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THIRD REPORT

**COMMITTEE ON EMPOWERMENT OF WOMEN
(2004-2005)**

(FOURTEENTH LOK SABHA)

**ECONOMIC UPLIFTMENT OF SCHEDULED CASTE WOMEN THROUGH NATIONAL
SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION (NSFDC)**

MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

THIRD REPORT

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**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2005/Sravana, 1927 (Saka)

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MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT

Presented to Lok Sabha on _____

Laid in Rajya Sabha on _____

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_____2004/_____1926 (Saka)

E.W.C. No. 25

PRICE: Rs. _____

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Published under

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**COMPOSITION OF THE COMMITTEE ON
EMPOWERMENT OF WOMEN (2004-2005)**

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Smt. Krishna Tirath

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| 3. Shri R. C. Kakkar | - | Deputy Secretary |

4. Smt. Veena Sharma - Under Secretary
5. Shri V.P. Goel - Assistant Director

INTRODUCTION

I, the Chairperson of Committee on Empowerment of Women, having been authorised by the Committee to submit the Report on their behalf, present the Third Report (Fourteenth Lok Sabha) of the Committee, on the subject 'Economic Upliftment of Scheduled Caste Women through National Scheduled Castes Finance and Development Corporation (NSFDC)'.

2. The Report is based on the material received from the Ministry of Social Justice and Empowerment and impressions gained by the Committee during the study visit to Kolkata.

3. The Committee on Empowerment of Women took oral evidence of the representatives of the Ministry of Social Justice and Empowerment and National Scheduled Castes Finance and Development Corporation on 7th February, 2005, in connection with examination of the subject.

4. The Draft Report was considered and adopted by the Committee on Empowerment of Women (2004-2005) at their sitting held on 8th August, 2005. The Minutes of the sitting form Part II of the Report.

5. The Committee wish to express their thanks to the Officials of the Ministry of Social Justice and Empowerment and National Scheduled Castes Finance and Development Corporation' for placing before them the detailed written notes on the subject and furnishing desired information in connection with the examination of the subject. The Committee also appreciate the frankness with which the officials/ representatives shared their views/perceptions and constraints with the Committee.

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;
10th August, 2005
19 Sravana, 1927 (Saka)**

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

REPORT
"ECONOMIC UPLIFTMENT OF SCHEDULE CASTE
WOMEN THROUGH NSFDC"

Introductory

The National Scheduled Castes & Scheduled Tribes Finance and Development Corporation (NSFDC) was set-up by the Government of India under Section 25 of the Companies Act, 1956 as a Company not for profit, on 8th February 1989 for providing financial and development assistance to Scheduled Castes and Scheduled Tribes having income upto double the poverty line. It was set up as an Apex Corporation to act as a catalyst for strengthening the State/UT Scheduled Castes and Scheduled Tribes Development Corporations through resource backup, programme support and policy feed back. Consequent to the bifurcation of the National Scheduled Castes and Scheduled Tribes Finance and Development Corporation (by carving out of a separate Corporation for the Scheduled Tribes w.e.f 10.4.2001) the mandate for the NSFDC is confined to financial and development assistance to Scheduled Castes persons only. At present, the Corporation with its seven Zonal Offices provides concessional financial assistance to income-generating and viable projects through 36 State/UT Channelising Agencies.

Objectives of the Corporation

2. The Committee have been informed that the following are the objectives of the Corporation:-

- i) Financing income generating schemes for the SCs through the State Channelising Agencies (SCAs) and other recognised institutions nominated by the respective State/UT Governments.
- ii) Providing Micro-Credit Finance to the target group through the SCAs.
- iii) Providing grants for skill development programmes through the SCAs.
- iv) Providing advisory services to target group and SCAs.
- v) Upgrading the skill levels of the SCAs.
- vi) Providing grants to the SCAs for Computerisation.

Social priorities

3. The Ministry of Social Justice and Empowerment in a note furnished to the Committee have stated that prior to 01.10.02 SCAs were required to endeavour to cover target groups in accordance with the priorities laid down as under:-

a)	Educated unemployed/underemployed	60%
b)	Women	20%
c)	Others	20%

4. Asked to state the steps taken to enlarge coverage of women beneficiary, the Ministry have stated that with a view to enlarge the scope of coverage of

Women Beneficiaries, the Corporation in its revised lending policy effective from 01-10-02, stipulated the following social priorities:-

- | | | |
|----|-----------------------------------|-----|
| a) | Educated unemployed/underemployed | 50% |
| b) | Women | 30% |
| c) | Others | 20% |

Schemes

5. Apart from providing financial assistance through a number of Finance programmes, the Corporation is implementing the following schemes with a view to enlarge the scope of coverage of women beneficiaries:-

i) Micro credit Finance Scheme

6. In order to finance need based short term loan requirement of poorest of the poor among the target group including women, the Corporation launched Micro Credit Finance Scheme in June 2000. The scheme initially had provision for loan of Rs. 10,000/- per unit @ interest upto 12% per annum, chargeable from the beneficiaries. With effect from 01.10.2002, the loan limit was raised to Rs. 25,000/- per unit @ 5 % per annum chargeable from the beneficiaries.

7. The Micro Credit Finance Scheme has enabled the National Scheduled Castes Finance and Development Corporation to increase the coverage of women manifold. The Ministry have furnished the following details of sanction and disbursement of loan to female and other beneficiaries under Micro Credit Finance Scheme as on 30th June, 2005 **(Annexure I)**.

NSFDC's Share (Rs. in lakhs)		
	Amount (Rs.)	Beneficiaries (Nos.)

	Others	Female	Total	Others	Female	Total
Sanctions	4908.24	4997.99	9906.23	58957	78824	137781
Disbursements	5434.64	3908.96	9343.60	68321	55412	123733

(Note:- The physical and financial achievement for sanctions and disbursement are not comparable as the State Channelising Agencies avail disbursements as per finalise list of applicants selected by them, which may differ from gender wise coverage envisaged at the time of sanction.)

8. The Committee wanted to know whether there was any proposal to increase the amount of loan of Rs. 25,000 under this scheme, the Secretary during evidence stated :-

“You are absolutely right madam, we have to improve the mechanism by which they are taking loans.”

9. Witnesses added:

“there is need for collective improvement. At present average loan is below Rs. 25,000 so there is no need to increase the amount. If there is any need in future, it will be considered.”

10. The representatives of the Ministry, however, informed that increase in the amount could not be done at the Ministry level, the Ministry could not increase the amount, as there was RBI guidelines on this aspect. The Ministry would take up this issue with the RBI.

ii) **Mahila Samriddhi Yojana**

11. On 1.10.2003, National Scheduled Castes Finance and Development Corporation launched a new micro credit scheme viz. Mahila Samriddhi Yojana for women containing the following components:-

* Terms of Assistance : Unit Cost/NSFDC Share limit upto Rs. 25,000/-

* Interest : Annual Interest chargeable from SCAs Beneficiaries

1% 4%

* Repayment Period : Within 3 years.

12. The rate of interest under this scheme is the lowest of all schemes of the NSFDC. This scheme has picked up very well between 01.10.2003 and 31.03.04. The Corporation could disburse an amount of Rs. 14.83 crore to cover 30,884 beneficiaries during this period.

13. Asked to furnish the reasons for introducing this yojana, the Ministry have furnished the following reasons for introducing this scheme -

- Promotion of gender-equality.
- Economic empowerment of Women within the families.
- Success of micro-finance amongst women.
- Success of Self-Help Groups operated by women.
- Need to promote need-based schemes for women.
- Intervention in the high interest-rate micro-credit market.

14. The Committee desired to know the difference of this Yojana from other schemes of the NSFDC. The Ministry in a note furnished to the Committee have stated that as compared to the earlier schemes of the NSFDC, the new scheme has a lower-interest-rate for (i) the beneficiaries and (ii) the State Channelising Agencies.

Coverage of Beneficiaries

15. In a note furnished to the Committee, It has been stated that as on 31.08.2004, NSFDC has sanctioned 3533 schemes costing Rs. 2008.44 crore with its share of Rs. 1338.17 crore to its State Channelising Agencies for covering 4,86,013 SC/ST beneficiaries (4,54,067 SCs & 31,946 STs) and disbursed Rs. 1113.23 crore to the implementing agencies for implementation of schemes. The cumulative coverage of women beneficiaries by the Corporation is 1,66,319 under its various schemes which constitutes 34.17% of the total coverage against the norm for gender coverage (30%).

16. The Committee wanted to know the number of women beneficiaries out of the total number of persons so far benefited, the Ministry have stated that the cumulative gender-wise details are available at the level of the State Channelising Agencies. The NSFDC, since its bifurcation into National Scheduled Castes Finance and Development Corporation and National Scheduled Tribes Finance and Development Corporation w.e.f 10-4-2001, has started maintaining gender-wise Management Information System. As per these details, the women beneficiaries covered during the last three years are as follows:-

Year	Total Beneficiaries	Male	Female	Percentage
2001-2002	78223	60643	17580	22.47%
2002-2003	76286	47466	28815	37.77%
2003-2004	59826	13758	46068	77.07%

17. From the perusal of the above statement, it is seen that coverage of women beneficiaries has been increased under NSFDC schemes from 22% in 2001-2002 to 77.07 in 2003-2004.

18. In this regard, Secretary of the Ministry during evidence stated:-

“ If you take the functioning of our Corporation, in the year 2003-2004, of the total number of beneficiaries, 77 per cent are women”.

19. In reply to a query with regard to coverage of scheduled caste beneficiaries in all the States of India the representative of the Ministry during evidence stated:-

“ That I had myself, in the beginning pointed out that on this front, we need to work on more. Mahila Samridhi Yojana is an area in which we need to see that there is a regional spread of these loans”.

20. As regards, Scheduled Caste women benefited under Mahila Samridhi Yojana since its introduction, the Ministry in a note furnished to the Committee have stated that 30,240 SC women have been covered under the Scheme. The Ministry have furnished the state-wise data which is as follows:

Sl. No.	State	Amount Disbursed (Rs. in Lakhs)	SC Women Beneficiaries Covered (Nos.)
1.	Andhra Pradesh	1321.00	26420
2.	Chandigarh	2.00	20
3.	Chhattisgarh	13.50	90
4.	Karnataka	150.00	2000
5.	Kerala	6.00	40
6.	Madhya Pradesh	150.00	1000

7.	Rajasthan	25.35	176
8.	West Bengal	50.00	500
	Total	1717.85	30240

21. The Committee desired to know why in some States like Orissa, Pondicherry, Tripura, Haryana etc. no women was given the benefit of fund disbursement for promoting economic development activities. The Ministry in their post evidence replies have stated that there has been lesser coverage for women in these States but it is not true that no women beneficiaries received the loan. The proposals of the State Channelising Agencies itself had lower representation of women in their proposals sent to NSFDC. Since it was the first year of the implementation of Mahila Samridhi Yojana, the States did not send proposals under this scheme. Otherwise, the SCAs, particularly Haryana and Tripura are functioning well.

