



Pragati Mahila Nagrik Sahkari Bank Limited Bhilai : Run by Women – a Success Story

KEYWORDS

Mahila Nagrik Sahkari Bank, Loan, Members, Governance, Women Empowerment

Ku. Lalee Sharma

Dr. S.N.Jha

Dharmender Singh

Research Scholar
Govt. V.Y.T. Auto, PG College Durg
c.g.

Professor(Commerce)
Govt. V.Y.T. Autonamas College
Durg c.g.

Asst.professor (Commerce)
Govt. R.R.D.S.college khairagarh
c.g.

ABSTRACT

Women play an active role in promoting the economics status of the country through cooperative sector. Cooperative movement has provided opportunities to women to organize their economic activities with small capital. Mahila Nagrik Sahkari Bank have plays a vital role in the Socio-economic development of women in the state. Women cooperative Banks provided loans to women for small and cottage Industries, to start Business, Home Loan, Education Loan and also for other purpose. This paper attempts to analyze the performance of Pragati Mahila Nagrik Sahkari Bank in women empowerment. Bank has provided various type of Loan to women. Personal loan (45.8%), business(16.%), Housing Loan (16.56%), Vehicle Loan (21.65%). The recovery Rate is a whopping 93.65 percent. Pragati Mahila Nagrik Sahkari Bank should adopt effective recovery strategies. For opening the new branches of bank the present policy of branch opening may be made more elastic. Bank should adopt High Tech Banking for face of existing competition.

Introduction :-

Urban Co-operative Banks are an important part of the financial System in India. It is, therefore necessary that this sector may be encouraged as a sound and healthy net work of jointly owned, democratically controlled and ethically managed banking institutions providing need based qualitative banking services, essentially to the middle and lower middle classes and marginalized sections of the society. Urban co-operative banks may play vital role in dispensation of micro credit in urban and rural areas as well.

Women segment of the society needs to be motivated to join the main stream of economic development. They need to be given equal opportunity to participate in the process of economic development of the society. Mahila Nagrik Sahkari Banks play important role in managing efficiently social services in urban areas.

The working of Pragati Mahila Nagrik Sahkari Bank exclusively organized by women and managed by women for women, gives the much needed clue that it the right type of leadership is available, any activity can become successful in India.

Pragati Mahila Nagrik Sahkari Bank to have to rise to the occasion in order to survive and sustain themselves. To strength them further to meet new challenges, specific initiatives are required to be taken.

Objective of the study:-

To evaluate the overall performance of the PMNS Bank.
To study the bank loans, various type of loan's and process of sanction.
To study the loans recovery performance of the Bank.
To offer suggestions helpful in solving problems on the basis of conclusion.

Hypotheses of the study :-

1. Disbursement of loan/ credit has only womens and the performance of bank is impressive in quantitative terms. The loan recovery performance of the Bank is satisfactory.

Area of the study:-

The study is based on the functioning of PMNS Bank. Therefore, study covers Bhilai & Durg city in Chhattisgarh state.

Period of the study :-

For collection of the secondary data on the functioning of the PMNS Bank, five years i.e. from 2007-2008 to 2011-2012 were taken as the reference period.

Profile of the Pragati Mahila Nagrik Sahkari Bank Ltd, Bhilai

Pragati Mahila Nagrik Sahkari Bank Limited started functioning as an independent entity in 1995 . It had been registered in year 1995 & granted license by reserve Bank of India in the year 31th Aug. 1995. The membership of the Bank is drawn only from women residing in urban areas. The bank provides services, cooperation, moral support and financial resources for the growth and development of women entrepreneurs in Durg & Bhilai. It helped in creating financially independent and strong willing dedicated women.

The bank is growing at a very fast rate every year. The bank had a membership of 5974 women and contributed share capital of Rs. 229.32 Lakh. Deposits are more than Rs. 49.40 crore and loans disbursed are about Rs. 20.14 crore. Lots of efforts have been made to get good project proposals for loan to women for income generating activities.

The recovery rate is a whopping 93.65 %. Bank earned profit and pay dividend 11 % to its members.

