18,657	4.34	9.28	98.44
2000-01	31,584	23,910	16.18	8.76	75.70	2020-21	5,95,994	4,82,367	40.13	15.22	80.93
2001-02	32,229	25,192	2.04	5.36	78.17	2021-22	5,51,276	5,44,102	-7.50	12.80	98.70
2002-03	37,048	28,145	14.95	11.72	75.97	2022-23	7,15,361	6,81,320	29.76	25.22	95.24
2003-04	36,163	29,646	-2.39	5.33	81.98						

Source: RBI, Handbook of Statistics of Indian Economy, Various issues (1990 onward, 2015-16, 2021-22).
 Compiled by Author.

V. DATA ANALYSIS AND RESULTS

Table 3 describes the performance indicator of NABARD. The sanction and disbursement amount, growth rate, unused sanctioned amount and disbursement to sanction ratio are discussed. In the first phase, the total and

average sanctioned amount was Rs. 27112 crore and Rs. 4519 Crore respectively which were the highest among all India Financial Institutions (RBI HSIE 2000). The total and average disbursed amount was Rs. 29225 Crore and Rs. 4871 Crore respectively and the disbursement to sanction ratio was more than a hundred per cent.

Table - 3: 1st Phase: Sanction and Disbursement by AIRFI-NABARD (Amount in Rs. Crore)

Phase 1 (1984-85 to 1989-90)	NABARD- Sanctioned and Disbursed (Amount in Rs. Crore)				
	San	Dis.	UUF	San %	Dis. %
Total	27,112	29,225	-2,113		
Average	4519	4871	-352	15.36	13.94
Max	6217	6337	-80	38.45	30.23
Min	3163	3357	-1188	-4.22	1.31
Std.Dev.	1186	1319	421	15.73	11.15
% Share in RFI	100.00	100.00			
Avg Growth %	15.36	13.94			
Dis. % of San.	107.79				
UUF – Amt	-2113				
UUF - %	-7.79				

Source: Compiled by Author San=Sanction, Dis=Disbursement, UUF=Unused Fund.

In this phase, the average growth rate of assistance sanctioned and disbursed of NBARD was 15.36 per cent and 13.94 per cent respectively and the average disbursement per cent of sanctioned value was 107.79 per cent with a deficit of fund for Rs. (-) 2113 crore or (-) 7.79 per cent. This means in 1st phase, the NABARD performed more than the plan budget.

The performance of AIRFI of 2nd phase is exhibited in Table 4 and Fig 1. The second phase consists business period of 1990-91 to 1997-98. During this period the role of AIRFI became more stable, progressive and

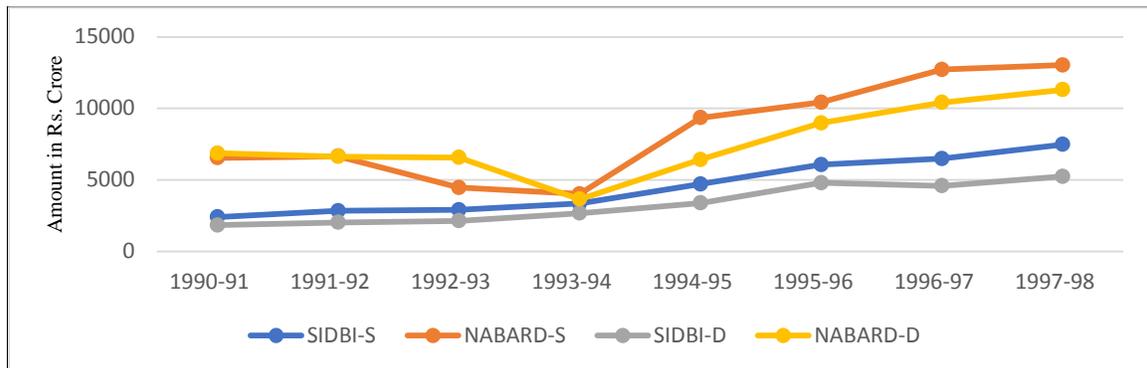
powerful due to the addition of SIDBI. During this period total sanction and disbursement for Rs. 1,03,467 Crore and Rs 87565 crore respectively with unused funds of Rs. 15902 crore or 15.37 per cent of the total sanctioned amount. The share of NABARD in total sanction was 65 per cent and remaining with SIDBI while the disbursement share of NABARD was 69.51 per cent in total disbursement. The average sanction and disbursement of AIRFI for Rs 12933 crore and Rs. 10946 Crore respectively.

