



COMPARATIVE ANALYSIS OF THE FINANCIAL ASSISTANCE OF ALL INDIA FINANCIAL INSTITUTIONS IN DEVELOPMENT FINANCE

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Abstract: This work aims to compare the financial assistance of the All-India Financial Institutions (AIFI) and its group financial institutions. A phase-wise comparative analysis is shown on the performance of financial assistance of all group institutions along with trends and causes of variations. The secondary data for fifty-three years is sourced and extracted from published reports, which are used to determine the contribution of AIFIs. The growth rate of sanction and disbursement are analyzed to understand the contribution of financial institution's groups. The phase-wise comparative analysis of sanction and disbursement of funds, growth rate, and share of group institutions reveals poor performance from the first phase to third phase, but fourth and fifth phase performance were very good. In the fourth and fifth phase, the allocated fund was used for infrastructure and sectoral development. The average growth rate of sanction and disbursement is also showing positive. It is observed that the competitive financial environment, openness of the economy, alternate sources of finances, and removal of government support had forced some of the financial institutions to stop financial assistance on one side, and on another side some of the financial institutions accepted and exploited these challenges as an opportunity to accelerate financial assistance in the development finance of the Indian economy.

Keywords: AIFI, NABARD, SIDBI, All-India Financial Institution, Developed Financial Institutions, All-India Refinancing Institutions.

1. INTRODUCTION

The AIFI comprises five sets of institutions namely AIDB (All India Development Bank), All India Investment Institutions (AIII), All India

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Refinancing Institutions (AIRFI), All India Specialised Financial Institutions (AISFI), and All India Term Lending Institutions (AITLI). The terminology All India Financial Institution (AIFI) was coined and defined by the RBI in 1970. The AIDB and AIII were the oldest members of AIFI (1970), followed by AISFI (1976), AIRFI (1984) and AITLI (1989). The journey of development finance started in 1948 by AIDB member Industrial Finance Corporation of India (IFICI) followed by Industrial Bank of India (IDBI), Industrial Investment Bank of India (IIBI), Small Industries Development Bank of India (SIDBI), and Industrial Development Finance Corporation, and National Bank for Financing Infrastructure and Development (NaBFID). The AIDB was the highest financial contributor in economic development till its existence i.e. 2004-05. Due to various reasons including the effect of economic reform (1991-92), the Industrial Policy (1991), financial sector reform of (1997-98), entry of commercial banks in the development finance, scarcity of loanable funds for AIDB, internal factors like inefficient human capital & conventional lending patterns were important causes of AIDB crisis. The All-India Investment Institutions (AIII) is the second largest financial institutions group under AIFI after the inclusion of “Life Insurance Corporation (LIC) and Unit Trust of India (UTI)” in the list of AIFI by RBI in 1970. Since then, AIII has been investing in risk-free security for economic development, currently, LIC is only AIFI under AIII. All India Refinancing Institution (RFI) group consist NABARD “National Bank for Agriculture and Rural Development” SIDBI “Small Industry Development Bank of India” and NHB “National Housing Bank”. The AIRFI was the second-highest financial contributor till the collapse of AIDB, and it is the number one contributor to the Indian economy in terms of financial assistance for development finance. The NABARD has contributed the highest financial assistance for economic development through priority, agricultural and rural credits. Similarly, SIDBI has contributed the highest financial assistance for development to priority and micro, small and medium enterprises. NHB is the only RFI for financial assistance for the development of the housing sector especially affordable or housing finance (like PM Awas Yojna - PMAY).

The AISFI consist IFICI Venture Capital Fund of India (IVCF), ICICI Venture (ICICI-V), and Tourism Finance Corporation of India (TFCI) to facilitate financial assistance for the development of the services sectors. The IVCF provides financial assistance to entry-level or first-generation entrepreneurs in the form of risk capital finance, the ICICI Venture provides

venture capital finance to borrowers, and loans for the tourism & hospitality sectors are provided by TFICI. At present TFICI is the only AIFI under AISFI. The fifth and newest financial institution group defined by RBI is All India Term Lending Institutions (AITLI) which came into form in 2005-06 after the collapse of AIDB group. The AITLI consisted SIDBI, IFCI and IDFC in the early period of formation, but at present, the AITLI consist only EXIM Bank of India (EXIM-B) and National Bank for Financing Infrastructure and Development (NaBFID). The export-import sector finance facility is provided by EXIM-Bank, and general infrastructure and development finance by NaBFID (from 2022-23). SIDBI is completely known as a refinancing institution. The EXIM Bank is also known as a specialized financial institution for infrastructure and resource development to boost the export-import sector.

The journey and growth of AIFI are classified into five phases based on various rationales like addition, seizure, merger of financial institution groups, policy introduction & changes, international economic affairs and so forth. The rationality, classification and compilation of the phases of AIFI are based on the database of IDBI and RBI (DBR IDBI, 1999-2000, 2000-2001, (RBI 1999-00 to 2021-22, 2022-23).

