

**LOK SABHA**  
**UNSTARRED QUESTION NO.1761**  
ANSWERED ON THE MONDAY, MARCH 10, 2025/19 PHALGUNA, 1946 (SAKA)

**Impact of RRBs on Rural Credit Delivery**

†1761. SHRI BHARAT SINGH KUSHWAH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has carried out any assessment of the impact of One State-One Regional Rural Bank (RRB) consolidation strategy on rural credit delivery and financial inclusion;
- (b) the special measures taken to maintain the focus of the consolidated RRBs on priority sector lending and rural development;
- (c) whether any analysis has been made regarding likely technical and operational challenges in implementing the said integration;
- (d) the details of the Governance reforms proposed to enhance the efficiency of the consolidated RRBs; and
- (e) whether any time-limit has been fixed for completing the said integration process in all the States and if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI PANKAJ CHAUDHARY)**

(a) 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.

(b) The consolidated RRBs will continue to be guided by the regulatory guidelines of RBI on Priority Sector Lending (PSL) for RRBs according to which at least 75% of their Adjusted Net Bank Credit (ANBC) will be towards priority sector.

(c) to (e) In the approach note for the proposed amalgamation, the technical and operational challenges viz. Core Banking Solution (CBS) integration / data migration, downtime and disruption of business activities, staffing and Human Resources (HR) related issues, etc. during the integration process, are to be addressed by a Project Management Unit.