

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
UNSTARRED QUESTION NO. 3767
To be answered on the March 24, 2017/Chaitra 03, 1939 (SAKA)

Regional Rural Banks

3767: SHRI GODSE HEMANT TUKARAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to recapitalise the Regional Rural Banks (RRBs) to improve their viability;
- (b) if so, the details thereof; and
- (c) the time by which RRBs are likely to be recapitalised by the Government?

Answer

**Minister of State in the Ministry of Finance
(SANTOSH KUMAR GANGWAR)**

(a) to (c): As per the norms stipulated by Reserve Bank of India (RBI), Regional Rural Banks (RRBs) are required to maintain Capital to Risk-weighted Assets Ratio (CRAR) of 9% on continuous basis.

With a view to bring the Capital to Risk weighted Assets Ratio (CRAR) of RRBs to at least 9%, Dr. K C Chakrabarty Committee, inter-alia, recommended recapitalization support to the extent of Rs.2,200 crore to 40 RRBs in 21 States, to be shared by the stakeholders in proportion to their shareholding in RRBs i.e. 50% by the Central Government, 15% by the State Government and 35% by the concerned sponsor banks. After approval of the Cabinet, the recapitalisation process of RRBs started in 2010-11. Upto 31.3.2014, an amount of Rs.1086.70 crore was released to 39 RRBs

The Scheme was extended further for next three years beyond 2013-14 i.e. upto 2016-17.

During 2015-16, Rs. 15 crore was disbursed to three RRBs. In 2016-17, an amount of Rs.2.595 crore has been provided to Ellaquai Dehati Bank.

The release of GoI share of recapitalisation assistance is contingent upon proportionate release of Sponsor Bank and State Government share.
