

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4450  
ANSWERED ON:19.12.2014  
PERFORMANCE OF RRBS  
Singh Shri Sushil Kumar

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

- (a) Whether the Government have reviewed the performance of Regional Rural Banks (RRBs);
- (b) If so, the details thereof, bank and State-wise;
- (c) Whether some of the RRBs are facing financial crisis, if so, the details and reasons therefor; and
- (d) The steps taken by the Government to improve performance of RRBs in this regard?

**Answer**

Minister of State in the Ministry of Finance (JAYANT SINHA)

(a) & (b) Yes, Madam. Government of India has been assessing the functioning of RRBs through performance review notes forwarded by NABARD as well as through Review Meetings. National Review Meeting to review the performance of RRBs was conducted by NABARD on 25th February, 2014 under the Chairmanship of Secretary, Department of Financial Services. RRBs were advised to increase revenue and reduce NPAs, professionalize their services and impart carefully designed and structured trainings to their staff so that they are familiar and well-versed with functioning of the RRBs in order to perform their roles effectively.

(c) & (d) With a view to bring the capital to risk weighted assets ratio of RRBs to at least 9%, Dr. K.C. Chakrabarty Committee inter-alia recommended recapitalization support to the extent of Rs.2,200 crore to 40 weak RRBs in 21 States. The amount of recapitalisation of Rs.2200 crore was to be shared by the stake holders in proportion of their shareholding i.e. 50% (Central Government), 15% (State Government) and 35% (Sponsor Banks) respectively. Out of Rs.2200 crore, Government of India share was Rs.1100 crore.

The recapitalisation of these RRBs started in 2010-11 and upto 31.3.2014, an amount of Rs.2173.42 crore has been released, out of which Rs.1086.70 crore has been released as Government of India share of recapitalisation assistance. As on 31st March, 2014, the recapitalisation of 38 RRBs has been completed.