Chapter - VII

Problems and Prospects of Mahila Urban Cooperative Banks
Chapter – VII

PROBLEMS AND PROSPECTS OF
MAHILA URBAN CO-OPERATIVE BANKS

7.1 INTRODUCTION

One of the major areas of the macro economy that has received renewed focus in recent times has been the financial sector. The financial sector acts as the 'brain' of the economy: it acts as a bridge for channeling resources from final savers to final investors. As a result, the greater the ease of resource intermediation, the lower the cost at which these resources can be available to final investors, enhancing investment and growth.

Urban Cooperative Banks were set up with the objective of promoting sustainable banking practices amongst a relatively specific target clientele viz., the middle income strata of the urban population. They were brought under the regulatory ambit of the Reserve bank by extending certain provisions of the Banking Regulation Act, 1949, effective from March 1, 1966.

It might be useful to briefly recount the basic structure of the cooperative banking sector and locate Urban Cooperative Banks as a group within that framework. The cooperative banking sector may be viewed as consisting of Rural Cooperative Banks and Primary (Urban) Cooperative Banks. Leaving aside the structure of Rural Cooperative Banks, Primary Cooperative Banks, numbering 1,936, have a network of over 6,300 branches catering to the banking requirements of the lower and middle income groups in urban and semi-urban areas.
The performance of the cooperative banking sector as a whole has attracted considerable attention in the recent years especially in the context of the ongoing phase of financial sector reforms. Compared to their rural counterparts, the Primary Cooperative Banks (PCBs), which operate in the urban areas, have posted better performance. Not surprisingly however, there is significant heterogeneity in the performance of PCBs which number more than 1,900 at present. While a large number of these banks have shown creditable performance, a fair number of them, on the other hand, have shown discernible signs of weakness.

The Mahila Urban Coop. Banks are working in Maharashtra with utmost efficiency. But these banks are facing various types of problems generated out of their own machinery, out of society, statutory problems, and problems related to customers. This is the era of globalization where everyone can choose what he likes. This is the reason we claim that this is the era of the survival of the fittest. Reserve Bank of India has also now adopted the concept of merger and acquisition of banks. The said phenomenon is also now started, stating that the merge and emerge is the Mantra of modern business. Of course this concept of merger and amalgamation has its own problems.

When we look at the problems of UCBs there are various problems and when we try to analyze the problems of Mahila Urban Cooperative Banks the nature of problem is still different. The role played by the Mahila UCBs in our country where the majority of the customs and traditions are male dominated is very important and worth noting.
The movement of Self Help Groups was initiated in Bangladesh by Mohmed Yunus but we have strongly adopted the movement through banking sector. Not necessarily that all sectors of banks do participate in extending financial help to the SHGs for women. But the work performed and managed by Bhagyalaxmi Bank Nanded should be taken into consideration for which National Bank for Rural Development (NABARD) has awarded this bank a status of self help promotion institution which is unique in itself. With a very wide range of diversity in economy with such as occupational pattern, the factors being uneven throughout the country, the work performed by Mahila UCBs cannot be ignored. It has added to the income of Urban and Rural poor and urban and rural women. The economic activities performed by the women are always given secondary status. And if a woman is illiterate her economic activity is often neglected. Accordingly it is the status of the woman that will provide strength to the family and the economy of the nation. In light of this discussion the problems faced by Mahila UCBs are discussed hereunder:

7.2 DUALITY OF CONTROL

The urban cooperative banks are working under the control of State Cooperative Act and the Reserve Bank of India. Because the Banking regulation act was made applicable to UCBs from 1966. The cooperative society registration Act is under the purview of the State Government is applicable to Urban Cooperative Banks (UCBs)and Reserve Bank of India is exercising the control over UCBs there is a duality of control. This has created
various problems relating to reporting, auditing and representation and granting the class. Both the agencies are to be attended by UCBs. Normally cooperative Act at all State Level differs. This brings the lack of uniformity in operation of all UCBs at various State level. The role of Mahila UCBs being unique and important to large deprived of class in the society special concession to these banks is but necessary. The concept of duality of control creates various problems before Mahila Urban cooperative Banks.

