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## **FINANCIAL VIABILITY OF REGIONAL RURAL BANKS IN INDIA: WITH SPECIAL ORIENTATION ON RESOURCE MOBILIZATION**

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### **ABSTRACT**

*Regional Rural Banks are established under the provisions of an ordinance promulgated on the 26th September, 1975 and the RRB Act, 1976 with an objective to ensure sufficient institutional credit for agriculture and other rural sectors. Reforms and mergers introduced by the Government of India in consultation with Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) in the years 1994-95 to 2005-06 have yielded positive results in respect of key performance indicators such as number of banks and branches, capital composition, deposits, loans, loans and the trend of investments. The objective of this paper is to investigate whether the merger/amalgamation of Regional Rural Banks in India. Several committees have emphasized the need to improve the performance of these banks in terms of resource mobilization, which play an important role in the rural credit market in India. The study is diagnostic and exploratory in nature and makes use of secondary data. The study finds and concludes that performance of rural banks in India has significantly improved after amalgamation process which has been initiated by the Government of India.*

**KEYWORDS:** RRBs, Resource Mobilization, Rural Credit Market, State Governments, Sponsor, Reserve Bank of India.