

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:770
ANSWERED ON:22.11.2002
REGIONAL RURAL BANKS
BHIM PRASAD DAHAL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the number of regional rural banks and their branches in North Eastern States including Sikkim along with names of their sponsoring banks;
- (b) the number of employees/officers working in the headquarters of the regional rural banks;
- (c) the profit/loss incurred by these regional rural banks during each of the last six months; and
- (d) the measures being taken by the Government to ensure that these banks fulfil the objectives for which they were set up?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) There are 11 Regional Rural Banks (RRBs) with 639 branches operating in North Eastern States. There is no RRB working in Sikkim. Out of 11 RRBs, six have been sponsored by United Bank of India and five by State Bank of India.
- (b) The total number of Employees/Officers working at headquarters of these RRBs is 348.
- (c) National Bank for Agricultural & Rural Development (NABARD) has reported that loss/profit in RRBs are not worked out on a Half-yearly basis.
- (d) The RRBs in the State of North East have been functioning as per mandate given to them. They have opened branches in un-banked areas and financed small and marginal farmers and artisans in the rural areas besides implementing the Government sponsored programmes. However, the fragile state of the RRBs necessitated initiation of several policy changes by the Government to facilitate strengthening and revitalization of RRBs. These changes inter-alia include:
 - # introduction of Development Action Plan and Memoranda of Understanding (DAP/MOU) on an annual basis for bringing improvement in the performance of the RRBs in planned way, introduction of prudential norms covering income recognition, asset classification and provisioning norms;
 - # diversification of business portfolios and activities;
 - # increased avenues for investment of surplus Non-SLR funds;
 - # rationalization of branch network including relocation and merger of loss making branches;
 - # deregulation of interest rate structure; and
 - # providing greater role to the sponsor banks in the management of RRBs.