

## CHAPTER - 23

### INSTITUTIONAL FINANCE

23.1 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 financial institutions are playing an important role in economic development by mobilization of deposits and credit disbursement to various sectors. The Government has increasingly begun to tap institutional finance from banks and other term lending institutions for financing various developmental programmers in the State.

23.2 Various credit-based programmers like National Rural Livelihood Mission, 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 including the Regional Rural Banks have helped in execution of various rural development schemes by providing credit support.

23.3 The comparative data of bank offices, their deposits and credits in Rajasthan vis-a-vis at National level as on March 2013 and March 2014 is presented in the table given below: -

**Table No.23.1**  
**Comparative statement of bank offices, deposits and credits**

( ₹ in crore)

S. No.	Item	RAJASTHAN		INDIA	
		March 13	March 14	March 13	March 14
<b>1.</b>	<b>Regional Rural Banks</b>				
	(a) No. of Offices	1159	1198	16985	17901
	(b) Deposits	12415	13633	206461	233366
	(c) Credit	9270	10348	136690	159030
<b>2.</b>	<b>SBI &amp; its Associates</b>				
	(a) No. of Offices	1275	1357	20511	22101
	(b) Deposits	62838	71531	1553024	1738005
	(c) Credit	40967	46724	1248270	1393999
<b>3</b>	<b>Nationalized Banks</b>				
	(a) No. of Offices	2070	2365	52060	58211
	(b) Deposits	73771	85060	3693933	4213237
	(c) Credit	91504	94071	2805770	3196518
<b>4</b>	<b>Foreign Banks</b>				
	(a) No. of Offices	8	7	315	301
	[b) Deposits	464	557	280081	344688

S. No.	Item	RAJASTHAN		INDIA	
		March 13	March 14	March 13	March 14
	(c) Credit	626	827	270702	301414
<b>5</b>	<b>Private Sector Banks</b>				
	(a) No. of Offices	679	762	14776	17308
	(b) Deposits	27651	30821	1317833	1498924
	(c) Credit	20901	24127	1045064	1213329
	<b>Total (All Scheduled Commercial Banks)</b>				
	(a) No. of Offices	5191	5689	104647	115822
	(b) Deposits)	177139	201602	7051332	8028220
	(c) Credit	163268	176097	5506496	6264290
	Credit Deposit Ratio (%)	92.17%	87.35%	78.09%	78.03%

23.4 It is evident from the above table that that deposits and credits have increased in the State up to March, 2014 over the period March, 2013 by 13.81 per cent and 7.88 per cent respectively while the corresponding increase at all India level is 13.85 per cent and 13.76 per cent. The credit deposit ratio in March, 2014 for Rajasthan and all India level was 87.35 per cent and 78.03 per cent respectively whereas during March, 2013, the credit deposit ratio for Rajasthan and all India level was 90.17 per cent and 78.09 per cent respectively. It shows that credit deposit ratio was comparatively more for Rajasthan during March, 2014 and March, 2013 in comparison to all India level.

23.5 During the year 2015-16, 500 new Brick & Mortar Bank Branches are proposed to be opened. Micro ATMs are also proposed to be opened at Atal Sewa Kendras in all 9900 Panchayats of the State.

### **Rural Infrastructure Development Fund (RIDF)**

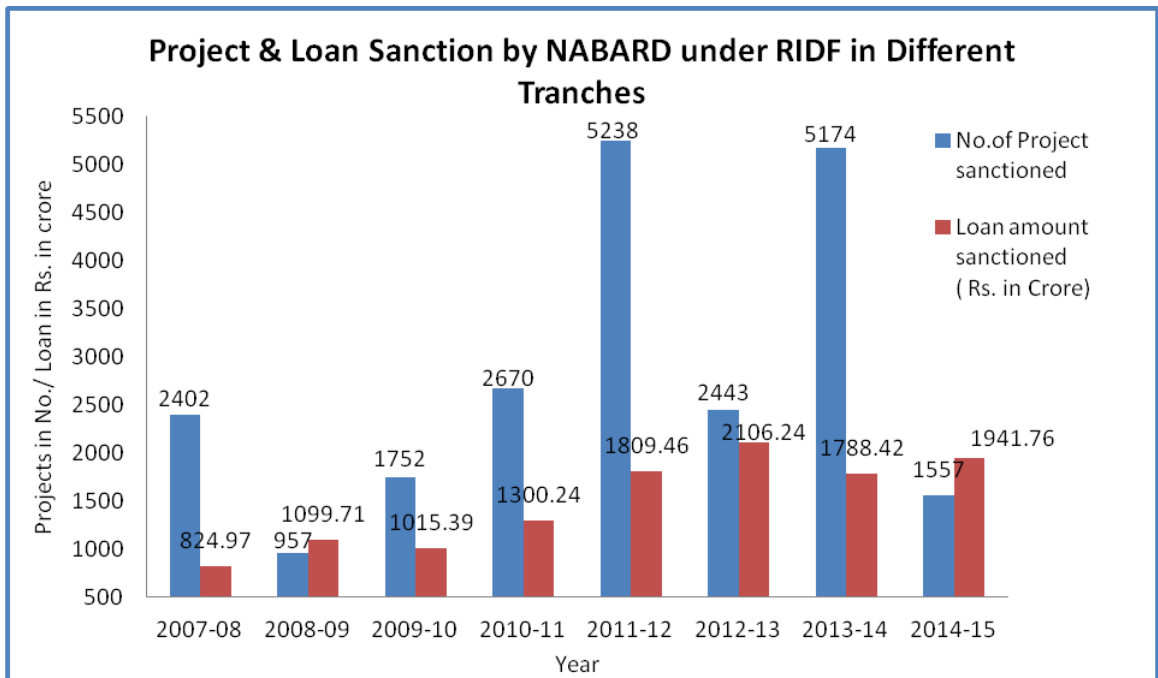
23.6 NABARD has been providing loan assistance to the State Government through the Rural Infrastructure Development Fund for completing the rural infrastructure projects since 1995-96. The fund is being utilized on capital formation in agriculture and rural sector by supporting infrastructure investment in rural roads, rural bridges, medium/minor irrigation works, information technology, Aaganwaris, flood management, watershed development, drinking water, infrastructure for rural education, plantation, kisan sewa kendras/kisan knowledge centers/land record information cum patwar circles, rural godowns, etc.