22. In this regard, Secretary of the Ministry during evidence informed the Committee that the observation of the Committee was correct when the Ministry reviewed this scheme, they could note that the regional dispersal was not done as it was planned.

23. In reply to another query, the Secretary of the Ministry during evidence informed that during 2003-2004 about 25,000 women got loan under the Scheme Mahila Samridhi Yojana. This Scheme has been implemented in eight States only, As per latest figures 30240 women had been benefited under this scheme till 1st February, 2005. 26,000 women beneficiary belong to Andhra Pradesh. This loan was given for Bakery shops, bangle manufactures and broom

making etc. This scheme was very successful in Andhra Pradesh, rest of the beneficiary belong to other states. Among them, 2000 women beneficiary belonged to Karnataka.

24. The Committee desired to know the reasons for not implementing the this scheme in other States, the Secretary during evidence stated:

“The scheme have been circulated to all the States we have been writing to all the States to send their demand of loans under this scheme, but we have not received it.”

25. The witness of the NSFDC elaborated

“ why is it that some States have taken it up while others have not? We are saying that we are spread all over the country, why even in those six months about which we are reporting, the response was higher in some States and lower in some other States. Was it that we did nothing, and just floated the hand-out? No we are doing so many things. We had a national consultation on this, which was presided over by the Secretary, and all the MDs of the States were called and this scheme was briefed. That was the step one. The step two was to train the State level functionaries of the State Corporations. We have EDPs (Executive Development Programme). We had a special EDP on two things. WE had micro finance for women. We also told them to have the better type of schemes. This list which has been given is not an ideal list. Of course, we funded in those. We want a programme shift, new opportunity profiles, and therefore, we prepared about 100 of the opportunity profile for everyday out of which 34 are those where women oriented kind of things are there. We told them to approach through the opportunity profile approach. I agree that six months progress was very little, and the scheme was picking up. We had the State level consultation, district level consultation and also the national level conference to tell about the programme. I am informing that opportunity profile, specially for this, was prepared. Subsequent to the meeting, we also had your committee meeting in Kolkata. We have implemented those programmes in one State. In another State also we are implementing, that is going to be the approach. What are the problems in some States? We are seeing as to what problems are there in some States. Where the self-help groups are already there, this programme will pick up well. Where it is not? Take for example, Uttar Pradesh. It has picked up”.

26. The Committee expressed their apprehension that the main reason for low response from other States might be due to lack of adequate publicity and public awareness of this scheme. In this regard, the representative of the NSFDC during evidence stated:

“ When the Committee was in Kolkata, it was discussed there. I am aware of that coverage was limited to eight States..... when we were in Kolkata you (Committee) gave certain directions. The first thing we did, as was mentioned, was to have concentration in those States and districts where the population of SC women or SC, in general was the highest. So, it was a mission mode approach. The example of West Bengal. A review was taken. What we did subsequently is going to be the approach. We picked up those nine districts where the concentration of the SC women and SC, in general was the highest. We first prepared the mission mode approach. We first had the awareness camps. Those awareness camps have started in these nine districts where a local self Government system is there. Panchayat Pradhans and all those are there”.

27. The Witness added
“awareness camps to be followed by training camps, Only having a elite type of training is one thing, But for self-help women, we are seeing what is to be done. The training camps was conducted by the West Bengal Government”

The Secretary of the Ministry elaborated
“Some of it funded by them (State Government of West Bengal)”.

With regard to conducting training camps, the representatives of the Corporation stated:

“It is done by the West Bengal Government Training Institute, which the Government has set up for skill training. It is done at the district level. There are 28 courses taken up. These courses are on those assests which they will ultimately be getting through loan, namely, carpentry, etc. There is a list of such courses. There is a carpentry, etc. So, the short point is that we have taken up the approach of going to districts, and in nine districts of West Bengal – this is the example --- we have started the awareness camps and training programme, and 7,000 beneficiaries have been identified in those districts alone. All this happened, after the Committee met. This is going to be the model.

28. The Committee wanted to know as to whether the entire country could be covered in another six months or so, the representatives of the Corporation during evidence stated that "Definitely we can".

In response to a question whether all States could be covered in the current year, the Secretary of the Ministry said

" I don't think that it may be possible to cover all states of the Countryin the current year, we are left with only the months of February and March".

It was then clarified that the question was with reference to the calendar year

The witnesses further added..

"We shall be able to do this by the first half of the next financial year".

29. In their post evidence reply, the Ministry/Corporation have submitted the revised figures. According to the revised figures it is noted that as on 20.06.2005 out of 4,26,052 SC beneficiaries covered under various programmes/schemes of NSFDC. 1,23,733 beneficiaries including 55,412 women beneficiaries have been covered under Micro Credit Finance Scheme since 2000-2001 and 48,918 women beneficiaries were covered under Mahila Samridhi Yojana since 2003-2004 (**Annexure II**).

30. Asked to state the steps taken to improve the regional spread of loans among women beneficiaries, it has been stated that the State Channelising Agencies (SCAs) are being encouraged to strengthen their capacity of field level support system to identify, train and form Self-Help Groups to encourage women beneficiaries in all regions to avail the schemes.

31. The representatives of NSFDC during evidence informed the Committee that they had prepared a framework for creating awareness among Officials of the State who were involved in the implementation of the scheme. As regards, generation of awareness among women beneficiary, the representatives of the Corporation had informed the Committee that they had also prepared a framework for creating awareness among women. People representatives should be involved. Concerned Ministry and officials of the State would be involved. In this regard the Ministry in their post evidence reply have stated that during the current financial year, NSFDC has adopted the mission-mode strategy for implementing Mahila Samridhi Yojana by providing an integrated package of (a) awareness camps, (b) skill development training and (c) funding, thereafter. The basic idea is to provide focused and time-bound services to the target groups. Accordingly, 7,000 SC beneficiaries have been identified under the Mahila Samridhi Yojana in the eight districts of West Bengal.

32. The Committee observed that women beneficiaries were not being provided with marketing facilities for their products due to which they were not able to face competition as such they wanted to know the reasons for not providing these facilities to women and whether there was any proposal to provide such facilities to women beneficiaries in future. The Ministry in their post evidence reply have stated that NSFDC is one of those institutions which appraise each and every project. Therefore, no project is sanctioned without the

examination of financial viability, technical feasibility and product marketability. Specific care is taken to assess forward and backward linkages. However, there is no proposal to give purchase preference to women entrepreneur. The NSFDC has sanctioned 439 training/Executive Development Programmes to upgrade the skill of 27127 SC/ST beneficiaries with its share of Rs. 6.39 crores.

Role of State Corporations

33. The Committee have been informed by the CMD, NSFDC during evidence that State Channelising Agencies are the State Development Finance Corporations, set up by the State Governments and the Union Territory Administrations. They also take the guarantee of the loans, which Corporation extends. They have, under the Companies Act and also Co-operative Societies Act, Boards which monitor them. So, basically they are State entities. The Boards work under the respective Departments of their States. There is a need to reform these State Corporations in order to make them viable to take up small schemes like Mahila Samridhi Yojana. In this connection, the Committee desired to know the steps taken to make these State Corporations viable and also the suggestions for reforming the agenda for State Channelising Agencies. The Ministry in their post evidence reply have stated that based on the impact-evaluation, project monitoring experience and funding-repayment analysis, the following reform-agenda has been suggested to the State Governments/Union Territory Administrations:

- Benchmark analysis of viability based on special audit.
- Prudential norms to prescribe
- Well-defined beneficiary-selection process,
- Transparent asset-delivery mechanism
- Establishment-cost/disbursement-ratio and time-schedule for funds to reach the beneficiaries.
- Minimum recovery standards.
- Needs-assessment and project management through Opportunity Profiles.

- Adequate authorized capital base in proportion to the target-groups.
- Introduction of the MOU-system to make performance and monitoring accountable.
- Placement of senior and professionally-competent persons as chief executives for a reasonably long period.
- Preparation of State Credit Plans for the target-groups and review of the SCAs schemes at the District/State-level Bankers Committee Meetings.
- Dovetailing the subsidy available under rural development schemes.
- Monitoring of the Action Taken Reports on independent impact-evaluation studies.
- Initiation of the District Credit Plans for high-concentration areas.

Allocation of Funds

34. In the beginning of each financial year, NSFDC allocates to its State Channelling Agencies (SCAs) funds in proportion to the scheduled castes population of the country represented by the respective `State/UT Administration. The SCAs, in turn, further make district-wise allocation in accordance with the same principle within the overall allocation/funds available to them in the following way:

- | | | |
|----|---|-----|
| a) | For projects/units costing upto Rs. 5.00 lakh | 90% |
|----|---|-----|

- b) For projects/units costing above Rs. 5.00 lakh 10%

However, the SCAs may avail their entire allocation for projects/units costing upto Rs. 5.00 lakhs.

35. On being asked to furnish the existing procedure being followed by the NSFDC for disbursement of funds to various State Channelizing Agencies (SCAs), the Ministry in a note furnished to the Committee have stated that during 2003-2004, the NSFDC evolved prudential norms for processing disbursements to the SCDCs which are as follows:-

- i) Overdues of NSFDC loans, to be paid by the SCDCs, should not be more than two years old.
- ii) Utilization of NSFDC funds, released earlier, should not be less than 80%.

Disbursements to SCDCs are processed only upon fulfillment of above conditions, which are again subject to:

- i) Submission of list of selected applicants.
- ii) Availability of adequate State Government Guarantee.
- iii) Tie-up of State Funds (Margin Money Loan and Subsidy).
- iv) Identification of Assets and Suppliers as per beneficiaries' choice and in conformity of the terms and conditions of sanctions.

36. On being asked about the steps taken by the NSFDC during the last 3 years to maximize flow of funds to the beneficiaries, the Ministry have stated that the following steps were taken in this regard:-

- Maintaining minimum cash balances towards the end of each financial year and disbursing maximum funds to the SCDCs while observing strict norms for processing disbursements.

- Guidelines prescribed by the Government on short term deposits are followed strictly and only such cash balances required to be kept towards mandatory provisions are maintained.

37. Asked as to whether guidelines issued by the Government on short-term deposits were being adhered to, the Ministry in a note furnished to the Committee have stated that the surplus funds of the Corporation not immediately required for disbursement are deposited by the "Investment Committee" of the Corporation in Nationalized Banks at the maximum rates of interest quoted on the dates. While placing the funds in short term deposit, the guidelines for Investment of Surplus Funds by the Public Sector Enterprises (PSEs) issued by DPE, Government of India's Circular/OM's dated 14-12-94, 11-3-95, 15-11-95, 14-02-97 and 25.11.99 are being followed strictly.