The first phase of AIFI was started in 1970 after the definition of the word AIFI by RBI, this phase was started from 1970-71 and ended in 1975-76, although all three institutions of AIDB and two institutions of AIII existed before the definition of AIFI. The IDBI, ICICI and IFCI were defined as AIFI under AIDB; AIDB was the first AIFI group institution. The AIII was the second oldest AIFIF group institution, the LIC GIC and UTI were defined as AIFI under AIII. AIDB was larger than AIII.

The second phase period consists from 1976-77 to 1983-84, in this phase the addition of AISFI under AIFI. The IVCF, ICICI-V and TFICI were financial institutions of AISFI. During this period there were three financial institution groups under AIFI namely AIDB, AIII, and AISFI. AIDB was the largest group followed by AIII.

The third phase period consists of 1984-85 to 1988-89, in this phase the addition of AIRFI under AIFI which consists of NABARD, SIDBI and NHB. During this period there were four financial institution groups under AIFI. AIDB was the largest group followed by AIRFI, AIII, and AISFI.

The fourth phase period consists of 1989-90 to 2004-05, in this phase the addition of AITLI under AIFI which consists of EXIM bank as specialised term lending institutions for export import finance. This was the most important

era for all Financial Institutions in which various changes were made by the government including economic & financial sector reforms, industrial reform, EXIM reform and other measures, as well as end of the AIDBI era.

The fifth phase period consists of 2005-06 to 2022-23, in this phase there were various changes were seen like end of AIDB tag, the merger of IDBI, ICICI & ICICI-V, and IDFC in its commercial banks; IFCI & its subsidiary into statutory NBFI, IIBI waiting for self-death, SIDBI transferred to AITLI later in AIRFI group, IFCI transferred to AITLI group, GIC weakens and stopped assistance, the collapse of UTI, and so forth. NABARD, SIDBI, LIC, EXIM, NHB, and TFCI remain on the list of AIFI. In March-April 2022, NaBFID was added to the group of AIFI to share the burden of commercial banks and other AIFI.

The AIFI has faced many challenges in its journey which was started in 1948 after the establishment of IFCI and the definition of AIFI. Between 1970 and 2023, government has taken various competitive initiative and policy measures for Indian Economy like nationalization of commercial banks, economic and financial sector reform, Industrial Policy 1991, financial & banking sector reforms of 1997-98, Convertibility of Currency in Current & Capital account, entry of commercial banks in direct project finance and infrastructure finance, entry of private sector indigenous bank and insurance company, entry of foreign commercial banks and insurance firm in the Indian financial system, scarcity of loanable funds for DFIs, changes in prudential norms of lending and deposit for commercial banks, conventional methods of lending procedure and lending norms of DFI, expansion of capital market instruments especially corporate debt bond as substitute of loan for government and private sector firms, weak performance of IFCI & its subsidiary, IIBI, and UTI, weaker performance of IDBI & ICICI and its subsidiary, as well as weaker performance of GIC and its subsidiary. Another side is the stronger, stable and increasing performance of NABARD, SIDBI, NHB, EXIM-B, TFCI, and LIC; and the establishment of a new AIFI i.e. NaBFID in 2021. All these features of AIFI have been seen in the volatile periods.

2. REVIEW OF STUDY

All-India Financial Institutions (AIFI) consisting five groups of financial institutions namely AIDB, AIII, AISFI, AIRFI and AITLI based on various published reports of RBI (RBI AR 2007, 2010, 2023). The mechanism of credit risk, credit rating and credit appraisal system of DFI was not compatible with

the variable lending environment (Karunagaran 2005). Entry of commercial banks in infrastructure finance has increased tough competition for AIDB (Chakrabarty 2013). Changes in lending procedures and lending norms have given an opportunity for commercial banks to expand lending in medium and small business projects (Pankaj & Sonia, May 2024). Lack of coordination between government policy measures and financial assistance mechanisms was one of the causes of the crisis of AIDB (Nayyar 2015); the debt market was potential substitute of project finance (EPW 2004); increasing NPAs, high rate of interest was major shortcoming of DFIs (Mathur 2003); financial dependency on government and inefficient staffs were problems for AIDB (Bajpai 2004), mixed financing is appropriate measure for DFIs (Partha Ray 2015). Kumar (Jun 2024) observed that the performance of ADIB without competition and financial strictness was very good but after the openness of the economy, financial sector reforms and availability of alternate sources of funding have pushed the AIDB into crisis. The investment pattern of LIC other than development investment in LIC is discussed by Pant and Dumka (2016), Reddy (2015), and Reddy and Reddy (2019).

Kumar (Aug 2023) discussed on the role of AIII in development finance through institutional investment, LIC is only AIII after the collapse of UTI. Kumar (Dec 2023) observed that AISFI has had uneven financial assistance in the last forty years, TFCI is the only AIFI for tourism and hospitality sector financial assistance. Bhat and Yadav (2016) discussed financial assistance sanctioned and disbursed by NABARD and SIDBI; Nadeem and Guillermo (2022) focused on the affordable housing finance scheme and PMAY and the role of housing finance companies and commercial banks. Krishnapriya et al. (2022) discussed the historical growth of the housing scheme. Kumar (Oct 2023) emphasized that without the support of AIRFI, the priority sectors, Agriculture and Rural Development, MSME and housing sector development are not possible. Chanana (2009) discussed the financial assistance of EXIM Bank of India to other countries (Nepal, African Development Bank, and Afghanistan) through Operative Line of Credits (LOCs) for the amount of \$ 2.963 billion as of March 2008 to boost multilateral and bilateral economic relations which is a part of investment strategy and joint venture in foreign nations. Hansavivek (1987) concluded that the EXIM bank was performing better by sanctioning loans to various government and private sector firms to boost Exports during 1986. The EXIM bank earned profit and distributed dividends to the union government also. Verghese (1982) emphasized the

