SUMMARY, CONCLUSIONS AND SUGGESTIONS

During the last two decades the movement for empowerment of women socially and economically, has been on the forefront all over the world, including India. Central and State governments have launched and implemented a number of schemes/projects under various plans to strengthen the status of women. Winds of change are blowing across the country regarding all round development of women.

The most powerful determinants of the women’s status in the family and society are education and ability to earn and control income. In India, unfortunately, despite a gradual increase in the female literacy rate, the majority of women are still financially dependent on the male members of the family, while the banking sector, in general, has an important role to play in the economic empowerment of women. In this situation, the women’s urban co-operative banks can be the best suitable agency to generate income and employment for women.

Mahila (women) Co-operative Banks have come into existence to assist the poor and the needy women of the weaker sections of the society for improving their standard of living by generating sources of finance which will enable them to supplement their family income and
help them to become self-reliant. Assistance apart, the main thrust of the bank has been to encourage thrift among its members.

Recognising the objective of Mahila banks and their usefulness as developmental strategy, the government and RBI have taken specific steps to facilitate formation of Mahila Banks. Both Madhav Das Committee (1977) and Marathe Committee (1992) on urban co-operative banks had appreciated the role and importance of Mahila Co-operative Banks and made favourable recommendations for encouraging organisation of Mahila banks. In nutshell for empowering women economically and socially Mahila Co-operative Banks are doing extremely a wonderful job. Mahila Co-operative Banks are fulfilling the financial needs of women and are helping to increase their income and thereby their standard of living.

**Statement of the Problem**

All efforts to uplift women and make them self-reliant are going on everywhere especially in a country like India, where women were under suppression in male-dominated social system.

Credit being an ‘entry point’ to economic development, non-availability and non-accessibility of credit to rural women has been instrumental in aggregating gender inequalities in the rural areas. Though the transformation of ‘elite or class banking’ into ‘mass banking’ in India heralded in a developmental thrust.
In this respect Mahila Co-operative Banks come to her help in strengthening her economic condition and help her to safeguard her savings, encourage to take up productive activities by lending loan or financial help. In this respect Mahila Co-operative Banks will be of immense help to women. Hence, the researcher took this study to analyse the role of Mahila Co-operative Banks in economic life of women.

Though Mahila Co-operative Banks are of recent origin and have limited resources of their own, their performance is definitely remarkable compared to other Co-operative Banks.

Capital availability, deposit accumulation, government support, loaning facilities of both Urban Co-operative Banks and Mahila Co-operative Banks are alike. It is noteworthy that the performance of Mahila Co-operative Banks is more than satisfactory though they are of recent origin. Given the required encouragement and managerial inputs to the management personnel of Mahila Co-operative Banks and with qualified and trained staff definitely their performance will be excellent.

It is against this background that an attempt has been made to study the various aspects connected with Mahila Co-operative Banks such as deposit mobilization and deployment pattern of funds, impact of bank loan on income and employment
generation, utilisation and recovery and repayment of loans, in selected Mahila Co-operative Banks of Belgaum and Dharwad districts. The study is restricted to the borrowers in the priority sector of selected Mahila Co-operative Banks of Belgaum and Dharwad districts of Karnataka.

Objectives of the Study

The broad objective of the study is to study the origin, growth and progress of Mahila Co-operative Banks in Karnataka in general and that of selected Mahila banks in Belgaum and Dharwad districts in particular.

The specific objectives of the study are as follows.

1. To study the deposit mobilisation by selected Mahila Co-operative Banks in Belgaum and Dharwad districts.

2. To study the deployment pattern of funds by the selected Mahila Co-operative Banks.

3. To study the recovery and overdues of selected Mahila Co-operative Banks.

4. To analyse the impact of the bank credit on income and employment generation of sample borrowers.

5. Summary of findings, conclusions and suggestions.
Hypotheses of the Study

1. There is significant increase in income of borrowers after borrowing loan from selected Mahila Co-operative Banks.

2. There is significant increase in the mandays of employment of borrowers in post-loan period compared to pre-loan period.