Sanction of Loan

38. As regard to the procedure for sanction of loans to the beneficiaries, the Ministry have stated that procedure for sanction of loan varies from State to State. The following steps are being followed after the sanction of loan:

- Issue of Sanction Letter to the beneficiaries by State Channelising Agency on the basis of Letter of Intent received from the NSFDC is the first step.
- Execution of Loan Document by the beneficiary is the second step. Requirements of Loan Documents to be furnished by the beneficiaries vary from State to State. The Loan Documents

usually demanded are: (a) Loan Agreement (b) Hypothecation Deed, (c) Execution of Surety/Guarantee, (d) Mortgage of Property as Collateral Security, (e) Post-dated Cheques, (f) Affidavit of No Dues, (g) Deposit of Promoter's Contribution, etc.

- Obtaining Choice of Assets from beneficiaries is the third step, because choice of asset by the beneficiary is a prime consideration as per the Lending Policy of the NSFDC.
- The fourth and final step is to seek disbursement from the NSFDC. On receipt of funds from the NSFDC, the State Channelising Agencies have to disburse within 90 days.

39. As the apex Corporation in Channel Finance System, the NSFDC has taken the following measures to speed up sanction/disbursement process:

- The NSFDC has prescribed Beneficiaries Charter in its Lending Policy.
- The Committee has now been directed to meet every week and display its 'Clearance-Pendency Position' on the NSFDC-website [www.Nsfdc.nic.in]
- On 1.10.2002, the NSFDC-Lending Policy was amended to reduce the fund-utilisation period from 120 days to 90 days. This was done to encourage the State Channelising Agencies to send disbursement proposals with adequate preparation and, thus encourage faster disbursement to the beneficiaries. Further,

utilization-monitoring was made stringent by obtaining precise disbursement details on periodic basis.

40. Asked whether there had been any improvement and/or simplification in the process of loan sanctioning and disbursement after implementation of the revised lending policy with effect from 1st October, 2002, the Ministry have stated that in the revised lending policy of the NSFD, the NSFDC has stipulated norms for selection of beneficiaries and early implementation of schemes. There has been definite improvement due to simplification and transparency.

41. As regards the time taken for sanction and disbursement of loan to the beneficiary, the Ministry have stated that the average time taken for sanction and disbursement of loans to beneficiaries by the SCAs, as per the evaluation reports, prepared by State Consultancy Service Organisations in 11 States are as follows:-

S.NO.	State	Period (Months)
1.	Andhra Pradesh	3
2.	Bihar	8
3.	Delhi	4
4.	Haryana	3
5.	Karnataka	4
6.	Kerala	2
7.	Maharashtra	4
8.	Madhya Pradesh	4
9.	Rajasthan	4
10.	Tamil Nadu	4
11.	Uttar Pradesh	5

42. The Ministry have further stated that the time taken in the sanction of high cost schemes is not different than the other loan schemes provided the requisite documents and certificates are received along with the proposal. On an average, it takes a minimum of one month to sanction the project.

43. As regards preferring guarantee for loan by the women beneficiary, the representative of the Ministry during evidence stated:-

“We have been in touch with the Corporations to see that they should arrange through the Corporations/SCAs. For example, when we visited Andhra Pradesh, Karnataka, Lucknow and Bhopal, we asked them to see to it that they arrange the guarantee for these beneficiaries, particularly, with the help of Self-Help-Groups. However, they are finding it a little bit difficult for taking up more and more beneficiaries. We are pursuing with the SCAs to provide the guarantee”

The Secretary of the Ministry elaborated

“So, this is the problem with all the Corporations that the guarantee is required. Basically, it is a loan and the loan has to be recovered. Otherwise, all the equity of the Corporation will be eaten up. That is why, this guarantee is required.”

44. It was pointed out during evidence that in the State of Karnataka women were not given loans if her husband or a members of her family had already taken a loan, the Committee enquired whether such policy was not discriminatory towards women and in this connection, they wanted to know the steps taken to address this aspect, the Ministry in their post evidence reply have stated that the Lending Policy of the NSFDC, while prescribing eligibility, takes into consideration the annual family income of the applicant (i.e. families living below double the poverty line). This policy is consistent with the overall anti-

poverty strategy of the Government of India where family is taken as the basic unit for providing financial assistance. Keeping in view the fact the coverage of the Scheduled Caste population, living below double the poverty line, is still not adequate, it will be appropriate to continue the present policy, till such time the resources of the Corporation are further augmented. SCAs are, however, required to cover target groups in accordance with certain social priorities. The SCAs endeavour to ensure that atleast 30% of beneficiaries are women.

45. Asked to furnish details regarding total number of applications received and loans sanctioned during the last three years and year-wise number of applications rejected in various States during the same period alongwith reasons thereof, the Ministry have furnished the State-wise details thereof during the last five years (**Annexure III**) which are given below:-

	Pending	Received	Total	Sanctioned	Rejected
2001-2002	As on 31 st March 321 (2001)	366	687	409	138
2002-2003	(140) (2002) 96*	641	737	575	107
2003-2004	55 (2003)	441	496	270	45
2004-2005	181 (2004)	272	453	243	181
2005-2006	29 (2005)	22	51	13	10

(Note :-*The actual total of applications pending as on 31-03-2002 is 140. However, after adjusting 44 proposals (Manipur-9, Mizoram – 23, Sikkam - 4 and Tripura 8) concerning ST cases transferred to NSFDC, the total has been taken)

46. On being asked as to whether the NSFDC has ever checked the reasons for rejection of loan applications by the State Channelising Agencies in order to satisfy its reasonableness, the Ministry have stated that under the channel finance system, (i) publicity of schemes, (ii) selection of applicants, (iii) project implementation and (iv) loan recovery are the exclusive domain of the SCDCs. Therefore, NSFDC has not carried out scrutiny of work done by the SCAs.

47. On a specific query about the rejection of application, the Committee were informed during evidence that 12 applications in Delhi were rejected. The Committee, therefore, desired the Ministry to provide details of the rejection of these applications, the Ministry in post evidence reply have stated that the figure of 12 projects was as on 31.3.02. However, as per cumulative figures upto 2004-2005 (as on 31.01.2005), only two proposals have been returned in Delhi.

Recovery

48. The cumulative recovery of the National Scheduled Castes Finance and Development Corporation from the State Channelising Agencies as on 31.12.2004 was 89.32%, the Ministry have stated that an amount of Rs. 395.81 crore was outstanding for recovery as on 31-12-2004.

49. On being asked about the existing procedure being followed by the Corporation for the recovery of loans, the Ministry in a note have stated that the Corporation issues quarterly scheme-wise demand notices (for the quarters ending March, June, September and December) to the SCDCs in advance, for recovery of dues. These demand notices have details such as File No., Name

of Scheme, Principal Amount Outstanding , Principal & Interest Instalment due as on end of the quarter & due date for Payment. Copies of demand notices are sent to the Zonal Offices as well for follow-up. The SCDCs are required to send the quarterly repayment instalments within 10th of the following months failing which reminders are issued and the matter is pursued further by visits to concerned States. The Ministry has further stated that the loan recovery procedure of NSFDC from the SCDCs is uniform through out the country. However, the procedure of recovery followed by SCDCs from the beneficiaries differs from State to State.

50. The Committee wanted to know the steps taken to ensure speedy recovery of outstanding amounts and also the procedures of recovery being followed by various State SCDCs, the Ministry in their post evidence reply have stated that outstanding amount as on 31.12.04: Rs. 395.81 crore include the amount not yet due for recovery. NSFDC's overdues as on 25-02-05 are Rs. 87.59 crore and the major defaulting SCAs are in Tamil Nadu, Bihar, Assam and Orissa. Recovery from beneficiaries is the exclusive domain of the SCAs.

The procedure usually followed by the SCAS is as under:

- Most SCAs effect recoveries through their own staff. Persuasion of the demand notices is the normal method.
- Most SCAs attempt to maximize recovery by encashing post-dated cheques given by the beneficiaries, failing which a few take action under Section 138 of the Negotiable Instruments Act.

- Auction of assets hypothecated to the Corporation is a coercive process which is undertaken with the help of revenue officers.
- Competent authorities in some of the SCAs have also adopted 'one time settlement approach' with the beneficiaries where, in their opinion, the default is chronic. State Channelising Agencies from Himachal Pradesh, Chandigarh and Goa are some such examples.

51. As regards the recovery position, the representative of the Corporation during evidence informed the Committee that the existing percentage of recovery from beneficiaries were in the range 42% to 45% and there was urgent need to increase this percentage. The recovery percentage in Haryana, Himachal Pradesh and Kerala was about 70%.

Witness further added:-

"It went down from 48% to 45% and then from 45% to 42% last year. This is a matter of great concern. Of course, we will get our money back.

The Secretary during evidence had stated that if the outstanding loans were recovered it could have been recycled again. In case timely recovery of loan was not made then Corporation could not grant further loan, the Corporation keeps recycling the loans. If funds were not recycled the activities of the Corporations were hampered.

The Secretary added:

“If you permit me to say so, there is so much emphasis on sanction of loan but the recovery is flattened out. So, for everybody’s benefit, for the beneficiaries’ benefit also, if the Corporation is a viable entity, it can expand its activities, do more work. Otherwise, if it is always a loss-making entity, then, it is difficult to undertake training programmes also. Then, the Finance Department will say that the administrative expenditure is going up. Then, so many things will happen. But if there is some emphasis on recovery, it will help matters”.

52. The Committee on this aspect during evidence were informed by the CMD of NSFDC that the Corporation was having problem in the State of Orissa regarding repayment of loan amount. The Committee, then wanted to know the efforts made by the Government to address this problem and also steps proposed to be taken in order to ensure that other States did not create the same kind of problem in future. The Ministry in their post evidence reply have stated that Orissa is a State which has Government Guarantee shortfall of Rs. 2.49 crore and unpaid overdues are as old as from 2001-2002. The basic problem is the inability of the Orissa SCs and STs Development and Finance Cooperative Corporation to effect good recoveries from its beneficiaries. As on 31-3-2004, the SCA had a cumulative demand of Rs. 18.74 crore to be recovered from the beneficiaries of the NSFDC-funded schemes. The only way to ensure that such a situation is not repeated in other SCDCs is to improve the viability of the State Channelising Agencies and enhancement of their capacity. For this purpose, prudential norms, which prescribe the undermentioned measures need to be strictly adhered to:

- i) Well defined, transparent selection process.
- ii) Efficient delivery mechanism, adherence of time schedule for the funds to reach the beneficiaries.
- iii) Minimum standard of recovery from the beneficiaries.
- iv) Reducing establishment cost by adhering to a establishment cost/disbursement ratio.

