

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:348

ANSWERED ON:20.11.2009

RRBs

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Regional Rural Banks (RRBs) are playing an important role in disbursing credit in rural areas, revitalizing the rural economy and thereby reducing the dependency of poor and farmers on non-institutional sources for credit and have a larger outreach in the country;
- (b) whether any request from any State or Public representatives has been received in his Ministry for creating a corpus to provide funds to RRBs to facilitate credit to people;
- (c) if so, the action taken by the Government thereon;
- (d) whether the RRBs are decreasing during the last three years;
- (e) if so, the reasons therefor;
- (f) whether irregularities have taken place in RRBs during the recent time; and
- (g) if so, the details thereof and steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a):- Yes,Sir.Presently 84 RRBs with 15,158 branches (as on March 31, 2009) are serving the rural areas as an integral part of the Indian banking system. Approximately 95% of the RRB branches are in the rural and semi urban areas. The loans outstanding have grown by 110% between 2004-05 to 2008-09. As on March 31, 2009, RRBs have reached a business level of Rs. 1.88 lakh crores (deposits loan).

(b)to (c) :- As per available records, in the last one year, this Department has not received any such request.

(d) and (e) :- The Government has initiated a number of measures with a view to revitalize the RRBs and to make them vibrant and efficient for meeting the credit needs of the rural clientele. One of the major initiatives has been the process of structural consolidation of RRBs sponsored by the same bank within a State. As a result of this, the number of RRBs have been reduced from 196 in 2005 to 84 as on date, this includes one new RRB established on 26.3.2008 viz. Pudukkottai Bharathiar Grama Bank.

(f)and(g):- Complaints received against RRBs are attended to by the Government,NABARD and the concerned sponsor banks of RRBs promptly. This is an ongoing process.