Preface

Historically, the state of Bihar was not vulnerable as it is. The rich soil and central location, has helped the state’s inhabitant to establish its dominance over the years. But, now the situation has completely changed. The state is performing badly in most of the socio-economic indicators of development; therefore, there is an urgent need of endeavor from all sides of the society so that the glory of the state could be restored.

The present research work dealt with the institutional endeavor of economic development in a lagging state of the country. In general, this research is about the impact of low C D Ratio on the economic development of the Bihar during the period of 1991 to 2007. The low credit-deposit ratio of the scheduled commercial banks in Bihar has been a subject of intense debate in the present time. Periodically, the state government has raised the issue; lash out at the ‘negative attitude’ of the banks for the lack of development of the state. Bihar registered one of the lowest C D ratio, the credit amount disbursed is the least one while deposit amount remains almost comparable to the all-India level. As a matter of fact. The state’s CD ratio had last recorded a high mark of 35 percent in the late 1980s, and after that it started going down steadily, until the recovery started again from the 2006-07 fiscal. As it is, 36.70 percent at the end of the fiscal lyear 2011-
2012. However, one thing should be considered here on prime basis that, the rate of increment of lower C D Ratio is still low.

The thesis starts with the introduction of the relationship of the financial development and economic growth. The entire thesis is scientifically categorized in to eight specific chapters containing information related to the subject matter of the research work. Further, each chapter contains important topics and sub topics explaining and developing the concept and understanding about nature, causes, and impact of low C D Ratio on the economic development of the state of Bihar. In addition to main work, the thesis also contains some supportive information like state profile of Bihar and cases of other states of India regarding the C D Ratio and degree of growth and development. In last, during the analysis and explanations, the researcher has justified the existence of the objectives by testing the hypothesis scientifically and has given summary of the findings which are historic in its nature.