

commercial banks, except that prescribed for saving bank accounts, have been deregulated since October, 1997 and banks are presently free to determine their own deposit rates depending on their commercial judgement.

(b) and (c) Do not arise.

Credit-deposit ratio in banks

†241. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that credit-deposit ratio has declined despite continuous increase in deposits in nationalised commercial banks and regional rural banks;

(b) if so, the details thereof at national and State level;

(c) whether it is a fact that credit-deposit ratio in Bihar is only 22 per cent despite continuous increase in deposits there; and

(d) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The All India Credit Deposit Ratio (CD Ratio) of Public Sector Banks increased from 56.4% in March, 2003 to 62.9% in March, 2005. The CD Ratio of Regional Rural Banks (RRBs) also registered an increase from 44.4% in March, 2003 to 53% in March, 2005.

(c) and (d) The Credit Deposit Ratio (CD Ratio) of Public Sector Banks in Bihar registered an increase from 23.4% in March, 2003 to 27.2% in March, 2005. The CD Ratio of Regional Rural Banks (RRBs) in Bihar also showed an increase from 24.8% in March, 2003 to 32.8% in March, 2005.

P&NG items under VAT

242. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any proposal to put items of petroleum and natural gas under the VAT;

† Original notice of the question was received in Hindi.

- (b) whether Government had discussed the issue with States/UTs;
- (c) if so, the response received from them;
- (d) if not, the reasons therefor; and
- (e) the present items under the VAT in each State/UTs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Under Entry 54 of the State List of the Constitution, 'tax on purchase or sale of goods within a State' is a State subject. Thus, the State Sales Tax as well as State VAT (which has been implemented to replace the State Sales Tax) is a State subject. An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning Sales Tax/VAT, including the structure of rates of tax on various commodities. Thus, it is for the EC to decide as to which items are to be brought under VAT and if so, what would be the rates of tax on such items.

The EC has decided to keep Motor Spirits (including Petrol, Diesel and Aviation Turbine Fuel) outside VAT. These items are subject to 20% floor rate of tax (except that the floor rate for Diesel is 12.5% in case of North-Eastern States, Sikkim and J&K). States may levy taxes at rates higher than the floor rates for these items. On the other hand, the EC has decided to bring certain items under VAT. Out of these items, Cooking Gas (LPG), Natural Gas, Naptha, Lubricants, Low Sulphur Heavy Stock (LSHS) and Compressed Natural Gas (CNG) are taxable @ 12.5% under VAT and PDS kerosene is taxable @ 4%. Since it is a State subject, it is entirely for the EC and the State Governments to take a decision in this regard and the Central Government has no proposals on this issue.

Loan to farmers by banks

†243. **SHRI PYARELAL KHANDELWAL:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that public and private sector banks are bound to grant 18 per cent share of their primary sector loan to the agriculture *i.e.* farmers as per rule;

(b) if so, the details of the loan provided to the farmers (not to the institutions) in the last two years, State-wise, bank-wise and the share of this loan to that of the primary sector loan of the above said banks;

† Original notice of the question was received in Hindi.