

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:347
ANSWERED ON:25.02.2000
REGIONAL RURAL BANKS
ASHOK KUMAR SINGH CHANDEL

Will the Minister of FINANCE be pleased to state:

- (a) whether the Regional Rural Banks are in a bad state due to negligence in recovery of loans and financial irregularities;
- (b) if so, whether the Government have constituted any Commission to examine this;
- (c) if so, the details thereof and if not, the reasons therefor; (D) whether the Government are considering to recapitalise the Regional Rural Banks; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

- (a) The Regional Rural Banks (RRBs) have been showing steady progress in their recovery performance since 1994 particularly after the commencement of restructuring programme for RRBs on `Stand alone` basis. The recovery level of RRBs which stood at 46.23% during 1993-94 progressively increased to 60.54% during 1997-98.
- (b) No, Sir.
- (c) In view of the steady progress in the recovery performance of RRBs, appointment of such a Commission has not been considered necessary.
- (d) and (e) The process of recapitalisation of RRBs was initiated during the year 1994-95 and during the period 1994-2000, additional equity support of Rs. 288.42 crores has been provided to 187 RRBs.