3. The borrowers of selected banks have utilized the funds for the purpose for which they had borrowed.

Methods of Data Collection

Present empirical study is based on both primary and secondary data.

Primary Data

The primary data were collected from sample borrowers by canvassing a comprehensive questionnaire was specially designed for the purpose. The questionnaire before being canvassed, among 200 sample borrowers, a pilot study was conducted to comprehend utility and suitability of the questions. The method of personal interview has also been adopted for collecting necessary information.

The survey of the study conducted in the operational areas of selected Mahila Co-operative Banks in Belgaum and Dharwad
districts in the months of April and May 2005. On the basis of
the detailed primary data collected from the borrowers, the impact
of credit assistance under priority sector, on income and
employment generation of sample borrowers was assessed by
comparing post-loan position with the pre-loan position.

A general schedule was addressed to all the selected Mahila
Co-operative Banks in both the districts to elicit information
relating to various aspects of the bank's profile.

Secondary Data

Secondary data for the study were collected from Annual
Reports and Balance Sheets of the respective banks. Secondary
data were also collected from government departments, Karnataka
State Co-operative Urban Banks Federation, Bangalore, Regional
Institute of Co-operative Management, Bangalore, Vaikunth
Mehta National Institute of Co-operative Management, Pune,
National Institute of Bank Management, Pune, National Institute
of Rural Development, Hyderabad, District Statistical Office of
Belgaum and Dharwad districts, Office of the Registrar of Co-
operative Societies of Dharwad and Belgaum districts, University
Libraries, Internet, published reports in the form of articles,
books, etc.
The researcher had series of discussions with Chief Executives, Chairpersons and Directors of Mahila Co-operative Banks, Officials of the Federation of Urban Co-operative Banks, Co-operative Departments of the government, etc. Such discussions provided us the general information and an insight into the urban co-operative credit structure in general and Mahila Co-operative Banks in particular.

Period of Study

The analysis based on secondary data is restricted to a period of eight years from 1997-98 to 2004-05. This period has been selected because except Jijamata Mahila co-operative bank all other selected banks were established in the year 1997-98. Therefore, since their inception till 2004-05 the published data were available. Hence, the study period is restricted to eight years.

Selection of the Districts

Two districts have been selected for the present study, namely, Belgaum and Dharwad districts. The Belgaum district is selected for the reason that the development of Mahila Co-operative Banks in Belgaum district has occupied the second place in the State next to Bangalore district. Secondly, the first Mahila Co-operative Bank in Karnataka, i.e., Jijamata Mahila Co-operative Bank was
established in 1974 in Belgaum district. So, the researcher was interested to make an assessment of progress of Mahila Co-operative Banks in Belgaum district.

Similarly, Dharwad (undivided) district has been selected (which includes present Gadag and Haveri districts) for the study. Further, it is interesting to note that the First Co-operative Credit Society was started in Kanaginhal of Dharwad district in 1905. The first Marketing Society was established in Hubli in the year 1915. The first Land Mortgage Bank was started in 1929 at Dharwad. So, the co-operative movement has long standing, rich heritage and glorious past in the district. Hence, the researcher has selected Dharwad district to know the extent of progress made by Mahila Co-operative Banks in the district. Moreover, the researcher hails from this area and has acquaintance with the people and surroundings.

Further, not even a single investigative study is made on the Mahila Co-operative Banks in these districts so far. Thus, these two districts offer vast scope for research study on the Mahila Co-operative Banking sector.

**Selection of Sample Banks**

The present study is confined to the special segment of the banking sector, i.e., Mahila Co-operative Banks which are newly emerging areas in the banking sector. The study is based on a sample survey of banks and its borrowers. As on 31st March,
1998, there were six Mahila Co-operative Banks operating in the study area, i.e., Belgaum and Dharwad districts of Karnataka. For the present study four Mahila Co-operative Banks have been selected for an in depth case study, whereas the other two banks were not working satisfactorily. Hence, we have dropped them from our study and the banks, which are functioning on satisfactory basis, were selected for the present study.

