

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1633

ANSWERED ON:09.03.2007

BANK BRANCHES OF RRBS

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to simplify the loan process and to increase the branches of Regional Rural Banks (R.R.Bs.) in the country as reported in Dahrik Japan dated January 26, 2007;
- (b) if so, the facts of the matter reported therein;
- (c) whether there is shortage of branches of Regional Rural Banks in the country;
- (d) if so, the reasons therefor;
- (e) the number of Regional Rural Banks likely to be opened during 2007-08, State-wise; and ; (0 the steps being taken by the Government for the simplification of the loan process and to open more branches to cater the needs of farmers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (PAWAN KUMAR BANSAJL)

(a) &(b):- Various measures have been taken to simplify the loan process with a view to ensure easy flow of credit to farmers. These, inter alia, include ;

(i) Banks have been advised to simplify procedures while providing loans to farmers at reasonable rates of interest and use their discretion in respect of margin money and security norms. Loans upto Rs. 50,000/- are free from collateral and margin requirements.

(ii) One page documentation has been circulate among banks for adoption.

(iii) Branch Managers have been delegated adequate powers to expeditiously sanction loans to farmers at their level itself.

(iv) Instructions to issue Kisan Credit Cards (KCCs) within 15 days of receiving the application. Regional Rural Banks (RRBs) have been advised to undertake an aggressive branch expansion programme in 2007-08 They have further been advised to open at least one branch in each of the 80 uncovered districts of the country.

(c) & (d):- Excepting the 80 uncovered districts, there is no shortage of branches of Regional Rural Banks (RRBs) in the country. The branches are opened keeping in view their commercial viability. As on March 31, 2006, 133 RRBs were operating in 525 districts of the country with a network of 14494 branches.

(e):- As per Section 3 of the Regional Rural Banks Act, 1976, the Central Government may, if requested so to do by a sponsor bank, by notification in the Official Gazette, establish in a State or Union Territory, one or more Regional Rural Banks. At present, no such proposal has been received from any of the sponsor bank for establishment of an RRB.

(F):- The simplification of loan process is on the basis of RBI guidelines RRBs have been advised to aggressively undertake the expansion of branches and make efforts to open at least one branch in each of the 80 uncovered districts