REGITIONAL RURAL BANKS

Genesis of Regional Rural Banks (RRBs की शुरुआत कैसे हुई)


Basis of the committee’s recommendations, a Regional Rural Banks Ordinance was passed in 26th Sep 1975, which was replaced by the Regional Rural Banks Act - 1976.

Genesis of Regional Rural Banks (RRBs की शुरुआत कैसे हुई)

Regional Rural Banks came into existence on Gandhi Jayanti in 1975 with the formation of Prathama Grameen Bank.

<table>
<thead>
<tr>
<th>Type</th>
<th>Commercial Banks</th>
<th>RRB’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking Regulation Act - 1949</td>
<td>Yes</td>
<td>Yes + RRB’s Act - 1976</td>
</tr>
<tr>
<td>CRR, SLR</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>MSF</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Presence</td>
<td>All India &amp; Abroad</td>
<td>Few Districts</td>
</tr>
<tr>
<td>Vote Power</td>
<td>Shareholders</td>
<td>U50, S15, SB35</td>
</tr>
</tbody>
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According to Regional Rural Banks Act - 1976

RRBs were owned by 3 entities with their respective shares -

- Central Government → 50%
- State government → 15%
- Sponsor bank → 35%

According to RRB’s amendment Act - 2015

RRBs authorized capital - ₹2000 cr.
Pvt. Shareholders investment - 49%
Central Gov. + State Gov + Sponsor bank = 51%

Q. What is a Sponsor bank (प्रायोजक बैंक किसे कहते हैं) ?

The scheme of Recapitalization of RRBs was started in 2010-11 and was extended twice in the year 2012-13 and 2015-16. The last extension was upto March 2017.

Total amount of ₹1107.20 crore, as Central Government share, out of ₹1450 crore, was released to RRBs upto March, 2017.

The remaining amount of ₹342.80 crore will be utilized to provide recapitalization support to RRBs.

Q. RRBs were set up on -

1) 1975
2) 1969
3) 1980
4) 1935
5) 1955

Ans: 1) 1975

Q. The Rural Banks came into existence on Gandhī Jayanti in 1975 with the formation of which of the following banks?

1) Pratha Grameen Bank
2) Kashi - Gomti Grameen Bank
3) Prathama Grameen Bank
4) Chaitanya Grameen Bank
Q. The RRBs are NOT present in which of the following states as of now?
1) Sikkim 2) Goa 3) Tripura 4) All the above 5) Only 1) and 2)
Ans: Only 1) and 2)
Q. As per the Regional Rural Banks (Amendment) Bill, 2015, the authorised capital of the RRBs has been raised from Rs 5 cr to -
1) ₹ 50 cr 2) ₹ 100 cr 3) ₹ 500 cr 4) ₹ 1,000 cr 5) ₹ 2,000 cr
Ans: ₹ 2,000 cr
Q. According to RRBs Act 1976 what ratio do the Gov. of India, concerned State Gov & Sponsor bank contribute respectively in the share capital of the RRBs?
1) 35%, 15% and 50% 2) 40%, 15% and 45% 3) 45%, 15% and 40% 4) 50%, 15% and 35% 5) 55%, 15% and 30%
Ans: 50%, 15% and 35%
Q. Oct 2, 1975 five Regional Rural Banks were established by the Gov. of India with a goal to help what type of economy?
1) Urban 2) Rural 3) Metropolitan 4) All of these 5) None of these
Ans: Rural