Sample Size and Selection of Borrowers

Of the total number of borrowers highest number of borrowers is found in priority sector. Therefore, the emphasis of the study was on priority sector. So, only those borrowers who have availed loan under priority sector were selected for the present study.

In order to evaluate the impact of bank credit on income and employment generation, 200 sample borrowers were selected from four sample banks of Belgaum and Dharwad districts. The selection of the sample borrowers was done on random sample basis. Accordingly, 50 borrowers from each bank were selected on random sample basis, giving a good representation to different activities under priority sector. The number of borrowers in each activity in each bank is proportional to the total size of borrowers in that activity. Later on, these borrowers were classified into three broad categories such as, activities allied to agriculture, manufacturing and service sector.
Reference Year

There are two reference years. The year 2005 refers to the survey period while the year 2003 refers to the selection of borrowers who had borrowed under priority sector of the selected banks of Belgaum and Dharwad districts. The gap of two years was permitted on the ground that certain activities allied agriculture, manufacturing and service take a longer gestation period to start yielding incomes. It also ensures stabilization of income of borrowers.

Methods of Analysis

The statistical tools – Averages, Growth, Indices, Ratios, t-test, Sampling Techniques, Diagrams, and Graphs - have been used for collection, presentation, analysis and interpretation of data.

The methodology adopted is to compare the post-loan position of the sample borrowers was with their pre-loan position in order to assess the impact of credit on income and employment generation.

Limitations of the Study

1. The study is confined to two districts, namely, Belgaum and Dharwad (undivided) districts. So the interpretation holds good only for those districts, though generalization can be made for other districts.
2. The focus of the study is restricted only to the working of selected Mahila Co-operative Banks of Belgaum and Dharwad (undivided) districts and impact of bank credit on income and employment generation of the sample borrowers.

3. The information collected from the respondents is based on their memory.

4. Since the data are obtained from more than one sources, there may be slight discrepancies between one source and another about the same variable of the study.

Women Co-operative Movement and Women Co-operative Banks

The experience of women involvement in different countries gives a very encouraging picture. It clearly shows that women can definitely do well in all spheres of life, particularly in the field of co-operatives. But it is disheartening to state that Indian co-operatives have a very insignificant number of women members. They do not have proper representation in the co-operative movement. So, the role of women in the co-operatives could be increased by giving them co-operative education and training. Credit facilities from banks and financial institutions are necessary for the promotion and strengthening of women co-operatives. Mahila Co-operative Banks give a ray of hope for women. Starting of Mahila Co-operative Banks in the urban co-operative banking sector has come as a welcome development and the most significant movements for economic betterment of women.
Origin and Development of Urban Co-operative Banks and Mahila Co-operative Banks

The urban co-operative banking sector among other sectors of the co-operative movement has made commendable progress in the State and in the country. In Karnataka State, there were 160 urban co-operative banks by placing the State in third place in the country as regards urban co-operative banking movement when the Banking Regulation Act, 1949 was made applicable to urban co-operative banks. Karnataka is continuing in the same rank having 301 working urban co-operative banks as on 31.3.2004 coming under the purview of the Banking Regulation Act, 1949.

Mahila Co-operative Banks of India are unique financial institutions. The Mahila Co-operative Banks, as the name itself suggests, work exclusively for the economic development of women. Establishment of women's co-operative banks is a bold and revolutionary step in the history of urban co-operative banking in India. Maharashtra is the pioneer State in women's co-operative banks in India. The first women's co-operative bank was established in October, 1971 at Inchakarnji in Kolhapur district. In Karnataka, Jijamata Mahila Co-operative Bank of Belgaum is the first Mahila Co-operative Bank in the State established in the year 1974. The Mahila Co-operative Banks in the State have made good progress and have acquired the second place in the country next to Maharashtra. There are 28 Mahila Co-operative Banks in the State. According to RBI
Licensing Policy, there must be at least one Mahila Co-operative Bank in each district. At present, the Karnataka State Urban Co-operative Banks Federation is successful in establishing Mahila Co-operative Banks in 20 districts. Efforts are on to establish Mahila Co-operative Banks in all 27 districts of the State.

