Government of India Ministry of Finance Department of Financial Services

RAJYA SABHA UNSTARRED QUESTION NO.1362 ANSWERED ON TUESDAY, MARCH 11, 2025/20 PHALGUNA, 1946 (SAKA)

One State, One RRB

1362: DR. FAUZIA KHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has proposed a State-wise consolidation of Regional Rural Banks (RRBs) under the "One State, One RRB" policy;
- (b) if so, the details of the proposed roadmap, including the expected benefits of scale, efficiency and cost rationalization; and
- (c) whether stakeholder consultations, including with sponsor banks and State Governments, have been conducted and if so, the key concerns raised?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c) Government of India initiated structural consolidation of RRBs in FY 2004-05 which resulted in reduction in the number of RRBs from 196 in FY 2004-05 to 43 by FY 2020-21 through 3 phases of amalgamation.

With a view to derive the benefit of scale efficiency and cost rationalisation, based on the recommendations of an Expert Committee, the Government has continued with the process of further consolidation of RRBs on the principle of 'One State - One RRB'. Post amalgamation, the consolidated RRBs are expected to have better capital base & access to resources, improved technology adoption, enhanced area of operation and better visibility & branding.

The stakeholders consultation including the Sponsor Banks and State Governments has been conducted.
