

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:247  
ANSWERED ON:03.07.2009  
REGIONAL RURAL BANKS  
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**Will the Minister of FINANCE be pleased to state:**

- (a) the number of Regional Rural Banks presently functioning in the country, State-wise;
- (b) the number of out of them whose financial condition is poor, State-wise; and
- (c) the concrete steps being taken by the Government to improve their condition?

**Answer**

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

(a):- There are 85 Regional Rural Banks (RRBs)as on June 30, 2009.The State-wise statement is at Annex.

(b):- Of the 85 RRBs, the following five RRBs have incurred losses during the financial year 2008-09.

SI. No. State Name of the RRB

1 Jammu & Kashmir Ellaquai Dehati Bank

2 Manipur Manipur Rural Bank

3 Nagaland Nagaland Rural Bank

4 Orissa Kalinga Gramya Bank

5 Uttar Pradesh Kshetriya Kisan Gramin Bank

- Provisional data

(c):- The Government of India has taken the following steps to improve their condition:

- 1) 26 RRBs recapitalized to the extent of Rs. 1770.86 crore upto March 31, 2009.
- 2) Amalgamation of Regional Rural Banks (RRBs) sponsor bank-wise at State level has been carried out.The amalgamated RRBs will provide better customer service due to better infrastructure,computerization of branches, pooling of experienced work force, common publicity and marketing efforts etc.They will also reap benefits of a large area of operation and enhanced credit exposure limits.
- 3) Expansion of non-fund based business activities such as sale of insurance policies,disbursement of pension, salaries etc. and handling of government business to increase income generation.
- 4) Permitting RRBs to accept Foreign Currency Non-Residents (FCNR) Deposits.
- 5) Allowing consortium lending to RRBs.
- 6) Preparation of Sustainable Viability Plan (SVP) and Execution of Memorandum of Understanding(MoU) for the recapitalized RRBs.
- 7) Other initiatives - For the purpose of enhancing business of RRBs, a number of initiatives such as organisational,human resource developmental and promotional initiatives have been taken by GoI/NABARD/RBI.Such steps include enhancing the coverage of

districts, opening of branches, deposit mobilisation, increase in loans, advances, strengthening and using the farmers' clubs, debt swap and freeing the borrowers from money lenders and strengthening of RRBs by creating promotional avenues, recruitment of staff, staff training and capacity building.