

Chapter - VIII

**Observations and
Suggestions**

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OBSERVATIONS & SUGGESTIONS

8.1 INTRODUCTION

Urban credit markets are significantly different from rural credit markets because income opportunities are varied, the cash economy is bigger and the number of bank branches is greater. Urban credit markets are more contiguous than rural markets; therefore borrowers ought to have more options than that of rural areas. However, this has remained unutilized despite its potential because of the paucity of policy initiatives towards issues of urban credit.

Some understanding about the financial needs of the urban poor

1. The poor exhibit the preference for reducing transaction costs even at increased interest rates. Transactions costs, such as transportation, lost work wages to go to a bank during working hours and negotiating with a bank manager, could be as expensive as the money lenders' rates. By serving customers in their neighbourhood, their work places or even at their front doors, these information services reduce transaction costs.
2. Cash flows are as important as the total amount of credit. The poor prefer short term borrowings to long term credit. Informal credit is often short term and can be rotated more easily. Long term loans

given by the formal sector reduce the possible rotation of capital by the individual.

3. Social ties act as collateral, as seen from successful rural micro credit programmes. However, the structure of relationships among the urban poor, often migrants, are not as well as understood or tested. More research needs to be done to understand these ties.
4. Frequent, small amounts are easier to save for the poor.
5. The best informal financial services are those that do not alienate illiterate customers and efficiently communicate various options, rewards and penalties.
6. Innovation and response expand credit market size, Informal credit markets recognize the importance of religious events, social customs and the expenses that accompany them; whereas formal markets currently do not sanction loans for a religious pilgrimage, for example, informal markets will provide credit for this activity also.
7. Leadership and management when offered along with credit, make it attractive. The leadership given by informal credit rotation and savings organizers and chit fund managers is valuable, perhaps because the poor have few other alternatives that they perceive to be trustworthy and fair. This is despite the fact that there are many instances of chit fund of NGO micro credit efforts help develop leadership and management abilities among the poor.
8. The group lending model is clearly less appropriate in the urban market than it is in the rural market. Given the characteristics of the

population its transient nature and the greater likelihood of women having employment that is not based out of their homes the need for individual lending may arise very quickly in urban markets.

8.2 MICRO CREDIT AND URBAN POOR WOMEN

A sizeable portion of the urban poor comprises the women. And research and experience in rural areas has proved that women are found to be better borrowers and re-payers as compared to men. In addition the Self Help Group model of micro-credit dispensation has brought forth the fact that women SHGs are more sustainable. All these give enough reason for the credit to be canalized through women in urban areas.

Micro credit has given women in India an opportunity to become agents of change. The movement has made them more confident that ever helping them to explore new horizons, new dreams. Micro finance will be the future mantra for alleviation of poverty. Credit of Rs.800 o 1000 to these urban women makes all the difference as it dramatically changes their standard of life.

8.3 PROBLEMS AND FINDINGS OF HIGH POWER COMMITTEE ON URBAN COOPERATIVE BANKS

The second phase of financial sector reforms has brought about vast changes in the structure and operation of the Indian financial sector. However, the reform measures are yet to fully impact the system. Financial and managerial weaknesses of a good number of cooperatives have been a

matter of concern for quite some time. State Governments and cooperatives have been demanding capital infusion for wiping out past losses. Unless the inherent weaknesses are adequately addressed, funds infusion alone may not solve the problem. In this respect, the areas that need careful examination include: (i) the pattern of resources of cooperatives (owned funds, deposits, and borrowings), (ii) the deployment of resources, (iii) the management and supervision, (iv) the role of cooperative banks in the financial system and (v) the regulatory framework for cooperatives.

The essential spirit of the regulatory and reform measures adopted for the commercial banks need to be extended to the cooperatives as well with necessary adaptations to suit the circumstances in which cooperative banks operate. This would imply that areas such as:

- ❖ Strengthening of regulatory and supervisory framework,
- ❖ Enhancing capital adequacy standards
- ❖ Introducing stringent licensing norms for new entrants into the sector
- ❖ Enabling legal amendments and
- ❖ Corporate governance measures need to be given very close attention.