Table - 4: 2nd Phase: Sanction and Disbursement by AIRFI (Amount in Rs. Crore)

Phase-II 1990-91 to 1997-98	Sanction Performance			Disbursement Performance		
	SIDBI	NABARD	RFI	SIDBI	NABARD	RFI
Total	36,262	67,205	1,03,467	26,701	60,864	87,565
Average	4533	8401	12933	3338	7608	10946
Max	7484	13031	20515	5241	11304	16545
Min	2409	4017	7371	1839	3653	6326
Std.Dev.	1938	3512	5348	1370	2480	3658
% Share in RFI	35.05	64.95	100	30.49	69.51	100
Avg Growth %	18.17	18.21	16.42	16.99	13.07	12.49
Dis. % of San.	73.63	90.56	84.63			
UUF – Amt	9561	6341	15902			
UUF - %	26.37	9.44	15.37			

Source: Compiled by Author.

Figure 1: Sanction, Disbursement and Unused Fund of SIDBI and NABARD (Amount in Rs. Crore)



Source: Compile by Author

During this period the average growth rate of sanctioned amount of AIRFI was 16.42 per cent in which NABARD and SIDBI also performed at equal rate of growth. In the case of disbursement growth rate, the NABARD was performed at 13 per cent which is higher than AIRFI (12.49 per cent) but lower than SIDBI (17 per cent). Figure 1 describes the volume of sanctioned and disbursed amounts of SIDBI and NABARD. From the analysis, it can be concluded that the amount contributed to agriculture and rural development was higher than SME and priority sector finance, which was good but NBARD.

The performance of AIRFI in 3rd phase is exhibited in Table 5 and Fig 2. In this phase, NABARD,

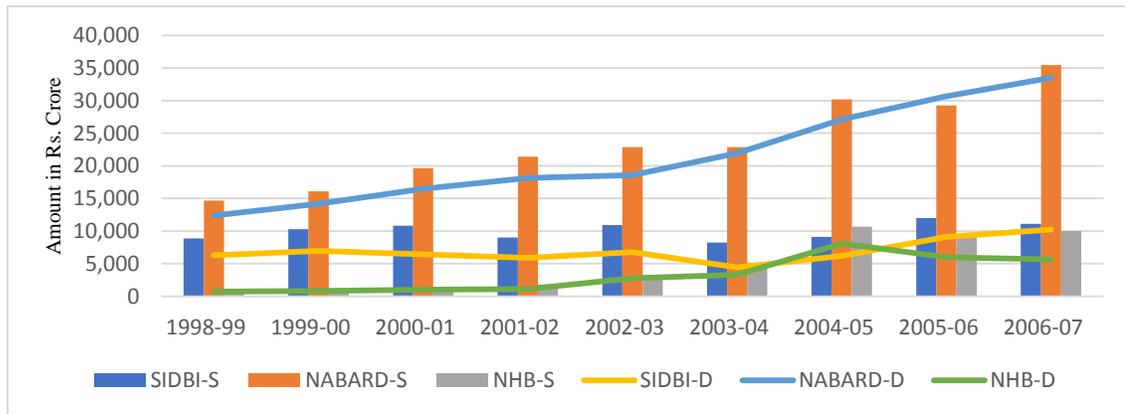
SIDBI and NHB were participants of AIRFI. The outstanding performance of member institutions has been pushed the AIRFI next to AIDB. During this period, the total sanction and disbursement amount was Rs. 3,45,421 Crore and Rs 284814 crore respectively with unused funds of Rs. 60607 crore or 17.55 per cent of the total sanctioned amount. The share of NABARD in sanction amount was 61 per cent followed by SIDBI at 26.14 per cent and NHB 12.35 per cent. The disbursement share of NABARD was 67.73 per cent followed by SIDBI for 21.88 per cent and NHB for 10.38 per cent. The average sanction & disbursement was Rs 83380 Crore and Rs. 31686 Crore respectively.