7.3 REQUIREMENT OF LARGE AMOUNT OF INVESTMENTS

In the present day highly competitive banking sector, urban cooperative banks (UCBs) are facing competition not only from commercial banks, foreign banks, and private sector banks but also from urban cooperative banks. For making our banks competitive these should be upgradation of technology. Introduction of core banking solutions, computerization requires huge amount of investments. For increasing the quality and efficiency of services one cannot ignore the replenishment of modern banking technology and tools but because of requirement of funds for such type of capital investment banks to do not take further steps to do that. Accordingly it has become the problem before UCBs. Recently Jijamata Urban cooperative bank is in the process of switching over to Core Banking Solutions. Secondly this is in the initial stage but cost burden on the customers of the bank. And there is a possibility of the shift in customer. At the same time there is need to ascertain cost benefit analysis of this adoption. But this cannot be possible because of absence of mechanism to work out the
same. Bhagyalaxmi Cooperative Bank Ltd. is also taking steps to introduce Core Banking System.

7.4 AREAS OF PREFERENCES AND REQUIREMENT OF WOMEN CUSTOMERS

The Mahila Urban Cooperative Banks are specially designed for the well being of women customers along with customers in general. The requirements of women are different at various places and branches. The area of preferences and the need of the finance at Nanded and Pune differ because of the demographic differences, cultural differences, income disparity, urbanization and diversity in the education. The identification of the areas of preferences and requirement of finances by women customers cannot be easily analyzed. This has created problem before Mahila UCBs in order design the financial products best suited for that particular region.

The financial products not necessarily confined to the borrowings by the customers but mobilization of the savings. Both these areas should be properly dealt in with so as to attain the proper profitability. Nanded has its own culture and the women cooperative banks at Nanded are working in rural areas where the customers are still away from functioning of the banks. While Pune based Mahila UCBs are working in metropolitan area where all customers are well educated and bank friendly. In these two extremes both banks require different types of banking products which are very difficult to design. Need based financial products is the need of the day. As for example
SHG - Bhagylaxmi Bank linkage in Nanded has certain bonding which we do not observe in Pune.

The specialized skills are required to design the financial products by identifying the areas of preferences and requirements of women customer which is the problem of women cooperative banks. In Maharahtra or all over the country. This should be dealt in with special attention by the concerned banks.

7.5 LACK OF CONFIDENCE BY THE GENERAL PUBLIC IN THE FUNCTIONING OF URBAN COOPERATIVE BANKS

Urban cooperative banking sector is an important constituent of multi agency banking system operation in the country. These institutions play an important role in the economic establishment of lower and middle income group of persons. The recent events related to UCBs have attracted the attention of Govt. of India and Reserve Bank of India towards the working of the UCBs because of which some UCBs have failed to operate. Some are liquidated and some got merged with other banks. This has resulted in the reduction of confidence by the general public in functioning of the UCBs. This is also true in relation to Mahila Urban cooperative banks. However, the Bhagylaxmi Bank, Bhagini Nivedita Bank and Jijamata Banks due to their consistent efforts made it possible to gain the confidence of women customers in special. However the regular bitter experiences of UCBs make continuous alert necessary for all these banks to gain and retain the confidence of the public in general. The urban banking sector is presently
going through a bad patch. The efforts are essential to improve its financial position and credibility. The Reserve Bank of India has been doing well to protect the interest of the general public by making provisions of NPA and Capital Adequacy percentage applicable to these cooperative banks. The urban cooperative banks must try to work in a manner that it can gain the confidence of the public. The banks they run more on the confidence of the public than on the capital. So it becomes top priority of the banks to work for the customers of its own. Their deeds will prove their utility to the society and their confidence in the banking activities. Not only borrowings and advances growth exhibit the confidence, the social responsibilities of these banks also generate the confidence of the public in bank. And thanks to all the three banks under study that they have exhibited excellent social responsibilities at various stages and the event. By extending help in social disturbances, Natural hazards, education to women and so on.

7.6 MISMANAGEMENT, FINANCIAL IMPROPRIETY AND POOR CREDIT APPRAISAL AND WRONG INVESTMENT DECISIONS

In the global arena we are going towards paperless office and tele-banking, e-banking, mobile banking era. This requires very skilled professionals. The professionals having the futurist approach. So there is mismanagement of the banking activities. Management is related to decision making and its implication. The professionals are required for this type of work. Because of less salary package as compared to the nationalized, private
sector and foreign banks the highly skilled and educated managers are not attracted to these types of banks. So some time it results in mismanagement. The three banks under study are also facing this type of problem. However because of the very effective and mission oriented Board of Directors they have shown good result and overcome the problem of mismanagement. Credit appraisal needs to be point base ratings. This norm is some time violated by the banks which results in the creation of NPA. So proper credit rating is essential by all the banks that require specialized machinery. The funds available at the disposal should be properly invested but the investment decisions many a times show improper results making notional losses to the bank. So in all these core areas of competency are necessary which is some how not upto the mark. However banks under study have properly managed their funds, hired the services of skilled professionals, yet there is a scope of further improvement. In this particular area or a concept of development. It is the man that works and not machine. So proper man at proper place is but necessary to inculcate the various advantages of modernization which can be attained by paying little more to achieve more and more benefits.