53. The Committee however, expressed their deep concern during evidence that Government loans were generally benefiting the NGOs and not to the targeted beneficiaries and they therefore desired the representatives of the Ministry to spell out steps proposed to be taken by the Ministry in order to ensure that Government loans should reach the actual beneficiaries and also devising proper monitoring mechanism for proper utilization of funds disbursed under various schemes of NSFDC. In this context, the Ministry in their post evidence reply have stated that NSFDC did not give funds to NGOs directly. However, to ensure proper and efficient utilization of funds under its schemes, the following mechanism exists:-

- SCDCs are required to submit periodic returns to NSFDC on fund-utilization which contain details such as (a) Names and Addresses of the Beneficiaries, (b) Cheque/Demand Draft Nos., (c) Date of issuing Cheque/Demand Draft Nos., etc.

- NSFDC constantly monitors utilization for the released funds, as a result of which the utilization percentage of SCAs has risen from 78.52% (as on 31-03-2000) to 88.15% (as on 31-3-2004). As on 25-02-2005, the utilization has further improved to 89.01%.

54. The Ministry have further stated that they review implementation in the light of the targets determined by the MOU Task Force, set up by Department of Public Enterprises. Monthly and quarterly reports are also obtained from NSFDC.

Staff Strength

55. The Committee have been informed that 22 vacancies were lying with the NSFDC. They, therefore, expressed their serious concern for not filling up 22 vacancies laying vacant and during evidence enquired about the action taken/being taken to fill up those vacancies. The Ministry in their post evidence reply have stated that as on 25-02-05, there were 30 vacancies in various grades of the NSFDC hierarchy. The Corporation has already initiated the process of filling-up depending on operational requirements. The lending functions of the Corporation have not been adversely affected.

Complaints

56. The Ministry in a note furnished to the Committee have stated that four complaints have been received against the Officers of NSFDC from V.I.Ps/Ex-

M.Ps. and others belonging to general public, during the last three years. However, no complaint has been received against officials of NSFDC from State Governments, State Channelising Agencies and beneficiaries. Two complaints have been disposed off and remaining two are under examination.

The details of these complaints are given below:-

S.No.	Name of suspect	Allegation in brief	Present position
1.	Dr. S.P. Ram, Executive Director	Administrative irregularities	Matter is under examination
2.	Dr. S.P. Ram, Executive Director	Claim of false Children Educational Allowance	CVC has agreed to close the file with the condition that the scheme of Children Education Allowance be formulated.
3.	(a) Shri P.T. Wangdi, CMD (Retd.) (b) Dr. S.P.Ram, ED and Shri Nayagam	Financial irregularity	Charge sheet has been issued by DOPT. (b) Departmental enquiry has been completed.
4.	Shri Amitabh Rajan, CMD	Various Administrative and financial discrepancies	Report of the internal audit conducted for the purpose is under examination.

Monitoring System

57. The Committee have been informed that monitoring mechanism available with the Ministry to monitor the functioning of NSFDC and State Channelising

Agencies in respect of sanctioning of loans, disbursement of loans, disbursement of loans and recovery, is an under:-

- i) Monthly & Quarterly Progress reporting of state-wise/gender-wise sanctions, disbursements, beneficiaries covered, recovery of loans etc. by the NSFDC to the Ministry.
- ii) Quarterly reporting system of utilization of Special Central Assistance and SCP Funds by SCDCs to the Ministry.
- iii) Officers of the Ministry i.e. Joint Secretary (Scheduled Caste Division) and Joint Secretary & Financial Advisor are represented in the Board of Directors of NSFDC.
- iv) Periodic reviews of NSFDC and SCDCs by the Ministry with reference to their performance and working.
- v) Officers of the Ministry and NSFDC have been nominated on the Board of SCDCs.

58. NSFDC also exercises monitoring and control over the performance of the schemes in the following manner:

- i) SCDCs submit quarterly progress reports on fund-utilization which contain details such as Cheque No., Date, names of suppliers, and names and addresses of beneficiaries.
- ii) NSFDC nominee reviews issues relating to the NSFDC schemes in the Board Meetings of SCDCs.

- iii) Teams of NSFDC officials from Head Office & Zonal Office undertake joint inspections of units financed.
- iv) Review meetings with SCDCs' officials are held at periodic intervals to discuss and settle pending issues.
- v) Officials from NSFDC Head Office also hold deliberations with concerned State Government Officials dealing with SC Welfare.

59. On being asked as to whether any Monitoring Authorities have been set up at National and State levels also, the Ministry in a note furnished to the Committee has stated that there are no separate prescribed monitoring authorities at the National or State levels to monitor the functioning of the NSFDC or SCDCs. The Committee during evidence desired to know any monitoring mechanism at Centre to monitor the interest of the beneficiaries, the Secretary during evidence stated

"There is no monitoring Committee as such. But the MD and the officers of the Corporation keep on visiting and discussing various matter with each State Government."

Emphasizing the need of monitoring, the representatives of the Ministry, during evidence stated:

"monitoring aspect is very important. In every State, the nodal Secretary is the Social Welfare Secretary – Principal Secretary, Social Welfare. There is also a Scheduled Caste Development Corporation. That is the Channelising Agency. We have 36 in total"

The witness of the Ministry added:

"we also have a Special Component Plan and various schemes for the development of the SCs. We have Corporations which are designated as State Channelising Agencies. Each State Channelising has got a Board of Directors. The Chairpersons and the Members meet once in every quarter

to review the financial allocations, loan position, what is the amount they have got from the Central Government, and matters like this. In the Ministry, we have been writing to the States, at the Chief Secretary's level and also particularly the Nodal Secretary, Social Welfare. Under the Special Component Plan, there are many Schemes, which are run for the development of SC women. We give special Central assistance. So, that is covered in a general monitoring situation. Our Secretary also takes meetings with the States with regard to the Special Component Plan".

60. The Committee desired to know the existing mechanism which ensured the funds allocated for the schemes were utilised timely and properly. In this regard, the Secretary of the Ministry during evidence had stated that while the monitoring the functioning of the Corporations the aspect would also be monitored in details. In reply to a query, the Secretary of the Ministry during evidence stated:

"We can monitor only our own Corporation. We cannot monitor the State Governments Corporations. We can point out to them this is where they are going wrong and this is how we can help them".

61. It was suggested that the Ministry should formulate a policy over this aspect, the Secretary, during evidence stated:

"The Policy is made by us from time to time"

62. The Committee had drawn the attention of representative of the Ministry over the fact that if the Government were providing money, they should also monitor and check mis-utilisation of funds. In this regard, the Secretary, during evidence stated:

" It is open to us for checking. We have rejected certain loans because we are checking their work. That is why we are rejecting the loans. It is not that we want to reject it and we are rejecting it. We find that there are no proper schemes. So, we are rejecting it. That is the way that is

open to us. Then, we are guiding them. We are talking to them. We are telling them that this is how it should be done. Unless they utilise the loan, we do not give any further loan. One very good system the Corporation has introduced since last year. When they send us the utilisation report, they have also to send us the cheque number through which they have disbursed the loan so that we are certain that the utilisation certificate is genuine. So, we introduced whatever measures we can introduce to check them. We are doing that".

Observations/Recommendations

63. The National Scheduled Castes Finance and Development Corporation (NSFDC) was set up on 8th February, 1989 as an apex Corporation to act as a catalyst to strengthen the States/Union Territories Scheduled Castes and Scheduled Tribes Development Corporations through resource backup, programme support and policy feed back. Before bifurcation, this Corporation was providing financial and development assistance to both the Scheduled Castes and Scheduled Tribes beneficiaries having income upto double the poverty line. After carving out a separate Corporation for Scheduled Tribes beneficiaries w.e.f. 10.4.2001, the mandate of this Corporation has been confined to providing financial and development assistance to Scheduled Castes beneficiaries only. The main objectives of this Corporation are financing income generating schemes for Scheduled Castes, providing micro credit finances to the target groups, providing grant for skill development programmes through the State Channelising Agencies (SCAs), providing advisory services to the target groups and SCAs and upgrading the skill levels of SCAs etc. This Corporation with its seven Zonal Offices provide concessional financial assistance for income generating and viable projects through 36 State/UT Channelising Agencies. Besides providing financial assistance through a number of finance programmes, this Corporation has also been implementing (i) Micro-Credit Finance Scheme and (ii) Mahila Samridhi Yojana with a view to enlarging the scope of coverage of women beneficiaries. This Report of the Committee specifically examine the economic upliftment of scheduled caste women through NSFDC. The examination of this subject by this Committee has revealed that there is a lot of scope for efficacious and purposeful implementation of schemes formulated by the Government for providing financial assistance to Scheduled Castes women beneficiaries which are primarily income and employment generating meant for

betterment of their economic condition. The specific recommendations of this Committee have been brought out in the subsequent paragraphs of the Report.

64. The Committee have been informed that besides providing financial assistance through a number of programmes to scheduled caste beneficiaries the two schemes viz. the Micro-Credit Finance Scheme and the Mahila Samridhi Yojana were launched by the Government in June, 2000 and October, 2003 respectively with a view to promoting gender equality, economic empowerment of women and enlarging the scope of the coverage of scheduled caste women beneficiaries. The Committee note that as on 31st March, 2005, 55412 women beneficiaries were benefited under the Micro Credit Finance Scheme and 48918 women beneficiaries were benefited under the Mahila Samridhi Yojana which is being implemented only in eight States viz. Andhra Pradesh, Chandigarh, Chattigarh, Karnataka, Kerala, Madhya Pradesh, Rajasthan and West Bengal. The Committee while expressing their concern over the low coverage of these schemes feel that these schemes have not been implemented in the right perspective due to inadequate publicity and lack of awareness of the benefits of these schemes among targeted beneficiaries. The representative of the Ministry, however, informed that the Mahila Samridhi Yojana was circulated to all the States but States did not submit their demand for loan.

During their visit to Kolkata also, the Committee had expressed their concern over the poor implementation of Mahila Samridhi Yojana. The representative of the Ministry informed the Committee that in response to the directions given by the Committee in Kolkata the Ministry/Corporation made a review of the implementation of the Mahila Samridhi Yojana and also initiated a number of steps to enlarge the scope of beneficiaries in West Bengal. The Corporation, in this regard adopted a mission-mode strategy to implement Mahila Samridhi Yojana by providing an integrated package of awareness camps, skill development, target funding thereafter to target groups besides reaching out to poor beneficiaries in rural and suburban

areas. As a result thereof, 7800 scheduled caste women beneficiaries were covered under this approach in eight Districts of West Bengal. Further the State Channelising Agencies were encouraged to strengthen their capacity of field level support system to identify, train and form self help groups to encourage women beneficiaries in all regions to avail this scheme. The Committee have gathered an impression that this scheme has not been able to achieve its slated objectives owing to its inefficient implementation. The Committee, therefore, desire that the Ministry/Corporation should take appropriate steps to identify the factors responsible for the poor implementation of Mahila Samridhi Yojana and also for not getting positive response from the women beneficiaries in these States. Besides this, the Ministry should also conduct a survey of these States to identify the reasons which might be responsible for the poor implementation of this scheme in these States so that corrective measures could be taken in this regard. The Committee also suggest that attitudinal changes need to be brought about in the officials of corporation/State Channelising Agencies entrusted with the task of implementation of the scheme for making conscious efforts to develop awareness among illiterate beneficiaries of the basic components/objectives of these schemes.