Table 5: 3rd Phase: Contribution of AIRFI (Loan Sanctioned in Rs. Crore)

Phase-III	Sanction Performance				Disbursement Performance			
	SIDBI	NABARD	NHB	RFI	SIDBI	NABARD	NHB	RFI
Total	90,308	2,12,469	42,644	3,45,421	62,326	1,92,917	29,571	2,84,814
Average	10034	23608	4738	38380	6925	21435	3286	31646
Max	11975	35464	10679	56573	10225	33496	8089	49393
Min	8246	14689	818	24387	4414	12366	747	19398
Std. Dev.	1263	6830	4131	11285	1737	7431	2707	11012
% Share in RFI	26.14	61.51	12.35	100	21.88	67.73	10.38	100
Avg Growth %	4.44	12.19	42.53	11.69	9.31	13.42	40.34	12.83
Dis. % of San.	69.01	90.80	69.34	82.45				
UUF - Amt	27982	19552	13073	60607				
UUF - %	30.99	9.20	30.66	17.55				

Source: Compiled by the Author.

Figure 2: 3rd Phase Sanction and Disbursement Financial Performance – AIRFI



Source: Compile by Author

In the third phase, the average growth rate of the sanctioned amount of AIRFI was 11.69 per cent, NHB performance was very good with a growth rate of 42.53 per cent followed by NABARD with 12.69 per cent and SIDBI with 4.44 per cent. In the case of disbursement growth, the AIRFI performed with 12.83 per cent, NHB with 40.34 per cent, NABARD with 13.42 per cent and SIDBI remained at last with 9.31 per cent. Figure 2 describes the rate of growth and volume of credit. From the analysis, it can be concluded that the amount contributed to agriculture and rural development was highest followed by SME and then the housing sector.

The performance of AIRFI in the 4th phase is exhibited in Table 6 and Figure 3. In this phase,

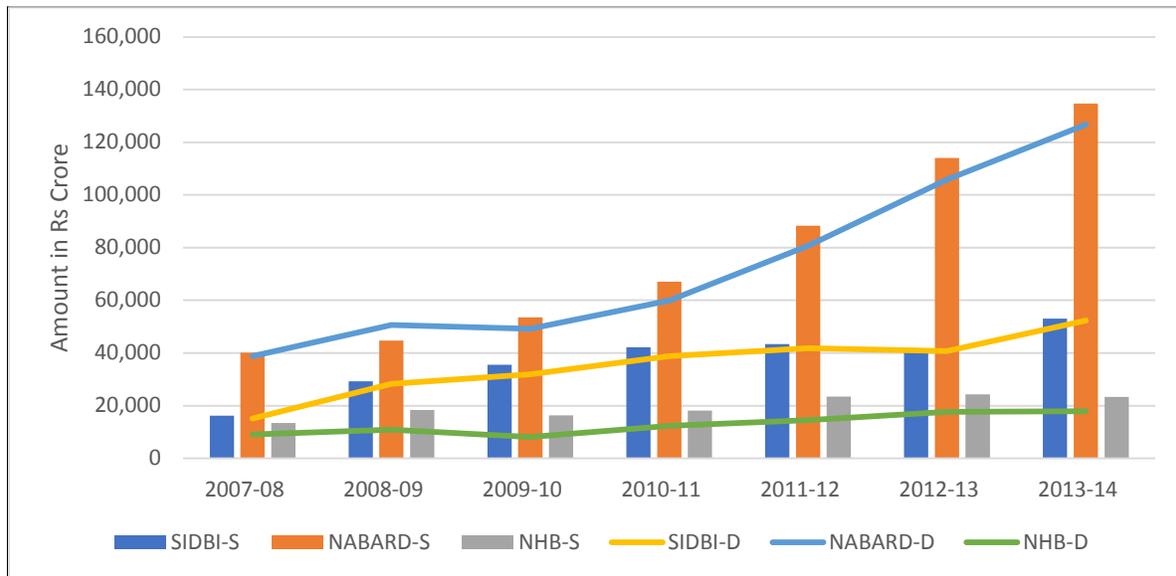
NABARD, SIDBI and NHB were participants of AIRFI for the period 2007-08 to 2013-14. The AIRFI is number one among all financial institutional groups. During this period total sanction and disbursement amounts for Rs. 9,40,456 Crore and Rs 851100 crore respectively with unused funds of Rs. 89356 crore or 9.50 per cent of the total sanctioned amount. The share of NABARD in the total sanction amount was 57.70 per cent followed by SIDBI with 27.71 per cent and NHB 14.59 per cent. The disbursement amount was Rs. 8,51,100 Crore out of this the share of NABARD was 60.12 per cent followed by SIDBI for 29.25 per cent and NHB for 10.62 per cent. The average sanction and disbursement of AIRFI for Rs 134351 Crore and Rs. 121586 Crore respectively.

