

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2780
ANSWERED ON:30.03.2012
REGIONAL RURAL BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) the number of Regional Rural Banks/ Gramin Banks functioning in the country, as on date, State-wise including Chhattisgarh;
- (b) whether the Government has reviewed the working of the said banks;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the loans disbursed by the said banks to the villagers have increased during the last three years and the current year;
- (e) if so, the details thereof, State-wise including Chhattisgarh; and
- (f) the steps taken/being taken by the Government to strengthen and modernise these banks?

Answer

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

(a) At present 82 Regional Rural Banks(RRBs) are functioning in the country. The state-wise details of number of RRBs, including Chhattisgarh are at Annexure.

(b)&(c) The Government reviews the performance of RRBs on an ongoing basis. The Committee constituted by Government under the chairmanship of Dr. K.C. Chakrabarty on Capital to Risk Weighted Assets Ratio (CRAR) reviewed the performance and the financial position of RRBs. After assessment of financial position of RRBs the Committee inter-alia recommended recapitalization of 40 RRBs to improve their CRAR. The Government of India has released Rs. 468.92 crore to 21 RRBs during 2010-11 and 2011-12 as Government of India share.

(d)and(e) The State-wise details of loans disbursed by RRBs during the years 2008-09, 2009-10 and 2010-11 are at Annexure referred to in part(a) above. The loans disbursed by RRBs have increased from Rs. 43367 crore in 2008-09 to Rs. 71724 crore in 2010-11 registering a growth of 65% over the period of three years.

(f) The steps taken to modernize and strengthen the technology up gradation of RRBs inter-alia include the following:

With the emphasis on the technology up gradation, 80 RRBs have migrated to the Core Banking Solution (CBS). These RRBs have also joined the National Electronic Fund Transfer system enabling their customers to transfer funds across any other bank. With this RRBs will be benefited with reduced operational costs, faster customer services, integration of all products and services, improved risk management, mitigated operational Risk, real-time transaction processing and scaling up of operations etc.

The sponsor banks have been advised to operationally integrate RRBs with that of sponsor banks and take necessary action for human resource development in RRBs sponsored by them.

With a view to strengthen the management of RRBs, the sponsor banks have been given model guidelines for selection of Chairmen of RRBs based on the professional expertise, willingness and exposure in rural banking of the officer.