

GENERAL AWARENESS (14 AUGUST 2018)

REGIONAL RURAL BANKS

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

Government set up **Narasimham Working Group** in 1975.

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**.

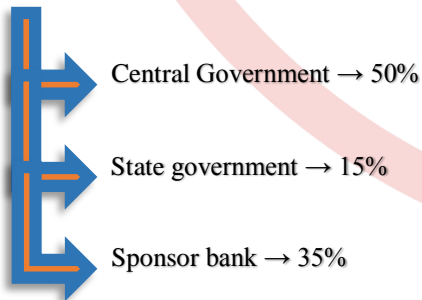


Basic Difference between Commercial banks & RRB's -

Type	Commercial Banks	RRB's
Banking Regulation Act - 1949	Yes	Yes + RRB's Act - 1976
CRR, SLR	Yes	Yes
MSF	Yes	No
Presence	All India & Abroad	Few Districts
Vote Power	Shareholders	U50, S15, SB35

According to Regional Rural Banks Act - 1976

RRBs were owned by **3 entities** with their respective shares -



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) ?



Number of Regional Rural Banks in India

Year	Banks
Dec-75	6
Dec-80	85
Dec-85	188
Mar-90	196
Mar-06	133
Mar-11	82
Mar-13	64
Mar-14	57

List of Regional Rural Banks in Uttar Pradesh 2018

S.No.	List of RRBs	Head Offices	Sponsor bank
1	Allahabad UP Gramin Bank	Banda	Allahabad Bank
2	Gramin Bank of Aryavart	Lucknow	Bank of India
3	Ballia Kshetriya Gramin Bank	Ballia	CENTRAL BANK OF INDIA
4	Baroda Uttar Pradesh Gramin Bank	Rae Bareli	Bank of Baroda
5	Kashi Gomti Samyut Gramin Bank	Varanasi	Union Bank of India
6	Prathama Bank	Moradabad	Syndicate Bank
7	Sarva UP Gramin Bank	Meerut	Punjab National Bank
8	Purvanchal Gramin Bank	Gorakhpur	State Bank of India

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.

Question

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 Gandhi 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

5) Allahabad UP Grameen Bank

Ans: 3) Prathama Grameen Bank

Q. **RRB Ordinance** was passed on **Sep 1975** on the recommendation of which of the following working groups ?

- 1) **Narasimham Working Group**
- 2) **Khusrau Working Group**
- 3) **R Gandhi Working Group**
- 4) **S Jagannathan Working Group**
- 5) **BN Adarkar Working Group**

Ans: **Narasimham Working Group**

Q. The area of operation of RRBs is limited to few districts in the States. RRBs grant loans and advances mostly to -

- 1) Rural artisans
- 2) Agricultural labourers
- 3) Small and marginal farmers
- 4) Small entrepreneurs in rural areas
- 5) All the above

Ans: All the above

Q. The **Regional Rural Banks Act, 1976** provides for RRBs to be sponsored by banks, so the sponsor banks are required to -

- 1) Subscribe share capital of RRBs
- 2) Help RRBs in their establishment
- 3) Assist in recruitment of RRBs staff
- 4) Provide financial assistance
- 5) All the above

Ans: All the above

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**

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