

## Uttar Pradesh govt asks commercial banks to step up credit flow

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**Virendra Singh Rawat | Lucknow November 28, 2022** Last Updated at 19:34 IST



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Aiming to become a \$1-trillion economy by 2027, Uttar Pradesh has asked commercial banks to boost the flow of credit in laggard districts of the state.

While the state's aggregate credit-deposit (CD) ratio is about 52 per cent, the average CD ratio stands at 40 per cent in comparatively backward regions of Purvanchal (eastern UP), Madhyanchal (central UP), and Bundelkhand.

The UP government has said unless the credit flow is equitable across the different regions, the goal of a \$1-trillion economy would remain elusive.

Commercial banks have been asked to hike the CD ratio in the three regions from 40 per cent to 60 per cent in the next four months.

“Apart from increasing the CD ratio, there is a need to focus on the aspirational districts, blocks and towns, while spurring insurance schemes such as crop insurance in the laggard districts,” UP Chief Secretary D S Mishra said while addressing banks. He advised organising loan “melas” in the state.

He said the UP government had prepared short- and long-term action plans for the composite development of the state.

“In this regard, the role of banks would be crucial. Concurrent with the pace of development, big industries would be attracted to UP and job opportunities would be created,” he underlined at the recent State Level Bankers’ Committee (SLBC) meeting here.

Earlier this year, Chief Minister Yogi Adityanath had asked banks to take steps to increase the state CD ratio.

There has been a 9 per cent increase in bank deposits from Rs 13.13 trillion in the quarter ended September 2021 to Rs 14.31 trillion in September 2022.

Similarly, the credit flow jumped from Rs 6.67 trillion to Rs 7.51 trillion in the corresponding period, a surge of 12.6 per cent.