contribution of EXIM bank in the off-shore banking business and reduced the burden of IDBI and ICIC by participating in financial assistance. Kumar and Kamboj (Jan 2024) observed that EXIM Bank financial assistance and export-import performance are widely dependent on each other, the fund used in import demand is higher than export demand from EXIM- Bank. From the above review and discussion, it can be deduced that there are various studies conducted but none of them have focused on the phase-wise performance study of AIFI and its group institutions. Some of the studies reveal AIDB, some about AIRFI or AISFI or AITLI or AIII, but none of them covers all groups of AIFI.

3. RESEARCH GAP AND OBJECTIVE

Research Gap

Research work that discusses phase-wise financial assistance of AIFI and its group institutions, as well as comparative performance and causes of ups-downs in the financial assistance is missing. With the help of published reports and related scholarly articles the identified gap is smoothened.

Research Objective

The study comparatively examined the financial contribution of AIFIs such as development financed by AIDB, institutional investment by AIII, specialized service sector financial assistance by AISFI, refinancing assistance by AIRFI to priority, agriculture, rural development, affordable housing, and SME and sector; financial assistance by AITLI for infrastructure and export-import development; and total financial assistance of AIFI in development of Indian economy.

4. RESEARCH METHODOLOGY AND DATA STRUCTURE

Related to this study, the research methodology comprises a study period of fifty-three years divided into five phases. There are five types of financial institution groups under AIFIs namely AIDB, AIII, AISFI, AIRFI and AITLI. The sanction and disbursement of financial assistance are defined as fundamental data which is collected from published reports of RBI and Economic Survey. Further, the database is classified into different phases, and different group institutions. The variables used in the analysis consist of total, average, minimum, maximum, and standard deviation of sanction and

disbursement of loan. The absolute and relative value (average growth rate), the share of group institutions, disbursement to sanction ratio, and unused funds to sanction ratio are discussed. The phase-wise analysis, annual analysis and fifty-three years annual analysis are conducted to address the research gap and obtain the defined objective.

5. DATA ANALYSIS, RESULTS AND DISCUSSION

Phase-wise data analysis and results of All-India Financial Institutions and its group institutions are discussed in this section. Patterns of financial assistance sanctioned and disbursed along with other indicators based on the absolute and comparative value of financial assistance exhibited in Tables 1 through 6, and Appendix A. The table 1 through 5 describe the financial assistance sanctioned and disbursed in terms of (i) absolute value (ii) percentage value (in %) and (iii) Ratio (in %). The total amount, average amount, maximum-minimum amount, standard deviation, and unused fund as absolute value indicators. The average, maximum, and minimum growth rate of sanction and disbursement of funds as percentage indicators. The share of financial assistance of group institutions in AIFI, and disbursement to sanction ratio represent the ratio between variables.

Table 1: Financial Assistance of AIFI and Group Institutions during Phase-I (amount in Rs. Billion)

<i>Ph-I: 1970-71 to 1975-76</i>	<i>AIDB</i>		<i>AIII</i>		<i>AIFI</i>	
	<i>San</i>	<i>Dis</i>	<i>San</i>	<i>Dis</i>	<i>San</i>	<i>Dis</i>
Total Amt.	16.11	12.04	2.51	1.62	18.62	13.66
Avg Amt.	2.69	2.01	0.42	0.27	3.10	2.28
Max Amt.	4.35	3.19	0.69	0.62	5.04	3.51
Min Amt.	1.46	1.04	0.29	0.07	1.75	1.17
SD Amt.	1.08	0.87	0.16	0.19	1.23	1.03
GI % of AIFI	86.52	88.14	13.48	11.86	100	100
DSR %	-	74.74	-	64.54	-	73.36
UUF- Amt.	-	4.07	-	0.89	-	4.96
UUF- %	-	25.26	-	35.46	-	26.64
AGR %	26.33	25.75	21.72	50.52	25.46	25.65
Max GR %	48.63	42.28	50.00	185.71	45.71	45.00
Min GR %	-11.52	11.19	-21.05	-48.39	-12.94	0.86
SD of GR %	23.20	13.97	27.25	103.13	22.71	18.14

Source: Compiled by Author.