Financial Position of the Bank as on 31.03.2012

| Sl. Particulars No. | Position as on 31th march 2012 (Rs. In lakhs) |
|-----------------------------------|---|
| 1. Branches including head office | 2 |
| 2. No. of Share holders | 5974 |
| 3. Paid up Share capital | 229.32 |
| 4. Reserve Fund | 104.93 |
| 5. Other Reserve Fund | 139.47 |
| 6. Deposits | 4940.87 |
| 7. Advances | 2014.15 |
| 8. Working Capital | 5913.37 |
| 9. Net Profit (After Tax) | 60.57 |
| 10. Dividend Paid | 11% |
| 11. Audit class | "A" |

Source:- Annual Report of the PMNS, Bank, Bhilai, F.Y. 2011-2012

Objectives of Bank

1. To develop the banking habit among the masses in general and women in particular was the prime objective of starting women Bank.
2. To provide loans to women of the low income group of urban areas. Especially those who are socially and economically handicapped.
3. Mahila Nagrik Sahkari Banks may be provided necessary financial support for imparting financial. Training to un-banked populace inhabited in semi urban, urban areas.
4. To help all round development of women i.e. social, cultural and economic so as to help them to be economically independent.

Function of Pragati Mahila Nagrik Sahkari Bank Ltd.

1. Pragati Mahila Nagrik Sahkari Bank should be provided loans for business, trade and Industry, Education, Home loan, vehicle etc.
2. Pragati Mahila Nagrik Sahkari Bank offered higher rate of Interest on their depositors to kept their Deposits in banks so as to motivate them develop habit of thrift.
3. Pragati Mahila Nagrik Sahkari Bank is providing locker facility, Transaction of money to other city or bank by RTGS/NEFT.

Board of Directors –

Board of directors consist president & 12 members to operate the bank Mrs. Smita Joshi is the president of board of directors

The role of directors of Pragati Mahila Nagrik Sahkari Bank is to frame policies with a view to achieving definite goals. The board of directors should show greater interest in the affairs of the Bank and exercise their power in such a way that would ensure the cooperation from all development agencies concerned and would ultimately increase the role of the bank in development of its members.

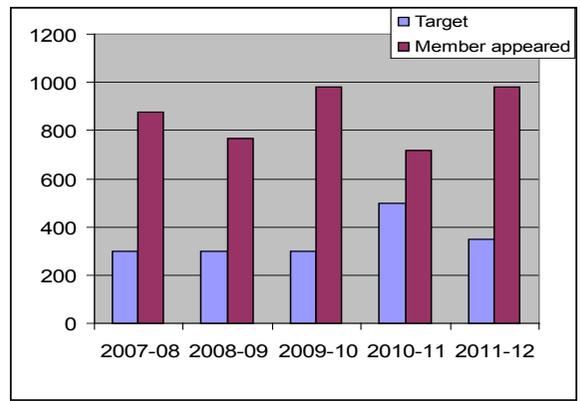
NPAs - It is very well known that the NPAs are a very heavy burden on the profitability of the Banks because banks have not only to make provision for NPAs but they have also to meet the cost of funding these unproductive assets. The banking fraternity is so much concerned with NPAs that the main agenda for money banks these days is not deposit mobilization or loan disbursement but recovery of banks dues. Mahila Nagrik Sahkari Bank is exception in this regard. The net NPA of PMNS Bank as on 31.3.2012 has been worked out 2.07% .

**Table – I
Target and Achievement of New Members of the PMNS Bank :-**

| Year | Target | Member appeared | % of achievement |
|---------|--------|-----------------|------------------|
| 2007-08 | 300 | 878 | 290.67% |
| 2008-09 | 300 | 767 | 255.67% |
| 2009-10 | 300 | 980 | 326.67% |
| 2010-11 | 500 | 715 | 143.00% |
| 2011-12 | 350 | 980 | 280.00% |

Source :- Annual Reports of the PMNS, Bank, Bhilai, F.Y. 2007-08.to2011-2012

Graph - I

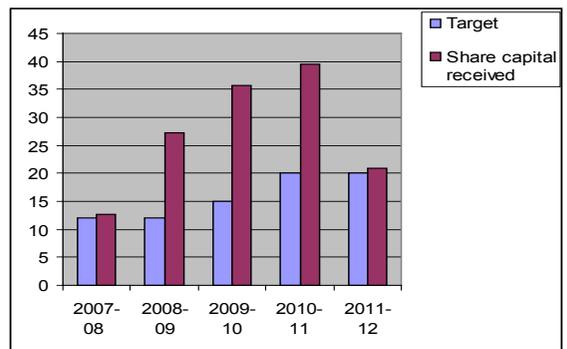


**Table – II
Target And Achievement of Share capital Received by PMNS Bank :-
(Rs. In lakhs)**

| Year | Target | Share capital received | % of achievement |
|---------|--------|------------------------|------------------|
| 2007-08 | 12.00 | 12.77 | 106.42% |
| 2008-09 | 12.00 | 27.20 | 226.67% |
| 2009-10 | 15.00 | 35.71 | 238.07% |
| 2010-11 | 20.00 | 39.55 | 197.75% |
| 2011-12 | 20.00 | 20.88 | 109.40% |

