

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:617
ANSWERED ON:05.12.2003
REGIONAL RURAL BANKS
ABDUL RASHID SHAHEEN;BIR SING MAHATO

Will the Minister of FINANCE be pleased to state:

- (a) the amount of loan provided by the regional rural banks in West Bengal and Jammu & Kashmir during the last two years ;
- (b) whether farmers are not getting substantial benefits due to rampant corruption in these banks;
- (c) if so, the outcome of review conducted in this regard; and
- (d) the steps taken by the Government to check the corruption in these banks alongwith to improve their performance?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) The total loans disbursed by the RRBs in West Bengal and Jammu & Kashmir during the last two years are as under:-

(Rs Crore)

States	2001-2002	2002-2003
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Jammu & Kashmir	55.04	75.98
West Bengal	537.77	675.82

(b),(c)& (d) : The loans issued by the RRBs increased from Rs 42.93 crore during 2000-2001 to Rs75.98 crore during 2002-03 in the state of J&K. Similarly in the state of West Bengal the loans issued by RRBs increased from Rs 403.18 crore during 2000-2001 to Rs 675.82 crore during 2002-2003. The steady growth in loans and advances in these states reveal that farmers are getting the benefit of the RRBs consistently. There are systems and procedures in place to look into the complaints/ charges of corruptions etc. levelled by the public/farmers against the staff of RRBs for sanction of loans, etc and to take corrective measures. The following steps havealso been taken to further improve the performance of the RRBs : -

- i) Introduction of Development Action Plan and Memoranda of Understanding in an annual basis for bringing improvement in the performance of the RRBs in a planned way and introduction of prudential norms covering income recognition, assets classification and provisioning norms;
- ii) Diversification of business portfolios and activities;
- iii) Rationalization of branch network including relocation and merger of loss making branches;
- iv) Deregulation of interest rate structure;
- v) Greater role of the sponsor banks in the management of RRBs; and
- vi) Skill upgradation of RRB employees.