The Committee also desire that the objectives/components of these schemes should be given a wide publicity in those States where these schemes got poor response. The Government should utilise both electronic and print media for dissemination of basic components and objectives of these schemes so that adequate publicity about these schemes could reach throughout India including hilly and remote areas of the country. They feel that a separate budget should also be allocated for publicity purposes.

They are of the opinion that people's representative, NGOs and Self Help Groups can also play an important role in generating awareness among women beneficiaries about the benefits of these schemes. They, therefore, urge upon the Ministry/Corporation/SCDCs to actively involve these agencies and people's

representative in generating awareness among targetted beneficiaries as they can play a vital role and also act as a bridge between Government and potential beneficiaries.

65. The Committee note that one of the major problems being faced by the women beneficiaries is the lack of marketing facilities of their products due to which these women beneficiaries are not able to face the high level of competition. The Committee have been given to understand that NSFDC is one of those financial institutions which appraise each and every project and no project is sanctioned without the examination of financial liability, technical feasibility and product marketability. There is no proposal to give purchase preference to women entrepreneurs. The Committee feel that merely appraisal of the project to assess its financial viability or otherwise is not sufficient, as it would only provide the beneficiaries the knowledge about the saleability of their products but not the marketing linkages. The Committee are of the view that unless women are not provided with proper training to improve the quality of their products, they cannot face the stiff market competition which is required for their sustenance. In this regard, the Committee have been informed that NSFDC has sanctioned 439 training/EDP Programmes to upgrade the skill of 27,127 SC/ST beneficiaries with its share of 6.39 crores. The Committee desire that to impart training to women beneficiaries, training programmes should be organised by the Corporation at regular intervals and a separate allocation in the budget should be made for the purpose.

66. The Committee have been informed by the Ministry that there is need to reform the State Corporations in order to make them viable. In this connection, a reform agenda containing suggestions for prescribing prudential norms, well defined beneficiary selection process, transparent asset delivery system, establishment cost disbursement rates, minimum recovery standard etc has been suggested to State Governments which was prepared on the basis of impact evaluation, project monitoring experience and funding repayment analysis. The Committee would like the Ministry/Corporation to take expeditious steps in persuading the State Governments/UT Administrations to implement these suggestions without further

delay so that the functioning of State Corporations are streamlined and make them viable to implement the schemes of the Government.

67. The Committee find that the existing procedure for sanctioning of loan to the targetted women beneficiaries is time consuming. The loan applications are processed through four stages which include issue of sanctioning letter to the beneficiaries by the SCAs, execution of loan documents by the beneficiaries, obtaining choice of assets from beneficiaries and finally disbursement of loan from the NSFDC which has to be disbursed within 90 days. The Committee note that the average time taken in sanctioning and disbursement of loan to the beneficiaries by SCAs varies from State to State and which ranged from 2-8 months. The Committee are of the view that the delay in getting loan often lead to defeat the very objective for which the loan has been asked by the beneficiaries. The Committee, therefore, desire the Ministry to formulate specific guidelines with regard to the time frame from receiving applications for grant of loan to the final disbursement of loan amount to the women beneficiaries. The Committee further desire the Government to simplify the cumbersome procedure of sanctioning, disbursement of loan to beneficiaries and take appropriate measures to eliminate the delay in the process.

68. The Committee note that while preferring loan application the beneficiaries have to arrange guarantors to repay the loan sanctioned to them. The Committee are of the view that beneficiaries always face a great difficulty in arranging guarantor who could stand as surety for them for repaying the loan which is a pre-requisite condition for getting a loan. Agreeing to the views of the representative of the Ministry that sanctioning of loan amount should be secured by a guarantor so that the Corporation may not find any difficulty in recovering the loan from the borrower, they are of the view that loan should not be delayed/denied to women beneficiaries due to non-availability of the guarantor. The representative of the Ministry during evidence, however, informed that SCAs are persuaded to provide guarantee for the

beneficiaries through Self Help Groups. The Committee, therefore, desire that the Government should issue specific directions to State Governments/ SCAs for arranging guarantor for beneficiaries through Self Help Groups/NGOs to avoid any hardship being faced by beneficiaries in this regard.

69. The Committee expressed their deep concern when they found that 138 out of 687 i.e. 20%, 107 out of 737 i.e. 14% and 181 out of 453 i.e. 39% loan applications of beneficiaries were rejected during 2001-02, 2002-03 and 2004-05 respectively. Even during 2005 till date, the percentage of rejection is 19.6%. The Committee do not agree with the Ministry that under Channel Finance system areas like publicity of schemes, selection of applicants, project implementations and loan recovery are in the exclusive domain of SCDCs and the Corporation did not carry out any scrutiny of work done by SCAs. The Committee are surprised to note that the Corporation has not taken any steps to find out the specific reasons for rejecting such a huge number of loan applications taking the plea that it is a domain of SCDCs. While the Committee are conscious of the fact that it may be under the domain of SCDCs, the Ministry/Corporation cannot wash off their hands and delegate the entire responsibility of loan sanctioning process upon SCDCs. The Committee are of the view that Ministry/Corporation should perform the role of a true catalyst and induce SCDCs to be reasonable and impartial while scrutinizing loan applications of the beneficiaries. The Committee are of the opinion that since scheduled caste beneficiaries, especially women beneficiaries who sometimes are not educated and do not possess the basic knowledge of filling up the application forms for loan with the result that their applications are rejected on technical grounds. The Committee also desire that the Ministry/Corporation should ensure that the genuine cases for sanction of loans are not rejected. In this regard, the Committee would like the Ministry/Corporation to take appropriate measures in providing assistance to beneficiaries while filling the loan applications so that the same may not be rejected

on technical grounds. The Committee further desire the Ministry/Corporation to get the scrutiny done of all the applications rejected during the last three years to find that these were not rejected on flimsy grounds. The Committee wish to be apprised of the outcome of such scrutiny. The Committee suggest that the Corporations should ask the State Corporations to submit at regular interval the information with regard to receipt, disposal and pendency of loan applications including the number of applications rejected and reasons for the rejection.

70. The Committee had been informed that the cumulative recovery of NSFDC from State Corporations/SCAs as on 31st December, 2004 was 89% with an outstanding amount for recovery of Rs. 395.81 crore including the amount not yet due for recovery. NSFDC overdues as on 25th February, 2005 were Rs. 87.59 crore and the major defaulting SCAs were Tamil Nadu, Bihar, Assam and Orissa. The representative of the Corporation during evidence informed that Orissa has a Government Guarantee shortfall of Rs. 2.49 crore and unpaid overdues were as old as from 2001-2002. The Committee also find that the existing percentage of recovery from beneficiaries are in the range of 42% to 45%. The SCAs had a cumulative demand of Rs. 18.74 crore to be recovered from the beneficiaries of the NSFDC-funded schemes. In their post evidence reply, the Committee have been informed that as on 10th July, 2005, the recovery received by NSFDC from SCAs and overdue amount to be paid by SCAs to NSFDC are Rs. 69443.83 lakh and Rs. 9379.41 lakh respectively. The Committee are concerned to note that the recovery of loan granted to beneficiaries under various programmes and schemes of Government has been very low. They feel that the existing mechanism for recovery of loan both at the Centre and State is not proving effective as is evident from the continued poor recovery position in respect of States like Orissa, Bihar, Assam and Tamil Nadu. The Committee, further, desire the Ministry/Corporation to take up the matter with the concerned State Governments on priority basis to persuade them to take appropriate

measures in this regard. The representative of the Ministry during evidence conceded that there is a need to improve the viability of SCAs, and enhancement of their capacity and also the prudence norms such as transparent selection process, efficient delivery mechanism, minimum standard of recovery from beneficiaries and also reducing the establishment cost are to be adhered to, for improving the recovery position. Besides taking these measures, the Committee also desire the Ministry to devise other ways and means for strengthening the existing recovery mechanism for improving recovery position. The Committee also recommend that separate Recovery Cells should be set up both at Centre and State level to monitor the recovery process of outstanding loans from SCAs/beneficiaries.

71. The Committee note that a loan of Rs. 25000 is being given to the beneficiaries as financial assistance in Micro Credit Finance Scheme and Mahila Samridhi Yojana. The Committee feel that this amount is not adequate to support new venture in the present times. The representative of the Ministry while realising the need for collective improvement in this regard informed that the amount may be increased in future if needed but it could not be done at Ministry level as there are RBI guidelines on this aspect. It could be done only after consulting the Ministry of Finance/RBI. The Committee, therefore, desire the Ministry to take up this issue with the Ministry of Finance/RBI for revising the limit of loan amount suitably keeping in view the demand and requirement of targetted women beneficiaries. The Committee would like to be apprised of the response of the Ministry of Finance/RBI in this regard at the time of furnishing the action taken replies.

72. The Committee have been informed that only four complaints have been received against the officers of the NSFDC from VIPs/Ex-MPs and others belonging to general public during the last three years and no complaint has been received against the officials of the NSFDC from State Governments. The Committee feel that the existing grievance-redressal mechanism is not proper when they find that no

complaint has been received against the junior staff of the Corporation and SCAs. Even the cases which are under examination against two senior executives charged with administrative and financial irregularities have been pending/under examination. No reasons for such pendency have been furnished to the Committee. Even the 3rd case where charge-sheet was issued and a departmental enquiry has been completed is yet to be finalised. The Committee do not agree with the Ministry that no complaints against the officials have been made, keeping in view the fact that the Corporation and SCAs deal with the women beneficiaries in respect of financial transactions. The Committee are of the opinion that existing grievance redressal mechanism need to be strengthened and there is an urgent need for an institutionalised mechanism for the redressal of grievances both at Central and States. The Committee, therefore, desire the Ministry/Corporation to set up a Grievance Redressal Cell both at the Centre and States Corporations for this purpose. They are also of the opinion that if complaint boxes are made available in NSFDC and SCAs, the beneficiaries could drop their grievances/complaints in those boxes. The Committee also desire the Ministry to expedite the pending cases against the officers without further delay and take appropriate action against these officials if found guilty to avoid recurrence of such cases in future. The Committee would like to be informed about the action taken in these cases within three months after the presentation of the Report.