7.7 INTEREST RATE COMPETITION

Reserve Bank of India has permitted the urban cooperative banks to decide the interest rate on its own. Accordingly this has resulted in the competition of deciding higher interest rate on deposits by the UCBs which is becoming a threat to their existence. With a particular geographical area it has created unwarranted and unhealthy competition among various UCBs.
The UCBs should concentrate on profit, revenue cost and they have to control on the expenses on banking activities. The competition in interest rates, distribution of quality services, to increase or multiply the income form other sources other than interest require greater attention. The cooperative banks are very closely related to mass banking so they must function in the retail banking, to attain the economic stability. The UCBs at various places are working with various objectives. Naturally they are having their own functional implementation of policies which can be related to earning the income. The bank interest which decided by RBI and uniformly applicable to all the banks make the competition fair and on equal and just ground. However, when UCBs are permitted to decide their own bank interest rate they do try to obtain mileage out of that. The result is unfair and unjust competition. This has created new threat before some UCBs. While deciding the interest rates the banks should first decide the average cost of its funds and average yield on advances. Banks should not indulge in unnecessary and unhealthy competition which may ultimately have adverse effect on its profitability and thereby very existence.

7.8 MANAGEMENT OF NON PERFORMING ASSETS

As per the Narsiham Committee report the Reserve Bank of India has applied all the principles of NPA to UCBs. The genesis of its application not doubt is a right step but it is implemented with immediate effect and not step by step. Periodically, because of recession in India and World over there are lots of problems created by the implementation of this NPA. Because of
recession the measures for renewal and rescheduling of loans have become essential. The recover of loan procedure is very time consuming and the complicated procedure which again results in the increasing of NPA and hence NPA management is the need of the hour. The other measures such as one time settlement should also be properly thought over. At present NPA has been decided as 90 days outstanding on the loans. It is worth noting that Bhagini Nivedita Bank is consistently for the last five years is recording 0% net NPA. The NPA of Bhagylaxmi Bank is also 4.28% during the year 2008-09 and that of Jijamata Mahila Sahakari Bank is also 5.01%. So they have managed to maintain low rate of NPA within the standard limit of RBI. However lots of efforts are necessary to manage the NPA of the Cooperative Banks.

Mahila customers has natural tendency to repay the loan within the stipulated period. But then problem still remains regarding the customers other than regular customers. NPA reduces profitability but provision made against NPA still reduces the profit of the banks. Thus the real solution lies in the fact that the recovery of loans within stipulated period can only be the proper NPA management. NPA management must start with proper credit appraisal till the recovery of last installment of the loan. Borrower’s repayment capacity must be properly evaluated or otherwise it results in the NPA.

Proper risk management is the need of the day at the same time to concentrate on repayment schedule is the essential step by the organization. NPA management hence has become the regular activity of the Bank and has
created various financial problems. The provision for NPA should be managed without disturbing the profitability. Mahila UCBs generally face the problem of efficient recover officers. But the banks under study have shown better achievement in this area. But still there is a scope for improvement which must be considered by all the banks under study.

7.9 DICHOTOMY IN GOOD GOVERNANCE

The governance of cooperative banks is in the hands of the shareholders who are the members and owners of the Bank. The members are electing the Board of Directors for the purpose of framing the policies and its implementations. The shareholders are the members and borrowers (excluding nominal members) give the shareholders of the bank having right to participate in the managerial decisions. Thus the Borrowers have chance and as shareholders having the voting right and participation in managerial decisions directly, thereby having the role in the Governance of the Banks.

