

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:716
ANSWERED ON:01.03.2013
RECAPITALISATION OF RRBS
Singh Shri Mahabali

Will the Minister of FINANCE be pleased to state:

- (a) whether the scheme for recapitalization of the financially weak Regional Rural Banks (RRBs) in the country approved by the Government in 2010-11 has been completed;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Union Government/the concerned State Governments and the sponsor banks have released their respective share towards recapitalization of these RRBs;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the time by which the recapitalization of these RRBs is likely to be completed?

Answer

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

(a to e) : The scheme for recapitalisation of 40 financially weak Regional Rural Banks (RRBs) was started in 2010-11. The total funds estimated at Rs.2200 crore were to be contributed by the shareholders viz; Central Government (50%), State Government (15%) and Sponsor Banks (35%) in proportion to their shareholding. The release of Central Government share was contingent upon release of share by the respective State Government and the sponsor bank.

So far Central Government has released its share of Rs.668.92 crore. With this 26 RRBs have been recapitalised. State Governments and sponsor banks have released their share in 10 more RRBs. Completion of remaining RRBs is dependent upon the release of share by the State Governments and sponsor banks.

The Government has extended the scheme till 2013-14.