

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5258
ANSWERED ON:29.04.2005
SICK GRAMEENA BANKS
Joshi Shri Pralhad Venkatesh

Will the Minister of FINANCE be pleased to state:

- (a) the details of the Grameena Banks sponsored by various Nationalised banks across the country, which are facing the problems of closure due to funds and management constraints, State-wise;
- (b) whether the Government propose to revitalize such sick Grameena Banks in form of merger with other banks or by special packages; and
- (c) if so, the details thereof, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (c) No, Grameena Bank (RRB) is facing the problem of closure due to funds and management constraints. In order to monitor the performance of RRBs closely, each sponsor bank has been made squarely accountable for the performance of RRBs under its control. RRBs that adopt a new governance standard and that abide by the prudential regulations will qualify for receiving funds from the Government for restructuring. Further as a step towards the consolidation of RRBs, the Government has initiated the process of amalgamation of contiguous RRBs sponsored by the same bank within a State in consultation with the respective State Government and NABARD.