8.4 OBSERVATIONS

1. The Board of Directors of all the three banks are constituted keeping in tune with the Reserve Bank of India's guidelines, i.e. regarding composition of the board of directors to include qualified members, technical experts, women representation, etc.

2. There are lots of areas related to working of banks where improvement is required to be made. The auditors both internal, statutory or the Reserve Bank of India's Inspecting Officers point out several deficiencies in the working of the bank. Apart from this if the bank officials also apply their mind they will be able to improvise their working provided they involve themselves. E.g. Improvement may be needed in all aspects of banking, it may be in stationery printing work, preservation of record, approach to the credit appraisal and so on and so forth. What is needed is conscious approach towards the improvement of the bank's working.
3. It has been observed that all these banks have achieved the targeted Capital-To-Risk-Weighted Assets Ratio ratio of the capital. They should continue to ensure its maintenance year after year.

Deposits

4. It has been observed that there is a need for realignment of the deposits port folio of these banks. Still the proportion of the high cost deposits is large.
5. It has been observed that these banks are using the delegated authority to decide the rate of interest on deposits judiciously.

Advances

6. The quality of these banks advances portfolio needs to be toned up. The credit appraisal as well as the post disbursement supervision and

control over credit provide ample scope for its improvement. New techniques of supervision need to be developed. While doing so the aim should be cost effective supervision. It has been observed that in all these banks the pre sanction visit to the business place and subsequent to disbursement regular visit to these places and verification of the security financed is lacking. These visits provide the banks to identify signs of incipient sickness of the account which enables the banker to timely initiate corrective action which in turn helps the bank to maintain the health of the borrowal account.

Here it is worth while to mention that Bhagini Nivedita Coop. Bank Ltd. Pune has provided financial assistance to Women's Engineering College of Hinge Stree Shikshan Sanstha, Karve Road, Pune. This bank as well as the other banks under study should also take effective steps to support the educational institutions in general and women educational institutions in particular in whatever manner they can help.

Training to staff

7. It has been observed that there is need to step up the training input to the staff of these banks for all cadres. They should be exposed to the new technology that is being implemented in the banking sector. There are new concepts like relationship management, marketing of banking services etc. which should be explained to the front line staff.

Profitability

8. There is need to bring about awareness about the profitability amongst all the staff members of these banks.

Membership

9. Previously the membership of Mahila UCBs was exclusively for women. In order to strengthen the financial capabilities of these banks, repeated petitions were given to the Reserve Bank of India to allow the membership of male members as well. Reserve Bank of India has agreed for this and extended relaxation that Mahila banks can now enroll male members' upto a limit of 25% of their total regular membership. Currently these banks are not maintaining separate data for women members, women beneficiaries of the various credit facilities etc. which they should start maintaining so that they will be able to substantiate what they have done for the targeted group.
10. The new policy of Reserve Bank of India has granted permission to decide the rate of interests on the deposits and loans but this has led to the competition within the cooperative sector itself at the same time it is the competition between unequal. This inequality is referred to geographical inequality, size inequality, and objective inequality and so on.
11. Marathe Committee has recommended for the Mahila Urban Cooperative Banks. This recommendation was accepted. It is difficult for banks to attract the genuine customers. In such condition Reserve

Bank of India has stated that Banks that have been established after 1993 should extend loans only to women customers. This has retarded the growth of Mahila Urban Cooperative Banks. This has resulted in slower growth of Banks because it cannot expand their business. However the banks under study of this researcher being established prior to 1993 are not abide by this rule.

