

## **FINANCIAL SUPPORT OF CREDIT EXPANSION FOR VARIOUS SCHEMES THROUGH NABARD IN INDIA**

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### **ABSTRACT**

Finance is one of the most significant of credit supply for various schemes promote through agricultural and allied sector. Government of India measure has attempted for support the financial assistance of short term and long term loan contribute under subsidy basis. Most of the scheme is target based on plan innovative method preparing production and market based activities. NABARD is responsibility of financial grant help the small scale enterprises economic oriented credit outflow throughout country. Finance is primary resources of emerging working capital management contributed various activities running successfully manner. Working capital is supportive for all function of operating and managerial aspect under capital resources throughout organization. NABARD is fully pledged bulk money supply of the credit linkage apex financial institutions sharing number of schemes.

**Key Words:** Finance, Bank, Loan, Investment, Business, Government

### **Introduction**

Financial management is important criteria of every business entity which formation and expansion of various scheme in survival economic growth. Finance is backbone of business unit apart from subsidy is supportive process of capital requirements. Entrepreneur faced insufficient working capital get approval from apex financial institutions like nationalized commercial banks. Non-banking financial corporation framed supportive policy framework, lengthy procedures, high transaction cost give the financial grants to agricultural and other sector. Finance is activity of purchasing and investing extends the function of business and fixing achieves target task maximum profit orientation without finance there is no operating of business entrepreneurs. Entrepreneurs follow financial management decision making strictly reduce unnecessary expenditure produce innovation of goods and services in digital marketing. Entrepreneur's decision control of finance all the process of activities fulfill the nature and growth its business unit. They analysis liquidity, solvency and profitability manage the better level automatically

improve quality of capitalism in business entity. Every entrepreneur is deciding pre-plan however achieve maximization of profit maintain shareholder create new investor come to enter purchase the multivariate of share in their company. Finance support of credit expansion is financial resources establishing and further development for inclusive growth of agricultural and other sector. NABARD is transformer of financial support for various scheme contributed through apex financial institutions like commercial banks, private bank, co-operative bank and regional rural banks. Financial empowerment is backbone of farmer and non- farms activities utilized working capital approach co-operative bank. Farmers is depend the financial and other government subsidy directly received from nationalized commercial banks. Reserve bank of India dedicated analysis which sector most backward regarding economic and financial empowerment.

### **Review of Literature**

**Yeswanth** has pointed out that the need for financial inclusion is always consciously emphasised in the policy framework of formal financial system. Over the years, microfinance intervention in addition to facilitation of micro loans has also provided services like insurance services to rural households. Awareness and knowledge about the benefits, insurance through NGOs and meeting have positively influenced the households, in availing themselves of the insurance services.

**Stuti Tripathi** and **Minakshi Ramji** have noted that Housing Microfinance is an emerging area in the Indian microfinance sector. There are very few successful examples of scalable housing microfinance. As such, it is difficult to draw principles that can be generalized across the sector. However, this study is meant as a first step towards understanding HMF as a product and how to improve product design in order to be able to offer HMF in a more scalable form to increase outreach and availability.

**Chintala and Gyandra Mani** suggest that establishment of Micro Insurance Corporation of India in the lives of Agricultural folks. Insurance Corporation of India wish the players like NABARD, LIC, SIDBI, and MORD, Government of India as the key stake holders in it, would help the beneficiaries of Microfinance to gain confidence and courage to take up some innovative activities up-scaling the level of income generation.

### **NABARD Undertaking Apex Financial Institutions in India**

1. State Co-operative Banks

2. District Co-operative Central Banks
3. Regional Rural Banks

**NABARD Linked Commercial banks**

1. State Bank of India
2. Axis Banks
3. Allahabad Bank
4. Andhra Bank
5. Bank of Baroda
6. Bank of India
7. Bank of Maharashtra
8. Canara Bank
9. Central Bank of India
10. Corporation Bank
11. ICICI Bank
12. Punjab National Bank

**Objectives of the Study**

This article carries out following objectives under financial support of credit expansion are:

1. To know agricultural credit flow for various scheme of government subsidy coverage short term and long term loan.
2. To found out subsidy released under various schemes agricultural and entrepreneurs in India.
3. To analysis the credit limit under ST-SAO scheme SICBs and RRBs banks through credit expansion among customer in India
4. To give value findings based improve the suggestions and conclusion

**Methodology**

Research methodology is integral part of research and found out tools of data collected from NABARD report 2018-2019. Secondary data applied financial support whoever benefited government subsidy of short term and long term loan approach financial institutions. Hence data analyzed and referred various sources like journal, report and website etc.