The advances sanctioned and disbursed by AIDB, AIII and AIFI during the first phase period are exhibited in Table 1. The advances sanctioned and disbursed by AIFI was Rs. 18.62 billion and Rs. 13.66 billion respectively, out of which the AIDB contributed 86.52 percent in sanction and 88.14 percent in disbursement, and remaining share was contributed by AIII. The minimum, maximum value of sanction and disbursement amount is highly fluctuated specially in the case of disbursement which is indicated by standard deviation also. During this phase, the AIFI's average sanctioned and disbursement amount was Rs. 3.10 billion p.a. and Rs. 2.28 billion p.a. respectively with disbursement to sanctioned ratio (DSR) of 74.74 percent or UUF of 26.64 percent. In the case of AIDB's average sanctioned and disbursement amount was Rs. 2.69 billion p.a. and Rs. 2.01 billion p.a. respectively with disbursement to sanctioned ratio of 74.74 percent and UUF of 25.26 percent. In case of AIII, the DSR and UUF was poor. The AGR was more than 20 % for AIFI and its group institutions. The minimum, maximum growth rate of sanction and disbursement are highly fluctuating specially in the case of disbursement which is negative for group institutions and the same is indicated by SD value. In this phase, the sanction performance was better than disbursement which may be due to supply-side factors, but overall disbursement was lower with UUF 26.64 percent showing adverse for the developing economy may be due to various reasons including human resource inefficiency.

In phase 2 (Table 2), the advances sanctioned and disbursed by AIFI and its member institutions during second phase period are exhibited. The advances sanctioned and disbursed by AIFI was Rs. 161.94 billion and Rs. 122.11 billion respectively, out of which the AIDB contributed 89.34 percent in sanction and 89.29 percent in disbursement, followed by AIII by 10.63 and 10.68 percent respectively, and less than 0.01 percent share for AISFI. The minimum and maximum value of sanction and disbursement amount are highly fluctuating specially in the case of disbursement which is indicated by standard deviation also. The AIFI's annual average sanctioned amount was Rs. 20.24 billion and disbursement was Rs. 15.26 billion with DSR of 75.40 percent and UUF of 24.60 percent. In case of AIDB's average sanctioned and disbursement amount was Rs. 18.08 billion p.a. and Rs. 13.63 billion p.a. respectively with disbursement to the sanctioned ratio of 75.36 percent and UUF of 24.64 percent. In the case of AIII & AISFI, the DSR and UUF is also similar. The AGR of sanction and disbursement for AIFI and its group institutions is good specially disbursement of AII and AISFI is higher than

AIFI. The minimum, maximum growth rate of sanction and disbursement are highly fluctuating specially in the case of disbursement which is negative for group institutions and the same is indicated by SD value.

**Table 2: Financial Assistance of AIFI and Group Institutions during Phase-II
(amount in Rs. Billion)**

<i>Ph-II: 1976-77 to 1983-84</i>	<i>AIDB</i>		<i>AIII</i>		<i>AISFI</i>		<i>AIFI</i>	
	<i>San</i>	<i>Dis</i>	<i>San</i>	<i>Dis</i>	<i>San</i>	<i>Dis</i>	<i>San</i>	<i>Dis</i>
Total Amt.	144.67	109.03	17.22	13.04	0.045	0.036	161.94	122.11
Avg Amt.	18.08	13.63	2.15	1.63	0.006	0.005	20.24	15.26
Max Amt.	32.21	25.35	4.41	3.65	0.008	0.008	36.63	29.01
Min Amt.	7.15	4.64	0.66	0.45	0.003	0.001	7.81	5.09
SD Amt.	9.04	7.71	1.39	1.10	0.002	0.003	10.33	8.74
GI % of AIFI	89.34	89.29	10.63	10.68	0.003	0.004	100	100
DSR %	-	75.36	-	75.73	-	80.00	-	75.40
UUF- Amt.	-	35.64	-	4.18	-	0.01	-	39.83
UUF- %	-	24.64	-	24.27	-	20.00	-	24.60
AGR %	29.82	30.51	34.01	52.12	22.02	40.46	29.00	30.88
Max GR %	64.37	58.47	113.48	259.62	133.33	150.00	55.02	46.85
Min GR %	6.51	6.97	-36.20	-13.90	-14.29	-14.29	9.36	4.88
SD of GR %	20.59	16.86	48.73	90.31	51.73	64.55	16.14	13.82

Source: Compile by Author.

In the second phase, it is observed that the sanction-disbursement performance in case of AIFI and AIDB is trying to maintain uniformity, but in case of AIII and AISFI it is highly dispersing. But the overall performance of DSR is 75.40 percent with UUF of 24.60 percent which is better than first phase, means demand & supply side disequilibrium is reduced.

Phase 3 (Table 3) is exhibiting the advances sanctioned and disbursed by AIFI and its member institutions during the third phase period was Rs. 596.89 billion and Rs. 500.68 billion respectively, out of which the AIDB and AIRFI contributed more than 87 percent in sanction and 89 percent in disbursement, AIII contributed 11.78 percent and 10.21 percent respectively, and less than 1 percent share for AISFI. Here the share of AIRFI is highly considerable.

The minimum and maximum value of sanction and disbursement amounts fluctuated but were under control except AISFI. During this phase, the AIFI's average sanctioned and disbursement amount was Rs. 119.21 billion p.a. and Rs. 100.14 billion p.a. respectively with average disbursement to the sanctioned ratio (DSR) of 84% or UUF 16 % during this phase. In case of group institutions, AIDB's DSR was 70.03 percent and UUF 29.97 percent, AIRFI's DSR 109.54 percent and UUF (-)9.54 percent. AIII's DSR 72.75 percent and UUF 27.25 percent, and the contribution of AISFI was at least level with less than 1 percent share.