Source :- Annual Reports of the PMNS, Bank, Bhilai, F.Y. 2007-08.to2011-2012

Graph - II



**Table – III
Target And Achievement of Loan distributions of the PMNS Bank :-
(Rs. In lakhs)**

| Year | Target | Distribution | % of Distribution |
|---------|--------|--------------|-------------------|
| 2007-08 | 225 | 407.17 | 180.96% |
| 2008-09 | 225 | 543.85 | 241.71% |
| 2009-10 | 300 | 631.66 | 210.55% |
| 2010-11 | 500 | 770.78 | 154.16% |
| 2011-12 | 700 | 1169.90 | 167.13% |

Source :- Annual Reports of the PMNS, Bank, Bhilai, F.Y. 2007-08.to2011-2012

Graph - III

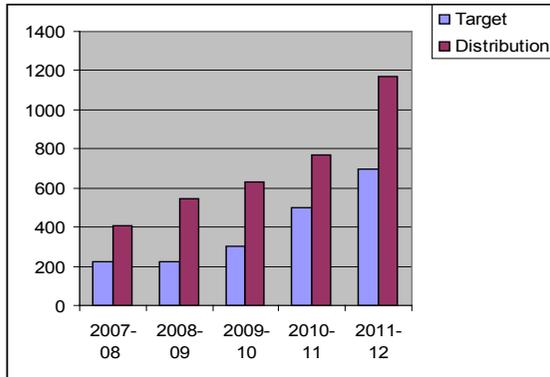


Table – IV
Loan Recoveries Percentage of the PMNS Bank

| Year | % of Loan Recovery |
|---------|--------------------|
| 2007-08 | 92.40 |
| 2008-09 | 93.86 |
| 2009-10 | 92.72 |
| 2010-11 | 94.23 |
| 2011-12 | 95.05 |
| Average | 93.65% |

Source :- Annual Reports of the PMNS, Bank, Bhilai, F.Y. 2007-08 to 2011-2012

Graph - IV

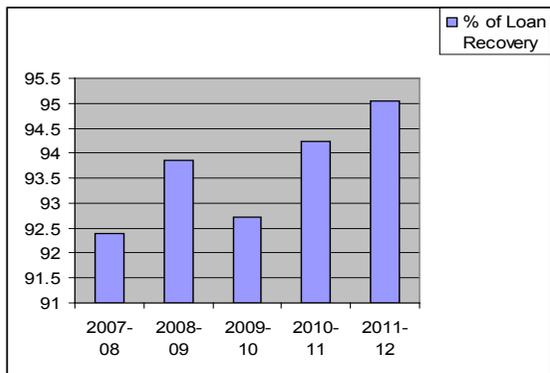
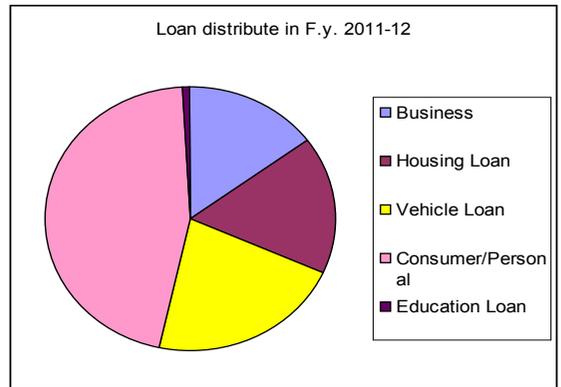


Table – V
Distribution of Various type of Loan
(Rs. In lakhs)

| Type of Loan | F.y. 2011-12 Amount | % of Total Loan |
|-------------------|---------------------|-----------------|
| Business | 176.91 | 15.13 |
| Housing Loan | 193.76 | 16.56 |
| Vehicle Loan | 253.26 | 21.65 |
| Consumer/Personal | 535.97 | 45.81 |
| Education Loan | 10.00 | 0.85% |
| Total | 1169.90 | 100 |

