

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA

UNSTARRED QUESTION NO. 2461

ANSWERED ON MONDAY, DECEMBER 15, 2025/AGRAHAYANA 24, 1947 (SAKA)

Regional Rural Banks (RRBs)

2461. SHRI JAGDAMBIKA PAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reviewed the capacity of Regional Rural Banks (RRBs) to meet the evolving credit needs of the rural economy, including emerging sectors such as agro-processing, allied-agriculture and rural MSMEs and if so, the details thereof;
- (b) the details of the guidelines issued to RRBs for supporting Farmer Producer Organisations (FPOs) through customised financial products and improved service delivery;
- (c) whether the Government proposes to increase banking outreach in financially underserved rural regions through RRB branch expansion or digital infrastructure, if so, the details thereof; and
- (d) the steps taken to improve the performance of RRBs under national financial-inclusion schemes and to promote better collaboration with NABARD and State Governments?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): Government of India is regularly reviewing the performance of Regional Rural Banks (RRBs) to meet the evolving credit needs of the rural economy, including emerging sectors like agro-processing, allied-agriculture, and rural Micro Small and Medium Enterprises (MSMEs) at national and regional levels. The following reviews of RRBs have been held under the Chairpersonship of Finance Minister in last four financial years:

S.No	National/Regional level	Date and Place
1.	National level	07.07.2022 at New Delhi
2.	North-Eastern RRBs	21.07.2023 at Agartala
3.	Southern RRBs	04.08.2023 at Chennai

4.	Northern RRBs	30.08.2023 at New Delhi
5.	National level	19.08.2024 at New Delhi
6.	Western-Central RRBs	22.08.2024 at Udaipur
7.	North-Eastern RRBs	30.09.2024 at Itanagar
8.	Southern RRBs	09.11.2024 at Bengaluru
9.	Eastern RRBs	29.11.2024 at Patna
10.	Karnataka Grameena Bank	16.10.2025 at Ballari

Further, as a follow-up, Department of Financial Services (DFS) has conducted periodic and regular meetings with RRBs and sponsor banks at various levels.

The agenda items for the review meetings, *inter-alia*, include:

(i) Review of the performance of RRBs on Financial Parameters and technology upgradation.

(ii) Thrust on MSME portfolio.

(iii) Importance on loan diversification towards Agri-allied, MSME and Retail Sectors.

(b) National Bank for Agriculture and Rural Development (NABARD) had prepared a "Guidance Note for financing Farmer Producer Organisations (FPOs) by Banks" and submitted to the Reserve Bank of India (RBI) for wider dissemination across the banking sector. Pursuant to this, RBI in 2020, has advised the Indian Banks' Association (IBA) to circulate the guidance note among its member banks to facilitate speedy and effective adoption of the credit evaluation framework outlined therein, in alignment with their respective Board-approved policies. Additionally, IBA has been requested by RBI to instruct sponsor banks to share the guidance note with RRBs.

(c) The endeavour of the Government is to ensure availability of banking outlet (Bank branch / Business Correspondent (BC) / India Post Payments Bank (IPPB)) within 5 kilometres of all inhabited villages in the country. Availability of banking outlets is monitored by a Geographic Information System (GIS) based App., namely, Jan Dhan Darshak (JDD) App. Based on the data uploaded by Banks on the JDD App, as on 31.10.2025, 99.91% villages in the country are covered with banking outlets (Bank Branch / BC / IPPB) within a radius of 5 Km.

(d) DFS launched a Gram Panchayat (GP) level Saturation Campaign from 01.07.2025 to 31.10.2025 with the objective of achieving comprehensive financial inclusion, with participation from Public Sector Banks (PSBs), RRBs, Private Banks, Small Finance Banks (SFBs) and Cooperative Banks.

Further, following steps have been taken to improve the performance of RRBs under national financial-inclusion schemes:

(i) Onboarding of RRBs on JanSuraksha scheme portal has enabled them to enrol and settle claims with respect to Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) for the benefit of their customers.

(ii) Financial support by NABARD to RRBs for conducting Financial and Digital Literacy Programmes. These programmes entail generating awareness on banking products, social security schemes of Government of India, digital banking and cyber security for the banking customers.

(iii) Since 1992, NABARD has supported Non-Governmental Organizations (NGOs), RRBs, Micro Finance Institutions (MFIs), Primary Agricultural Credit Societies (PACS) etc to promote, nurture and credit-linkage of Self-Help Groups (SHGs). NABARD has also helped in faster settlement of SHG interest subvention claims under Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) through their Interest subvention portal. Further, it also provides grant support for Joint Liability Group (JLG) formation and capacity building.

(iv) NABARD has developed eKisanCredit (eKCC) portal for RRBs to streamline agricultural loan process which will help in reducing the turnaround time for credit disbursement.

(v) Incentive Scheme of NABARD for Customer Service Points (CSPs) / BCs of RRBs operating in Northeast and Hilly States / Union Territories (UTs). The BCs are paid monthly remuneration to offset the expenses incurred by them towards operating in difficult terrain.

(vi) Financial support by NABARD to RRBs for deployment of banking touchpoints such as Micro Automated Teller Machines (Micro-ATM), Point of Sale (POS) / Mobile Point of Sale (MPOS) devices, and Demonstration Vans.
