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## **NON PERFORMING ASSETS - A STUDY OF SELECTED RURAL BANKS IN INDIA**

**<sup>1</sup>MR RAVINDER MEERWAL**

<sup>1</sup>Research Scholar, University of Rajasthan, Jaipur ( Rajasthan)

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### **ABSTRACT**

*Regional rural Banks plays a vital role in the agriculture and rural development of India. The RRBS have more reached to the rural area of India, through their huge network. The success of rural credit in India is largely depends on their financial strength. RRBs are key financing institution at the rural level which shoulders responsibility of meeting credit needs of different types of agriculture credit in rural areas. At present, most of the regional rural banks are facing the problems of overdue, recovery, nonperforming assets and other problems. Therefore, it is necessary to study financial performance of RRBs in India. This paper attempts to analyze the current status of RRBs in India. The study is diagnostic and exploratory in nature and makes use of secondary data. The study finds and concludes that NPA is the root cause of the global financial crisis that we observed recently. The world is still trying to recover from the after-effects of the crisis. Regional Rural Banks plays a key role as an important vehicle of credit delivery in rural areas with the objective of credit dispersal to small, marginal farmers & socio economically weaker section of population for the development of agriculture, trade and industry .But still its commercial viability has been questioned due to its limited business flexibility, smaller size of loan & high risk in loan & advances. Rural banks need to remove lack of transparency in their operation which leads to unequal relationship between banker and customer. Banking staff should interact more with their customers to overcome this problem. Banks should open their branches in areas where customers are not able to avail banking facilities. In this competitive era, RRBs have to concentrate on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.*

**KEYWORDS-** *Regional Rural Banks, Key Performance Indicators, Growth Rate, Rural Economy, NABARD.*

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