Considering the position of depositors who are in fact the funding agencies to the UCBs are either non-members or nominal members without having any voting rights whatsoever. While borrowers have full voting rights. This also prevent any incentive for good governance since the depositors whose money is being intermediated have no say in management of their own money and they are managed by the borrowers of the banks. This situation can be described as the dichotomy in good governance of the urban cooperative banks. This has also created mismanagement of the
funds. This problem is a problem related to the set up of the structure of any cooperative institution, not only urban cooperative Banks. The structure of the urban cooperative banks need to be rectified and the depositors must be given chance to manage their own money and funds. The governance normally related to the working and results of working, which has a direct and indirect effect on the earning capacities of the bank.

Profitability of the banks and proper utilization of funds. In almost all cooperative movement discussions normally it is always spoken of the protection of financial interest of the shareholders, but no one ever speak of financial interest of the depositors and their participation in management. The non-members or nominal members status to the depositors make them the outsiders of the cooperative banks and also irrelevant to the functioning of the cooperative banks.

This aspect is true for almost all UCBs. Including Mahila urban cooperative banks under study. So when there is a concern related to better and quality governance all sectors related to the banking activities should be given proper chance to participate in decision making process. One cannot ignore the role of depositors in the growth of the UCBs.

This dichotomy in good governance of the urban cooperative banks need to be immediately rectified. However, as the structure of the banks in cooperative sector sometimes the shareholders (borrowers) are also depositors and there by taking part in the management of the bank. But then the question lies regarding the pure depositors.
Need and importance of the Mahila urban cooperative banks for empowerment of women is always felt in the retail banking sector. At the same time the SHG link with cooperative banking sectors is the need of the hour. However, the growth of Mahila urban banks is at a very slow pace. In Nanded there is one Mahila Urban cooperative bank with 9 branches and in Pune 2 Mahila urban cooperative branches with consolidated 20 branches of these banks. The growth of Mahila urban cooperative banks is expected at a faster rate because of providing loans to the women and deprived classes in the society. In India there are only 119 Mahila Urban cooperative banks of which only 47 are in Maharashtra. The growth of Mahila Urban cooperative banks is slow because of various reasons, which can be stated to be the problems of Mahila urban cooperative banks:

i) **Reluctant women officers**: if new branches are to be opened, especially in rural areas or remote areas the women officers are reluctant to get transferred, accordingly because of non availability of women officers the branches cannot get experienced and skilled staff. This has retarded the growth of Mahila Urban cooperative banks.

ii) **Restrictions by R.B.I.**: Reserve Bank of India has now introduced the strict norms for issuing the licenses to the new women urban cooperative banks or even urban cooperative banks. This results in
slow pace of growth of the women’s cooperative banks in Maharashtra.

iii) Consolidation of banks: Merger and acquisition of banks has resulted in reduction of the number of banks in the country. The banks that are running in losses consistently for more than 5 years are either to be closed or merged into some other sound bank. This is the policy of Reserve Bank of India. Accordingly the policy of RBI itself is to restrict the growth. On the contrary special efforts are but necessary by RBI to strengthen the financial position of the existing banks by removing their weaknesses.

iv) Competition from all sectors: Because of the introduction of various banking sectors viz. nationalized banks, private banks, foreign banks there is the competition to all urban cooperative banks. Naturally the Mahila urban cooperative banks are having limited scope in the growth in such competition.

In spite of all such limitations Mahila urban cooperative banks have provided excellent results in the sectors of small entrepreneurs, professionals, traders, SHGs and other retail banking sector. So the contribution of the mahila urban cooperative banks in the development of economy and women empowerment cannot be ignored. But at the same time there is necessity of essential steps to be taken by the RBI. Cooperative Department, Central and State Govts. to provide financial assistance and guidance to expand the business of Mahila UCBs.
7.11 LARGE AMOUNT OF LOANS CREATE THE PROBLEM OF UNCERTAINTY