12. The Reserve Bank of India in its annual report on Trends and Progress in Banking Status (2009-10) observes that urban banks are important purveyors of credit to small borrowers and to weak sections of the society but is not coming out with any supportive policies that will strengthen the role of Urban Cooperative Banks. However in the recent annual statement on Monetary policy for the year 2008-09 Reserve Bank has decided to form a working group on umbrella organization of Urban Cooperative Banks and constitution of Revival Fund for Urban Cooperative Banks which will facilitate a great deal in strengthening Urban Cooperative Banks to put them in better and competitive position.
13. Mahila Urban Cooperative Banks are extending loans to really deprived classes in society such as vegetable vendors, unskilled women labour, fruit seller, rickshaw drivers, and self employed women in small sector business. This has resulted in empowerment of poor women who are below poverty line or marginally above poverty line.
14. The Mahila Urban Cooperative Banks are aware of the social responsibilities. Bhagyalaxmi Bank extended the financial help to flood

affected people of Nanded. The bank has also financed for the blood bank. Jijamata Mahila Sahakari Bank Ltd. has offered scholarship to the ward of members of the bank. Bhagini Nivedita Mahila Bank extends finance at a lower rate of interest to the needy girls for their education. Thus these banks are working for the betterment of the society also.

15. Change is the law of universe. Banking sector in India is also not an exception to this rule. The nationalization of banks took place in 1969. This has resulted in expansion of the banking sector. After 1991 that is on adopting the policy of liberalization and globalization there was a large impact on banking sector. There was a large scale technology use in banking sector. This also resulted in competition in banking sector. This has also resulted in competition in Banking Sector. Reserve Bank of India relaxed their control to some extent and banks were granted autonomy to some aspects. During this period only private banks were introduced in the economy. Recent developments the banks are to face many challenges such as Risk Management, Value Addition aspects, Investment In technology and so on.
16. Pioneer of Self help Groups for women, Hon. Dr. Mohd. Yunus of Banglade Desh has quoted that, "Poor remain trapped in poverty, because of this institutions that we have created allover the world." 2/3rd of the world's population doesn't have access of the financial services, from the conventional financial services, tantamount to financial apartheid. By providing services to the poor and poorest

sector of the society that are suited to them, that is micro credit is in its in sense challenges this unjust system.”

17. Mahila Urban Cooperative Banks lend various types of loans such as loan against Gold, Cash Credit, Bills Discounting and purchasing, loan against salary. Hypothecation loans, loan against deposits, hire purchase loans and so on. The banks are also extending loan to Self Help Groups and Women Entrepreneurs for empowerment of women.
18. For the purpose of the better quality services the Mahila Urban Cooperative Banks are arranging for the regular research and market survey of their area of operation. It is hence essential to develop the financial products best suited for their particular area.

8.5 SUGGESTIONS

1. **Role of Specialized Directors:** The chairman of the board should ensure that the specialist directors take active part in all the board meetings and that the bank is benefited of their rich experience in their field of specialization.
2. **Need of Qualitative Action Plan:** It has been observed that these banks have not so far drawn out a qualitative action plan. It is suggested that these banks should form one or two small groups of officers/senior clerks who are committed for the banks over all development. They should come out with one short term (for 3 years) and a long term (for 5 years) plan for qualitative improvement. The draft of the group should be studied by the Top management and with

modifications required if any, final plans be prepared. These plans may be divided half yearly and once the Board of Director approves it, the office should start execution of it. There should be a periodical review (half yearly) of the implementation of the action plan at the Board level. This will help the bank to achieve qualitative improvement in the working of the bank.