**Table 3: Financial Assistance of AIFI and Group Institutions during Phase-III
(amount in Rs. Billion)**

P-3: 1984-85 to 1988-89	AIDB		AIII		AISFI		AIRFI		AIFI	
	San	Dis	San	Dis	San	Dis	San	Dis	San	Dis
Total Amt.	312.04	218.53	70.24	51.10	4.81	2.16	208.95	228.89	596.04	500.68
Avg Amt. pa	62.41	43.71	14.05	10.22	0.96	0.43	41.79	45.78	119.21	100.14
Max Amt.	80.25	54.65	26.61	16.12	3.26	1.46	52.90	62.56	160.79	134.79
Min Amt.	43.90	28.65	7.21	5.08	0.02	0.01	31.63	33.57	82.76	67.31
SD Amt.	15.82	11.25	7.51	4.04	1.43	0.63	9.45	12.37	32.34	27.66
GI % of AIFI	52.35	43.65	11.78	10.21	0.807	0.431	35.06	45.72	100	100
DSR %		70.03		72.75		44.91		109.54		84.00
UUF- Amt.		93.51		19.14		2.65		-19.94		95.36
UUF- %		29.97		27.25		55.09		-9.54		16.00
AGR %	20.60	17.02	49.19	36.62	1030.72	475.63	13.53	17.11	39.73	41.69
Max GR %	36.29	28.59	86.48	76.77	4833.33	2033.33	38.45	30.23	125.95	132.06
Min GR %	7.80	0.59	-20.36	4.57	0.00	50.00	-4.22	8.25	12.37	11.36
SD of GR %	13.24	10.79	41.60	26.68	2126.54	871.31	18.01	9.31	48.48	50.86

Source: Compile by Author.

The AGR of sanction and disbursement for AIFI and its group institutions except AISFI are very good. The SD of the AGR of AIFIF is very good due to the addition of AIRFI, specially disbursement of AIRFI is higher than sanction which influenced the value of AIFI positively. The contribution of AIDB is still at the top level with increasing AGR of Sanction and disbursement and controlled SD of growth. The comparative performance of AIRFI was outstanding followed by AIDB, while AIII ranked at third and AISFI at last. In this phase minimum Growth Rate (GR), maximum GR and SD of GR

Table 4: Financial Assistance of AIFI and Group Institutions during Phase-IV (amount in Rs. Billion)

Ph-4: 1989-90 to 2004-05	AIDB		AII		AISFI		AIRFI		AITLI		AIFI	
	San	Dis	San	Dis	San	Dis	San	Dis	San	Dis	San	Dis
Total Amt.	6502.3	4224.4	1627.7	1354.4	171.0	97.6	2447.2	2174.8	578.6	433.4	11326.8	8284.6
Avg Amt.	406.4	264.0	101.7	84.7	10.7	6.1	152.9	135.9	36.2	27.1	707.9	517.8
Max Amt.	952.4	577.4	232.0	169.9	54.0	26.9	408.4	351.9	158.5	114.4	1372.0	901.5
Min Amt.	119.4	76.0	19.9	16.5	1.1	0.7	40.2	39.8	6.5	8.1	214.9	168.6
SD Amt.	270.4	169.4	54.1	39.1	15.1	7.0	102.4	83.8	40.7	29.0	332.6	228.2
GI % of AIFI	57.4	51.0	14.4	16.3	1.5	1.2	21.6	26.3	5.1	5.2	100.0	100.0
DSR %		65.0		83.2		57.1		88.9		74.9		73.1
UUF- Amt.		2277.8		273.2		73.4		272.4		145.3		3042.1
UUF- %		35.0		16.8		42.9		11.1		25.1		26.9
AGR %	12.9	10.5	27.7	19.6	20.3	27.9	17.7	13.9	41.9	24.8	13.9	12.2
Max GR %	55.9	39.1	288.9	123.3	157.2	242.1	132.7	69.7	345.9	91.9	54.2	30.9
Min GR %	-69.7	-65.4	-55.1	-47.2	-93.5	-91.5	-33.0	-43.7	-59.1	-41.0	-40.5	-36.5
SD of GR %	34.3	28.5	84.7	48.6	67.7	84.5	35.0	23.6	95.9	38.8	23.7	17.4

Source: Compile by Author.

fluctuated highly in case of AISFI and AIII and combinedly influenced AIFI also, but AIDB and AIRFI performance was quite satisfactory.

In the third phase, the sanction-disbursement performance in case of AIFI and AIDB is better than the previous phases, AIRFI (NABARD & NHB) entry in the Indian Financial system has accelerated AIFI performance. In case of AIII and AISFI, the performance was better than the previous phases but not so good, AISFI contribution was very small with the highest fluctuations. But overall performance of AIFI was good especially DSR (84 percent) and UUF (16 percent) are very good than previous phases, means demand side & supply side volume and growth were increased and the gap reduced.

