

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3602

ANSWERED ON:16.04.2010

CREDIT DEPOSIT RATIO

Ganpatrao Shri Jadhav Prataprao;Joshi Shri Mahesh

Will the Minister of FINANCE be pleased to state:

- (a) the details of Credit Deposit Ratio of Public Sector Banks (PSBs) in the country, State-wise and bank-wise;
- (b) the steps taken/being taken by the Government to improve the said ratio;
- (c) whether the investment of funds by the PSBs in the rural areas and backward areas is comparatively low;
- (d) if so, the reasons therefor; and
- (e) the corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a): As reported by the Reserve Bank of India (RBI), the Bank-wise and State-wise CD Ratio (CDR) of Public Sector Banks (PSBs) as on last Friday of December, 2009 in the country is given at Annexure I & II.

(b): The CD Ratio of the States/UTs are reviewed in the quarterly meetings of the State Level Bankers' Committees (SLBCs) and District Level Coordination Committees (DLCCs) for taking appropriate remedial measures. The Special Sub-Committees have also been constituted in districts having CDR less than 40 so as to draw up monitorable Action Plans (MAPs) for improving the CDR and to submit quarterly progress reports to DLCCs and to the Convenor of SLBCs. In addition, State/District Level Development Plans are drawn up by SLBCs/DLCCs to identify the 'enablers' and 'impeders' in banking development and lending to the priority sectors, besides delineating the role and responsibilities of banks, State Governments and other stakeholders for taking specific actions, to be monitored periodically at the SLBCs and DLCCs concerned.

(c) to (e): The growth in credit of PSBs in rural and semi-urban areas is lower than overall credit growth. One of the reasons for this is that there are several pockets of the population and regions that are still un-banked and underbanked and do not have easy access to formal financial services. In addition to the RBI's initiatives in establishing financial literacy and credit counselling centres in every district, the Government has taken a number of initiatives at financial inclusion through the use of IT-based solutions. Banks have also adopted the Business Correspondent (BC) model to further increase banking penetration in these areas.