**Table -1 Agricultural Credit Flow in India**

S. No	Particulars	Sector	India	Percentage
1	Per hectare credit flow	-	101351	100
2	Share of long term credit	-	40	0.00
3	Share of short term credit		60	0.00
4	CAGR (2013-2018)	Short term	6	0.00
		Long term	24	0.00
		Total agricultural credit	12	0.00
5	Farmers Coverage	No. of loan accounts (ST)	76	0.00
		No. of loan accounts(LT)	24	0.00
		Farmers with bank loan	47	0.00
	Total		101640	100

**Sources:** NABARD Report-2018-2019

Table -1Agricultural credit flow in India. There are 101351 per hectare credit flow supply of fund through agricultural allied sector. Out of 40 hectare share of long term credit and 60 hectare share of short term credit flow resources. Farmer coverage of no. of loan accounts short term resources 76 hectare and apart from 24 hectare of agricultural credit directly linked with collected bank loan.

**Table -2 Subsidy Released under Various Schemes in India**

S. No	Name of the scheme	Subsidy released 2018-2019		Subsidy released 2019	
		Units	Crore	Units	Crore
1	Dairy entrepreneurship development	38846	229.87	369389	1571.25
2	Poultry venture capital fund	1412	37.06	13806	280.40
3	Integrated development of rabbits	9919	45.97	40296	185.33
4	Pig development	683	6.94	11385	90.33
5	Salvaging and rearing of male buffalo	40	0.22	133	0.84
6	Agricultural marketing infrastructure	28	91.64	42138	4389.05
7	Agri –clinics and agribusiness centers	339	12.83	2335	81.74
8	National project on organic farming	1	1.53	717	28.64
9	MNRE Lighting scheme	252	0.48	5258	11.28
10	Solar pumping	7	0.14	4298	87.62
<b>Total</b>		<b>51527</b>	<b>426.68</b>	<b>489755</b>	<b>6726.48</b>

**Sources:** NABARD Report-2018-2019

Table -2 Subsidy released under various schemes in India. Dairy entrepreneurship developments there are 369389 units sanctioned amount Rs.1571.25 crore in 2019. Poultry venture capital fund subsidy released 1412 units sanctioned amount Rs.37.06 crore in 2018 followed by integrated development of rabbits the financial support of fund across the value of 185.33 crore in 2019. Pig development is 683 units granted the financial help of 6.94 crore

followed by salvaging and rearing of male buffalo is decreasing trends of grant sanctioned 0.84 crore in 2019. Agricultural marketing infrastructure sanctioned the value of financial support 42138 unit with amount Rs.4389.05 in 2019. Agri –clinics and agribusiness centers covered MNRE lighting scheme is developing of rural backward community disbursed amount 5258 unit with Rs.11.28crore in 2019.

**Table -3 Scheme wise disbursement of long term finance**

S. No	Purpose	2017-2018		2018-2019	
		Disbursed	Share	Disbursed	Share
1	Agri –clinics and agribusiness	-	-	134	0.15
2	Contracting farming	-	-	240	0.27
3	Dairy development	3724	5.71	7204	7.98
4	Farm mechanism	6862	10.52	5908	6.55
5	Fisheries	95	0.14	125	0.14
6	Forestry	0.15	0	17	0.02
7	Land development	3561	5.46	6438	7.13
8	Minor irrigation	1513	2.32	1036	1.15
9	Bio gas	0.65	0	263	0.29
10	Non farm sector	27696	42.45	47843	53.01
11	Others	11634	17.83	1275	1.41
12	Plantation and horticulture	906	1.39	1877	2.08
13	PF/SGP/AH-Others	2033	3.12	2983	3.31
14	Rural housing	-	-	1809	2.00
15	SHG	6981	10.7	12963	14.36
16	Storage market/ Yard	234	0.36	139	0.15
	<b>Total</b>	<b>65240</b>	<b>100</b>	<b>90254</b>	<b>100</b>

