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**COMMITTEE ON EMPOWERMENT OF WOMEN
(2008-2009)**

(FOURTEENTH LOK SABHA)

**‘CREDIT FACILITIES FOR WOMEN BY PUBLIC SECTOR BANKS
AND NABARD’**

**MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2009/Magha, 1930 (Saka)

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**‘CREDIT FACILITIES FOR WOMEN BY PUBLIC SECTOR BANKS
AND NABARD’**

MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)

Presented to Lok Sabha on 17th February, 2009

Laid in Rajya Sabha on 16th February, 2009



LOK SABHA SECRETARIAT
NEW DELHI

February, 2009/Magha, 1930 (Saka)

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**COMPOSITION OF THE COMMITTEE ON EMPOWERMENT OF WOMEN
(2008-2009)**

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| 3. | Smt. Mamta Kemwal | Deputy Secretary-II |
| 4. | Shri Shams Afroz | Senior Executive Assistant |

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INTRODUCTION

I, the Chairperson of the Committee on Empowerment of Women present the Twentieth Report (Fourteenth Lok Sabha) of the Committee, on the subject 'Credit Facilities for Women by Public Sector Banks and NABARD'.

2. The Report is based on the inputs received from the Ministry of Finance (Department of Financial Services) and impressions gained during on-the-spot visits of the Committee.

3. The Committee on Empowerment of Women took oral evidence of the representatives of the Ministry of Finance (Department of Financial Services), Reserve Bank of India and NABARD on 7th January, 2009 in connection with examination of the subject.

4. The Draft Report was considered and adopted by the Committee on Empowerment of Women (2008-2009) at their sitting held on 13th February, 2009.

5. The Committee wish to express their thanks to the Ministry of Finance (Department of Financial Services), RBI and NABARD for placing before them material and information in connection with the examination of the subject and for giving evidence before them.

6. For facility of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

**NEW DELHI;
13th Feburary, 2009
24 Magha, 1930 (Saka)**

**KRISHNA TIRATH
CHAIRPERSON
COMMITTEE ON EMPOWERMENT OF WOMEN**

PART – I

REPORT

INTRODUCTORY

Women are vital in nourishing the world. Many of the items of work done by them are not recognized as productive and are not accounted for. They do not own land or property in their own names, nor are they credited with decision-making capacity. They are generally relegated to the background, both socially and economically.

2. For the overall upliftment and economic independence of women, it is very important to initiate income generating and economic activities and entitlement to property rights, etc. Efforts are, therefore, required at the level of institutional agencies and Government level to initiate steps to overcome the hurdles being faced by the women and bring them to the mainstream of the economic activities, so that they could become 'partners' for development. If this can be done, women empowerment would become a reality leading to gender parity in the times to come. Since social and political empowerment is incomplete without attaining economic independence, it is, therefore, important to create opportunities for women so that they could come forward and be shoulder to shoulder with the men folk. One of the important means to achieve economic independence is by creating easy credit opportunities among women borrowers and usher their entrepreneurial skills.

3. In view of the need to create credit opportunities for women borrowers, the Committee on Empowerment of Women selected the subject 'Credit Facilities for

Women by Public Sector Banks and NABARD' for detailed examination and Report. During the course of examination of the subject the Committee did a detailed study of the study material furnished by the Ministry of Finance (Department of Financial Services), held interaction with the representatives of various Public Sector Banks during their study visits and took oral evidence of the representatives of the Ministry of Finance (Department of Financial Services), Reserve Bank of India (RBI) and NABARD.

4. The Ministry of Finance (Department of Financial Services), RBI and NABARD have taken various initiatives through the schemes of Government of India towards financial inclusion of women by means of extending credit opportunities to the deprived sections of the society in general and women in particular which are discussed below. There is also a brief enumeration of the instrumental role being played through Self Help Group (SHG)-Bank linkage in the process of credit disbursement and difficulties being faced by them.

II RBI & NET BANK CREDIT

5. The Ministry in their background note furnished to the Committee have stated that RBI *vide* its circular dated July 26, 2001, advised the banks to earmark 5% of their Net Bank Credit (NBC) for lending to women within 3 years. The RBI further asked the banks to formulate data indicating credit made available to women under micro credit, medium and Small Scale Industries (SSI) and large-scale industries. The Committee in this regard desired to know the rationale behind having 5% as the target for credit to women beneficiaries. In

reply, the Secretary, Ministry of Finance (Department of Financial Services) stated as under:

“.....if one looks at the total bank credit, 18 per cent goes for agriculture. If you look at total quantity that is going for the Micro Small and Medium Enterprises (MSME) sector, as of now it is around 11-12 per cent. So, in that sense, 5 per cent reservation for women entrepreneurs, particularly assuming that it is spread out equally, is not a bad figure.”

The Secretary further stated:

“If we look at micro and small industries, we have got slabs of below 5 lakh to 25 lakh. In regard to women entrepreneurs as such, there are two issues. First, if you are looking at five per cent across the board as part of total credit, most of this is for individuals and not the corporates. We are not bringing corporates or anybody else into that. So, this five per cent does not seem to be a very bad figure.”

6. The Ministry have also stated that in order to improve the credit delivery to women, the RBI *vide* its letter dated 12th December, 2000 circulated a 13 Point Action Plan prepared by the Ministry of Finance to public sector banks for implementation. A copy of the 13 Point Action Plan along with action taken as on 31.03.2008 is given at **Annexure I**. In June 2001, the RBI further advised Public Sector Banks to make concerted efforts to open specialized branches in identified areas for financing women entrepreneurs on the lines of SSI or Agricultural Finance branches. As submitted by the Ministry, it has been observed from the progress reports received, under the Action Plan, from various Public Sector Banks on credit to women, particularly in small and tiny sectors, the banks have made efforts by redefining their policies/long-term plans by taking into account women's requirement, to achieve 5% of net bank credit to women by

March, 2004. While deposing before the Committee, the Secretary added as under:

“The total credit advanced to women was Rs. 26,292 crore at the end of March, 2004. It is Rs. 83,498 crore at the end of March, 2008.....the credit to women, the percentage to NBC in 2004 was 4.71 overall.

As of now, it is 6.12 per cent (03.03.08) overall. The target was five per cent. It has gone to 6.12 per cent but bank to bank there are variations. We have certain banks which have done extremely well. For example, the Bank of India has reached the percentage of 11.39. The Indian Bank has reached 10.52 per cent. Then, we have the State Bank of Travancore, which has reached 8.71 per cent.