23.7 In Rajasthan, 40565 projects under RIDF tranches I to XX up to 20-03-2015 have been sanctioned with a total loan assistance of ₹15357.12 crore, against which total reimbursement of ₹ 1351.47 crore has been claimed up to 20-03-2015. During the year 2014-15 (up to 20-03-2015), 1557 projects with the loan amount of ₹ 1941.76 crore have been sanctioned under RIDF- XX.

23.8 Position of projects and loan sanctioned by NABARD under RIDF Tranches-XIII to XIX is as under:-

**Table No. 23.2**  
**Project & loan sanction by NABARD under RIDF in Tranches-XIII to XIX**  
 (₹ in crore)

S. No.	RIDF Tranches	Year of Sanction	No. of Project sanctioned	Loan amount sanctioned
1	XIII	2007-08	2402	824.97
2	XIV	2008-09	957	1099.71
3	XV	2009-10	1752	1015.39
4	XVI	2010-11	2670	1300.24
5	XVII	2011-12	5238	1809.46
6	XVIII	2012-13	2443	2106.24
7	XIX	2013-14	5174	1788.42
8	XX	2014-15	1557	1941.76

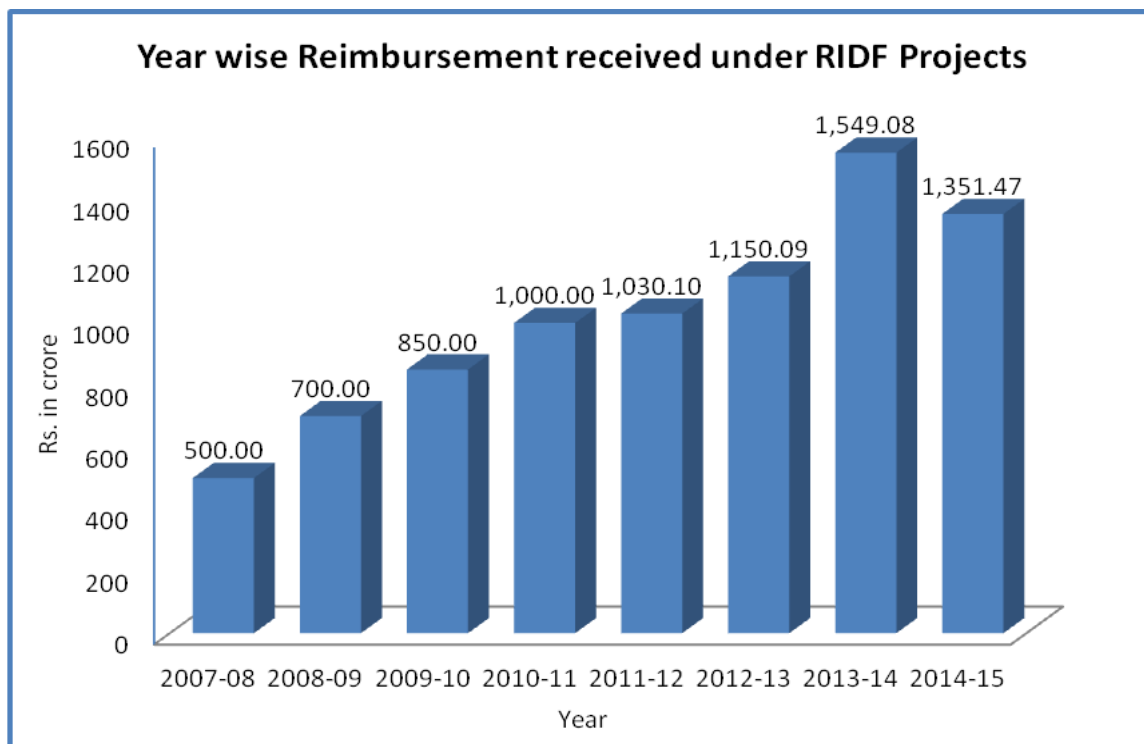


23.9 Year-wise reimbursement received under RIDF projects is as under:-

**Table No. 23.3**  
 (₹ In crore)

Year	Amount Reimbursed
2007-08	500.00
2008-09	700.00

Year	Amount Reimbursed
2009-10	850.00
2010-11	1000.00
2011-12	1030.10
2012-13	1150.09
2013-14	1549.08
2014-15 (up to March 20, 2015)	1351.47



### **Financial Inclusion**

23.10 In India, the banking industry has grown both horizontally and vertically but the branch penetration in rural areas has not kept pace with the rising population and the need for accessible financial services. Hence, Financial Inclusion has been one of the priority areas for the Government of India and State Governments. This is mainly ensuring access to formal Financial Sector of people in rural and urban area particularly the vulnerable groups such as weaker sections and low-income groups.

23.11 To achieve the goal of comprehensive financial inclusion Government of Rajasthan has launched Bhamashah Yojana - 2014 on August 15, 2014 in the State and Government of India has launched the Pradhan Mantri Jan-Dhan Yojana on August 28, 2014. The scheme wise details are as under.

## **Bhamashah Yojana - 2014**

23.12 No development can be sustainable without active and equal participation of women in all the activities of the society as women constitute nearly half the population. The real empowerment of women depends upon creation of enabling environment both social and economic, that may help women to participate on equal terms in the decision making process at all levels. Keeping this in view, the State Government had framed and launched Bhamashah Scheme in the year 2008. This scheme was the first kind of Direct Benefit Transfer Scheme in the country. To achieve comprehensive financial inclusion it has been restructured and launched as Bhamashah Scheme-2014 on August 15, 2014 to provide end to end delivery system for individual and family based benefits of the Government sponsored schemes through a centralized e-government platform by leveraging the enhanced electronic infrastructure of the State.

