

CHAPTER - 6

INSTITUTIONAL FINANCE

6.1 Planning in States, as also at the National level is an exercise of optimizing maximum gains with scarce resources. Financial resources being limited, have to be utilized in such a manner that maximum gains could be derived from them. Apart from the resources of the State, resources from institutional financing agencies play a very important part in successful implementation of the plan programmes. At the State level, it has to be admitted that dovetailing of resources from institutional financing agencies with the plan programmes is basically a need based exercise. The State Government's endeavor has been towards ensuring that the impediments in faster growth of State's economy are removed so that there is greater private participation in the development process.

6.2 Credit through bank is an important source of investment and development in the State. Various credit-based programmes like Swarn Jayanti Gram Swarozgar Yojana, Swarn Jayanti Shahari Rojgar Yojana, Prime Minister Employment Generation Programme and schemes for development of SC/ST and other poverty alleviation programmes are being implemented for the development of the weaker sections of the society with the active involvement of banks. The banks, particularly, the Regional Rural Banks, have helped in execution of various rural development schemes by providing credit support and thus they are fulfilling the national objective of upliftment of the weaker sections living below the poverty line.

6.3 The comparative position of bank offices, their deposits and credits allowed in Rajasthan viz-a-viz at national level as on September 2008 is presented in the table given below: -

Table No. 6.1

S. No.	Item	RAJASTHAN		INDIA	
		March 2008	Sep. 2008	March 2008	Sep. 2008
1.	Regional Rural Banks				
	(a) No. of Offices	1018	1024	14558	14735
	(b) Deposits (Rs. in Crore)	6007	6540	97343	101495
	(c) Credit (Rs. in Crore)	4137	4147	58579	57706
2.	SBI & its Associates and Nationalized Banks				
	(a) No. of Offices	2258	2367	51757	53692
	(b) Deposits (Rs. in Crore)	54113	57672	2292902	2459458
	(c) Credit (Rs. in Crore))	47311	49604	1702039	1828407
3	Foreign Banks				
	(a) No. of Offices	5	5	260	267
	[b) Deposits (Rs. in Crore)	347	393	181598	199945
	(c) Credit (Rs. in Crore)	438	423	163202	184713

S. No.	Item	RAJASTHAN		INDIA	
		March 2008	Sep. 2008	March 2008	Sep. 2008
4	Other Scheduled Commercial Banks				
	(a) No. of Offices	413	436	7751	8375
	(b) Deposits (Rs. in Crore)	12553	12666	656972	663387
	(c) Credit (Rs. in Crore)	8018	8037	470745	495054
5.	Total (All Scheduled Commercial Banks)				
	(a) No. of Offices	3694	3832	74326	77069
	(b) Deposits (Rs. in Crore)	73020	77272	3228817	3424286
	(c) Credit (Rs. in Crore)	59904	62211	2394566	2565881
	Credit Deposit Ratio (%)	82.04	80.51	74.16	74.93

6.4 It is evident from the table that the credit deposit ratio for all scheduled commercial banks was 80.51% in Rajasthan and 74.93% at All India level as on Sep. 2008 and the credit deposit ratio for Regional Rural Banks was 63.41% in Rajasthan and 56.86% at all India level.

Financial Inclusion

6.5 In Rajasthan, 47.6% of households seemingly do not have access to credit. The pilot project for financial inclusion was launched in the State on 25 August 2006 at Rajsamand (SBBJ) with the objective of achieving 100% financial inclusion which was achieved before 31 March 2007. Encouraged by this success, districts like Dausa (UCO), Dholpur (PNB), Dungarpur (BOB), Jhalawar (CBI) and Sriganganagar (OBC) followed the suit and achieved 100% financial inclusion. The district-wise status of Financial Inclusion in these districts is as under:

Table No. 6.2

Name of the District	No. of families Surveyed	No. of Families already having Bank A/C	No. of Families covered under FI	No. of Migrant families	No. of Families not inclined to be linked	% Ach.
Rajsamand	197056	93518	89076	-	14462	100
Dausa	245821	-	220992	3712	21117	100
Sriganganagar	322270	245891	69316	-	-	97.8
Jhalawar	192636	126061	66509	-	5882	99
Dungarpur	188188	-	188188	-	-	100
Dholpur	158777	108122	39515	5720	5420	100

Rural Infrastructure Development Fund

6.6 In 1995-96, Government of India created a fund under NABARD as Rural Infrastructure Development Fund to provide loan assistance to the State Government for completing the rural infrastructure projects. The fund is utilized on capital formation in agriculture and rural sector by supporting infrastructure investment in rural roads, rural bridges, medium/minor irrigation works, soil conservation, flood protection,

watershed development, drinking water, infrastructure for rural education, plantation, horticulture etc.

6.7 In Rajasthan under RIDF I to XIII up to 2007-08, 20789 projects have been sanctioned with a total loan assistance of Rs.4296.72 crores against which total reimbursement is of Rs.3012.70 crores. During 2008-09 (up to Jan, 2009), 958 projects of irrigation, rural roads, rural drinking water supply and infrastructure in school costing Rs. 1244.89 crores with the loan amount of Rs. 1099.71 Crores have been sanctioned under RIDF XIV.

6.8 Position of projects/loan sanctioned and amount reimbursed by NABARD under RIDF IX to XIV is as under:-

Table No. 6.3

(Rs. in Crores)

S. No.	RIDF Tranches	Year of Sanction	No. of Project sanctioned	Loan amount sanctioned	Amount Reimbursed
1	IX	2003-04	3	140.27	117.46
2	X	2004-05	2953	356.26	231.95
3	XI	2005-06	2318	605.13	463.15
4	XII	2006-07	2772	767.00	448.10
5	XIII	2007-08	2402	824.97	340.38
6	XIV	2008-09	958	1099.71	117.47