On the other side, we have also certain banks which are quite low. For example, the Allahabad Bank's percentage is 4.23. It is close to five. We have done a review of that bank also. The State Bank of Patiala has reached a percentage of 4.20. Then the IDBI, which has recently become a bank, is quite low. It is only 0.29 per cent. Then, we have got the Dena Bank, which has reached 4.35 per cent. So, these are the banks, which are close to five. All the others have crossed five. There is a gross improvement in the total quantity of credit and also in the percentages though there are bank-to-bank variations which we would certainly have to look into and look at the reasons why these banks would not go forward. We have done so. We are hopeful that by the end of March, 2009, all the banks, except the IDBI, will reach the targeted five per cent. We have checked with them.”

7. In view of the Net Bank Credit extended to women enterprenuers, the Ministry have furnished bank-wise and year-wise data of outstanding credit granted to women during the last 5 years is given at **Annexure-II**. The Committee then desired to know the percentage of loan disbursed and Non-Performing Assets (NPAs) out of the total credit to women borrowers during the last five years. Replying to the query, the Ministry have furnished a detailed account of credit disbursed to women under Net Bank Credit, which shows credit under priority sector, non priority sector, under SSI, medium and large industries,

under Government sponsored schemes. The statement also includes information regarding Non Performing Assets out of total credit disbursed to women. A copy of the above stated details for the year 2007-2008 is given at **Annexure III**.

8. Adding to the efforts made by banks to extend credit to women beneficiaries, the Ministry also stated that special efforts are being made towards establishment of women cells at banks' Head Offices and some branches, simplification of procedural formalities, orientation of bank officers/staff on gender concerns/credit requirements of women, launching awareness programmes/publicity campaigns about schemes available for women, conducting entrepreneurship development programmes for women, strengthening existing schemes, ensuring sanction of collateral free loans as per RBI norms, involving Non-Government Organizations/Self Help Groups (NGOs/SHGs) in providing credit facilities to women entrepreneurs, having proper database on credit flow to women under different categories, etc. During the course of evidence, the Secretary added further on the issue of women cells and awareness campaigns. The excerpts are reproduced as under:

“.....there are variations in respect of bank to bank. All the banks have actually opened Women Cells. The other points are in the areas of simplification, sensitisation of gender issues, in training, in opening up of special branches, in creating proper data bases. There are again variations from bank to bank. Certain banks have taken initiatives; they have brought out special literatures and special CDs.

The other highlight of assistance to women in the form of credit has undoubtedly been the SHG movement. We have as of now 34.77 lakh Self Help Groups linked to credit. The total credit outstanding is Rs. 22268 crore.”

9. In view of special efforts being made by banks to promote credit disbursement, the Committee desired to know how many Public Sector Banks

have so far established special branches. Responding to the query, the Ministry have stated that as reported by RBI, as on March 31, 2008, 8 Public Sector Banks (viz. Dena Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, Punjab and Sind Bank, Union Bank of India, Canara Bank and State Bank of Travancore) have opened 19 specialized branches for women. RBI has further reported that all Public Sector Banks have issued advisories to the branches that necessary steps for simplification of procedural formalities should be initiated.

III GOVERNMENT SPONSORED SCHEMES

10. The Ministry in their note furnished to the Committee have stated that the Banking Sector provides credit facilities to women under various Government sponsored poverty alleviation and self-employment schemes. Under the schemes, a certain share is allocated to women entrepreneurs. Briefly, the Government sponsored schemes for extending credit facility to women has been enumerated below.

a) Swarna Jayanti Shahari Swarozgar Yojana (SJSRY)

11. SJSRY is an urban poverty alleviation programme implemented by Government of India through Scheduled Commercial Banks (excluding RRBs i.e. Regional Rural Banks). The scheme is in operation from 1.12.1997 in all urban and semi-urban towns in India. The objective of the scheme is to provide gainful employment to the urban unemployed or under employed poor through encouraging the setting up of self-employment ventures or provision for wage employment. The scheme is funded on 75:25 basis by Central and State Governments. There is a special provision of not less than 30% of the credit

disbursed for women under the scheme. In view of the coverage of women beneficiaries under the scheme the Committee desired to know about the details of loan disbursed to women out of total disbursement under SJSRY. The Ministry in their reply furnished to the Committee have given a statement showing the bank-wise details of loans disbursed to women out of total disbursement under SJSRY for the last 5 years. The details are enclosed as **Annexure-IV**.

b) Swarnajayanti Gram Swarozgar Yojana (SGSY)

12. SGSY is a restructured programme launched since April, 1999 replacing the then existing schemes like Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women And Children in Rural Areas (DWCRA), Supply of Improved Tool kits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Wells Scheme (MWS). The Committee have been informed that SGSY is a holistic programme of micro-enterprises covering all aspects of self-employment, viz., organization of the rural poor into Self Help Groups and their capacity building, infrastructure build up, technology, credit and marketing. The objective is to bring every assisted family above the poverty line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by, inter-alia, organizing rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets.

13. The Ministry have further stated that SGSY particularly focuses on the vulnerable groups among the rural poor. Accordingly, SCs/STs account for at

least 50% of the Swarozgaris, and the women account for 40% of the total swarozgaris assisted. Considering the fact that 50 per cent of the swarozgaris assisted under the SGSY are the SCs/STs, the Committee desired to know whether the Ministry have made any effort to document the credit disbursed to SCs/STs caste wise and tribe wise in different parts of the country. However, the Ministry expressed that they have not yet documented the caste wise disbursement of credit under the SGSY so far.

14. Seeking further clarification, the Committee desired to know about the loans disbursed and the recovery rate under SGSY. Responding to the query the Ministry have furnished statement showing the bank-wise details of number of loans disbursed to women out of total disbursement, and recovery rate under the SGSY scheme for the last 5 years. The statement showing bank wise details of credit disbursed to women during the last five years is enclosed at **Annexure V**. The details regarding bank wise recovery under SGSY, as on 31.03.2008 is enclosed at **Annexure VI**.

15. The Committee further desired to know about the Monitoring mechanism in place for effective implementation of SGSY. In this regard the Ministry have informed that the performance of banks under the SGSY scheme is reviewed in every quarterly District Level Review Committee (DLRC)/ District Consultative Committee (DCC) meetings and monthly SGSY meetings. Further, the Ministry of Rural Development, the implementing Ministry of SGSY, also monitors the implementation of the SGSY scheme, which is discussed in the Central Level Coordination Committee (CLCC) meetings held on an annual basis. Adding

further to the monitoring of implementation of SGSY, the Ministry of Finance have stated that the issues discussed in the 12th CLCC meeting held on February 8, 2008, it was established by Ministry of Rural Development, that inadequate physical outreach of the banking system in the North- Eastern region and in the State of Bihar is one of the reason for non-implementation of the SGSY scheme in the right spirit.