Table 6: 4th Phase: Contribution of AIRFI (Loan Sanctioned in Rs. Crore)

Phase-IV 2007-08 to 2013-14	Sanction Performance				Disbursement Performance			
	SIDBI	NABARD	NHB	RFI	SIDBI	NABARD	NHB	RFI
Total	2,60,615	5,42,636	1,37,205	9,40,456	2,48,970	5,11,720	90,410	8,51,100
Average	37231	77519	19601	134351	35567	73103	12916	121586
Max	53033	134696	24266	211053	52321	126715	17890	196926
Min	16146	40111	13363	69620	15099	38787	8160	62922
Std.Dev.	11822	36249	4164	50326	11839	32756	3905	47146
% Share in RFI	27.71	57.70	14.59	100	29.25	60.12	10.62	100
Avg Growth %	24.65	22.57	11.09	20.45	25.91	22.51	14.55	21.61
Dis. % of San.	95.53	94.30	65.89	90.50				
UUF – Amt	11645	30916	46795	89356				
UUF - %	4.47	5.70	34.11	9.50				

Source: Compiled by the Author.

Figure 3: 4th Phase Sanction and Disbursement Financial Performance – AIRFI



Source: Compile by Author

The average growth rate of the sanctioned amount of AIRFI was 20.45 per cent, the NHB growth rate was 11.29 per cent, SIDBI with 22.57 per cent, NABARD with 12.69 per cent and SIDBI with 24.65 per cent. In the case of disbursement growth rate, the AIRFI performed at 26.61 per cent, NHB at 14.45 per cent, NABARD at 22.52 per cent, and SIDBI achieved the highest rank with 25.91 per cent; disbursement growth is higher than the sanction growth which indicates better performance. Figure 3 describes the volume of credit of all members institution of AIRFI. From the analysis it can be concluded that the amount contributed to agriculture and rural development was higher followed by SME and then the housing sector.

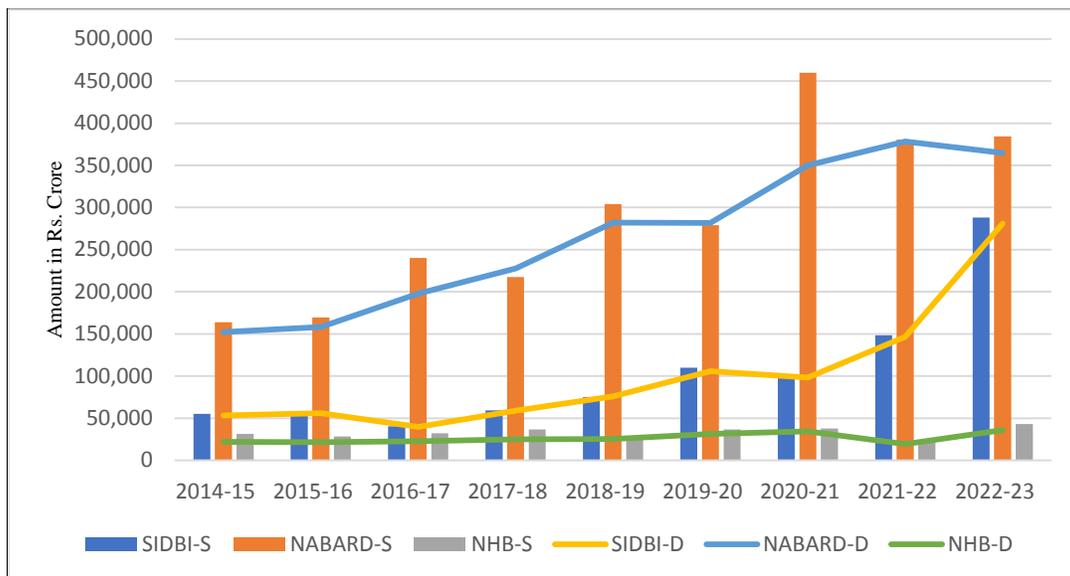
The performance of AIRFI in the 5^h phase is exhibited in Table 7 and Figure 4. During this period the role of AIRFI was again outstanding among all AIFI groups, and NABARD maintained the highest level of contribution in economic development. Total sanction and disbursement amounts were Rs. 3825747 Crore and Rs. 3544191 Crore respectively with unused funds of Rs. 281556 Crore or 7.36 per cent of the total sanctioned amount. The share of NABARD in total sanction amount was 67.91 per cent followed by SIDBI with 24.34 per cent and NHB with 7.75 per cent. The disbursement share of NABARD was 67.51 per cent followed by SIDBI for 25.80 per cent and NHB for 6.68 per cent.

