

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7064
ANSWERED ON:18.05.2012
FUNCTIONING OF RRBS
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Will the Minister of FINANCE be pleased to state:

- (a) whether Government has made any assessment of the functioning of the Regional Rural Banks (RRBs) in the country;
- (b) if so, the details thereof and the follow-up action taken thereon;
- (c) whether credit delivery to rural masses through RRBs has improved; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) The Government reviews the performance of Regional Rural Banks 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) has reviewed the performance and the financial position of Regional Rural Banks (RRBs). After assessment of financial position of RRBs the Committee in April, 2010 inter-alia recommended recapitalization of 40 RRBs to improve their CRAR.

(b):- In view of the recommendations of Dr. Chakrabarty Committee, an amount of Rs. 66.49 crore was released to 5 RRBs during 2010-11 and Rs. 402.43 crore has been released to 19 RRBs during 2011-12 as the release of Central Government share is subject to the release of proportionate share by concerned State Government and sponsor bank.

(c) and (d):- As per information reported by NABARD, the total loans issued by RRBs have increased from Rs. 56,079 crore during 2009-10 to Rs.71,724.19 crore during 2010-11 registering a growth of 27.89%.