Financial Performance of Sample Mahila Co-operative Banks

It is observed that owned funds constitute very small (22.79 per cent). Proportion of the total resources and deposits constitute a large (77.21 per cent), proportion of the total reserves, in all the sample Mahila Co-operative Banks of Belgaum and Dharwad districts. However, the percentage share of owned funds in the year 2004-05 is slightly higher than what it was in 1997-98 indicating better financial position of these banks.

The selected Mahila Co-operative Banks fared well in respect of deposit mobilization. Deposits increased from Rs.865.96 lakh in 1997-98 to Rs.2,735.85 lakh in 2004-05 in absolute terms and growth index of deposits increased by 216 per cent. The proportion of different types of deposits is, however, by and large uncontrollable, the choice is to the depositors and not to the bank. At the most, the bank can be judicious in its deposit mobilisation efforts directed at different types of deposits. In all the selected Mahila Co-operative Banks, the proportion of fixed deposit is high compared to Savings and Current deposits.
Deployment of Resources of Sample Mahila Co-operative Banks

The urban co-operative banks organized by women are rendering a very useful service especially in promoting habits of thrift among women and providing credit facilities to them for various purposes. But, for the sustained development, the banks should come out with innovative loan schemes for income generating activities in their respective areas of operations. The advances of sample Mahila Co-operative Banks are almost secured. It is also observed that the sample Mahila Co-operative Banks are observing the RBI guidelines with regard to the percentage of unsecured loans to total loans. In the beginning transport activities got maximum share in the total advances followed by consumption loans, housing loans and activities allied to agriculture. Now, the scenario is completely changed. The highest share is enjoyed by housing loan, followed by road transport, trade and commerce, loans for consumption purposes and activities allied to agriculture. All the sample Mahila Co-operative Banks exceeded the target fixed for priority sector lending (60 per cent) during the study period from 1997-98 to 2004-05. This shows that sample Mahila Co-operative Banks (except Priyadarshini bank) are lending as per the directions of the RBI. Fulfillment of priority sector lending target by the banks is taken into consideration by the RBI, while granting permission for branch expansion, expansion of areas of operations and scheduled status.
Socio-economic Profile of Sample Borrowers

The profile of sample borrowers is studied from two different angles, viz., social and economic, which includes age, education, caste, marital status, nature of family, family size, land holdings, housing conditions, basic amenities like drinking water facilities, electricity connection, etc.

The age composition of sample borrowers reveals that the credit has gone into the right hands, i.e., the most promising age group of 25 to 48 years, whose percentage is the highest among all the sample Mahila Co-operative Banks. Majority of the sample borrowers from selected banks belong to the category of literates. Majority of the borrowers are married. The nuclear family structure is more prominent than that of joint family structure. Majority of the borrowers are better placed so far as housing conditions, electricity connections and drinking water facilities are concerned. Majority of the borrowers own land less than 4 acres which shows that the sample Mahila Co-operative Banks are serving the needs of low and middle income group people in rural and semi-urban areas. Of the total sample 76 per cent of borrowers are women and 24 per cent of them are men.

Impact Analysis of Bank Credit

The bank loan is expected to generate a positive benefits or effects in the form of employment and income generation. It is
believed that the adequate employment in the form of incremental mandays are generated.

The foregoing analysis shows that the loans of the sample Mahila Co-operative Banks proved beneficial to the borrowers in many ways. Expansion of the scale of operation of the activity or establishment of a business activity with the assistance of bank credit helped to increase the production or turnover. As a result, there was significant increase in average annual income of the sample borrowers during post-loan period. The highest incremental income was observed in Rani Channamma bank and service sector is proved to be prominent in earning higher income and employment. Priyadarshini bank is successful in generating more number of mandays.