3. **Realignment of Deposit Portfolio:** The Banks should put in conscious efforts to augment low cost deposit and should seek realignment of the deposit portfolio. For this purpose while fixing the business targets instead of fixing deposit target in totality it should be fixed segment wise e.g. for current deposits, savings deposits and term deposits. The performance of the branches be closely monitored on this front. Good performance shown by any branch should be appreciated and branch which is lagging behind should be suitably pulled. This cost aspects of deposits should be imbibed in the minds of the staff at all levels which will pay good dividend in times to come.
4. **Improvement in Quality of Credit Appraisal and Supervision:** The credit appraisal of the banks has become crucial. By and large it has been observed that the cooperative banks are still weak in this area and the training input to sharpen their skills is very much required. The board of directors of the cooperative banks being local persons should refrain from bringing undue pressure to entertain any noncredit worthy proposal as it will be in the long run a loss asset to the bank and will spoil the image of the bank.

These banks should make arrangement for qualitative pre sanction appraisals of the credit proposals as well as the post disbursement supervision over credit disbursed. Under any circumstances there should be no addition to the non performing assets which might affect the profitability of the bank.

The pre sanction credit appraisal and documentation, post disbursement supervision and follow up of advances should be a thrust area of the training to the staff at all levels. Through a process of on going specialized training programmes conducted for the homogeneous group from the bank itself (in-company training programmes) citing the examples from within the bank, the required skills can be developed and sharpened which will equip the staff to handle the business efficiently.

5. **Training to Staff:** In order to equip the staff at all levels to handle the business that they cater to it is all the while necessary that there should be a continuous training input given to the staff. The training should cover all the facets of banking focusing on marketing of their products, motivation, technology etc.

The training should be give to all the classes of the staff including the sub staff cadre. In their case thrust should be on proper filing system, discipline etc.

6. **Need for corrective measures:** The bank should identify those areas where the austerity measures are required to be taken. A comparative study of the past three years half yearly results be made

in the presence of the staff which focuses on the areas to be tapped or targeted. E.g. expenditure on electricity, telephone, stationary etc.

7. **Thrust on Increasing Women Membership:** It is suggested that these Mahila Urban Cooperative Banks should draw out a concrete plan of action to increase their women membership to a targeted level. It is also suggested that they may tap the well performing Self Help Groups for increasing enterprising women for membership and nourish their enterprising attitude.
8. **Improvement in Competency:** The competition by private and foreign banks has resulted into the challenge for Mahila Urban Co-op. Banks. At the same time nationalized, scheduled commercial banks have also put forth the challenge before the Mahila Urban Cooperative Banks. The areas and the priority sector of all these types of banks being different, it has become essential for Mahila Urban cooperative banks to increase their competency for survival.
 - i. Commercial banks are also in changing economic and banking scenario are trying to develop modern and scientific means for extending their services. So there is a threat from this sector as well as to the UCBs in general and Mahila Urban cooperative Banks in special.
9. **Capital growth:** The UCBs are having certain limitations in accumulation of share capital. Accordingly the reserve Bank of India has constituted for Revival Fund for UCBs.

10. **Recovery of loans:** The recovery of loan products is time consuming. One time settlement procedure and other measures are hence necessary.

11. **Challenges of globalization:** The challenges such as online banking, internet banking, core banking, mobile banking, anywhere/anytime banking, tele banking, E-banking, Web banking, are some of the important challenges before cooperative sector. The customer of this class of product and procedure is limited to 20% and high profile class of the society. The remaining 80% of customers are still attracted with traditional banking business. Hence Mahila Urban Coop. banks should work for the remaining large sector of the society and at the same time they must try to adopt modernization and all products for High Class of society too, which will coordinate the modern and traditional customers both.

12. **Redefine H.R. Policies**

The Urban Cooperative Banks, so also Mahila Urban Cooperative Banks are lacking with trained and skilled manpower. Human Resource shall be the important concept. In coming years which shall be adopted by Mahila Urban Cooperative Banks. The Human Resource shall have to change their line of thinking and views in order to sustain in market. Future generation will not like to listen to any excuse for the better development, as this shall be the age of the fittest.

- ❖ The key to the success of any organization lies in how efficiently the organization manages its' human resources. The principle

applies equally and perhaps more aptly to service institutions like banks. The issue is all the more relevant to the public sector banks who are striving hard to keep pace with the technological changes and meet the challenges of globalization.

