GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1045

ANSWERED ON TUESDAY, JULY 29, 2025/ 7 SRAVANA, 1947 (SAKA)

LOW CREDIT PENETRATION IN RURAL ODISHA

1045 DR. SASMIT PATRA

Will the Minister of Finance be pleased to state:

(a) whether Government has assessed the credit-deposit ratio in rural and tribal districts of Odisha;

(b) the details of CD ratio in districts like Malkangiri, Koraput, and Kandhamal for the last three years;

(c) whether measures have been taken to increase banking outreach and credit flow in these areas; and

(d) the steps taken to ensure effective implementation of Mudra and other small enterprise loan schemes in these districts?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): State Level Bankers' Committee (SLBC), Odisha has informed that it undertakes regular monitoring of the Credit-Deposit (CD) Ratio across all districts, including rural and tribal districts such as Malkangiri, Koraput, and Kandhamal. These assessments are conducted on a quarterly basis and are reviewed during meetings of the SLBC and the District Consultative Committees (DCCs), attended by representatives of the Reserve Bank of India (RBI), NABARD, and the Government of Odisha. The year-wise details of CD ratio are placed at the annex.

While credit in Odisha has grown at a compound annual growth rate (CAGR) of 11.41 per cent over the last three years, the districts of Kandhamal, Koraput, and Malkangiri have recorded CAGRs of 8.28 per cent, 11.79 per cent, and 14.25 per cent respectively, indicating a positive credit growth trend in these tribal and rural regions.

The credit deployment at district level is guided by the Annual Credit Plan (ACP), which is finalised by the SLBC based on the Potential Linked Credit Plan (PLP) prepared by NABARD. The ACP outlines district-wise and sector-specific targets for priority sector lending, covering agriculture, MSMEs, and rural development, and is finalised in consultation with banks and the State Government to ensure alignment with national and state-level financial inclusion objectives. Reflecting effective implementation, the cumulative achievement under the ACP over the last three years stands at 94 per cent for Malkangiri, 93 per cent for Koraput, and 92 per cent for Kandhamal, indicating consistent credit deployment in line with approved targets.

To enhance banking outreach and credit flow in these regions, various initiatives have been undertaken, including the conduct of credit outreach programmes and financial literacy camps in backward blocks and tribal clusters, deployment of Business Correspondents (BCs) and Customer Service Points (CSPs) for sourcing and servicing credit, and strengthened monitoring through BLBCs, DCCs, and District Level Review Committees (DLRCs).

In addition to credit expansion, financial infrastructure in these districts has been strengthened over the past three years. In Kandhamal, the number of BCs rose from 351 to 701 and ATMs from 76 to 88. Koraput saw BCs increase from 464 to 1,018, and branches from 135 to 148. In Malkangiri, BCs rose from 325 to 559. These enhancements have improved last-mile access to banking services in remote and tribal regions.

With regard to effective implementation of Pradhan Mantri Mudra Yojana (PMMY) and other small enterprise loan schemes, dedicated sub-committees of SLBC on MSMEs, Financial Inclusion, Financial Literacy and Digital Payments review progress on a quarterly basis. District-level Town Hall meetings are organised in collaboration with RBI and Lead District Managers (LDMs) to resolve borrower grievances and create awareness. Additionally, awareness programmes on the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) are conducted to improve uptake of guaranteed loans.

These collective efforts aim to ensure inclusive financial development and equitable credit distribution across rural and tribal regions of Odisha.

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Annex

Rajya Sabha unstarred Question no. 1045 for answering on 29.7.2025 regarding Low credit penetration in rural odisha.

Year- wise CD Ratio in Odisha for the last three years

District	2022-23	2023-24	2024-25
Malkangiri	71.05	57.96	55.31
Koraput	72.79	64.91	63.91
Kandhamal	73.94	55.57	57.39

(Source: State Level Banker's Committee, Odisha)