GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 2955

ANSWERED ON TUESDAY, AUGUST 19, 2025/ 28 SRAVANA, 1947 (SAKA)

LOW CREDIT DEPLOYMENT IN RURAL AND TRIBAL ODISHA

2955. DR. SASMIT PATRA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry has reviewed the credit- to- GSDP ratio in tribal- dominated districts of Odisha like Malkangiri, Rayagada, and Kandhamal;
(b) the measures being taken to enhance financial inclusion and access to institutional credit in these areas;
(c) whether there are specific guidelines for banks to increase priority sector lending in Odisha's backward blocks; and
(d) whether any disincentives are being considered for banks consistently underperforming in rural Odisha?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): The State Level Bankers' Committee (SLBC) of Odisha has informed that the Credit-Deposit (CD) Ratio is monitored periodically by it. In Odisha, no district currently records CD ratio below the Reserve Bank of India (RBI)-prescribed benchmark of 40%. As on March 2025, CD ratio in the districts Malkangiri, Rayagada, and Kandhamal stands at 55.3 per cent, 59 per cent and 57.4 per cent, respectively. SLBC has further informed that it does not maintain and review the credit-to-GSDP ratio.

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. The effective implementation reflected by the achievement under the ACP for FY 2024-25 stands at 90.5 per cent for Malkangiri, 121.8 per cent for Rayagada, and 78.4 per cent for Kandhamal, indicating credit deployment in line with approved target.

To enhance financial inclusion and access to institutional credit in these regions, various initiatives have been undertaken, including the conduct of credit outreach programmes and financial literacy camps, deployment of Business Correspondents (BCs) and Customer Service Points (CSPs) for sourcing and servicing credit, providing banking services to unbanked Gram Panchayats through CSP Plus banking outlets and strengthened monitoring through BLBCs, DCCs, and District Level Review Committees (DLRCs).

As per RBI's master directions on Priority Sector Lending- Targets and Classification, districts are ranked on the basis of per capita credit flow to priority sector, and an incentive framework for districts with comparatively lower flow of credit and a dis-incentive framework for districts with comparatively higher flow of priority sector credit have been institutionalised. With effect from FY 2024-25, a higher weight (125%) has been assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capita PSL less than ₹9,000), and a lower weight (90%) assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than ₹42,000).

*****