Source :- Annual Report of the PMNS, Bank, Bhilai, F.Y. 2011-2012

Graph - V



Analyses:-

Target and Achievement of New Members of the PMNS Bank :-

Table I Show the target and new numbers of members appeared and its achievement percentage for the last five years from F.y. 2007-08 to 2011-12. Bank have achieved target every years. In F.Y.2009-10 Maximum New members have taken membership. The percentage of new members appeared is decline in F.Y.2010-11 Graph I shows the same

Target And Achievement of Share capital Received by PMNS Bank :-

Table II Show the target, Share capital Received and percentage of achievement against target for the last five years from F.y. 2007-08 to 2011-12. The Share capital Received by PMNS Bank is every years increase. Bank have achieved target every years. In F.Y.2009-10 Bank have received maximum share capital because in this year Maximum number of New members have taken membership

The average percentage of for the five year was % Graph II shows the same.

Target And Achievement of Loan distributions of the PMNS Bank :-

Table III Show the target, actual distributions and percentage of distributions achieved against target for the last five years from F.y. 2007-08 to 2011-12. The percentage of loan distribution by PMNS Bank is every years increase. Bank have achieved target every years. The average percentage of loan distribution for the five year was 190.90 % Graph III shows the same.

Loan recoveries of the PMNS Bank.

Table IV & Graph IV Show the percentage of recoveries achieved against set target for the last five years from F.Y. 2007-08 to 2011-12. The percentage of loan recovery for the F.Y. 2007-08 was 92.40% It was increased 93.86% in F.Y. 2008-09 and declined in the F.Y. 2009-10 as 92.72%. After F.Y. 2009-10 the percentage of loan recoveries was above 94%. The percentage of loan recoveries was good .The average percentage of loan recoveries for the last five years was 93.65%. Bank should be better loan recovery policy to achieve the target of loan recovery cent percent.

Distribution of Various type of Loan of the PMNS Bank.

Table III & Graph III shows the percentage of various type loans distributed by PMNS Bank for the F.Y. 2011-12. Bank have provided loans for business 15.13%, personal loan 45.81%, vehicle loan 21.65%, Housing loan 16.56% & education Loan o.85%.

Suggestions for Improvement in functioning of Pragati Mahila Nagrik Sakhari Bank

Pragati Mahila Nagrik Sakhari Bank to adopt effective recovery strategies aimed at not only reducing existing quantum of

NPAs but also preventing occurrence of fresh in the present era. of stiff competition, the available margin T i.e. the difference between Income earned by way of Interest on advances and Investment and Expenditure to meet the liabilities of Interest payment and administrative cost, is getting more and more thin and possibilities of its further reduction cannot be ruled out.

It is prime necessity for Pragati Mahila Nagrik Sahkari Bank to enhance their profitability. They should raise additional Income by introducing lucrative fee based activities/services will also be help to them in this regard.

In the face of existing competitive environment, Pragati Mahila Nagrik Sahkari Bank must resort to high tech banking for their survival.

Cooperate governance in Pragati Mahila Nagrik Sahkari Bank should assume greater importance in the coming years and it should also be reflected in the composition of their Board of Directors.

Pragati Mahila Nagrik Sahkari Bank may be extended to whole of the state and present policy of branch opening may be made more elastic.

Pragati Mahila Nagrik Sahkari Bank should not forget that they have inheritant strengths like familiarity with the local women, people & Industry, less liabilities, ability of taking quick decisions pertaining to lending etc. and now the time has come for all of them to use these strengths of theirs by moving in the market rather than confining themselves within four walls of the Bank promises.

REFERENCE

Mathur B.S. (2006) - "Co-operation in India", Sahitya Bhavan, Agra. | 2. Krishna Murthy G. (1984)-"Management of co-operative credit", Sarangi Publishing House warangal AP. | 3. C.G. urban cooperative Bank -"Samarika" January 2013 federation Ltd, Raipur. | 4. Surya samagik Jankalyan samiti "Pragati Path" 2009, Raipur | 5. PMNS bank - Bye law's Bhilai | 6. PMNS bank - Annual Reports. | www.coop.cg.gov.in | 7. Mathur Dr. B.S. -"Sahkarita K Shiddhant" sahitya Bhawan, Agra 2000