73. The Committee are concerned to note that as on 25th February, 2005, there were 30 vacancies in various grades of the NSFDC hierarchy. The Committee have been informed that the Corporation has initiated the process of filling up these vacancies depending upon operational requirements. The Committee do not agree with the Ministry that the lending function of the Corporation has not been affected due to the shortage of staff, as informed by the Ministry. In their opinion such a large number of vacancies do affect the functioning of any organisation. The Committee,

therefore, desire that the Ministry/Corporation should take expeditious steps to fill up these vacancies so that the smooth functioning of the Corporation is not affected.

74. The Committee have been informed that there is no separate prescribed monitoring authority at National or State level to monitor the functioning of the NSFDC or SCDCs. The Ministry is monitoring the functioning of NSFDC and SCAs in respect of sanctioning, disbursal and recovery of loans through monthly, quarterly progress reports, periodical review of the functioning of the Corporation and SCAs by senior officer of the Corporation. Besides this, senior Central Government Officers are nominated in the Boards of NSFDC and SCAs who review the implementation of the schemes at State level. Taking note of poor recovery position in various States, inadequate publicity and public awareness among beneficiaries of the benefits of the schemes which resulted in the poor implementation of the schemes in various parts of the country, the Committee feel that the existing monitoring mechanism is not adequate and effective and there is need for strengthening the existing mechanism both at Central and States. The Committee, therefore, desire that the existing monitoring mechanism should be strengthened in close coordination and consultation with the State Governments. They are, therefore, of the view that separate monitoring Cells should be also set up both at Centre and States to monitor the implementation of various schemes. The Officers of these Cells should pay regular visit to States and Districts to get a feedback about the implementation of these schemes, to hold meetings with the State level and District level officers for making a periodical review of the implementation of the various programmes launched under the schemes which will enable them to find out the shortcomings, lacunae and bottlenecks in the implementation of the schemes for taking timely remedial action.

NEW DELHI
8th August, 2005
17, Sravana, 1927 (Saka)

(KRISHNA TIRATH)
CHAIRPERSON
COMMITTEE ON EMPOWERMENT OF WOMEN

(Rs. in lacs)

Details of Sanction and Disbursement of loan to Male & Female beneficiaries for MCF Scheme

Sno.	State /UTs/Agency	M S F D C S H A R E			F U N D S D I S B U R S E M E N T S								
		Amount			No. of Beneficiaries			Amount			No. of Beneficiaries		
		Women	Other	Total	Women	Other	Total	Women	Other	Total	Women	Other	Total
Annexure - I(A)													
1	Andhra Pradesh/APSDFDC	2041.50	88.00	2121.50	40830	800	41630	1247.40	874.10	2121.50	24942	16688	41630
2	Assam/BSCDC	27.96	334.48	362.44	295	3916	4211	23.86	167.76	191.62	248	1688	1928
3	Chandigarh/CSDFDC	0.75	13.00	13.75	10	140	150	1.00	12.02	13.02	15	167	182
4	Chhattisgarh/CSDFDC	0.00	49.00	49.00	0	500	500	38.65	10.35	49.00	431	69	500
5	Delhi/DSFDC	4.50	5.50	10.00	45	55	100	4.50	5.50	10.00	45	55	100
6	Goa/GSDFDC	0.63	1.11	1.74	7	11	18	0.80	1.20	2.00	8	12	20
7	Gujarat/GSEDC	176.90	563.06	739.96	1819	5275	6894	413.60	671.26	1084.86	3718	5464	9174
8	Himachal Pradesh/WPSCSTDC	38.08	128.00	158.08	200	800	1000	38.00	120.00	158.00	200	800	1000
9	Jammu & Kashmir/JKSSTDC	4.00	16.00	20.00	40	160	200	4.00	16.00	20.00	40	160	200
10	Karnataka/KSCTDC	580.80	563.20	1064.00	4029	5381	9410	439.30	549.70	989.00	3393	5497	8890
11	Kerala/KSDC	156.67	147.12	303.79	1595	1438	3033	113.58	161.02	274.60	1804	1329	2333
12	Madhya Pradesh/MPMSVM	0.00	100.00	100.00	0	1000	1000	0.00	58.00	58.00	0	508	508
13	Madhya Pradesh/MPSCFDC	173.55	304.60	478.15	1157	2364	3521	173.25	304.90	478.15	1155	2366	3521
14	Maharashtra/LASDC	34.45	43.28	77.65	607	664	1271	17.75	59.90	77.65	155	353	508
15	Maharashtra/MPSCDC	18.34	37.24	55.58	170	277	447	11.40	33.68	45.08	80	254	334
16	Mizoram/MKVII	2.00	4.00	6.00	20	40	60	2.00	4.00	6.00	20	40	60
17	Orissa/OSFDC	25.00	0.00	25.00	166	0	166	37.50	37.50	75.00	250	250	500
18	Rajasthan/RSCDC	44.20	64.30	108.50	327	508	835	21.55	54.70	76.25	176	444	620
19	Sikkim/SSCSTDCDC	0.00	1.10	1.10	0	11	11	0.00	1.10	1.10	0	11	11
20	Tamilnadu/TANRDC	3.78	15.12	18.90	37	152	189	3.78	15.12	18.90	37	152	189
21	Triपुरa/TSCDC	146.25	0.00	146.25	975	0	975	0.00	72.15	72.15	0	481	481
22	Uttar Pradesh/UPSCFDC	1459.79	1937.31	3397.10	25481	31139	56620	1196.99	1925.11	3122.10	18523	29630	48153
23	Uttaranchal/UVVEVM	28.05	34.90	62.95	433	726	1159	28.05	34.90	62.95	433	726	1159
24	West Bengal/WBSCSTDFC	88.87	354.00	442.87	581	2800	3381	180.00	225.00	405.00	555	1000	1555
Total : as on 31.03.2005		4967.99	4788.24	9756.23	78624	58157	136781	3908.96	5406.89	9315.85	55412	68136	123548

(Rs. in Lacs)

Details of Sanction and Disbursement of loan to Male & Female beneficiaries for MCF Scheme

Sno. State /UTs/Agency	NSFDC SHARE						FUNDS DISBURSEMENTS					
	Amount			No. of Beneficiaries			Amount			No. of Beneficiaries		
	Women	Other	Total	Women	Other	Total	Women	Other	Total	Women	Other	Total
Annexure - I(B)												
25 Tripura/TSCDC	30.00	120.00	150.00	200	800	1000	0.00	27.75	27.75	0	185	185
Total : 2005-2006 (as on 30.06.06)	30.00	120.00	150.00	200	800	1000	0.00	27.75	27.75	0	185	185
Grand Total :	4987.99	4908.24	9906.23	78824	58957	137781	3908.96	5434.64	9343.60	55412	68321	123733

NOTE : The physical & financial achievements for Sanctions & Disbursements are not comparable as the State Channelising Agencies avail Disbursements as per the finalised lists of applicants selected by them, which may differ from the gender-wise coverage envisaged at the time of Sanction.

Ref. minra08.dbi/frx/prg

YEARWISE BENEFICIARIES COVERED UNDER TERM LOAN, MCF & MSY SCHEMES FOR SCs ONLY

Sno.	Financial year	Beneficiaries covered			Total
		Term Loan	MCF	MSY	
1	1989-90	313	0	0	313
2	1990-91	9938	0	0	9938
3	1991-92	8745	0	0	8745
4	1992-93	15017	0	0	15017
5	1993-94	6062	0	0	6062
6	1994-95	8956	0	0	8956
7	1995-96	13191	0	0	13191
8	1996-97	9854	0	0	9854
9	1997-98	7398	0	0	7398
10	1998-99	17606	0	0	17606
11	1999-2000	16250	0	0	16250
12	2000-2001	27392	21916	0	49308
13	2001-2002	39509	36966	0	76475
14	2002-2003	39968	36013	0	75981
15	2003-2004	14033	17289	28504	59826
16	2004-2005	10873	11364	11252	41489
17	2005-2006	296	185	9162	9643
Total :		253401	123733	48918	426052

- NOTE : (1) The Beneficiaries-coverage figures pertain to SCs target group only.
 (2) The figures under Term Loan scheme from the year 1989-90 to 1998-2000 have been estimated proportionately on Sanction basis from the Funds Disbursed to SC and ST Beneficiaries.
 (3) The figures under Term Loan scheme from the year 2000-01 to 2005-2006 are actuals.
 (4) The MCF Scheme was introduced v.e.f. 2000-01 and MSY Scheme was introduced v.e.f. 2003-04.
 (5) The figures under MCF & MSY schemes are actuals.

Details of Proposal Pending, Proposal Received, Sanctioned and Proposal Rejected

Annex - III

Schemes	1991-92		2001-02		1991-92		2002-03		1991-92		2003-04		1991-92		2004-05		1991-92		2005-06		Total Pending (as on 12.07.05)	
	Pending as on 31.03.00	Received Sanctioned	Rejected 31.03.02	Accepted 31.03.02	Accepted Sanctioned	Rejected 31.03.03	Accepted Sanctioned	Rejected 31.03.04	Accepted Sanctioned	Rejected 31.03.05	Accepted Sanctioned	Rejected 31.03.06	Accepted Sanctioned	Rejected 31.03.07	Accepted Sanctioned	Rejected 31.03.08	Accepted Sanctioned	Rejected 31.03.09	Accepted Sanctioned	Rejected 31.03.10		
Central Prison	9	8	17	0	0	0	21	28	0	0	3	34	25	0	0	0	11	18	18	11	0	0
Armeded Prison	1	0	1	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LABOR	0	25	20	9	6	9	12	5	0	12	0	0	0	11	0	0	0	4	0	0	0	0
LABOR	5	18	9	5	1	1	12	4	1	3	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PHOTOGRAPH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DRUM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DATA K. HAVELI, MATH	15	5	5	12	6	2	26	19	6	7	13	0	5	8	11	2	2	1	0	0	0	0
501	4	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
502	3	9	0	3	3	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
503	17	5	12	9	1	1	10	10	2	2	2	0	0	0	0	0	0	0	0	0	0	0
504	1	18	14	1	1	1	16	15	1	1	3	3	2	0	0	0	0	10	12	7	0	0
505	2	7	7	0	0	0	2	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
506	1	5	9	9	0	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
507	1	3	2	2	0	0	1	9	1	0	0	0	0	0	0	0	0	0	0	0	0	0
508	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
509	7	7	8	1	1	1	5	9	1	0	0	0	0	0	0	0	0	0	0	0	0	0
510	68	22	58	26	9	9	73	48	3	2	8	5	5	0	0	0	0	25	7	7	0	0
511	59	48	49	29	20	20	125	95	15	14	1	16	1	1	1	1	1	14	19	21	0	0
512	18	8	7	2	2	2	8	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
513	23	1	0	1	1	1	21	1	1	1	0	0	0	1	1	1	1	0	0	0	0	0
514	16	4	12	1	1	1	7	21	1	1	0	0	0	0	0	0	0	0	0	0	0	0
515	7	6	7	1	2	1	4	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0
516	17	13	22	3	3	3	11	13	1	0	0	0	0	0	0	0	0	0	0	0	0	0
517	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
518	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
519	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
520	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
521	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
522	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
523	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
524	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
525	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
526	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
527	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
528	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
529	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
530	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
531	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
532	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
533	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
534	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
535	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
536	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
537	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
538	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
539	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
540	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
541	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
542	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
543	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
544	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
545	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
546	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
547	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
548	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
549	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
550	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
551	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
552	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
553	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
554	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
555	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
556	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
557	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
558	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
559	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
560	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
561	0	10	0	0	0	0</																