In phase 4 (Table 4), the advances sanctioned and disbursed by AIFI and its member institutions were Rs. 11326.8 billion and Rs. 8284.6 billion respectively, out of which the AIDB, AIRFI and AII contributed more than 93.4 percent in sanction and 93.6 percent in disbursement, AIII contributed increased to 14.4 percent and 16.3 percent respectively, and AISFI shares increased to 1.5 percent and 1.2 percent respectively. Here the share of AIDB is still at the top level. The entry of AITLI in AIFI group with more than 5 percent is a good sign for export-import sector growth. The minimum and maximum values of sanction and disbursement amounts fluctuate with higher volume, and the volume of the maximum-minimum amount changes with abnormal volume. During this phase, the AIFI's average sanctioned and disbursement amount was Rs. 707.90 billion p.a. and Rs. 517.80 billion p.a. respectively with an average disbursement to sanctioned ratio (DSR) of 73.1% or UUF 26.9 % during this phase. In case of group institution, AIDB's DSR was 65 percent and UUF 35 percent, AIFI's DSR 88.9 percent and UUF 11.10 percent, and DSR percent and UUF percent of AIII was better than the previous phase, AITLI has entered in the AIFI group with more than 5 percent share in total sanction and disbursement with 41 percent sanction growth rate, and contribution of the AISFI was again at least level but contribution increased to 2 percent in AIFI.

The AGR of sanction and disbursement for AIFI and its group institutions including AISFI are very good. The SD of the AGR of AIFI and its group institutions including AISFI is also very good. The AGR of AIRFI is automatically adjusted in comparison to the previous phase. The comparative performance of AITLI is highest due to entry in the AIFI, followed by AIII, AISFI, AIRFI and AIDB. In this phase, minimum GR, maximum GR and SD of GR fluctuate highly which can be observed as negative minimum GR

Table 5: Financial Assistance of AIFI and Group Institutions during Phase-V (amount in Rs. Billion)

P-5: 2005-06 to 2022-23	AIII		AISFI		AIRFI		AITLI		AIFI	
	San	Dis	San	Dis	San	Dis	San	Dis	San	Dis
Total Amt.	11219.45	7955.31	140.46	94.86	48730.96	44904.49	9689.76	7812.61	69780.63	60767.27
Avg Amt.	623.30	441.96	7.80	5.27	2707.28	2494.69	538.32	434.03	3876.70	3375.96
Max Amt.	1233.41	791.66	15.07	9.29	7153.61	6813.20	1050.42	749.20	9027.62	8100.26
Min Amt.	155.58	117.71	1.33	0.88	503.20	457.65	204.89	150.39	865.00	726.63
SD Amt.	301.32	157.12	4.25	2.74	1983.74	1859.86	222.00	154.48	2333.29	2020.44
GI % of AIFI	16.08	13.09	0.20	0.16	69.83	73.90	13.89	12.86	100	100
DSR %	-	70.91	-	67.54	-	92.15	-	80.63	-	87.08
UUF- Amt.	-	3264.14	-	45.60	-	3826.47	-	1877.15	-	9013.36
UUF- %	-	29.09	-	32.46	-	7.85	-	19.37	-	12.92
AGR %	19.31	19.75	23.71	18.27	17.87	18.32	14.39	14.47	14.61	15.48
Max GR %	110.32	135.81	216.46	102.53	40.13	42.69	55.99	52.84	40.12	52.61
Min GR %	-29.19	-46.47	-57.68	-40.47	-7.50	-0.61	-60.24	-45.32	-6.96	-1.12
SD of GR %	39.71	51.81	61.86	38.90	12.28	10.36	29.09	27.32	13.58	13.92

Source: Compile by Author.

of all group institutions and AIFI. In this phase, the sanction-disbursement performance in the case of AIFI and all member groups are better than the previous phases, AITLI (EXIM-B) entry in the Indian Financial system has accelerated AIFI performance. The overall performance of AIFI was good in terms of absolute changes but DSR (73.1 percent) and UUF (26.9 percent) is showing poor than the previous phases, means demand side & supply side volume and growth is increasing but with the higher gap.

In phase 5 (Table 5), the advances sanctioned and disbursed by AIFI and its member institutions was Rs. 69780.63 billion and Rs. 60767.27 billion respectively, out of which the AIRFI contributed more than 69.83 percent in sanction and 73.90 percent in disbursement, followed by AIII for 16.8 percent and 13.09 percent respectively, and AITLI for 13.89 percent and 12.86 percent respectively, remaining contribution by AISFI. The minimum and maximum value of sanction and disbursement amount are fluctuating with higher volume, the volume of maximum-minimum amount changed with abnormal volume. During this phase, the AIFI's average sanctioned and disbursement amount was Rs. 3876.7 billion p.a. and Rs. 3375.96 billion p.a. respectively with average disbursement to sanctioned ratio (DSR) of 87.08% or UUF 12.08 % during this phase.