Table 7: 5th Phase: Contribution of AIRFI (Loan Sanctioned in Rs. Crore)

Phase-V	Sanction Performance				Disbursement Performance			
	SIDBI	NABARD	NHB	RFI	SIDBI	NABARD	NHB	RFI
2014-15 to 2022-23								
Total	9,31,159	25,98,048	2,96,540	38,25,747	9,14,505	23,92,793	2,36,893	35,44,191
Average	103462	288672	32949	425083	101612	265866	26321	393799
Max	288137	459849	42905	715361	280787	378387	35701	681320
Min	40595	163685	22330	249955	39485	152160	19313	227145
Std.Dev.	77043	102744	6189	163834	74917	87090	5932	154606
% Share in RFI	24.34	67.91	7.75	100	25.80	67.51	6.68	100
Avg Growth %	28.48	14.49	9.83	15.22	28.37	12.08	11.21	14.92
Dis. % of San.	98.21	92.10	79.89	92.64				
UUF – Amt	16654	205255	59647	281556				
UUF - %	1.79	7.90	20.11	7.36				

Source: Compiled by the Author

Figure 4: 5th Phase Sanction and Disbursement Financial Performance – AIRFI



Source: Compile by Author

In the fifth phase, the average growth rate of the sanctioned amount of AIRFI is 15.22 per cent, in which the SIDBI performed at a growth rate of 28.48 per cent followed by NABARD with 14.49 per cent and NHB only with 9.83 per cent. In the case of disbursement growth rate, the AIRFI performed at 14.92 per cent, in which SIDBI contributed with 28.37 per cent, NABARD with 12.08 per cent and NHB with 11.21 per cent. Figure 4 describes the volume of credit of all AIRFI member institutions. From the analysis, it can be concluded that the amount contributed to agriculture and rural development was again highest followed by SME and then the housing sector.

When we compare the performance of AIRFI between different phases, it can be observed that AIRFI has been maintaining its increasing trends in terms of

sanction and disbursement amount and other indicators in all phases. The total sanctioned amount was Rs. 27112 Crore in the first phase which increased to Rs. 3825747 Crore in the fifth phase with an average sanctioned amount of Rs. 1048441 crores with an average growth rate of 16 per cent per phase. In the case of disbursement of the loan, the first phase contribution was Rs. 29225 Crore which increased to Rs. 851100 Crore with an average disbursement amount of Rs. 959379 Crore with an average growth rate of 15 per cent per phase. The average unused amount was Rs. 89062 Crore with an average of 8 per cent per phase. The rate of unused amount was higher in the 2nd and 3rd phase with 15.37 per cent and 17.55 per cent respectively, this is higher than 10 per cent, but the average unused amount stands at the benchmark.

Table 8: Phase Wise Comparative Value of Sanction and Disbursement by AIRFI (Amount in Rs. Crore)

Indicators	Phase-1	Phase-2	Phase-3	Phase-4	Phase-5	Five Phases Average	39 Years Annual Avg
Total Sanctioned	27112	103467	345421	940456	3825747	1048441	26884
Total Disbursed	29225	87565	284814	851100	3544191	959379	24599
Avg Growth % San.	15.36	16.42	11.69	20.45	15.22	16	0.41
Avg Growth % Dis.	13.94	12.49	12.83	21.61	14.92	15	0.39
Dis. % of San	107.79	84.63	82.45	90.50	92.64	92	2.35
UUF Amt	-2113	15902	60607	89356	281556	89062	2284
UUF %	-7.79	15.37	17.55	9.50	7.36	8	0.22

Source: Compile by the author.

