

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:635  
ANSWERED ON:03.12.2004  
GRAMIN BANKS  
Barad Shri Jashubhai Dhanabhai

**Will the Minister of FINANCE be pleased to state:**

- (a) the amount of loan provided by the Gramin Banks in various States particularly in Gujarat during the last two years;
- (b) whether it is a fact that the farmers are not getting any special benefit following the increasing corruption in these banks
- (c) if so, the reasons therefor; and
- (d) the steps being taken/proposed to be taken by the Union Government to provide sufficient loans to farmers through these banks?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S .P ALANIMANICKAM)

(a): Loan issued by Regional Rural Banks (RRBs) in various states and in Gujarat during the last two years are as under  
(RsCrores)

	2002-03	2003-04
Total Loans issued	12641.00	15475.86
Loans issued in Gujarat	355.08	391.77

(b) to (d) :The loans issued by RRBs increased from Rs 12641.00 crore during 2002-2003 to Rs 15475.86 crore during 2003-2004. The steady growth in loans and advances during the previous years 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 corruption etc. leveled by the public/farmers against the staff of RRBs for sanction of loans, etc and to take corrective measures. Further the following steps have been taken for improving the performance of the RRBs.

- i) Introduction of Development Action Plan and Memoranda of Understanding on an annual basis for bringing improvement in the performance of the RRBs in a planned way and introduction of prudential norms covering income recognition, asset 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) Increasing the role of the sponsor banks in management of affairs of RRBs; and
- vi) skill upgradation of RRB employees.