

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:584
ANSWERED ON:02.05.2003
REGIONAL RURAL BANKS
HARIBHAI PARTHIBHAI CHAUDHARY;SHIVAJI MANE

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the State-wise number of Regional Rural Banks (RRBs) functioning as on date, State-wise;
- (b) whether the Government have reviewed the functioning of these banks;
- (c) if so, the details thereof;
- (d) whether these banks have been facing severe financial difficulties;
- (e) if so, since when, details thereof, bank-wise; and
- (f) the steps taken by the Government to fulfil the objectives for which they were set up?

Answer

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

(a) to (f) A Statement is laid on the Table of the House.

Statement

(a) The State-wise number of Regional Rural Banks (RRBs) functioning as on date is given in Annexure-I.

(b) and (c) Yes, Sir. Government/National Bank for Agriculture & Rural Development (NABARD) review the performance of Regional Rural Banks (RRBs) periodically. The Sponsor Banks also review the performance of RRBs sponsored by them in quarterly basis. As on 31st March, 2002, out of 196 RRBs, 167 RRBs have earned profit and only 29 RRBs are incurring losses. Of these 167 RRBs, 86 have attained sustainable viability.

(d) and (e) No RRB is so far reported to be in liquidity crisis. List of loss making RRBs is at Annexure-II.

(f) RRBs were established with a view to develop the rural economy by providing, for the purpose of development of agriculture and other productive activities in the rural areas, credit and other facilities particularly to the small and marginal farmers, agriculture labourers etc. In order to enable RRBs to fulfil their mandate, several measures have been taken such as

- (i) recapitalisation,
- (ii) rationalization of their branch network,
- (iii) deregulation of interest rates,
- (iv) introduction of prudential norms,
- (v) active involvement in Government sponsored schemes,
- (vi) promotion of Self Help Groups and

(vii) credit to the farmers through Kisan Credit Cards.

The results so far indicate that the deposit mobilised by RRBs has increased from Rs. 8864 crore in 1993-94 to Rs. 44,539 crore in 2001-02 covering over 5 crore depositors. Similarly the loan disbursement has increased from Rs. 1440 crore in 1993-94 to Rs. 10,571 crore during 2001-02.