- ❖ To institutionalize talent management, the first priority for the banking industry would be to spot, recognize and nurture the talent from within. Secondly, the industry has to attract the best talent from the market to maintain the required competitive edge vis-a-vis global players. However, the issue of critical importance is how talent is integrated and sustained in the banks. Therefore, a proper system of talent management has to be put in place by all the banks.
- ❖ In order to meet the global standards and to remain competitive, banks will have to recruit specialists in various fields such as Treasury Management, Credit, Risk Management, IT related services, HRM, etc. in keeping with the segmentation and product innovation. As a complementary measure, fast track merit and performance based promotion from within would have to be institutionalized to inject dynamism and youthfulness in the workforce.
- ❖ Another important ingredient of HR management is reward and compensation which at present do not have any linkage to skills and performance. A system of reward and compensation that attracts, recognizes and retain the talent, and which

commensurate with performance is an urgent need of the industry.

- ❖ An equally important issue relevant to HRM is to create a conducive working environment in which the bankers can take commercial decisions judiciously and, at the same time, without fear. This calls for a re-look into the vigilance system as it exists today, and perhaps there is a need to keep the banking industry out of the CVC. The Banks' Boards may be allowed to have their own system of appropriate checks and balances as well as accountability.

13. **Introduction of New Products & Services:** Mahila Urban Cooperative Banks are required to provide clients friendly products and services by designing savings and loan products to match the typical cash flows and distinctive needs. The banks should collaborate with Insurance Companies and must design insurance products for its members. The banks should workout the vocational training programs for the upcoming Mahila (Women) entrepreneurs. The banks must undertake the Bank's Asset Building Approach as is followed by Bhagyalaxmi Bank, Jijamata Bank and the Bhagini Nivedita Bank, Pune. Jijamata Mahila Coop. Bank has made an agreement with Bajaj Allianz Insurance Company and entered into the insurance business during the year 2007-08 and bank has added substantial amount to its present income.

14. Go Rural Mantra: In coming years especially by 2020, the small scale sector generating employment round about 2 crore of people through the production of 7500 products and 32 lakh small scale sector will have very important place in banking sector. Medium scale production units will be more competitive and knowledge based. The banking business will have to change their approach of granting and disbursing loans. in rural sectors. At present 171 000 villages having more than 5000 population the banking sector is expanding. 74% population, 41% Middle class customer and 58.1% share in income has expanded the business in rural areas for the banking sector. **So, "Go Rural" shall be the Mantra of success in coming years.**

15. New Approach to Banking: Mahila Urban Cooperative Bank should be innovative in different financial products and different distribution channels. The bank at door step is a new concept in the modern age. This service is related to appraisal or disbursement of loans, collection of repayments, or small savings, distribution of insurance services etc. The bank should get out of their offices and reach out to these targeted customers. Urban areas urgently need more women cooperative banks that can play vital role in extending micro credit for the eradication of urban poverty. Thus these banks can play the role of urban change. Mahila Urban Cooperative Banks can play a very important role. Accordingly the Mahila Urban Cooperative Banks have extended the loans to Self Help Groups. In the year 2009 the Bank of Nanded has about 174 accounts of SHGs. Bhagyalaxmi Bank of Nanded

has been awarded with status of Self Help promotion Institution (S.H.P.I.) by the National Bank for Rural Development. This is 1st such bank in Maharashtra.

16. As the entire Indian banking industry is witnessing a paradigm shift in systems, processes, strategies, it would warrant creation of new competencies and capabilities on an on-going basis for which an environment of continuous learning would have to be created so as to enhance knowledge and skills.
17. Another important ingredient of HR management is reward and compensation which at present do not have any linkage to skills and performance. A system of reward and compensation that attracts, recognizes and retains the talent, and which is commensurate with performance is an urgent need of the industry.

