Chapter - VI

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6.1 INTRODUCTION

This thesis covers a detailed study of Mahila Nagari Sahakari Banks in Pune and Nanded city from various angles. It can be stated that both these cities do not have equal level playing field. Pune city is predominantly an industrial, educational, service centre wherein the wage earning women population is quite large. Their earnings are also quite sizeable. This is not the case with Nanded city although it is now developing centre. But then it has its limitations for expansion. Keeping this backdrop in mind the following discussion about comparison follows:

6.2 POTENTIAL

Pune being a metropolitan centre, and is an accredited manufacturing centre, information technology and automobile hub, educational centre, the working women population is quite large. Their earnings are quite sizeable. Their educational level is also high. All these aspects offer higher potential for the Mahila Nagari Sahakari Banks.

Nanded – Although it is a district head quarter, has several limitations for its development. No doubt the city is developing fast on various industrial, educational fronts but one must understand the limitations. The population of
wage earning women is relatively small, a combination of moderately educated and illiterate women, and also moderately earning women is more. But still the study of Bhagyalaxmi Mahila Nagari Sahakari Bank's development over the study years has revealed that there is a sustainable growth.

6.3 OPPORTUNITIES

As per the study of the Mahila Nagari Sahakari Banks the nationalized and private sector banks has also introduced tailor made schemes keeping in focus the women beneficiaries. At Pune almost all the public sector banks as well as renowned private sector banks have not only their outlets but also controlling offices who can sanction loans, deviations if any.

This is not the case with Nanded city. There are limited banking outlets available and hence this is also a limiting factor.

6.4 MANAGEMENT

In regard to the management of the banks under study it has been observed that the Bhagini Nivedita Mahila Sahakari Bank Ltd. was established as solely managed by the women. This is a peculiar character of this bank. One will find all the board members and the staff in all cadres are ladies and they are running the bank quite efficiently. Right from its establishment the RBI had not put any restriction about the male membership and hence the bank has been developed on sound footing.
As against this in regard to Jijamata Mahila Sahakari Bank Ltd. although the name includes the word Mahila in its title there are good number of male directors who are managing this bank.

So also composition of the board of both these Pune based banks reveal that majority of the board members (both male and female) are very well qualified and that too there are expert directors inducted in the board. Needless to say that as per the Madhavdas Committee recommendation female directors are also there.

In respect of Nanded based Bhagylaxmi Mahila Nagari Sahakari Bank Ltd. it is observed that this bank is also being managed collectively by male and female directors who are also qualified and the composition of the board also indicates that there are also expert directors on the board.

6.5 MEMBERSHIP

All these banks (both from Pune and Nanded) are not maintaining separate statistical data relating to women members which forces some limitation for commenting. However, based on the interaction with the Chief Executives of these banks it has observed that although Pune offers greater potential for registering women members the rate of growth of new women members does not commensurate with the growth of the bank. Thus it is observed that there are no conscious efforts for registration of women beneficiaries. In fact these banks appear to have forgotten their initial objective of empowering the women.
As against Pune based Banks, the Nanded based Bhagyalaxmi Mahila Nagari Sahakari Bank’s performance on this score is really commendable. This was possible only because of the bank’s policy to cater to the credit needs of Self Help Groups. Through these assisted SHGs the bank gets a regular enrolment of women members.

6.6 **BRANCH EXPANSION**

Pune being a metropolitan centre and lots of new areas are on the outskirt of Pune are developing very fast, there is ample scope for branch expansion. However, it has been observed that these banks are not effectively appreciating this need and as a result the net work expansion is quite sluggish. This is an area where the managements can have a fresh look.

In the case of Bhagini Nivedita Mahila Nagari Sahakari Bank Ltd. where all the staff members are women this appears to be the limitation. But then taking into account the metropolitan character of Pune city this should not be a barrier for expansion.

As against this it was interesting to find that the Bhagyalaxmi bank is developing relatively fast because they do not have restricted to the employment of the women only. Of course they give priority to the women candidates but at the same time keeping fully in mind that they will be requiring mobility of the staff (which is very limited with women employees because of various constraints) induct male employees. Hence it has been possible for them to expand in the adjoining areas.
6.7 TOTAL DEPOSITS

Considering the age of the banks in Pune which are pretty older to that of Bhagyalaxmi Mahila Sahakari Bank Ltd. Nanded the total deposits of the banks in Pune are much more. Pune being a metropolitan city and the number of working women's population is higher naturally it has its impact on the total deposits are concerned.

No Cost deposit (Current Deposit)

Mahila Sahakari Banks at both these centers i.e. Pune and Nanded are required to give thrust to augment current deposits. The percentage of current deposits in the total deposits is rather low and is getting stagnated. Conscious efforts to canvas these deposits by making some attractive incentive to the field staff the desired increase in the current deposits can well be achieved. Even a slight change of 1% it matters much as it increases the Bank's profitability. There is a scope to increase these deposits but one has to make conscious efforts.