16. Seeking further clarification on credit disbursement, the Committee desired to know about the mechanism in place to monitor the process of credit disbursement. In this regard, the Secretary stated as under:

“The main vehicle of monitoring is the State level Bankers’ Committee. Apart from the SHGs and other lines of credit, there are special programmes of the Government of India, which are being administered by the other Departments of the Ministries of the Government of India.”

17. Considering the fact that the schemes have not been able to reach remote parts of the country, the Committee desired to know whether there is State-wise details of credit disbursement. However, the Ministry submitted that :

“We have the data bank-wise. But for State-wise, we will have to get it. We have the data bank-wise for SGSY and also for the urban programme. But State-wise, we do not have the figures.”

c) Prime Minister Rozgar Yojana (PMRY)

18. The Committee have been informed that the scheme was launched on 02.10.1993 and initially was in operation in urban areas. From 01.04.1994 onwards, the scheme is being implemented throughout the country. The objective of the scheme is to provide self-employment opportunities to educated

unemployed youth in the age group of 18 to 35 years. There is a 10-year relaxation for SC/STs, ex-servicemen/physically handicapped and women, in the upper age limit. In North-Eastern States the eligible age group is from 18-40 with the relaxation in the cases of SCs/STs, ex-servicemen/physically handicapped and women up to 45 years.

19. The Ministry have further submitted that to be eligible for assistance under the scheme the family income of the beneficiaries should not exceed Rs. 1,00,000/- (Rs. One lac) per annum and income of parents of beneficiary also should not exceed Rs. 1,00,000/- (Rs. 1 lac) per annum. Under the PMRY, the banks have been allowed to make parents/Head of the family of unmarried girl as co-borrower, w.e.f. 21.11.2002. The borrower should be the resident of the area for more than 3 years. The minimum educational qualification fixed is VIII passed. Regarding margin money, the Committee have been informed that the margin money and subsidy amount is 20% of the project cost. Ceiling on subsidy amount is Rs. 12500/- in States/UTs other than in North-Eastern Region. In the seven States in North-East, the ceiling on subsidy amount payable is Rs. 15000/- .

20. Regarding reservation for SCs/STs and OBCs, the Ministry have submitted that a reservation of 22.5% for SCs/STs and 27% for OBCs is in place as per the established norms. Preference is also given to women and other weaker sections.

21. Over the issue of collateral security, the Ministry have stated that no third party guarantee/collateral is necessary for projects upto Rs. 5 lac in industry

sector and the advances under the schemes are treated as advances under priority sector. For service and business sectors, projects upto Rs. 2 lacs (loan ceiling under PMRY) are eligible for exemption of collateral security. For partnership projects in the industry sector exemption limit for collateral security is Rs. 5 lac per borrower account.

22. Clarifying further on the implementation of PMRY, the Secretary during the course of evidence submitted as under:

“PMRY is a programme which is run by the Department of MSME, each State has a target and each District has a target. This is meant for self-employment of the youth. There is a screening Committee in each District. After inviting applications they screen the people who would be eligible for self-employment and get them trained. So, you have got an entire process for it. Once a person is selected and trained, then the branch itself has a vested interest in seeking that the person is extended a loan. So, as far as PMRY is concerned, it is normally a clear process. There is a difference between sanctioning and disbursement because most of the sanctions are done towards the last part of the year and disbursement takes place later in the next year because the person has to set up certain facilities before he avails of the disbursement.

23. The Committee further desired to know what special efforts are being made to implement the schemes in the right direction so that the benefits could reach out to the maximum number of deserving beneficiaries. Replying to the query, the Ministry have stated that in order to promote the scheme further, Reserve Bank has advised all State Level Bankers Committee (SLBC)/ Union Territory Level Bankers Committee (UTLBC) Convener banks on September 15, 2008 for setting up of training institutes like Rural Development and Self Employment Training Institutes (RUDSETIs) as indicated by Ministry of Rural Development, in its 12th CLCC meeting in order to fulfill the training needs of the beneficiaries under SGSY.

24. As informed by the Ministry, RBI has also advised all scheduled commercial banks to submit the information regarding the number of Business Facilitators and Business Correspondents adopted by the respective banks to enable to furnish the same to the Ministry and State Governments for better implementation of the SGSY scheme. Below listed are some other initiatives undertaken by Reserve Bank for successful implementation of schemes for disbursement of credit to deserving beneficiaries:

- (i) Loans sanctioned under SGSY by scheduled commercial banks are treated as advances under priority sector.
- (ii) Banks have been advised that the field level functionaries should ensure that there is no inordinate gap/delay between the sanction of applications and disbursement of loans under the various schemes, which causes unnecessary hardship to the below poverty line borrower.
- (iii) Branch managers should be vested with adequate discretionary powers to sanction proposals under the SGSY scheme. The exercise of these powers should not require reference to any higher authority.
- (iv) Steps should be initiated to ensure that documentation process is kept simple to avoid hardship to the beneficiaries and consequent delay in disposal of applications under the SGSY scheme.

- (v) Loan applications under SGSY should be disposed of within the prescribed time limit of 15 days and at any rate not later than one month.
- (vi) Under SGSY for individual loans up to Rs. 50000 and group loans up to Rs. 5 lakh, the assets created out of bank loan would be hypothecated to the bank as primary security. For all individual loans exceeding Rs. 50000 and group loans exceeding Rs. 5 lakh, in addition to primary security, other collateral security may be obtained at the discretion of the bank.
- (vii) Further, in the event of a Service Area Branch not being in a position to finance the borrowers under SGSY, it will incumbent upon it to give a “No Dues Certificate” to the concerned borrower who will then be free to approach any other bank in the block for credit support. If the Service Area Branch does not issue “No Dues Certificate” within 15 days from the date of receipt of application, the borrower will be free to approach any other branch in block for his credit requirements without production of “No Dues Certificate” from the concerned Service Area Branch.

IV CREDIT FACILITY FOR WOMEN BY NABARD

25. The Ministry in their note furnished to the Committee have stated that NABARD was established for providing and regulating credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic

activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas and for matters connected therewith.

26. The Committee have also been informed that the Bank, during the last two and half decades, has accordingly taken many initiatives to enhance rural prosperity. Considering the low level of credit deployment to women, NABARD has been highlighting such gender bias in rural credit dispensation to reverse the situation. To facilitate greater financial inclusion of rural women specifically from the poorest of the poor, NABARD has pioneered the Self-Help Group (SHG)-Bank linkage programme which has since become the largest SHG programme in the world. Besides, NABARD has been promoting new avenues for extending credit to women by implementing women specific credit linked promotional schemes.