8.6 VALIDATION OF HYPOTHESES

It can be seen from the statistical data furnished in the Chapter IV – Analysis and interpretation of the data that the banks under study have extended financial assistance to the needy women entrepreneurs in their area of operation and have helped them to be on their own. Bhagini Nivedita Bank has helped 145 women entrepreneurs to the tune of Rs.4.08 crores, Jijamata Mahila Sahakari Bank Ltd. has helped 137 women entrepreneurs to the tune of Rs. 5.31 crores and Bhagyalaxmi Mahila Sahakari Bank Ltd. Nanded has helped 118 women entrepreneurs to the tune of Rs.2.38 crores. Thus the banks are keen in developing women entrepreneurs in their pursuit to

sustainable living. Hence the hypothesis No.1 i.e. "Mahila Nagari Sahakari Banks have helped in providing financial assistance to women which has resulted in the development of women entrepreneurs. " stands validated.

The Pune based Bhagini Nivedita Bank is solely managed by women not merely at the management level but also at the front and back office level. All are ladies in this bank. This is a special feature of this bank. The financial performance of the bank which has been discussed in the Chapter IV throws light on the excellent management of this bank. The bank has been awarded 'A' audit classification for a continuous period of 5 years. The bank is earning profit and declaring dividends during the period of study. Net NPA level is 0% for the last couple of years. Needless to say that the bank is managed very well.

Same is the case with Jijamata Mahila Sahakari Bank Ltd. Pune with little exception that of the composition of the Board of Directors. The bank has 18 directors including two workers representatives and excluding the Executive Director. Out of 18 directors of this bank 11 are women directors while 7 are male directors, i.e. 61% directors are women directors. The staff position of the bank also shows predominantly female workers in all cadres. Again the financial performance of this bank is excellent; bank is showing profit, being awarded audit class 'A' and NPA percentage is also within the RBI norms for the last 5 years under study. Thus the bank is managed well.

Bhagyalaxmi Mahila Sahakari Bank Ltd. Nanded. Here again is a bank headed by women and having majority of the women directors. The bank is performing very well. Thus the study of the performance of the banks under

study reveals that the banks are run satisfactorily and hence the hypothesis No. 2 namely "Mahila Nagari Sahakari Banks have helped in providing financial assistance to women which has resulted in the development of women entrepreneurs" has been validated fully.

With the financial assistance and guidance from these Mahila Sahakari Banks to the women entrepreneurs has resulted in the improvement in the standard of living of their families. With the financial earning the status of the earning women has undoubtedly improved and her views in the family financial matters carry weightage. With the rapid development of the Self Help Groups through the country in general and all over Maharashtra in Particular the overall image of the women in all population groups has substantially improved. This improved financial position and the status paves the way for social justice. Hence the hypothesis No. 3 i.e. Mahila Nagari Sahakari Banks have provided base for social justice has been fully substantiated.

The Mahila Sahakari Banks are being treated equally on par with that of normal Urban Cooperative Banks. In the initial stage of working the Mahila Sahakari Banks do find teething troubles regarding deposit augmentation, deployment of credit, recovery of advances etc. At present there are no special sops for Mahila Sahakari Banks on these scores. Therefore the researcher is of the considered view that the Reserve Bank of India should consider a case for grant of some concession in classification of NPAs, etc. at least for some specific period so that the new Mahila directors will be preparing themselves for facing the competition. It is in this context the

hypothesis No. 4, i.e. these banks require special assistance from R.B.I. / Apex Bank, stands validated.

8.7 SCOPE FOR FURTHER RESEARCH

Banking is an on going continuous process. There are changes in the banking processes day in and day out. Since 1991 the banking sector in general and urban cooperative banks in particular has undergone a sea change. Reserve Bank of India has introduced CAMEL rating in the assessment of the cooperative bank's performance also. For small cooperative banks as well as Mahila Sahakari Banks this is a new area. Banks are in the process of adjusting to the new situation and in course of time they will be settled. Once the new system of assessing the performance of the cooperative banks is stabilized the researcher is of the view that this area is a potential area for further research.

