

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4822  
ANSWERED ON:18.12.2009  
LOW COST DEPOSITS OF RRBs  
Dashmuni Deepa

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

- (a) whether the Regional Rural Banks (RRBs) are being deprived from low cost deposits in large numbers because of drawing of deposits by the State Governments from these banks;
- (b) if so, the details thereof;
- (c) whether the Government proposes to take any corrective measures to ensure that RRBs would not face any problem due to low cost deposits; and
- (d) if so, the details thereof?

**Answer**

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

(a) to (d) :- No specific communication has been reported by Reserve Bank of India (RBI) or National Bank for Agriculture and Rural Development (NABARD) about withdrawal of low cost bulk deposits by State Governments. However, some State Governments make their deposits in the Public Sector Banks only. Taking note of this, RBI advised its Regional Offices to discuss the issue with appropriate authorities for issuing suitable instructions to various departments to avoid discrimination against Regional Rural Banks (RRBs) and to encourage them by giving a fair share of business/deposits. Regional Directors of RBI were also advised to bring such issues to the fore in meetings of State Level Bankers Committee(SLBC).