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Recommendations/Observations	Ministry/Department
1.	63.	<p>The National Scheduled Castes Finance and Development Corporation (NSFDC) was set up on 8th February, 1989 as an apex Corporation to act as a catalyst to strengthen the States/Union Territories Scheduled Castes and Scheduled Tribes Development Corporations through resource backup, programme support and policy feed back. Before bifurcation, this Corporation was providing financial and development assistance to both the Scheduled Castes and Scheduled Tribes beneficiaries having income upto double the poverty line. After carving out a separate Corporation for Scheduled Tribes beneficiaries w.e.f. 10.4.2001, the mandate of this Corporation has been confined to providing financial and development assistance to Scheduled Castes beneficiaries only. The main objectives of this Corporation are financing income generating schemes for Scheduled Castes, providing micro credit finances to the target groups, providing grant for skill development programmes through the State Channelising Agencies (SCAs), providing advisory services to the target groups and SCAs and upgrading the skill levels of SCAs etc. This Corporation with its seven Zonal Offices provide concessional financial assistance for income generating and viable projects through 36 State/UT Channelising Agencies. Besides providing financial assistance through a number of finance programmes, this Corporation has also been implementing (i) Micro-Credit Finance Scheme and (ii) Mahila Samridhi Yojana with a view to enlarging the scope of coverage of women beneficiaries. This Report of the Committee specifically examine the economic upliftment of scheduled caste women through NSFDC. The examination of this subject by this Committee has revealed that there is a lot of scope for efficacious and purposeful implementation of schemes formulated by the Government for providing financial assistance to Scheduled Castes women beneficiaries which are primarily income and employment generating meant for betterment of their economic condition. The specific recommendations of this Committee have been brought out in the subsequent paragraphs of the Report.</p>	Ministry of Social Justice and Empowerment

2.	64.	<p>The Committee have been informed that besides providing financial assistance through a number of programmes to scheduled caste beneficiaries the two schemes viz. the Micro-Credit Finance Scheme and the Mahila Samridhi Yojana were launched by the Government in June, 2000 and October, 2003 respectively with a view to promoting gender equality, economic empowerment of women and enlarging the scope of the coverage of scheduled caste women beneficiaries. The Committee note that as on 31st March, 2005, 55412 women beneficiaries were benefited under the Micro Credit Finance Scheme and 48918 women beneficiaries were benefited under the Mahila Samridhi Yojana which is being implemented only in eight States viz. Andhra Pradesh, Chandigarh, Chattigarh, Karnataka, Kerala, Madhya Pradesh, Rajasthan and West Bengal. The Committee while expressing their concern over the low coverage of these schemes feel that these schemes have not been implemented in the right perspective due to inadequate publicity and lack of awareness of the benefits of these schemes among targeted beneficiaries. The representative of the Ministry, however, informed that the Mahila Samridhi Yojana was circulated to all the States but States did not submit their demand for loan.</p> <p>During their visit to Kolkata also, the Committee had expressed their concern over the poor implementation of Mahila Samridhi Yojana. The representative of the Ministry informed the Committee that in response to the directions given by the Committee in Kolkata the Ministry/Corporation made a review of the implementation of the Mahila Samridhi Yojana and also initiated a number of steps to enlarge the scope of beneficiaries in West Bengal. The Corporation, in this regard adopted a mission-mode strategy to implement Mahila Samridhi Yojana by providing an integrated package of awareness camps, skill development, target funding thereafter to target groups besides reaching out to poor beneficiaries in rural and suburban areas. As a result thereof, 7800 scheduled caste women beneficiaries were covered under this approach in eight Districts of West Bengal. Further the State Channelising Agencies were encouraged to strengthen their capacity of field level support system to identify, train and form self help groups to encourage women beneficiaries in all regions to avail this scheme. The Committee have gathered an impression that</p>	
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		<p>this scheme has not been able to achieve its slated objectives owing to its inefficient implementation. The Committee, therefore, desire that the Ministry/Corporation should take appropriate steps to identify the factors responsible for the poor implementation of Mahila Samridhi Yojana and also for not getting positive response from the women beneficiaries in these States. Besides this, the Ministry should also conduct a survey of these States to identify the reasons which might be responsible for the poor implementation of this scheme in these States so that corrective measures could be taken in this regard. The Committee also suggest that attitudinal changes need to be brought about in the officials of corporation/State Channelising Agencies entrusted with the task of implementation of the scheme for making conscious efforts to develop awareness among illiterate beneficiaries of the basic components/objectives of these schemes.</p> <p>The Committee also desire that the objectives/components of these schemes should be given a wide publicity in those States where these schemes got poor response. The Government should utilise both electronic and print media for dissemination of basic components and objectives of these schemes so that adequate publicity about these schemes could reach throughout India including hilly and remote areas of the country. They feel that a separate budget should also be allocated for publicity purposes.</p> <p>They are of the opinion that people's representative, NGOs and Self Help Groups can also play an important role in generating awareness among women beneficiaries about the benefits of these schemes. They, therefore, urge upon the Ministry/Corporation/SCDCs to actively involve these agencies and people's representative in generating awareness among targetted beneficiaries as they can play a vital role and also act as a bridge between Government and potential beneficiaries.</p>	
3.	65	<p>The Committee note that one of the major problems being faced by the women beneficiaries is the lack of marketing facilities of their products due to which these women beneficiaries are not able to face the high level of competition. The Committee have been given to understand that NSFDC is one of those financial institutions which appraise each and every project and no project is sanctioned without the examination of financial</p>	

		<p>liability, technical feasibility and product marketability. There is no proposal to give purchase preference to women entrepreneurs. The Committee feel that merely appraisal of the project to assess its financial viability or otherwise is not sufficient, as it would only provide the beneficiaries the knowledge about the saleability of their products but not the marketing linkages. The Committee are of the view that unless women are not provided with proper training to improve the quality of their products, they cannot face the stiff market competition which is required for their sustenance. In this regard, the Committee have been informed that NSFDC has sanctioned 439 training/EDP Programmes to upgrade the skill of 27,127 SC/ST beneficiaries with its share of 6.39 crores. The Committee desire that to impart training to women beneficiaries, training programmes should be organised by the Corporation at regular intervals and a separate allocation in the budget should be made for the purpose.</p>	
4.	66.	<p>The Committee have been informed by the Ministry that there is need to reform the State Corporations in order to make them viable. In this connection, a reform agenda containing suggestions for prescribing prudential norms, well defined beneficiary selection process, transparent asset delivery system, establishment cost disbursement rates, minimum recovery standard etc has been suggested to State Governments which was prepared on the basis of impact evaluation, project monitoring experience and funding repayment analysis. The Committee would like the Ministry/Corporation to take expeditious steps in persuading the State Governments/UT Administrations to implement these suggestions without further delay so that the functioning of State Corporations are streamlined and make them viable to implement the schemes of the Government.</p>	

5.	67.	<p>The Committee find that the existing procedure for sanctioning of loan to the targetted women beneficiaries is time consuming. The loan applications are processed through four stages which include issue of sanctioning letter to the beneficiaries by the SCAs, execution of loan documents by the beneficiaries, obtaining choice of assets from beneficiaries and finally disbursement of loan from the NSFDC which has to be disbursed within 90 days. The Committee note that the average time taken in sanctioning and disbursement of loan to the beneficiaries by SCAs varies from State to State and which ranged from 2-8 months. The Committee are of the view that the delay in getting loan often lead to defeat the very objective for which the loan has been asked by the beneficiaries. The Committee, therefore, desire the Ministry to formulate specific guidelines with regard to the time frame from receiving applications for grant of loan to the final disbursement of loan amount to the women beneficiaries. The Committee further desire the Government to simplify the cumbersome procedure of sanctioning, disbursement of loan to beneficiaries and take appropriate measures to eliminate the delay in the process.</p>	
6.	68.	<p>The Committee note that while preferring loan application the beneficiaries have to arrange guarantors to repay the loan sanctioned to them. The Committee are of the view that beneficiaries always face a great difficulty in arranging guarantor who could stand as surety for them for repaying the loan which is a pre-requisite condition for getting a loan. Agreeing to the views of the representative of the Ministry that sanctioning of loan amount should be secured by a guarantor so that the Corporation may not find any difficulty in recovering the loan from the borrower, they are of the view that loan should not be delayed/denied to women beneficiaries due to non-availability of the guarantor. The representative of the Ministry during evidence, however, informed that SCAs are persuaded to provide guarantee for the beneficiaries through Self Help Groups. The Committee, therefore, desire that the Government should issue specific directions to State Governments/ SCAs for arranging guarantor for beneficiaries through Self Help Groups/NGOs to avoid any hardship being faced by beneficiaries in this regard.</p>	
7.	69.	The Committee expressed their deep concern	