8.8 CONCLUSION

Cooperatives banks enlarge the reach of banking, both geographically and socio-economically in terms of high levels of loan delinquency due to its large numbers. Cooperative banks are organized and managed on the principle of co-operation, thus function on "no profit, no loss" basis. Although the main aim of the co-operative bank is to provide cheaper credit to their members and not to maximize profits, they may access the money market to improve their income for better survival. Most of the Cooperative Banks are

highly politicized and the situation has been further complicated by the system of dual control.

Administrative aspects including registration are under State Cooperative Acts whereas financial supervision and regulation is with the RBI. Since 1991, the RBI has been seeking greater parity between commercial banks and cooperative banks in terms of prudential norms, capital adequacy, asset classification, provisioning norms, individual and group exposure norms, ALM framework, disclosures, supervision, etc. Co-operative banks have been historically enjoying niche in the market share of deposits and credits. The co-operative credit structure in the country can be divided into two broad segments: the urban co-operative banks and the rural co-operative credit institutions.

The urban informal sector requires formal group of the financial institution for basically three reasons:

- a. Credit Requirement.
- b. The services in the area of savings, services and insurance.
- c. Better opportunities to participate in the economic development of the nation.

To Conclude:

Urban Cooperative Banks should not suffer because of the problems supported only because of the policies declared were not practical. The performance of Urban Cooperative Banks is excellent and consistent, the problems of Urban Cooperative Banks could be reduced provided both the

regulators adopt nursing approach and not a surgical approach and the patient must be faithful to the medicines, diet and exercise prescribed.

Banks should try to adopt the following change in their operation:

- i. Banks should redefine its policies by taking into account women's requirements in a focused and integrated manner.
- ii. Banks should have a charter for women which must be published. They should prepare long term plans and within that area plans with a view to outreach credit to women.
- iii. Banks should consider credit extended to women directly for smaller projects, credit under different schemes of banks and government sponsored schemes and credit to women entrepreneurs.
- iv. Banks which are especially established for the empowerment of women must ensure that the benefits under various poverty alleviation and employment promotion schemes go to women in the desired, deserved and decided ratio.
- v. Special training programs must be conducted for bank officers and to sharpen their skills and update knowledge to face the challenges ahead of them. E.g. Jijamata Bank Employees had attended the Training Programme conducted by 'Sahakar Vardhini, Rambhau Mhalgi Prabodhini. The Training programs organized by the reserve Bank of India. This will help the employees to learn newer techniques. In all these three sectors Urban Cooperative Banks in general and Mahila Urban Cooperative Banks can do better and achieve better.

- vi. There are various road blocks for extending credit to informal sector and urban poor including house wives and women working in small organization or carrying on small household and cottage type of businesses.
- vii. The banks under study have extended credit to these sections of the society reflecting the policy for empowerment of poor and women in the society. Due to unorganized nature of this section of the society the nationalized or private sector are not interested to extend any finance whatsoever to this sector.
- viii. Further from the operational cost of handling these accounts the nationalized banks as well as private sector banks are not in a position to cater to the requirement of this sector. At the same time as the operational costs of the Urban Coop. Banks are relatively low and they can afford this. Here it is also necessary to take into account the comfort level of this poor and women sector.
- ix. These being local banks, they find it more comfortable to bank with these banks. The consistent increase in beneficiaries of the credit provided by these banks it is revealed that these institutions have performed better in the urban sector. This is for micro finance and needy section of the society.
- x. The retail savings and insurance are the areas which are targeted by these Mahila Urban Coop. Banks. The bank should provide additional services in this sector. Credit to women is to be supported by other

Integrated services like training, marketing, counseling, etc. for the customers of Mahila Urban Coop. Banks.