Thirty-nine years annual average sanction and disbursement performance of AIRFI is also very good, the annual disbursement rate is maintained at 0,39 per cent

which is just 0.02 per cent lower than the annual sanction rate of 0.41 per cent. The annual unused fund is at 0.22 per cent of the annual sanctioned amount which is also very

good and at benchmark. Overall performance of NABARD, SIDBI and NHB has been outstanding as AIRFI members and NABARD is at the top rank followed by SIDBI and NHB. From comparative analysis, it is observed that AIRFI is performing outstanding and must maintain the growth tempo in future. The contribution of NABARD, SIDBI & NHB as an AIRFI is helping in the generation of maximum employment, output and foreign exchange in India.

VI. SUMMARY, SUGGESTIONS AND CONCLUSION

The All-India Refinancing Institutions engaged in refinancing to agriculture and rural development, MSME and housing sector. The NABARD (1984) and SIDBI (1990) have been contributing to fund through commercial banks, scheduled cooperative banks, and non-bank finance institutions. The NABARD was the only institution up to 1990, and the inclusion of SIDBI in 1990 and NHB in 1998 made AIRFI the most powerful and largest contributor to economic development. It is observed that NABARD constantly performed better since its formation followed by SIDBI and NHB. The direction of commercial banks, scheduled cooperative banks, non-bank finance institutions, private sector banks and foreign banks, as well as effects of economic reforms, financial sector reforms, agriculture sector reforms, Industrial policy of 1991, Asian Financial Crisis of 1996-97, Global Financial Crisis of 2007-08, were badly influenced some of the commercial banks, development banks and financial institutions including AIRFI. But all these problems were unable to stop & break the growth journey of NABARD, SIDBI and NHB. During the crisis period, the NABARD, SIDBI and NHB were helping smaller financial intermediaries and non-financial intermediaries by flowing financial resources. Anyone cannot criticize the NABARD, SIDBI and NHB without knowing the exact contribution.

In the first phase, NABARD was the only member institution of AIRFI. In this phase the disbursement to sanction ratio was more than the hundred per cent or say the NABARD contributed more than the sanctioned budget. In the second phase, NABARD and SIDBI performed outstandingly, SIDBI as a new financial institution contributed substantially which is thirty-five per cent of the total AIRFI. The unused fund (15.37 per cent) was more than ten per cent of the total sanctioned amount which is only due to the higher unused fund of SIDBI (26.37 per cent) although NBARAD's unused fund was only at 9.44 per cent. The AIRFI became the second largest contributor next to AIDB in the third phase. All the members of AIRFI performed outstanding in terms of sanction but decline in the disbursement made one negative thing i.e. unused funds to total sanction was more

than seventeen per cent, which may be due to the higher unused funds of SIDBI (31 per cent) and NHB (30 per cent). Here SIDBI and NHB were adversely affected by the economic and financial reforms of 1991. In the 4th Phase and fifth phase, the performance is outstanding on all fronts like total and average sanction and disbursement, growth rate and unused funds. In the fourth phase, NHB and SIDBI were slightly affected by the global financial crisis, but government initiatives of housing sector correction steps for NHB and redefinition of MSME have given opportunity to overcome the problems. In the fifth phase, the redefinition of financial inclusion and extended financial inclusion has accelerated all these institutions at a commendable level. Finally, it can be observed that the AIRFI has been maintaining its increasing trends in terms of sanction and disbursement amounts at the higher side from the first to fifth phase. The average growth rate is at 16 per cent per phase in case of assistance sanctioned and at 15 per cent per phase in case of assistance disbursed. The average unused fund is at 8 per cent per phase. And thirty-nine years annual average sanction and disbursement growth of AIRFI is also very good, the annual disbursement rate is maintained at 0.39 per cent which is just 0.02 per cent lower than the annual sanction rate (0.41 per cent). The annual unused fund percentage rate is 0.22 per cent of the annual sanctioned amount which is also very good.

From the outcome of this work, it is understood that there are need for more facilities for NABARD, SIDBI and NHB to strengthen the financial contribution to agriculture and rural sector, MSME sector and housing sector growth. So, the union government must understand the importance of these three financial institutions for the future endeavours of India. And, one important suggestion based on the outcome of this work is that all other financial institutions must understand the working mechanism of AIRFI to compete in the competitive world fearlessly. The identified research gap is addressed by rationalizing the objective and obtained outcome. The outcome which covers the entire spectrum of development finance of AIRFI is useful for further research.

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