In case of group institution, AIII's DSR 70.91% and UUF 29.09%, AIRFI's DSR 92.15% and UUF 7.85%, AITLI's DSR 80.63% and UUF 19.37%, and AISFI's DSR percent and UUF percent of AISFI was also better but smaller in comparison of other groups. The AGR of sanction and disbursement for AIFI and its group institutions including AISFI are very good. The SD of the AGR of AIFI and its group institutions including AISFI is also very good. The AGR of AITLI is automatically adjusted in comparison of previous phase. The performance of AIII is at highest level followed by AIRFI, and AITLI, although AISFI performance is higher than AIII but with smaller sanction and disbursement amount. In this phase minimum GR, maximum GR and SD of GR are fluctuating highly which can be observed as negative Minimum GR of all group institution and AIFI. In this phase, the sanction-disbursement performance in case of AIFI and all member groups are better than previous phases. Overall performance of AIFI was good in terms of total and average volume per annum including DSR (73.1 percent) and UUF (26.9 percent). All these indicators are showing positive trends means demand side & supply side volume and growth is increasing with lower gap between sanction and disbursement volume and growth. Here in this phase the AIDB group was

removed from AIFI by RBI, the IDFC, IFICI and SIDBI shifted to AITLI, later on IDFC removed from AITLI, entry of NaBFID as AIFI under AITLI, SIDBI fully shifted to AIRFI, UTI ceased its business and removed from AIII by RBI, GIC contributed very low volume or almost zero contribution in AIII, and TFCI is the only contributory member of AISFI.

Table 6: Phases Wise and 53 Years Financial Assistance of AIFI (amount in Rs, Billion)

<i>Financial-Indicators</i>	<i>Ph-1</i>	<i>Ph-2</i>	<i>Ph-3</i>	<i>Ph-4</i>	<i>Ph-5</i>	<i>53 Years</i>
Duration (in Years)	6	8	5	16	18	53
Total Amount Sanctioned	18.62	161.94	596.04	11326.76	69780.63	81884
Total Amount Disbursed	13.66	122.11	500.68	8284.62	60767.27	69688
Avg. Amount Sanctioned p.a.	3.10	20.24	119.21	707.92	3876.70	1545
Avg Amount Disbursed p.a.	2.28	15.26	100.14	517.79	3375.96	1315
AGR- Sanction (%)	25.46	29.00	39.73	13.90	14.61	20.07
AGR- Disbursement (%)	25.65	30.88	41.69	12.19	15.48	20.34
DSR %	73.36	75.40	84.00	73.14	87.08	85.10
UUF Amount	4.96	39.83	95.36	3042.14	9013.36	230
UUF (%)	26.64	24.60	16.00	26.86	12.92	14.90

Source: Compile by Author.

The phase-wise comparative performance of AIFI includes values of all group institutions which are explained in Table 6 and Figures 1 and 2. The sanction and disbursement were in increasing trends in all the phases chronologically. The phase-wise annual average amount sanction and disbursement was also in increasing trends which can be observed that AIFI has been maintaining its increasing trends of all indicators. The amount increased from Rs. 18.62 billion to Rs. 69780.63 billion, an annual average amount increased from Rs. 3.10 billion p.a. to Rs. 3876.70 billion p.a. in the last phase, the annual average amount was Rs. 1545 billion p.a. with an average growth rate of 20.07 percent pa. for 53 years.

The AGR of sanctioned growth was higher in the 1st, 2nd and 3rd phase than the 53-year annual average while lower in the 4th and 5th phase than the 53-year annual average. The total disbursed amount increased from Rs. 18.62 billion to Rs. 60627.27 billion, an annual average sanctioned amount increased from Rs. 2.28 billion p.a. to Rs. 3375.96 billion p.a. by the last phase, the annual average sanctioned amount was Rs. 1315 billion p.a. with AGR of 20.34 percent p.a. for 53 years. Although AGR of sanctioned growth was higher in 1st, 2nd and 3rd phase than the 53-year annual average while lower in 4th and 5th phase than

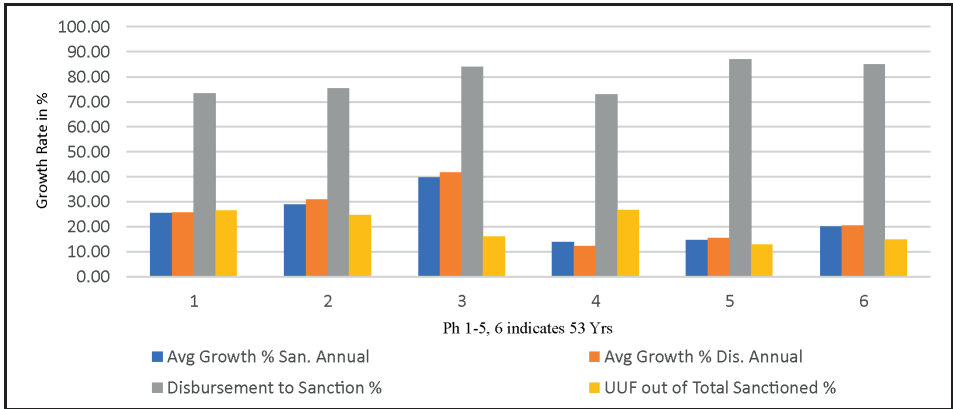


Figure 1: Growth Rate of AIFIF

Source: Compile by Author.

