

- (ii) eliminate revenue deficit by 2008-09;
- (iii) reduce Fiscal Deficit (FD) to 3% of GSDP.
- (d) No, Sir.

(e) As Debt waiver is given under “Debt Consolidation and Relief Facility” recommended by the Twelfth Finance Commission for States and it does not extend to Defence, Railways, Transport and Information Technology sectors.

(f) While issuing the notification to constitute the Twelfth Finance Commission, it indicated that “the Commission may, after making an assessment of the debt position of States as on March 31, 2004, suggest such corrective measures, as are deemed necessary, consistent with macro-economic stability and debt sustainability. Such measures recommended will give weightage to the performance of the States in the fields of human development and investment climate.” However, Twelfth Finance Commission recommended Debt relief as a part of Debt restructuring linked to fiscal performance of the States. For that purpose, the Commission recommended that for being eligible for Debt consolidation and Debt relief, each State must enact Fiscal Responsibility Legislation prescribing specific annual targets with a view to eliminating the revenue deficit by 2008-09 and reducing Fiscal Deficit to 3% of GSDP.

CDR of banks in Jharkhand

396. SHRI PARIMAL NATHWANI: Will the Minister of FINANCE be pleased to state:

- (a) what is the Credit Deposit Ratio (CDR) of banks in Jharkhand;
- (b) what steps are contemplated for improving the banks’ credit flow to the State; and
- (c) what efforts are being made for using the deposits mobilized in the State for the development of Jharkhand?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As reported by the Reserve Bank of India (RBI), as on 31.3.2008, the CD Ratio of Jharkhand was 35%.

(b) and (c) With a view to improve the outreach of banks and their services, promoting financial inclusion and supporting the development plans of the State of Jharkhand, RBI had constituted a Working Group under the Chairmanship of Shri V.S. Das, Executive Director, RBI. The Working Group in its report has given certain recommendations relating to improvement of banking services in the State for implementation. Furthermore, the banks operating in the State are making sustained efforts to improve CD Ratio. The State Level Bankers’ Committee (SLBC) also reviews the progress in improvement of CD Ratio at periodical meetings. As a result, the CD Ratio of banks in the State increased from 27% during the period 2002-04 to 35% as on March, 31, 2008.