27. In view of promoting better financial inclusion of women entrepreneurs, the Committee desired to know about the schemes that are being promoted by NABARD for Capacity Building of women both for skill development and enterprises management. The Ministry in this regard have submitted that NABARD has formulated several schemes, exclusively to address the issue of capacity building, skill development and enterprise management with a view to equip the women to be self-employed and provide livelihood opportunities for themselves and their families. The ongoing women focused schemes are briefly mentioned below:

(a) Assistance to Rural Women for Non Farm Development (ARWIND)

28. ARWIND Scheme was introduced in 1993 with the main objective to meet the promotional and credit needs of women entrepreneurs. The scheme is implemented through Voluntary Agencies/ Non Governmental Organisations (VAs/ NGOs), co-operative societies and other registered institutions. ARWIND is a single window scheme containing credit as well as promotional assistance for conducting training for Skill Development/ Entrepreneurship Development Programme (EDP) for women, establishment of production units at the sponsoring agencies level or to set up household units with loan assistance from banks.

29. The promotional expenditure incurred in organising women into groups, providing them training for capacity building, etc., is covered by grant assistance.

30. The credit requirements for the women to undertake individual or group enterprises are through financing banks which, in turn, are supported by NABARD by way of refinance assistance.

31. Regarding grant assistance to women entrepreneurs under ARWIND the Committee desired to know about the total number of women covered so far. The Ministry in this regard have stated that as on 31 March 2008, 143 projects covering 10,483 women entrepreneurs involving a grant assistance of Rs.3.14 crore have been sanctioned.

(b) Assistance for Marketing of Non Farm Products (MAHIMA)

32. The Committee have been given to understand that MAHIMA scheme introduced in 1997, has been instrumental in recognising the importance of marketing in sustaining women enterprises. The scheme has been supporting agencies engaged in the marketing of products manufactured by poor rural women. During the year 2007-2008, a grant assistance of Rs.4.47 lakh has been released under the scheme.

(c) Development of Women through Area Programmes (DEWTA)

33. The Scheme for Development of Women through Area programmes (DEWTA) was introduced in 2002 as a pilot scheme for promoting women-centric activities and clusters with the objective of encouraging entrepreneurship and assisting women for setting-up enterprises for employment generation and sustainable livelihood. The programme seeks to address various needs of women identified by women themselves, through capacity building, networking and convergence of services for focused implementation. As informed by the Ministry, the programme was implemented on a pilot basis in three States, namely, Uttar Pradesh, Andhra Pradesh and Orissa through three RRBs, namely, the Aligarh Grameen Bank, Sree Anantha Gramin Bank and Rushikulya Gramin Bank has been successfully completed.

(d) Women Development Cell Scheme

34. In their replies furnished to the Committee the Ministry have further stated that women have special needs and require support for setting up enterprises. In

the rural scenario, the social mores and practices hinder the women from approaching the predominantly male staff in the banking industry. In order to address the gender concerns in credit, NABARD extends grant support to Regional Rural Banks and Cooperative Banks for setting up of 'Women Development Cells' (WDCs), headed by an officer sensitive to the needs and aspirations of the rural women. As highlighted by the Ministry the key functions performed by WDCs are enumerated as under:

- (i) Facilitate gender responsive policies for enhancing the coverage of women
- (ii) Identification of the potential/ areas for development of women either on individual or group basis and assist the bank in the preparation of an Action Plan for covering women. The 'Action Plan' should be in consonance with the Bank's overall plan.
- (iii) Initiate innovative schemes/ products, specific to women and help increase the flow of credit to women.
- (iv) Strengthening the data base for gender disaggregated data by monitoring, collection and maintenance.
- (v) Create awareness among rural women on various aspects of banking, availment of loans, etc.
- (vi) Sorting out issues relating to credit and other support services to women and initiate the process of better gender awareness amongst banks and communities.

- (vii) Facilitate skill upgradation/ capacity building of rural women entrepreneurs, offer counseling and setting up of units with credit.
- (viii) Identify agencies (NGOs, Voluntary Agencies, etc.) and network with them for dispensation of credit to women through bankable schemes.
- (ix) Act as a nodal agency between the bank and the women clients or agencies dealing with women.
- (x) Bring out relevant literature for the benefit of women clients and also for disseminating success stories involving women clients etc., for benefit of other staff of the bank so as to sensitise the staff and facilitate increased coverage of women.

35. The Ministry have further informed that as on 31 March 2008, 69 WDCs in 37 RRBs, 31 DCCBs and 1 SCARDB were sanctioned involving grant support of Rs.13.19 lakh under the scheme.

(e) Watershed Development Projects

36. Village Watershed Committee is the decision making body at the village level and is responsible for planning, implementing and maintaining assets in the watershed villages. The Ministry have submitted that NABARD provides assistance for the rehabilitation of watershed as part of the terms and conditions and stipulates that the women should be adequately represented in the Village Watershed Committee. The guidelines prescribed by NABARD stipulate that the representation of women should be at least 30% of the membership of the Village Watershed Committees. Women and their spouse are involved jointly in

the net planning exercise. Exclusive women SHGs are also formed in the watershed villages. A separate capacity/development budget (5 percent of the project cost) is earmarked for women development.

(f) Assistance to women out of Tribal Development Fund.

37. NABARD provides assistance for the development of tribals through a specially earmarked fund, namely the Tribal Development Fund (TDF). All projects that are implemented through the Fund include a component for women development. The Ministry in this regard have stated that so far, assistance amounting to Rs. 156.278 lakh has been sanctioned under 28 projects in 15 States and UT of Dadra and Nagar Haveli. The projects for which assistance has been provided include various women development activities including drudgery reduction, training of women and taking up micro enterprises, etc.

38. In view of the fact that so many schemes of Government of India are being implemented by Public Sector Banks and NABARD for extending credit facility to women, the Committee desired to be enlightened over the interest rate being charged upon the loans disbursed. Replying to the query the Secretary of the Ministry has submitted as under:

“We have the Differential Rate of Interest (DRI) scheme, which has four per cent interest rate. About one per cent is the target for DRI and if they—those whose income in rural areas is below Rs. 18,000 and in urban areas is below Rs. 24,000—satisfy that, then they would be eligible to get it under the DRI scheme. It has to be supervised whether that is being followed faithfully.....the interest rates that are charged on their savings would be on par with the savings bank account rates. The interest that is charged on their loans is at the rate at which

loans are given. Whether the interest rates can be reduced would be a bank specific decision, which we can put to the individual banks”

The Secretary further stated:

“As far as interest rates are concerned, it is related to the cost of funds. In respect of SHGs, we could advise the banks to consider giving them at a lower rate of interest. Giving loans at a lower rate of interest is something that I do not think we can put across the board to all the banks. We will have to talk to each bank and see that it can do as part of its effort to further its public image. I think they should do that.”