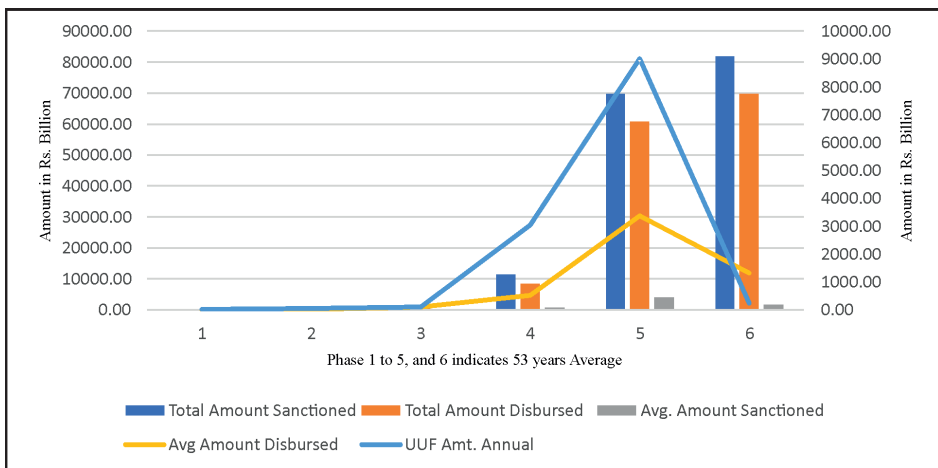


Figure 2: Sanction and Disbursement of AIFIF

Source: Compile by Author.

the 53 year annual average. The rate of DSR per cent and UUF percent in 1st, 2nd and 4th phase was below par but 53 year annual average is at 85.10 percent which is very good, the DSR percent and UUF percent of 3rd and fifth phase are also good and approaching to benchmark level i.e. 10 percent.

6. SUMMARY, CONCLUSION AND IMPLICATIONS

From the detailed study on the subject matters discussed in the above sections, it is observed that up to the third phase of financial history or from 1970 to 1989 or for nineteen years of financial assistance of AIFI the size of financial

assistance was at the lowest level even if there were not tough challenges to all the AIFIs. The actual contribution in the form of financial assistance sanctioned amount was only Rs. 776.60 billion which is less than 1 per cent (0.95%) of the total sanctioned amount (Rs. 81884 billion) of AIFIs in last 53 years and disbursed amount was Rs. 636.41 billion which is less than 1 per cent (0.91%) of total disbursed amount (Rs. 69688 billion) of AIFIs in last 53 years. The sum of the total sanctioned and disbursed amount reveals that all the All-India Financial Institutions were working for development finance but without any competitiveness, threat, strong vision and exact vision. The relative figures related to sanction and disbursement of loan were also poor, the DSR was 75% and Unused fund of total sanctioned fund was higher than 25 %. All these indicators are showing poor financial trends for the Indian economy.

But from fourth phase of financial history of AIFIs or from 1989-90 to 2004-05 for sixteen years of financial assistance of AIFI the size of financial assistance was multiplied by 14.58 times or Rs. 11326.76 billion which is 13.84 per cent of total sanctioned amount (Rs. 81884 billion) of AIFIs in last 53 years and disbursed amount was Rs. 8284.62 billion which is 11.89 per cent of total disbursed amount (Rs. 69688 billion) of AIFIs in last 53 years. The sum of the total sanctioned and disbursed amount reveals that all the All-India Financial Institutions were working for development finance but not so well but acceptable and commendable. During this period AIFI faced various threats on one side leads to a crisis for some of the AIFI and an opportunity to perform competitively on other side leading to stabilizing itself as the strongest AIFI. The relative figures related to sanction and disbursement of loans was also in correction trends, the AGR of loans sanctioned and disbursed was improved, the UUF was 16 % which is far better than previous period even if lot of changes in the Indian economy. The major changes were the economic crisis, changes in trade policy, economic & financial sector reforms, sectoral reforms, economic sanctions, and so forth. In this period NABARD, SIDBI, NHB, EXIM-B, TFCI, and LIC have played the most important role in financial stability with increasing financial performance in its sectors.

The fifth phase consists of periods of 18 years from 2004-05 to 2022-23, during this period the financial assistance is multiplied by 6.16 times of fourth phase and 89.85 times the sum of 1st to 3rd phase, the total volume sanctioned in fifth phase is Rs. 69780.63 billion which is 85.21 per cent of total sanctioned amount (Rs. 81884 billion) of AIFIs in last 53 years. The disbursed amount was Rs. 60767.27 billion which is 87.20 per cent of total disbursed amount

(Rs. 69688 billion) of AIFIs in last 53 years. The sum of the total sanctioned and disbursed amount reveals that all the All-India Financial Institutions were working for development finance in very competitive and increasing trends. During this period AIFI faced a global financial crisis, economic slowdown, COVID-19 crisis, and so forth. The relative figures related to loan sanctioned-disbursed was at an outstanding level, the AGR of loan sanctioned and disbursed was improved, the DSR was 85.10% which is far better than the previous phases. Keeping all the economic and non-economic factors constant Indian economy must maintain the contribution from the AIFI side as well as a need for more AIFI like NABARD, SIDBI, NHB, EXIM-B, TFCI, LIC, and NaBFID for acceleration of infrastructure and sectoral growth for growth of Indian economy as a whole.

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