



# Performance Review of Regional Rural Banks (RRBs)

## Why in News?

Recently, the **Union Minister for Finance and Corporate Affairs** chaired a meeting to review performance of nine [Regional Rural Banks \(RRBs\)](#) in Udaipur.

## Key Points

- RRBs of the states of **Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh and Rajasthan** were reviewed.
- The meeting focused on business performance, digital technology upgrades, [MSME \(Micro, Small and Medium Enterprises\)](#) cluster growth, and rural financial inclusion.
- The Union Minister directed:
  - the [State Level Bankers' Committee \(SLBC\)](#) to hold meetings with State Government, Sponsor Banks and RRBs to **improve performance** of [MUDRA scheme](#) and other financial inclusion schemes in Bundelkhand and aspirational districts.
  - RRBs to **generate awareness and provide credit under** the [PM Surya Ghar Muft Bijli Yojana](#) scheme in **Gujarat and Rajasthan**.
  - RRBs to identify potential trades under [PM Vishwakarma scheme](#) and increase **their share in ground level agriculture credit disbursement** to achieve the stated objectives of **Priority Sector Lending**.

## Regional Rural Banks (RRBs)

- RRBs were **established in 1975** under the provisions of the Ordinance promulgated on 26th September 1975 and **Regional Rural Banks Act, 1976**.
- These are **financial institutions** which ensure adequate credit for agriculture and other rural sectors.
- They **combine the characteristics of a cooperative in terms of the familiarity of the rural problems** and a commercial bank in terms of its professionalism and ability to mobilise financial resources.
- After the reforms in the 1990s, the government in 2005-06 **initiated a consolidation program** that resulted in the number of RRBs declining from 196 in 2005 to 43 in FY21, and 30 of the 43 RRBs reported net profits.

## Pradhan Mantri Mudra Yojana (PMMY)

- PMMY was **launched by the Government of India in 2015**.
- The PMMY **provides collateral-free institutional loans up to Rs. 10 lakhs for small business enterprises**.
- It is provided by **Member Lending Institutions (MLIs)** i.e. [Scheduled Commercial Banks \(SCBs\)](#), Regional Rural Banks (RRBs), Non-Banking Financial Companies (NBFCs) and [Micro Finance Institutions \(MFIs\)](#).

## PM Surya Ghar Muft Bijli Yojana

- The government **introduced the Programme in 2014 to promote rooftop solar installation.**
- The original target was **40 GW installed capacity (out of 100 GW by 2030) by 2022** but the goal was not met by 2022, the deadline was extended to 2026.
  - Rooftop solar panels are [photovoltaic panels](#) installed on the roof of a building and connected to the main power supply unit.
- Its objective is to promote **grid-connected solar rooftop systems** on residential buildings.
- Key Initiatives under Rooftop Solar:
  - [SUPRABHA \(Sustainable Partnership for RTS Acceleration in Bharat\).](#)
  - [SRISTI \(Sustainable Rooftop Implementation for Solar Transfiguration of India\).](#)

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