Main Findings

Based on the statistical analysis and other investigations on the data collected the following observations are made.

(1) Among four selected Mahila Co-operative Banks the growth index of owned funds of Rani Channamma bank is maximum (747.69 per cent) due to increasing share capital, increase in low cost deposits, recovery of loans and advances, reduction of NPAs and increasing profits. The growth index of owned funds of Soubhagya bank is the lowest among all the banks. When all banks are considered together, the growth index of owned funds has increased by 251.11 per cent during the period of 8 years from 1997-98 to 2004-05.
(2) The growth index of share capital is maximum in respect of Rani Channamma bank which has increased by 101.49 per cent due to steady growth of share capital and heavy disbursement of loans. While that of Soubhagya bank growth index of share capital has increased by 26.47 per cent, which is minimum among all the sample banks. In majority of the sample Mahila Co-operative Banks the increase in share capital was very marginal because of poor growth rate in the membership.

(3) The reserve funds of all the selected banks have increased considerably. The growth index of reserve funds in respect of Rani Channamma bank increased very steeply by 18,786.67. Since the reserve funds in the first year was very small, i.e., Rs.1.05 lakh and also due to continuous flow of profits.

(4) The growth index of deposits of selected Mahila Co-operative Banks increased by 3 times during the period under study, despite various limitations and constraints like limited area of operation, stiff competitions from commercial and other private sector banks.

(5) Among all the selected banks the growth of deposits of Rani Channamma bank was the highest, i.e., Rs.1,303.35 lakh in the year 2004-05. This is due to expansion of branches, exemplary customer service, consistent and concerted efforts on the part of staff and management.
(6) The growth index of deposits of Rani Channamma and Priyadarshini banks have increased by more than 12 times while that of Soubhagya bank increased by nearly 7 times and in Jijamata bank by 1.5 times.

(7) In the total deposit mix the proportion of fixed deposits to total deposits is the highest 78.09 per cent, followed by savings deposits 20.38 per cent and current deposits 1.53 per cent. The predominance of fixed deposits in the total deposits implies high cost of deposit mix, greater degree of financial risk and lesser scope for profitability.

(8) The percentage share of savings deposits is insignificant in the total deposits. But savings deposits are increasing during the period under study indicates the efforts on the part of Mahila Co-operative Banks in respect of cultivating the habit of thrift and savings among the people with moderate means.

(9) The percentage share of current deposits to time deposits is negligible. This indicates that the Mahila Co-operative Banks are unable to attract traders and businessmen to keep their savings in Mahila Co-operative Banks.

(10) The growth index of loans and advances of all the selected Mahila Co-operative Banks increased by 132.66 per cent during the period of 8 years.

(11) Among all the sample banks the growth index of loans and advances of Rani Channamma bank is maximum, i.e., 817.44 per cent
in 2004-05. But the growth index of all the banks except Rani Channamma bank, decreased in one or the other years during 2002-03 to 2004-05, due to poor financial performance of urban co-operative banks, in general, has affected the performance of some of the good working co-operative banks also. It also reflects the diminishing ability of the sample Mahila Co-operative Banks in the deployment of costly deposit resources.

(12) All the sample Mahila Co-operative Banks have lent a major portion of their credit to trade and commerce and housing loans, neglecting the very objective of Mahila Co-operative Banks, i.e., lending for development of entrepreneurship among women (i.e., for professionals and self-employed). Even the credit for small-scale and cottage industries forms relatively an insignificant portion of the total credit.

(13) All the sample Mahila Co-operative Banks have financed more than 75 per cent loans to priority sector except Priyadarshini bank. It signifies that the performance of the majority of the sample banks was more than satisfactory in fulfilling the target set by the RBI in this respect.

