

**GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA**

UNSTARRED QUESTION NO:4317
ANSWERED ON:26.08.2004
STUDIES ON FUNCTIONING OF FINANCIAL INSTITUTIONS
Ramadass Prof. M

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

- (a) the progress made by the Government towards achieving social and economic empowerment, in terms of special schemes implemented, outlay spent and the number of beneficiaries;
- (b) whether the Government is satisfied with the progress made;
- (c) if not, the steps proposed to improve the progress; and
- (d) the major findings of evaluation studies conducted by the Government on the functioning of financial institutions under the Ministry and the manner in which the recommendations are given effect to improve the functioning?

Answer

MINISTER OF STATE IN THE MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT (SMT. SUBBULAKSHMI JAGADEESAN)

(a) to (d) : The Ministry of Social Justice & Empowerment has set up five apex level Finance & Development Corporations for economic empowerment of Scheduled Castes, Safai Karamcharis, Other Backward Classes, Minorities and handicapped persons through micro-credit, term loan and Mahila Samridhi Schemes. Financial and physical achievements of each corporation since its inception are given below:-.

(Rs. in crore)

S.No	Name of the Corporation	Date of Inception since inception	Disbursement since inception	No. of beneficiaries since inception
1	National Scheduled Castes Finance & Development Corporation	08.02.1989	1113.84	416126
2	National Safai Karamcharis Finance & Development Corporation	24.01.1997	176.30	69731
3	National Backward Classes Finance & Development Corporation	13.01.1992	923.90	568000
4	National Minorities Development & Finance Corporation	30.09.1994	556.18	207000
5	National Handicapped Finance & Development Corporation	24.01.1997	83.70	18482

The Government has also got evaluated the functioning of these corporations by independent agencies.

A statement giving details of recommendations by these independent agencies in respect of each corporation is attached at Annexure.

Action is being taken on these recommendationsAnnexureStatement related to part (d) of the Rajya Sabha USQ No.4317 for 26.8.2004 regarding `Major findings of Evaluation Studies conducted by the Government on the functioning of the Financial Institutions` as on 24.8.2004

1.National Scheduled Castes Finance & Development Corporation (NSFDC) NSFDC sponsored `Impact Evaluation` studies to different agencies in 11 States in 2002 and 2003. The study covered 5713 beneficiaries. The study serves as feed back for the Corporation.

2.National Safai Karamcharis Finance & Development CorporationIndian Social Institute, New Delhi submitted a report on functioning of the Corporation.The salient recommendations are as follows:

(i)NSKFDC should reformulate its conditions for extending funds to the SCAs, recommendation in this regard are as follows:

(a) repayment condition from SCA should be brought down to 60 percent from existing 100 percent.

(b) The period for disbursement of the loan should be brought down to 60 days from existing 90 days.

(c) List of the beneficiaries should not be the pre-condition for release of funds.

(d) SCAs should be empowered to have freedom in deciding quantum of loan and other formalities for disbursement of the loan to the beneficiaries.

(ii) NSKFDC should formulate schemes for capacity building and infrastructure development of the SCAs to enable them to make use of information technology in linking beneficiaries to the apex body.

3. National Backward Classes & Finance & Development Corporation

(i) With regard to recovery from beneficiaries, the loans provided under Apex Corporations may be made to consider as arrears of Land Revenue Act or Recovery Act of the respective States for effective recovery from the beneficiaries and to check wilful defaulters.

(ii) Constant monitoring is the key factor for success of any scheme. Therefore, an officer at District level be made responsible to regularly monitor the activities of the beneficiaries by doing so. This will help in identifying potential sick units and remedial measures could be suggested to the beneficiaries without time lag.

4. National Minorities Development & Finance Corporation

(i) The SCAs may conduct surveys in each of the districts in the States to identify right kind of beneficiaries and provide loan to deserving.

(ii) The report suggests that since the target beneficiaries are living below double the poverty line and mostly illiterate, there is a need to disseminate information about NMDFC schemes also through Mosques, Churches, Gurudwaras, NGOs etc.

(iii) Provide marketing support to the beneficiaries.

(iv) Emphasis on the need for various types of training.

(v) Certain % age of loan to be allocated for women in all States.

(vi) Establishment of training schools for entrepreneurship in every State to train minorities to become entrepreneurs

5.National Handicapped Finance & Development Corporation Indian Institute of Public Opinion, New Delhi has been entrusted an evaluation study of National Handicapped Finance & Development Corporation in February 2004. The Institute has been given 8 months time to complete the studies.