39. The Committee further desired to know about the loan waiver granted to farmers by the Government with special reference to women borrowers. The Committee also desired to know whether the benefits of loan waiver have percolated down to the women beneficiaries. Replying to the query the Secretary of Ministry has submitted as under:

“As far as loan waiver is concerned, we do not have a break up of women farmers. All those farmers who have got two hectares of land and above, we have got the records. But we do not have records or we have not built up records to show how many of them are women farmers. It will be available at the district level. They will have to do a lot of work to get the figures.”

V SHG-BANK LINKAGE AND CREDIT DISBURSEMENT

40. The Committee have informed that studies conducted by NABARD during the early eighties shows that despite availability of a wide network of rural bank branches for implementing a variety of poverty alleviation programmes, large strata of the poorest of the poor particularly, women, continue to remain outside the formal banking system. The studies have also revealed the inadequacies in

the existing banking policies and emphasized need for appropriate measures for greater financial inclusion.

41. The search for suitable systems to meet this requirement through new delivery mechanisms, led to the development of the Self Help Group (SHG)-Bank Linkage model as the core strategy to be used by the banking system for extending their outreach to the poorest of the poor, who were inadequately served. The strategy focuses on enhancing self-confidence to the rural poor in building capabilities for better financial management through generation of internal savings and lending.

42. The Ministry have further stated that the strategy involves formation of small, cohesive and participative groups of the poor, encouraging them to pool their savings regularly and using the pooled resources to make small interest bearing loans to needy members and in the process helping them to learn the nuances of financial discipline, which is followed by credit disbursement. Bank credit was to follow later. NABARD sees the promotion of the SHGs and their subsequent bank linkage as not merely a credit programme but as part of an overall arrangement for providing financial services to the poor in a sustainable manner and also culturing a social empowerment process for the members of these SHGs in the rural areas.

43. The Committee have also been given to understand that the launching of the Pilot phase of SHG-Bank Linkage programme in February 1992 is a landmark development in banking with the poor. The informal thrift and credit groups of poor have come to be recognised as bank clients for the first time

under the Pilot phase. The Pilot phase was followed by setting up of a Working Group on NGOs and SHGs by the Reserve Bank of India in 1994, which came out with wide ranging recommendations on internalisation of the SHG concept as a potential intervention tool in the area of banking with the poor. The Reserve Bank of India accepted most of the recommendations and advised the banks to consider lending to the SHGs as part of their mainstream rural credit operations.

44. Adding further to the SHG-Bank linkage programme the Ministry have submitted that the Self Help Groups are financed by the banking system comprising Commercial banks, Cooperative banks and RRBs. As on 30.09.2007, 29.64 lakh SHGs encompassing 4.15 crore rural households have been credit linked with formal banking system involving bank loan of Rs. 180607.96 crore. Total 498 banks (Commercial banks – 50; RRBs – 96 and Cooperative Banks-352) covering 587 districts in the country are participating in the programme. The SHG-Bank linkage programme has grown exponentially as may be observed from the figures attached at **Annexure VII**.

VI SUCCESS OF SHG-BANK LINKAGE PROGRAMME

45. In view of the emphasis being laid on the flagship programme SHG-Bank linkage for credit disbursement to the needy section of the society, the Committee desired to know how far the Ministry is convinced that the programme has been delivering in the right areas. Replying to the query the Ministry have stated that regarding impact of the programme, various studies conducted have revealed favourable impact on the SHG member households. 46. As informed by the Ministry, a study was conducted by National Council of Applied and

Economic Research (NCAER), with reference year as 2006. The study revealed the impact and sustainability of SHG - Bank Linkage on the socio-economic conditions of the individual members and their households in the pre-SHG and post-SHG scenarios. The study covered 961 credit linked SHG covering 4791 SHG members in six states (Andhra Pradesh, Karnataka, Maharashtra, Orissa, Uttar Pradesh and Assam) from five different regions. The overall findings of the study suggest that SHG - Bank Linkage Programme has significantly improved the access to financial services of the rural poor, has had considerable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their households. The study has also found empowerment of women members and contributed to increased self-confidence and positive behavioural changes in the post-SHG period as compared to the pre-SHG period. A summary of the major findings of the study is enclosed as **Annexure VIII**.

47. The Ministry in their note have further stated about the major challenges before SHG-Bank linkage Programme stated as under:

- i) There is a tendency for a slip in performance of the SHGs because of withdrawal of promoting institutions.
- ii) Lack of diversity in the income generating activities in which the SHGs are involved.
- iii) The average size of bank loan per SHG is low and translates to about Rs. 7000/- per member. Such small per capita loans do not

enable the members to overcome poverty and acquire capital assets.

- iv) SHG-members have little or no access to insurance services which are crucial for security and sustainability of these groups.

48. The Committee during the course of evidence expressed that although SHGs have been instrumental in disbursing credit to deserving beneficiaries, but still in regions like North-East and Bihar it is still lacking. The Committee desired to know the reasons for lack of SHG-Bank coordination in such area. The Secretary of the Ministry responded to the query as under:

“.....the poor take-off of SHG-Bank linkage programme in some of the States is due to non-availability of quality NGOs because it is the NGOs who help in the formulation of these Groups. Then, they bring the people to the banks for credit linkage. So, if quality NGOs are not available in those respective States, then the entire SHG-Bank linkage programme is not taking off to the desired extent. As has been indicated by the Finance Secretary, a majority of the SHG-Bank linkage programme is in the Southern Region which is about 48 per cent whereas in the Northern Region, in the North-Eastern Region and the Eastern Region, this percentage is very less. This is mainly because quality NGOs are not available. From the NABARD side, we have done a lot of pilot schemes which have been elaborated in the Note which you would have noticed. The first point is that sufficient number of women entrepreneurs is not available for taking up the economic activities due to lack of skill and also being credit shy. Things are also improving.

The Secretary further added:

“The women groups in Andhra Pradesh and Karnataka are not credit shy. They are coming to bank. As indicated in the study by the NCAER also, the same findings have been elaborated. So, things are improving. Further, a lot of liberalisation has also taken place regarding providing collateral security, etc. Even, some of the State Governments like Andhra Pradesh, Karnataka have done this.”

49. During the course of evidence, the Committee also desired to know how far the agreement between Indian Postal Authorities and IT Sector has helped in enhancing the outreach of Banks in rural and semi-urban areas. In reply, the Secretary stated as under:

“...The linkage with the Post Offices is some kind of a pilot area where some progress has been made in Rajasthan, Maharashtra and Goa. In these areas, one is able to see the perceptible progress where Post Offices are actually being made business correspondents of the concerned banks so that they would promote the opening of accounts and servicing of the customers. It is happening in some States.”