(14) Except Rani Channamma bank the overdue position of all the selected Mahila Co-operative Banks shows an increasing trend over a period of 8 years. It shows diminishing efficiency and effectiveness of sample Mahila Co-operative Banks in recovering the loans. This
phenomenon had not only affected the recycling of funds but also exerted adverse impact on profitability and financial discipline. Overdues of Soubhagya bank have been growing at a faster pace during all the years under study. They are alarmingly increasing.

(15) The percentage of NPAs to loans outstanding declined in Jijamata and Rani Channamma banks during the period under study. The percentage of NPAs to loans outstanding in Soubhagya and Priyadarshini banks are increasing year after year and it was found to be the highest with respect to Soubhagya bank (i.e., 20.08 per cent in 2004-05). These NPAs cease to generate income for the banks.

(16) Credit Deposit Ratio of Jijamata and Priyadarshini banks are high. CDR of Soubhagya bank is the lowest among all the sample Mahila Co-operative Banks. The bank could not attain the normally expected CDR of 60 per cent as prescribed by RBI not even once during the period under study. The CDR of Rani Channamma bank is also decreased. The declining CDR of the banks during the study period supports the inference that the banks have not been able to deploy their resources in an optimum manner.

(17) In order to study the impact of bank loan on generation of income of borrowers, the average annual income of borrowers in pre-loan and post-loan periods has been computed and compared.

(18) The bank finance had a significant impact on the income levels of the borrowers of all the selected Mahila Co-operative Banks after
obtaining loan from banks. The performance of Rani Channamma bank among all the banks is excellent (133.84 per cent) due to large number of highly qualified borrowers, nature of the activities undertaken, commitment on the part of borrowers in terms of proper utilisation of assets influenced to a great extent, the productivity of the assets financed and leads to significant increase in income of borrowers. The percentage of increase in average annual income of service sector is highest (139.14 per cent) in post-loan period in comparison with pre-loan period among all the sectors.

(19) In addition to raising levels of income the credit assistance provided by the Mahila Co-operative Banks to sample borrowers had also generated additional employment in the post-loan period over the pre-loan period to the extent of 55.63 per cent. The percentage of increase in annual mandays of employment is the highest in service sector (64.15 per cent) and it is observed highest in case of Priyadarshini bank (87.75 per cent). Higher employment generation in respect of banks and in respect of sectors was reported where credit is used by the borrowers to start the activity.

Suggestions

In the light of findings of this study, the following suggestions are made for improving economic performance of banks.

(1) The owned funds of the bank need to be strengthened for a strong capital base. This can be achieved by increasing the
membership so as to raise the share capital. For this, a region-wise committee comprising of local members may be constituted to motivate the people to become the members of the bank. In order to raise the reserves base, the loan recovery should increase and NPAs should decrease. So that, profits of the bank will increase and reserves of bank and owned funds will also increase naturally.

(2) Design of innovative deposit schemes that are need-based and attractive may contribute significantly towards bank's efforts in mobilizing deposits from rural and urban areas.

(3) Special campaigns and programmes such as deposit mobilisation week can be arranged at least once in a year by providing attractive terms and conditions in rural and urban areas to inculcate savings habit among women.

   Directors of the bank have to visit at every nook and corner of the city to insist women folk, the necessity of the promotion of women's bank, explain them the saving schemes and loan schemes of the bank. The staff should go to offices, schools, colleges, hospitals, women's clubs, etc., to collect deposits and advertise their schemes and policies.

(4) As the low-cost deposits in the form of saving deposits and current deposits constitute relatively smaller part of total deposits. Main thrust of deposit mobilisation drive by Mahila Co-operative Banks should, therefore, be towards increasing current and saving
deposits. The Mahila Co-operative Banks may follow door-to-door campaign in order to explain the uses of the schemes and programmes of the Mahila Co-operative Banks and motivate them for going for schemes launched. Along with that courteous treatment of customers prompt and efficient services rendered to them, particularly in the receipt of payments, encashment of cheques and disposal of request for loans would go a long way in attracting low cost deposits.

