

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5246

ANSWERED ON:24.04.2015

LOAN TO WOMEN ENTREPRENEURS

Mukherjee Shri Abhijit;Nete Shri Ashok Mahadeorao;Ramachandran Shri Krishnan Narayanasamy;Sawant Shri Arvind Ganpat;Tumane Shri Krupal Balaji

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the targets fixed and the achievements made by the Public Sector Banks (PSBs) and National Banks for Agriculture and Rural Development (NABARD) and the loans extended to them in comparison to the total loans sanctioned;
- (b) whether the Government has formulated any policy for removing the obstacles being faced by women for obtaining the loans;
- (c) if so, the details thereof and if not, the reasons therefor; and
- (d) the steps taken/being taken by the Government to ensure the easy availability of loan to women entrepreneurs from PSBs and NABARD to fulfill their requirements?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (d) : All Public Sector Banks (PSBs) were advised vide RBI circular No. RPCD /LNFS/BC.No.11/06.02.079/2001-02 dated July 26, 2001 to earmark 5 percent of their net bank credit for lending to women. This target was to be achieved by 31 March 2004. The credit flow to women by PSBs as on 31st December 2014 is as under:

(No. of A/cs in actual)		(Amount Rs. in lakhs)		
Year	Public Sector Banks	Adjusted Net Bank Credit	% of ANBC	
No. of A/cs		Amt. O/s (ANBC)		
31 December 2014	201420143042	34427845.53	469799186.41	7.33

Source: RBI

Loans to individual women beneficiaries upto Rs.50,000/- per borrower is classified under priority sector lending.

To strengthen credit delivery to women particularly in the MSE Sector, banks have been advised to take appropriate action on the following:

- (1)Redefining of Bank`s policies / long term plans -Banks should redefine its policies by taking into account women`s requirements in a focused and integrated manner and have a published charter for women.
- (2)Setting up women cells-Women`s cells should be set up at the banks` head office as well as in their regional offices where information, counselling/guidance and other credit related services for women entrepreneurs are readily available.
- (3)Simplification of procedural formalities-The application forms, appraisal standards and other procedural requirements for extending finance to women entrepreneurs should be simplified as far as possible.
- (4)Orientation of Bank officers/staff on gender concerns/credit requirements of women -Banks should take appropriate measures to ensure that the branch level functionaries do not have traditional bias of preferring men to women in financing.
- (5)Publicity campaign for creating awareness about credit facilities-Banks should launch Awareness Programmes/Publicity Campaigns about schemes available for women.
- (6)Entrepreneurship Development Programmes/Training facilities for Women-Banks should organize entrepreneurship development programmes exclusively for women entrepreneurs.
- (7)Specialised branches for women- The specialized branches should cater exclusively and at least predominantly to the requirements of women entrepreneurs in an integrated manner.
- (8)Motivational strategies to enthuse bank officials/staff -Banks should use motivational strategies to enthuse their managers/staff to achieve targets for women.

(9)Monitoring system -A monitoring system should be in place for submitting regular reports on the credit flow to women. It should be an item on the calendar for Review being submitted to the Board of Directors of the bank.

(10)Data collection -Separate data about credit flow to women should be generated by banks and quarterly reports submitted to RBI who should process the information and create a separate data base for women.

(11)Strengthening of existing schemes - There should be greater interaction between NABARD/ SIDBI and banks. Existing schemes and programmes being implemented by them should be further strengthened both in terms of coverage as well as volume of credit.

(12)Increasing the limit for non-obtention of collateral security - Banks should also encourage women entrepreneurs to avail loans on liberal terms like minimum margin money.

(13)Involving NGOs/Self Help Groups/Women`s Co-operatives -Banks can establish contacts with the local NGOs and liaise with them to identify the needs of women and give credit related information and guidance services.