	<p>when they found that 138 out of 687 i.e. 20%, 107 out of 737 i.e. 14% and 181 out of 453 i.e. 39% loan applications of beneficiaries were rejected during 2001-02, 2002-03 and 2004-05 respectively. Even during 2005 till date, the percentage of rejection is 19.6%. The Committee do not agree with the Ministry that under Channel Finance system areas like publicity of schemes, selection of applicants, project implementations and loan recovery are in the exclusive domain of SCDCs and the Corporation did not carry out any scrutiny of work done by SCAs. The Committee are surprised to note that the Corporation has not taken any steps to find out the specific reasons for rejecting such a huge number of loan applications taking the plea that it is a domain of SCDCs. While the Committee are conscious of the fact that it may be under the domain of SCDCs, the Ministry/Corporation cannot wash off their hands and delegate the entire responsibility of loan sanctioning process upon SCDCs. The Committee are of the view that Ministry/Corporation should perform the role of a true catalyst and induce SCDCs to be reasonable and impartial while scrutinizing loan applications of the beneficiaries. The Committee are of the opinion that since scheduled caste beneficiaries, especially women beneficiaries who sometimes are not educated and do not possess the basic knowledge of filling up the application forms for loan with the result that their applications are rejected on technical grounds. The Committee also desire that the Ministry/Corporation should ensure that the genuine cases for sanction of loans are not rejected. In this regard, the Committee would like the Ministry/Corporation to take appropriate measures in providing assistance to beneficiaries while filling the loan applications so that the same may not be rejected on technical grounds. The Committee further desire the Ministry/Corporation to get the scrutiny done of all the applications rejected during the last three years to find that these were not rejected on flimsy grounds. The Committee wish to be apprised of the outcome of such scrutiny. The Committee suggest that the Corporations should ask the State Corporations to submit at regular interval the information with regard to receipt, disposal and pendency of loan applications including the number of applications rejected and reasons for the rejection.</p>	
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9.	70.	<p>The Committee had been informed that the cumulative recovery of NSFDC from State Corporations/SCAs as on 31st December, 2004 was 89% with an outstanding amount for recovery of Rs. 395.81 crore including the amount not yet due for recovery. NSFDC overdues as on 25th February, 2005 were Rs. 87.59 crore and the major defaulting SCAs were Tamil Nadu, Bihar, Assam and Orissa. The representative of the Corporation during evidence informed that Orissa has a Government Guarantee shortfall of Rs. 2.49 crore and unpaid overdues were as old as from 2001-2002. The Committee also find that the existing percentage of recovery from beneficiaries are in the range of 42% to 45%. The SCAs had a cumulative demand of Rs. 18.74 crore to be recovered from the beneficiaries of the NSFDC-funded schemes. In their post evidence reply, the Committee have been informed that as on 10th July, 2005, the recovery received by NSFDC from SCAs and overdue amount to be paid by SCAs to NSFDC are Rs. 69443.83 lakh and Rs. 9379.41 lakh respectively. The Committee are concerned to note that the recovery of loan granted to beneficiaries under various programmes and schemes of Government has been very low. They feel that the existing mechanism for recovery of loan both at the Centre and State is not proving effective as is evident from the continued poor recovery position in respect of States like Orissa, Bihar, Assam and Tamil Nadu. The Committee, further, desire the Ministry/Corporation to take up the matter with the concerned State Governments on priority basis to persuade them to take appropriate measures in this regard. The representative of the Ministry during evidence conceded that there is a need to improve the viability of SCAs, and enhancement of their capacity and also the prudence norms such as transparent selection process, efficient delivery mechanism, minimum standard of recovery from beneficiaries and also reducing the establishment cost are to be adhered to, for improving the recovery position. Besides taking these measures, the Committee also desire the Ministry to devise other ways and means for strengthening the existing recovery mechanism for improving recovery position. The Committee also recommend that separate Recovery Cells should be set up both at Centre and State level to monitor the recovery process of outstanding loans from SCAs/beneficiaries.</p>	
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9.	71.	<p>The Committee note that a loan of Rs. 25000 is being given to the beneficiaries as financial assistance in Micro Credit Finance Scheme and Mahila Samridhi Yojana. The Committee feel that this amount is not adequate to support new venture in the present times. The representative of the Ministry while realising the need for collective improvement in this regard informed that the amount may be increased in future if needed but it could not be done at Ministry level as there are RBI guidelines on this aspect. It could be done only after consulting the Ministry of Finance/RBI. The Committee, therefore, desire the Ministry to take up this issue with the Ministry of Finance/RBI for revising the limit of loan amount suitably keeping in view the demand and requirement of targetted women beneficiaries. The Committee would like to be apprised of the response of the Ministry of Finance/RBI in this regard at the time of furnishing the action taken replies.</p>	
10.	72.	<p>The Committee have been informed that only four complaints have been received against the officers of the NSFDC from VIPs/Ex-MPs and others belonging to general public during the last three years and no complaint has been received against the officials of the NSFDC from State Governments. The Committee feel that the existing grievance-redressal mechanism is not proper when they find that no complaint has been received against the junior staff of the Corporation and SCAs. Even the cases which are under examination against two senior executives charged with administrative and financial irregularities have been pending/under examination. No reasons for such pendency have been furnished to the Committee. Even the 3rd case where charge-sheet was issued and a departmental enquiry has been completed is yet to be finalised. The Committee do not agree with the Ministry that no complaints against the officials have been made, keeping in view the fact that the Corporation and SCAs deal with the women beneficiaries in respect of financial transactions. The Committee are of the opinion that existing grievance redressal mechanism need to be strengthened and there is an urgent need for an institutionalised mechanism for the redressal of grievances both at Central and States. The Committee, therefore, desire the Ministry/Corporation to set up a Grievance Redressal Cell both at the Centre and States Corporations for this purpose. They are also of the</p>	

		<p>opinion that if complaint boxes are made available in NSFDC and SCAs, the beneficiaries could drop their grievances/complaints in those boxes. The Committee also desire the Ministry to expedite the pending cases against the officers without further delay and take appropriate action against these officials if found guilty to avoid recurrence of such cases in future. The Committee would like to be informed about the action taken in these cases within three months after the presentation of the Report.</p>	
11.	73.	<p>The Committee are concerned to note that as on 25th February, 2005, there were 30 vacancies in various grades of the NSFDC hierarchy. The Committee have been informed that the Corporation has initiated the process of filling up these vacancies depending upon operational requirements. The Committee do not agree with the Ministry that the lending function of the Corporation has not been affected due to the shortage of staff, as informed by the Ministry. In their opinion such a large number of vacancies do affect the functioning of any organisation. The Committee, therefore, desire that the Ministry/Corporation should take expeditious steps to fill up these vacancies so that the smooth functioning of the Corporation is not affected.</p>	
12.	74.	<p>The Committee have been informed that there is no separate prescribed monitoring authority at National or State level to monitor the functioning of the NSFDC or SCDCs. The Ministry is monitoring the functioning of NSFDC and SCAs in respect of sanctioning, disbursement and recovery of loans through monthly, quarterly progress reports, periodical review of the functioning of the Corporation and SCAs by senior officer of the Corporation. Besides this, senior Central Government Officers are nominated in the Boards of NSFDC and SCAs who review the implementation of the schemes at State level. Taking note of poor recovery position in various States, inadequate publicity and public awareness among beneficiaries of the benefits of the schemes which resulted in the poor implementation of the schemes in various parts of the country, the Committee feel that the existing monitoring mechanism is not adequate and effective and there is need for strengthening the existing mechanism both at Central and States. The Committee, therefore, desire that the existing</p>	

		monitoring mechanism should be strengthened in close coordination and consultation with the State Governments. They are, therefore, of the view that separate monitoring Cells should be also set up both at Centre and States to monitor the implementation of various schemes. The Officers of these Cells should pay regular visit to States and Districts to get a feedback about the implementation of these schemes, to hold meetings with the State level and District level officers for making a periodical review of the implementation of the various programmes launched under the schemes which will enable them to find out the shortcomings, lacunae and bottlenecks in the implementation of the schemes for taking timely remedial action.	
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NEW DELHI
8th August, 2005
17, Sravana, 1927 (Saka)

(KRISHNA TIRATH)
CHAIRPERSON
COMMITTEE ON EMPOWERMENT OF WOMEN

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE ON EMPOWERMENT OF WOMEN (2004-05)

The Committee sat on Monday, the 7th February, 2005 from 1500 hours to 1615 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

IN CHAIR

Smt. Krishna Tirath - **Chairperson**

MEMBERS

LOK SABHA

2. Smt. Manorama Madhawraj
3. Shri Rajesh Kumar Manjhi
4. Smt. Kalpana Ramesh Narhire
5. Dr. P. P. Koya
6. Smt. Preneet Kaur
7. Smt. K. Rani
8. Smt. Minati Sen
9. Smt. Sangeeta Singh Deo
10. Smt. C.S. Sujatha
11. Smt. Tejashwini See Ramesh

RAJYA SABHA

12. Smt. Prema Cariappa
13. Smt. S. G. Indira
14. Smt. Chandra Kala Pandey

SECRETARIAT

1. Shri M. Rajagopalan Nair - Additional Secretary
2. Shri R.S. Mishra - Deputy Secretary
3. Smt. Veena Sharma - Under Secretary
4. Shri V.P. Goel - Assistant Director

WITNESSES

Ministry of Social Justice and Empowerment

1. Smt. Sarita Prasad - Secretary
2. Shri P. Nayarana Murthy - Joint Secretary

National Scheduled Caste Finance & Development Corporation

1. Dr. Amitab Rajan - CMD

2. At the outset, the Hon'ble Chairperson welcomed the Hon'ble Members and the officials of the Ministry of Social Justice & Empowerment and the National Scheduled Caste Finance & Development Corporation to the sitting of the Committee. Thereafter, Hon'ble Chairperson informed that the Committee have selected the subject '**Economic Upliftment of Scheduled Caste Women through National Scheduled Caste Finance and Development Corporation**' for detailed examination and Report.

3. Thereafter, the representatives of the Ministry and the Corporation gave a brief account of the functioning of the National Scheduled Caste Finance and Development Corporation covering inter-alia, various points such as the number of women benefited under the various schemes of the Corporation in different States, the new Scheme introduced by the Corporation viz. Micro Finance Scheme/Mahila Samridhi Yojna, the response of various States in absorbing funds from the Corporation, the problems and the initiatives being made by the Corporation to overcome them etc. During the course of evidence, Hon'ble Members also raised queries on a number of issues specifically on Mahila Samridhi Yojna and the need to generate awareness about the schemes of NSFDC among the target beneficiaries, which were replied to by the representatives of the Ministry/Corporation.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE NINTH SITTING OF THE COMMITTEE ON EMPOWERMENT OF
WOMEN (2004-2005)**

The Committee sat on Monday, the 8th August, 2005 from 1530 hours to 1610 hours in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Smt. Krishna Tirath - Chairperson

MEMBERS

LOK SABHA

2. Shri Joachim Baxla
3. Smt. Manorama Madhawraj
4. Shri Rajesh Kumar Manjhi
5. Smt. P. Jaya Prada Nahata
6. Smt. Kalpana Ramesh Narhire
7. Smt. K. Rani
8. Smt. Sangeeta Singh Deo
9. Smt. C.S. Sujatha
- 10 Smt. Tejashwini See Ramesh
11. Smt. Jayaben Thakkar

RAJYA SABHA

12. Kumari Nirmala Deshpande
13. Smt. Maya Singh
14. Smt. Syeda Anwara Taimur

SECRETARIAT

1. Shri M. Rajagopalan Nair Additional Secretary
2. Shri R.C. Kakkar Deputy Secretary
3. Smt. Veena Sharma Under Secretary

2. At the outset the Chairperson welcomed the Members of the Committee. The Committee then took up for consideration the Draft Report on the subject 'Economic Upliftment of Scheduled Castes Women through National Scheduled Caste Finance Development Corporation'. After some deliberation the Committee adopted the Draft Report.

The Committee authorised the Chairperson to finalise the Draft Report in the light of consequential changes, if any, arising out of the factual verification and present the same to both Houses of Parliament during the current session.

The Committee then adjourned.