VII DEFAULT IN REPAYMENT OF BANK LOANS

50. As submitted by the Ministry, NABARD has been conducting studies either in-house or through research institutes to assess the impact of investments supported by its refinance as well as for improving the credit delivery systems. NABARD commissioned studies through nine research institutes to assess the repayment performance of defaulters and non-defaulters as well as ascertain the reasons for default in repayment of bank loans in 10 States. The findings of the study indicate that high level of overdues with the credit institutions have been the major factor inhibiting the flow of credit in rural areas. The reasons attributed to the existence of high overdues have been listed below:

- (i) prescribing shorter loan maturities and grace period than necessary,
- (ii) failure to postpone current instalment of loan repayment by cultivators in the event of natural calamities,

- (iii) failure to provide supplementary finance in case of incomplete investments,
- (iv) failure to provide relief in the case of infructuous investments,
- (v) absence of penal action against wilful defaulters and propaganda by vested interest, etc.

51. Adding further to the recovery of loan and default in payment, the Secretary stated as under:

“.....In the case of SHGs, the recoveries are very high. But in the case of the SGSY, which is a subsidised programme, the recoveries are very poor. So, we have both the pictures. The recovery is very high where the women are self-dependent and they do not get any form of subsidy support; and the recovery is poor in the subsidised programme. This is the situation. It differs from cluster to cluster and area to area.”

VIII DIFFICULTIES BEING FACED BY PUBLIC SECTOR BANKS AND NABARD

52. Considering the low out reach of Banks in the rural areas and default in the repayment of loans, the Committee desired to know the difficulties being faced by Public Sector Banks and NABARD in disbursement of credit. Responding to the query the Ministry have submitted as under:

- (i) Sufficient number of women entrepreneurs are not available for taking up economic activities due to lack of skill and also being credit shy.
- (ii) High level of illiteracy.
- (iii) Various socio economic constraints and lack of social empowerment.

- (iv) Failure to provide collateral security.
- (v) Banking network not properly developed in rural areas.
- (vi) Lack of marketing facilities for Farm / Non-Farm produce.
- (vii) Lack of proper forward and backward linkages in form of connectivity and other productive inputs.

53. In view of the difficulties being faced by the Banks in reaching the deserving beneficiaries, the Committee desired to know the steps taken to address the problems faced by small borrowers in rural areas. Replying to the query the Ministry have stated that on account of procedural/ documentation requirements viz. production of "No Dues Certificate"/ Occupation status etc. , banks have been advised *vide* Reserve Bank's circular dated April 30, 2007 to:

- (i) dispense with the requirement of "no dues" certificate for small loans to Rs. 50,000 to small and marginal farmers, share croppers and the like and, instead, obtain self-declaration from borrower;
- (ii) accept certificates provided by local administration/panchayati raj institutions regarding the cultivation of crops in case of loans to landless labourers, share-croppers and oral lessees.
- (iii) banks have also been advised that they may accept an affidavit submitted by landless labourers, share-croppers and oral lessess giving occupational status (i.e. details of land tilled/crop grown) for loans up to Rs. 50,000 *vide* Reserve Bank's circular dated August 26, 2008.

IX RBI's ADVISORY TO RECTIFY THE PROBLEMS

54. Considering the impediments being faced by Public Sector Banks and NABARD in implementing the schemes towards targeted disbursement of credit opportunities to the deserving sections of the society the RBI has taken the following measures:

- (i) In November 2005, banks were advised to make available a basic banking 'no-frills' account with low or nil minimum balances as well as charges to expand the outreach of such accounts to vast sections of the population.
- (ii) In order to ensure that persons belonging to low income group, both in urban and rural areas do not encounter difficulties in opening bank accounts, the know your customer (KYC) procedure for opening accounts has been simplified for those accounts with balances not exceeding Rs 50,000/- and credits thereto not exceeding Rs.100,000/- in a year. The simplified procedure allows introduction by a customer on whom full KYC drill has been observed.
- (iii) Banks have been asked to consider introduction of a General Purpose Credit Card (GCC) facility up to Rs. 25,000 at their rural and semi-urban braches. The credit facility is in the nature of revolving credit entitling the holder to withdraw up to the limit sanctioned. Based on assessment of household cash flows, the

limits are sanctioned without insistence on security or purpose. Interest rate on the facility is completely deregulated.

- (iv) At the state level, the SLBC is required to identify one or more districts for 100 % financial inclusion. Responsibility is given to the banks in the area for ensuring that all those who desire to have a bank account are provided with one, by allocating the villages among the different banks.
- (v) In certain less developed states, such as those in North Eastern Region, Bihar, Chhatisgarh, Jharkhand, Himachal Pradesh, Lakshadweep and Uttarakhand, Working Groups appointed by the Reserve Bank have made specific recommendations for financial inclusion, strengthening financial institutions and improving currency and payments systems. The recommendations of these Working Groups are under implementation.
- (vi) In January 2006, the Reserve Bank permitted banks to utilise the services of non-governmental organizations (NGOs), micro-finance institutions (other than Non-Banking Financial Companies) and other civil society organizations as intermediaries in providing financial and banking services through the use of business facilitator and business correspondent (BC) models. The BC model allows banks to do 'cash in - cash out' transactions at a location much closer to the rural population, thus addressing the last mile problem. From April 2008, banks have also been permitted to

engage retired bank employees, ex-servicemen and retired government employees as BCs.

- (vii) The Reserve Bank has been encouraging the use of ICT solutions by banks for enhancing their outreach with the help of their Business Correspondents (BCs). Banks have been urged to scale up IT initiatives for financial inclusion speedily while ensuring that solutions are highly secure, amenable to audit, and follow widely-accepted open standards to ensure eventual inter-operability among the different systems.

PART - II

OBSERVATIONS/RECOMMENDATIONS

Recommendation No:1

Need to enhance the target set for extent of credit to Women

55. Women, comprising half of the population, constitute an important entity in the building up of our nation. Women are an important element in nourishing the society both socially and economically. However, they are not given their dues in both the spheres. Socially, they are subjected to many dogmas and prejudices that they often find themselves second to the men folk. Economically, they are frustrated with many restrictions that do not let them be part of the mainstream. In spite of the fact that constitutionally women have been recognized at par with the men folk, when it comes to their economic empowerment, they are confronted with numerous practical handicaps. In order to ensure their economic upliftment, the Government has taken several initiatives. One of the important strategies adopted towards their economic independence is to create easy credit opportunities for women entrepreneurs. The Committee have been informed that as per the directives of Reserve Bank of India (RBI), the banks (Public Sector Banks) have been advised to earmark 5% of their net bank credit to women borrowers since 2001. However, considering the fact that in the informal sector, women constitute an important force, they require increased number of loans both at individual and group (SHGs) level. The Committee, therefore, recommend that the target fixed by the RBI to extend 5% of net bank credit to women itself

needs to be revised. The Committee further desire that a survey should be conducted to ascertain the realistic demand of credit by women borrowers which should be followed by a realistic upward revision of the 5% target.

