

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:61
ANSWERED ON:25.11.2005
RESTRUCTURING OF RRBS
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received the report submitted by RBI Internal Group regarding restructuring of Regional Rural Banks;
- (b) if so, the details thereof alongwith the views made by All India Regional Rural Bank Employees Association on the report ;
- (c) whether the Government is considering the recommendations and views of various Unions before going for the consolidation process; and
- (d) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.CHIDAMBARAM)

(a),(b),(c),&(d) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No.61 for 25th November 2005 regarding Restructuring of RRBS tabled by Shri Basudeb Acharia:

(a): Yes, Sir,

(b) to (c): All India Regional Rural Bank Employees Association had furnished, detailed views on the draft report of the Internal Working Group constituted by the Reserve Bank of India (RBI), which was placed in the public domain. Based on responses received, the Report has been finalized by the RBI. The working Group has made a number of recommendations which include, inter alia, amalgamation of Regional Rural Banks (RRBs), change of sponsor bank in certain cases, matters relating to governance, management, regulation and supervision, and minimum capital requirements for improving the health of RRBs and to make them viable rural financing institutions. The Government will consider all relevant aspects before taking any decision.