23.13 The families of the State shall be provided a core banking enable bank accounts for seamless delivery of benefits directly into their bank accounts near the door step. Each family would be issued a Bhamashah Family ID Card. The main objectives of this scheme are Women Empowerment through Financial Inclusion, Issue of Unique Family ID and Creation of State Bhamashah Data Hub. Under this scheme, 58.85 lakh families and 183.90 lakh persons of the State have been enrolled in 11867 camps organized up to February, 2015. The Government has initiated various measures to accelerate economic growth of the State. The concerted efforts are also being made to implement a number of schemes for the benefit of the people both in the rural and urban areas of the State. Now, all the e-Mitra kiosks of the State have also been declared as a regular Bhamashah enrolment centers for the easy access of the people.

23.14 Cooperative Banks would be connected with core banking system with Bhamashah so that banking facility can be available in far flung areas. For this purpose, it has been decided that services of Primary Agricultural Credit Societies (PACSSs), Large Agricultural Multi Purpose Societies (LAMPs) and e-Mitra centers are to be taken as Business Correspondent. Under the Bhamashah Scheme, micro ATMs are to be opened at Atal Seva Kendras in the all 9900 Panchayats of the State. Through the Bhamashah Scheme, beneficiaries of Ration Card, Pension, Higher & Technical Education Scholarship & payment of MNERGA have been included. In the year 2015-16, benefits of other schemes like Distribution of Scooty to Students, Indira Awas, CM BPL House, Janni Surakha Yojana, Unemployment Allowance, Skill Training and other individual beneficiaries schemes, would be routed through Bhamashah. Bhamashah Scheme has been integrated with Pradhan Mantri Jan Dhan Yojana so that target of Financial Inclusion to be achieved.

### **Pradhan Mantri Jan-Dhan Yojana (PMJDY)**

23.15 To achieve the goal of comprehensive financial inclusion, the Government of India has launched the Pradhan Mantri Jan-Dhan Yojana (PMJDY) August 28, 2014 across the nation, simultaneously which is a National Mission for financial inclusion to cover all households with banking facilities and having a bank account for each household.

23.16 Under this scheme each household will get a RuPay debit card having inbuilt accidental insurance cover of ₹ 1, 00,000/- and additional life insurance coverage of ₹ 30,000/-for accounts opened during the campaign period. An overdraft facility up to ₹ 5000/- will also be permitted to Aadhaar enabled accounts after satisfactory operation in the account for six month.

23.17 Progress of PMJDY in the Rajasthan, up to February, 2015 is as follows:

- 96,46,019 accounts opened
- 8383330 RuPay card issued
- 322783 e-KYC complied account opened
- 3450234 Aadhaar Seeded accounts.