In order to attain the CD Ratio the cooperative banks of all sectors and all types extend large amount of loans. If these loans are not repaid in time it becomes unproductive. This creates increase in the Non Performing Assets of these Banks. That also violates the economic stability of the Banks. Instead these banks should be engaged in Retail Banking sector where the loans of small amounts are disbursed to more number of borrowers. And even then some of the borrowers fail to repay it does not affect the economic stability of the bank. For the real growth of the Urban Banks the banking of retail nature is very useful. Mahila urban cooperative banks are engaged in the retail sector. Bhagyalaxmi Bank Nanded is engaged in financing Small Help Groups. These banks including Bhagini Nivedita Mahila Sahakari Bank and Jijamata Bank are engaged in the consumer loans, housing loans, loan to the SHGs, loan against salary and loan to small entrepreneurs. The loans of large amount to the less number of borrowers affects adversely on the liquidity of the banks. 60% to 70% of the deposit are to be utilized for the purpose of extending loans to the customers or beneficiaries. The bank must obtain the C.D. Ratio to maintain proper liquidity. The loans are normally classified as the short term, medium term and long term loans. If these loans are not properly balanced it creates imbalance in financial position of the banks. This lower downs the grading of the bank. The amount or fund of small term or medium term is used for long term lending and if they are not repaid in time it crease the problem of liquidity as repayment of the deposits becomes the
problem. The retail banking increases the number of customers and borrowers. The increased number shall be responsible for the purchase of growth of banks. So in order to attain C.D. Ratio at the early stage large amount of loans are sanctioned to few number of borrowers resulting in financial and liquidity crunch for the bank.

The retail banking sector has been responsible for the growth of the economy and banking sector. Of the total loans in India only 15 to 20% share is of Retail Banking Sector. The same retail banking in America is 45% to 70%. Australia 40 to 50%, Switzerland 65% to 75%. This shows the importance of Retail Banking. In the current scenario at the same time the scope of the Retail Banking in Indian Banking sector which is still very low i.e. 15 to 20%.

The banks under study are largely engaged in the retail banking but they are also extending large amount of loans to entrepreneur which must be as per the given norms. This will strengthen the financial position of the banks. The financial products of the Mahila Urban Coop. Banks should strive for satisfying the needs of its customers.

7.12 TO MEET THE GROWTH OF SMALL & MEDIUM ENTERPRISES (SMEs) IS THE CHALLENGE BEFORE UCBs

In the next ten years SME sector will emerge more competitive and efficient and knowledge based industries are likely acquire prominence. SMEs
will be dominating in Industrial segments like pharma, information technology, bio technology sector etc. With SME sector emerging as a vibrant sector of the Indian economy, flow of credit to this sector would go up significantly. Banks will have to sharpen their skills for meeting the demands of this segment. There is also the possibility that some of the banks may emerge as niche players in handling SME finance. Flow of credit to this sector will be shifted purely by commercial considerations as banks will find SMEs as an attractive business proposition.

Mahila urban coop. banks to sustain in the market must try to remain in space with this change. Women entrepreneur in this context can be better helped or assisted by the women cooperative banks. Provided they will have to change their attitude of looking towards the market needs. Growth of SMEs sector has put forth the challenge to design the proper financial models. The banks which can work out the plan for this sector will survive or otherwise perish.

The financial help or assistance to SHGs for women can be stated to be the helping to the small and tiny sector household business. This in fact helps the group of the women entrepreneurs who wish to try for the further growth. The SME finance can be stated to be the development of the sector which will create the demand for the financial products in the area of working capital and long term capital. This is the reason that during next decade the problem before all UCBs is to comply with the needs of SME sector and provide them strength and help to contribute in the growth of the economy. Mahila Urban cooperative banking sector can meet out this challenge provided
that they must have their own Research Department which can conduct the surveys and ascertain the need of the SME sector in their areas. Further SME's in various geographical area will have different types of needs which must be considered by the UCBs in that particular area. So with that UCBs will have to monitor and visualize the financial needs and their nature consistently in order to become the agent of such development for the better cause of the economy.

7.13 REDUCTION IN INTEREST MARGIN (SPREAD)

In the increased competition in the banking industry, the net margin of banks has come down over the last one decade. Liberalization and globalization has resulted in narrowing down this margin still further by 1 to 1.5% in case of the banks operating in the country. So banks are looking for fee based / commission based income to fill up the gap in interest income. Tie up with insurance companies by the banks under study is the example of fee/commission based income with the help of other service sector business such as Insurance. Product innovation and business process re-engineering is the need of the hour.

The change is product motivated by the desire to meet the customer requirement and to reduce the cost with improved efficiency of service. The service charges are to be decided keeping in view the costing and what the customer can bear. Now the earlier concept of Revenue = Cost + profit equation where customer are changed to cover the cost incorporating the profits, the banks are moving to the new equation i.e. profit = Revenue -
cost. This is the new change in banking industry which all banks must take into consideration.

