

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:634
ANSWERED ON:24.11.2006
CREDIT-DEPOSIT RATIO
Pathak Shri Brajesh;Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether the credit growth rate is 10 per cent higher than that of deposit growth rate at present;
- (b) if so, the facts thereof;
- (c) whether there is a possibility of liquidity crunch due to high rate of growth in credit particularly in credit cards, housing, commercial real estate and personal loans;
- (d) if so, the details thereof;
- (e) whether the Government has prepared any policy to help the banks to raise their deposits;
- (f) if so, the details thereof;
- (g) whether the Government has advised the Banking sector to lower the credit rate without hurting housing sector; and
- (h) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Gross Bank Credit and aggregate deposits of Scheduled Commercial Banks have grown by 33.1% and 23.6% respectively during the quarter ending June, 2006.

(c) to (f) : Government has requested the banks to re-balance their portfolios to ensure that adequate credit is available to the productive sectors to maintain high growth momentum in the economy. The banks have also been advised to enhance their deposit base commensurate with the growth in credit.

(g) : No, Sir.

(h) : Does not arise.