

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3482
ANSWERED ON:07.09.2007
RURAL CREDIT DEPOSIT RATIO
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Will the Minister of FINANCE be pleased to state:

- (a) whether the rural credit deposit ratio has been declined continuously:
- (b) if so, the details thereof:
- (c) whether the decline in the rural credit deposit ratio has a direct bearing on the decline of public sector capital formation in rural sector: and
- (d) if so, the steps taken by the Union Government to boost the rural credit deposit ratio?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b): No, Sir The Credit Deposit Ratio (CDR) in respect of Public Sector Banks (PSBs) including Regional Rural Banks (RRBs) has been increasing in rural sector over the past three years as under:

(Rs. in Crore)

Year ended as on 31 st March of	All India Deposits	Average Credits	CD Ratio %
2005	202062	102089	50.52
2006	215050	122357	56.90
2007	246197	149.562	60.75

(c) and (d): Generally decline in Credit Deposit Ratio adversely effects capital formation. However, in view of increased CD Ratio, as stated above, the questions do not arise.