**Sources:** NABARD Report-2018-2019

Table -3 Scheme wise disbursement of long term finance from 2017-2018 to 2018-2019. There are Rs.134 crore agricultural –clinics and agribusiness with share of 0.15 percent followed by contract farming Rs.240 crore with share of 0.27 percent in 2018-2019. Dairy development of support the financial assistance of Rs.3724 crore for long term loan granted with share of 5.71 percent. Farm mechanism 10.52 percent share contribution of agricultural sector distributed Rs.6862 crore has been continuously supply of capital fisheries development of long term finance 6.55 percent in 2018-2019.

It is highlighted that non farm sector 42.45 percent share of contributed capital Rs.27696 in 2017-2018. PF/SGP/AH-Others Rs.2033 crore with share of 17.83 percent and SHG member exclusively the long term finance of Rs.6981 crore with highest 14.36 percentage of share. Land

development an expense spent for Rs.3561 crore out of share 5.46 percent and along with minor irrigation is established and survival development of 1.15 percent.

**Table -4 Credit Limit under ST-SAO**

S. No	Region	ST-SAO		Additional ST-SAO	
		SICBs	RRBs	SICBs	RRBs
1	State other than those listed in ii and iii	40	20	60	50
2	Eastern region	45	25	65	55
3	North east region	60	45	80	75
<b>Progress of disbursements under short term finance</b>					
S. No	Purpose	SICBs		RRBs	
		2017-18	2018-19	2017-18	2018-19
1	ST-SAO	45000	45000	10000	10000
2	Additional ST-SAO	15308	23770	4828	5694
3	ST – others including weavers	3150	4373	1418	1252
	<b>Total</b>	<b>63458</b>	<b>73143</b>	<b>16246</b>	<b>16946</b>

**Sources:** NABARD Report-2018-2019

Table -4 Credit Limit under ST-SAO served financial credit supply of state other than those listed state industrial commercial banks 40 limit to 20 and additional short term finance with regional rural bank. Eastern region there are 45 limit of credit supply and additional limit financial assistance of 55 limits during the year 2018-2019. It is progress of disbursements under short term finance ST-SAO with Rs.10000 under regional rural banks and ST – others including weavers support the financial assistance of Rs.1418 in 2017-2018.

### **Recommendations**

Government of India does not prefer Agricultural –clinics and agribusiness in the year 2017-2018 share rate is not applicable. Government should be development policy framework promotes agricultural activities and also give the subsidy based water power, fertilizer and financial resources etc.

Dairy development is decreasing trend of Indian dairy society because lacking of production and political environment. Dairy is continuously fast moving consumed goods day to day increasing demand and supply in regular marketing. Government of India should be analysis state wise progress and function of product improves sales throughout domestic marketing.

Forestry maintains is primary role of government of India which contributes number plantation and animals taking more care forest department. Forest growth revolution change from season to season variation of plant maintain by government of India. Forest development fund disbursing several cores allocation for improve NABARD schemes.

Land development, plantation and horticulture, minor irrigation is an important function of the agricultural sector. Farmers have spent more expenses for land development production activities and also taken more effort. NABARD is a transformer should be improving financial grant subsidy basis agricultural production and cultivation expenses.

Solar pumping and farm mechanization is agricultural output using production purpose improve water facility. Farmer mechanism is machine tools utilized production and cultivation reducing labour and time management. Solar pump contribute reducing price rate distribution for farmers by NABARD all over India.

### **Conclusion**

NABARD is financial network providing grant assistance for various scheme fulfill the money supply and also prepare the guideline in various sector. NABARD is an apex development bank of India is directly promoting small scale industries, agricultural allied sector regulating credit through subsidy schemes. NABARD was established in 1982 by transferring agricultural credit refinance provide short term and long term financial support. NABARD is undertaking public sector commercial banks, private sector, RRBs and central co - operative banks full support money distribution indirectly. Almost all the bank follow rules and regulation through NABARD schemes bulk money supply especially dairy development, self help group women and agricultural sector. Financial credit expansion is increasing every moment promote number of borrowers in KYC norms. NABARD is highlighted faster credit disbursing multi scheme promote and encourage rural refinance activities.

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