

(Rs. in crores)

Year	Deposits	Advances	C D Ratio of Bihar	C D Ratio (All India)
2004	36131	9244	25.58	58.72
2005	41206	11453	27.79	66.04
2006	46543	14062	30.21	72.50

The CD Ratio in Bihar has show a gradual increase in the last 3 years.

The bottlenecks/constraints faced by banks in Bihar *inter-alia* include: (i) low credit absorption capacity due to non-availability of small and medium industries, (ii) Lack of infrastructure facilities like power, good motorable roads and marketing network, (iii) Absence of rural godowns and storage facilities for goods and (v) Poor land records in rural areas.

RBI has advised the convenor banks of the States to monitor the issue of CD Ratio in the State Level Bankers' Committee (SLBCs) Meetings and identify measures for enhancing the CD Ratio. RBI have also issued necessary instructions advising banks to set up Special Sub-Committee (SSCs) of the District Level Coordination Committee (DLCC) in Districts having CD Ratio of less than 40, in order to monitor the CD Ratio and draw up Monitorable Action Plans (MAPs) to increase the CD Ratio.

Consequent to the Special SLBC meeting held at Panta in June, 2006, a Working Group was set up by the RBI to look into the problems of bankers and borrowers in Bihar. The recommendations of the Working Group are under implementation.

Writing-off loans by Banks in Kerala

1395. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several banks operating in Kerala have decided to summarily write-off all outstanding loans upto rupees One Lakh taken by the farmers;

(b) if so, the details thereof, indicating the details of banks in Public Sector and private sector who have decided to write-off loan and the

nature of directions, if any, emanated from the State Government and/or at the State Level Bankers' Committee in this regard;

(c) whether banks in other agrarian crisis affected States would also be writing off loans;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) At the Special Meeting of the State Level Bankers' Committee (SLBC) held on 06.06.2006, the Chief Minister of Kerala requested the bankers in the meeting to help the farmers in distress, more particularly those who had committed suicide. The forum decided to write off the agricultural loan liabilities upto Rs. 1 lakh taken by farmers who had committed suicide as on June 06, 2006. 219 cases of farmers who had committed suicide as on June 06, 2006 were identified by the District Level Committee till 20th October 2006, out of which 213 cases were written-off as on 30th October 2006.

(c) to (e) A rehabilitation package has been announced by Gol to provide relief to farmers in the identified suicide affected 31 debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra.

The Government of Tamil Nadu has also announced waiver of all agriculture loans and interest thereon outstanding with the cooperative institutions as on 31st March 2006 to the tune of Rs. 6456.56 crore to farmers in the state. The Government of India package provides for:—

- (i) The entire interest on overdue loans as on July 01, 2006 will be waived in all the affected districts and all farmers will have not past interest burden as on that date, so that they will immediately be eligible for fresh loans from the banking system.
- (ii) The overdue loans of the farmers as on July 01, 2006 will be rescheduled over a period of 3-5 years with a one-year moratorium.
- (iii) A credit flow of Rs. 13,817.78 crore, Rs. 3,076.20 crore, Rs. 1,945.07 crore and Rs. 2583 crores will be ensured in the above debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra respectively in 2006-07.