

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA
UNSTARRED QUESTION NO.4130
To be answered on the August 10, 2018/Shravana 19, 1940 (SAKA)

Recapitalisation Scheme for RRBs

4130: SHRI C. MAHENDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has approved the extension of scheme of recapitalisation of Regional Rural Banks (RRBs) for next three years recently and if so, the details thereof;
- (b) whether this will enable RRBs to maintain minimum prescribed Capital to Risk Weighted Assets Ratio (CRAR) of 9 per cent and if so, the details thereof;
- (c) whether this will facilitate financial stability of RRBs and enable them to play greater role in financial inclusion and meeting credit requirements of rural areas; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance
(SHIV PRATAP SHUKLA)

(a) to (d) The scheme for recapitalisation of Regional Rural Banks (RRBs) started in financial year 2010-11 and was subsequently extended upto 31.03.2017. Recently the Government has approved extension of the scheme of recapitalisation of RRBs for further period of three years upto 2019-20. Under the scheme, recapitalization support is provided to RRBs to maintain minimum prescribed CRAR level of 9%.

A strong capital structure and minimum required level of CRAR will ensure financial stability of RRBs which will enable them to play a greater role in financial inclusion and meeting the credit requirements of rural areas.

Recapitalisation will enable RRBs to provide credit and other facilities especially to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in rural areas for development of agriculture and other productive activities.