The reduction in the interest margin i.e. interest paid on deposits and interest earn on borrowing is consistently narrowing hence it has become essential part on banking profession to select and go for new products providing additional revenue to the banks without much disturbing the existing nature of the banking business. The banks are facing this problem especially with it is adversely affecting the profitability of the banks. So the Mahila urban coop. banks should provide value added services to its customers and the banks should perform like risk managers. Both of these two criteria will develop the banking business in a manner it is suitable to the present environment of banking business and the growth in income of the banking business.

Mahila urban coop. banks must have to be more alert and economically conscious because these banks to targeted customers at the same time they are operating with the mission of women empowerment. Growth of the competition will always prove to be shift in customers and low rate borrowers, naturally to keep the customer intact with better quality service; it is the challenge before Mahila Urban coop. banks in the years to come in Indian Banking.

A) The problems faced by the cooperative banks are mismanagement, financial impropriety, poor credit appraisal and wrong investment decisions. The UCBs are not only facing the thrust of competition from above earlier
mentioned banks but also from other more competitive urban cooperative also. The Reserve Bank of India has taken this aspect more seriously and the measures are also being taken to make UCBs more reliable and competent.

B) The cooperative banking sector and retail banking sector also facing challenges like the modern way of implementation and policy framing by the Management, modernization of the services and its consistency. The customer oriented services and marketing suitable for the customers. The entire change in thinking process is but necessary as the traditional way of thinking cannot serve the purpose.

C) The speedier growth of the information and technology sector has created the challenge before the Mahila Urban Cooperative Banks. Accordingly those banks which cannot cope up with this modern development may not sustain in developing economy.

D) The expansion of branches of Mahila Urban Coop. Banks is at slower rate. The expansion through establishment of branches but necessary. It is very slow because the transfer of Mahila (Women) officers is difficult many times. It has become barrier for the development of banks. So this should be thought over as a serious matter so the women officers should accept this challenge or otherwise these Mahila Urban Coop. Banks may appoint male officers to man their branches.
The recent adverse publicity through print and electronic media regarding few cooperative banks which are not following proper norms and conditions have created challenge for the potential and better working cooperative banks in the state of Maharashtra. The banks are unwontedly facing struggle for survival.

7.14 ON LINE BANKING - THE NEED OF THE DAY

Online banking or internet banking concepts are new in the developing countries. This is supposed to change the face of the banking services. Most of the banks are investing in customer relationship management (CRM). Mahila urban cooperative banks cannot be the exception to this change. The aim of this is customer satisfaction and value addition. The liberalization has introduced foreign banks in Indian economy. They have brought the concept of online banking. It is essential on the part of all types of banks to adopt this new technology in order to sustain in the market. This was the area which was largely ignored by the cooperative banks. To use the technology cannot be the end goal of any bank but to add value to its transaction necessarily is the end goal. Primary advantage of doing online in cooperative banks to adopt the technology to remain in competition. The online banking helps the customers as well as banks in different manner as follows:

1. The customer can access the account at any time of the day and need not follow the conventional banking hours.

2. Online banking is generally faster and more convenient.
3. Online banking helps in providing other services also such as credit cards, manage investments, payment of bills and such other services.

The primary objective of application of technology in services has been to reduce operating costs, provide quality and quick services to its customers. This also helps in the development of the meaningful relationship with the customers. CRM makes possible the integration of information system approach and marketing approach. With the use of technologies like Internet banking, Online services and ATM's the service delivery platforms of the banks have undergone major change. The convenience to customer being added advantage. It is must to use online banking service by all the banks in changing economic and banking scenario. Because of this service - on one hand, banks will retain the customer at the same time can improve their customer base and develop their branch and brand image.

The Mahila urban cooperative banks have to face this challenge of online banking. Email banking, mobile banking in the near future. However the real base of Mahila urban cooperative banks is still a traditional customer. So on one hand these banks shall have to provide effective and efficient traditional and banking services and on the other hand to attract new customer, technology friendly customers they are to adopt online banking system in order to keep pace with the changing era.
7.15 CONCLUSION

1. Urban co-operative banking sector has come to occupy a formidable place in the Indian financial system. However, sustenance of its growth is attendant to Professionalization of its management, inculcating good corporate governance, technology absorption and scrupulous adherence to regulatory framework. There is a hope that the banking sector will overcome its problems and try to bring out possible solutions.

2. In spite of problems arisen out of the competition from various banks these cooperative banks have established their usefulness and are showing sizable growth.

3. The role of Mahila Urban Cooperative Banks in the society has been increasing because of awareness in this class about the services that these banks are rendering. These banks have proved to be the backbone for empowering the women.