

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:598
ANSWERED ON:02.05.2003
CREDIT- DEPOSIT RATIO OF BANKS
KHAGEN DAS;RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the credit deposit ratio of public sector banks during the last three years, State-wise;
- (b) whether the Government are aware that certain States are deprived of banks credits as compared to other States;
- (c) if so, the reasons therefor; and
- (d) the steps taken to stop this discrimination?

Answer

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

- (a) State-wise Credit Deposit (CD) ratio of public sector banks for the last three years is given in the Statement enclosed.
- (b) to (d) The main reasons for low CD ratio in certain States has been the low credit absorption capacity of the State's industrial economy, poor industrial infrastructure, inadequate power, labour unrest, lack of large and medium industries and entrepreneurial initiatives. With a view to ensure adequate credit flow to economically viable and bankable schemes, the State Level Bankers Committee (SLBC) meets regularly and ensures adequacy of funds. States have also been requested to bring specific instances of economically viable schemes which have been denied loans by Banks to the notice of the SLBC, so that such cases are specifically rectified.