(5) The volume of deposits mobilisation by Mahila Co-operative Banks depends upon the quality of the services rendered. It is the quality of the right services provided to the customers at right time that makes favourable impression on the savings and investment behaviour of the customers. If the customer is satisfied, they will naturally recommend the bank to their relatives and friends. Thus the customers themselves are the most effective organs of publicity for any bank. Winning the depositors' confidence is a great challenge before the banks.

(6) The credit for small scale industries and professionals and self-employed and educational loans forms relatively an insignificant portion of the total credit. This calls for diversification and re-orientation of credit policy.

(7) The problem of overdue is a matter of serious concern since it affects the recycling of funds, economic viability of the banks. Therefore, the Mahila Co-operative Banks must employ efficient
machinery for lending and its timely recovery. Supervision must start before granting of loans to assess the need and purpose of borrowing. Besides, it requires a follow up action over the use and recovery of funds. Personal contact between the borrowers and the supervisor is required from the beginning till the money is recovered. It is necessary that these banks should concentrate on recovery aspect and see that the overdues are minimum. In their efforts to speed up recovery they should concentrate on willful defaulters.

At the same time, it is also suggested that in order to improve the recovery of loans and advances the bank need to maintain an amicable relation with the borrowers thereby generating a moral binding or obligation on the borrowers towards repayment of dues. The moral obligation will be more powerful instrument of recovery than the legal obligation. Mahila Co-operative Banks being local institutions should not find it difficult to recover the overdues from members. Directors of the locality concerned on whose recommendations loan is granted should take the moral responsibility and assist in recovery of advances from defaulting borrowers by persuasive measures prior to following coercive procedures.

(8) There is an urgent need for reducing the NPAs. Therefore, the banks should devise suitable recovery policies and schemes for assessing, classifying and collecting overdues, monitoring accounts, keeping regular contacts with borrowers, fixing recovery targets and arranging recovery camps.
(9) Today Mahila Co-operative Banks are considered as an important segment of the banking sector and are required to compete with other commercial banks and private sector banks. In the present liberalized environment characterised by competition, some basic minimum qualification should be fixed for members of the Board of Directors, as they are required to take important financial decisions and formulate policies with financial implications. In most of the cases it has been found that majority of the Directors of the Board are not well-versed with banking system. It is, therefore, suggested that there should be a provision of at least one member from the banking sector, one professional and one economist for the smooth functioning of the banks.

(10) The Mahila Co-operative Banks lack the professional banking education and training which are very essential for managing the banks in the present environment successfully. Therefore, there is an urgent need of the hour to give banking education and training to the staff. One should also consider the feasibility of recruiting only those persons who have been trained in an institution for the co-operative banking that may be set up by the department of co-operation of the respective State governments. Rigorous education and training for the existing staff of the co-operative banks may be arranged to impart professionalism for the existing employees of these institutions.

(11) Mahila Urban Co-operative Banks consider audit as one of the management tools to regulate the working of an organisation. Hence,
Chartered Accountant Firms should audit concurrently the urban co-operative banks. The statutory audit is conducted by the co-operative department. This will go a long way in improving the internal performance and evaluation of these institutions.

Technology upgradation drive may be launched by the State government to help the Mahila Urban Co-operative Banks. New means, such as computers, fax, counting machines, alarm system, etc., should be used for increasing the efficiency of the staff and their productivity.

(12) The services provided by Mahila Co-operative Banks are highly essential for ensuring qualitative improvements in the economic conditions of the women in rural and urban areas. The co-operative banking sector has been passing through the phase of its most difficult crisis during the past few years and they also began to feel the heat of the competition in the post-urbanisation period. In this scenario the performance of Mahila Co-operative Banks is highly appreciated. Therefore, it is also recommended that the establishment of new urban Mahila Co-operative Banks should be actively encouraged by the authorities.