Savings Deposits

These deposits show little increase in both the centres but the rate of growth is not encouraging. In order to increase the profitability of the bank it should see that booster is given to the collection of new savings bank accounts and see favourable realignment in the deposits.
**Term Deposits**

The percentage of term deposits in the total deposits at both the centers is higher and needs to be realigned. The cost of holding term deposits is relatively higher and only the concerted efforts can bring about the desired change. This need to be monitored by the higher authorities.

6.8 ADVANCES

In the case Bhagini Nivedita Mahila Sahakari Bank Ltd. the C. D. ratio is quite moderate. It appears that the bank is very conservative in securing advances. It is also due to pursuing a deliberate policy of investing the surplus in short term bank deposits as these deposits attract higher rate of interest and the cost of operating the individual account is also very much and comparing the cost benefit ratio it is understandable that the bank is pursuing a deliberate policy of growing slowly on this front.

In the case of Jijamata Mahila Nagari Sahari Bank the CD ratio is quite high and the bank should take effective steps to reduce. As per the latest Reserve Bank of India guidelines for the urban cooperative banks that the CD ratio should be below 70%. This will ensure that the bank has deployed the credit within the Reserve Bank of India.

6.9 NON PERFORMING ASSETS

The percentage of net non performing assets to the total advances is an indicator of the health of the bank. The lower the ratio the position is considered to be sound. In the case of Bhagini Nivedita Mahila Sahakari Bank
it is very low for all the period under study. There should be no complacency otherwise the percentage will increase causing restrain on the profitability. In the case of Jijamata Mahila Nagari Sahakari Bank Ltd. there is a good development that the percentage of NPA is getting reduced. It has come down from 6.36% in 2004-05 and has come down to 2.79% in 2008-09. The bank should continue to maintain these NPAs or even further improve it to achieve a 0% NPA situation.

However in case of Bhagyalaxmi Mahila Sahakari Bank Ltd. Nanded it seems that the NPA percentage is showing increasing trend. In the year 2004-05 it was at 2.55% which has now grown to 4.28% in the year 2008-09. This calls for a serious introspection. It means credit appraisal, post disbursement supervision and control in this bank is below average and urgent steps will have to be taken to strengthen the situation. It is badly affecting the bank's profitability. Even it may affect its further growth in other areas as the recent RBI directions on viability are stricter and will put limitation on the bank's growth in times to come. Therefore the first and foremost target of this bank should be to reduce the percentage of NPA to total net credit provided by the bank. And at the same time it should ensure that the addition to the credit portfolio should be of good quality advances. Stricter norms for pre sanction credit appraisal may be prescribed. Let the bank have over cautious approach and in all the advances as far as possible ask for collateral security in the liquid form i.e. assignment of Life Policies, or National Savings Certificates, etc. This will provide adequate cushion to the bank to tackle the NPA issue.
6.10 BANK'S OVER ALL PROFITABILITY

In respect of Jijamata Mahila Nagari Sahakari Bank Ltd. Pune the net profit is more or less stagnant. There is no large variation. However in the case of Pune based other Mahila bank i.e. Bhagini Nivedita bank the net profit is gradually increasing all through the five years under study. There should be no complacency and the banks should consciously try to reduce the transaction costs as well as other operative costs in times to come and see that the profit percentage is further increased. It should be a constant endeavour. The bank should undertake costing of its various services and ensure that the service charges recovered commensurate with the cost of the service. Every concession extended to any party should be studied thoroughly on the cost benefit parameter and then only it should be given.

One more area on this score observed is that in good number of banks the branches wherever lockers are provided they keep number of lockers idle under the guise that they want to allot the lockers only for those who give sizable deposits, in the process bank lose revenue from the lockers thereby affecting the profitability.

The bank should inculcate habit of taking a half yearly review of various expenditure items which throws light on some areas where one has to be cautious. This helps the bank to take austerity measures. In fact the Head Office executives during their visits to the branches should bring this aspect to the knowledge of the supervisory staff at the branch which gives them an insight to carry out such an exercise in future.
6.11 CONCLUSION

At the very outset the researcher has clarified that for comparison the normal expectation is that the level playing field should be equal which is not there in the instant case. Pune is a metropolitan city while Nanded is a district head quarter. However in both the centres the Mahila Banks are showing satisfactory performance during the period under study. There is still scope to achieve better performance on all fronts and keeping in view the current policies of these banks the researcher is of the view that if they will put in all their efforts to achieve the target goal of empowering women in their area of operation they can do better.

The financial products requirement in the respective city should be based on the needs of its customers, especially women customers. In this aspect, also the banks working in the two cities show the difference, because their needs are different. Large funds are required to provide financial assistance to rural and urban poor women. This can be obtained by the bank through various innovative deposit mobilization schemes. Accordingly, consistent efforts are required by all these banks to develop and deliver newer products and services to the suit local needs.