

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:433

ANSWERED ON:18.12.2009

LOANS BY RRBs

Chauhan Shri Sanjay Singh; Choudhry Smt. Shruti

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

- (a) whether the Government has made any assessment of the loans provided by the Regional Rural Banks in the first half of the current year vis-a-vis the last year;
- (b) if so, the details thereof;
- (c) whether cases of recovery of loans at arbitrary rates of interest from the villagers by certain banks have come to the notice of the Government; and
- (d) if so, the steps taken/being taken by the Government against such banks?

**Answer**

Finance Minister (Shri Pranab Mukherjee)

(a) to (d):- A statement is laid on the Table of Lok Sabha.

Statement referred to parts (a) to (d) of Starred Question No.433 for 18th December, 2009 regarding Loans by RRBs raised by Shrimati Shruti Choudhry and Shri Sanjay Singh Chauhan.

(a) and (b):- Review of the performance of Regional Rural Banks (RRBs) is being done at regular intervals by the respective sponsor banks, National Bank of Agriculture and Rural Development (NABARD) and Government of India. Credit flow from RRBs has increased steadily over the past few years in the country. The status of credit disbursed and credit outstanding for the past four years and the current year upto September 30, 2009 is detailed below:

(Amount Rs. in crore)

Year	Total loans issued by RRB for all sectors for the year	Loan Outstanding on March 31st of the year	Total loans issued for Half Year as on 30 September#
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2005-06	25,426.97	39,712.57	13,190.00
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2006-07	33,043.49	48,492.59	17,330.00
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2007-08	38,581.97	58,984.27	20,887.00
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2008-09	43,445.59	67,858.48@	19,157.00
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2009-10 - 73,900.00# 29,200.00

(upto September  
30, 2009)

@ provisional # Estimated Source: NABARD

(c) and (d):- The Reserve Bank of India has deregulated the interest rate regime. Banks have been given freedom to fix interest rates on loans and advances subject to the overall directions of the Reserve Bank of India and guidelines of National Bank for Agriculture and Rural Development (NABARD) and duly approved by the Boards of the concerned RRBs. NABARD has reported that no cases of recovery of loans at 'arbitrary rates of interest' have come to its notice in respect of RRBs.