

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1837

ANSWERED ON:19.11.2010

CREDIT DEPOSIT RATIO

Meghwal Shri Arjun Ram ;Rajesh Shri M. B.

Will the Minister of FINANCE be pleased to state:

- (a) the details of the Credit Deposit Ratio (CDR) of public sector banks (PSBs) maintained during the last three years and the current financial year, State-wise and Bank-wise;
- (b) whether the CDR of the said banks is maintained at par with the national average in each of the States;
- (c) if so, the details thereof and if not, the reasons therefor alongwith the action taken against the State(s) which fails to maintain the CDR at par with the national average; and
- (d) the other corrective measures taken/being taken by the Government in this regard?

Answer

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

(a): The Credit Deposit Ratio (CDR) of Public Sector Banks (PSBs) during the last 3 years bank-wise & state-wise is placed at Annexure-I and Annexure-II respectively. CDR for the current financial year is not available.

(b) to (d): The CDR of individual Public Sector Banks shows variation from the national average depending upon the spread of bank branches across states, regions, rural-metropolitan areas, etc. So far as states are concerned, there is variation in CDR on account of several factors including infrastructural facilities, credit absorption capacity, presence of medium and large industries, law & order situation, etc.

The Reserve Bank of India (RBI) has issued instructions to banks for implementation for monitoring of CDR of banks at different levels. Accordingly, banks have been advised to set up Special Sub-Committee (SSC) of District Level Coordination Committee (DLCC) for those districts having CDR less than 40 in order to draw up Monitorable Action Plans (MAPs) and to initiate necessary action for improving CDR.