

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1452
ANSWERED ON:11.03.2005
CD RATIO OF ASSAM AND OTHER NE STATES
Borkataky Shri Narayan Chandra

Will the Minister of FINANCE be pleased to state:

:

- (a) whether credit deposit ratio of Assam and North Eastern States is comparatively low to that of national level of over 45 per cent;
- (b) if so, the reasons for the same; and
- (c) the steps taken/proposed to be taken to improve CD ratio over next three years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) :

- (a) Yes, Sir.
- (b) Some of the reasons for low CD ratio in Assam and other North Eastern States are:
 - (i) Lack of basic infrastructure such as roads, communication and transport facilities, power and shortage of technical manpower.
 - (ii) Lack of investment due to the law and order situation.
 - (iii) Non availability of viable and bankable credit proposals.
 - (iv) Poor recovery of loans extended under agriculture sector and Government sponsored schemes.
 - (v) Lack of credit absorption capacity in the region.
- (c) The RBI has been advising the banks to improve

the credit flow to the North Eastern Region (NE). The Banks performance under Annual Action Plan as well as the Credit Deposit Ratio (CD Ratio) position have been monitored regularly through various fora such as State Level Bankers Committee (SLBC), District Coordination Committee (DCC) etc. A Monitoring Group under the Chairmanship of Regional Director of RBI for NE Region has been constituted to review on monthly basis the flow of credit to the Region with special focus on Kisan Credit Card Scheme (KCC) and Micro Finance through Self Help Groups (SHGs). Further, the Regional Director of RBI is also following up with the State Governments the issues and problems faced by the banks, which require State Government's intervention.