

**GOVERNMENT OF INDIA  
WOMEN AND CHILD DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:7043  
ANSWERED ON:18.05.2012  
RASHTRIYA MAHILA KOSH  
Pathak Shri Harin

**Will the Minister of WOMEN AND CHILD DEVELOPMENT be pleased to state:**

(a) the quantum of funds sanctioned and disbursed to individuals/groups by Rashtriya Mahila Kosh during each of the last three years and the current year; and

(b) the mechanism in place to monitor the implementation of the scheme and to recover the loan?

**Answer**

MINISTER OF STATE OF THE MINISTRY OF WOMEN AND CHILD DEVELOPMENT (SHRIMATI KRISHNA TIRATH)

(a): The details of the loans sanctioned and disbursed by Rashtriya Mahila Kosh(RMK) during the last 3 years and the current year, are given below:

Rs. in Crore  
Year    Loans sanctioned    Loans disbursed

2009-10	14.71	15.63
2010-11	12.78	12.49
2011-12	19.85	16.31
2012-13	0.93	0.15

(b) The monitoring of the schemes implemented by RMK is done by the Governing Board and the General Body of RMK. Details of mechanism for recovery of loans are annexed.

Annex

ANNEX REFERRED TO IN PART (b) OF REPLY TO LOK SABHA UNSTARRED QUESTION NO.7043 TO BE ANSWERED ON 18th May, 2012 ASKED BY SHRI HARIN PATHAK REGARDING RASHTRIYA MAHILA KOSH

Recovery of RMK Loans

The RMK loans are recoverable from Intermediary microfinance organisations (IMOs) over a repayment period of 3 years (including the grace period of 6 months) in quarterly installments along with interest @ 8 per cent per annum on reducing balance. RMK follows the following procedure for recovery of loans:

(i) The repayment schedule is defined in advance, envisaging quarterly payment of principal and interest amount. The requisite Post Dated Cheques (PDCs) are collected as a risk mitigation measure.

(ii) Demand letters are issued before due dates to all IMOs at pre-defined due dates.

(iii) Quarterly list of defaults is reviewed regularly. Each defaulting NGO is contacted, either telephonically or through letters, to enquire about the reasons for default and the likely time for clearing of default.

(iv) The default loans accounts are handled as under:

(a) In the first instance reminders are sent to the defaulting IMOs asking them to pay the overdue amount, urgently.

(b) The defaulting IMO is sent first reminder, followed by another reminder and if required final warning (after 30 days from second reminder) to clear the overdues. If overdues still persist blacklisting is resorted to in case, an NGO commits default of 4 quarters of interest and / or 4 quarters of principal, or both. This has been an effective measure of recovery. Black- listing of the defaulting IMOs is

undertaken mainly to pressurize for urgent clearance of overdue. In case the IMO clears the loan overdue, it is removed from RMK black list.

(c) Post-dated cheques given by NGOs are deposited in the concerned banks; if returned unpaid, case(s) under section 138 of Negotiable Instrument Act (NIA) are filed in the Court.

(d) In case of chronic default, a 'recall-notice' is also issued calling the defaulting IMO to pay upfront the entire outstanding amount of the loan dues, in a month's time. If the recall-notice is not complied with, a PDC is lodged for the entire outstanding dues (loan instalments plus interest).

(e) Suits are filed or wherever applicable, Arbitration Process is followed, to recover the dues from the NGO where the loan repayment period has completed, as per the loan agreement.