Recommendation No. 2

Need for special study of credit requirement in the North East and in Bihar

56. The Committee have been informed that as on 03.03.2008, 6.12% of net bank credit has been extended to women borrowers. The Committee further note that the Bank of India has reached the 11.39% mark, while the Indian Bank has achieved the figure of 10.52% of credit to women. The Committee appreciate the steps taken by these banks. The Committee, however, feel that an overall figure of 6.12% of the targets achieved by individual banks do not reflect the real picture of credit disbursement across the country. The Committee, therefore, desire that a study should be conducted for each State individually to ascertain the real plight of women entrepreneurs as regards credit opportunities available to them. The Committee also desire that special initiatives should be taken in the North-Eastern States and in the State of Bihar to figure out the status of credit opportunities for women.

Recommendation No. 3

Low level of performance by IDBI

57. The Committee note that some of the banks have not been able to achieve the target of extending 5% of net bank credit to women beneficiaries as per the directives of RBI. Allahabad Bank, State Bank of Patiala, Dena Bank and IDBI have achieved the figures 4.23%, 4.20%, 4.36% and 0.29% respectively. The Committee take a serious note of the dismal performance of IDBI, which stands at a low figure of 0.29%. The Committee, therefore, feel that a thorough assessment should be carried out to ascertain the reason for such low performance by IDBI. The Committee also recommend that the IDBI should be given a timeframe within which it should be able to disburse at least 5% of its net bank credit to women borrowers.

Recommendation No. 4

Special Drives to extend credit to Women

58. The Committee find that special efforts have been made to extend credit opportunities to women such as: opening of women cells at bank's head office & branches, simplification of procedural formalities, orientation of bank officers/staff towards gender concerns/requirement, awareness programmes through CDs, literature, involvement of NGOs/SHGs, etc. The Committee appreciate the efforts made by the Ministry. However, they feel that people-to-people interface is missing between the authorities and the

beneficiaries. Considering the fact that women beneficiaries, targeted by the Government, are mostly illiterate and are reluctant to come forward and interact with bank, the Committee desire that special drives should be conducted by the Government to reach out to those regions of the country where people are unaware and are reluctant to get into a relation with banks. The Committee also recommend that a team under field officers preferably women officers should visit remote corners of the country and reach out to the potential women borrowers who are otherwise not attracted to promotion pamphlets and CDs circulated by banks, due to their illiteracy and ignorance.

Recommendation No. 5

Need for Special Mechanism in Rural Areas to extend credit to Women

59. The Committee note that the banking network has not been properly developed in rural areas, which has negatively impacted the promotion of credit opportunities, especially to the weaker sections of the society and the women entrepreneurs. The Committee also feel that the rural and remote areas need some special mechanism whereby the potential entrepreneurs could be reached. The Committee, therefore, recommend that Post Offices and Agricultural Cooperative Societies should be involved in the process of reaching out to the individual entrepreneurs/groups i.e. SHGs for extending credit opportunities to them.

Recommendation No. 6

Performance Evaluation of officers to include criterion of provision of credit to women

60. The Committee observe that all public sector banks have initiated necessary steps to undertake the orientation of bank officers/staff on gender concerns/credit requirements of women. Further, meetings for motivating branch managers on recognizing the importance of credit delivery to women are being conducted. The Committee appreciate the efforts made by the banks. However, the Committee feel that apart from motivating the branch managers to extend credit to women borrowers, there is need for specialized training programmes in this regard. The Committee, therefore, recommend that specific gender sensitive training modules should be conceptualized for the branch managers and the performance evaluation criteria for officers should necessarily include their efforts in providing credit to women entrepreneurs.

Recommendation No:7

Need for a database on provision of credit to Women

61. The Committee also find that efforts made by the banks have not succeeded in extending credit opportunities in regions like North-Eastern States and Bihar due to less out-reach of banks. The Committee feel that unless the banks have the relevant information/database, it will not be possible to implement the promotional schemes of the Government for women in the right spirit. The Committee, therefore, recommend that

concerted efforts should be made by the Government to have a suitable mechanism in place for data collection so that they can have a proper database on the credit flow to women in different regions of the country. The Committee also desire that the data should be collected category-wise i.e. information pertaining to credit benefits extended to SCs/STs/OBCs and Women as it will further help in the streamlining of the schemes of the Government for better disbursement of credit. The Committee further desire that a separate desk for SC/ST- Self Help Groups should be established in all the banks to extend credit to women in the region with high concentration of SC/ST population.

Recommendation No:8

Need to enhance credit limits for seeking hypothecation

62. The Committee note that under the Swarnajayanti Gram Swarozgar Yojana (SGSY), for individual loans upto Rs. 50,000 and for group loans up to Rs. 5 lakh, the assets created out of the bank loan is hypothecated as primary security. Further, the Committee are given to understand that for all individual loans exceeding Rs. 50,000 and group loan exceeding Rs. 5 lakh, in addition to primary security, other collateral security is obtained at the discretion of the bank. However, the Committee, feel that in today's scenario the loan limit of Rs. 50,000 for individual and Rs. 5 lakh for group is not realistic, considering the amount of investment required in any enterprise. The Committee, therefore, recommend that the loan limit of Rs. 50,000 for individual and Rs. 5 lakh for group without collateral security

should be enhanced to Rs. 1 lakh and 10 lakh respectively in respect of Women. While extending credit to women, terms should be further liberalised, as women have not defaulted in their payments and their good practices have to be rewarded by special concessions.

Recommendation No:9

Automatic Grant of No Due Certificate for Women

63. The Committee find that Service Area Branches are advised to give 'No Dues Certificates' to the borrowers within 15 days from the date of application, so that they can approach other branches for loan requirements. However, in practice, the 15 days timeframe is often breached. The Committee, therefore, desire that a mechanism should be put in place where the borrower can register such complaints against the authorities who are not able to abide by the advisories issued to them. The Committee also recommend that the head offices should periodically review the status of such complaints received from time to time. The Committee also recommend that 'No Due Certificates' should be automatically granted to women when the last instalment of credit due to is repaid by them to the Bank concerns.

Recommendation No:10

Special study of States not performing well

64. The Committee have been given to understand that NABARD has pioneered the Self-Help Group (SHG)-Bank Linkage programme which has

become the largest SHG programme in the world. Besides, NABARD has been promoting new avenues for extending credit to women by implementing women specific credit linked promotional schemes. The Committee applaud the success achieved by NABARD the implementation of SHG-Bank linkage programme. However, the Committee feel that still NABARD has not been able to reach out to the potential borrowers to its optimum level. The Committee recommend that a special study should be carried out to ascertain the situation and find out as to which of the States are lagging behind in promoting SHG-Bank linkage programmes. The Committee also desire that the Banks that have been performing above the stipulated target should be advised to adopt regions/States where the SHG-Bank linkage has not picked-up as yet.

Recommendation No:11

Special efforts for Capacity Building of SHGs

65. The Committee feel that one of the major challenges faced in the promotion of SHG-Bank linkage Programme is the capacity building of members of SHGs. The Committee desire that special efforts should be made by the Government to help these SHGs to become self managed and independent of the promoting institutions. The Committee further recommend that the Government should devise training programmes for the SHGs in areas such as accounting, auditing, credit management and skill upgradation.

Recommendation No:12

Engagement to SHGs to start micro-enterprises

66. The Committee feel that most of the SHGs are not able to sustain the pressure of the market and often cease to function in spite of having started at the right note. The Committee feel that one of the important reasons that could be attributed to this is the limited scope of their activities they are involved in. The Committee, therefore, recommend that the Government should take steps to encourage the SHGs to scale up and diversify their income generating activities. The Committee further recommend that the SHGs should be encouraged to establish micro enterprises to create livelihood and employment opportunities among the SHGs members. The Committee feel that this would not only strengthen the SHGs but also open new opportunities and avenues for them to come forward and avail credit benefits.

Recommendation No:13

Need to enhance per-capita availability of loan for SHGs

67. The Committee have observed that under the SHG-Bank linkage Programme, the average size of bank loan per SHG is about Rs. 7000/- per member. However, the Committee feel that such small per capita loans cripple the entrepreneurs, as the amount stands too little to take up any fruitful venture. The Committee, therefore, recommend that the per capita loan per SHG-member should be progressively enhanced keeping in view

the market realities. The Committee also opine that majority of SHG members consists of BPL women and the lower section of Above Poverty Line (APL) women. In view of the social and economic background of SHG members, the Committee feel that the interest rate charged on the loans disbursed are high and, therefore, recommend that the Government should consider the proposal to grant loan at 4% interest in their favour.

Recommendation No:14

Insurance for SHGs

68. The Committee note that SHG members have little or no access to insurance services, which are crucial for security and sustainability of the SHGs. The Committee feel that considering the volatile market conditions, there should be insurance cover provided to the SHGs so that they are adequately protected from the vicissitudes of the market forces. The Committee, therefore, recommend that to insulate the women entrepreneurs of the SHGs from market eventualities, the Government should start a special drive to reach out to the SHGs and bring them under insurance cover by means of specially designed micro insurance products.

**NEW DELHI;
13th Feburary, 2009
24 Magha, 1930 (Saka)**

**KRISHNA TIRATH
CHAIRPERSON
COMMITTEE ON EMPOWERMENT OF WOMEN**

**MINUTES
COMMITTEE ON EMPOWERMENT OF WOMEN (2008-2009)**

**Third Sitting
(07.1.2009)**

The Committee sat on Wednesday, the 7th January, 2009 from 1100 hrs. to 1300 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Smt. Krishna Tirath - **Hon'ble Chairperson**

MEMBERS

LOK SABHA

2. Smt. Tejaswini Seeramesh Gowda
3. Shri Rajesh Kumar Manjhi
4. Smt. Minati Sen
5. Smt. Karuna Shukla
6. Smt. C.S. Sujatha
7. Shri Jayaben B. Thakkar
8. Shri P. C. Thomas

RAJYA SABHA

9. Shri Jabir Hussain
10. Smt. Brinda Karat
11. Smt. Syeda Anwara Taimur
12. Dr. C.P. Thakur
13. Shri Ambeth Rajan

WITNESSES

**REPRESENTATIVES OF THE MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

1. Shri Arun Ramanathan Secretary
2. Shri K.V.Eapen Joint Secretary
3. Smt. Sumita Dawra Director

REPRESENTATIVES OF RBI and NABARD

1. Shri B.P. Vijayendra Chief General Manager, RBI
2. Shri B.K. Mahunta Chief General Manager, NABARD

SECRETARIAT

- | | | |
|----|--------------------|-----------------------|
| 1. | Shri S. Bal Shekar | Joint Secretary |
| 2. | Shri C.S. Joon | Director |
| 3. | Smt. Mamta Kemwal | Deputy Secretary – II |

2. At the outset, the Chairperson welcomed the Secretary, Ministry of Finance and the representatives of the RBI and NABARD to the sitting of the Committee.

3. Thereafter, the representatives of the Ministry of Finance (Department of Financial Services) and officials of RBI and NABARD were invited to tender oral evidence on the subject 'Credit Facilities for Women by Public Sector Banks and NABARD'. The main issues which came up for discussion during the course of evidence included ;proposal for revision of 5% credit limit to women beneficiaries; better linkages between banks and Self Help Groups (SHGs); revision of interest rates on SHGs' deposits with banks; revision of the grading system of SHGs by Banks; etc. The queries of the Members were also replied to by the representatives of the Ministry/RBI/NABARD. The Chairperson, then requested the Ministry to furnish notes on the points raised by the Members to which replies were not readily available with them during the discussion.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES
COMMITTEE ON EMPOWERMENT OF WOMEN (2008-2009)**

**Seventh Sitting
(13.02.2009)**

The Committee sat on Friday, the 13th February, 2009 from 1500 hrs. to 1600 hrs. in the Chamber of Hon'ble Chairperson, EWC (Room No.130), First Floor, Parliament House Annexe, New Delhi.

PRESENT

Smt. Krishna Tirath - Hon'ble Chairperson

MEMBERS

LOK SABHA

2. Smt. Preneet Kaur
3. Shri Tek Lal Mahato
4. Shri Rajesh Kumar Manjhi
5. Smt. K. Rani
6. Smt. Minati Sen
7. Smt. Karuna Shukla
8. Smt. C.S. Sujatha
9. Shri Kinjarapu Yerrannaidu
10. Shri Kiren Rijiju

RAJYA SABHA

11. Shri Jabir Hussain
12. Shri Ambeth Rajan

SECRETARIAT

1. Shri S. Bal Shekar Joint Secretary
2. Smt. Mamta Kemwal Deputy Secretary-II
3. Smt. Reena Gopalakrishnan Under Secretary

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee then took up for consideration the draft Report on the subject **'Credit Facilities for Women by Public Sector Banks and NABARD'** X X X
X X X X X X X

After some deliberations, the Committee adopted the draft Reports without changes and authorised the Chairperson to finalise the Reports and present the same to the Parliament.

The Committee then adjourned.

X – matters not pertaining to this Report

